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## **Global Rules to Shape Biofuel Market**

### ***Sustainability Must Guide New Rules on Biofuels, New Paper Finds***

Minneapolis – The long-term sustainability of the fast-moving global biofuel market will depend on changes to international trade and investment rules that govern energy, environment, agriculture and rural development, according to a new paper published by the Institute for Agriculture and Trade Policy (IATP) and the London-based International Institute for Environment and Development (IIED).

“This industry has developed so quickly that governments at all levels, but particularly at the global level, have been slow to set rules on how to manage its growth,” said Sophia Murphy, IATP Senior Advisor and author of the paper. “It is critical that governments set global rules that support environmental sustainability and economic development for more than just a few companies.”

The paper, “The Multilateral Trade and Investment Context for Biofuels: Issues and Challenges,” outlines the different interests of the largest global players in the biofuel market, including the U.S., European Union and Brazil. The paper analyzes biofuel trade within the context of World Trade Organization rules governing agriculture, environmental goods, services, patents and investment. Biofuels raise a number of tricky trade questions, including the acceptability of production and processing methods (PPMs) as a basis for discrimination among goods; the legitimacy of trade restrictive measures that support goals set in multilateral environmental agreements; and the effects of private standards on market access.

Current biofuel feedstocks are energy-intensive and involve largely industrial-scale monocultural production. In parts of the world, biofuel feedstock production is taking a heavy environmental toll on water, soil and ecological biodiversity. Investment from foreign firms seeking biofuel feedstock is also aggravating land disputes and intensifying the political fight to protect food security. The paper discusses some of the issues on developing sustainability standards for biofuel production and calls for a multilateral discussion to set trade and investment rules that support a fair and sustainable biofuel sector.

“International guidelines could complement what will ultimately be local and national decisions,” said Murphy. “Such guidelines could carve out space for policies that are dictated by human rights and environmental norms, and could help to reshape trade and investment obligations to be more supportive of sustainable development.”

The full paper can be read at: [www.iatp.org](http://www.iatp.org).

*The Institute for Agriculture and Trade Policy works at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems for all people. [www.iatp.org](http://www.iatp.org)*