

# Biofuel and Poverty Nexus in Asia

**Myo Thant**

**Manila, 11 June 2008**

# Interest in Biofuels has increased enormously:

- Production volumes
- Plans and policies
- Number of countries
- Different biofuel feedstock
- Research on second generation technology

# **Biofuels are motivated by:**

- **Energy security**
- **Environmental protection**
- **Rural development**

# Poverty in Asia is:

- still widespread
- 650 million under \$1/day definition (20%)
- 1.8 billion under \$2/day definition (55%)
- heavily rural
- food takes up a very high percentage of the consumption basket of the poor

# Two competing paradigms

- Food vs. fuel debate  
VS
- Rural development for Asia from biofuels

# Food vs. Fuel (con)

- Land use and commodity prices
  - Alternative outputs/diversion
  - Different crops
- Land clearing and environment
- Water availability and pollution

# Food vs. Fuel (pro)

- The amount of causation is insignificant
- Other causes are more important
  - Oil prices
  - Speculation
  - Increased demand
  - Land used for non-agri purposes

# Rural Development for Asia from Biofuels

- **Strengths: natural conditions, prior agro-industry experience, abundant labor**
- **Opportunities: high demand globally and regionally**
- **Well-suited crops**



# Crops with Potential in Asia

## a) Biodiesel

- **Jatropha (marginal land)**
- **Palm oil**
- **Coconut**
- **Pongamia**

## b) Bioethanol

- **Sweet sorghum**
- **Cassava**

# Crops with Potential in Asia

## c) Impacts

- Employment generation/income
- exports
- By products
- Power for offgrid rural areas

# Nothing can be assumed (1)

a) Food vs. fuel debate depends on

- feed stock
- country
- production pathway
- timeframe

# Nothing can be assumed (2)

b) Asian biofuel prospects depend on

- technology/productivity
- trade
- adoption of new crops
- appropriate scale
- security of tenure
- logistics, eg. pipelines

## **We need:**

- Evidence and informed debate
- Effective policy (feedstock, refining, markets)
- Public-private partnership/  
business models
- Regional and global  
agreements