

# Biofuels and Development: The Third Dividend



**Otaviano Canuto**

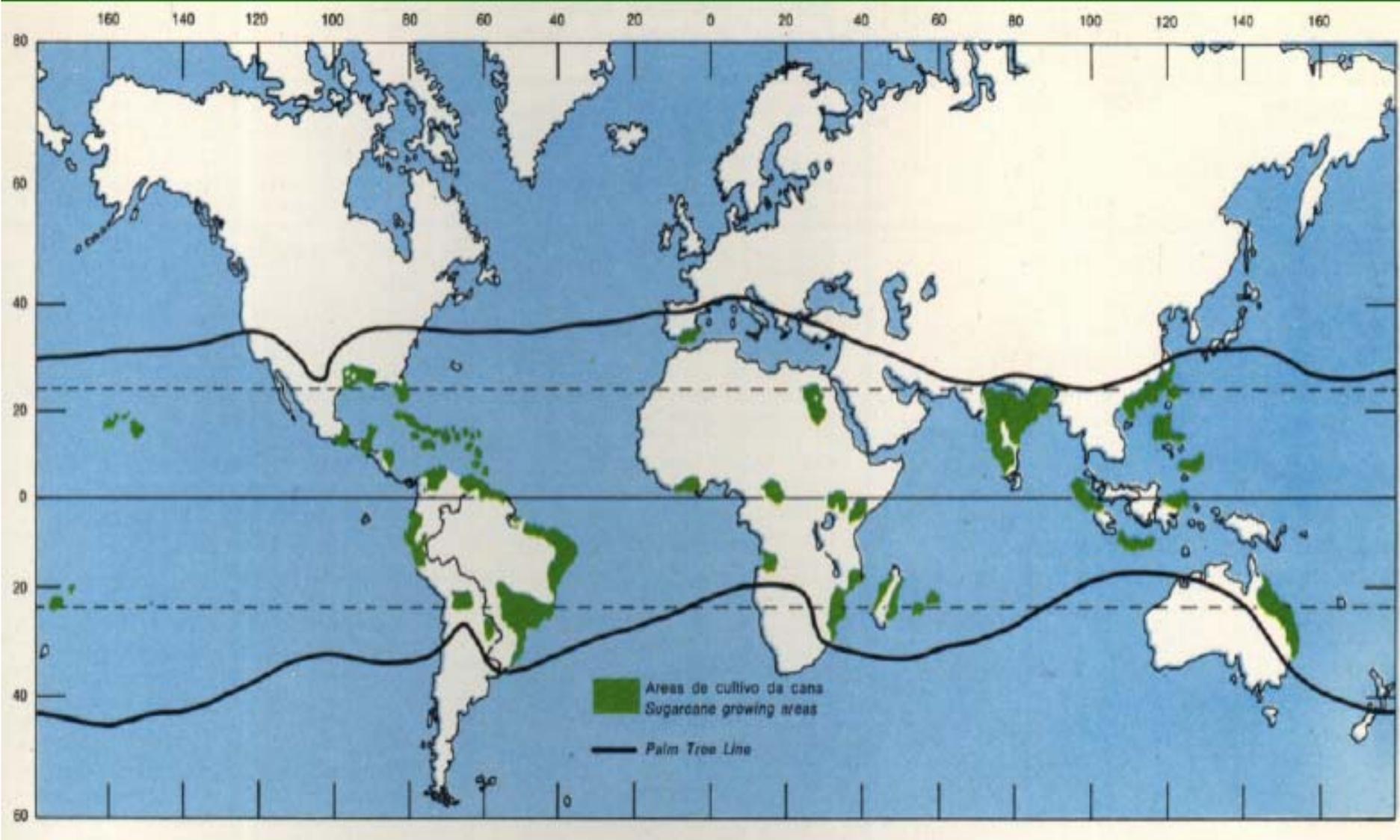
***Vice-President for Countries  
Inter-American Development Bank***

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# **ENERGY SECURITY AS A DRIVER TOWARD BIOFUELS**

- **High and volatile oil prices as a driver**
- **2 concepts of energy security**
- **Energy security in the current globalized context**
- **The role of markets**
- **Costs of energy diversification**
- **Conflict between self-sufficiency and energy security: the US case**
- **Energy security vs. food security at the global level?**

# Sugar Cane Growing Areas



# **ENVIRONMENTAL CONCERN AS A DRIVER TOWARD BIOFUELS**

- **Renewable, cleaner and lower-carbon fuels**
- **Controversy on efficiency and environmental impacts**
- **Granularity of demand and supply**
- **Item of a “menu approach” to cleaning energy**
- **Wait for other technological breakthroughs?**

# DEVELOPMENT AS A DRIVER TOWARD BIOFUELS

- Biofuels as an outlet for using idle resources in developing countries
- Does ethanol require, in order to remain competitive, oil prices to stay at the levels prevailing in the last few years?
- The “sugar price argument”
- Competitive production of ethanol is only feasible in Brazil?
- ***BOTTOMLINE: We should move toward a Regime of Free Trade on Sustainable Energy***

# Brazilian Ethanol Learning Curve

