

What is Global Biofuel Alliance?

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Establishment of a global biofuel alliance is a key policy objective for India as part of its G20 presidency.

At a time when the global energy policy landscape is being redrawn in the aftermath of the war in Ukraine, *Business Standard* takes a deep dive into India's ambitious plans to set up a new international alliance.

What are biofuels?

Unlike other renewable energy sources, biomass can be converted directly into liquid fuels, called "biofuels", to help meet transportation fuel needs. Ethanol is a renewable fuel made from various plant materials collectively known as "biomass". In India, while the list of alternative fuel resources includes agriculture and forest residue, Municipal Solid Waste, and cow dung, the government's main target is ethanol.

Sugarcane ethanol is an alcohol-based fuel produced by the fermentation of sugarcane juice and molasses. Because it is a clean, affordable and low-carbon biofuel, sugarcane ethanol has emerged as a leading renewable fuel for the transportation sector.

Why is the government focussed on creating a global biofuel alliance?

The government has emphasised on achieving energy security of the country with a target of reducing import

dependence and envisages a strategic role for biofuels in the Indian energy basket.

Biofuels are also key to the Centre's plans to provide better remuneration for farmers and doubling of farm income. It also plans to utilise these to also achieve foreign exchange savings.

The Niti Aayog believes having a global alliance will work towards building a global co-operative mechanism for increasing the role of biofuel in the global fuel basket.

The International Energy Agency has projected that by 2025, there will be biofuel worth nearly \$180 billion in the international market. New Delhi is pushing to ensure it dominates a policy space that dictates this market.

How did the idea come up?

India is the world's largest producer and consumer of sugar as well as the world's second largest exporter of sugar. The sugar industry in India suffers from cycling issues of demand-supply mismatch, low-cost recuperation and wastage.

As a result, the livelihood of millions of sugarcane farmers hangs in the balance every sugar marketing season. The government has pushed for diverting sugarcane supplies towards ethanol production to reduce this issue.

Meanwhile, India is push-

ing to quickly raise the share of ethanol in petrol sold for transport use. The phased rollout of E20 (20 per cent ethanol blending in gasoline) began earlier this month in 11 cities.

The Prime Minister's Office last year pushed for a coalesced effort to spearhead a global biofuels alliance. Officials say the brief is to replicate India's initiative to build the International Solar Alliance, which has expanded to 123 signatory nations.

What does the alliance intend to do?

The government has said the alliance will be aimed at facilitating cooperation and intensifying the use of sustainable biofuels, including in

the transportation sector. It will place emphasis on strengthening markets, facilitating global biofuels trade, development of concrete policy lesson-sharing and provision of technical support for national biofuels programs worldwide. It will also emphasise the already-implemented best practices and success cases.

It will work in collaboration with and complement the relevant existing regional and international agencies as well as initiatives in the bioenergy, bioeconomy, and energy transition fields more broadly.

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