

Open Letter to the Members of European Parliament

Re: EU Biofuel Policy

URGENT: re amendments and vote on the Draft Opinion on A Roadmap for Renewable Energy in Europe (Rapporteur: Britta Thomsen)

Date: 4th June 2007

Dear Madam/Sir,

As you know, the European Commission is currently working on a proposal for a revised Biofuels Directive, expected to be published in autumn. According to these plans, 10% of all transport fuels have to be biofuels by 2020. Many organisations now prefer to call biofuels 'agrofuels', since the word 'bio' fuels creates an image of being environmentally friendly by definition, which most of them certainly are not.

In earlier communications from the Commission, it has always been stressed that the promotion of biofuel use in transport should make sure that these agrofuels are 'sustainably produced'. The Spring Council has emphasised that again by making the mandatory target of 10% by 2020 for agrofuels 'subject to' their sustainable production.

We call upon Members of European Parliament not to support this 10% target in the absence of clear sustainability safeguards, and to do everything they can to ensure that all financial and other forms of support for the production of agrofuels from large-scale monocultures are suspended. At this moment, the sustainability of agrofuel production for the EU market cannot be guaranteed, for reasons that are outlined below.

It should be stressed, in particular, that despite the earlier expressed intentions to put in place safeguards for the sustainability of agrofuel production, the three criteria and the monitoring system the European Commission is planning to introduce leave nearly all sustainability issues uncovered, do not address the indirect impacts and do not even guarantee a substantial climate benefit.

MEPs HAVE THE OPPORTUNITY TO COMMENT ON A DRAFT OPINION: A Roadmap for Renewable Energy in Europe (Rapporteur: Britta Thomsen) BY 6TH JUNE. We ask you to suggest amendments and to support amendments from other MEPs that call for the following:

1. No targets OR incentives (subsidies, tax breaks) UNLESS and UNTIL satisfactory sustainability guarantees are in place.
2. Indirect impacts, especially macro-impacts must be included in any assessment of the impact of agrofuels and must be fully addressed by sustainability safeguards, as these could be far greater than any CO2 saving agrofuels could provide.

Macro-impacts

While it is acknowledged that criteria and certification cannot address impacts on macro-level such as displacement and rising food prices, the EC only proposes monitoring and reporting about land use change, without any implications for the target. The European Commission have confirmed in a response to a parliamentary question by Caroline Lucas MEP that they will not be able to guarantee the sustainability of imports, and that they will not address indirect impacts. The Cramer Report, on the other hand, stresses that some of the most serious negative impacts of biofuel production are

indirect impacts on land use, and that those must be controlled if sustainability is to be guaranteed. We believe that the European Commission's proposal does not fulfil the conditions set by the Spring Council.

Indirect impacts include:

- * plantation companies selling produce grown on previously deforested land for the EU biofuel market, whilst at the same time destroying virgin rainforest to grow produce for food markets or biofuel markets outside the EU;

- * displacement of other agricultural activities, including subsistence farming and cattle ranching into old growth forests as plantations are expanded;

- * the increasing use of rapeseed oil for biodiesel in Europe pushing up palm oil prices, as palm oil fills the gap in food and chemical markets (tinyurl.com/2kmg5), thus incentivising investment in new plantations, often at the expense of rainforests;

- * the growing global demand for biofuels pushing up the price of soya which, according to NASA, correlates with the rate of Amazon deforestation (<http://tinyurl.com/2pfga4>).

Any system to guarantee the sustainability of agrofuels production should be capable of addressing the indirect effects of large-scale agrofuel production, as the Cramer Report rightly stresses. We also highlight the devastating impact of rising prices of commodities like soy on forests.

No social or environmental criteria included

No social criteria or environmental criteria protecting water, soil quality or preventing pollution are being considered by the EC at this point. This makes nonsense of any notion of 'sustainable agrofuels'. Like many other NGOs and social movements, we insist that sustainability standards and criteria should also address the social and human rights impacts of agrofuels.

Food security and food sovereignty, human rights, working conditions, land rights and rural poverty are all issues that should be included. Monoculture plantations are notorious for their impact on local populations. This cannot be allowed to continue, especially not with EU public support like tax breaks and subsidies.

The Chair of the U.N. Permanent Forum on Indigenous Issues has warned that 5 million indigenous people in West Kalimantan alone are likely to become refugees because of biofuel expansion. The EU proposals suggest, however, that palm oil grown on land from which people have been evicted, quite possibly through violence and without any compensation, can be classed as 'sustainable'. This is not acceptable.

No climate ambition

The criteria the EC is thinking to propose state that agrofuels are only eligible for support if their greenhouse gas balance is at least just above zero (or perhaps, give 10% CO₂ saving). The Dutch Cramer report mentions a minimum of 30% CO₂ saving, while Dutch environmental NGOs demand a minimum of 50% for agrofuels. However, the expansion of monoculture crops, this time for agrofuels, is in fact threatening to greatly accelerate climate change. This was confirmed by scientists meeting in Hong Kong at the end of May (<http://www.alertnet.org/thenews/newsdesk/HKG80770.htm>).

Indonesia's biofuel plans are set to expand Palm Oil production 43-fold (<http://tinyurl.com/33lb7r>) and threaten most of that country's remaining rainforests and peatlands. If those plans are implemented, 42-50 billion tonnes of carbon could well be released into the atmosphere. This is the equivalent of around six years of global fossil fuel burning. Palm oil expansion in South-east Asia is fuelled by rising commodity prices. Losing this carbon sink alone will make climate stabilization very difficult it not unlikely to achieve. Even if the EU tried to discriminate against palm oil for agrofuel, increased demand for palm oil in the food, cosmetic and chemical industries due to resource displacement (using palm oil where rape oil is being diverted to biofuel) will have the same effect.

NASA scientists have shown that the rate of Amazon deforestation directly correlates with the world market price of soya [<http://tinyurl.com/2pfga4>]. That price is expected to rise sharply as demand for soya biodiesel grows. Soya expansion is linked to deforestation not just in the Amazon but also elsewhere, including the Pantanal, Cerrado, South America's Atlantic Forest and a portion of the Paranaense forest in Paraguay and North of Argentina. Scientists are warning that the Amazon may be close to a tipping point, beyond which it could die back in a vicious cycle of mega-fires and droughts. The Amazon relies on rainfall which is recycled by the forest itself. Deforestation reduces the amount of rainfall and threatens to tip the whole ecosystem into collapse. 2005 and 2006 saw two years of drought unprecedented in living memory and there are indications that drought conditions are returning in 2007, which could be a first sign of imminent collapse of large parts of the Amazon forest. Biofuel expansion is pushing up the price of soya and is thus becoming another driver for deforestation, making the collapse of the Amazon ecosystem more likely. If the Amazon was to die back, it would be impossible to stabilise the global climate at all, and global food supplies could be immediately threatened due to major changes in rainfall patterns. This is not a risk which we can afford to take.

No adequate stakeholder consultation with the South

In addition, we are very concerned that the EC is engaged in this policy making process without full and effective consultation of NGOs, farmer's movements, Indigenous Peoples and other stakeholders in developing countries, which are likely to produce the majority of agrofuels needed to meet the proposed target of 10%. These groups are the ones likely to be affected by the expansion of plantations for agrofuel production.

This lack of consultation is unacceptable from a moral point of view, as environmental and social standards might be developed that do not address local and national priorities, including in the field of biodiversity conservation. Moreover, it also creates a major risk that the system that will be designed will not be enforceable in the main producer countries, as it does not take into account limitations in law enforcement capacity and the capacity to monitor and verify the implementation of the standards and criteria proposed.

Civil society organisations in the South have had very mixed experiences with 'sustainability certification schemes'. The existing voluntary schemes for certification are now often taken as an example to be used in EU policy. However those stakeholder forums, namely the Round Table for Sustainable Palm Oil (RSPO) and the Roundtable on Responsible Soy (RTRS), do not actually certify any produce as yet. In addition, they have all had issues with failing to ensure stakeholder participation or have been strongly criticised, including by NGOs in Papua New Guinea (RSPO) and NGOs and farmers organisations in Paraguay and Argentina (RTRS).

Without addressing these indirect impacts, the effects of the target of 10% are likely to be absolutely dramatic for the world's forests and Indigenous Peoples, and many other ecosystems and rural communities.

In our opinion, trying to achieve the sustainable production of commodities for the EU market, something which is highly necessary, has to be accompanied by a decrease, rather than an increase, of EU demand for these commodities. It is hard to see how with a world wide demand increase any set of criteria can guarantee sustainability of production. Sustainability criteria are only a valid tool if they really can guarantee sustainability, which by definition includes securing a sustainable livelihood for societies living in areas of production.

Major investment is being made in completely unsustainable forms of agrofuel production in countries such as Indonesia, Paraguay, Argentina, Brazil and Colombia, in anticipation of fast growing demand, including from the EU. In West Papua alone, it is expected that up to 10 million hectares of virgin rainforest is being considered for palm oil plantations, largely for biodiesel, and investment deals are being made now which will be very difficult to reverse. This is why true sustainability guarantees must come before biofuel targets and incentives, i.e. market expansion otherwise irreversible damage will be done to old growth forests, other ecosystems and carbon sinks and to local communities. Such damage is likely to have implications for us all in terms of the damage to global climate systems it is predicted to cause.

In this light we call upon the European Parliament to take the above concerns into account while forming an opinion on the EU agrofuel policy.

Sincerely yours,

Biofuelwatch (Almuth Ernsting)
Corporate Europe Observatory (Nina Holland)
Grupo de Reflexion Rural, Argentina (Stella Semino)
Munlochy Vigil (Anthony Jackson)
Rettet den Regenwald e.V. (Reinahrd Behrend)
Watch Indonesia (Marianne Klute)
EcoNexus (Helena Paul)

NB: See for criteria system currently suggested by the European Commission is currently subject of a consultation process and can be found on:
http://ec.europa.eu/energy/res/consultation/index_en.htm