

Response to the Consultation "Biofuel issues in the new legislation on the promotion of renewable energy" by Biofuelwatch, www.biofuelwatch.org.uk, email [info\[at\]biofuelwatch.org.uk](mailto:info@biofuelwatch.org.uk)

Question 1: "How should a biofuel sustainability system be designed?"

The EU Spring Council in March this year made it clear that guaranteed sustainable sourcing of biofuel feedstocks should be a pre-condition for the target. We believe that there must be no EU support for biofuels and no targets unless sustainability sourcing can be guaranteed. This means a moratorium on the measures contained in the EU Biofuel Directive and no further legislation to support biofuels until a convincing policy mechanism for guaranteeing sustainability has been developed and is in place.

We believe that no such policy mechanism has been developed so far:

Firstly, the European Commission's proposal completely ignores *social criteria*. Under those proposals, biofuels produced at the expense of indigenous and other local communities, those linked to human rights abuses, evictions and impoverishment, or to loss of food security could still attract public support as 'sustainable biofuels'. This is not acceptable. There is growing evidence of human rights abuses and evictions linked to biofuel production, for example in Indonesia, Colombia, Brazil and Paraguay:

In May this year, the Chair of the UN Permanent Forum on Indigenous Issues warned at a press conference that 5 million people in West Kalimantan are likely to be displaced by biofuel production (tinyurl.com/2rxgv6). In Colombia, thousands of families are reported to have been driven from their homes by paramilitaries, who are clearing land for oil palm plantations. There are even reports of killings by paramilitaries linked to the palm oil companies (tinyurl.com/2ul2gb). Sawit Watch warned stated in an Open Letter to the European Union in January this year (tinyurl.com/yq5nur) that, up to 2006, there have been 350 land conflicts related to palm oil plantations. They warned that the large-scale palm oil expansion encouraged in part by EU biofuel targets will lead to many more land right abuses and conflicts and undermine land reform in Indonesia. In Paraguay, an estimated 90,000 rural families have been pushed off their land by soya expansion. The demand for biofuels, which is already pushing up soya prices, is accelerating soya expansion at the expense of small farmers as well as ecosystems, not just in Paraguay but also in other countries including Argentina, Brazil and Bolivia. The European Commission's Consultation paper, however, completely ignores human rights abuses, including evictions, and land conflicts. We do not believe that the very limited criteria proposed merit the term 'sustainability'.

Moreover, the Consultation does not consider the dramatic impact of biofuels on *food security and food sovereignty*. This month, the UN Food and Agriculture Organisation published evidence that food import bills have risen by 5% globally over the past 12 months, largely because of the growing demand for biofuels (tinyurl.com/3bpfhb). Expenditure for food imports by the poorest countries has gone up 10% during the same period. A 2006 report by the International Food Policy Research Institute (tinyurl.com/379ov8) suggests that 'aggressive biofuel growth' is likely to raise prices for maize by 20%, those for cassava by 30%, oilseeds by 26% and wheat by 11% - all by 2010. This forecast takes no account of any other causes for price rises, particularly global warming, soil erosion and depleting water resources, which are already causing large-scale harvest failures in many parts of the world. Rising grain and oilseed prices trigger wider food price hikes. Global grain use has exceeded global grain production in six out of the past seven years, depleting world grain reserves and raising prices. The consequences of rising food prices, together with the shift from food production to agrofuels in many poor countries, could be further impoverishment of large numbers of people and ultimately starvation for many. We believe that those risks must be fully

addressed by any 'sustainability safeguards', yet they are being completely ignored by the EU Consultation.

We are extremely concerned that proposals are being developed *without consulting people in the global South*, where an increasing proportion of the biofuels sold in Europe is being grown. People throughout the tropics and sub-tropics are already seeing their livelihoods affected by expanding plantations, yet there has been no attempt by the EU to consult with them, or any representative organisations, when developing proposals for sustainability standards.

We do not believe that the criteria themselves are adequate, nor that any adequate policy mechanisms have been suggested:

'Sustainability criterion 1' suggests achieving a minimum level of *greenhouse gas savings*. 10% greenhouse gas savings would translate into less than 1% greenhouse gas savings from overall road transport fuel use even if the 10% 2020 target could be met. This would be virtually irrelevant, particularly with overall road transport emissions rising fast. However, we believe that there are no credible mechanisms for assessing or achieving minimum greenhouse gas savings from biofuels, at least not from biofuels made from 'energy crops'. There are no peer-reviewed life-cycle greenhouse gas studies for biodiesel from palm oil, jatropha or soya, and peer-reviewed studies on sugar cane ethanol are limited to those looking at energy gains and fossil fuel displacement, rather than total greenhouse gas balances. One study by Macedo et al, which appears not to be peer-reviewed, looks at the greenhouse gas balance of Brazilian sugar cane, but excludes deforestation and land-use change, despite the fact that sugar cane expansion is linked to land conversion in the Cerrado, the Atlantic Forest and the Pantanal (tinyurl.com/2kwdon). A very detailed European study by CONCAWE (tinyurl.com/3cf9fs) found that scientific uncertainties make it impossible to say whether greenhouse gas savings from rapeseed methyl ester are 7% or 58%. Neither figure includes organic soil carbon losses. Given scientific uncertainties and a dearth of independent or peer-reviewed studies, there is no credible basis for even reporting on greenhouse gas savings, let alone base certification on this concept.

The use of 'existing voluntary schemes' for certification has been proposed. Those stakeholder forums, namely the Round Table for Sustainable Palm Oil (RSPO) and the Roundtable on Responsible Soy (RTRS), however do not actually certify any produce as yet. They have been strongly criticised by many NGOs, including NGOs in Papua New Guinea and NGOs and farmers organisations in Paraguay and Argentina.

Even more concerning is the fact that indirect impacts are being ignored - they are to be monitored but not considered under certification. The Cramer Report, on the other hand, stressed 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. Ignoring them means ignoring the true impacts on climate change emissions and biodiversity.

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>).

Finally, we are concerned about suggestions that only major reductions in carbon stocks and major biodiversity losses should be avoided. The EU has a target of halting biodiversity losses by 2010 - not just of saving species in areas 'associated with exceptional biodiversity'. A 2004 report for the European Commission (tinyurl.com/ywecc5) warned that abolishing compulsory set-asides would seriously harm European biodiversity. This would be incompatible with the commitment to halt biodiversity losses - even though set aside lands are lands 'with exceptional biodiversity'. Likewise, in the global South, traditional farming systems tend to be rich in biodiversity, which is being wiped out by conversion to intensively farmed monoculture plantations, such as soya or oil palms. The proposals in the Consultation paper imply that this accelerated species extinction should not be a barrier to 'sustainability certification', and we consider this to be unacceptable. We are equally concerned about suggestions to only avoid major reductions in carbon stocks, and the fact that this is in a separate criterion from 'achieving minimum greenhouse gas savings'. The climate impacts from losing any more of our carbon sinks - not just rainforests but also healthy soils, grasslands and wetlands - far exceed any possible greenhouse gas savings from using marginally less fossil fuels. They cannot be measured as emissions alone, because they also lead to a permanent reduction in the planet's ability to sequester and store carbon.

Question 2: How should overall effects on land use be monitored?"

As we have said in our response to Question 1, we believe that safeguards against negative indirect impacts are key to any successful sustainability scheme. This is supported by the findings of the Cramer Report. The Consultation paper suggests that accounting for indirect impacts in a certification scheme is not feasible, and that those impacts should simply be monitored. Without safeguards against harmful indirect impacts, we believe that the precondition set by the EU Spring Council will not be met.

Question 3: How should the use of second-generation biofuels be encouraged?

There has been no discussion as to whether second-generation biofuels can or will be sustainably produced. The serious risks which GM crops and technologies pose to biodiversity appear have been ignored, even though second-generation technologies will depend on widespread use of GM crops and trees, as well as GM microbes and fungi, which pose serious risks to ecosystems and are likely to cross into food production via cross-pollination. Cellulosic ethanol still produces far less energy than is needed to produce it. Major breakthroughs in genetic engineering, involving low-lignin plants and microbes or fungi which can efficiently break down cellulose. Nobody can predict whether those breakthroughs will happen in the next few years or decades, nor what risks microbes and fungi that can easily break down cellulose could cause to soils and ecosystems should they escape from laboratories and refineries. Such escapes would be difficult to prevent if cellulosic ethanol was produced in commercial refineries around the world. Low-lignin GM trees pose serious risks to ecosystems which have not been assessed at all. The EU are committed to the precautionary principle and we believe that this must apply to biofuels, including to any support for second-generation biofuels.

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