

Response to the Biofuelwatch comments to our discussion paper »The Challenge of Sustainable Bioenergy«

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We are happy that Ms Ernsting has taken the time to comment on our Discussion Paper. In fact, apart from quite a number of positive responses, this was the only reaction from anti-biofuel activists. However, we have to note that Ms Ernsting unfortunately only criticized some aspects of our discussion paper, but did not comment on the overall theme. The main point of our paper is to highlight that bioenergy is far more than just bioethanol and biodiesel (what is generally called biofuels), and that the bioenergy debate has many facets. It is not just black and white and needs to break out of this unfruitful antagonism of good vs bad.

Our detailed response:

The debate about standards

Ms Ernsting points out that drawing up sustainability criteria and implementing them would be »far from simple«. This is certainly true but anything related to sustainable development tends to be »far from simple«. Certification of organic agriculture and fair trade schemes are also far from simple, but they do work. However we firmly believe that the alternatives to mandatory sustainability certification are even further from simple, and what is more important, even more unrealistic to be achieved.

What Ms Ernsting offers as a realistic policy tool is a »EU moratorium« on biofuels, or, as she calls it, agrofuels. The call for sustainability criteria is a call to implement stated EU policy, while the call for a moratorium is a call for the reversal of stated EU policies. Which alternative is more simple to get?

If we are concerned about »multibillion dollar investments« going into the wrong direction, we must opt for policies that have the highest likelihood of having an impact as quickly as possible. A call for a moratorium is no such type of policy. The fact that »over 100 organisations« worldwide have signed this call is not very important as such. There are also many organisations who do not support it, and they tend to be the ones who have for years and years been on the forefront in the struggle against nuclear power and fossil fuel expansion. These organisations have proven to be able to influence policies and make a difference. Many statements signed by hundreds of groups around the world never made any difference when they were calling for unrealistic policies.

Credible policies that are likely to have an impact need to unite civil society, not divide it. The call for an EU biofuels moratorium is a divisive approach. It is also not a logical one, because the most aggressive biofuel expansion plans are not EU plans or targets but schemes by the governments of Brazil, Indonesia, and some other developing country governments, as well as the US. Apart from Brazil and Indonesia, no government has an export-oriented biofuels strategy. The suggestion in Ms Ernsting's response that developing country governments are drawing up biofuels policies because of EU and US targets is not substantiated by the actual facts.

Even bioethanol champion Brazil may be talking a lot about exports, but in reality domestic demand is so great that there is little to be exported. The president of Brazil's sugarcane producers association, Eduardo Pereira Carvalho, stated in May that Brazil cannot export more than 20 percent of its ethanol production because of the huge and growing domestic demand. The EU so far imports very little biofuels for the transport sector, and there are indeed high tariffs for bioethanol. Similarly, US tariffs for biofuel imports are deliberately high to keep developing country producers out. The US bioethanol program is at least as much a farm support program as it is an energy policy program.

The reality is: the vast majority of biofuels will not be exported but consumed domestically, be that in the EU, the US, in Brazil, Senegal, South Africa or India. It makes no sense for any oil-importing country to sell biofuels abroad to earn the money for an ever-growing petroleum import bill. It is not the »energy-greedy North« that is the main driver for biofuel expansion in developing countries, rather it is the rapidly growing consumer class in key developing countries themselves. What are the key drivers behind India's massive energy plant program? It is the 100m Indian citizens with an industrial country lifestyle, not consumers in the EU or the US. If we want to convince them that their demand for biofuels should not be met at the expense of poor Indians and the environment this will require the »far from simple« job of convincing them of some sustainability criteria. They definitely won't care about an EU or US moratorium, and they would clearly not agree to a call by international groups for a moratorium in India.

So what would be the impact of an EU moratorium on »incentives to agrofuels«? More than 90% percent of biofuels currently consumed in the EU are produced by EU farmers. The market for biofuels is still completely dependent on these incentives. Without such incentives, it would rapidly collapse. Even the comparably little step of phasing out the tax-free status of biofuels in Germany has already put many biodiesel producers there to the brink of uncompetitiveness – against fossil diesel, not Indonesian palmoil.

The production of biofuels in the EU is to some extent taking place in »large-scale monocultures«, but to an even larger scale in farms that are relatively small compared to the typical Brazilian sugarcane or Indonesian oil palm plantations. At least it is remarkable that the biofuelwatch campaigns are usually directed at problems caused by biofuels production in developing countries, but campaigns against biofuel producers in the EU are quite rare. So it is safe to assume that even in your view the EU producers are, to put it this way, the least unsustainable producers of biofuels. An EU moratorium would instantly destroy the EU biofuel sector while at the same time have little impact on the Brazilian or Indonesian or any other country producers. It would punish only those biofuel producers that are the smallest part of the problem.

We believe such an approach is strategically wrong. It has no realistic chance to be implemented, and even if it would be implemented it would produce undesirable results. For this reason, many important players in the NGO sector do not support it. Rather than uniting civil society in a call for making bioenergy development sustainable, the moratorium idea is divisive and will ultimately weaken us.

We agree with the call to end incentives to use palm oil as fuel for power plants. This happens mainly in the UK and the Netherlands, but without incentives. Incentives for palm oil in power plants do exist in Germany but are almost certainly going to be phased out soon with the next amendments to the Renewable Energy Act. Currently,

the EU imports about 5m tons of palm oil annually. A whopping 75 percent is for material use in soaps, detergents, food etc, while 20 percent end up in mainly Dutch and UK power plants. Only a meagre 5 percent of the EU's palmoil imports are used for biodiesel production.

Bioenergy and climate change

Ms Ernsting states » Whilst most anthropogenic greenhouse gas emissions at present come from fossil fuel burning, emissions linked to intensive agriculture and industrial logging (the main drivers of deforestation and peat destruction) are already so high that we either drastically curb them or we have no realistic hope of stabilising the climate.« This is indeed true. However, what are the consequences we can draw from this fact? We should question industrial agriculture as a whole. It is surprising that there are far less energetic campaigns against industrial agriculture as a whole than against biofuels in particular. But the production of biofuels is only a small fraction of intensive agriculture, and it is a market sector relatively strongly focused on domestic consumption.

Compare that to the massive amount of monocultures for animal feed. A FAO report released last year calls the livestock sector a »major player« in affecting climate change through greenhouse-gas production. The FAO found that the ranching and slaughter of cows and other animals generates an estimated 18 percent of total human-induced greenhouse-gas emissions globally. As demand for meat grows, the report explains, so does the need for pasture and cropland, making deforestation an additional concern; currently, according to the report, the livestock sector occupies 30 percent of ice-free land on the planet. Extensive grazing also takes a toll on arable land. According to FAO, world meat production is expected to double by 2050.

Animal feed is a truly globalized business. The EU produces 260m tons of cereals annually, and 58% of that is used for animal feed (and only 1% for biofuels). But it also imports a lot of animal feed. The image of »large-scale monocultures destroying southern livelihoods and ecosystems producing some luxury item for export to Europeans and other rich countries« is far more appropriate for animal feed than for biofuels. Brazil's annual feed exports are about 35m tons (up from 15m tons in 1999), almost exclusively soya, and that represents about 55% of Brazil's total agricultural exports. The value of these animal feed exports is about \$7.9bn; 18.5m hectares are under soy cultivation in Brazil. Almost half of Brazil's soya production is exported. Germany alone imports so much soy from Brazil that you can literally say 2m hectares in Brazil are allocated for German meat consumers, a figure that corresponds to 10% of German agricultural land.

Compared to these massive figures, sugarcane production for ethanol in Brazil occupies currently 6m hectares, and the 20% export potential therefore represent 1.2m hectares. This clearly shows: if there is an international market driving deforestation and unsustainable agricultural practices in Brazil, then it is animal feed and the demand for meat, and not biofuels production. In other words: 1m hectares in Brazil are occupied for ethanol exports, 9.5m for soy exports. The Brazilian ethanol market is driven by domestic demand, the Brazilian soy market essentially by the world markets.

International campaigns should therefore focus on animal feed and the – growing! - meat demand in their home countries. However it also has to be taken into account that stopping Brazilian bioethanol production would likely have a massive impact on

global petroleum markets, because of rising Brazilian petroleum imports, and likely affect places like the Ecuadorian forests where this oil could come from.

Agriculture for bioenergy crops cannot be more sustainable than for food or animal feed. Sustainability criteria applied only to bioenergy, but not to the rest of agriculture ultimately make no sense. It is a question of intellectual honesty to put bioenergy crops into this wider context. And this means it is absurd to suggest that campaigns to stop biofuels – a rather small segment of agriculture - do any benefit to avoid climate change when ignoring agriculture as a whole, even if they were successful.

At the same time, we can only reiterate there is no sustainable energy scenario that combines the daunting task of phasing out fossil fuels and nuclear power and at the same time allows the 2 billion people currently without access to modern energy services to end their dependency on mostly unsustainable traditional biomass and get access to more sustainable forms of energy that also does not include large amounts of bioenergy.

One of the key messages that our paper tries to drive home is that we need large amounts of bioenergy utilization for a sustainable and renewable energy future, but that we also need to use it as effectively as possible. And this means in most cases, not transforming biomass into liquid biofuels, but either use it for cogeneration of heat and electric power, or use biogas if you need to use it as transport fuel. We agree with many of Biofuelwatch's objections against liquid biofuels.

However: We firmly believe that it is not a promising NGO strategy to react to the wrong developments in the biofuels sector to demonize biofuels and bioenergy the way Fidel Castro and his oil friend Hugo Chavez do. Promoting stereotypes like »rich Europeans let poor Africans starve because they take away their food for biofuels« are not only factually wrong, they also offer no solution. They stop at saying no. In the end campaigns like that only stabilize the status quo.

The global movements against nuclear power and fossil fuels have been successful because they did not stop at saying no. They have proposed, promoted and implemented alternatives - alternatives that work, alternatives that increasingly dominate energy policies at least in Europe and a growing number of developing countries. If we are to stop the »biofuels craze«, i.e. the enthusiasm for the most inefficient ways to use bioenergy, we need to promote these alternatives that we believe use bioenergy in the most sustainable way. This aspect, unfortunately, is completely and consistently absent in the campaigns of Biofuelwatch and similar groups. And this is why we believe these campaigns will in the end waste the energy their supporters put into them. We believe it is high time the NGO movement comes up with consistent energy and agriculture policies and promote sustainable bioenergy as a best way to channel the rapid development of bioenergy into a sustainable energy and agriculture future.