

# Call for an immediate moratorium on EU incentives for agrofuels, EU imports of agrofuels and EU agroenergy monocultures

The undersigned call for an immediate moratorium on EU incentives for agrofuels and agroenergy from large-scale monocultures including tree plantations and a moratorium on EU imports of such agrofuels. This includes the immediate suspension of all targets, incentives such as tax breaks and subsidies which benefit agrofuels from large-scale monocultures, including financing through carbon trading mechanisms, international development aid or loans from international finance organisations such as the World Bank. This call also responds to the growing number of calls from the global south against agrofuel monocultures<sup>i</sup>, which EU targets are helping to promote.

## Background:

Agrofuels are liquid fuels from biomass, which consists of crops and trees grown specifically for that purpose on a large scale. Agrofuels are currently produced from crops such as maize, oil palm, soya, sugar cane, sugar beet, oilseed rape, canola, jatropha, rice and wheat. Agrofuels are designed to replace petroleum, mainly in road vehicles and trains. Biodiesel and ethanol are the main types of fuel produced. Agrofuels do not include biofuels derived from waste, such as biogas from manure or landfill, or waste vegetable oil, or from algae.

Agrofuels are being promoted by governments and international institutions as a means of reducing greenhouse gas emissions from transport, and improving 'energy security', i.e. of helping to ensure regular supplies, stabilise the price of oil and mitigate the impacts of volatile oil prices and possible peak oil. Public support for agrofuels is further justified on the basis of their claimed positive impacts on rural development and jobs in producer countries, promises of 'second generation' agrofuels whose production will not compete with the production of food, and assumptions about the availability of large amounts of 'degraded' or unused land.

Agrofuels are also being strongly promoted by industry. New corporate partnerships are being formed between agrobusinesses, biotech companies, oil companies and car manufacturers. Billions of dollars are being invested in the agrofuel sector in a development often likened to a 'green goldrush', in which countries are turning land over to agrofuel crops and developing infrastructure for processing and transporting them.

## Impacts of agrofuels from large-scale monocultures:

Agrofuels are generally grown as monocultures (including plantations), often covering thousands of hectares. In order to compete in the market, they require government support such as subsidies and tax breaks. Support for agrofuels has to date failed to acknowledge the negative social, environmental and macro-economic impacts associated with this kind of farming.

Forecasts by different UN agencies predict that in future most agrofuels will be produced in the global South and exported to industrialized countries. Although presented as an opportunity for Southern economies, evidence suggests that monoculture crops for agrofuel such as oil palm, soya, sugar cane and maize lead to further erosion of food sovereignty and food security<sup>ii</sup>, threaten local livelihoods<sup>iii</sup>, biodiversity<sup>iv</sup>, water supplies<sup>v</sup> and increase soil erosion and desertification<sup>vi</sup>.

Agrofuels are currently being developed within the intensive, mechanised, agro-industrial paradigm, using massive monocultures and inputs of fertiliser and pesticide. There is strong evidence that such agrofuel production will not mitigate climate change but instead may accelerate global warming, as rainforests, peatlands and other ecosystems that are essential carbon stores are being destroyed to make way for plantations. There is also controversy about how much greenhouse gas is generated by the agrofuel production process and whether agrofuels provide any real savings once issues such as fertiliser use (and thus increased nitrous oxide emissions<sup>vii</sup>), refining, transport etc, are taken into the equation .

## GM agrofuels:

Many of the crops currently being used for agrofuels have been genetically engineered (soya, maize, rape). A decade of utilization has revealed that the current range of genetically modified crops have not increased yields or reduced dependence on inputs. However, proponents of genetic engineering in agriculture are already using the threat of climate change to argue for wider use of GM crops and the development of new

ones such as GM eucalyptus for agrofuel production. GM crops and trees pose serious risks to biodiversity, ecosystems and the food chain. GM microbes and enzymes being developed as part of cellulosic ethanol research (so-called second generation – see below) could also pose severe risks that have not been researched or even considered by governments.

### **Second generation agrofuels:**

It is being suggested that a “second generation” of agrofuels can be developed that will solve some of the problems posed by current agrofuels, such as competition between food and fuel production. The aim is to find ways (including genetic engineering and synthetic biology) of modifying plants and trees to produce less lignin, engineering the lignin and cellulose so that they break down more easily or in different ways, and engineering microbes and enzymes to break down plant matter. Such high-risk techniques do not challenge the pattern of destructive monocultures designed to feed increasing energy consumption patterns. A moratorium on monoculture agrofuels is needed now, to prevent further damage being done through the over-hasty promotion of agrofuel crops. In the meantime, the promises and potential risks associated with second-generation agrofuels should be fully examined. Whatever the outcome, such fuels will not be available for approximately ten years and decisive action to address climate change is required immediately.

### **Scope of the moratorium:**

The moratorium called for by the signatories will apply only to agrofuels from large-scale monocultures (and GM biofuels) and their trade. It does not include biofuels from waste, such as waste vegetable oil or biogas from manure or sewage, or biomass grown and harvested sustainably by and for the benefit of local communities, rather than on large-scale monocultures. A moratorium on large-scale agrofuels and their trade could favour the development of truly sustainable bioenergy strategies to the benefit of local communities - as opposed to the financial benefit of the export-oriented industries.

### **Certification is no solution at present:**

Since public support and targets for agrofuels are being justified for their supposed environmental benefits, a number of different initiatives have been started up to develop ‘sustainability certification schemes’. The undersigned organisations regard certification schemes, whether voluntary or mandatory, to be incapable of effectively addressing serious and potentially irreversible damage from agrofuel production, the main reasons being:

- Macro-level impacts such as the displacement/relocation of production to lands outside the scope of the certification schemes cannot be addressed through these schemes. Likewise, certification cannot deal with other macro-level impacts like the competition with food production, and access to land and other natural resources.
- The development of such criteria has to date failed to ensure that communities most directly affected by agrofuel production are included in the discussion and fully consulted from the outset, or to comply with basic procedural requirements ensuring Free Prior and Informed Consent of indigenous peoples whose lands will be affected.
- The development of agrofuels is proceeding far more quickly than certification can be implemented.
- In many countries, conditions are lacking to ensure the implementation or monitoring of such safeguards, or accountability for those responsible for violating them.

As one certification initiative from the Netherlands, the Cramer Report,<sup>viii</sup> says: “Some of the impacts of biomass production are difficult to assess on the individual company level, and only become apparent on the regional, national and sometimes even on the supranational level. This is true in particular for the impacts caused by indirect changes in land use and is especially important in the themes Greenhouse gas emissions, Biodiversity and Competition between food and other biomass uses. In determining the sustainability of biomass it is crucial to take these macro-impacts into consideration”. At present, there are no concrete proposals for macro-level policy, in addition to certification schemes, that would deal effectively with these macro-impacts.

### **Why does a moratorium need to be implemented with immediate effect?**

Despite an increasing number of civil society statements and evidence-based reports expressing concern about the unintended but foreseeable negative impacts of agrofuels and calls to halt their expansion, the agrofuel rush is accelerating. The decision of the high-consumption countries, notably the EU and the US, to

introduce significant incentives for agrofuels, such as mandatory targets, publicly funded subsidies and tax breaks, is triggering speculation and investment in plantations and enticing countries in the global South to commit substantial portions of land to agrofuel crop-production.

In the past 18 months, billions of dollars have been invested in agrofuel plantations and refineries and associated infrastructure. In Indonesia, \$17.4 billion dollars of investment were pledged in the first quarter of 2007, whilst the government plans to convert some 20 million hectares of land to biofuel plantations. 9-10 million hectares of rainforest are acutely threatened in West Papua alone. In Latin America, the Inter-American Development Bank has announced plans to invest \$3 billion in private sector agrofuel projects. Governments in a growing number of countries, including Brazil, Argentina, Paraguay, Ecuador and Colombia, are implementing national strategies to boost agrofuel production that involve financial incentives and investment in and licensing of refineries and infrastructure projects, including new roads, ports and pipelines. Those infrastructure developments will open up old-growth forests and other natural ecosystems to destruction, whilst accelerating the displacement of local communities by expanding plantations. The impacts of this massive, rapidly growing investment in agrofuel expansion will be irreversible and irreparable.

Agrofuels pose a particular threat to tropical forest and wetland ecosystems, as events in Indonesia already indicate. Such forests play a vital role in stabilising climate and creating rainfall. There is evidence that the Amazon rainforest may be approaching a point where deforestation will have reduced the vegetation so much that it can no longer maintain its rainfall cycle, thus threatening much or all of the ecosystem with potentially rapid die-back and desertification<sup>ix</sup>. Further destruction of rainforests and peatlands for agrofuels could push the planetary system into accelerated warming, sea level rise and ecological change sooner than fossil fuel emissions alone. If the current rush for agrofuels is allowed to continue while certification and the necessary macro-level policies are developed, the damage such schemes and policies are meant to prevent will already have been done by the time they are in place. The risks of a 'wait and see' approach are far too high. The EU should apply the precautionary principle to its approach to biofuels and implement a moratorium.

A moratorium will immediately reduce the demand for crops and trees used as agrofuel feedstocks, thus reversing current increases in commodity prices and putting the brakes on the expansion of monoculture plantations for agrofuels which is threatening ecosystems, food security, communities and the global climate. It will provide time to look at the consequences of large-scale agrofuel production in order to make a sound and comprehensive assessment of their socio-economic and environmental implications. This will include assessing the foreseeable impacts of proposed agrofuel targets and ensuring that proposed policies and safeguards are capable of being implemented and preventing the serious negative impacts that are already being experienced. It is essential that civil society, and in particular those most directly affected by the production of agrofuel crops are given a fair chance to assess the impacts of the current promotion of agrofuels. A moratorium on incentives for large-scale agrofuel crop production and a halt to EU agrofuel imports will provide the space required for this discussion.

### **Signatories call for effective measures to tackle climate change:**

Agrofuels have not been shown to mitigate global warming; they actually threaten to accelerate it. The undersigned support urgent cuts in greenhouse gas emissions, based on climate science assessments, which involve a drastic overall reduction in energy use in industrialised countries, strict energy efficiency standards, and support for truly renewable forms of energy, such as sustainable wind and solar energy, as well as the protection of ecosystems and carbon stores.

Arbeitsgemeinschaft Regenwald und Artenschutz

(Working Group on Rainforests and Biodiversity)

Arbeitsgruppe Schweiz - Kolumbien ask - Grupo de Trabajo Suiza Colombia (Swiss Working Group on Colombia)

Asamblea Coordinadora Patagónica contra el Saqueo y la Contaminación

Base Investigaciones Sociales, Paraguay

BI „Kein Strom aus Palmöl!“

Biofuelwatch

Bruno Manser Fund (BMF) - Association for the peoples of the rainforest, Switzerland

Carbon Trade Watch

Corner House  
Corporate Europe Observatory  
Ecodevelop  
EcoNexus  
Ecoropa  
FERN  
Global Justice Ecology Project  
GRAIN  
Grupo Reflexion Rural  
Munlochy Vigil  
NOAH: Friends of the Earth Denmark  
Observatorio de la Deuda en la Globalización (Catalonia, Spain)  
Pesticide Action Network, Asia and the Pacific  
Pro REGENWALD  
Rettet den Regenwald  
Robin Wood  
Sawit Watch  
SETARA Jambi/YKR, Sumatera Indonesia  
Solifunds, Switzerland  
The Gaia Foundation  
Transnational Institute  
Watch Indonesia!  
World Rainforest Movement

**Your organisation can sign on to this moratorium - please visit [www.econexus.info](http://www.econexus.info) or send an email to [h.paul@econexus.info](mailto:h.paul@econexus.info)**

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<sup>i</sup> For example: Official Declaration of Chake Ñuhá on the Agro-fuels and Environmental Services Traps, Asunción, Paraguay, 24 April 2007; We want Food Sovereignty Not Biofuels, signed by Alert Against the Green Desert Network, Latin American Network against Monoculture Tree Plantations, Network for a GM free Latin America, OilWatch South America and World Rainforest Movement, January 2007. [www.wrm.org.uy/subjects/biofuels/EU\\_declaration.html](http://www.wrm.org.uy/subjects/biofuels/EU_declaration.html)

Statement from SawitWatch - <http://tech.groups.yahoo.com/group/biofuelwatch/message/245>

<sup>ii</sup> "How biofuels could starve the poor", C Ford Runge and Benjamin Senauer, Foreign Affairs, May/June 2007, <http://www.foreignaffairs.org/20070501faessay86305-p20/c-ford-runge-benjamin-senauer/how-biofuels-could-starve-the-poor.html> and Food and Agriculture Organisation, "Food Outlook (Global Market Analysis)" No. 1, June 2007, <http://www.fao.org/docrep/010/ah864e/ah864e00.htm>

<sup>iii</sup> "Oil Palm and Other Commercial Tree Plantations, Monocropping: Impacts on Indigenous Peoples' Land Tenure and Resource Management Systems and Livelihoods", Victoria Tauli-Corpuz and Parshuram Tamang, report to the United Nations Permanent Forum on Indigenous Issues, May 2007, [http://www.un.org/esa/socdev/unpfii/documents/6session\\_crp6.doc](http://www.un.org/esa/socdev/unpfii/documents/6session_crp6.doc) and "El fujo del aceite de Palma Colombia-Belgica/Europa acercamiento desde una perspectiva de derechos humanos", HRVE and CBC, November 2006, [http://www.hrev.org/hrev/media/archivos/flujoPalma/informe\\_es.pdf](http://www.hrev.org/hrev/media/archivos/flujoPalma/informe_es.pdf)

<sup>iv</sup> "Agrofuels - Towards a reality check in 9 key areas", Chapter 4, [www.biofuelwatch.org.uk/docs/agrofuels\\_reality\\_check.pdf](http://www.biofuelwatch.org.uk/docs/agrofuels_reality_check.pdf) <[http://www.biofuelwatch.org.uk/docs/agrofuels\\_reality\\_check.pdf](http://www.biofuelwatch.org.uk/docs/agrofuels_reality_check.pdf)>

<sup>v</sup> "Water for Food, Water for Life: A Comprehensive Assessment of Water Management", International Water Management Institute, 2007, see: <http://www.iwmi.cgiar.org/Press/coverage/pdf/Biofuel%20crops%20could%20drain%20developing%20world%20dry%20-%20SciDevNet.pdf>

<sup>vi</sup> "Peak Soil: Why Cellulosic ethanol and other Biofuels are not Sustainable and a Threat to America's National Security", Alice Friedman, Energy Pulse, July 2007, [http://www.energypulse.net/centers/topics/article\\_list\\_topic.cfm?wt\\_id=46](http://www.energypulse.net/centers/topics/article_list_topic.cfm?wt_id=46)

<sup>vii</sup> "Biofuels Threaten to Accelerate Global Warming", Report by Biofuelwatch, April 2007, <http://www.biofuelwatch.org.uk/docs/biofuels-accelerate-climate-change.pdf>

<sup>viii</sup> "Testing Framework for Sustainable Biomass", Final Report from the Project Group "Sustainable Production of Biomass", 2007, [http://www.lowcvp.org.uk/assets/reports/070427-Cramer-FinalReport\\_EN.pdf](http://www.lowcvp.org.uk/assets/reports/070427-Cramer-FinalReport_EN.pdf)

<sup>ix</sup> "Climatic variability and vegetation vulnerability in Amazonia", L. R. Hutyrá et al, Geophysical Research Letters, Vol. 32, L24712, doi:10.1029/2005GL024981, 2005, [http://eebweb.arizona.edu/faculty/saleska/docs/Hutyra05\\_Var.Vuln\\_GRL.pdf](http://eebweb.arizona.edu/faculty/saleska/docs/Hutyra05_Var.Vuln_GRL.pdf), and also "A new climate-vegetation equilibrium state for Tropical South America", Marcos Daisuke Oyama and Carlos Alfonso Nobre, Geophysical Research Letters, Vol. 30, No. 23, 2199, doi:10.1029/2003GL018600, 2003, <http://www.agu.org/pubs/crossref/2003/2003GL018600.shtml>