ARE OUR CARS RUNNING ON EMPTY STOMACHS?
FOR AN EU ENERGY POLICY RESPECTFUL OF THE RIGHT TO FOOD

Proposals for European and ACP Members of Parliament
Biofuels were initially presented as a solution to fight climate change (pg. 3). Yet, more and more voices are calling attention to their unwanted effects: land grabbing to the detriment of smallholder farmers in developing countries (pgs. 4-5), rising commodities prices (pgs. 6-7), etc. Among other things, is the European Union’s policy of promoting biofuels as good for the environment as some claim (pg. 8)? Finally, does it comply with the EU’s policy coherence for development obligations and respect human rights (pgs. 9-10)? What do we need to do so that our cars do not fill up on hunger (pg. 11)? This brochure attempts to answer all these questions. A few months from the European Commission’s publication of a report assessing the impact of this policy on food security and before its review in 2014, this document is also a call to action.

**FOR MORE INFORMATION:**

**ON GLOBAL AGRICULTURAL AND FOOD ISSUES:**
- resource center www.alimenterre.org

**ON BIOFUELS AND FOOD SECURITY:**
- Friends of the Earth Europe: http://www.foeeurope.org/agrofuels

**ON THE RIGHT TO FOOD:**
- FIAN: www.fian.org

**ON POLICY COHERENCE FOR DEVELOPMENT:**
- CONCORD: http://coherence.concordeurope.org/
BIOFUELS: ENERGY OF DESPAIR?

Fight climate change, lower greenhouse gas emissions, find new sources of energy in response to the drying up of our oil reserves...

Urgent action is needed! Biofuels have been presented as a hopeful solution to these perils. This "green" petrol was supposed to solve our supply problems and preserve the environment.

Biofuels: What Are They?

Biofuels are made from agricultural commodities. They are either biodiesel made from oilseed (e.g. colza, jatropha, palm, soy, sunflower) or bioethanol made from grain (e.g. wheat, corn), beet or sugar cane. The former are added to diesel fuel, and the latter to gasoline.

These are the first-generation biofuels. Second-generation biofuels made from plant by-products (e.g. wheat or corn stalks) or specifically grown plants (e.g. poplar) or even third-generation biofuels (algae, etc.) are under study. Commercial viability is not guaranteed, and some crops may present the same social and environmental dangers as first-generation biofuels.

Biofuels are called ‘industrial’ when they are produced intensively by companies using large-scale single-cropping. They must be differentiated from sustainable local biofuels, grown on the small-scale by smallholder farmers, which can generate new sources of income for local populations and improve their access to energy (worldwide, 1.5 billion people do not have access to electricity1).

In this brochure, we discuss only industrial biofuels.

The EU’s Pro-Biofuel Policy

This policy was launched in 2003 by the European Union. It was strengthened in 2009 with the adoption of the directive to “promote the use of energy from renewable resources.” Its aim is commendable: by 2020, 20% of the energy consumed in Europe should come from renewable sources. In the transport sector, this percentage is set at 10%, mainly in the form of biofuels.

In 2008, the share of biofuels in transportation was 3.3%.2 For this percentage to triple by 2020, the EU will need not only to pay costly subsidies to encourage production and use of biofuels but also import massively. According to IEEP,3 72% of the biofuel consumed at that date is anticipated to be biodiesel and 28% bioethanol, respectively 41% and 50% of which will be imported.

The 10% target is therefore increasingly contested. Is the remedy not worse that the ills it claims to cure? Are biofuels not the energy of despair instead?

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1 UNDP/WHO, The Energy Access Situation in Developing Countries, November 2009.
2 Monique Munting, Impact de l’expansion des cultures d’agrocarburants dans les pays en développement, December 2010, pg. 12. This study was produced for the Belgian administration (DG Environment).
3 Institute for European Environmental Policy, Anticipated Indirect Land Use Change Associated with Expanded Use of Biofuels and Bioliquids in the EU: An Analysis of the National Renewable Energy Action Plans, November 2010.
World production of green petrol is skyrocketing and the EU energy policy is a contributing factor. The International Energy Agency (IEA) states that biofuel production jumped 625% between 2000 and 2010, from 16 to 100 billion liters. More and more land is needed for this. According to the United Nations Environment Programme, the amount of land devoted to biofuels nearly tripled between 2004 and 2008, going from 13.8 to 35.7 million hectares. If this trend continues, the IEA estimates that 100 million hectares will be needed by 2040!

According to a study involving researchers, international organizations and civil society movements published in January 2012, biofuels are the main cause of massive land purchases, often referred to as ‘land grabs’ and done in violation of human rights. Between 2001 and 2011, these transactions have greatly increased and are said to have reached 203 million hectares, or nearly four times the surface area of metropolitan France. Africa is the continent most affected by this phenomenon. The study analyzed the purchases of 71 million hectares. Biofuel production is the main motive: 40% of transactions worldwide, and 66% of transactions on the African continent. Yet Africa is the area of the world most affected by food insecurity, as one out of three Africans suffers from hunger.

The argument that there is enough unoccupied land for biofuel production to happen without harming food production is false. These areas often play a crucial role by allowing the poorest populations to obtain fruit, medicinal herbs or wood, for example. It is also false to claim that biofuels come mainly from little-fertile land, leaving the richest soil for food production. To be profitable, biofuels need fertile land ensuring high productivity.

The European Union is also a large producer of crops destined for biofuels, particularly colza. Some of the land occupied by these crops was previously used to grow human or animal food. These products must now be imported, worsening the land grabbing phenomena.

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5 “[T]he term ‘land grabbing’ is used to refer to the phenomenon of concentration of land and associated natural resources, particularly water, due to domestic or foreign investments, with implications for human rights, food security and the environment,” Executive Summary of the EuropAfrica report (Biofueling Injustice?), 2011, pg. 3.
7 EuropAfrica, (Bio)fueling Injustice?, 2011, pg. 64.
IS PRODUCING BIOFUELS IN THE NORTH BETTER FOR THE SOUTH?

“One important indirect impact (of aid for biofuels) was the result of the strong rise in corn crops for bioethanol production in the United States, encouraged by the huge subsidies granted as part of the Renewable Fuels Standard. Following the shift from soy to corn production by numerous American farmers between 2006 and 2007, corn production rose by 19% while soy production dropped by 15%, and we saw a soy production boom in South America, mainly Brazil, Argentina and Paraguay.

“This expansion was accompanied by serious negative effects, notably in regard to land tenure (expulsion of many peasants, especially in Paraguay). […]

“We can see that it is not by importing biofuels from industrialized countries (such as the USA) that Europe can prevent negative impacts from happening in developing countries (for instance, in Latin America). The massive call on agriculture worldwide to produce biofuels has effects that spread throughout the world.”

Source: Munting, op. cit., pg. 35.

This land grabbing benefits above all large national or foreign companies that practice large-scale single-cropping. All too often, smallholder farmers are chased from their land and deprived of access to resources as vital as water. Yet, 75% of the billion people suffering from hunger are smallholder farmers and their families, for whom the land is the main source of food and income. Among other things, land grabbing aims above all to produce for export in countries where food production is insufficient. Yet, local agricultural systems’ priority should be to feed the country’s population. This phenomenon is therefore a violation of these people’s right to food and worsens food insecurity worldwide.

KENYA: FUEL VS. FARMERS?

In 2009, in the coastal region of Malindi, the government entrusted 50,000 hectares of land to a private company that planned to cut down the Dakatcha forest (spanning 30,000 hectares) and exploit the land of local communities to grow jatropha. According to ActionAid Kenya, 20,000 people would have been affected and eventually displaced. Among them, many farmers whose food crops feed the population and an indigenous hunter-gatherer community, the Wa-Sanya.

The plans were elaborated without conducting all of the consultations provided for in the Kenyan constitution. According to the document published by the authorities under pressure from civil society, the land was supposed to be rented for 33 years for €2 per hectare to Kenya Jatropha Energy Limited. This company belonged to Nuove Iniziative Industriali SRL, an Italian company specializing in producing electricity from renewable resources. In the Malindi region, it was supposed to produce jatropha, which would be converted into oil for biofuel. According to the document made public, 30% of the oil produced in Kenya would be exported to Italy and 70% would be used for domestic energy consumption. But in its declarations to the Italian press, the company announced that only 20% of the Kenyan production would be consumed in Kenya, while the remaining 80% would be exported to Italy. Thanks to the mobilization of civil society in Kenya and in Europe, this project was abandoned.

Biofuels contribute to world food insecurity because they are one of the primary drivers of land grabbing, and that is not all!

Rising Agricultural Commodities Prices

They also help push up food prices and food price volatility. In many developing countries, a large proportion of the population spends more than 50% of its income on food, even small farmers. Any increase in food prices therefore threatens the right to food of the poorest populations.

While biofuels’ responsibility in food price hikes is widely acknowledged, the governments that support biofuel production and consumption claim that its magnitude is negligible, as can be seen in the table below.

In response to this situation, a June 2011 report commissioned by the G20 and coordinated by the FAO and OECD purely and simply recommends eliminating all biofuel subsidies and binding production and consumption targets.

On November 3, 2011, Nestlé, PepsiCo and Unilever, also faced with rising commodities prices, sent a joint statement to the G20 that made identical demands...

What is more, these hikes are rarely beneficial for small farmers who are, among other things, faced with a parallel rise in input (e.g. fertilizer) prices.

<table>
<thead>
<tr>
<th>BODY</th>
<th>CONTRIBUTION OF BIOFUELS TO FOOD PRICE HIKES</th>
<th>MAGNITUDE OF THE CONTRIBUTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>OECD</td>
<td>YES</td>
<td>“biofuel support policies have a significant impacts on global commodity prices”</td>
</tr>
<tr>
<td>IMF</td>
<td>YES</td>
<td>70% responsible for corn price hikes 40% responsible for soy price hikes</td>
</tr>
<tr>
<td>IFPRI</td>
<td>YES</td>
<td>30% responsible for grain price hikes</td>
</tr>
<tr>
<td>Study coordinated by the FAO and the OECD for the G20</td>
<td>YES</td>
<td>“a significant factor” in food price hikes</td>
</tr>
<tr>
<td>United States Government</td>
<td>“negligible contribution”</td>
<td>2-3%</td>
</tr>
<tr>
<td>European Commission</td>
<td>“negligible contribution”</td>
<td>&lt; 4%</td>
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</tbody>
</table>
**RISING LAND PRICES**

Food prices are not the only things increasing! The development of biofuel production and the resulting need for land contribute to rising land prices. They also make it more difficult for small farmers to access land, and therefore make it more difficult for them to produce food to feed themselves and earn a living. This problem is worsened indirectly: “Biofuel demand has deviated a large share of key crops to this new sector, pushing up food prices, which has pushed governments and large investors to seek farmland in other countries to ensure their food security or make profitable investments, which further increases land pressure.”

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**MEXICO: “WITHOUT CORN, NO COUNTRY!”**

The North American Free Trade Agreement (NAFTA) entered into force fourteen years ago and has had devastating effects on farming in Mexico. Mexico has been flooded with (subsidized) American goods, ruining millions of small farmers. [...] Under a banner reading “Sin maíz no hay país” (without corn, no country), [...] farmers are protesting the complete liberalization of agricultural trade, which came into effect in early 2008. [...] The Minister needs to reassure corn farmers and consumers. Just one year ago, the “tortilla crisis” (tortillas are a staple for the people) revived the controversy surround the country’s dependency on American corn. The constant increases in tortilla prices throughout 2006 (up 14%) led, in January 2007, to a widespread social crisis. While speculation is blamed—large companies conspiring together to drive up prices—more and more frequent use of corn in the United States to produce bioethanol drives up prices and lowers the supply available for food. Since NAFTA went into effect, Mexico has become dependent on American production of this grain, which is subsidized and therefore less expensive. These massive imports have ruined farmers. Any rise in the cost of tortillas threatens millions of Mexicans with hunger: for this reason, at the start of 2007, women marching in the streets of Mexico City clanging pots forced the government to import six hundred thousand additional tons of white corn from the United States, create an emergency fund, and set a ceiling price.”


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13 This table is an updated version of the table contained in M. Munting, op. cit., pg. 36.
17 Public statements. But internally contested. Biofuels are said to have “a high cost: a human cost paid by the poorest consumers around the world who could face higher food prices or food shortages,” according to a European Commission paper cited by the Reuters agency, March 5, 2010.
18 Price Volatility in Food and Agricultural Markets: Policy Responses, Recommendation 6, pg. 27, op. cit.
19 Food and Beverage Companies’ Joint Statement on Biofuels: G20 Governments Must Address Biofuels as a Cause of Food Crisis.
20 Munting, op. cit., pg. 37.
Biofuels have become devoid of sense. Officially developed for environmental purposes, they are increasingly being viewed as a cure that is worse than the disease.

**Biofuels: More Emissions...**

While the policy of developing biofuels was set up to lower greenhouse gas (GHG) emissions in the transport sector, current research shows that their use does not reduce emissions but, on the contrary, increases them!

Indeed, in 2020, if all national biofuel development targets have effectively been attained and “land use change” is taken into account, the IEEP estimates that emissions will be 80% to 167% higher than with fossil fuel use.21

This land use change can be direct (e.g. clearing land to produce sugar cane) or indirect (e.g. planting oil palm on land that previously produced food, in which case food crops move to new land after tropical forest has been cleared).

... And A Worse Environment

While land use change helps destroy forests and biodiversity, the way that biofuels are produced (single-cropping, large plantations) contribute to environmental degradation: “extensive use of water and energy, considerable recourse to chemical inputs (some of which take more than a century to dissolve, and some of whose use has been banned in Europe and the United States but are exported by these countries) and GMOs (71% of Brazilian soy), whose use generates in reality greater use of pesticides. In countries where environmental legislation is little binding and/or not enforced, industrial processing processes are not the least of it and in many cases are highly polluting.”22

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21 Institute for European Environmental Policy, op. cit.
22 Munting, op. cit., pg. 23
In compliance with the Lisbon Treaty, the European Renewable Energy Directive (RED) must be consistent with the advancement of developing countries. Article 208 of the Treaty stipulates that: “Union development cooperation policy shall have as its primary objective the reduction and, in the long term, the eradication of poverty. The Union shall take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries.” The RED is one such policy.

On May 18, 2010, the European Parliament also emphasized the importance of EU policy coherence for development (PCD), including energy policy, by adopting an important resolution23 and nominating a rapporteur on the subject.

Even though the link is rarely made explicit, PCD must be seen as a way for the European Union (EU) to better respect human rights. These rights are international standards that have higher legal value than other legal rules, including the RED. This is the case for the right to food, which is defined as follows: “The right to adequate food is realized when every man, woman and child, alone or in community with others, has physical and economic access at all times to adequate food or means for its procurement.”24

States are obliged to ensure this right for the people in their territory, but that is not all. They also have extra-territorial obligations vis-à-vis the populations of foreign countries whose access to food may be affected by the policies they implement. These obligations force the EU to ensure that its energy policy does not affect the right to food in developing countries and, as far as possible, help protect this right consistently with its development objectives.25 Yet, we have seen the EU and its member-States violate this right because the RED contributes to the eviction of smallholder farmers from the land they occupy and fosters rising food prices.

The RED is also contrary to the commitments taken by the EU whose strategy in favor of world food security indicates that “evidence shows that investments in the smallholder sector yield the best returns in terms of poverty reduction and growth. [...] Small-scale farming is dominant: about 85% of farmers in developing countries produce on less than 2 hectares of land. Mixed crop/livestock smallholding systems produce about half of the world’s food. Therefore, sustainable small-scale food production should be the focus of EU assistance to increase availability of food in developing countries.”26 This is the exact opposite of the agricultural model promoted by the RED. In this way, the EU energy policy takes back with one hand what the EU cooperation policy gives with the other, in complete contradiction with the obligation of policy coherence for development established by Article 208 of the Lisbon Treaty.

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25 General Comment 12, §36: “States parties should take steps to respect the enjoyment of the right to food in other countries, to protect that right, to facilitate access to food and to provide the necessary aid when required.”
The Right to Food: What Does the RED Say?

The few binding criteria are only environmental. Biofuels receive public and financial support and are supposed to cut greenhouse gas emissions by at least 35% compared to fossil fuel emissions in 2020 (and by more than 50% in 2017). However, emissions from indirect land use change (ILUC, see pg. 8) are not taken into account in sustainability criteria, which is a considerable shortcoming because the resulting greenhouse gas emissions are not counted. Faced with the European Parliament’s insistence when the RED was adopted, the Commission was obliged to publish proposals to respond to the impacts of ILUC by the end of 2010. In early 2012, this publication is still paralyzed by constant conflicts between the Commission’s energy directorate and the directorate that deals with climate issues.

Consideration of the impacts of the RED on development and the right to food in other countries is very weak. However, the Commission must submit a report every two years to the Parliament and Council of Europe on, notably, the directive’s impact on food prices and access to land. The first of such reports is expected by the end of 2012. It is planned that the “Commission shall, if appropriate, propose corrective action, in particular if evidence shows that biofuel production has a significant impact on food prices.” The year 2014, when the directive is to be revised, will also be an important time.

These processes, if they are adequately conducted, can be useful. But it is regrettable that no serious impact assessment on human rights and development was done prior to the adoption of the directive. The EU currently seems to have cast itself in the role of pyromaniac fireman!

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28 EurActiv: op. cit.
29 Article 17, §7.
10 PROPOSALS FOR AN EU ENERGY POLICY THAT RESPECTS THE RIGHTS OF DEVELOPING COUNTRY POPULATIONS

IN REGARD TO THE RENEWABLE ENERGY DIRECTIVE

1. CANCEL THE 10% TARGET FOR RENEWABLE ENERGY INCORPORATION IN TRANSPORT.
2. ELIMINATE ALL SUPPORT FOR FIRST-GENERATION INDUSTRIAL BIOFUELS, WHETHER SUBSIDIES OR TAX EXEMPTIONS.
3. INVEST IN AN AMBITIOUS ENERGY SAVING AND ENERGY EFFICIENCY IMPROVEMENT POLICY.
4. ACT IN ALL RELEVANT INTERNATIONAL BODIES TO BRING AN END TO ALL PRODUCTION AND CONSUMPTION TARGETS FOR FIRST-GENERATION INDUSTRIAL BIOFUELS, AS WELL AS ALL FORMS OF SUPPORT FOR THEM.
5. STRENGTHEN RESEARCH INTO SECOND- AND THIRD-GENERATION BIOFUELS AND PROMOTE THOSE THAT HAVE TRUE POSITIVE IMPACT ON THE ENVIRONMENT, THE DEVELOPMENT OF THE POOREST POPULATIONS AND THE REALIZATION OF HUMAN RIGHTS.

IN REGARD TO EUROPEAN POLICY COHERENCE FOR DEVELOPMENT (PCD)
Ensuring the coherency of the RED, as with other EU policies, implies strengthening the European Union’s PCD mechanisms and instruments.

6. MAKE PCD A WAY FOR THE EU TO BETTER ENSURE THAT ALL ITS POLICIES RESPECT HUMAN RIGHTS AND, IN PARTICULAR, ITS EXTRA-TERITORIAL OBLIGATIONS TO POPULATIONS IN OTHER COUNTRIES (SEE PG. 9).
7. SYSTEMATICALLY ASSESS THE IMPACTS ON HUMAN RIGHTS AND DEVELOPMENT, BEFORE THE ADOPTION OF AND AS PART OF THE MONITORING OF IMPLEMENTATION OF POLICIES THAT MAY AFFECT THE INTERESTS OF DEVELOPING COUNTRIES.
8. SET UP A COMPLAINT SYSTEM FOR THOSE WHO BELIEVE THEIR RIGHTS HAVE BEEN VIOLATED BY AN EU POLICY (NOMINATION OF A POINT OF CONTACT FOR PCD IN THE EU DELEGATIONS, A SPECIAL MEDIATOR FOR PCD IN CHARGE OF STUDYING COMPLAINTS, ETC.).
9. ACT IN ALL RELEVANT INTERNATIONAL BODIES TO PROMOTE PCD AND SO THAT STATES BETTER FULFILL THEIR EXTRA-TERITORIAL OBLIGATIONS IN REGARD TO HUMAN RIGHTS.
10. INVOLVE CIVIL SOCIETY AND, IN PARTICULAR, FARMERS’ ORGANIZATIONS IN DEVELOPING COUNTRIES IN THE MAIN STAGES OF THIS PROCESS.

ACP30-EU JOINT PARLIAMENTARY ASSEMBLY:
STRENGTHEN ITS ROLE IN FAVOR OF EUROPEAN POLICY COHERENCE FOR DEVELOPMENT

Article 12 of the Cotonou Agreement stipulates that the EU shall consult and inform ACP countries "where the Community intends [...] to take a measure which might affect the interests of the ACP States." As the European Parliament encourages, we propose that the JPA nominate two standing rapporteurs on policy coherence for development (one from an ACP country and one from the EU). They will ensure the coherence of EU and ACP policy with development, foster the JPA’s discussions and positions on these subjects, publish a biennial report notably focusing on implementation of Article 12, and examine possible complaints from victims of incoherencies.31

30 Africa, Caribbean and Pacific
31 Report on EU policy coherence for development, adopted in May 2010, §83.
The ‘ALIMENTERRE’ program aims to raise awareness among political leaders and the European public on the causes of world hunger and the means to fight it. For 2010-2012, it seeks primarily to promote policies and individual behaviors coherent with developing country populations’ right to food. The ALIMENTERRE program is coordinated by CFSI (France) in partnership with PKE and PZS (Poland). It brings together the European network EUROSTEP as well as Evert Vermeer Stichting (Netherlands), COSPE and Terra Nuova (Italy), Germanwatch (Germany), SOS Hunger (Belgium and Luxembourg), and PAH (Poland).

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