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**Agrofuels and land distribution:  
Towards a rights based approach to food security**

# **Agrofuels and land distribution: Towards a rights based approach to food security**

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## **Introduction**

The publicity surrounding the topic of agrofuels has increased rapidly over the last few years. In part, this stems from the fact that the subject is embedded in a broad range of policy areas including energy security, climate change, agricultural production and poverty alleviation. Therefore, the topic affects a wide range of stakeholders, each with its own set of priorities with regard to agrofuel production. At present, energy security and agricultural production in Europe and the United States have dominated the agenda at the cost of both measures to reduce greenhouse gas emissions and alleviate poverty.

It is often assumed that agrofuels are climate neutral or 'renewable' sources of energy. Furthermore, it is often assumed that the boom in investment in agrofuels in poor countries has the potential to contribute to poverty alleviation. In both cases, as will be seen below, these assumptions are unfounded. Nevertheless, energy and food companies, spurred on by policy support, are rapidly expanding the scope of their developments. Agrofuels are an emerging industry, and commercial developments are currently running ahead of the policies that sanctioned them in the first place.

This policy note analyses current European agrofuel policies in terms of their effects on nature and poverty. It argues that agrofuels are exacerbating climate change and that their development is infringing on the land rights of the poor, thus exacerbating poverty. Agrofuels are infringing on the intrinsic existence right of nature, as well as on the right of the poor to sufficient land to produce food. Therefore, it is necessary to begin to define and defend the rights of the poor and of nature as the basic rules of the game to which economic actors should be held if we are to move towards a sustainable and just future. This policy note argues that a rights based approach to sustainable development needs to be incorporated into agrofuel policy both in the area of nature conservation and in the area of poverty alleviation for agrofuel policy to contribute positively to either renewable energy or sustainable development.

## **Background: policies relating to agrofuels**

Both in the Netherlands and at the European Union level, agrofuel policies are embedded within broader policies relating to energy supply. They are part of the move to increase the proportion of renewable energy such as solar power and wind energy within an energy supply system that is dominated by fossil fuels.

At one level this relates to broader *climate policy*. The stimulation of agrofuels is part of a package that aims to reduce greenhouse gas emissions so as to limit global warming to a maximum of 2°C above its level before the industrial revolution<sup>1</sup>. An important part of this target is to be achieved through the expansion of agrofuels<sup>2</sup>. Thus in 2003, the EU released a directive on renewable energy which committed member states to a target of 5,75% biofuel content of

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<sup>1</sup> This is an international agreement in terms of the Kyoto protocol.

<sup>2</sup> Note (6) of the preamble to the EU's biofuel directive as formulated in 2003 states that "greater use of agrofuels for transport forms part of the package of measures needed to comply with the Kyoto Protocol".

petrol and diesel by 2010<sup>3</sup>. In January 2008, a new proposal for a directive on renewable energy was issued that extended the scope of the 2003 directive in various ways. The current proposal aims to establish binding targets for renewable energy sources that include a 10% target for agrofuels in transport to be achieved by each member state. Also, it aims to replace 20% of broader energy sources by renewable sources by 2020.<sup>4</sup> It is unclear as yet what proportion of this broader energy need is likely to be met by biomass combustion.

In terms of *energy security* policy, the key factor is the rapid rise in Europe's energy consumption over time and the resultant increasing dependence on imported hydrocarbons. Energy consumption, which accounts for 80% of greenhouse gas emissions, is still growing in Europe. For instance, electricity consumption is increasing at 1.5% a year.<sup>5</sup> Local sources are insufficient to maintain this growth, and European countries are therefore turning increasingly to the import of additional energy sources. In theory the EU's agrofuels targets could be met from internal sources, but this would require very large amounts of land. To achieve the 5.75% target in 2010, it is estimated that some 17 million hectares of land will be needed, or approximately one fifth of all productive land in Europe. To achieve the 10% target, some 30% of all land productive land in Europe would be needed. This would undermine food production in Europe and as a result, European policy stresses the production of energy crops *outside* the European Union. In this way, the domestic tension between food and fuel is resolved by exporting the problem to other countries. In its 2005 Biomass Action Plan, the European Union argues that importing biomass from developing countries is a cheaper option than encouraging local production<sup>6</sup>.

Furthermore, farmers in Europe are faced by declining levels of government support, and the securing of a fixed market for energy crops such as linseed from local sources is seen by the farming lobby as an alternative form of *income security*. However, in price terms, this option holds little interest for European energy suppliers relative to cheaper sources in poor countries. This kind of development leads the World Bank's World Development Report 2008 to state on agrofuels that "developing countries [...] are, or could become, efficient producers in profitable new export markets"<sup>7</sup>. But the option to use the import of biomass as a tool for poverty alleviation depends crucially upon the introduction of social criteria for the import of energy crops so as to target the poor. **Until now, however, the European Commission has not been prepared to introduce social criteria, arguing that such equity considerations would undermine efficiency considerations laid down by the World Trade Organisation.**

## The effects of agrofuel expansion

While it may be true that biomass can generally be produced more cheaply in poor countries, the scale on which such production is being introduced tends to set in motion a series of environmental and social marginalisation processes. To

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<sup>3</sup> Journal of the European Union (2003): Directive 2003/30/EC of the European Parliament and of the Council on the promotion of the use of agrofuels or other renewable fuels for transport. This directive built on the EU's White Paper on Renewable Energy, released in 2001, which included plans to expand electricity production from biomass.

<sup>4</sup> See: Commission of the European Communities (2008): Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources.

<sup>5</sup> See: Commission of the European Communities (2007): Communication from the Commission to the European Council and the European Parliament. An Energy Policy for Europe. Brussels: EC

<sup>6</sup> See: Commission of the European Communities (2005): Communication from the Commission. Biomass Action Plan

<sup>7</sup> See World Bank (2007): Op. Cit, pg. 37

achieve economies of scale, current biomass production tends to take the form of large scale plantations relying on monocropping. Furthermore, the increasing demand for agrofuels is driving the encroachment of nature, causing millions of hectares of forests or grasslands to be cleared for plantation development.

In this process, biodiversity is generally replaced by monoculture. Crucially, also, doubts exist as to whether the switch to agrofuels has a beneficial effect on greenhouse gas emissions. According to an influential study by Searchinger and others, for instance, maize-based ethanol doubles greenhouse gas emissions if the emissions involved in converting forestland or grassland to cropland are taken into account. Furthermore, nitrogen based fertilisers used for energy crop production leads to the release of nitrous oxide, which is 292 times more effective as a greenhouse gas than carbon dioxide<sup>8</sup>. In other words, the environmental premises that legitimised the introduction of agrofuels are turning out to be without scientific basis. This is in conflict with articles 34 and 37 of the EU directive on renewable energy<sup>9</sup>.

At the level of social effects, the economic activities of small scale producers tend to be undermined to make room for large scale producers. The expansion of agrofuels is thus leading to land conflicts and human rights abuses around the world. Lands being used in support of local livelihoods – such as for food production – is being claimed for use by a small minority. Thus in its recent study of African agrofuels, the African Biodiversity Network states that “the reality is the forced removal of small farmers, rising food costs and scant benefits for local populations”<sup>10</sup>. Similarly, the Friends of the Earth Report ‘Losing ground’ points to human rights abuses and the dispossession of forest dwellers in Indonesia who are losing land to palm oil companies<sup>11</sup>.

## **Agrofuels and food production**

Global food supplies are currently under increasing pressure. What the World Bank calls ‘supply constraints’ in access to land, water and energy as well as the increased risks associated with climate change, is posing serious challenges to meeting global food demand<sup>12</sup>. This is a new development: global food prices have been in decline since the 1970’s, turning the attention of the development industry away from rural development. However, recently, there has been a dramatic upturn in global commodity prices driven, to a large extent, by developments in the field of agrofuels. In December 2007, *the Economist’s* food-

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<sup>8</sup> Trans National Institute (2007): Paving the way for agrofuels. EU policy, sustainability criteria and climate calculations. Amsterdam: TNI, pg. 35.

<sup>9</sup> Article 34 states that “biofuel production should be environmentally sustainable. Agrofuels used for compliance with the targets laid down in this Directive, and those that benefit from national support systems, should therefore be required to fulfil criteria for environmental sustainability”. Article 37 states that “If land with high stocks of carbon in its soil or vegetation is converted for the cultivation of raw materials for agrofuels and other bioliquids, some of the stored carbon will generally be released into the atmosphere, leading to the formation of carbon dioxide. The negative greenhouse gas impact of this can offset the positive greenhouse gas impact of the agrofuels or bioliquid, in some cases by a wide margin. The full carbon effects of such a carbon conversion should therefore be accounted for in calculating the greenhouse gas savings of particular agrofuels and other bioliquids”.

<sup>10</sup> See African Biodiversity Network (2007): Agrofuels in Africa – the impacts on land, food and forests

<sup>11</sup> Friends of the Earth, Life Mosaic and Sawit Watch (2008): Losing Ground: The human rights impacts of oil palm plantation expansion in Indonesia.

<sup>12</sup> See World Bank (2007): World Development Report 2008. Agriculture for development. Washington: IBRD, pg. 82

price index reached its highest level since 1845<sup>13</sup>. By November 2007, global food stocks had reached their lowest point in 25 years, leading the head of the UN World Food Programme (WFP), Josette Sheeran, to sound the alarm. In March this year, she warned of a 'perfect storm' in world commodity markets, leading to food prices out of reach for the urban poor and indicating that the WFP's cost of reaching a hungry person has gone up by 50% in five years.

Indeed, food has become increasingly inaccessible to those purchasing it through the market. Food price inflation has reached double digit figures in China, Indonesia, Pakistan and Mexico. The price of wheat on the world market has doubled since 2006, the price of maize has increased by some 50% and the price of rice has risen by some 20%<sup>14</sup>. Similarly, the global 2007/8 production of the world's seven main oilseeds is expected to fall short of demand by some 17 million tonnes, depleting world oilseed stocks<sup>15</sup>. On average, coarse grains and vegetable oils are expected to increase in price by some 13% between 2006 and 2008<sup>16</sup>. These developments have resulted in an overall increase of food import expenditures for developing countries in 2007. Since then, food riots have broken out in Morocco, Yemen, Mexico, Guinea, Mauritania, Senegal and Uzbekistan. Furthermore, Indonesia, Pakistan, Russia and Thailand have frozen the prices of basic foodstuffs such as bread and cooking oil, and India has banned the export of all but the highest quality varieties of Basmati rice<sup>17</sup>.

## **A battleground of legal principles**

Since 1948, a large number of international declarations and conventions have been hammered out that provide the framework for rules on human rights, international trade and investment, and the environment. The relationship between many of these rules and regulations still need to be settled in international law. However, it is generally recognised that human rights constitute a body of law that stands above many other international forms of regulation. The right to life, for instance, is seen as a pillar of international law. The human right to food is recognised in a number of international instruments, including the 1948 Universal declaration of human rights and the 1966 International Covenant on Economic, Social and Cultural Rights<sup>18</sup>.

Since 2001, the FAO has taken a rights based approach to the right to food, including economic access and the right to food that is produced sustainably in social and economic terms. However, in practical terms, the instruments that support economic access to food such as food subsidies tend to be undermined by the policies of the World Trade Organisation and the World Bank. These institutions favour the removal of subsidies in the interests of the functioning of an efficient market, even if such efficiency is at odds with other policy principles such as equity or sustainability. Multilateral Environmental Agreements and international agreements on development objectives such as the Millennium Development Goals are undermined by international trade agreements that

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<sup>13</sup> The Economist (6/12/2007): The end of cheap food. London: The Economist.

<sup>14</sup> The Guardian (3/11/2007): Global Food Crisis looms as climate change and fuel shortages bite. London: The Guardian

<sup>15</sup> Reuters (5/9/2007): Global food crisis looming on agrofuels

<sup>16</sup> FAO (2007): Food import bills reach a record high partly on soaring demand for agrofuels. FAO: Food Outlook.

<sup>17</sup> The Guardian (26/02/2007): Feed the world? We are fighting a loosing battle, UN admits. London: The Guardian

<sup>18</sup> "Everyone has the right to a standard of living adequate for the health and well being of himself and his family, including food" (1948), and "the fundamental right of everyone to be free from hunger" (1966).

prevent action by states to defend biodiversity, act on climate change and increase food security. The global policy stage is therefore currently a battleground of legal principles rather than becoming a creative merger of people, planet and profit. However, the right to life and therefore to food remains a relatively unassailable principle in international law. It now needs to be tested against the normative criteria of the World Trade Organisation that give precedence to efficiency considerations over equity and sustainability.

## **Policy recommendations**

- That the European Commission introduces, as a matter of urgency, social criteria for the import of biomass with special emphasis on the right to land for food production;
- That the European Commission implements its sustainability criteria for the import of biomass as a matter of urgency;
- That the European Commission recognises the right to land for food production as a legal principle that stands above trade regulations emerging from the World Trade Organisation<sup>19</sup>.
- That the European Commission acts in accordance with the European Consensus on Development, which reads "... The EU shall take into account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries. (art 38)... We will assist developing countries in implementing the Multilateral Environmental Agreements and promote pro-poor environment related initiatives"<sup>20</sup>.

## **The role of Both ENDS**

- As a member of a global coalition of environment and development organisations, Both ENDS has undertaken to pass on the call on the European Union for the securing of land rights that it is receiving from southern partners;
- Together with its southern partner organisations, Both ENDS is conducting a study into the macro effects of energy crop production in poor countries;
- Both ENDS hosts secretariat for both the Dutch Palm Oil coalition and the Dutch Soy Coalition;
- Both ENDS is acting to establish national knowledge platforms in the Netherlands and six southern countries to deepen knowledge on the social and environmental effects of energy crop production.

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<sup>19</sup> EU Land Policy Guidelines. Communication from the Commission to the Council and the European Parliament "EU Guidelines to support land policy design and reform processes in developing countries" COM(2004) 686 final of 19.10.2004.

<sup>20</sup> Source: Joint Statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission (2006/C 46/01)

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