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EU moves to cut back target on biofuel use

By James Kanter

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BRUSSELS: Signaling a major retrenchment, European Union legislators on Monday proposed ratcheting back an ambitious target to raise Europe's use of biofuels.

At the same time, a new report for the British government cast fresh doubt on using fuels from crops in the fight against climate change.

Until recently, European governments had sought to lead the rest of the world, setting a target for 10 percent of transportation fuels to be derived from biofuels by 2020. But the allure has dimmed amid growing evidence that the kind of targets proposed by the EU are contributing to deforestation and helping force up food prices.

"I think when we will look back we will say this was the beginning of a turning point for Europe on biofuels," said Juan Delgado, a research fellow specializing in energy and climate change expert at Breugel, a research organization in Brussels. "It will be very difficult now for Europe to stick by its targets."

In the United States, an energy bill passed last year required that 36 billion gallons of biofuels be produced annually by 2022. But criticism is gaining ground there, too, with calls to end tax breaks for corn ethanol and other measures to stop so much American corn - about one-fourth of the crop - being used for biofuels.

Over the past 18 months, studies have shown that the current generation of biofuels reliant on crops like canola, corn and soybeans helps drive up food prices by using agricultural land, aggravates deforestation and may be worse for the climate than conventional oil once the cost of production and transport are taken into account. The majority of biofuels produced in the world today are extracted from corn in the United States, sugar in Brazil, and both grain and oil-seed crops in Europe.

Those findings now are pushing Europe into an about-face on biofuels that has gained momentum in recent days.

"The political tide in Europe is now turning against biofuels, said Adrian Bebb, an agofuels coordinator with Friends of the Earth Europe.

Over the weekend, energy ministers gave one of their strongest signs that EU governments were prepared to back away from the 10 percent target. "We have to decide if the quota can be kept," the Jochen Homann, secretary of state at the Economics Ministry, said Saturday in Paris. "It might be changed," he said.

Britain also signaled a new course Monday. Ruth Kelly, the British transport minister, said the introduction of biofuels should be slowed down, citing a newly released report warning that current targets for biofuel production could cause a global rise in greenhouse gas emissions and an increase in poverty in the poorest countries.

"Given uncertainty and potential concerns, the government will adopt a more cautious approach until the evidence is clearer on environmental and social effects of biofuels," Kelly told the British Parliament.

The Environment Committee of the European Parliament voted Monday to approve the measure, suggesting it be sent to the full Parliament.

Members of each major political block on the committee called for a much lower target - 4 percent - and said the measures should be reviewed 2015 before any decision to ratchet up that target to

between 8 percent and 10 percent.

Although the environment committee's vote is not binding, it still will add to pressure on the European Commission to issue revised proposal, said Delgado, the Breugel expert.

Under the alternative proposals that the committee voted on, 20 percent of renewable transport fuels would have to come from feed stocks, like algae, that do not compete with food for cropland. EU nations also could meet the target by expanding use vehicles powered by biogas, electricity or hydrogen by 2015. That figure would rise to as much as 50 percent by 2020. Nations also would have to abide by rules on environmental and social sustainability.

The European Commission has been seeking to promote policies allowing it to proclaim global standards for tackling climate-change emissions. The fading luster of biofuels is one of the factors that threatens its goal of generating 20 percent of energy from renewable sources by 2020, up from current levels of 8.5 percent now.

Despite the uproar over biofuels, the European Commission has denied that biofuels are helping push up world food prices by displacing other agriculture and has vowed to stick by its 10 percent target.

Michael Mann, a spokesman, said Monday that higher food prices had been caused by increased demand for meat and dairy products, particularly in China and India, two years of bad harvests around the world, speculation, and by restrictions on exports of food commodities by some nations.

Mann said that a largely voluntary EU target for using 5.8 percent biofuels in transport had done little to promote their use, and that binding targets were needed to improve on the current generation of fuels.

"If you don't have targets, you don't make progress in combating climate change," Mann said. "You have to start on first-generation biofuels to get your productive capacity going but move as soon as possible to biofuels that are not in direct competition with food."

There is disagreement about the role in rising food prices, and some analysts say that the backlash against biofuels now is going too far. New Energy Finance, a research group in London, said in May that prices had risen 8 percent for grains and 17 percent for oils as a result of biofuels policies. It found effects on the price of sugars had been negligible.

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