

AGROFUELS – A Challenge to the Churches

How will they affect the poor in your country?

In many countries in Africa local and foreign companies are rushing to get their hands on large stretches of land in order to grow “energy plants” to produce either bio-diesel (from palm oil, castor oil or jatropha oil) or ethanol (from maize, cassava or sugar cane).

The rise in the price of crude oil on world markets has put great stress on the poorer countries that do not export oil. They spend a large proportion of their foreign currency earnings on importing oil to keep their economies going. This is why it is very tempting to produce fuel from crops and so become less dependent on imported oil. Governments are easily persuaded to allow foreign investors to use large stretches of land without considering the possible social and environmental long-term consequences.

Little thought is given to the fact that large investments in agrofuel projects means a paradigm shift from small scale family farming to large scale mechanised commercial farming. In many countries in Africa the majority of people, at times up to 90%, still live from the land. If their land is taken over by commercial companies, they become landless and jobless. In most countries there is no industry to offer alternative jobs. The disinherited rural people will move into the already overcrowded slums of Africa's mega-cities. The social dynamite of such a situation is obvious.

Below, the most important problems connected with large-scale agrofuel projects are flagged up.

Before land concessions for agrofuel production are granted, several issues need to be considered and publicly discussed. and there are some questions that it would be good for the Church to ask in order to assess projects or policies concerning agrofuels.

1. The most important resource: land

When growing energy crops, two vital resources are needed: large stretches of land and water. In many countries land is getting scarce. The argument in favour of agrofuels is that “unused” land is dedicated to a useful purpose. In fact, there is rarely unused land in Africa. It may not be used for agriculture but serve as grazing ground for domestic animals or herds belonging to nomadic people, or provide firewood.

To give such land to companies for the production of agrofuels usually means expelling people from their land. Governments abuse the fact that traditionally or communally owned land is not registered and has no land titles. Although taking away such land may be judged as legal by a court, it is morally totally unjust, as it deprives people of their livelihood. It can only be acceptable if the traditional owners have given their free, prior, informed consent, are adequately compensated for the loss of their houses and given alternative land to live from. Often they are not compensated at all or given marginal, infertile land.

Some agrofuel projects involve local farmers by drawing up contracts with them to supply bio-mass to a company. Such contracts may seem attractive as they promise farmers an extra source of income. However, they often turn out to be disastrous because the risks lie entirely with the farmers. If they are unable to supply the required quantity because of bad weather conditions they forfeit the profits and risk losing their lands.

The argument that people who lose their land can find jobs in the plantations is questionable. Mechanised farming requires only a small labour force. If it is done manually, like cutting sugar cane, salaries and working conditions are usually poor.

The Church, as advocate of the poor, has to defend the land rights of traditional land owners or assure free, prior, informed consent and adequate compensation, as land is often the only resource of the poor in rural areas.

2. Another vital resource: water

When companies cultivate energy crops, they usually do so on a commercial scale. They apply for thousands, sometimes hundreds of thousands of hectares. This can create a problem in several ways:

- Local people are cut off from their traditional water sources
- Large amounts of water are used for irrigation, particularly in the case of sugar cane.
- Cutting down trees over a large area diminishes the rain fall.
- Wetlands are used for cultivation, which might cause micro-climatic changes and affect the local ecosystems.

Access to water is a human right. Agrofuel projects must not cut off people's access to water or affect the regional ecosystems.

3. The competition for fuel and food

Experience elsewhere suggests that growing biomass for agrofuel leads to direct competition with food production. The motto "Full tanks – empty stomachs" summarizes the problem.

Prices for staple foods (maize, wheat and rice) have more than doubled since 2006. One major reason is that farmers grow energy crops instead of food crops because it gives them greater profits. Another reason is that food crops are used for fuel production (in the US already one third of the corn production is converted to fuel).

Agrofuel projects can easily diminish the production of food, contribute to a rise in food prices and thus increase poverty and hunger.

One energy crop promoted in Africa is jatropha. An argument in favour of jatropha plantations is that this plant is able to grow on arid or semi-arid lands where food production is impossible. Therefore, it would not compete with food production. However, in practice this is often not true. On arid soils jatropha grows slowly and produces less seeds. Companies are keen on high productivity and maximum profits and always search for the most fertile lands. In practice, jatropha plantations compete for land that could be used for food production.

4. What will the long-term impacts of the investment be on the environment and the climate?

When considering whether an investment contributes to the common good, one has to look not only at the immediate positive or negative impacts on the population, but also the long-term effects of large scale mono-cultures on the environment, on biodiversity and particularly on the climate. Several issues need to be looked at:

- Industrialised farming depends highly on the large scale use of artificial fertilisers and pesticides. Artificial fertilisers can impoverish already vulnerable or poor soils in tropical and equatorial climates. Pesticides can do harm to people living in the area.
- The trend is to use varieties of energy plants that have been genetically modified (GMOs) in order to increase the output. Genetically modified plants are usually sold by transnational companies under private license which increases the cost of seeds for farmers and prevents the use of a part of the harvest in the following season. Their natural release in the environment irreversibly threatens farmers and biodiversity.

5. Investments and profits

African governments are keen on attracting foreign investment, but often do not consider sufficiently where the profits go.

Agrofuels could substitute costly oil imports and thus benefit the national economy. Yet, most agrofuels investments in Africa are destined for export. As Europe does not have sufficient space to produce enough biomass to achieve its 10% target of agrofuel blending by 2020, it is bound to look for land elsewhere. As in colonial times, Africa could end up simply supplying the economies of the West with raw material, at the expense of its own

food security and sovereignty.

In most cases governments offer the precious resource of land to investors free of charge. Contracts are usually not transparent and it is unclear what percentage of the profits actually remains in the country. Promises of companies to contribute to the improvement of infrastructure are often vague and remain unfulfilled.

As governments are often inclined to strike deals without prior information and discussion with the affected local population, civil society and especially the churches have an important role to play in bringing such questions of vital interest to the public debate. To make sure that investments in agrofuel projects benefit the economy and the people of the country, contracts should be discussed publicly and be approved by Parliament.

6. Positive criteria: the promotion of agrofuel projects for decentralised energy supplies

Above, the risks and problems of large-scale commercial farming of energy crops have been pointed out. There *have* been positive experiences where local communities, schools or hospitals which have spare land have planted, harvested and processed jatropha themselves, and have used the oil to run a power plant and thus supply their communities with cheap, affordable energy.

The Church should promote such projects in its own institutions and provide a model of sustainable, decentralised energy projects which contribute to the development of rural populations, instead of bringing profits only to foreign investors.

The attached document gives preliminary information about some agrofuel projects in your country. They are based on a study made by a German volunteer, Markus Bier, for the German Catholic Bishop's development organisation *Misereor* in May 2008. These projects may be unknown to the public in your country and there may be other projects under negotiation that are not mentioned here. We are sending you the information available to us in the hope of raising awareness about a development that has the potential to help eradicate poverty, but equally the potential to increase poverty and hunger and cause irreparable damage to the environment.

The Church is committed to the poor and supports the Millennium Development Goals.

What could the churches do?

1. Use their public position to bring the problems connected with agrofuel projects and their effects the future of the country into an open discussion in parliament and the media.
2. Make local communities affected by agrofuel projects aware of the consequences of such projects and defend them against unjust land-grabbing.
3. Insist and lobby government not to cease land that is used for food production to investors for the large-scale cultivation of agrofuels.
4. Encourage government and civil society to research the long-term effects of large-scale industrial farming of biomass on the environment and the climate.
5. Encourage and promote decentralised production of agrofuels by and for local communities to supply their own energy needs.

We would be grateful for an **exchange of information** about projects undertaken in your country. It would be interesting for our own work in Europe to know about agrofuel investments in your own area: about the kinds of crops grown, the amount of land given to investors and the effects on the local population or other production systems like outgrower schemes or contract farming.

KEY QUESTIONS FOR EVALUATING LARGE SCALE AGROFUEL INVESTMENTS:

In order to promote a public scrutiny of large scale agrofuel investments, here are some questions that could be useful to ask.

1. **Please share your own initiatives on agrofuels with us, in case you are already dealing with the issue.**
2. **Are people deprived of their land and livelihood by the ventures? Approximately how many? Are they adequately informed and consulted prior to starting a large-scale bio-energy investment? Are they adequately compensated?**
3. **Does the bio-energy venture hinder people's access to water sources?**
4. **What are the predictable long-term effects on the environment? Does the investments risk contributing to climate change in the region?**
5. **Does the project take over land that was previously used for food production? Will the switch to agrofuels contribute to rising food prices?**
6. **Are Genetically Modified Organisms (GMOs) involved?**
7. **Are contracts made public? Have they been discussed in the media or in Parliament?**
8. **Any further remarks?**

Please send all available information on agrofuel investments to:

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