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## U.N. raises doubts on biofuels

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ROME --

Biofuels like ethanol can help reduce global warming and create jobs for the rural poor, but the benefits may be offset by serious environmental problems and increased food prices for the hungry, the U.N. said Tuesday in its first major report on bioenergy.

In an agency-wide assessment, the U.N. raised alarms about the potential negative impact of biofuels, just days after a climate conference in Bangkok said the world had both the money and technology to prevent global warming blamed in part on greenhouse gas emissions.

Biofuels, which are made from corn, palm oil, sugar cane and other agricultural products, have been seen by many as a cleaner and cheaper way to meet the world's soaring energy needs than with greenhouse-gas emitting fossil fuels.

European leaders have decided at least 10 percent of fuels will come from biofuels like ethanol by 2020, and Congress is working on a proposal that would increase production of biofuels sevenfold by 2022. With oil prices at record highs, biofuels have become an attractive energy source for poor countries, some of which spend six times as much money importing oil than on health care.

But environmentalists have warned that the biofuel craze can do as much or more damage to the environment as dirty fossil fuels - a concern reflected throughout the report, which was released Tuesday in New York by U.N.-Energy, a consortium of 20 U.N. agencies and programs.

U.N.-Energy chairman Mats Karlsson said it only seemed natural to look to biofuels for energy since a quarter of the world's population has no access to power.

"What would be more interesting than to reflect on a source of energy that takes simply sunshine and water, and transforms it into power through photosynthesis?" he told a news conference at U.N. headquarters in New York. "Well, when you reflect on it you find that there are many challenges."

The report said bioenergy represents an "extraordinary opportunity" to reduce greenhouse gas emissions. But it warned that "rapid growth in liquid biofuel production will make substantial demands on the world's land and water resources at a time when demand for both food and forest products is also rising rapidly."

Changes in the carbon content of soils and carbon stocks in forests and peat lands might offset some or all of the benefits of the greenhouse gas reductions, it said.

"Use of large-scale monocropping could lead to significant biodiversity loss, soil erosion and nutrient leaching," it said, adding that investments in bioenergy must be managed carefully, at national, regional and local levels to avoid new environmental and social problems "some of which could have irreversible consequences."

It noted that soaring palm oil demand has already led to the clearing of tropical forests in southeast Asia.

In addition, the diversion of food crops for fuel will increase food prices, putting a strain on the poor, as evidenced by the recent steep rise in maize and sugar prices, the report said.

"Liquid biofuel production could threaten the availability of adequate food supplies by diverting land and other productive resources away from food crops," it said, adding that many biofuel crops require the best land, lots of water and environment-damaging chemical fertilizers.

While bioenergy crops can create jobs in impoverished rural areas where the bulk of the world's poor and hungry live, creating biofuels favors large-scale production, meaning small-scale farmers could be pushed off their land by industrial agriculture.

It suggested that farm co-ops, as well as government subsidies, could help small-scale farmers compete.

Such concerns have been raised by Greenpeace International and other environmental groups worried that the biofuel fad is being driven by big agricultural interests looking for new markets.

"More and more, people are realizing that there are serious environmental and serious food security issues involved in biofuels," Greenpeace biofuels expert Jan van Aken said. "There is more to the environment than climate change. Climate change is the most pressing issue, but you cannot fight climate change by large deforestation in Indonesia."

Individual U.N. agencies have previously issued small-scale reports on biofuels, but they were largely optimistic and did not highlight negative consequences because they were not yet known, said Gustavo Best, vice chair of U.N.-Energy and a biofuels expert at the Rome-based U.N. Food and Agriculture Organization.

But with the surge in interest by the private sector, the rise in commodity prices and an awareness of the strain on water supplies that has resulted from biofuel production, "we now have to raise the red flags and say 'be careful, don't go too fast,'" he said in an interview.

"There are winners and losers," he said.

The report itself is something of a miracle, since there has long been opposition among U.N. member states - including OPEC, nuclear and other energy lobbies - to have an international dialogue on energy. There is for example, no U.N. Millennium Goal for energy, and recent U.N. working documents on sustainable development continue to be very fossil-fuel oriented, Best said.

The document is intended for governments to help them craft bioenergy policies that maximize the potential but minimize the negative impacts - even as the technology continues to change.

"We can't cross our arms and wait to have better data or better methodologies," Best said. "We need to contribute to the discussion, but in a balanced way."

Associated Press Writer Michael Weissenstein at the United Nations contributed to this report.