

Case-study: this press release provides useful background on biofuels and some of the key issues

Environmental Audit Committee, House of Commons

Press Release - for immediate use

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NEW INQUIRY

Are biofuels sustainable?

The Environmental Audit Committee (EAC) has today announced an inquiry into biofuels and the role that they might play in addressing the key issues of fuel security and climate change. This inquiry follows the recent publication of the United Nations report *Sustainable Bioenergy: A Framework for Decision Makers*, which stressed the need for the development of a biofuel strategy to minimise the potential for negative environmental and social impacts. This inquiry by the EAC will:

- explore the wider economic, social and environmental impacts of biofuels;
- examine the role biofuels might play in improving fuel security and reducing greenhouse gas emissions;
- review the policy arrangements for biofuels; and
- explore whether safeguards are in place in order to minimise negative social and environmental impacts.

Biofuels are fuels derived from non-fossil organic matter. These include liquid biofuels such as biodiesel and biogas, each of which have different applications in transport. Global production of biofuels is doubling every few years. Brazil and China have already 50 million acres of land given over to their production. This expansion of biofuel production, encouraged in part by targets in the EU and the US, could have widespread positive and negative social and environmental impacts beyond possible lower greenhouse gas emissions.

Positive impacts could include the stabilisation of oil prices, increased fuel security, the opening of new markets, new energy sources for developing countries and higher commodity prices for the poor. Negative impacts might include biodiversity loss, soil erosion, nutrient leaching and increased carbon emissions from inappropriate land clearance. Concerns have also been raised about food security, as a large agricultural shift to fuel production might dramatically increase food prices and increase pressure on small farmers in both developed and developing countries.

It has been reported that some negative impacts of biofuel production are already being felt. For example, there have been protests in Mexico following an 80% increase in corn prices and a 40% increase in wheat prices due to the combined factors of drought in Australia and a dramatic increase in bioethanol usage in the US. There are also concerns that biofuel demand is stimulating in the tropics the destruction of rainforest as it is cleared for palm oil plantations.

The Committee invites organisations and members of the public to submit memoranda setting out their views on these issues. Some specific subjects on which the Committee would welcome comments are set out below, although respondents are free to comment on any issues which they consider relevant.

1. What are the possible positive and negative social, environmental and economic consequences of biofuels? How might trade-offs between climate benefits and environmental and social impacts be made? Is there a need to develop a new biofuel strategy for the UK or EU, to balance the environmental, social, economic and climate impacts of biofuels?

2. Should biofuels be regulated to minimise the negative environmental and social impacts,

and in what way? How might regulation fit in with international trade agreements and rules? Should there be regulation of the entire carbon cycle of biofuels?

3. How successful are existing international structures, such as the Roundtable on Sustainable Palm Oil, at ensuring that imports of biofuels can be obtained from sustainable sources? To what extent is it currently possible to identify the provenance and production standards of imported biofuels?

4. At what stage is biofuel technology? Is there enough support for the development of biofuel technology? A UN report found that the climate change benefits of solid biomass fuels outweigh those of liquid biofuels. Are current policies promoting the development and deployment of a range of biofuel technologies? How successful have EU strategies and Directives been in stimulating biofuel usage? Will the 2010 biofuel target be reached? How effective are the Government's fiscal arrangements for biofuels?

5. The EU Strategy for Biofuels claims that biofuels "are a direct substitute for fossil fuels in transport and can readily be integrated into fuel supply systems". What proportion of UK domestic transport and energy generation could be fuelled by UK-produced biofuels? Is it possible for biofuels to entirely replace oil for transport purposes? Is there a role for public procurement or public transport? Will biofuels improve fuel security? How secure are biofuel crops from unexpected events such as drought or disease?

6. What impact would an expansion of UK production of biofuels have on the ability of the UK to produce its own food? How might this impact on greenhouse gas emissions from international trade patterns? What impact might the expansion of biofuels have on international food security and prices?

7. How might farm viability in both developed and developing countries change with an expansion of biofuels? What implications are there for poverty in developing countries? Should we be concerned about large monopolies forming in the biofuel sector?

Written evidence should be sent to the Committee by 1 October 2007. For printing purposes we require submissions via e-mail to eacom@parliament.uk in Word format. We are unable to accept PDFs except for supporting documentation already in the public domain which will not be printed by us. Although we no longer require a hard copy, it is your responsibility to check that we have received your submission if no email acknowledgement has been received by you. A brief guidance note on the preparation and submission of evidence is available on the Committee's web pages. For further information on this inquiry, please telephone 020-7219-1378.

Details of all the Committee's press releases and inquiries, together with its Reports, oral evidence and other publications, are available on the Committee's Internet home page, which can be found at:

www.parliament.uk/parliamentary_committees/environmental_audit_committee.cfm.

The Environmental Audit Committee

Under the terms of the Standing Order No. 152A the Environmental Audit Committee is to consider to what extent the policies and programmes of government departments and non-departmental public bodies contribute to environmental protection and sustainable development: to audit their performance against such targets as may be set for them by her Majesty's Ministers; and to report thereon to the House. The Committee was set up on 13 July 2005.