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## EU support for wood-based 'bioenergy' fuels forest destruction and land-grabbing

Back in 2009, the European Union agreed on a 20% renewable energy target by 2020. Most of the target is expected to be met from burning biomass, primarily wood (1). Across much of Europe, wood burning is being promoted for heating and for electricity. As a result, the EU's demand for wood – already unsustainably high – has started to grow substantially. Pressures on forests across Europe are increasing. In Germany for example, more than 15 million households have installed wood stoves. This has led to higher logging rates and more destructive logging methods. Even large beech trees are being cut down for woodstoves and biodiverse forests not previously logged are being cleared. Most of Germany's wood production is now burned (2).

Other European countries primarily promote wood-burning in power stations. Those include the UK, which is expected to burn 5 million tonnes of wood pellets made from 10 million tonnes of wood in 2014 – far more than any other European country and roughly equivalent to the UK's entire annual wood production.

Forests in Europe are far from the only ones affected by EU and member states' support for wood-based bioenergy. EU demand for wood pellets now far outstrips EU pellet production. As a result, the EU imported more than 6 million tonnes of pellets last year, the vast majority of them from the southern US and Canada. For each tonne of wood pellets, two tonnes of wood are needed.

Southern US pellet production has tripled in just two years and ever more pellet plants are being announced and built (3). The impacts are devastating. Pellet plants are concentrated near the Atlantic coast, which is home to remnants of some of the most biodiverse temperate forest and freshwater ecosystems on the planet (4), ecosystems which harbour thousands of species, many of them endemic to the region and which are vital for regulating freshwater systems in a region increasingly affected by droughts. 90% of the region's original forest cover has already been degraded or destroyed, much of it converted to monoculture pine plantations for paper production.

When the EU's biomass boom first started around 2010, it was widely expected that future imports would increasingly come from South America and Africa. Yet this hasn't happened, as a report by Biofuelwatch reveals (5). Back in 2010, it seemed logical that European energy companies would be looking for cheap wood from fast-growing eucalyptus plantations. Indeed, there was a spate of investment announcements and, as article about the Brazilian company Suzano's eucalyptus plantations in *Maranhão*, Brazil, shows, tree plantations were expanded with the declared aim of producing pellets and/or woodchips for power stations in the EU (6). Yet, what would be required to establish new trade routes for wood-based bioenergy are investments into pellet plants, into transport links to ports, and port and shipping facilities - and virtually none of those have so far happened in the

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global South (7). South Africa is the only African country where pellet plants – at least three of them – were built and started exporting to the EU. All of those have closed down because they were not economically viable. No Southern country, it appears, can compete with North America's pellet industry on any significant scale.

Does this mean that forests and communities in the global South are largely safe from EU biomass policies? Unfortunately, not. First of all, much of the wood extracted from forests in Europe that is being burned, and likely some of the wood imported from North America that is turned into pellets, would otherwise have been used by different industries. Those industries will have to look elsewhere for more wood. As global demand for wood increases, so do the pressures on forests and other lands which are converted to monoculture tree plantations. Secondly, companies are citing the EU's biomass demand to justify and attract investments into land-grabs. Suzano may well have believed, back in 2010, that they could viably produce pellets in Brazil and sell them to the UK, but other land-grabbers' claims appear less genuine.

Africa's largest tree plantation owner is Green Resources. The company recently merged with the Global Solidarity Forest Fund and now holds over 40,000 hectares of plantations in Mozambique, Tanzania and Uganda, with well-documented serious impacts on local communities and environments (8). Green Resources website features claims about the potential for wood pellet production for the EU – yet, no plans to invest in pellet plants have been published and references to such a 'promising' new market may well just be aimed at attracting more finance.

Another company, Miro Forestry, appears to have obtained funds via a German investment fund, claiming that they had signed a cooperation agreement to develop a pan-African woodchip biomass business which would supply the EU as well as domestic markets (9). However, nothing can be found on their or their supposed partners' websites to back this up and there are no indications of anybody building the infrastructure to produce and export such woodchips. Miro state that they have obtained long-term leases over more than 12,000 hectares of land in Ghana and Sierra Leone. They have so far planted more than 1,000 hectares, mostly with eucalyptus (10).

A very stark example of a European company justifying land-grabs with non-credible claims about biomass electricity is that of African Plantations for Sustainable Developments (APSD) – although their claims do not refer to potential exports. APSD proposes plantations in order to generate 600 MW of electricity from burning the wood in new power plants in Ghana. This would surpass the UK's biomass capacity and require many billions of dollars in investment (11). While their marketing claims look like a hoax, APSD's land grabbing activities, according to an independent land monitoring initiative, Land Matrix, are the biggest in the country. In April 2014, a Ghanaian news service reported that some 2,000 local people were being displaced by APSD in Brong Ahafo region, with the local MP warning that the region's food production and food security were under threat.

There is a precedent from EU biofuels policies: According to the NGO ActionAid, European investors had grabbed 6 million hectares of land in Africa by 2013, with the declared aim of producing biofuels for export. Yet, the EU imports virtually no biofuels from Africa. Instead, mere hype and expectations over such 'possibilities' have fuelled one of the biggest land-grabs worldwide. Something similar may now start happening as a result of the EU's misguided biomass policies.

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- (1) [http://www.ieep.eu/assets/753/bioenergy\\_in\\_NREAPs.pdf](http://www.ieep.eu/assets/753/bioenergy_in_NREAPs.pdf)
  - (2) [http://www.forumue.de/fileadmin/\\_temp\\_/FORUM\\_Rundbrief0413\\_web\\_01.pdf](http://www.forumue.de/fileadmin/_temp_/FORUM_Rundbrief0413_web_01.pdf)
  - (3) <http://biomassmagazine.com/articles/10311/north-american-wood-pellet-exports-to-europe-double-in-2-years>
  - (4) <http://www.dogwoodalliance.org/southern-forests/coastal-forests/>
  - (5) <http://www.biofuelwatch.org.uk/2014/biomass-landgrabbing-report/>
  - (6) <http://wrm.org.uy/books-and-briefings/eucalyptus-plantations-for-energy-a-case-study-of-suzanos-plantations-for-wood-pellet-exports-in-the-baixo-parnaiba-region-maranhao-brazil/>
  - (7) Note that Biofuelwatch has only looked at potential imports to the EU. South Korean investments into tree plantations in South-east Asia with the stated purpose of wood pellet production, possibly for export to South Korea have been reported but studies of intra-Asian biomass trading do not yet exist.
  - (8) [http://timberwatch.org/uploads/TW%20Tanzania%20CDM%20plantations%20report%20low%20res%20\(1\).pdf](http://timberwatch.org/uploads/TW%20Tanzania%20CDM%20plantations%20report%20low%20res%20(1).pdf), <http://wrm.org.uy/articles-from-the-wrm-bulletin/section2/mozambique-more-denunciations-against-chikweti-a-company-financed-by-a-nordic-solidarity-fund/>
  - (9) [http://users5.noFeehost.com/pharos/12\\_01\\_2012.pdf](http://users5.noFeehost.com/pharos/12_01_2012.pdf)
  - (10) [http://www.finnfund.fi/ajankohtaista/uutiset14/fi\\_FI/miro\\_forestry\\_company\\_finnfund/](http://www.finnfund.fi/ajankohtaista/uutiset14/fi_FI/miro_forestry_company_finnfund/)
  - (11) <http://www.hbs.edu/environment/mission-and-impact/Pages/profile-details.aspx?profile=elorentzen>