

Global rethink on biofuels urged by FAO chief

Growing poverty and greater environmental damage are two of the risks facing the world unless it -fundamentally changes its bioenergy strategy. So says the United Nations' top food and agriculture official.

The UN Food and Agriculture Organisation (FAO) is pushing for a high-level meeting next summer to regulate the international bioenergy market. At present, the bioenergy industry is ordered by domestic policies rather than international agreement. This must change.

The FAO is urging the European Union and the US to lower trade barriers against ethanol imports; establish a system for bio-energy environment standards; and provide increase levels of microcredit for farmers in developing countries to develop local biofuels.

Jacques Diouf, FAO director general, says - "Such measures would allow developing countries - which generally have ecosystems and climates more suited to biomass production than industrialised nations and often have ample reserves of land and labour - to use their comparative advantage."

Mr Diouf says the objective of the proposed meeting should be to ensure that bioenergy realised its potential to fuel sustainable growth and reduce hunger.

The US, Europe and Brazil last year accounted for almost 95 per cent of the world's biofuel production. Canada, China and India produced most of the rest, according to the International Energy Agency, the energy watchdog for industrialised countries.

Biofuel production, mostly of maize-derived ethanol in the Americas and rape-derived biodiesel in Europe, doubled between 2000 and 2005, according to the IEA. In 2005, however, that was still just 1 per cent of the world's road-transport fuel.

Mr Diouf says the bioenergy sector has a "huge potential to reduce hunger and poverty" if production shifted from rich to poor countries.

At the moment, rich countries' tariffs make it uneconomic for poor countries to grow biofuel crops. The problem for developing countries is exacerbated by food prices being pushed up by the biofuel industry's rising consumption of crops.

"It is clear that the current practice of relying on food crops to produce fuel will be relatively short-lived," Mr Diouf concludes.