Liberia: The case of Vattenfall – African timber to save the climate in Germany?

The Swedish state-owned multinational Vattenfall is Europe's fifth largest energy producer. Its affiliate Vattenfall Europe, based in Berlin, is one of the four biggest companies in the German energy market. Vattenfall's energy production there is primarily fuelled by coal (65%) – it has its own lignite mines in east Germany – and uranium (26%). But the company has also branched out into the use of supposedly “clean” energy sources, like wood. According to its website, Vattenfall has more than 40 heat and power plants in Europe fuelled in full or in part by biomass, and calls itself “one of the world's leading companies in the sector.” (1) It consumes more than three million tons of biomass annually, of which 60% consists of domestic and industrial waste, and 30% consists of by-products from the forest industry.

For years, Vattenfall has been considered one of the “black sheep” of the German energy market, because of its high consumption of coal and the exploitation of its lignite mines, as well as its nuclear plants and the frequent accidents that occur there. It has been the target of repeated protests by citizens and environmental NGOs, as was the case when it planned to build a new coal-fired power plant in Berlin. On that occasion, the company changed its plans and announced in March 2009 that it would instead build two biomass electric power plants and two natural gas power plants. The Senate of Berlin and the environmental community were pleased with the decision and congratulated the company.(2)

On October 8, 2009, Vattenfall Europe and the Senate of Berlin signed a Climate Protection Agreement aimed at a 20% reduction in CO2 emissions in Berlin by 2020. (3) Biomass plays a key role in this strategy, by helping the city to fulfil its commitments to protecting the climate, at least on paper. The company will build one of the biggest biomass power plants in Europe in Berlin, with a total capacity of 190 megawatts (MW), in addition to a smaller plant (32 MW) and co-firing (260 MW) in four already existing coal-fuelled plants that are also included in the project.

Over the following months, more details about the plans slowly leaked out to the public and the first doubts were raised about how the necessary biomass would be sourced. In May 2010 Vattenfall stated that its plants in Berlin would require 1.3 million tons of woody biomass annually, more than three times the amount initially announced (400,000 tons a year). Since then it has become fully obvious that it is impossible to obtain all of this biomass in the region.

In Berlin and the federal state of Brandenburg, which surrounds the city, there are already 42 biomass power plants, which combined with the timber and pulp and paper industries consume practically all of the woody biomass available. Vattenfall claims that it will primarily use wood waste products such as Christmas trees, the residues from pruning trees in urban parks, etc. In addition, it has suggested the establishment of plantations of fast-growing trees, and has identified some 300,000 hectares around Berlin for potential use for this purpose. It should be mentioned that south of the city there are already vast industrial monoculture pine plantations, incorrectly classified as forests.

However, in late February 2010, the media reported on an agreement signed by Vattenfall with Buchanan Renewables in Liberia to purchase and import a million tons of rubber tree wood chips from this African country. (4) On June 9, 2010, the German NGO Rainforest Rescue (Rettet den Regenwald) launched a protest action on its German-language website, which was signed by 21,433 people. (5) But one week later, Vattenfall AB of Stockholm announced that it had acquired a 20% share in Buchanan Renewables for 20 million euro, while the Swedish state-owned investment company Swedfund had acquired an additional 10% share. (6)

In the following months, an ever growing number of voices spoke out in criticism. Beginning in the autumn of 2010, the NGO Powershift organized public hearings and distributed a video about the Vattenfall project in Liberia. (7) Vattenfall and the Senate of Berlin contracted the consulting firm IFEU and the Forest Stewardship Council (FSC) to assess the possibilities of certifying the project under different “green labels”. The resulting study confirmed numerous problems, limitations and conflicts. (8) Nevertheless, it reached the conclusion that certification was possible under the FSC, ISCC, PEFC and RSB schemes.

On April 15, 2011, Vattenfall Europe and the Senate of Berlin signed an “Agreement on Sustainability in Biomass Sourcing”.(9) The document is a smokescreen. It contains no concrete data or measures defining how this alleged “sustainability” will be ensured. Vattenfall and its partners claim that two thirds of the rubber trees in Liberia are old and unproductive and must be replaced. Harvesting this timber would generate income for the population and hard currency revenues for the country. And in spite of having to transport this biomass 6,000 kilometres from Liberia to Germany, it would supposedly continue to contribute to reduced greenhouse gas emissions.

Buchanan Renewables was founded in 2008 by North American investors, among them Canadian billionaire John McCall MacBain. Initially, the company harvested trees from the smallholdings of peasant farmers. Many of them had planted rubber trees along the borders of their farms to demarcate their landholdings: a common practice in a country where few people hold title deeds to their properties. The company's harvesting of trees gave rise to numerous problems and discontent among the local population. The business was conducted primarily on the basis of rather unclear verbal agreements, and conflicts arose over arbitrariness in terms of the species and volume of trees harvested, destruction of neighbouring fields of crops, lack of payment, etc.

Negotiating with hundreds of individual small farmers – each one of them the owner of a small number of harvestable trees – is not an easy task, and would make it difficult to acquire the large volume of timber planned for. This led Buchanan Renewables to begin mechanized harvesting on the industrial rubber tree plantations of the Japanese-US multinational Bridgestone/Firestone, near Kakata, where Bridgestone/Firestone manages the largest rubber tree plantation in the world.

The situation in Liberia

After years of dictatorship and two civil wars, Liberia is currently one of the poorest countries in the world. The economy is largely dependent on the export of iron ore, rubber and timber. There are approximately 260,000 hectares of industrial rubber tree plantations in the country. Local NGOs like SAMFU (10) and UN reports (11) Describe disastrous working and social conditions on the plantations, especially those run by Bridgestone/Firestone. There are charges of, among other abuses, child labour, violence and a general absence of legality. In addition, around 200,000 hectares of rainforest are logged every year.

The primary energy source for families in Liberia is woody biomass, in the form of firewood and

charcoal. According to the United Nations Development Programme (UNDP), 99.5% of households cook with firewood. The rainforests, mangroves and old rubber trees are the main sources. The supply is basically met by thousands of informal firewood collectors and small-scale sellers. Local activists report that in the last two years there has been a sharp rise in the prices of firewood and charcoal.

The Ministry of Energy of Liberia stated in its 2007 Renewable Energy and Energy Efficiency Policy and Action Plan (12) that “scarcity of firewood is becoming a serious problem in most parts of Liberia, especially in Montserrado County [around the capital, Monrovia]. Nationally, Liberia is harvesting well above the level that can be sustained annually without depleting the current stock and degrading the environment. (…) The use of woody biomass as a source of energy will increase in relation to rural population growth and poverty. If this demand is not met in a sustainable manner, it will eventually lead to deforestation, environmental degradation and probably desertification in Liberia.”

The supply of electric power is almost non-existent in Liberia. Those who have the means to do so rely on their own small gasoil-powered generators, an inefficient and highly polluting way to produce electricity. However, there are government plans to reconstruct the electric power grid. In January 2009, Buchanan Renewables was awarded the concession to build and manage a 34 MW biomass-fired power plant to supply electric power to the capital, Monrovia. (13) According to the concession contract, the estimated capital cost of the project was 149 million dollars. The biomass to be used for the project was wood from old rubber trees. Nevertheless, almost three years later, construction work has yet to begin, and Liberia remains without electricity. On the other hand, since 2009, Buchanan Renewables has begun to export rubber tree wood chips to Europe.

The Vattenfall project in Liberia is the first of this kind in Germany, but it is setting off all the alarms. The large-scale use of biomass can hardly be met by local sources, and this directly leads to global markets and large industrial plantations. The massive expansion of biomass use further diminishes the possibility of implementing truly sustainable solutions, such as energy saving and efficiency. Instead, the pretext of the energy crisis and climate change are being used to allow corporations to gain greater control over land, water, biodiversity, agriculture… and life.

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You can take part in weekly protest actions on cases like these by email. Find out more by visiting http://www.rainforest-rescue.org/

(1) http://www.vattenfall.com/en/biomass-energy.htm
(2) http://www.taz.de/1/berlin/artikel/1/vattenfall-gibt-endlich-gas/
(3)http://www.berlin.de/sen/umwelt/klimaschutz/aktiv/vereinbarung/vattenfall/index.shtml
(4) http://www.nanews.net/MAIN.asp?ID=3578
(5) http://www.regenwald.org/mailalert/590/berlin-tropenholzverbrennung-in-kraftwerken-von-vattenfall
(6) http://www.vattenfall.com/en/press-kit-biomass.htm?WT.ac=search_success
(7) http://power-shift.de/?p=151;
(8) http://www.berlin.de/sen/umwelt/klimaschutz/aktiv/vereinbarung/download/IFEU_nachhaltiges_Holz_VattenfallSenGUV.pdf
(9) http://www.berlin.de/sen/umwelt/klimaschutz/aktiv/vereinbarung/download/nh-vereinbarung_vattenfall.pdf
(10) SAMFU, 2008: The heavy load – A demand for fundamental changes on the Bridgestone/Firestone rubber plantation in

Liberia,http://www.laborrights.org/sites/default/files/publications-and-resources/The%20Heavy%20Load.pdf
(11) UN Mission in Liberia, 2006: Human Rights in Liberia's Rubber Plantations: Tapping into the Future. http://unmil.org/documents/human_rights_liberiarubber.pdf
(12) Ministry of Lands, Mines and Energy, June 2007: Renewable Energy and Energy Efficiency Policy and Action Plan, Monrovia, Liberia, pp. 3-4,http://www.reeep.org/file_upload/5272_tmpphp5vFwxs.pdf
(13) http://www.molme.gov.lr/content.php?sub=14&related=7&res=14&third=14