Aviation-biofuel plant project debated in Paraguay

Paraguay

The Omega Green project site borders the Paraguay River, where a port is planned so barges can take biofuel south to Argentina for transshipment. (Photo courtesy of Heñoi)

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Documents & Resources

Omega Green case study commissioned by Stay Grounded:
https://bit.ly/38vPP3w

Report on the potential use of pongamia (Pongamia pinnata) in Argentina published by the University of La Plata:
http://bit.ly/3DU12

Plans for the construction in Paraguay of a US$1 billion aviation-biofuel refinery is drawing questions about its possible environmental and social impacts. The Omega Green project, proposed by Brazil's ECB Group and approved by the government in 2019, is being touted as the first advanced biofuel refinery in South America. Plans call for its construction at a site on the Paraguay River in Villeta, a city some 35 kilometers (22 miles) south of the Paraguayan capital of Asunción.

Three million liters (792,000 gallons) of aviation and diesel biofuel would be made daily from inputs including slaughterhouse fats, oils from soybeans, canola pods and seeds of pongamia (Pongamia pinnata), an Asian tree ECB plans to introduce and plant at scale. Fuels would be loaded onto vessels at a duty-free river port planned for the project site and sent south by river for export from Argentina.

ECB, which reports that it has agreements from British Petroleum and Shell to buy half of its production, says that despite Paraguay's approval of the project in 2019, the start of work had to be delayed because of the pandemic. Its president, Erasmo Battistella of Brazil, forecasts production will begin in 2025.

International exposure

Omega Green was showcased by its sponsors at last year's COP-26 climate conference in Scotland. But critics argue that by further spurring monocrop production in Paraguay, the ECB would accelerate environmental destruction. Large-scale cultivation of soybeans for export in Paraguay has driven deforestation and involves heavy agrochemical use, boosting pressure on the country's plant and animal biodiversity, experts argue. It has also caused social dislocation, displacing indigenous peoples and smallholder farmers, they say. A ranching boom has had similar impact in the Chaco, Paraguay's semi-arid western region.

While project critics acknowledge that using aviation biofuel could help reduce greenhouse-gas emissions, they assert negative environmental and social impacts of the fuel's production outweigh that benefit. Currently, the only genuine way to address the problem of carbon emissions from aircraft, they say, is to cut back on air travel. "Biofuels are a false solution," says David Cardozo, coordinator of the Asunción-based Network of Environmental NGOs of Paraguay. "The production of the primary inputs would aggravate the environmental impacts we're seeing today."

That was the conclusion of a Green Omega case study commissioned by Stay Grounded, a global network dedicated to highlighting aviation's environmental impacts. Conducted by the Paraguayan green group Heñoi and the Global Forest Coalition network, the report said responsible use of cropland means giving domestic food production and habitat protection precedence over aviation fuel refining. "It is a perfect example of greenwashing," the report said. "Omega Green will provide 'green' fuels for foreign aircraft instead of healthy and sufficient food for the population."

Says Heñoi researcher Ángel Tuninetti: "It's another excuse to expand cattle ranching and soy cultivation, and for introducing pongamia, an Asian tree whose seed is not fit for human consumption but can be used as a biofuel input and in livestock feed." (ECB Group signed an agreement with the Dutch company Investancia to plant 125,000 hectares, [309,000 acres] of pongamia, or about 50 million trees, over 10 years to reach production of 300,000 tons of oil annually.)

River and road access

Battistella, the ECB president, said in February the company at the time was completing groundwork such as bringing electric power to the project site, a 500-hectare (1,200-acre) expanse of land that borders the Paraguay River and has a highway access road.

"The property gives us the opportunity to accommodate future expansion, with extra space to develop the port and also to allow us to invite strategic partners to invest in related activities," Battistella said. A company statement issued last November said that a fifth of the property will be conserved, "maintaining the identity of the current biome."

Questions about possible land-use impacts of the biofuel project are rooted in concern not only about increased demand for soy boosting land-clearing in farming areas. There is also worry that planting pongamia trees in the Chaco would exacerbate acute land-use pressures exerted there by cattle operations serving the lucrative beef-export sector.

After the release of the study by Stay Grounded, Heñoi and Global Forest Coalition, ECB Group said it had "not been consulted, is not in agreement and does not recognize the assertions and supposed findings of the document." ECB Group said that "by not reflecting reality, [the study's] conclusions are reckless and have the sole objective of defaming this company and the professionals involved."

Heñoi's Tuninetti took issue with the company statement, saying ECB Group had been asked for input but did not respond. He also faulted the company statement for not addressing the case study's specifics.

–Javier Lyonnet