



## PRESS RELEASE

# Delegated Regulation for high ILUC risk feedstock is a step forward for a sustainable biofuels industry and an opportunity to improve European farming capacities and rural jobs

- The delegated act is an important step forward for the implementation of the RED II
- The criteria to ensure the full traceability of the whole value chains should be reinforced to minimize ILUC risks. An impact assessment is necessary
- Sustainable biomass supply for advanced biofuels can offer a win-win opportunity to maintain European farming capacities and jobs

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ETIP Bioenergy welcomes the Delegated Regulation for the determination of “High indirect land-use change-risk feedstock and the certification of low indirect land use change-risk biofuels, bioliquids and biomass fuels” published by the European Commission on March 13th. *The document represents an important step forward for the practical implementation of the recast of the Renewable Energy Directive, REDII (2018/2001/EU<sup>1</sup>), as it addresses key issues in the public debate on sustainable biofuels, among which the sustainability of palm oil is the most controversial one, says Patrik Klintbom at RISE Research Institutes of Sweden, Chair of ETIP Bioenergy Steering Committee.*

A draft of the Delegated Regulation was previously published by the European Commission for public consultation<sup>2</sup>, together with an accompanying report on the status of production expansion of relevant food and feed crops worldwide, based on the best available scientific data.

ETIP Bioenergy acknowledges the improvements brought to the draft text after the feedback received during the public consultation. In particular, the platform supports:

- the stricter criteria for small holders regarding farm size and economic independence;
- the refined calculation methods considering different annual and perennial crops;
- the stricter definition of land eligible for low-ILUC-risk crops, restricted to “abandoned” and “severely degraded land” instead of unused land.

<sup>1</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L\\_.2018.328.01.0082.01.ENG&toc=OJ%3A2018%3A328%3ATOC](https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2018.328.01.0082.01.ENG&toc=OJ%3A2018%3A328%3ATOC)

<sup>2</sup> [https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-762855\\_en](https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2019-762855_en)

The Delegated Regulation is a positive step towards exploring sustainable supply options from such deprived land types across Europe. However, the consequences of this act are still unclear, particularly regarding use of palm oil for biofuels, an issue which has been at the core of the REDII and the ILUC debate for years. The REDII introduced a progressive phase out of the use of the high ILUC risk biofuels, bioliquids and biomass fuels by 2030. Biofuels produced from palm oil are at the centre of this discussion, since palm oil accounts for the highest ILUC emissions among biofuel feedstocks followed by soybean oil. This is reflected in article 3 of the Delegated Regulation, which sets the *criteria for determining the high indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high carbon stock is observed*. ETIP Bioenergy acknowledges the numerical values introduced in this article and the methodology based on crop-specific productivity factors for calculating production expansion.

On the other hand, regarding Articles 4 to 6 of the Delegated Regulation, it is uncertain if they introduce sufficiently detailed and scientifically sound criteria, to guarantee the adoption of best practices for minimizing the ILUC risk. In this respect, a full traceability across the whole value chain is an important aspect and the criteria to ensure it should be reinforced.

An Impact Assessment would be crucial to clarify these issues, as indirectly admitted by the European Commission itself in the Explanatory Memorandum to the Delegated Act.

### **Opportunities for sustainable domestic biomass in the EU**

The ETIP Bioenergy platform would like to bring forward the importance of the European dimension of biomass supply, and to highlight the relevance of the criteria outlined in the Delegated Regulation, for broadening the European feedstock base and providing opportunities for sustainable domestic biomass. *There is a large potential for crop yield increase in many European countries, through improved agricultural management, that can also provide GHG emissions reduction, protection against desertification and soil erosion as well as an increase of the amount of organic carbon in soils*, says Antti Arasto, VTT Finland, Vice Chair of ETIP Bioenergy Steering Committee. Relevant practices are already mentioned in the REDII and in the draft Delegated Regulation and, besides being also endorsed by the EC legislative proposal for the EU's Common Agricultural Policy after 2020. Such good practices cover intermediate cropping systems, reduced or zero-tillage, improved crop rotations, the use of cover crops including the management of crop residues, and the use of organic soil improvers.

### **Sustainable biomass supply for advanced biofuels can offer a win-win opportunity to maintain European farming capacities and jobs**

Introducing specific additionality measures as those included in Article 5 of the Delegated Regulation offers the opportunity to increase the yields and economic productivity<sup>3</sup> of European farms, a relevant aspect for the agricultural sector. Most of EU farms are small in economic terms: 69% of them can count on less than EUR 8,000 standard output per year. As a result, farm numbers are continuously decreasing. Between 2005 and 2013, it has been calculated an average rate of 2% annual decline for the EU-27, with greater losses in the countries that joined the EU in 2004 and 2007 (-2.7% per year) than in the older Member States (-0.9% per year). Consequently, the agricultural labour force between 2005 and 2015 lost more than 3 million full-time jobs, equal to a -25% from 2005. Most jobs were lost in farms belonging to the smallest size classes. This is roughly in line with the reduction in total farm numbers, which mostly concerned the smallest farms.

Recently the [EU project S2Biom](#) has estimated that a total of 32.4 million ha could be still available in Europe by 2030. This comprises 25.2 million ha of land with biophysical constraints and 7.2 million ha of land which will be released from traditional cropping, due to low economic competitiveness of existing production systems.

*Unlocking the potential of abandoned and severely degraded land in Europe, while engaging with small European farm holders and involving them in biomass production for sustainable advanced biofuels, will represent an excellent opportunity for agriculture and rural development in Europe*, Antti Arasto concludes.

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<sup>3</sup> This can be measured by the standard output (SO) of an agricultural product (crop or livestock) and is the average monetary value of the agricultural output at farm-gate price (per hectare if it is crop related).

## **About ETIP Bioenergy**

The European Technology and Innovation Platform Bioenergy (ETIP Bioenergy) is an industry-led stakeholder platform that brings together relevant actors from academia, industry, and civil society, engaged in the development of sustainable bioenergy and competitive biofuel technologies. ETIP Bioenergy aims to contribute to the development of cost-competitive, innovative world-class bioenergy and biofuel value chains, to the creation and strengthening of a healthy European bioenergy industry and to accelerate the sustainable deployment of bioenergy in the European Union, through a process of guidance, prioritisation and promotion of research, technology development and demonstration. ETIP Bioenergy has the role to represent the unbiased, united, and consolidated view of the biofuels and bioenergy industry in Europe.