

**In the context of the discussion around indirect land use change for biofuels, the European Biofuels Technology Platform holds the view that there is an opportunity for the EU to signal its support to policies that further enhance the deployment of advanced biofuels.**

## **Background**

Biofuels in Europe are front-runners in the demonstration of their environmental sustainability. They are the only products derived from agriculture and forest<sup>1</sup> that have to demonstrate their origin and their carbon footprint, in contrast to food, feed, other bio-energies and other uses of the biomass.

The December 2010 report from the European Commission<sup>2</sup> indicates that some consensus has now been reached regarding the fact that a) biofuels feedstock production can cause indirect land use changes, b) the variability of estimates is wide and the uncertainty of model results is high. However, most recent studies indicate that ILUC would be less significant than initially thought.

The European Commission currently studies the opportunity of revising the biofuels policy, after the adoption in 2009 of complex sustainability criteria which are still being implemented by the Member States. Four options are being considered in the European Commission's Impact Assessment that will be accompanied, if appropriate, by a legislative proposal to be discussed by the European Parliament and the Member States:

1. Carry on with the analytical work and take no additional measure for the time being;
2. Increase the regulatory thresholds for emissions reductions for biofuels;
3. Introduce new regulatory measures on sustainability for some specific biofuels;
4. Allocate biofuels with a factor in the greenhouse gas calculation methodology representing the estimated amount of emissions due to ILUC.

## **EBTP's views**

All around the world, policies for biofuels development rely on three pillars: improvement of the national energy security, mitigating greenhouse gas emissions, and economic development. Whilst different countries give different priority to these three pillars, mitigating GHG emissions is only one of these three motivations and should therefore not be the sole determinant of political decisions.

Indirect changes are not specific to biofuels. In the 2009 pre-consultation and the 2010 consultation the vast majority of stakeholders agreed that since biofuels' indirect impacts are merely direct impacts of other land-related activities, it should be a political priority to prevent adverse direct land use changes everywhere in the world, whatever the land-use is. This could be reached through:

- ✓ Political international binding initiatives to protect areas with high environmental value (protection of primary forests and high carbon stocks, support for tropical wood certification, etc.)
- ✓ Climate policies which take into account all LUC effects in all countries, and cap those emissions globally.
- ✓ An extension of the current sustainability criteria to all land-based activities and energy production, since nothing justifies limiting these criteria to biofuels only.
- ✓ Support to farming yields improvement (through seeds improvements and farming management) as the increase of biomass availability reduces the indirect land use changes.
- ✓ An effort, at European level, to limit artificialisation of the lands (road construction, urbanization, etc.).

The first three options clearly require some time to negotiate internationally, and even more for their practical implementation. Bilateral agreements between the EU and key countries exporting biofuels or biofuel feedstocks could help to foster international agreements, and could build on successful examples regarding biodiversity and illegal logging.

With the discussions at the European Commission level being increasingly focused on either proposing specific production pathways factors or increasing the minimum GHG threshold, the EBTP recalls that indirect land use emissions cannot be observed or measured but merely modeled, modeling being an extremely complex exercise because it relies on innumerable assumptions. None of the two options considered above would actually help fighting indirect impacts, but would simply penalize the biofuels industry without bringing any sustainability benefit, significantly threatening the achievement of the EU 2020 objectives. Furthermore, these policy options will have no impact on the land use policies implemented in countries outside the EU, which will continue using biofuels in order to diversify their fuel supply.

**However, EBTP recognises the need for closure in the ILUC debate, seen as being counterproductive because generator of a high level of uncertainty which tends to freeze investments in advanced biofuels units. These investments are necessary to reach the targets for incorporation of**

<sup>1</sup> In the wood industry, there are voluntary certification systems (ecolabels), with PEFC (Program for the endorsement for the Forest certification) and FSC (Forest stewardship council) being the most known.

<sup>2</sup> Com (2010) 811 final from 22 Dec 2010

renewable energy in transports at European level. It is therefore imperative to focus on making sure that the existing sustainability criteria are correctly implemented and that their objectives are reached, and support the fast deployment of advanced biofuels, without hindering the competitiveness of existing sustainable biofuels. This policy approach will ensure that the EU biofuels policy will deliver on each of its three main objectives, without putting in danger the sector it is trying to regulate.

**Should any ILUC-related regulatory measures be adopted, they should consider the following constraints and principles:**

- ✓ Take into account the singularity of the European fuel market in terms of diesel/gasoline demand in order to make biofuel policy effectively contribute to the security of energy supply;
- ✓ Be aware that conventional biofuels will still represent the overwhelming majority of biofuels available by 2020;
- ✓ Provide an accurate fossil fuel emissions value for the comparison with biofuels emissions;
- ✓ Be scientifically based;
- ✓ Foster land use optimisation;
- ✓ Pave the way for innovation;
- ✓ Provide for security for investments through an implementable and stable policy framework;
- ✓ Be WTO compatible.

To that end, EBTP recommends the European Commission:

- ✓ **Further encourage the improvement of GHG lifecycle performance of biofuels through the existing regulation:** this is already foreseen with the GHG threshold successive increases (at least 50% and 60% savings).
- ✓ **Provide for the rapid deployment of 'advanced biofuels': financing the Industrial Bioenergy Initiative (EIBI)<sup>3</sup> is a priority in that respect.**
- ✓ **In its RED and FQD 2014 revision further promote advanced biofuels as a whole.**
- ✓ **Acknowledge that none of the current four envisaged solutions is ideal and that in the short-medium term, the EU will commit to address land use changes altogether with the right instruments and consider all land-using sectors instead of focusing on biofuels only.**

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<sup>3</sup> See [www.biofuelstp.eu/eibi.html](http://www.biofuelstp.eu/eibi.html)