

Commission sets rules for green biofuel label

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To ensure that biofuels contributing to the EU's 20% renewable target are produced in a sustainable manner, the European Commission called for industry and governments to set up certification schemes.

Background

In December 2008, EU leaders reached agreement on a new Renewable Energy Directive, which requires each member state to satisfy 10% of its transport fuel needs from renewable sources, including biofuels, hydrogen and green electricity, by 2020 (see EurActiv LinksDossier).

The directive also established sustainability criteria for biofuels. It obliges the bloc to ensure that biofuels offer at least 35% carbon emission savings compared to fossil fuels. The figure rises to 50% as of 2017 and 60% as of 2018 (EurActiv 05/12/08).

However, concerns have been raised that increased biofuel production would result in massive deforestation and have severe implications for food security, as energy crops replace other land uses (so-called 'indirect land-use change').

The Commission today (10 June) adopted a package on the sustainability criteria of biofuels.

The package, which includes two communications and one decision, lays down how to make sure that biofuels produced and imported into the EU are produced without damaging the environment.

Only biofuels that meet the conditions set out in the package will count towards the targets that each of the EU's 27 member states has to reach by 2020. Under 2009's Renewable Energy Directive, companies are eligible for national support such as tax relief.

No sanctions or bans on the use of biofuels that do not carry a sustainable label are foreseen.

Sustainable biofuel certificate

The Commission paper explains what industry, governments or NGOs need to do to get a sustainable label for their biofuel use.

Issues addressed include standards to be met both in the EU and third countries, as well as independent auditing of the whole of the scheme's production chain.

A Brazilian sugarcane farmer, for example, must prove that his land was not converted from tropical forest to farmland since January 2008, and producers, traders and importers also need to prove a number of criteria related to farming, production, transport and distribution.

But in the end, the burden of proof of sustainability will be on big companies that import biofuels like BP or Shell, Commission officials explained.

The scheme, subject to annual auditing, will be approved by the Commission for a five-year period, but can be "de-recognised at any moment" if it fails to deliver, a Commission official said.

Schemes can be submitted for approval as of today (10 June).

The EU executive hopes to have several schemes up and running by the December deadline for the EU-27 to comply with the new Renewables Directive, which requires greenhouse gas savings from biofuels to reach a minimum of 35%.

Sustainability criteria

The EU executive's document also sets out which types of land should not be used to produce biofuels. These include natural forest, protected areas, wetlands, peatlands and highly biodiverse areas.

The EU also explicitly demands that forest must not be converted into palm oil plantations and stipulates that biofuel from such production chains does not fulfil EU sustainability requirements.

In addition, only biofuels that produce 35% greenhouse gas emission reductions fulfil the EU sustainability criteria. Meanwhile, biofuels produced by installations that were in operation on 23 January 2008 are exempted from complying with the greenhouse gas saving criterion until 1 April 2013.

Indirect land use change (ILUC)

The certification scheme and sustainability criteria do not take into account indirect land use change (ILUC).

An additional criteria for ILUC could be added to the sustainability schemes later on once the Commission has finished work on the matter, officials said.

They also stressed that recent EU studies show that biofuels are producing greenhouse gas emission savings, contrary to mainstream press reports.

Positions

According to **Greenpeace**, the sustainability guidelines for biofuels in Europe "do not go far enough to prevent a dramatic increase in deforestation and greenhouse gas emissions". The NGO argues that the guidelines and an associated certification scheme only address part of the picture, with indirect land-use change impacts of biofuel production still not properly addressed.

Friends of the Earth Europe (FoEE) argued that the Commission's stance on biofuels "fails the green test". **Adrian Bebb**, food and agriculture campaigner at FoEE, said "Europe's policy on biofuels is inherently unsustainable. It is driving deforestation, damaging the environment, creating more greenhouse gas emissions, increasing hunger and encouraging rampant land-grabbing in the south".

"It will take a lot more than a few criteria and voluntary schemes to make them sustainable. The EU should abandon this folly and invest in genuine energy reductions in the transport sector," he added.

Another four environmental groups, **BirdLife International**, **ClientEarth**, the **European Environmental Bureau** and **Transport & Environment**, argued the Commission's communication on biofuel sustainability will do little to address the impacts on land and emissions from crop-derived fuels used in transport.

The groups remain deeply concerned about the Commission's failure to address the critical issue of expansion of agricultural land into environmentally sensitive areas when food production is displaced by fuel crops, a process known as indirect land use change (ILUC).

World Growth, which describes itself as a "pro-development NGO," argued that the Commission was tied down by "the protectionist decision of the European Parliament to limit imports of biofuels from foreign sources like palm oil in favour of more expensive and less sustainable European biofuels".

It argued that a growing body of research shows that "palm oil is the most efficient vegetable oil for biofuel" and rejects the assertion that conversion of forests for palm oil leads to widespread increases in emissions.

World Growth chairman **Alan Oxley** said that Brussels was denying European consumers effective, low cost, palm-based biofuel and "using protectionist measures to block agricultural imports and hinder production in developing countries".

Lars Christian Hansen, biofuel firm **Novozyme's** president for Europe, said that EU's proposed sustainability requirements for biofuels present a welcome opportunity to kick-start the advanced biofuels industry.

He added that "the technology is ready and there is no doubt that this biofuels industry, which relies on agricultural and forestry residues and waste as its feedstock, will qualify for this sustainability standard and stamp".

"We look forward to working in Europe with the Commission, the European Parliament and national governments on the creation of solid framework conditions for the development of advanced biofuels, which can spur rural growth and job creation and emit up to 90% less CO₂ than fossil fuels," he said.

Next Steps

- By end 2010: Commission to publish report on indirect land use.
- 5 Dec. 2010: Deadline for all EU countries to comply with new Renewables Directive. Greenhouse gas savings from biofuels to reach minimum 35%.

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