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European Biodiesel Board

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Brussels, 11/10/11

EBB MEDIA MONITORING

Media Coverage of EBB Press Conference on the validity of Latest developments in the Indirect Land-Use Change (ILUC) debate

Dear all,

Please find below the following article reporting EBB position on ILUC:

Reuters	Biodiesel industry rejects EU land use impact study
Euractiv	Top scientists condemn EU land use values for biofuels
European Voice	Commission to fudge CO2 effects of biofuels
Platts	European biodiesel producers renew warning over indirect land use
Ends Europe	Biodiesel industry rubbishes EC work on ILUC
MLex	Comment: Scientists push biofuels controversy further into uncharted waters
Enagri	Splits develop over industry approach to ILUC

[Reuters](#), 7th October 2011

Biodiesel industry rejects EU land use impact study

Europe's biodiesel industry rejected the findings of a draft EU study showing that the cultivation of rapeseed to make road transport fuels is worse for the climate than using conventional diesel.

The European Biodiesel Board (EBB) said on Friday the study's central finding -- that the effects of indirect land use to produce most types of biodiesel cancel out any theoretical emissions savings -- was "highly debatable and unscientific."

"Can an industry like the biodiesel industry -- the number one renewable fuel industry in Europe -- be at risk of closing its production plants because of something that is not validated?" said EBB Secretary General Raffaello Garofalo at a news conference in Brussels.

On the same day, a coalition of more than 150 international scientists warned that the indirect land impact of biofuels was significant and that current scientific understanding justified immediate action by EU policymakers.

"All the studies of land use change indicate that the emissions related to biofuels expansion are significant and can be quite large," the scientists said in a letter to the EU's executive, the European Commission.

The controversy centers on indirect land use change (ILUC), a relatively new concept that the rapid expansion of biofuel production in recent years is driving up the overall demand for agricultural land.

If that increased demand is met by clearing rainforest or draining peat lands, this can release enough stored carbon into the atmosphere to cancel out any theoretical emissions savings from biofuels.

NEW EU RULES

The Commission is currently drawing up proposals on how to account for ILUC in European renewable energy legislation, which sets a mandatory EU-wide goal for increasing the share of biofuels in road transport to about 10 percent by 2020.

A series of leaked EU studies showed that biodiesel from European rapeseed, South American soy beans and Asian palm oil all have a greater overall climate impact than normal diesel.

If the Commission follows the advice contained in the studies and penalizes individual biofuel crops on the basis of their estimated ILUC emissions, it could wipe out the bloc's 13 billion euro (\$17.5 billion) biodiesel industry overnight.

It would also give a boost to ethanol producers such as Spain's Abengoa and increase the market for fuels derived from Brazilian sugar cane as the EU seeks to fill the 80 percent gap in its biofuel market currently occupied by biodiesel.

EBB said it had commissioned two scientific reports of its own, which showed that the main EU study had greatly overestimated the impact of ILUC.

"EBB encourages the Commission and the legislative institutions to refrain from adopting any regulations inspired by such theoretical and unverified scientific concepts," it said in a statement.

A panel of 19 independent scientists from the EU's own environment watchdog -- the European Environment Agency -- recently warned the Commission against any delay in addressing the indirect land use change impact of biofuels.

(\$1 = 0.741 Euros)

(Editing by Jane Baird)

Top scientists condemn EU land use values for biofuels

[Euractiv](#) and [The Guardian](#), 7th October 2011 - Updated 10th October 2011

Over 100 top scientists and economists have written to the European Commission calling for indirect land use change (ILUC) to be accounted for in EU biofuels policy making.

The [letter](#), seen by EurActiv, argues that assigning biofuels a zero or "carbon neutral" emissions value – as the EU has done – "is clearly not supported by the [best available] science".

Because of "flawed" accounting conventions, "the European Union's target for renewable energy in transport may fail to deliver genuine carbon savings in the real world," the scientists argue.

"It could end up as merely an exercise on paper that promotes widespread deforestation and higher food prices."

The letter's signatories include: Daniel Kammen, the World Bank's chief technical specialist for renewable energy; Kenneth Arrow, a Nobel Memorial Prize winner and Professor Emeritus at Stanford University; Thomas Lovejoy, chair of the Heinz Centre for Biodiversity, and several professors.

Since 2008, EU member states have [been obliged](#) to raise the share of biofuels in the energy mix to 10% by 2020.

But [recent reports](#) by the European Environment Agency and four other EU agencies have questioned whether meeting the EU's target would cut any CO₂ emissions at all. This is because the method chosen allegedly [double counts](#) the carbon absorbed by the biofuels during their growth, and omits to count their exhaust pipe CO₂ emissions.

The scientists' letter cites peer-reviewed research over several years, some commissioned by the European Commission, which show that displaced human activity caused by converting forests and grasslands to biofuels production can result in "substantial" CO₂ emissions.

"All the studies of land use change indicate that the emissions related to biofuels expansion are significant and can be quite large," the letter says.

ILUC debate

Minutes from a recent EU executive meeting, dated 13 July and seen by EurActiv, said that targeting feedstock-based fuels such as biodiesel would be "the most effective solution to address ILUC, and would create the right incentives in favour of the development of second and third generation biofuels."

[Second generation biofuels](#) made from 'woody' material such as tree bark and leaves do not compete with food production, and so have less ILUC impact. They are also more effective at reducing greenhouse gas emissions, although they are costly.

But because of "scientific uncertainties," the Commissioners decided to introduce a contested 'threshold' measurement of CO₂ savings until 2018 that would not penalise individual biofuels emissions.

Some sources have [suggested](#) that there may have been a trade off between the EU's energy and climate departments, involving the application of sustainable criteria to both biofuels and heavily polluting fuels such as Canada's tar sands.

In a further sign of the biofuels debate heating up, European bioethanol producers have also sent a letter to the EU's energy and climate action Commissioners, seen by EurActiv, calling for Brussels to introduce ILUC factors that distinguish between "good and bad biofuel pathways".

"The modelling of future ILUC effects lacks enough robustness to be a suitable basis for policy," their letter says.

Alleged EU bias

Such positions are fiercely contested by biodiesel producers. [The European Biodiesel Board is releasing two land use change studies today](#) (7 October), which argue that ILUC is "not scientifically proven" and that one recent study by the International Food Policy Research Institute (IFPRI) for the EU was biased.

"The indirect land use modelling undertaken by IFPRI has a large number of problems, and the result is that the ILUC emissions are greatly overestimated," said one of the EBB report's authors, Don O'Connor, of the S&T business consultancy.

"The econometric correlation between cropland expansion and for example, deforestation has not been shown to be statistically significant," added two Kiel University professors, who co-wrote the other EBB study.

Attempting to draw a line under the debate, the accountancy firm Ernst and Young suggested a method to incentivise green biofuels production. In a [report](#) released on 5 October, E&Y argued that indirect land use change could be mitigated by incentives that encouraged sustainable practices in biofuels production.

"Producers may be willing to adopt further sustainability requirements for biofuels, but only if the financial value gained by doing so outweighed the costs of adopting the requirements," Andrew Britton, a senior manager in Ernst and Young's Climate Change and Sustainability Services practice said.

A contributor to the report's launch, Utrecht University Professor, André Faaij, a convening lead author for the Intergovernmental Panel on Climate Change (IPCC) added that this sort of "proactive strategy" would be better than an introduction of ILUC factors

"Bioenergy options can provide a key lever for sustainable development of the agricultural sector and rural economies instead of causing conflict with food supplies and land," he said.

EU Biofuels monies

As the debate over land use change intensified, the European Investment Bank [announced](#) €500 million of loans for climate mitigation projects in Brazil on 5 October, including biogas and biomass-fired heat and power plants.

The specific projects that will be funded "still need to be identified," an EIB spokesperson said.

The EU itself has previously contributed monies to co-finance biofuels investment projects in the developing world - such as [domestic Jatropha farming in Tanzania and Kenya](#) - from the €200 million available under the second Energy Facility.

Positions:

Raffaello Garofalo, Secretary General of the European Biodiesel Board, argued that imposing ILUC standards for biofuels in Europe risked favouring imported biodiesel that have lower environmental standards.

"one of the paradoxical aspects of hypothetical ILUC legislative penalties against EU biodiesel would be that imported biodiesel from palm oil (produced not in Europe but in countries where deforestation exists) would become probably the easiest and cheapest source for biodiesel production, if not the only one in practice allowed. If this risks becoming the result of European norms on ILUC [which were] conceived to guarantee environmental sustainability, clearly there is something wrong with the way in which ILUC and European legislative options on ILUC are thought [through]."

But, from the other side of the debate, **Dr Gernot Pehnelt, the director of the independent research and consulting institute GlobEcon** recently wrote a report contending that the default values ascribed by the EU to palm oil were wrong.

"Our results show that the realistic GHG (greenhouse gas) emissions potential of palm biodiesel is between 37% and 44% for transportation fuel, compared to the 19% referenced in the Annex of the EU's Renewable Energy Directive," he said. If methane capture in the oil mill had been included, palm oil would exceed the EU's 35% greenhouse gas (GHG) savings threshold for biofuels, and so in his view "the current default palm oil values unfairly discriminate against imported biofuels in favour of domestically produced biofuels."

Arthur Neslen

Commission to fudge CO2 effects of biofuel

[European Voice](#), 22nd September 2011

Oettinger and Hedegaard reject advice from Commission's scientific experts.

The European Commission has rejected the advice of its scientific experts and backed away from imposing tough carbon-dioxide emissions standards on specific types of biofuel.

[Günther Oettinger](#), the European commissioner for [energy](#), and [Connie Hedegaard](#), the European commissioner for climate action, are poised to propose instead a cruder environmental standard, that all biofuel sold in the [European Union](#) will have to produce carbon-dioxide savings of 50% compared with fossil fuel. The current standard, contained in the EU's renewable-energy law, is a saving of at least 35%.

Environmentalists have been urging the Commission to introduce more sophisticated measurements of the greenhouse-gas savings from biofuel. They argue that the EU has to take into account the effects of indirect land-use change (ILUC) – such as biofuel crops displacing food crops onto previously uncultivated land that might, for instance, host environmentally valuable woodland.

Different types of biofuel have different ILUC effects, which means that their environmental performance varies, sometimes widely.

Reports by the [International Food Policy Research Institute](#) and the [EU's Joint Research Centre](#) have found that oilseeds, including rapeseed, soya and [palm oil](#), have high ILUC effects, reducing the net benefits for the climate of using these crops for energy.

Only this week, a scientific committee of the [European Environment Agency](#), an EU body charged with providing advice to the EU institutions, warned that to assume that using biomass as an energy source was carbon neutral was “a serious accounting error”. Using land for biomass meant that the land was not available to store carbon. “Legislation that encourages substitution of fossil fuels by bioenergy, irrespective of the biomass source, may even result in increased carbon emissions”, the committee warned.

Faced with escalating doubts about the environmental benefits of biofuel, the Commission agreed in 2008 to examine the ILUC effects and to produce a report in 2010 on what action might be needed. The promised impact assessment – much delayed – is expected next month.

But the commissioners have now agreed to postpone action until 2014, the last year of the mandate of the current Commission. Only then will they make their proposals to attach specific CO2 values to each type of biofuel – deferring any impact from new measures until 2016 at the earliest.

The crop-specific proposals are being delayed even though a note of the commissioners' discussion of the issue in July said: “The introduction of feedstock-specific factors would seem to be the most effective solution to address ILUC.”

The decision to delay is being blamed on “scientific uncertainties” about the appropriate level of ILUC values.

Bas Eickhout, a Dutch Green MEP who drafted a recent European Parliament report on the EU's greenhouse-gas reduction targets, called the delay a “really wrong decision”. The right policies were needed to provide incentives for feedstocks with a low ILUC effect: raising the threshold for greenhouse-gas reductions would not “provide incentives for good biofuels and would not punish bad biofuels”, since it failed to differentiate between crops.

He predicted that the Commission would struggle to muster support in the Parliament for its proposal to increase the CO2 savings requirement from the current 35%. The commissioners are understood to favour a level of about 50%, which is in any case what the existing law requires from 2017.

Hedegaard told European Voice: “Commissioner Oettinger and I, both responsible for ILUC, have agreed that within this mandate we will now propose ILUC factors. We are now looking into how we can strengthen our regulation and will have an impact assessment ready this autumn.”

Raffaello Garofolo, the secretary-general of the European Biodiesel Board, said that an increase in the standard for carbon savings from biofuel “would put the whole production chain under stress.” Legislation based on uncertain scientific evidence could “kill the

European biodiesel industry", to the benefit of biodiesel produced outside the EU from palm oil, he warned.

European biodiesel producers renew warning over indirect land use London

Platts, 7th October 2011

European biodiesel producers renewed their concerns Friday over EU plan to penalize certain biofuels based on the impact of indirect land use change (ILUC) in their production, questioning the assumptions of a key study being used by policy makers in Brussels.

Land use change effects cannot be observed directly, remain theoretical concepts and it is therefore impossible to attribute ILUC values to individual consignments of biofuels, the European Biodiesel Board said in a statement.

Citing two newly commissioned studies, the EBB claims that the assumptions and methodology used by US-based International Food Policy Research Institute which the EU is using as a basis for its policy, are "not scientifically proven" and flawed.

The indirect land use modelling undertaken by IFPRI has a large number of problems, and the result is that the ILUC emissions are greatly overestimated," one of report's authors, Don O'Connor, of the S&T business consultancy, said in the statement.

The EBB questions the basis of the IFPRI study, accusing it of only assessing biofuels impact, without a corresponding assessment of the negative side-effects of fossil fuels use.

The EBB also commissioned the Kiel Institute for World Economy to perform a critical review of the IFPRI study earlier this year.

"The econometric correlation between cropland expansion and for example, deforestation has not been shown to be statistically significant," Kiel University professors said.

The ILUC studies are needed to design sustainability criteria on green fuels used in the EU's 27 member states, and are a key part of implementing its long-term renewable energy targets.

But European biofuel producers have objected to the proposed moves, fearing much of Europe's traditional rapeseed and palm oil-based biodiesel could fail to meet minimum carbon-saving thresholds set down by Brussels.

Over two-thirds of European biodiesel is made from locally sourced rapeseed oil which competes with food crops, which have been assigned a default CO2 saving value of 36% under existing proposals.

RAPSEED CONCERNS

Under the EU's existing Renewable Energy Directive, biofuels used in Europe will need to emit at least 35% less greenhouse gases than fossil fuels by 2013, rising to 50% by 2017.

Future ILUC values for biofuels would, therefore, likely mean rapeseed biodiesel falls below the 35% carbon saving threshold for biofuel biodiesel producers fear that imposing ILUC standards for biofuels in Europe risks favouring imported biodiesel feedstocks such as palm oil that have lower environmental standards.

"One of the paradoxical aspect of hypothetical ILUC legislative penalties against EU biodiesel would be that imported biodiesel from palm oil would become probably the easiest and cheapest source for biodiesel production," EBB Secretary General Raffaello Garofalo said.

According to the leaked minutes of a July meeting between European Commission energy and climate chiefs, the commission has agreed to delay a decision on ILUC by up to seven years in a political compromise to protect Europe's farmers and biofuel industry.

Under the deal, the commission would seek to introduce crop-specific ILUC values that would take effect at the latest in 2018, according to the meeting minutes.

The EU's energy commission has not confirmed the outcome of the July meeting and says it plans to complete its ILUC policy proposal in the second half of 2011.

Meanwhile, as the debate over ILUC impact continues to rage, over 100 scientists and economists have separately written to the European Commission calling for ILUC to be accounted for in its biofuels policy making, according to a report.

In a letter to policy makers, the scientists argue that assigning biofuels a zero or "carbon neutral" emissions value "is clearly not supported by the [best available] science," Brussels-focused EurActiv reported.

"The scientists' letter cites peer-reviewed research over several years, some commissioned by the European Commission, which show that displaced human activity caused by converting forests and grasslands to biofuels production can result in substantial CO2 emissions," according to the report.

--Robert Perkins,

Biodiesel industry rubbishes EC work on ILUC

ENDS Europe, 7th October 2011

The European Commission's work on the impact of indirect land-use change (ILUC) associated with biofuels is seriously misguided because it relies on highly questionable scientific studies, EU biodiesel trade association EBB has argued.

In particular, there are "a large number of problems" with the model used in a study conducted by the International Food Policy Research Institute (IFPRI), according to the author of one of two studies conducted for EBB and presented in Brussels on Friday. This would mean that ILUC emissions have been greatly overestimated.

The IFPRI study is one of several used for the commission's assessment of ILUC risks. It is not yet publicly available but some of its findings have already been disclosed by news agencies. The assessment is due to be released this autumn.

The two EBB studies aim to make sure the commission's assessment does not lead to legislative proposals that could negatively affect biodiesel producers. More stringent sustainability criteria would have a "lethal effect" on the sector, says the trade body.

The commission has acknowledged that there are too many uncertainties in existing studies, which is why it has [postponed](#) its impact assessment. According to the [leaked minutes](#) of a July meeting, the commission acknowledges the scientific case for [ILUC factors](#) but is taking a precautionary approach until the picture is clearer.

As further recognition that more research is still needed in this area, the commission is considering increasing biofuel emission saving thresholds in the meantime to address ILUC risks. But in a [letter](#) issued on Friday 150 academics, environmentalists and economists urged it to introduce feedstock-specific ILUC criteria instead.

Follow-up:

EBB [press release](http://www.endseurope.com/docs/111007a.doc) (<http://www.endseurope.com/docs/111007a.doc>) plus studies from [Kiel Institute](#) (http://www.ebb-eu.org/EBBpressreleases/Review_iLUC_IFW_final.pdf) and [\(S&T\) Consultants Inc](#)

Comment: Scientists push biofuels controversy further into uncharted waters

MLex, 7th October

The latest development in the increasingly fraught biofuels debate takes EU policymaking into an unusual area. More than 150 scientists from Europe and beyond have written to the European Commission today, demanding that their work be taken seriously.

"All the studies of land use change indicate that the emissions related to biofuels expansion are significant and can be quite large," states the letter, signed by the scientists and delivered by US environment watchdog the Union of Concerned Scientists.

Scientific research plays a large role in the development of EU law, but the contribution is more usually in the form of expert reports, presented as studies to accompany legislative proposals. A large number of scientists to proactively publish their concerns suggests a shift in attitudes.

Scientific hackles have been raised recently by the commission's rejection of the science underlying a recent biofuels report from the European Environment Agency, as well as by perceived delays to the publication of research entitled 'Assessing the land use change consequences of European biofuel policies and its uncertainties' (see here).

The commission is in the process of assessing the best way to tackle the negative impacts of switching land use to biofuel crops, which it is feared can have an effect on food prices as well as on greenhouse-gas emission levels.

The scientists write that "there are uncertainties inherent in estimating the magnitude of indirect land use emissions from biofuels, but a policy that implicitly or explicitly assigns a value of zero is clearly not supported by the science."

They add that "the current scientific understanding is sufficient to warrant immediate action, as has already been recognised in the US Federal Renewable Fuel Standard and California Low Carbon Fuels Standard."

The commission is thought to agree that the Californian standards are a possible model for biofuels land-use standards, but only once these have been updated over the next three years (see here).

"Our comments are relevant to your deliberations on indirect land use change (ILUC) emissions in the context of the Renewable Energy and Fuel Quality Directives," concludes the letter.

But the science may not be so clear-cut. Commission officials point out that there have been numerous studies on ILUC from different researchers and institutes, and is reserving judgement on which findings to favour.

A commission energy department representative said the commission agrees that ILUC linked to biofuels is a problem and can reduce greenhouse-gas emissions savings. The commission is drafting its own impact assessment, and will make recommendations based on this.

But yet another twist will come later today from industry representatives the European Biodiesel Board (EBB). Its study will question the data it fears the commission will use for its impact assessment. This new study will "highlight alarming loopholes in the [commission] methodology," according to an EBB statement, and will raise questions about "the relevance of using economic modelling as a basis for political decision."

"If not corrected, this situation could be detrimental to biofuel producers who are already submitted to drastic sustainability criteria," the EBB says. "Fossil fuels and renewable fuels would therefore not be treated on an equal footing."

Emily Waterfield

Splits develop over industry approach to ILUC

Enagri, 10th October 2011

The European Biodiesel Board (EBB) held a press conference this week to reject attempts to introduce factors to account for indirect land-use change (ILUC) into European biofuels policy. However, this week *Reuters* reported that the trade association representing ethanol producers in Europe, ePURE, favoured the rapid introduction of ILUC factors. According to the EBB, two studies, recently conducted by Don O'Connor from (S&T)² Consultants Inc. and by researchers at Kiel University indicate that the IFPRI study cannot serve as a basis for policy-making on the highly debatable and unscientific concept of ILUC. The conclusions were presented during a press conference on October, 7th entitled: "Science-based or Science-biased? Is ILUC modelling possible? Implications for European policy drafting on biofuels".

The Renewable Energy Directive 2009/28 (the RED) currently represents the most comprehensive and stringent set of sustainability criteria applying to biofuels production worldwide, guaranteeing that only biofuels with a high sustainability profile are placed on the European market. Yet, the European biodiesel industry has repeatedly expressed its concerns on the way the European Commission is assessing the issue of biofuels Indirect Land Use Change (ILUC). By relying on a unique piece of research, conducted by the US based consultancy IFPRI, the Commission endangers its main goal to provide a fair and scientific-based policymaking.

According to EBB, IFPRI assumptions are rather dubious as to how to assess ILUC as it lacks to consider several aspects of the biodiesel industry. "The indirect land use modelling undertaken by IFPRI has a large number of problems, explains Don O'Connor, and the result is that the ILUC emissions are greatly overestimated." In addition, Kiel Institute for the World Economy states that "in the IFPRI study it is assumed that when land rents increase, for instance through an increase in agricultural prices, new land is converted and taken into agricultural production. This is a strong assumption - which is also noted by the authors of the IFPRI study - since the econometric correlation between cropland expansion and e.g. deforestation has not been shown to be statistically significant".

The concept of ILUC is not scientifically proven and IFPRI study reports no concrete facts.

EBB says that Indirect Land Use Change (ILUC) is a highly debated theoretical concept without any clear scientific consensus. The Renewable Energy Directive (RED) clearly provides that the impact of ILUC, if any, should be based on "the best available scientific evidence, containing a concrete methodology for emissions from carbon stock changes caused by indirect land-use changes". Yet, various studies on ILUC reach diverging conclusions and EBB regrets that the Commission might favour one specific study to others, while no concrete facts emerge. Additionally, it appears that, so far, no consensus has been reached on both aspects.

'It is consequently deplorable that the European Commission is currently grounding its assessment of the potential yet strongly debatable impact of ILUC on biofuels green gas emissions on the US based IFPRI study. An environmental-friendly sector such as the European biodiesel industry should not be penalised (putting at risk its capability to survive) with a legislative proposal on non-verified assumptions and lacking methodologies.

Subjective policy-making could have drastic consequences for such an important industry in the European renewable sector. Europe has today a leadership in world-wide biodiesel production and biodiesel in Europe contributes indeed to considerable renewable energy production and investments as European Biodiesel represent as much as $\frac{3}{4}$ of the total European biofuels industry. If groundless ILUC penalties were to be adopted this European renewable industry would be under strong threat.,' says the EBB. "One of the paradoxical aspect of hypothetical ILUC legislative penalties against EU biodiesel would be that imported biodiesel from palm oil (produced not in Europe but in countries where deforestation exists) would become probably the easiest and cheapest source for biodiesel production, - said Raffaello Garofalo, Secretary General of the EBB - if not the only one in practice allowed. If

this risks to be the result of European norms on ILUC conceived to guarantee environmental sustainability, clearly there is something wrong in the way in which ILUC and European legislative options on ILUC are thought”.

Studies present IFPRI report missing assumptions.

Don O'Connor from (S&T)2 Consultants Inc. in particular highlighted strong loopholes in the methodology, and affirms that the IFPRI study misses some strong considerations:

- Land inventory database: is missing all the cropland that is used to produce forages for livestock feed and all of the cropland that is temporary idle, both of which amount for 400 to 500 million hectares,” he said.
- Forage conversion: the model also overestimates the amount of forage converted land because it uses the same value for pasture and managed forest. In reality data suggests that pasture is 20 to 30 times more likely to be converted than forest.
- Co-products modelling: the positive impact of oilseeds coproducts in reducing land use change from animal feed production is largely underestimated. In relation to this, the modelling of the animal feed sector developed by IFPRI is largely debatable as it is based on US rather than EU standards.
- Vegetable oils substitution rates: the study assumes important substitutions effects between vegetable oils, which does not correspond to the reality of the European biodiesel market (technical limitation on palm oil use for instance).

In addition, Professors Lange and Delzeit from Kiel University contribute to the debate by highlighting some challenges such as:

- Assimilation: CGE models in general cannot distinguish between direct Land Use Change and Indirect Land Use Change effects of the biofuel mandate when calculating a Land Use Change factor.
- Uncertainties: The two versions of the IFPRI model have large uncertainties when parameters or assumptions are changed;
- No basis for policy: Kiel University recommends that “results should not be used by policymakers to derive specific ILUC factors
- Lack of Control: ILUC cannot be controlled efficiently by certifying biofuel activities alone.

This is of particular importance as biofuels production is already subject to restrictive measures as per the Renewable Energy Directive (such as the sustainability criteria), and any additional restrictions would be disproportionate (as sustainability criteria does neither have a sectoral approach nor does it apply to other industry that use raw materials. And would have a damaging and lethal effect on the EU biodiesel industry.

EBB recommendations

This is why EBB strongly advises decision-makers to take into account the following recommendations:

The Commission should acknowledge that IFPRI study as available in Spring 2011 does not provide an unanimous basis to confirm ILUC effects from biodiesel activities and cannot ground a fair, proportionate and valuable regulation.

The Commission should remember the positive effect of biodiesel and biofuels to tackle Climate Change and meeting CO₂ emissions reduction targets, advantages that ILUC debate wrongly diminishes.

EBB encourages the Commission and the legislative institutions to refrain from adopting any regulations inspired by such theoretical and unverified scientific concepts. Rather EBB strongly recommends to the Commission to consider every policy options in order to mitigate Climate Change without damaging the European industries competitiveness, nor the economy and employment.

Industry split?

In another development, unconfirmed reports from Reuters said that, in a letter to the EU's top climate and energy officials seen by Reuters, bioethanol industry body ePURE said it backs the introduction of EU rules that address ILUC directly. 'A direct approach that penalises crop-specific biofuels for their indirect side-effects could wipe out much of Europe's

estimated EUR13 billion-a-year (\$17.3bn) biodiesel sector. "ePURE will support a policy that... differentiates between good and bad biofuel pathways (and) addresses ILUC directly," said the letter sent to EU energy chief Guenther Oettinger and climate chief Connie Hedegaard in July.' "It is encouraging to see that companies that make better biofuels are starting to recognise that a scientifically credible biofuels policy can actually help them instead of harm them," said Nusa Urbancic of green transport campaigners T&E. "Reaching a consensus on ILUC is challenging as the modelling is incomplete. But it's an opportunity to promote good conventional biofuels, and kick-start a new advanced biofuels industry," Novozymes' European President Lars Christian Hansen told *Reuters*. Although ePURE had not responded to *Enagri's* requests for comment as we went to press, a spokeswoman for the EBB said, "We would like to stress that [ePURE's position] is an unconfirmed report. As a consequence, we do not have any specific comment on this matter." However, she also told Enagri that, "We welcome debate in a democratic way but we continue to believe that there is no scientific ground to debate ILUC, and that the methodology could affect both biodiesel and ethanol productions. I would like to refer again Mr Don O'Connor who has pointed out this morning during the press conference that the results of ILUC are largely overestimated. The entire European biofuel industry and related investment and employment, is at stake".