



EU Biofuels Chain

Joint position paper on the Sustainable finance draft Delegated Regulation

The EU Biofuels Chain supports the final objective of the sustainable finance Regulation: to enable financial flows to support sustainable growth and transition to a carbon neutral economy. We understand and support the principle that the EU taxonomy should not contradict the European Green Deal objectives to fully deliver on the increased EU climate ambition.

However, we wish to point towards legislative contradictions as well as underline the shortcomings of the process leading to the adoption of the draft delegated act.

1. The draft delegated act would contradict the sustainability criteria that have been agreed in the Renewable Energy Directive II (2018/2001), hereafter ‘RED II’, currently being implemented across Member States.

The proposed eligibility criteria are based on the TEG final report that has misinterpreted the sustainability criteria of biofuels in RED II and made the **erroneous conclusion** that only advanced biofuels are supported by RED II by stating: ‘Manufacture of Biomass, Biogas and Biofuels is eligible if: produced from the advanced feedstock listed in Part A of Annex IX of Directive (EU) 2018/2001’.

Discriminating between crop-based and advanced biofuels is not justified according to RED II. The phase-out of policy support for crop-based biofuels in transport has been rejected by the co-legislators, first in the ‘ILUC Directive’ 2015/1513 and more recently in RED II. On the contrary, the co-legislators have renewed their support to all sustainable forms of biofuels:

- Sustainable biofuels, both crop-based and advanced ones, can count towards the obligation put on fuel suppliers to provide at least 14% of renewable energy in the transport sector by 2030;
- The contribution of crop-based biofuels shall be no more than one percentage point higher than their 2020 share, with a 7% maximum;
- RED II limits the phase-out of support to high indirect land-use change-risk feedstock for which significant expansion of the production into land with high-carbon stock is observed, as defined in the Commission [Delegated Regulation](#) and its [annex](#);
- Advanced biofuels, defined as those made from Annex IX-A feedstock, are subject to a dedicated ramping-up sub-target, reaching 3.5% of the energy in transport by 2030. They enjoy an extra level of support.

Furthermore, excluding crop-based biofuels would go against the findings of the Commission [Renewable Energy Progress Report](#), which underlines that these biofuels have significantly contributed to CO₂ emission reduction in the transport sector in 2018.

The [European Commission](#) itself assumes that an even higher renewable energy share of 24% in transport is required to ensure that the transport sector contributes sufficiently to the 55% GHG saving target of the Green Deal. Taking into account that transport has the lowest share of renewable energy use, all sustainable transport fuels defined in RED II should be included in the EU taxonomy to ensure that sustainable finance fully contributes to the transition to a carbon neutral economy.



It would be **inconsistent** to have the RED II legislation defining and supporting sustainable biofuels (including crop-based ones) and the sustainable finance policy excluding the same biofuels.

- The TEG final report itself has pointed out that ‘for other types of biofuels that are not advanced biofuels but may offer substantial climate mitigation benefits’ and that the Platform for Sustainable Finance ‘will undertake further work to consider establishing criteria for ensuring substantial contribution to climate mitigation’.
 - The delegated act, if it were to exclude other sustainable biofuels would go against the TEG final report and would annihilate the future work of the Platform for Sustainable Finance. It would be adequate to wait for the Platform for Sustainable Finance to work on eligibility criteria for other types of biofuels that are not advanced biofuels but offer substantial climate mitigation benefits, as is the case of European biofuels.
- 2. The draft delegated act makes a wrong use of the notion of “contributing substantially to climate change mitigation” and “transitional” activity as referred in Article 10(2) of Regulation (EU) 2020/852 with regard to the manufacturing of biofuels and biogas for transport.**

The manufacturing of biofuels and biogas for transport clearly belongs to the activities referred to the Article 10 (1):

- (c) increasing clean or climate-neutral mobility; and
- (h) producing clean and efficient fuels

Therefore, it should be considered as making a substantial contribution to climate change mitigation.

As already mentioned above the European Commission itself assumes that an even higher renewable energy share of 24% in transport is required to ensure that the transport sector contributes sufficiently to the 55% GHG saving target of the Green Deal.

The draft delegated act aims at identifying consistent criteria to demonstrate a substantial contribution to the environmental objectives. The principle should evaluate the technologies in a neutral approach. As far as mobility is concerned, the focus on promoting only tailpipe zero emission vehicles excludes artificially sustainable biofuel solutions. The mobility emission criterion should be based on life cycle analysis.

- 3. In line with [Article 290 TFEU](#) “delegated acts are legally binding acts that enable the Commission to supplement or amend non-essential part of EU legislative acts, for example, in order to define detailed measures...”¹. However, the exclusion of crop-based biofuels is a significant legislative change and would override a legislative act e.g. RED II, already adopted via ordinary legislative procedure.**

We regret that the elaboration process of a piece of legislation on such a crucial and complex matter has been restricted without providing real opportunity for the stakeholders from our sector to be heard and that the joint candidate put forward for the Sustainable Finance Platform by several bioenergy stakeholders was not selected.

¹ Source: https://ec.europa.eu/info/law/law-making-process/types-eu-law_en



We therefore believe that it is premature for the delegated act to restrict the scope of eligible biofuels in a way that is more restrictive than RED II.

Alignment with RED II on both feedstock inclusion and sustainability criteria should be sought for the following activities:

- **Manufacture of biogas and biofuels for use in transport (4.13)**
- **Manufacture of organic basic chemicals (3.13)**
- **Manufacture of plastic in primary form (3.16)**
- **Electricity generation from bioenergy (4.8)**
- **Transmission and distribution networks for renewable and low-carbon gases (4.14)**
- **Cogeneration of heat/cool and power from bioenergy (4.20)**
- **Production of heat/cool from bioenergy (4.24)**
- **Anaerobic digestion of bio-waste (5.7).**



Annex – proposed changes to the Annex I to the draft Delegated Regulation

Annex I to the draft Delegated Regulation	Suggestion
4.13 Manufacture of biogas and biofuels for use in transport	4.13 Manufacture of biogas and biofuels for use in transport
Description of the activity Manufacture of biogas or biofuels for use in transport. The activity is classified under NACE code D35.21 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. <i>The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.</i>	Description of the activity Manufacture of biogas or biofuels for use in transport. The activity is classified under NACE code D35.21 in accordance with the statistical classification of economic activities established by Regulation (EC) No 1893/2006. <i>The activity is a transitional activity as referred to in Article 10(2) of Regulation (EU) 2020/852 where it complies with the technical screening criteria set out in this Section.</i>
1. (...) Food-and feed crops are not used in the activity for the manufacture of biofuels for use in transport”.	1. (...) Food-and feed crops are not used in the activity for the manufacture of biofuels for use in transport”.
(...) 2. The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport are at least 65 % in relation to the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001.	(...) 2. The greenhouse gas emission savings from the manufacture of biofuels and biogas for use in transport are laid down in Article 29, parag. 10 of Directive (EU) 2018/2001) following the GHG saving methodology and the relative fossil fuel comparator set out in Annex V to Directive (EU) 2018/2001.

Annex I to the draft Delegated Regulation	Suggestion
3.13. Manufacture of organic basic chemicals	3.13. Manufacture of organic basic chemicals
Food or feed crops are not used as bio-based feedstock for the manufacture of organic basic chemicals.	Food or feed crops are not used as bio-based feedstock for the manufacture of organic basic chemicals.
3.16. Manufacture of plastics in primary form	3.16. Manufacture of plastics in primary form
Food or feed crops are not used as bio-based feedstock for the manufacture of plastic in primary form.	Food or feed crops are not used as bio-based feedstock for the manufacture of plastic in primary form.
5.7. Anaerobic digestion of bio-waste	5.7. Anaerobic digestion of bio-waste
5. In the dedicated bio-waste treatment plants, bio-waste constitutes at least 90 % of the input feedstock, measured in weight, as an annual average, and the share of other input material is less than or equal to 10 % of the input feedstock. Such other input material may not include food or feed crops	5. In the dedicated bio-waste treatment plants, bio-waste constitutes at least 90 % of the input feedstock, measured in weight, as an annual average, and the share of other input material is less than or equal to 10 % of the input feedstock. Such other input material may not include food or feed crops



The EU Biofuels chain includes:

Founded in 1953, **CEFS** represents European beet sugar manufacturers, cane sugar producers and refiners covering sugar production in 18 EU countries (Austria, Belgium, Croatia, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Lithuania, Poland, Romania, the Netherlands, Slovakia, Spain, Sweden) plus the United Kingdom and Switzerland.

CEPM brings together Professional and inter-Professional organisations whose mission is to represent and defend in their respective countries the interests of all or part of the maize chain: corn, maize silage, maize seed, and sweet corn. To fulfil these objectives, CEPM carries out monitoring, lobbying and communication activities, and makes concrete proposals.

The **C.I.B.E.** is the international confederation of sugar beet growers. It represents the interests of beet growers vis à-vis European Institutions and international organisations since 1927. CIBE is composed of national and regional associations from 18 European beet-producing countries. These include 140,000 growers from 15 EU countries (Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, the Netherlands, Poland, Romania, the Slovak Republic and Sweden) and growers from 3 non-EU countries (the United Kingdom, Switzerland and Turkey).

COCERAL is the **European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats, animal feed and agrosupply**. It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above-mentioned agricultural products. COCERAL's direct members are located in 14 EU countries, with one European association, Unistock representing the professional portside storekeepers for agribulk commodities within the EU and one associated member in Switzerland. With about 3000 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. Gafta is an extraordinary member of COCERAL.

Copa and Cogeca are the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative, and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 23 million farmers and their families whilst Cogeca represents the interests of 22,000 agricultural cooperatives. They have 66 member organisations from the EU member states. Together, they are one of the biggest and most active lobbying organisations in Brussels.

The **European Biodiesel Board (EBB)** is a non-profit organisation established in January 1997. Today, EBB gathers close to 60 members across 21 Member-States, which represents 75% of the European output. Biodiesel is the main European solution to reduce emissions from transport and dependence on imported oil. EBB aims to promote the use of biodiesel in the European Union and is committed to fulfil International standards for sustainability in GHG emissions and sustainable feedstock. EBB is constantly working towards the development of improved and greener technologies.

The **European Oilseed Alliance (EOA)** brings together the oilseed producing organizations from the main European countries (Germany, France, UK, Poland, Czech Republic, Finland, and Belgium) and represents 90% of European oilseed production.

The **European renewable ethanol association (ePURE)** represents the interests of European renewable ethanol producers to the European institutions, industry stakeholders, the media, academia, and the general public. The organisation, established in 2010, promotes the beneficial uses of ethanol throughout Europe. Based in Brussels, ePURE speaks for 35 member companies and associations (including 19 producers), with around 50 production plants in 16 member states, accounting for about 85% of the renewable ethanol production in Europe.

FEDIOL represents the interests of the **European vegetable oil and protein meal industry**. With over 180 facilities in Europe, the sector provides over 20.000 direct employments. Our members process approximately 55 million tonnes of basic products a year for the food and non-food markets. Oilseed crushing produces vegetable oils and protein meals as co-products. While vegetable oils are used for food and technical uses (pharmaceuticals, paints, detergents, biodiesel, etc.), protein meals are used to meet the increasing global demand for meat and protein.