



Biofuels: EU Energy Ministers must choose right path for the world's climate & food security

WHAT, WHERE AND WHEN?

On **12 December**, energy ministers will come together in **Brussels** to vote on the **European Commission's proposed reform of EU biofuel policy**. The reform is designed to reduce the environmental and social impacts of EU demand for biofuels – specifically the *Indirect Land Use Change* (ILUC) effects of their production. If left unchanged, current policy will lead to higher instead of lower greenhouse gas emissions compared to fossil fuels, will destroy forests and damage biodiversity, will push small scale farmers off their land and threaten the food security of the world's poorest people.

Under pressure from the industrial and farming lobby, EU ministers have seriously weakened the Commission's initial proposal. The Lithuanian presidency's draft compromise that will be put for a vote on Thursday is a negation of environmental priorities and the right of people to food security.

This briefing will outline:

- [What is wrong with current EU biofuels policy?](#)
- [What is on the table at Thursday's Energy Council meeting?](#)
- [The three key issues on the table, with a discussion of governments' positions](#)
 - [A cap on the amount of land-based biofuels](#)
 - [Dilution of 20% renewable energy target](#)
 - [ILUC accounting](#)
- [Recommendations from leading environmental and development NGOs](#)
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WHAT'S WRONG?

In 2009, the EU set binding targets of 10% for renewable transport fuels in the Renewable Energy Directive (RED) and 6% for fuel suppliers to reduce the carbon intensity of their transport fuels by 2020 in the Fuel Quality Directive (FQD). The manner in which European countries and fuel suppliers have been implementing these targets has almost exclusively incentivised the use of climate-warming biofuels produced from food and energy crops grown on land, such as **palm oil**, **soybean**, **rapeseed** (biodiesel), **wheat** and **corn** (ethanol).

What is ILUC?

Land which could be used to grow food is now used to grow fuel. Extra land is therefore needed to grow food – land that is usually found in tropical regions, where pristine forests teeming with plant and animal life are cut down to make way for agriculture. This land clearing reduces the 'carbon sinks' (the trees and vegetation that absorb CO₂) and pumps vast amounts of greenhouse gas emissions into the atmosphere, negating the intended aim of the EU biofuels policy.

ILUC is a real and tangible problem affecting the sustainability of biofuels. The use of **heavily subsidised** land-based biofuels in the EU is now around ten times higher than it was a decade ago. Without reform, demand is expected [to almost double again by 2020](#), compared to 2010, from 4.7% to 8.6%. Scientists have warned that the increased demand for EU biofuels is driving the expansion of global agricultural land, to the extent that they may in fact increase climate warming emissions. At the same time, land-based biofuels compete for land area and water with food production, [pushing up food prices](#) and the [volatility of agricultural markets](#), all while costing [European taxpayers €6 billion per year](#).

When ILUC emissions are added in the footprint calculation of biofuels, most land-based biofuels currently marketed in Europe offer **no or limited** carbon emissions savings compared to petrol and diesel. There is [no doubt that the production of these land-based biofuels generates ILUC effects](#). The European Commission has run a number of [studies](#) on different biofuel crops, which all conclude that over the next decade Europe's biofuels policy will have a significant ILUC impact.

WHAT'S ON THE TABLE NOW?

The European Commission and European Parliament positions

In October 2012 the European Commission [proposed to cap the use of food based biofuels at 5%](#) – close to current consumption levels – as per the terms of the RED. As a result of the [intensive lobbying of the agrofuels and farming industry](#), the Commission removed the provision to account for ILUC emissions under the FQD. This was replaced with a requirement for member states to merely *report* on the ILUC impact of their policy in 2020.

Some eleven months later Members of the European Parliament [voted to weaken](#) the cap to 6%, but re-inserted the mandatory accounting of ILUC emissions under the FQD, after 2020.

Council's draft position (for consideration and adoption by Energy Ministers on Thursday)

The proposal currently under discussion by EU member states is a bad one on all the key areas of concern. It weakens the Commission's proposal, disregards the Parliament's position and ignores all scientific warnings about the environmental and social problems of conventional biofuels. This new text would ensure that EU biofuel policy would not achieve its fundamental aims.

THE 3 MOST CONTENTIOUS ISSUES, & NATIONAL POSITIONS

1: A cap on the amount of land-based biofuels

The draft Council position would water down to **7%** the Commission's proposed cap on food for fuel, equalling a **50% increase** compared to today's consumption. An increase of food-based biofuels from current levels to 7% is the equivalent of enough food to feed 69 million people every year. It would lead to the release of up to 400 million tons of CO₂ into the atmosphere.

Behind the scenes:

The Bad: Poland, Hungary, Slovakia and the Czech Republic as well as Spain and Romania have all been pushing for an 8% cap, or even to remove any limits on land-based biofuels. France, despite its progressive rhetoric on climate change and food security, has supported a 7% cap, and is backed by Portugal.

The Good: Denmark, The Netherlands, Luxembourg and Belgium have been defending 5% or less in the negotiations. Italy wants a maximum of 6%.

Our demands: A strong and robust cap on land-based biofuels, set at current consumption levels or lower, is needed to prevent biofuels from further competing with food production for land and water resources. The cap must cover all such fuels that compete with crops, and should also apply to the targets in the Fuel Quality Directive.

The key is in the hands of the **UK and Germany**. The **UK** – a champion of hunger eradication – may be about to drop its commitment to a 5% limit on food-based biofuels in exchange for a dilution of the overall 20% renewable energy target (see 2 below). **Germany**, once a strong supporter of the 5% cap, has made a U-turn recently and shown openness to 7%.

2: Dilution of 20% renewable energy target

Many governments have requested new incentives to promote the development of advanced biofuels. These biofuels, produced from wastes and residues, are supposed to be more sustainable, although environmental impacts may result from the use of agricultural residues and forest biomass.

Behind the scenes:

Italy, Denmark, Netherlands, Sweden and Slovenia want a mandatory sub-target for advanced biofuels, but France, UK, Spain and Germany oppose it.

The Bad: The **UK** has put on the table an alternative proposal that would double count the contribution of advanced biofuels towards the overall 20% renewable energy target. This “creative accounting” would mean that less renewables would be needed to meet the 20% target in 2020.

The Good: **Belgium, Denmark and the Netherlands** strongly oppose the **UK** proposal. **Germany** has expressed concerns but may still vote in favour of the package.

Our demands: Maintain the overall 20% renewable energy target. Ensure that biofuels produced from waste and residues are sustainable and do not lead to undesirable displacement effects.

3: ILUC accounting

Unlike the Parliament, the Council position rejects robust and uniform accounting for ILUC emissions based on the [best available science](#). These would no longer be reported by member states, but instead by the Commission using a very wide range of estimated ILUC emissions. This would hide the true climate cost of EU biofuels’ policy in order to preserve the false environmentally-friendly image of the biofuels industry.

Behind the scenes:

The Good: **The Netherlands, Denmark, Belgium and the UK** have stood up in negotiations for the mandatory accounting of ILUC emissions.

The Bad: **France** has tabled the proposal designed to weaken the ILUC reporting requirement. **Spain** and most Eastern European countries support the French proposal.

Our demands: Ensure that additional CO₂ emissions from ILUC are fully accounted for by introducing ILUC factors in both the Renewable Energy Directive and the Fuel Quality Directive. Only biofuels that significantly reduce GHG emissions and do not compete for land with food should be supported.

CONCLUSION AND NEXT STEPS

This Thursday energy ministers will cast their votes, relying on their judgment and conscience. We urge them to take advantage of this opportunity to fix this broken policy once and for all. This means nothing less than halting the expansion of and phasing-out biofuels that do not significantly reduce greenhouse gas emissions, and that put at risk our ecosystems and make Europe choose between food and fuel.

The basis of national strategies to decarbonise the transport sector should be innovative energy efficiency technologies, green mobility, reduction of energy consumption and the use of renewable electricity and small amounts of sustainable advanced biofuels. This can be done while avoiding negative direct and indirect displacement effects.

After the vote this week, the Council's position will be submitted to the European Parliament for a second reading, which could take place in the first quarter of 2014 or later in the year after the parliamentary elections in May.

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This advisory was altered on 11 December 2013, to correct the quantity of CO2 released in moving from a cap of 5% to a cap of 7%.