

# EU climate and resource protection policies without biofuels in future?!

**The European resolution and discussion situation in respect to Commission proposals for amendments to the Renewable Energies Directive (RED) and the Fuel Quality Directive (FQD) only permits one conclusion at present: policies are far removed from mapping – let alone establishing – reliable framework conditions for agriculture and the biofuel sector.**

On the contrary: with the „Climate and Energy Package 2030“ presented by the EU Commission the intention is obviously to phase out subsidies for traditional biofuels. It will be up to the member states to now fulfil the GHG reduction target of 40% specified by the EU within the framework of national measures. Only through a concerted action by some member states could a sub-target of 27% renewable energies be incorporated in the package.

**Political bodies must recognise, outside the media spotlight and sometimes highly emotionally laden discussions, what success has meanwhile been achieved in EU climate protection policies with biofuels of the first generation. Biofuels of the first generation alone play a crucial role through the mandatory target specification of the RED as the sole renewable energy source so far in the area of mobility. They pave the way towards introducing certification systems in the EU and non-member states, thereby setting the standards for market access to the EU. Continued subsidies are essential to keep the momentum going in the entire biofuel sector, instead of choking off a successfully introduced and established development.**

## The fact is:

- Biofuels of the first generation alone play a crucial role through the mandatory target specification of the RED as the sole renewable energy source so far in the area of mobility; all other concepts such as electric mobility are far removed from a broad market introduction;
- Biofuels of the first generation pave the way towards introducing certification systems in the EU and non-member states and hence spur on action to introduce and check definite sustainability requirements stipulated under EU law;
- Biofuels of the first generation have triggered intensive debate on the need for research and „regulation“ in regard to direct or indirect land use changes, even though the biomass requirement to fulfil the EU biofuel targets is comparatively low measured by other non-food or also fodder applications;
- Biofuels of the second and third generation cannot replace biofuels of the first generation from 2020 quantitatively in any way. The raw material potential available for their production both economically and sustainably is extremely dubious or drastically overestimated. Investors are unwilling, as the investment risk is very high due to the lack of a European biofuel strategy after 2020;
- Biofuels of the second or third generation must still demonstrate the climate balance advantage in comparison to the first generation, as both the volume requirement and energy consumption for the conversion are extraordinarily high in comparison to the first biofuel generation. Moreover, no value by-products are obtained here, which can be used for protein fodder, for example;
- The example of biofuels from waste oils confirms that incentives like a multiple apportionment lead to unexpected intrinsic dynamics in raw material procurement (increasing imports of used waste oils and animal fats from non-member states). At present, new incentives for biofuels from residual materials (e.g. straw) are being discussed. These are to stimulate new investments – possibly with public funding – although an economic prospect will be absent after 2020. The multiple apportionment must be

checked urgently in respect to excessive funding and crowd-out effects in the market associated with this.

- In contrast to fossil fuels, biofuels must satisfy increasing requirements for greenhouse gas reduction over the entire origination chain, from the field through to arrival at the biofuel production plant. The introduction of greenhouse gas quotas in Germany from 1 January 2015 will boost this competition further – greenhouse gas and cost efficiency will determine the competition in future.
- Biofuels make an important contribution to saving resources and safeguarding supply security. The speed at which energy supply routes believed to be safe and reliable can be called into question can be witnessed in the current developments in international foreign policy.

For biofuels of the first generation, a legally binding requirement framework has been established for market access to the EU, which is today exemplary in other application fields for renewable raw materials for energy or material utilisation. The further development of the European bioeconomy and national biorefinery strategy will also have to be measured by this.

There is still considerable need for research and development when it comes to the biofuels of the second and third generation. **In terms of equal treatment, their market launch must occur in unison with the first generation. A potential gradual replacement would be based on competition open to technology, taking EU fuel requirements into account.** It makes little sense when there is still an abundance of petrol to produce bioethanol from straw with energy intensive processes, if there is a lack of primarily fuels substituting diesel in the EU.

The relevant political institutions must ask themselves what instruments they will be losing in respect to subsidies, the environment and resources if biofuels of the first generation disappear from the market after 2020.

Without continuing a balanced biofuel strategy after 2020, the relevant economic sector in the European Union, but also particularly the economic sector of the non-member states in focus

(Argentina, Brazil, Indonesia, Malaysia) will sell its products to other markets in which sustainability requirements do not play a role for market access.

In particular the question of iLUC makes it clear that a new political approach is needed for effective international biotope and resource protection. The introduction of iLUC factors would considerably exacerbate the pressure to look for means of circumvention. The experts agree: iLUC factors will not rescue a single hectare of rainforest!

On the contrary: In excluding biofuels of the first generation from 2020 onwards, the proposal by the EU Commission takes away the negotiation basis in the form of EU market access and consequently the incentive for non-member states to deal more intensively with sustainability requirements and certification systems or become more committed here.

Political bodies must therefore recognise, outside the media spotlight and sometimes highly emotionally laden discussions, what success has meanwhile been achieved in EU climate protection policies with biofuels of the first generation. The regulatory framework established in just a few years with internationally anchored certification systems does not have to be abolished, but instead developed further and improved with a view to implementation quality. The challenge presented by continually having to improve GHG reduction – measured in terms of a fossil reference value – has led to intensive optimisation activities and success, beginning with raw material cultivation and extending through to biofuel production.

These activities must now be accompanied by funding policy measures both on an EU and national level. Agriculture in particular would benefit from corresponding success in optimising the raw material cultivation for biofuel production. This is because these measures are implemented independently of the end use of the biomass raw material and hence also to the benefit of food production. Continued subsidies are now essential to keep this momentum going in the entire biofuel sector, instead of choking off a successfully introduced and established development.

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#### **Brief information on UFOP e. V.:**

The Union zur Förderung von Oel- und Proteinpflanzen e. V. (UFOP) represents the political interests of companies, associations and institutions involved in the production, processing and marketing of domestic oil and protein plants in national and international bodies. UFOP supports research to optimise agricultural production and for the development of new application opportunities in the food, non-food and feed sectors. UFOP's public relations aim is to promote the marketing of domestic oil and protein plant end-products.

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