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## **Association of the German Biofuels Industry (VDB) comment on the possible elements of a policy approach regarding indirect land use change made by the European Commission**

The Association of the German Biofuels Industry (VDB) generally supports the political efforts of the European Union to promote the use of renewable energies, especially the obligatory share of 10 % of renewable energy in the transport sector given by Directive 2009/28/EC. This contributes to energy independence, fights climate change and also strengthens rural areas and agricultural production in Europe.

Agricultural production is a very complex sector with regard to the agricultural, social and economic interdependencies with various influencing factors. Indirect Land Use Change (ILUC) is an effect that is caused by several factors, amongst others by the production of raw materials for biofuels. When discussing the effects of ILUC, we have to take into consideration that they can either be negative, like displacement of feed production into rainforests, or even positive as biofuels production also contributes to feed supply (rape cake) that replaces soy production in other areas.

It becomes clear that a solid scientific basis is needed to identify and quantify the impacts of ILUC that is not given by now. Currently there are miscellaneous methods used for the evaluation that lead to diverse results. Before introducing actions by the EU it is important to find a consistent and widely accepted model to assess the impact of ILUC.

Regarding the possible elements of a policy approach given by the EU for dealing with ILUC, VDB wants to comment on the different options:

### **A. Extend to other commodities/countries the restriction of land use change that will be imposed on biofuels consumed in the European Union**

Because of the various effects why land use changes appear it seems impossible to capture indirect land use changes caused by biofuels only. Because of the considerable fluctuations in amount and type of all other biomass usage it is necessary to extend the restrictions on land use to all commodities. That includes biomass used for food, feed, fibre, fuel and chemistry but also all fossil commodities.

VDB would be supporting all efforts of the EU to introduce such requirements. In this framework it has to be discussed how to implement these land use restrictions in other countries.

## **B. International agreements on protecting carbon-rich habitats**

VDB generally supports the option to implement multilateral agreements on protecting carbon-rich habitats. Anyway the protection of these areas and the possibility of bilateral and multilateral agreements are regulated by Directive 2009/28/EG. But we want to stress that such agreements also need to apply for all other uses of these areas. It seems to be reasonable to combine option A. and B. to assure that indirect land use changes can be reduced.

## **C. Do nothing**

There is a need to reduce indirect land use effects to protect our planet. But we have to ground our decisions on scientifically sound facts. Therefore it is important to intensify the efforts in research of indirect land use changes and to extend the investigations to all other commodities, not only biofuels.

## **D. Increase the minimum required level of greenhouse gas savings**

This approach is not justifiable because ILUC-effects cannot be quantified in a scientifically sound matter.

## **E. Extending the use of bonuses**

Generally VDB supports the use of bonuses to foster positive effects of biofuels production (e.g. waste material). Nevertheless it seems questionable that an efficient verification management can be found in case the bonus is granted for a certain land use (e.g. idle land).

## **F. Additional sustainability requirements for biofuels from crops/areas whose production is liable to lead to a high level of damaging land use change**

It seems impossible to generalize indirect land use effects on certain areas or crops. It would be unfair to introduce additional sustainability requirements for selected crops/areas regardless of the effect on land use change that their cultivation effectively has. Such additional requirements especially penalize those producers that work sustainably and fulfil all requirements of Directive 2009/28/EG. Furthermore those requirements are likely to be WTO-incompatible as they can lead to fragmented markets and discriminate certain crops /areas.



## **G. Include an indirect land use change factor in greenhouse gas calculations for biofuels**

This factor could possibly lead to a general discrimination of biofuels regardless of the fulfilment of the sustainability criteria of Directive 2009/28/EG. To prove that biofuels are not giving rise to indirect land use change it would be necessary to scientifically capture all land areas and all land use changes by all commodities. Only then it is possible to show which biofuels can be accounted with a value of zero and which biofuels need to include the additional factor in their calculation. If that is not possible, such a factor will account to all biofuels produced. To include a factor to penalize all biofuels is unfair and not scientifically based.