

## Biofuels policy and indirect land use change

The EU has been supporting biofuels, mainly as a way to reduce greenhouse gas emissions in road transport. However, the current policy has been criticised by many, including the European Parliament, for failing to take into account emissions from indirect land use change. To address these shortcomings, the Commission presented a legislative proposal in October 2012. Second reading negotiations with the Council have delivered a compromise, now awaiting a vote in plenary.

### Background

In 2003, the European Union established a biofuels support policy, primarily with the aim of lowering carbon emissions in the transport sector. In 2009, as part of the [2020 climate and energy strategy](#), a double target was set for 2020: 10% share for renewable energy (essentially biofuels) in the transport sector, introduced by the [Renewable Energy Directive](#), and a 6% reduction in the greenhouse gas intensity of fuels used in road transport and non-road mobile machinery, introduced by a revision of the [Fuel Quality Directive](#).

Many actors, including the European Parliament, have criticised this policy for not taking into account greenhouse gas emissions associated with [indirect land use change](#) (ILUC) which can be triggered when existing agricultural production is displaced to other previously uncultivated land, both inside and outside the EU. Although estimates vary, most studies on the subject suggest that ILUC can significantly decrease or even nullify the greenhouse gas emissions savings of biofuels, in comparison to fossil fuels. Concerns have also been raised about the impact of EU biofuels policy on food security in developing countries, on biodiversity and on the environment in general. NGOs and academics have generally been critical of current EU biofuels policy. The biofuels industry emphasises that it sustains many jobs in rural areas of Europe.

### Commission proposal

In October 2012, the European Commission presented a [legislative proposal](#) introducing several changes: limiting to five percentage points the share of conventional biofuels (produced mainly from crops which can also be used as food or feed) that can be included in the 10% renewable energy target for transport, to be reached by 2020; promoting advanced biofuels (produced mainly from waste and residues) by counting their contribution towards the 10% target multiple times; and introducing reporting of estimated emissions caused by indirect land use change. The proposal also seeks protection for existing investments until 2020.

The debate about this proposal has focused mainly on the following aspects: At what level should a cap on the share of conventional biofuels be set? What are 'advanced' biofuels? How and to what extent should advanced biofuels be promoted? And then, should the impact of ILUC on greenhouse gas emissions be taken into account, and, if yes, how?

### Trilogue compromise

A second reading [compromise](#) reached with the Council during inter-institutional negotiations, and [endorsed](#) by the Environment, Public Health and Food Safety Committee on 14 April 2015, limits to 7% the share of biofuels from crops grown on agricultural land that can be counted towards the 10% renewable energy target in transport, while allowing Member States to set lower national limits. The compromise sets an indicative 0.5% target for advanced biofuels, whose contribution would count double towards the 10% renewable energy target for transport (but not towards the 2020 overall 20% renewable energy target). The estimated ILUC emissions would have to be included by fuel suppliers in their reporting on the fuels they place on the EU market.

The recommendation for second reading, based on the negotiated compromise, is due to be voted in the April II plenary (rapporteur Nils Torvalds, ALDE, Finland).