



The EU Strategy for Support and Promotion of Biofuels


International Conference "Biofuels-Ukraine 2008"

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**Why biofuels?**


- First reason: reduce **greenhouse gas emissions** in transport
- Second reason: reduce transport's dependence on **imported oil**
- Third reason: support **rural development**



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**First reason: Reduce greenhouse gas emissions** in transport


- Transport is responsible for more than 1/5 of GHG emissions that contribute to climate change in the EU. And emissions are climbing faster in this sector than in any other.
- Using more biofuels can help bring to this damaging growth under control - together with other policies, for example in the field of car emissions or organisation of transport logistics.



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**Second reason: reduce transport's dependence on imported oil**

- The EU transport sector's dependence on imported oil is 98 per cent!
- High oil dependence means considerable economic and political risks, and high bill for the economy especially with oil price of 100 \$/barrel
- Greater energy security – principal goal of EU energy policy, and biofuels are part of the answer.




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**Third reason: support rural development**

- Up to 190 000 new jobs could be created in the EU agriculture sector, if the new policy objectives are implemented;
- Biofuels offer possibilities of diversification of agricultural production;
- Sustainable biofuels production can ensure that agriculture and forestry continue to make a positive contribution to the countryside and the wider environment.


Source: Review of economic and environmental data for the biofuels progress report, 2007



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**Current and future EU objectives**

	Renewable energy	Biofuels
<b>Current (achieved)</b>	8.5% (2005)	1.5% (2006)
<b>2010 (indicative objective)</b>	12%	5.75%
<b>2020 (proposed binding objective)</b>	20%	10%




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- **Biofuels objectives**
  - Biofuel objectives are for the **share of petrol and diesel** in transport;
  - **No separate objectives** for bioethanol and biodiesel



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- **Current EU legal framework for Biofuels: Directive 2003/30/EC**
  - Requires Member States to set “national indicative targets” for the market share of biofuels. The market shares of 2% in 2005 and 5.75% in 2010 are “reference values” that Member States must take into account when they set their national targets.
  - Indicative targets – insufficient to achieve real breakthrough.
  - EU production today concentrated in a limited number of Member States (DE; F; ES; I, SE)




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- **Biofuels in the new energy and climate change policy framework**

*European Commission presented on 23 January its energy and climate change package for the European Union*

  - Reduce green house gas emissions by 20% by 2020 compared with 1990 levels
  - Increase share of renewable energy consumption to 20% of total energy consumption by 2020
  - 10% share of renewable energy in transport petrol and diesel – bio fuels




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- **Renewable Energy Directive (RED)**

*Introduces the overall binding target of 20% renewable energy sources in the energy consumption and 10% binding minimum target for biofuels in transport by 2020*

**Bio fuels** → **To be achieved both by domestic production and imports**




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- **Sustainability criteria for biofuels**


**Biofuel production should be environmentally sustainable**

  - The scheme gives **incentives** to encourage sustainable production
  - Applies equally to EU Member States and countries outside the EU
  - Directive includes criteria and calculation methods



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- **Sustainability criteria for biofuels**
  - Sustainability criteria must be met **in order to obtain incentives**
  - Scheme **based on international science and norms** (UN IPCC, FAO etc.)
  - **Non-discriminatory – WTO compatible**




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**Sustainability criteria for biofuels**

1. Meet a minimum level of **GHG emission savings** (35%), including effect of land-use Changes

*For production facilities in operation before January 2008, this criteria applies by April 2013*



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**Sustainability criteria for biofuels**

2. Do not come from raw material obtained from land with recognised high **bio-diversity** value in January 2008

- Forest undisturbed by human activity
- Nature protection areas
- High biodiversity grassland

3. Do not come from raw materials obtained from **high carbon stock** land as per January 2008


- Wetland
- Continuously forested areas



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**Sustainability criteria for biofuels**

*These criteria have been designed to maximise environmental effectiveness while minimising trade distortions*




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**Sustainability criteria for biofuels**

**Verification**


- Economic operators are responsible for showing that criteria have been fulfilled
- The directive sets default values for GHG emissions
- Producers can provide actual values if deviating from default values



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**Sustainability criteria for biofuels**

- Voluntary national or international schemes can be used as standard for showing compliance with sustainability criteria
- Bilateral and multilateral agreements on certification can also apply
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**How they would apply to the Ukrainian exporters?**

To sell into EU market, producers will have to:

- prove where the biofuel crop was produced;
- State how this land was being used in January 2008 (e.g. arable, grassland, forest, wetland);
- for certain types of biofuels with poor GHG performance – EU customers may require additional data (on fertiliser use etc.)



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## ● EU biofuels target – what opportunities for Ukraine?

- The 10% EU target – to be achieved by **domestic production and imports**
- CEE and Ukraine – **huge potential for biofuel production increase**
- Sustainability criteria – **non-discriminatory, the same rules apply** to the EU and imported biofuels



## ● More information:

The European Commission's delegation to Ukraine  
<http://www.delukr.ec.europa.eu/home.html>

The European Commission's energy web site:  
[http://ec.europa.eu/energy/index\\_en.html](http://ec.europa.eu/energy/index_en.html)

The European Commission's climate action web site:  
[http://ec.europa.eu/energy/climate\\_actions/index\\_en.htm](http://ec.europa.eu/energy/climate_actions/index_en.htm)

The proposal for the Renewable Energy Directive:

[http://ec.europa.eu/energy/climate\\_actions/doc/2008\\_res\\_directive\\_en.pdf](http://ec.europa.eu/energy/climate_actions/doc/2008_res_directive_en.pdf)



● Thank you!

