

## **General Remarks:**

We recommend including the following aspects in a sustainability certification scheme:

- the use of a Meta standard approach in combination with a reporting system on the GHG balance of biofuels
- the use of both environmental and social criteria in the certification scheme
- the incorporation of an effective method to prevent indirect land-use change effects, as described under Question 2.1. A monitoring approach alone is not considered sufficient to prevent indirect land - use change effects.

## **Question 1:**

### **How should a biofuel sustainability system be designed?**

We recommend to set up a biofuel sustainability system using the so called *Meta-Standard* concept in combination with a reporting system on the GHG balance of biofuels as described within the UK RTFO Framework Report.

The central concept is that compliance with the Meta-Standard is achieved through existing sustainability standards (e.g. the standard for the sustainable production of wood products FSC). The Meta-Standard defines what is considered sustainably produced biomass in a set of principles, criteria and indicators. Instead of requiring producers to get certified to the Meta-Standard directly, compliance with the Meta-Standard can be achieved through certification to existing standards which have proven to provide a sufficient guarantee that (most of) the criteria and indicators of the Meta-Standard are complied with. Existing standards which can provide this guarantee are called 'qualifying standards'. In order to provide sufficient guarantee that the biomass production meets the criteria and indicators of the Meta-Standard, a qualifying standard must meet two requirements:

1. The standard must provide sufficient coverage of the sustainability criteria of the Meta-Standard. This is evaluated by performing a benchmark of the criteria and indicators of the existing standard against those of the Meta-Standard.
2. In order to ascertain that the criteria of the existent standard are actually complied with in practice, the standard must have procedures in place which guarantee the quality of auditing and certification. Therefore, minimum quality requirements must be met with respect to auditing and certification.

If for example the Roundtable on Sustainable Palm Oil (RSPO) becomes operational and it is found that the RSPO meets the above two requirements, the RSPO would then form a 'qualifying standard' for the Meta-Standard for sustainable biomass production. Bio-energy companies using RSPO palm oil could then claim that their product has been produced sustainably (according to the norm set in the Meta-Standard.)

### **Question 1.2**

**What do you think the administrative burden of an approach like the "possible way forward" would be? (If possible, please quantify your answer.)**

We think there are two ways to minimize the administrative burden:

- make use of existing standards through a meta-standards as described under question 1.1
- allow for default values to be used for the GHG performance.

The above two recommendations minimize the administrative burden to determine the sustainability and GHG performance of parties in the supply chain. Another major determining factor in the administrative burden of the overall system is the transfer of information through the supply chain, the so called chain-of-custody. While not necessarily the responsibility of the EC or Member States, a reliable and workable chain of custody needs to be set up for any reporting scheme to work.

### Question 1.3

**Please give your general comments on the "possible way forward", and on how it could be implemented. Does it give an adequate level of assurance that biofuels will be sustainably produced? If you think the problem should be tackled in a different way, please say how, giving details of the procedures that would be used.**

In our opinion, the following sustainability criteria should be included in “the possible way forward” in addition to the GHG reduction-, the conservation of carbon stocks- and the biodiversity value criteria<sup>1)</sup>:

#### *Environmental criteria:*

- Soil conservation  
(Biofuel feedstock production can reduce the soil organic matter content of cropland if unsustainable farming methods are applied.)
- Sustainable water use
- Air quality

#### *Social Criteria*

- Land rights issues
- Labour issues

### Question 1.4

**Carbon stock differences between land uses would be taken into account under criterion 2. Should they also be taken into account under criterion 1? If so, what method should be used to determine how the land in question would have been used if it had not been used to produce raw material for biofuels?**

We recommend including direct land use change effects in the GHG balance of biofuels.

(Our proposal to prevent indirect land use change effects is described under point 2.1).

If land has been turned into biofuel production we recommend to assume that it would not have changed its previous function in a business-as-usual case.

1) In addition to the mentioned criteria, the involvement of local stakeholders can assure the acceptance of biofuel projects in the local population, thus helping to ensure the long term success of these projects.

## **Question 2: How should overall effects on land use be monitored?**

**Question 2.1: Please give your comments on the "possible way forward" described above. If you think the problem should be tackled in a different way, please say how.**

Land use change with negative environmental effects - especially linked to soy production in South America and palm oil production in South East Asia - is a fact today. With a growing world demand for vegetable oils, land use changes with negative environmental effects will continue to take place with a very high probability.

Thus, any additional demand for biofuel feedstock will - with a very high probability – cause indirect land use changes with negative environmental effects, if no effective measures are taken to prevent indirect land use change effects.

Thus, we do **not** consider a monitoring approach appropriate to address the problem of indirect land-use change. In our opinion, a monitoring approach alone will cause a delay in addressing urgent environmental problems.

In order to address indirect land-use changes, we therefore recommend the following approach:

To prevent displacement effects, the additional biomass consumption for biofuels has to be supplied from additional production which does not displace other agricultural activities<sup>2</sup>. There are three ways to achieve this:

1. *Additional production on idle land (in line with all other sustainability criteria)*
2. *Additional production through higher yield by using sustainable good agricultural practices*
3. *Biofuel production based on waste products (if the replacement of the current use of the waste products does not cause negative environmental effects)*

<sup>2</sup> We recommend excluding existing plantations from this criterion, if they have already been managed according to existing sustainability standards in order to not counteract the efforts which have been already made. We consider this is reasonable even if possible displacement effects cannot be prevented in this case.

To prevent additional displacement effects all ‘additional’ demand for biomass for bio-energy must be met by one of the above three options.

Using this approach, a new market for biofuels feedstock from “additional” production is created. This opens the possibility to decouple the additional biofuel production from the existing food market and helps to reduce the price-raising effect of the additional demand for biofuels on the food sector<sup>3</sup>. Thus, the food access of people with low incomes is less influenced by the biofuels market development.

It is proposed to not require the described approach for the current consumption of biomass for biofuels. The production of this biomass already takes place today (e.g. large scale rapeseed production in Germany) and it is considered undesirable to ban this current production from the bioenergy market. Any negative sustainability impacts of current production will have already taken place: they form a sunk cost. This means in practice: If, at the time of implementation of the sustainability scheme, the average realized biofuel percentage in the EU is 2%, only biofuels realized on top of this 2% must be sourced from idle land or increased yields. If bio-fuels develop to a 10% share in 2020 this means that of the 10% total biofuels in 2010, 8% must be produced from feedstock originating from idle land, increased yields or waste products.

#### 1. Production on idle land

The challenge with realizing production on idle land is that there is currently no internationally agreed upon definition of idle land. Furthermore, land-use planning clearly is the terrain of the producing country and it is not for importing countries to decide where a producing country should allocate its production expansion. Not having clarity on which land can be considered to be ‘idle’ from a major barrier to realizing production on idle land.

<sup>3</sup> It has to be noted here that the market for **additional** food production caused by an increase in world population cannot be decoupled from the price effect of an increase in biofuels production with this approach. Intercropping of biofuels and food crops could be used to address land competition issues in this case.

Therefore, the European Commission and national governments are advised to set up a pragmatic and inclusive program to identify areas which can be classified as idle land: on which sustainable expansion of biomass production can be realized. Such a program should build upon existing knowledge and mechanisms being designed to protect biodiversity such as in the Convention on Biological Diversity. Furthermore, such a program should include the active involvement of:

- local and national governments of the relevant areas
- local communities (assisted by NGO's with local representation).
- industry representatives
- biodiversity experts with relevant local experience

Guidelines for designating land as idle land are given below:

*Idle land for sustainable biomass production should meet the following conditions:*

- *No destruction of significant carbon stocks which will mitigate the GHG reduction of biomass for bioenergy*
- *No conversion in or near areas with one or more High Conservation Values.*
- *Compliance with all criteria of the Sustainability Scheme*
- *In the reference year, the land was not used for any other significant productive function, unless a viable alternative for this function existed and has been applied which does not cause land-use change which is in violation with any of these criteria for 'idle land' .*

## 2. Additional biomass production through higher yields

Increasing land productivity is a crucial prerequisite for realizing large scale future bio-energy potentials. The potential of higher yields is clearly demonstrated in the palm oil industry where front runners achieve yields of 6 tonnes/ha compared to an industry average of 3.5 tonnes/ha. Additional production resulting from higher yields does not lead to displacement effects. In stimulating increased productivity, special attention must be placed on the sustainability of the productivity increasing measures.

*Additional research would be needed on the feasibility of running a scheme which rewards sustainable high yields.*

### 3. Waste products

Using waste products<sup>4</sup> does not cause displacement effects, as the land use for the feedstock production can be attributed to the main product. However, the use of waste products could cause other negative environmental effects and thus should be connected to the following preconditions: The soil organic matter content of the land from which waste products are originally sourced may not be reduced as result of the export of waste products. The current local and informal uses of by-products have to be taken into account.

<sup>4</sup> We consider by-products of a production process with a very low economic value (below 5 % of the total product value) or negative economic value as waste products.

#### **Question 2.2**

**Do you think it is possible to link indirect land use effects to individual consignments of biofuel? If so, please say how.**

In our opinion, it is **not** possible to link indirect land use effects directly to individual consignments of biofuels. Though, the **risk** of indirect land use effects can be linked to individual consignments of biofuels.

It is however possible to assure that individual consignments of biofuels do **not** cause indirect land use effects, if the approach described under question 2.1 is implemented.

#### **Question 4.**

**What further action is needed to make it possible to achieve a 10% biofuels share?**

We recommend setting the **focus** within the EC traffic policy on measurements to **reduce** the EU fuel demand:

A fuel-use reduction strategy facilitates the achievement of the 10% biofuel share, decreases the energy dependency of the EU and reduces the greenhouse gas emissions of the transport sector efficiently.