



to explain how the sustainability scheme would go together with the international agreements, once they materialise, regarding the accounting methods for the emissions from land use and land change (LULUCF).

**(1) The analysis needs to distinguish the impacts that standard setting will have on production and use of biomass from trends which are already known and which are incorporated in the baseline.** While the IA report disentangles the effect of the expected increase in production and biomass when analysing some of the impacts, it should be done more consistently for all of them, including expected impacts on employment. In this context the report should substantiate further why it is examining the issue of efficiency of biomass conversion into energy. Furthermore, impacts on the primary forests should be analysed in greater depth.

**(2) The IA report needs to include a detailed assessment of the administrative costs.** The report should present clearly what new information obligations are to be imposed on economic operators under each option. It should assess the administrative burden for business on the basis of the European Standard Cost Model. The experience gained so far with the implementation and enforcement aspects of the scheme for biofuels should be used when designing the system for biomass. The IA report should be complemented with an analysis of the impact on small scale operators in the biomass and forestry sectors, including (sub)options on the possibility of excluding them from information obligations.

**(3) The potential impact of international negotiations with regard to accounting methods on land use and land use change should be made clearer.** The IA report should clarify what impact the forthcoming LULUCF proposal (required under the current Effort-Sharing Decision for EU Member States), and a global LULUCF accounting framework are likely to have on the proposal for sustainability criteria for biomass in relation to direct and indirect land use change.

**(4) International impacts and impacts on third countries should be analysed.** The report should present more clearly the potential impacts of setting standards on imports of biomass, drawing lessons from the exercise related to biofuels. It should assess compatibility with WTO provisions, including of any exemptions that might be decided for SMEs. Finally, the report should clarify how the proposed ex-post monitoring can be effective in preventing deforestation.

#### **(D) Procedure and presentation**

The report should be brought closer to the 30 page limit. A list of acronyms and a glossary should be added.

## **2) IAB scrutiny process**

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