

Responsible Cultivation Areas

Biofuel production with a minimum risk of Indirect Land Use Change

Ecofys

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Content

- Why ILUC matters and what we can do about it
- The "Responsible Cultivation Area" Project
- Early results from Kalimantan

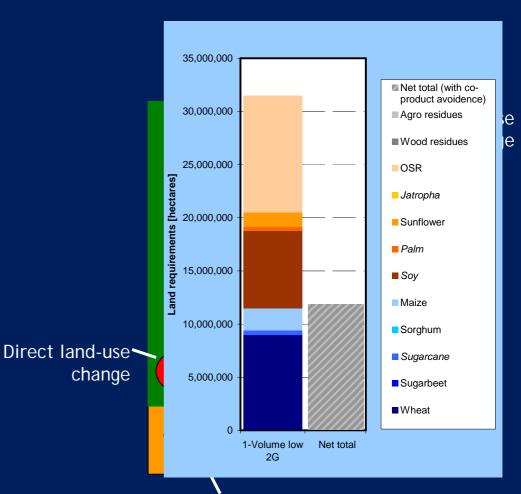


Why ILUC matters and what we can do about it



Background

- Biofuel targets
 - EU 10% = 34 Mtoe
 - US = 77 Mtoe
- Land requirements for biofuels from energy crops
- Direct LUC can be controlled
- But, concerns about Indirect LUC

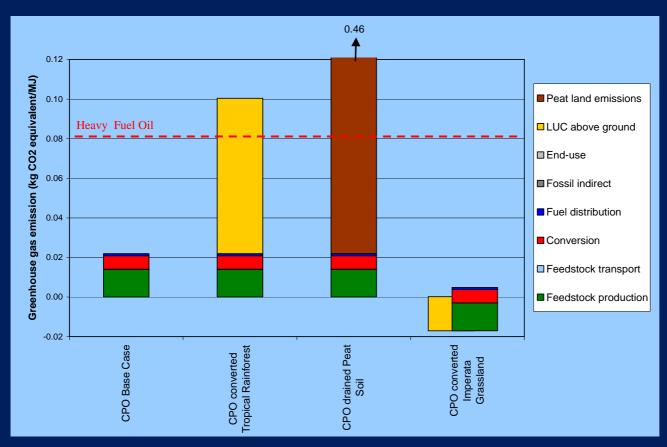


Expansion ty Without Intribution to Gallagher review indirect land-use change



Background: Impacts of LUC on GHG-performance

LUC is a risk, but LUC can also improve GHG-performance



Source: Ecofys (2007) – GHG analysis oil palm for Commission Blok -Essent



Policy context



- US Renewable fuel standard
 - GHG-methodology includes emissions from ILUC: significant



- California Low Carbon Fuel Standard
 - GHG-methodology includes emissions from ILUC: significant



- EU Renewable Energy Directive & Fuel Quality Directive
 - Review of indirect effects by EC in 2010
 - EC may propose
 - measures to minimise negative impacts
 - Inclusion of emissions from ILUC in GHG-methodology
 - GHG-bonus of 35% for biofuels from 'degraded land'
- -> strong interest for companies to demonstrate production with minimum risk of ILUC



ILUC - what can we do about it?

Macro level

- Globally control all LUC for all sectors
- Increase overall land productivity such that 'no' expansion is needed to meet increase in demand
- > medium-long term solutions
- > reactive role for companies

Company level

- Produce biofuels in such a way that the risk of ILUC is minimised
 - · Biofuel from true residues or algae
 - Biofuel on 'unused land'
 - (idle/marginal/degraded/abandoned/underutilised land)
 - Biofuel-induced additional land-productivity increase
- > Short long term solution
- > Pro-active role for companies



"Responsible Cultivation Area" Project



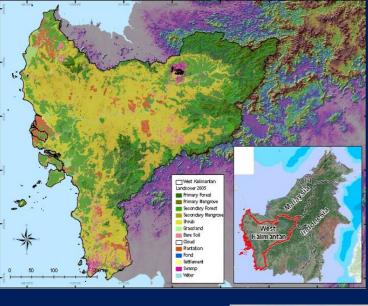
Project goals

- Develop and field-test a practical <u>definition</u> and <u>methodology</u> for <u>Responsible Cultivation Areas</u>, where energy crops can be produced responsibly with minimum risk of ILUC;
- Understand the economic feasibility of bringing Responsible Cultivation Areas into production.



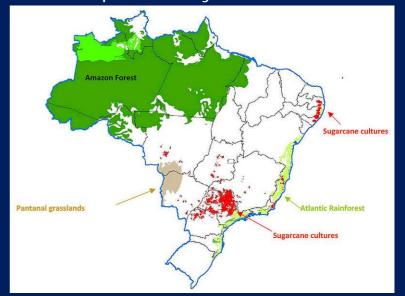
Pilot studies

- West Kalimantan
 - Focus on "land without provisioning services"





- Brazil
 - Focus on sustainable increase of land productivity







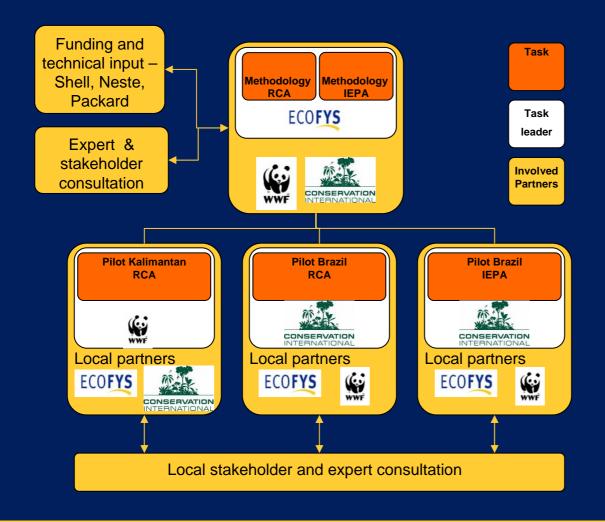


Central Principles in the project

- Methodology should be generally applicable
 - For different regions and crops
- Methodology should at least comply with RES Directive
- Make maximum use of existing tools
 - Avoid causing duplication and reinventing the wheel
- Consultation with experts and stakeholders
 - Producers
 - Social NGO's
 - Environmental NGO's
 - Governments
 - Experts
 - RSB



Main executing parties





Defining "Responsible Production"

For the RCA concept, an area is considered suitable for "responsible" cultivation if it:

- 1) does not cause unwanted displacement effects, and
- 2) complies with the sustainability criteria, that refer to site selection, of the following biofuel sustainability initiatives:
 - EU Renewable Energy Sources Directive (RES Directive)
 - UK Renewable Transport Fuel Obligation (RTFO)
 - Roundtable on Sustainable Biofuels (RSB)



RCA Principles

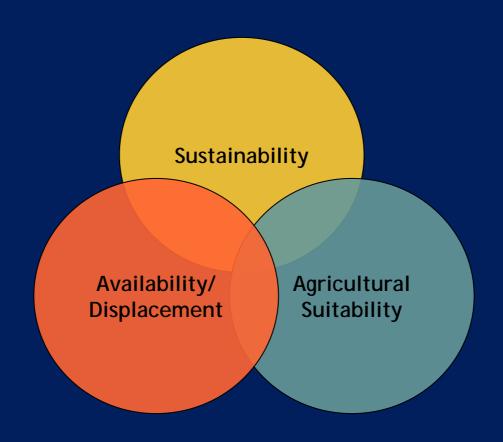
This leads to the following principles for RCA's:

Establishment of energy crop plantations:

- 1. maintains or increases High Conservation Values
- 2. does not significantly decrease above or below ground carbon stocks
- 3. respects formal and customary land rights
- 4. does not cause unwanted displacement effects
- Local food security and stakeholder consultation are implicitly included
 - Local food security = unwanted displacement effect
 - Stakeholder consultation = process (methodology)
- Agricultural suitability included in methodology
- Principles are worked out in more detailed criteria



Methodology for RCA's: integral approach





Draft-Methodology for RCA's: 4-step process



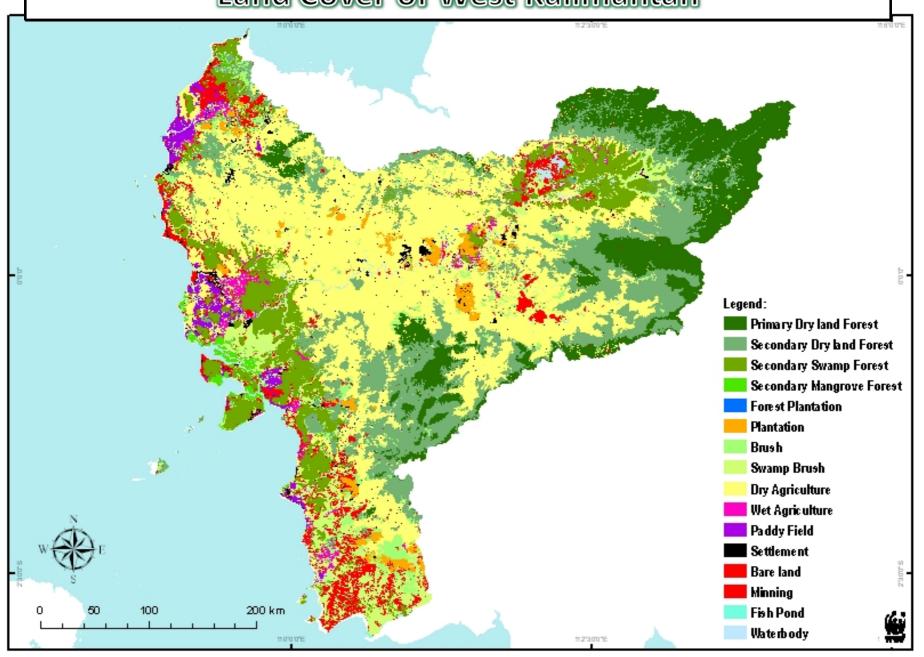
OUR MISSION: A SUSTAINABLE ENERGY SUPPLY FOR EVERYONE



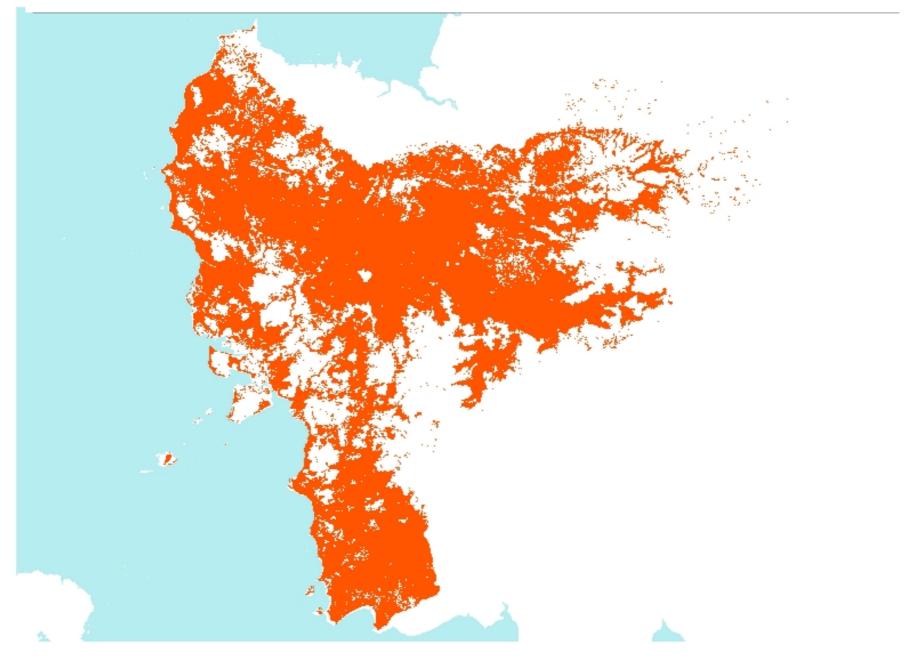
Pilot results: pre-selection in Kalimantan

• With kind permission of WWF Indonesia

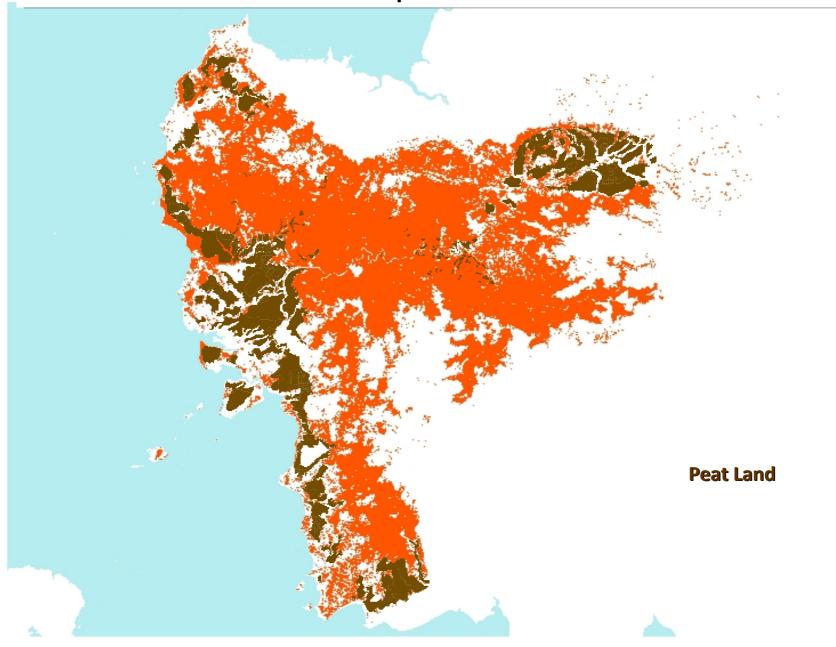
Land Cover of West Kalimantan



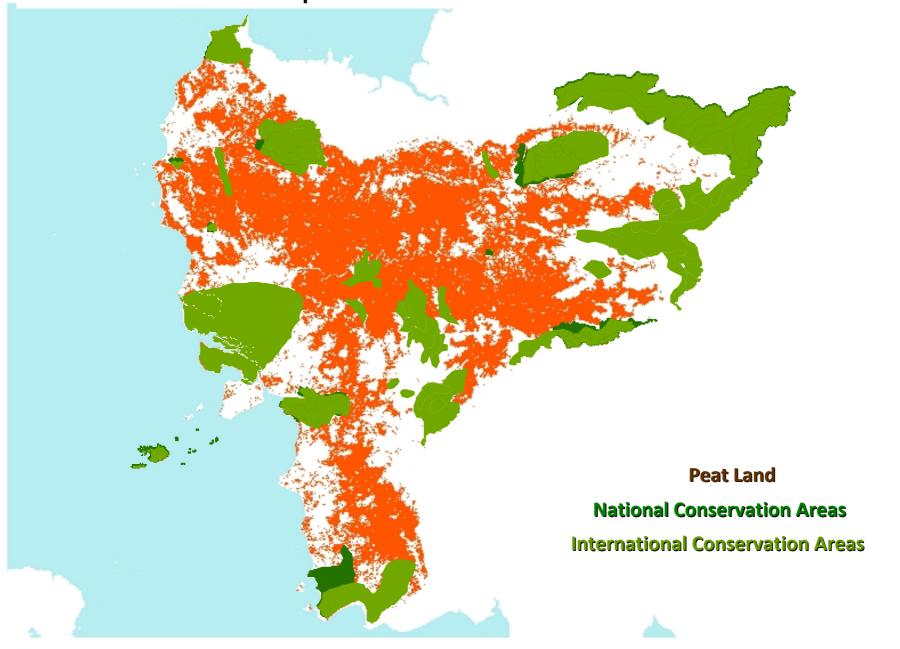
C-stocks - exclude all forested areas



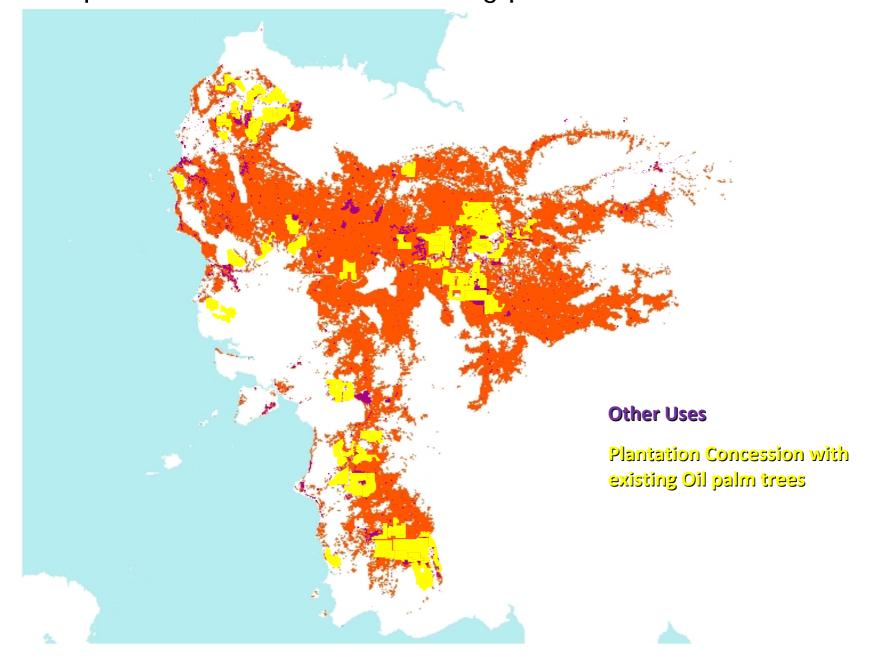
C-stocks - exclude all peat land



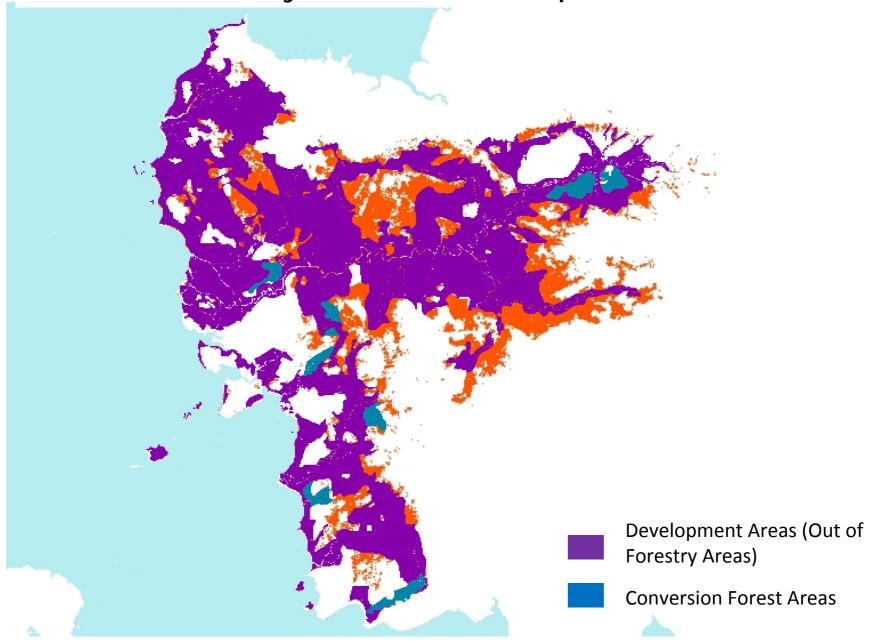
HCV's - exclude protected areas



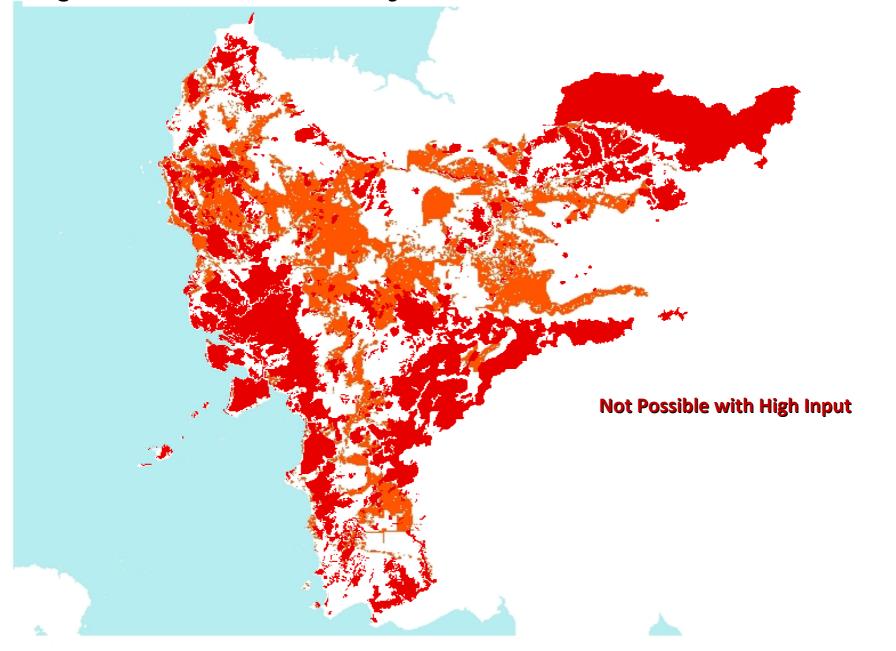
Displacement - exclude existing plantations and other uses



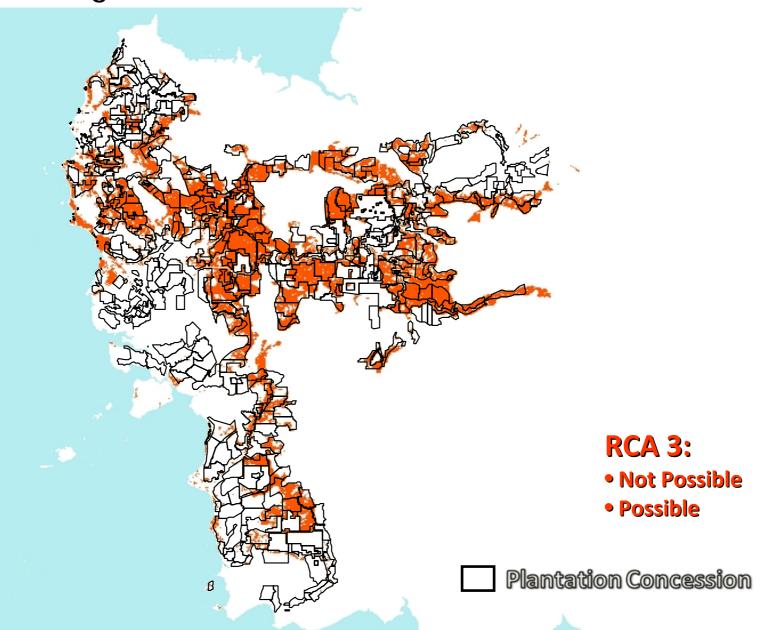
Land availability - Inside development areas



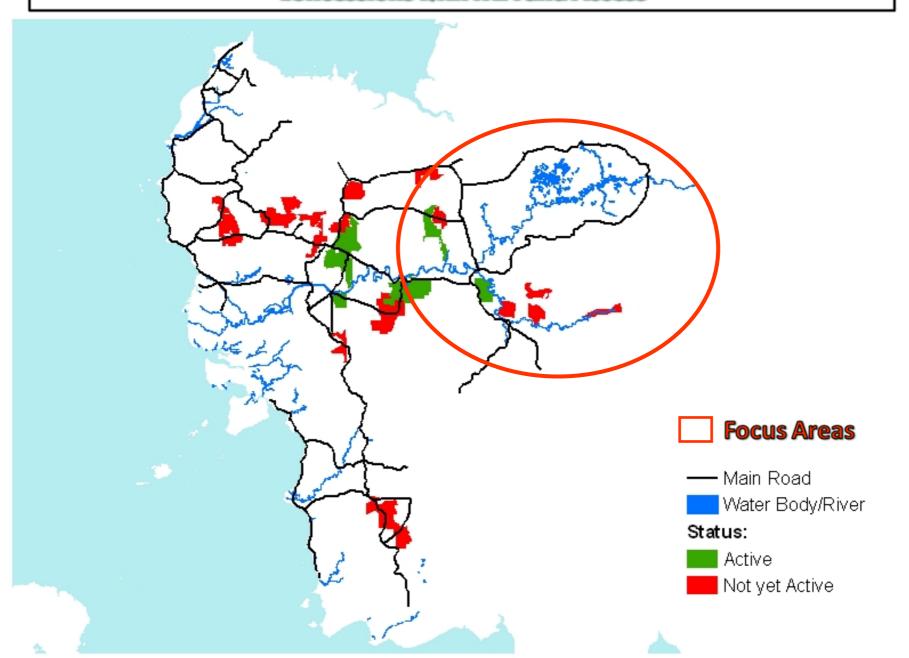
Agricultural suitability - exclude non-suitable areas



Remaining areas and concession boundaries



Concessions with RCA and Access





Next steps

- Methodology development
 - Extend methodology to include increased productivity options
 - Consultation with stakeholders/experts
 - Pilot methodology
- Pilot Kalimantan
 - Desk-based assessment of pre-selected areas
 - Refine pre-selected areas
 - · Define knowledge gaps for field work
 - Field work
 - Ground truthing
 - · Fill in knowledge gaps
- Pilots Brazil
 - Sugar cane cattle integration
 - Oil palm



Thank you for your attention

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