



31 July 2009

**Statement in the context of the European Commission's pre-consultation on
"Indirect Land Use Change – Possible Elements of a Policy Approach"**

Submitted to: EC-LAND-USE-CHANGE-BIOFUELS@ec.europa.eu

IUCN welcomes the opportunity to provide the European Commission with its views on the policy options for addressing the issue of Indirect Land Use Change (hereafter: iLUC) arising from the promotion and use of biofuels/bioliquids under the Renewable Energy Sources Directive published in April 2009 (hereafter: RES-D).

These policy options were circulated for comment, in July 2009, in a document entitled "Indirect land use change – Possible elements of a policy approach – preparatory draft for stakeholder/expert comments". The list of options consisted of:

- A. Extend to other commodities/countries the restrictions on land use change that will be imposed on biofuels consumed in the European Union
- B. International agreements on protecting carbon-rich habitats
- C. Do nothing
- D. Increase the minimum required level of greenhouse gas savings
- E. Extending the use of bonuses
- F. Additional sustainability requirements for biofuels from crops/areas whose production is liable to lead to a high level of damaging land use change
- G. Include an indirect land use change factor in greenhouse gas calculations for biofuels
- H. Other policy elements that respondents may wish to raise.

In response to the pre-consultation process and the above-mentioned policy options, we will **first share our observations on the impact of iLUC the greenhouse (GHG) balance of biofuels/bioliquids**, the primary explicit objective of the pre-consultation, and **then refer to other equally important effects on ecosystems, natural resource use and livelihoods**:

1. iLUC manifests itself in the absence of global land-use planning. Evidence is accumulating that the **scale of iLUC impacts is significant** (e.g. Gallagher Review 2008). **iLUC has therefore become a fundamental component of the environmental and social sustainability of bioenergy feedstock production** that must be fully taken into account in the implementation of the RES-D, and in related current and future bioenergy policies and measures. In consequence, iLUC effects should be fully considered in the payment of public subsidies to biofuels/bioliquids assignments, in the cost-effectiveness of such subsidies, and in the calculation of biofuels/bioliquids GHG emission reductions counting towards national GHG emission targets.

2. The effects of iLUC cannot be adequately accounted for via project-based life-cycle analyses currently being promoted, which are able to account only for direct land use change (dLUC).
3. In absence of suitable governance structures and proper methodologies allowing a full monitoring of national and international iLUC impacts resulting from the production of feedstocks for bioenergy, IUCN considers that of all policy options proposed **only option G – the application of a default iLUC GHG Factor – is viable in the short term**. Option C is unacceptable and Options D to F much less appropriate. Comments on Options A and B are provided further down.
4. IUCN has the following observations on the proposed variants under Option G:
 - a. “reduction in the minimum required greenhouse gas saving” is unacceptable because the direct LUC effects are not reduced by the creation of an iLUC Factor; the GHG reduction target for dLUC and the iLUC Factor must both remain strict to reflect the real GHG impacts.
 - b. “offset iLUC emissions by providing evidence of emissions saved in other parts of the primary sector” raises the question of additionality - if GHG emissions are possible they should be achieved even if the iLUC Factor cannot be offset;
 - c. “factor weighted by yields of biofuel per hectare” is acceptable and should indeed be promoted as a way to reduce the risk of causing iLUC; however, safeguards are required to ensure that yields are increased using best practice, and that interventions do not undermine ecosystem services necessary for long-term viability.
5. **Different iLUC Factors might be created**, if and where appropriate, for different energy feedstocks, production areas and production methods, in such a way that production with a better iLUC performance is incentivised.
6. IUCN supports initiatives, such as the Roundtable on Sustainable Biofuels, which seek to identify and develop ways developers may use to reduce their risk of causing iLUC. This goes beyond the simple promotion of the use of “degraded lands” (where high levels of biodiversity and use by local communities may occur) but looking to:
 - a. improve efficiencies on land already being used for feedstock production;
 - b. restoring recently abandoned agricultural land;
 - c. rehabilitating land deemed unusable through invasive species invasions; and
 - d. encourage blenders and retailers to source from “low risk” biofuels, e.g. those produced from true wastes or from land that does not compete with other uses, including biodiversity conservation.
7. In addition, reports on minimising iLUC risks should be developed along with mechanisms producing actual iLUC values in combination with dLUC values, in order to **incentivise a good overall LUC performance**. In this context, because iLUC manifests itself in the absence of global land-use planning, as mentioned above, **Options A & B are highly desirable, additional policy objectives**. It seems fair to say that these cannot be currently achieved; however, developing

methodologies and frameworks for such comprehensive planning should become a top priority. Eventually these methodologies and frameworks should cover all possible land uses (staple food, meat production, dairy product, transport infrastructures, housing, energy production, etc.), their direct and indirect effects, and the different drivers affecting land use changes, to determine land use priorities reflecting the most pressing needs of society. To this end, bioenergy policy should, ultimately and particularly, be considered jointly with agricultural and forest management policy.

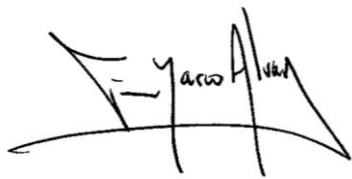
8. Any iLUC Factor should be consistent with the scale of the iLUC impact. Given that models used for GHG performance and iLUC calculations are sensitive to the underlying assumptions, the calculation of the iLUC Factors to be applied in the EU and its member states **should reflect current scientific expertise in a comprehensive, objective and transparent manner**, and **fully consider all iLUC components affecting the GHG balance of any given bioenergy feedstock**. IUCN therefore respectfully **requests the European Commission to open the model calculations for review**, giving external experts ample opportunity to comment and contribute before any iLUC Factors are established.
9. IUCN strongly **encourages the European Commission to conduct further research, issue new service contracts, convene expert workshops, and eventually adapt its policies on a regular basis to newly emerging scientific evidence, where necessary**. In particular, a comprehensive assessment of the impacts of the EU's bioenergy mandates on global land use would seem necessary.
10. In this context, IUCN emphasises that if accurate land use and GHG accounting/ modelling proves that existing biofuels/bioliquids do not meet their GHG reduction objectives due to the emissions released from direct and indirect land use changes together, the prospective merit of a large-scale use of biofuels/bioliquids is fundamentally challenged. In which case the EU's and similar biofuels/bioliquids targets and the use of public funding for their development ought to be revised at the earliest point possible in the legislative process.
11. Finally, IUCN wishes to express its **profound concern that neither the present pre-consultation on iLUC nor the RES-D and its implementation framework (in development) adequately consider the direct and indirect effects of bioenergy feedstock production on:**
 - a. **biodiversity and ecosystem services - which can be severely affected by iLUC;**
 - b. **eutrophication of freshwater and marine water bodies;**
 - c. **the use of natural resources such as water and soil; and**
 - d. **resource access, land tenure and livelihoods of local communities, and of vulnerable groups in particular.**

IUCN believes these are major omissions, and calls upon the European Commission to adopt its further endeavours such as to pay these items more attention, considering and respecting the Conclusions of the EU Environment Council of 25 June 2009, which stated "*20. IS CONCERNED at the risk that the expansion of crops dedicated to the production of biomass and*

biofuels, although with the aim of replacing fossil fuels and thus potentially reducing global greenhouse gas emissions, will, in the absence of proper evaluation and adequate environmental safeguards, have a negative impact on biodiversity and food security, and possibly increase climate impacts; REITERATES that bio-energy production and consumption should be sustainable in relation to biological diversity and EMPHASISES the need to utilise sustainability criteria for biofuels and to establish such criteria for biomass production for energy use;”

We thank the European Commission for the opportunity to provide the above comments, and look forward to further exchanges on the subject matter.

Yours sincerely,



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