



Indirect land use change: where are we and what do we need to know?

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Legislation adopted Dec 2008

- ***Revised Fuel Quality Directive***
- ***Directive on promotion of renewable energy sources***

- **Both texts contain identical sustainability criteria and GHG methodology for biofuels**



ILUC?

- **GHG methodology includes direct land use change**
- **29g bonus for restored degraded land (= 35%)**
- **ILUC taken into account in international agreements**
- **Requirements to the Commission by end 2010:**
 - Report on impacts of ILUC + ways to minimize this impact
 - Proposal:
 - Based on best scientific evidence
 - Methodology for emissions from carbon stock changes
 - Safeguards for investment
 - Decision by 2012?



ILUC?

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- **This includes:**
 - **concrete methodology to minimise greenhouse gas emissions caused by indirect land use changes**
 - **In particular, look at:**
 - **ILUC factor**
 - **Incentive for biofuels that minimise ILUC**
 - **Address ILUC in second generation biofuels**



What does the Commission need to answer?

- **What is the scale of ILUC?**
 - Compare a world with/without EU biofuels policies
- **What is the impact of different biofuels/Crops on ILUC?**
 - Identify biofuels that don't generate ILUC (waste, algae, others?)
 - Differentiate the ILUC impact of different crops
- **Is ILUC linear or non-linear?**
 - If it is non-linear, what « shape » does it have?



What are the policy options?

- **ILUC factor?**
- **Exclude certain countries?**
- **Agreements on deforestation / land use rules for other products?**
- **Higher minimum GHG threshold?**
- **Others?...**



Analytical work

- **Modelling activities / Comparing different model results**
- **Comparing different analytical approaches**
- **Questions:**
 - **Impact of additional demand on yield increase (through price)?**
 - **Impact of co-products?**
 - **Peatlands?**
 - **Impact of an international action against deforestation?**
 - **...**



Policy process

- **Exploring different policy options with pros and cons, in view of the modelling results**
- **Consultation (Autumn 2009)**
- **Impact assessment**
- **Development of preferred option / release of report with proposal (Spring 2010)**



Thank you for your attention