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The EU has stated the intention of including the proposed EU sustainability scheme for biofuels in both the proposed revised fuel quality directive and the proposed renewables directive. No final decision on the EEA relevance of the proposed directives has yet been made, and Norway has not yet finalised its position on these directives. Our national policy regarding biofuels is also yet to be finalised, and we will give this matter a thorough consideration, amongst other things, in light of the recent concerns over effects on food prices, food availability and net greenhouse gas savings. However, as the first comprehensive, international scheme for biofuels, the proposed EU sustainability scheme in and of itself will be of considerable significance and consequence. Norway has a fundamental interest in contributing to the establishment of sustainability criteria and schemes for biofuels that hinder negative environmental and social impacts from biofuels. As a participant in the EU internal market through the EEA Agreement, and as a close partner to the EU in ongoing efforts to meet the challenges from greenhouse gas emissions, Norway has the following comments to the EUs proposed sustainability scheme for biofuels.

- **Regarding the sustainability aspects of biofuels, Norway welcomes the intentions of the EU directive proposals and the ad hoc working group's efforts. Norway strongly supports the establishment of suitable sustainability criteria and an international sustainability scheme or system for biofuels. We consider it of utmost importance that international sustainability criteria and schemes contribute to preventing production and use of biofuels that have negative environmental and social impacts and to ensuring promotion of the best biofuels.**

When finalised, the EU scheme will be the first comprehensive, international sustainability scheme for biofuels. It is therefore crucial to ensure as far as possible that these biofuels are sustainably sourced and manufactured. It should not be accepted that our transport needs should lead to increased global environmental or social pressures. If biofuel is to be actively promoted as an alternative to traditional fossil fuel or as a solution to reducing emissions of greenhouse gases, it must be ensured that this is, in fact, the better alternative.

- **Norway's position is that the reduction of greenhouse gas emissions must be the primary function and purpose for policy to promote biofuels, that such reductions must be considered in a life cycle perspective and that the biofuels must be sustainably produced.**

Greenhouse gas emissions from transport are growing both in actual and in relative numbers. In the short or middle term, we do not have many options for targeting these transport emissions. The replacement of traditional fossil fuels with biofuels is embraced as a part of the solution to this problem. Governmental policy and intervention to promote biofuels must be based on the premise of greenhouse gas reductions, and should not create new, possibly unintended, global problems. This is a demanding challenge, and we are unlikely to meet that challenge well, if greenhouse gas and sustainability interests are overshadowed by separate national or regional interests. The most important factor for us is that large-scale promotion of biofuels must comprise schemes, rules and systems that as far as possible can ensure the sustainability of such biofuels.

- **Net greenhouse gas savings of biofuels should be substantial for the biofuels to count towards EU targets and the aims of the relevant directives. Norway believes that net greenhouse gas savings should be around 50% (in a life-cycle perspective). We could also consider a phased-in approach to net greenhouse gas savings, for example starting at around 35-40% at first and stepping up to 50% after 5-7 years (or with further, intervening incremental steps). In the case of increased negative impacts on global food prices of the introduction of a more stringent criterion for net greenhouse gas savings, this criterion should be taken up for reconsideration. Displacement effects of feedstock production must be included in the assessment of net greenhouse gas effects.**

Norway considers that large-scale introduction and promotion of biofuels with only small greenhouse gas savings (in a life-cycle perspective) is not worthwhile the efforts and expenses involved in a transition from fossil fuels to biofuels. Some biofuels would even increase net greenhouse gas emissions, some quite dramatically. We should therefore require substantial greenhouse gas savings, and promote only the best biofuels. Not all potential global impacts of a more stringent criterion for net greenhouse gas savings have been thoroughly studied yet. Inadvertent negative impacts, especially regarding global food prices and food availability, should be grounds for reconsideration of a more stringent criterion. Significant and systematic increases in the cost of greenhouse gas savings, should also be grounds for review. We have noted with concern scientific reports the last months claiming that most of today's biofuels create a carbon debt through land use changes (directly or indirectly through displacement) that greatly offset the greenhouse gas savings of reducing the use of fossil fuels. We must ensure that such land use change effects, including displacement effects, are properly reflected in the life cycle analyses, default values and sustainability criteria for biofuels.

- **A sustainability scheme for biofuels must be equitable, transparent and robust, with the same base-line rules and criteria applying to both domestic and imported as well as to first- and second-generation biofuels and feedstock for biofuels. We support that such criteria should include social dimensions. Subject to further analyses, we also support the application of more stringent measures where or when possible, for example in connection with new or more sophisticated technologies.**

We recognise that introducing sustainability criteria and sustainability schemes for biofuels may pose a challenge to the WTO. This situation will likely be exacerbated if criteria or rules are proposed that are more stringent for outside or third-party states, thus having the potential of being contrary to the non-discriminatory principle. We strongly recommend that the same criteria and rules be applied to both domestic and imported feedstock and biofuels, as well as to both first-generation and second-generation (and further) biofuels and their feedstocks. The EU has proposed that the Commission may decide that national, multinational or international schemes are to be deemed adequate for the purpose of the various criteria and reporting requirements. This would seem a more prudent approach than setting out very different sets of rules and criteria for e.g. EU states as compared to non-EU states. The EU scheme will most likely serve as a "market leader" role, which will strongly influence international production and trade in biofuels. Norway therefore places great importance in the attainment of an ambitious, fair and targeted scheme. We support that criteria focus on net greenhouse gas effects, other environmental effects and also the social dimension of sustainability.

- **We welcome an approach that not only sets minimum cut-off levels ("acceptance criteria"), but also allows differentiation according to net greenhouse gas savings and other environmental and social effects. In that way, the very best biofuels can be promoted and further development of better biofuels will be encouraged.**

We welcome a dual approach to sustainability criteria and promotion of biofuels, with both a set of minimum cut-off levels, as for example the suggested "acceptance criteria" in the renewables directive proposal, in conjunction with recommendation or at least acceptance for further differentiation according to added utility or added value. This will ensure that the worst biofuels will not be considered, whilst at the same time allowing promotion of the very best biofuels and encouraging further development of even better biofuels.

- **Norway recognises that many details pertaining to the EU sustainability scheme for biofuels will be addressed through comitology, and wishes to express our strong interest in participating in these processes.**

The establishment of a sustainability scheme for biofuels in the EU will surely influence the marketplace at large, both in regards to feedstock or biofuels available for import and in regards to potential exports of feedstock or biofuels. The proposals suggest that many important specifications, details and amendments be handled through comitology (ref. §21 in proposals). No final decision on the EEA relevance of the proposed directives has yet been made. However, if the directives are to be included wholly, in part or with adjustment in the EEA Agreement, Norway would very much be interested in participating in the committee(s) set up to work on biofuels and sustainability issues, in accordance with relevant provisions in the EEA Agreement.

- **We would like to see a broader approach to renewable energy in transport, with a clearer emphasis on the role of renewable energy for electric vehicles, hybrid plug-ins, hydrogen cars and other technological platforms.**

The set target in the proposed renewables directive is for 10% renewable energy in transport by 2020. Yet the details of the proposal are very focussed on biofuel as the primary renewable energy source for transport. Norway would like to see a more technically neutral approach to renewable energy in transport. We therefore recommend that the wording of the directive explicitly includes other alternatives to biofuel as possible sources of renewable energy in transport.

- **We are, of course, also interested in the potential for use of cellulosic feedstock sourced from forest and grassland, under the strict proviso that such harvesting is sustainable and does not have adverse environmental or social effects, neither directly or through displacement effects.**

We recognize the challenge of wording and definitions to balance important environmental and social considerations without unduly obstructing sustainable harvesting of feedstock. There are global and regional differences in specifics that can be a challenge to define and encompass in a clear and consistent manner. We further recognize that there may be environmental or social considerations that are so important, that it may be necessary to err on the side of caution. Norway's primary concern is to ensure the promotion of sustainable biofuels, regardless of whether feedstock or production is domestic or foreign.

- **Norway shares the concerns that the current wording of Article 15(3) would prevent wood from certain sustainably managed forests from being taken into account for the purposes referred to in Article 15(1).**

Assessment of compliance with sustainability criteria related to forest-sourced feedstock should build on existing, well developed schemes for sustainable forest management, such as developed according to principles and decisions adopted by the United Nations Forum on Forests (UNFF). In Europe, criteria and indicators for sustainable forest management as developed through the Ministerial Conference on the Protection of Forests in Europe (MCPFE) process should be used as a basis.
