


 European Commission
 Agriculture and Rural Development

East West Agricultural Forum on Bioenergy Berlin 19.1.07

Hilkka Summa
DG Agriculture and Rural Development
Biomass, Bioenergy, Forestry and Climate change



EU Policy for Renewable energy (1)


 European Commission
 Agriculture and Rural Development

- Strategic European Energy Review
- adopted by the Commission on the 10 January 2007
- Includes a **Renewable Energy Roadmap**
- ambitious targets for increasing the share of renewable energy sources by 2020

Renewable energy – building a sustainable future:

- Reduction of greenhouse gas emissions
- Exploit local and decentralised energy sources
- Stimulate technological development
- Rural development and employment

- Pathway towards cleaner, more secure and more competitive energy future

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EU Policy for Renewable energy (2)



Proposals

- Overall target: a **legally binding target of 20 %** for the share of renewable energy in the consumption of energy in the EU by 2020
- Target for **biofuels**: a **legally binding minimum target of 10%** for the share of biofuels of overall consumption of petrol and diesel in transport in the EU by 2020
- National Action Plans on how to achieve the targets

EU Directive on the promotion of biofuels to be reviewed in 2007

- including a support system for biofuels which will encourage the production and use of **biofuels with the best environmental profile** and discourage those with environmental risks

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Estimates on employment effects of biofuels



Direct effects

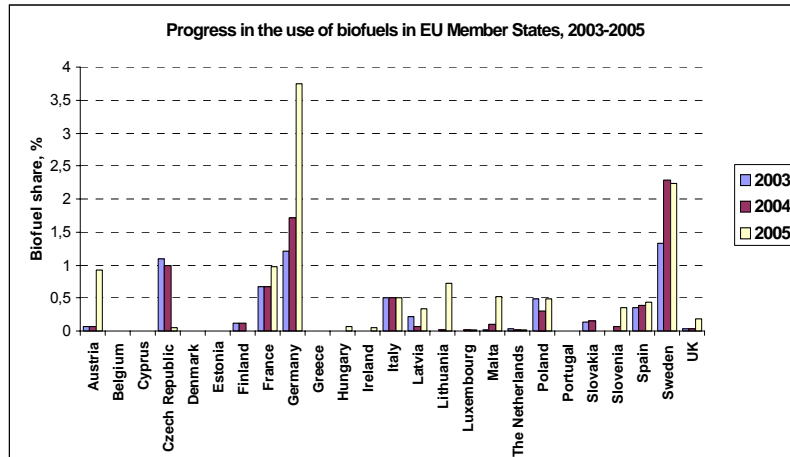
- About 8000 full-time jobs / production of 1 mtoe of biofuels
- EU target of 5,75 % biofuels by 2010: net effect 100 000 additional jobs
- 14 % biofuels scenario (2020): net effect 144 000 additional jobs
- Mainly in rural areas: agriculture and biofuel production and distribution
- Mitigation of the trend of declining agricultural employment

Indirect effects

- High cost of biofuels -> possible loss in economic growth and jobs
- Gains in growth and jobs as a result of investments in new technology and technology export

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Measures taken by EU Member States to promote biofuels

- Subsidies for energy crop growth (45 €/ha EU subsidy)
- Investment support or loans for biofuel production facilities
- Tax reductions or exemptions for biofuels
- Tax reductions or exemptions linked to a quota system
- Standards for distribution of biofuels
- Biofuels obligations for fuel suppliers or filling stations
- Green public procurement of flexi-fuel vehicles
- Demonstration projects and marketing
- Consumer incentives including free parking, no congestion charge

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Where will EU biofuels come from? (1)



Bioethanol:

- EU grown cereals and tropical sugar cane the main feedstocks
- limited quantities of EU grown sugar beet
- later: cellulosic ethanol from straw and wastes

Biodiesel:

- Domestically grown and imported rapeseed the main feedstock
- Smaller quantities of soy and palm oil
- later: second generation diesel mainly from farmed wood

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Where will EU biofuels come from? (2)



The EU pursues a **balanced approach to domestic production and imports**

- Overall level of imports still limited (significant for ethanol, negligible for biodiesel)
- 2020 vision:
 - biomass/biofuels imports likely to be an important part of EU consumption
 - feedstocks for biodiesel and/or biodiesel bound to increase with large-scale consumption
- major opportunities for job creation and rural development in neighbour and developing countries

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Thank you for your attention