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## Press release

# The Commission creates derogations to allow biofuels linked with deforestation

Last week, the European Commission published its delegated act that aims to implement the European co-legislators' agreement on the Renewable Energy Directive (RED II) to phase-out biofuels that lead to deforestation, including palm oil biofuels. Although the delegated act provides strict criteria for the definition of "*high ILUC-risk biofuels*" that ensure the phase-out of palm oil biofuels, its lax definition of low ILUC-risk biofuels creates the risk of circumvention for certain producers of deforestation-linked palm oil and limits the environmental impact of this legislation.

The current wording of the delegated act lacks clarity and creates a large number of loopholes and exemptions by providing lax criteria for low ILUC risk certification. In particular, for small-scale producers of palm oil who already represent 40% of the area and 33% of the output of palm oil plantations in Malaysia and Indonesia<sup>1</sup>, the European Commission opens a wide back door to massive imports of artificially certified low ILUC-risk palm oil biofuels. In fine, the delegated act grants smallholders permission to deforest, as long as they increase their yields.

Furthermore, the text opens another wide loophole by making optional the basic financial condition that can give evidence of the additionality of a feedstock. Indeed, unless all additional measures meet the condition that they become financially attractive only because it can be counted towards the RED, the certification will not give any real guarantee.

The European Commission's inability to provide for stricter certification rules for low ILUC risk biofuels will negatively impact the capacity of sustainable European oilseeds, such as rapeseed and sunflower, to participate in the EU's efforts to decarbonise road transport and fight against climate change. Instead of granting exemptions, the European Commission should promote sustainable and 'deforestation-free' European oilseeds, which contribute to EU's protein independence and provide EU farmers with additional revenues and jobs.

Finally, it is to be reminded that the European Commission has recently launched a new initiative to fight against deforestation and forest degradation. In this context, it seems absurd that EU policy keeps promoting deforestation, while it should stop counting biofuels produced in regions where deforestation is observed as part of its renewable energy targets. There can be no exemption to deforestation.

Founded in 2002, the **European Oilseed Alliance** brings together the oilseed producing organizations from the main European countries (Germany, France, UK, Poland, Czech Republic, Finland, Belgium and Sweden) and represents 90% of European oilseed production.

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<sup>1</sup> Study on the environmental impact of palm oil consumption and on existing sustainability standards, LMC & 3Keel, 2017