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Draft Renewable Energy Directive Revision: Improper Sustainability Framework for Forest Biomass Could Challenge the EU's Renewable Energy Ambitions and Harm the Rural Economy

In order to facilitate a smooth transition to a climate neutral economy, it is crucial that the European Union continues to foster a positive regulatory framework for technologies and practices that are enabling the green transition, including bioenergy which today accounts for 57,3%¹ of renewable energy and 11,4%² of overall energy consumption in the EU27. The current proposed revision of the REDII sustainability criteria comes at a time when the transposition of the 2018 recast Directive has yet to be completed by most Member States. Delays in the adoption of the Operational Guidance for forest biomass and other secondary legislation, leave the sector increasingly concerned about the utter lack of clarity surrounding the regulatory environment on the EU's most important source of renewable energy.

Revising the current criteria prior to their implementation has the potential to freeze investment and to undermine investor confidence which will severely delay the decarbonisation of the European energy sector. It may also negatively affect the viability of biomass suppliers, including through the overregulation of raw materials markets. We find ourselves at a pivotal moment: imminent policy decisions can create the right environment for investments to flow in renewable energy and materials. However, unstable policy design for forest biomass sustainability criteria could lead to re-carbonisation and harm to the EU rural economy.

Given the progressive nature of REDII and its comprehensive sustainability framework for forest biomass, punctual changes to the forest biomass sustainability criteria should be avoided or kept minimal to ensure that the share of renewable energy continues to grow which will be necessary for the EU to meet its heightened commitments. The associations representing the forest and forest-based sectors involved in the bioenergy value chain therefore encourage the European Commission to adopt a workable proposal based on a solid impact assessment.

1. Improper Regulation of Cascading Principle May Inadvertently Cause the Raw Material Market Distortion It Seeks to Prevent

Overregulation of the sector with discrimination on which feedstock would be eligible could result in the unintended effect of increasing red-tape and cost compliance without delivering on increased sustainability. Moreover, it is unclear how this restriction could be applied in practice with the risk-based approach as it would necessitate the validation of a list of quality-related requirements for the feedstock rather than verifying a country (or forest level sourcing area's) forest management legislation, monitoring and enforcement. Because of these significant shortcomings, the current wording should be improved.

¹ [SHARES, 2019, Eurostat](#)

² [SHARES, 2019, Eurostat](#)



A too rigid application of the biomass cascading principle might neglect other important dynamics, such as local demand, and risks undermining the efficiency of forest-based value chains and ultimately risks the suboptimisation of the value of biomass. The first guiding principle of the Guidance on the cascading use of biomass published by the European Commission in 2018, states that any cascading solution to promote the highest economic added value must also consider its impact on the other two pillars of sustainability: the social and environmental aspects. The Guidance also clarifies that “assuming that cascading is always sustainable can be misleading — its implementation should optimise synergies between the cascading use of biomass and its externalities in each particular case”. The social aspect is widely ignored by the draft review. The current version of article 3(3) already included safeguards to avoid raw material distortions in accordance with Directive 2008/98/EC. The current wording would require Member States to implement the biomass cascading principle in a way not in line with already agreed definitions and objectives, without any consideration for local supply and demand conditions. Therefore, the wording should be improved to better acknowledge subsidiarity and to avoid the inefficient design of support measures.

2. Involve Member States in Discussing No-Go Area for Forest Biomass

The establishment of no-go areas has until now only applied to agricultural biomass. The proposal ignores the fact that forest management, including harvesting is not driven by the final use of timber, but is based on a long-term planning and timely applied silvicultural practices.

The full impacts of a policy decision introducing no-go areas for forest biomass are currently impossible to fully assess as certain definitions are not yet finalized and therefore, has unknown implications for social sustainability, including property rights and the stability of raw material markets.

For an optimal governance and policy design, forest definitions should be agreed with Members States and developed, with the appropriate policy framework rather than in the energy policy. In addition, all impacts, including risks related to natural disturbances, should be properly evaluated. To ease compliance, no-go areas for forest biomass should be connected to existing national forest legislation. This step would ensure the applicability of the no-go areas in the broader context of the risk-based approach.

3. Avoid Retroactive Measures

Lowering the exemption threshold to cover small installations coupled with the retroactive application of the GHG emissions saving requirement will disproportionately harm small and local projects contributing to the profitability of necessary forest/landscape management operations. The limited size of the installations and their administrative capacity will contribute to issues in demonstrating compliance.

While most installation will be able to respect the 70% GHG emissions savings, demonstrating compliance on a retroactive change will impact their business plan as well as the plants' long term commitments and contracts (with biomass suppliers on one side and with final consumers and corporate clients on the other). The socio-economic impact of such measures on the whole value chain and corporate users should be fully evaluated before the proposal.



4. A Long-Term Perspective Is Necessary to Deliver the Growth Projected by the European Commission

The European Climate Target Plan 2030³ forecasts growth for the bioenergy sector and that it will play an important role in achieving a sustainable future. The Draft Revision of the Renewable Energy Directive did not include any amendments to the assessment and review clause of the sustainability criteria in articles 29(6) and 29(7). Considering that the criteria are currently being revised, the assessment required by 31 December 2026 should be postponed until at least to 2028. If the criteria are constantly being reviewed, it will create unease in the market and jeopardize investment as well as the growth forecasted by the European Commission.

Bioenergy Europe is the voice of European bioenergy sector. The association aims at developing a sustainable bioenergy market based on fair business conditions. Founded in 1990, Bioenergy Europe is a non-profit, Brussels-based organisation bringing together more than 160 members from across Europe.

CEPF, The Confederation of European Forest Owners is the umbrella association of private forest owner organisations in Europe. At EU level, CEPF promotes the values of sustainable forest management, private property ownership and forest sectors economic viability.

Cepi is the European association representing the paper industry. The paper industry offers a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy.

COPA-COGECA are the united voice of farmers and agri-cooperatives in the EU. Together, they ensure that EU agriculture is sustainable, innovative and competitive, guaranteeing food security to half a billion people throughout Europe. Copa represents over 22 million farmers and their families whilst Cogeca represents the interests of 22,000 agricultural cooperatives. They are one of the biggest and most active lobbying organisations in Brussels.

ELO, The European Landowners' Organisation is the umbrella organisation for national rural organisations of businesses managing agricultural, forestry and environmental land all over Europe.

EOS, The European Organisation of the Sawmill Industry (EOS) is a Brussels-based non-profit association representing the interests of the European sawmilling sector on European and International level.

EUSTAFOR, The European State Forest Association represents the voice of European state forest management organizations who have sustainable forest management and the production of wood as major concerns.

³SWD(2020) 176 final: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52020SC0176>