

8<sup>th</sup> Meeting - ISCC Regional Stakeholder Dialogue Southeast Asia, Kuala Lumpur, 24 October 2018

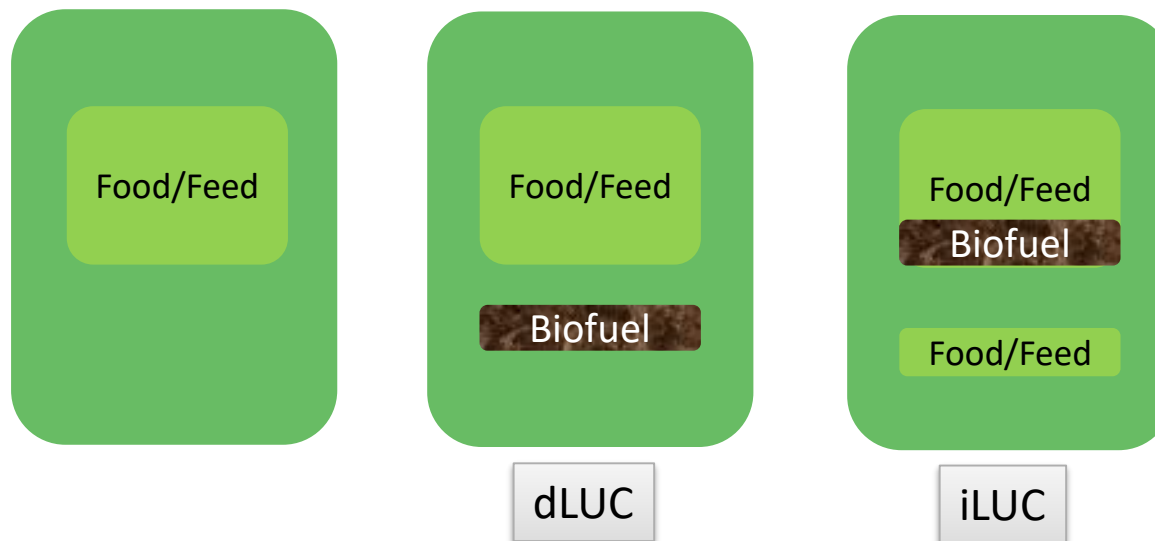
## Is iLUC the New Palm Oil Ban?

Prof. Gernot Klepper, Kiel Institute, ISCC Association




# iLUC is hotly debated – often without a thorough understanding of what iLUC really is!

- Definition according to “Council of the European Union”: Interinstitutional File: 2016/0382 (COD), Brussels June 21. 2018:
  - “Indirect land-use change occurs when the cultivation of crops for biofuels, bioliquids and biomass fuels displaces traditional production of crops for food and feed purposes. This additional demand may increase the pressure on land and can lead to the extension of agricultural land into areas with high carbon stock such as forests, wetlands and peat land causing additional greenhouse gas emissions.”



# RED II - The main elements

 Council of the European Union

Brussels, 21 June 2018  
(OR. en)

10308/18

Interinstitutional File:  
2016/0382 (COD)

ENER 246  
CLIMA 114  
CONSOM 188  
TRANS 274  
AGRI 309  
IND 175  
ENV 455  
CODEC 1118

**NOTE**

From: General Secretariat of the Council  
To: Permanent Representatives Committee

Subject: Proposal for a Directive of the European Parliament and of the Council on the promotion of the use of energy from renewable sources  
- Analysis of the final compromise text with a view to agreement

I. The fifth and final informal trilogue on the Renewable Energy Directive was held on 13-14 June 2018, and an informal agreement was reached on the basis of the text as reflected in Annex.

10308/18 DGE 2B RH/ns 1  
EN

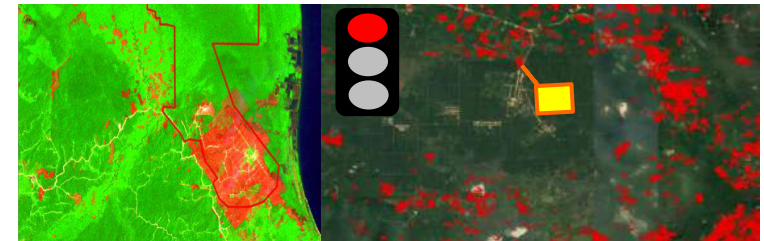
- At least **32%** RE by 2030 at EU level
- At least **14%** RES-T; obligation on fuel suppliers
- Sub-target of **3.5%** advanced biofuels in 2030 (mandatory)
- **7%** cap on crop-based biofuels with strings attached
- High ILUC-risk biofuels to be **0%** by 2030
- Novel fuels allowed
- Various multipliers set
- Higher GHG emission saving targets
- New fossil fuel comparator: **94 g**

# What are high-risk and low-risk iLUC fuels?

- Definition RED II:
  - ‘**high indirect land-use change risk feedstocks**’ are those ‘for which significant expansion of the production into land with high carbon stock is observed’.
  - Not compatible with the definition of iLUC (see above)!
  - Relates the production of a feedstock directly to regions where land use change takes place,  
i.e. if there is large land use change in palm producing regions, palm would be considered high-risk, regardless of how much this is due to biofuel expansion
- In contrast, the RED II defines low-risk iLUC fuels:
  - ‘**low indirect land-use change-risk biofuels and bioliquids**’ means biofuels and bioliquids, the feedstocks of which were produced within schemes which **avoid displacement effects of food and feed crop based** biofuels, bioliquids and biomass fuels **through improved agricultural practices**, as well as the cultivation of crops on areas which were previously not used for cultivation of crops and which were produced in accordance with the sustainability criteria for biofuels and bioliquids set out in Article 26

# ISCC is developing approaches low-risk iLUC fuels?

- Waste and residues  
(already established procedure)
- Improved agricultural practices
  - Smallholder certification
  - Remote sensing for higher yields
- Sustainable new production areas
  - Remote sensing for land use change
  - Remote sensing for high value areas that should be protected
  - Risk assessment of potential expansion areas



# Summary

- The RED II will not contain a palm oil ban!
- iLUC will currently not be enforced through an iLUC factor
- Socalled ‘high indirect land-use change risk feedstocks’ could become the means to impose a palm oil ban after all
- Low iLUC-risk biofuels according to the new RED can be made from
  - Waste and residues
  - Feedstock from improved yields
  - Biomass from previously unused land without high value
- ‘low indirect land-use change-risk biofuels and bioliquids’ can provide a way out of the threat of a palm oil ban, resp. the phasing out of high-risk biofuels
- Political risk for palm remains as long as deforestation continues and enforcement of legislation and regulation is weak

## Is iLUC the New Palm Oil Ban?

Not yet! But the risk for a ban can be reduced by producers and governments!



Many thanks for your attention!

## Contact

Prof. Gernot Klepper  
ISCC Association (ISCC e.V.)  
Hohenzollernring 72  
D-50672 Cologne, Germany  
Email: [klepper@iscc-association.org](mailto:klepper@iscc-association.org)

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