BRAZILIAN SUGARCANE INDUSTRY ASSOCIATION

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Reducing transport emissions by 2030 through a renewed EU biofuels policy

The European Council has recently given a mandate to the European Commission to address EU transport emissions, notably through new instruments and measures for "renewable energy sources in transport". This represents an improvement compared to the Commission's original Communication which did not mention transport. However, the 2015 Commission Work Programme does not explain how the Commission will reduce transport emissions. In this context, UNICA would like to convey **three key messages.**

1. Address transport emissions as a matter of priority to meet 2030 climate and energy objectives

Of all the different emissions sources, road transport CO_2 emissions increased the most since 1990 in the EU-28, recording an increase of 123 Million T CO_2 eq.[1] In 2012 transport represented over 30% of EU CO_2 emissions and showed a clear upward trend, in contrast with other sectors (industrial, residential, etc).

The European Commission had set in its Transport White Paper an ambitious reduction goal of 60% by 2050 compared to 1990 levels, and of around 20% by 2030 compared to 2008 levels. There is common agreement that much more needs to be done to bring about meaningful reductions. It is not only crucial for climate change but also for the reduction of noxious air pollutants that are harmful to human health. Scientific studies show that sugarcane ethanol reduces both particulate matter and ground-level ozone.

- ✓ If Europe wants to be credible in reaching the 40% GHG reduction target agreed in October 2014, the Commission needs to prioritise transport as part of the package of measures to be proposed in 2015.

2. Limit transport fuels' emissions through an extension of the Fuel Quality Directive post-2020

UNICA agrees with the Commission's approach of reducing emissions in transport through a mix of measures, for example by tackling vehicles' emissions through CO_2 standards and by developing alternative fuels and related infrastructure. On the demand side, energy efficient vehicles and behaviour are also crucial in reducing emissions.

UNICA however deplores the lack of focus on fuel quality that will reduce the reliance on conventional fuels. Even if the 6% target of the Fuel Quality Directive expires in 2020, the discussion has not yet started about the policy framework for fuel quality post-2020.

- ✓ To reduce fuel emissions on the long term, extend and increase the target of the Fuel Quality Directive after 2020.

[1] Annual European Union greenhouse gas inventory 1990–2012 and inventory report 2014, European Environment Agency

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3. **Don't give up on biofuels, as they bring demonstrated benefits in terms of CO_2 emissions reductions**

To reduce transport emissions, the EU will need to invest in the diversification of the fuel mix. EU leaders have agreed on a 27% EU target for renewables, which will also comprise renewable fuels in transport. Clarification is needed on how this 27% target will also translate into more biofuels in the fuel mix by 2030. Ambiguity and uncertainty will not provide the necessary incentives for new investments.

- ✓ Promote a more balanced approach to the biofuel dossier to reflect the real environmental performances of biofuels, both conventional and advanced.
- ✓ Promote a better incentive system for stimulating the production and consumption of advanced biofuels.
- ✓ Clarify how the 27% EU renewable target will also translate in concrete measures and incentives for biofuels in the EU transport fuel mix.

Although it comprises less than 1% of all ethanol used in Europe today, Brazilian sugarcane ethanol has a variety of important and beneficial characteristics that can help the EU meet its key climate abatement and energy security objectives in 2020 and in the longer term. It has a minimal role in the food versus fuel debate and it does not contribute to deforestation, as it is grown mostly on degraded pasture land and almost entirely in the south-central part of Brazil, far away from the Amazon rainforest. It achieves among the highest greenhouse gas (GHG) emission savings (over 70% relative to fossil fuel alternatives, according to the default values in the EU Renewable Energy Directive, and more than 55% when estimated ILUC emissions are accounted for) of all biofuels produced at scale because of its relatively low indirect impacts and the resource efficiency of its production.

About the Brazilian Sugarcane Industry Association – UNICA

UNICA is the leading trade association for the sugarcane industry in Brazil, representing 60% of the country's sugarcane production and processing. UNICA's priorities include serving as a source for credible information and analysis about the efficiency and sustainability of sugarcane products, particularly ethanol and bioelectricity. The association works to encourage the continuous advancement of sustainable practices throughout the sugarcane industry and to promote sugarcane-based biofuels as a clean, reliable alternative to fossil fuels.

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