

UNICA response to inception impact assessment on the revision of directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources

UNICA, the Brazilian sugarcane association, welcomes the revision of the Renewables Directive and appreciates the opportunity to contribute. In order to meet the EU's ambition of reaching climate neutrality by 2050, enormous effort and support will be required both immediately and in the long term.

In particular, the transport sector must increase its ambitions significantly, as unlike in most other sectors there have been no significant improvements in the past few decades. Achieving higher decarbonisation targets by 2030 will only be possible if the EU considers all sustainable solutions and technologies. The International Energy Agency's recent report on Energy Technology Perspectives for 2020 shows that electrification alone cannot lead to climate neutrality, and that options such as biofuels must also be part of the mix.

To ensure a just transition, the EU cannot afford to exclude biofuels that can immediately contribute to carbon reductions, in particular for hard to abate transport modes.

Renewable transport target

As indicated in the climate plan, an increased renewables target can only be reached with an increase of the sub-target for transport. Lifting the renewables target in transport from 14% to 24% would greatly improve the rapidity at which significant greenhouse gas savings may be achieved.

Life-Cycle Assessments

The Brazilian sugarcane industry constantly strives to increase the sustainability of ethanol production, from reducing the use of fertilizers and pesticides, to introducing biodiversity zones and saving water and energy. We support mechanisms that enhance sustainability through full Life-Cycle-Assessment (LCA) insofar as the methodology they are built upon is transparent and does not discriminate against imports. Brazil introduced an ambitious carbon credit scheme, RenovaBio, that ensures decreases of carbon intensity in the transport sector by expanding the share of sustainable biofuels into the mix. Renovabio stimulates private investments to increase the energy and environmental efficiency by assessing each producer individually. Certification is conducted by independent third-party auditors using a tool that was created to specifically assess the carbon intensity of biofuels using a Life-Cycle Analysis.

Indirect Land-Use Change (ILUC)

We recognise that ILUC can reduce the overall benefits and GHG reduction potential of biofuels. We therefore welcome the EU Delegated Act to determine high ILUC risk feedstock and certify low ILUC risk biofuels.

Brazilian sugarcane is a low ILUC risk biofuel. The vast majority of Brazilian sugarcane is grown in the southern center of the country, at least 2,000 km away from the Amazon. As highlighted by the 2019 JRC study¹ on, the expected expansion of sugarcane will mainly take place in de-graded pasture land. The conversion of native vegetation and other croplands to sugarcane is very limited.

Second generation biofuels

We call for sustained support for environmentally performant conventional biofuels as part of a long-term strategy to the development of more advanced biofuels. Second-generation ethanol will not happen without a robust and healthy first-generation ethanol market, because the conventional biofuels sector is paying the cost for the development of more advanced renewable fuels and often relies on the same feedstocks.

We trust that double counting of advanced biofuels is the wrong way to support that technology, it is an accounting ruse that does not incentivise investments in the production of advanced biofuels but only benefits the last stages of the value chain. Instead we propose specific sub-targets that would force the whole industry to increase the production.

Brazilian sugarcane ethanol has proven unambiguously the massive contribution that certain biofuels can make in the fight against climate change. In 13 years, Brazil reduced its carbon emissions in the transport sector by more than 400 million tonnes thanks to bioethanol, which is almost five times the performance of the EU. Low carbon fuels such as sugarcane ethanol is readily available and immediately affordable. With the right regulatory framework, Brazilian sugarcane ethanol may support the European Union reaching its ambitious 2030 decarbonisation target.

¹ JRC, *Assessing the impacts of the EU bioeconomy on third countries, Potential environmental impacts in Brazil of EU biofuel demand to 2030*