



Position Paper

Bio-based industries' views on the EU Emissions Trading Scheme

The bioeconomy encompasses the sustainable production of renewable resources and their conversion into food, feed, fibres, materials, chemicals and bioenergy through efficient and/or innovative technologies. It builds on the characteristics of biological resources to propose a promising alternative to an economy that has growingly been relying on resources of fossil origin.

The European Bioeconomy Alliance (EUBA) is an informal alliance of leading European organisations representing sectors active in the bioeconomy (agriculture, forestry, biotechnology, sugar, starch, vegetal oils, pulp and paper, bioplastics, renewable ethanols, research & innovation).

Several of these sectors are subject to the European Union's Emissions Trading Scheme, with a potential risk of carbon leakage at a competitive disadvantage vis-à-vis the rest of the world.

3 guiding principles

According to OECD *"the full climate change mitigation potential of biotechnology processes and biobased products ranges from between 1 billion and 2.5 billion tons CO₂ equivalent per year by 2030"*¹. It is therefore important to enable the bio-based industries to deliver such climate benefits by putting in place the next Emissions Trading Scheme in a manner that:

- Preserves and enhances the competitiveness of the European bio-based industries²
- Encourages and rewards investments made into low-carbon activities, processes and products
- Makes sure that all sectors covered by the Emissions Trading Scheme are contributing to meeting the 2030 greenhouse gas emissions reduction targets, while ensuring a level playing field for all companies placing products on the EU market.

Members of the European Bioeconomy Alliance:

Starch Europe
European Starch Industry Association

PFP
Primary Food Processors

FTP
Forest-based Sector Technology Platform

FEDIOL
The EU Vegetable Oil & Proteinmeal Industry

EuropaBio
The European Association for Bioindustries

EUBP
European Bioplastics

ePURE
European Renewable Ethanol Producers
Association

COPA-COGECA
European Farmers and European Agri-
Cooperatives

CEPI
Confederation of European Paper Industries

CEPF
Confederation of European Forest Owners

CEFS
European Association of Sugar Producers

BIC
Bio-based Industries Consortium

¹ OECD, Industrial biotechnology and climate change, opportunities and challenges, 2011

² So long as no international climate protection agreement with comparable rules is in place in the competitor regions, measures are necessary to prevent production relocations to regions outside the EU