

The European Union adopts ambitious biofuels strategy

Take good note of the paragraph in blue ... some EU politicians know their long term problems in energy.

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Earlier this month, the European Commission has adopted a mix of legislative and research measures, known as the "EU Strategy for Biofuels", in order to boost significantly the production of fuels from agricultural raw materials.

This decision builds upon other action plans adopted in the sector of clean energy and seems to indicate the genuine willingness of the European Commission's energy policy makers to actively promote the development of renewable energy, particularly energy from wind, water, solar power and biomass.

In 2003 the commission adopted the "Biofuels Directive 2" in order to promote the use of biofuels and other renewable fuels. The "Biofuels Directive" set out indicative targets for Member States of the Union. In December 2005 the European Commission adopted an "Action Plan" designed to increase the use of energy from forestry, agriculture and waste materials.

The European Commission is now focusing on transport. In the EU, transport is responsible for almost one quarter of greenhouse gas emissions. It is therefore essential to find ways of reducing emissions from transport. Nearly all the energy used for transport comes from oil, for which the EU is heavily dependent on imports. **According to Loyola de Palacio, former Vice-president of the European Commission, "the voluntarist energy policies (energy-saving, the nuclear program, support for renewables, domestic production) which followed the first oil crisis are no longer sufficient. Imports are therefore going to increase to deal with growing demand. In 20 to 30 years, the EU will be 90 % dependent for oil, 70% for gas and 100 % for coal. And enlargement can only reinforce these trends."**

Biofuels are processed from biomass, which is a renewable resource. Biofuels are a direct substitute for traditional petrol and diesel. Moreover they can readily be integrated into fuel supply systems. One million flex-fuel cars are circulating on Brazil's roads. Biofuels are more costly to produce than fossil fuels. However oil prices are rising and biofuel production cost are expected to decrease as research into 'second generation' fuels progress. Their use is increasing in countries around the world. Global production of biofuels is now estimated to be over 35 million tonnes. This represents around 2% of global petrol use.

The "EU Strategy for Biofuels" paper builds on the biomass action plan adopted in December 2005. This paper sets out three main aims. It strongly promotes the use of biofuels in both the EU and developing countries. It prepares for large-scale use of biofuels. Last but not least, it aims to support developing countries where biofuel production could stimulate sustainable economic growth.

Increased use of biofuels will bring numerous benefits. It will reduce Europe's dependence on fossil fuel imports. Oil prices are high and expected to rise as concern for future supplies deepens. This situation is a direct threat to the European economy. The use of biofuels will provide new outlets for farmers. The Common Agriculture Policy is harshly criticized by some member states as well as the World Trade Organization and

its future is rather uncertain. Increased use of biofuels will also reduce greenhouse gas emissions. Recent catastrophic events have shown the danger of climate change, which is now widely recognized to be a consequence of the emission of greenhouse gases.

"We face stringent targets under the Kyoto Protocol, and the recent controversy over imports of Russian gas has underlined the importance of increasing Europe's energy self-sufficiency." Moreover "crude oil prices remain high," said Agriculture and Rural Development Commissioner Mariann Fischer Boel.

Louis Michel, the Development Commissioner, has pointed out that the increase use of biofuel will also open up new economic possibilities in several developing countries. "Many developing countries are naturally well placed for the production of biofuel feedstocks, particularly those traditionally strong in sugar production. The expanding EU market for biofuels will provide them with new export possibilities. The EU will help them maximize this opportunity with support for knowledge transfer and development of their market potential."

Biofuels include bioethanol, biodiesel and biogas. Corn and sugarcane can be fermented into alcohol. Brazil has long been the world's leading producer of bioethanol. The sugarcane area is constantly being extended. Bioethanol is the world's main biofuel. Soybeans can be processed into a diesel-like fuel. Biodiesel, which until recently was produced almost solely in the EU, is now gaining a foothold in many regions across the world. In Brazil, investments are being made to develop production from castorseed, in particular in the poorer semiarid northeast of the country. Biogas comes a poor third.

In 2004 world production of bioethanol for fuel use was around 30 million tonnes. In the United States bioethanol output is expanding very fast. At this rate, the US production of bioethanol will soon match that of Brazil. The European Union produced almost 0.5 million tonnes of bioethanol in 2004, about one million tonnes in 2005 and capacity is likely to treble by the end of 2007. The leading EU producers were Spain and France. The leading consumer was Sweden, with about 80% of the quantities imported, mostly from Brazil.

The European Union is the world's leading region for the production and consumption of biodiesel. EU25³ production increased to almost 2 million tonnes in 2004, with Germany the main producer, followed by France and Italy. For mid 2006 an increase in total EU25 biodiesel production capacity to 3.8 — 4.1 million tonnes is expected as the number of production sites increases. Around the world, many other countries have now launched biodiesel programs, using a wide range of different feedstocks, from cassava to used cooking oil. The United States' National Biodiesel Board estimates that 350,000 tonnes of biodiesel have been produced in 2005, three times as much as in 2004. In Brazil a 2% biodiesel blend will become mandatory in 2008.

1) The European Commission is a politically independent collegial institution, which embodies and defends the general interests of the European Union. Its virtually exclusive right of initiative in the field of legislation makes it the driving force of European integration. It prepares and then implements the legislative instruments adopted by the Council and the European Parliament in connection with Community policies. The Commission is appointed for a five-year term by the Council acting by qualified majority in agreement with the Member States. It is subject to a vote of appointment by the European Parliament, to which it is answerable. The Treaty of Nice limits the number of Members of the Commission to one per Member State.

2) The directives are community legal instruments that bind the Member States as to the results to be achieved; they have to be transposed into the national legal framework and thus leave a margin for maneuver as to the form and means of implementation.

3) In the 1950s, the European Union began with just six member states: Belgium, France, Germany, Italy, Luxembourg and the Netherlands. It now has 25 member states as a result of five enlargements. Denmark, Ireland, United Kingdom joins the Union in 1973, Greece in 1981, Portugal, Spain in 1986, Austria, Finland, and Sweden in 1995. More recently, on May 1st 2004, ten states have become members of the European Union: Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

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