

# Implementation of the transport elements of the Renewable Energy Directive

## *Briefing from the Nuffield Council on Bioethics*

The EC [Renewable Energy Directive](#) (RED), adopted in April 2009, requires that 10 percent of transport fuel comes from renewable sources by 2020. The UK Government proposes to implement the transport elements of the RED by amending in December 2011 the [Renewable Transport Fuel Obligation](#) (RTFO), which sets biofuels targets up to April 2013. Parliament must scrutinise the draft legislation before it can come into force.

This briefing paper provides background information and comments from the independent [Nuffield Council on Bioethics](#) on the proposed changes, based on its recent report [Biofuels: ethical issues](#) (2011).

### **Background**

Biofuels are one of few alternative options for transport fuel currently available to us. However, targets such as those set by the RED have been criticised for incentivising the diversion of food crops into biofuels production, leading to local food shortages and spikes in global food prices.<sup>1</sup> Biofuels production has also been associated with human rights abuses, such as workers living in near-slavery conditions.<sup>2</sup>

In 2009/10:

- 3 percent of the UK's road transport fuel came from biofuels
- 76 percent of the UK's biofuel was imported from countries such as Argentina, Brazil, Malaysia, Indonesia and Germany
- Most of the biofuel was produced from crops traditionally used for food, such as oilseed rape, palm, soy, sugar cane and wheat<sup>3</sup>
- Only 31 percent of biofuels used in the UK met a recognised environmental standard.

### **New sustainability criteria**

Under the RED, biofuels may only count towards the 10 percent target if they meet certain sustainability criteria: namely, that they achieve at least 35 percent greenhouse gas emission savings and do not lead to the destruction of land with high carbon stocks or high biodiversity value. The RED also requires the EC to report every two years on the impacts of biofuels production on social aspects such as food prices, land-use rights and wider development issues, with the first report due in 2012.

### **Comments from the Nuffield Council on Bioethics**

The Council believes that there is a significant role for biofuels to contribute to energy security and climate change mitigation by reducing fossil fuel consumption. The RED targets provide stability for biofuels producers and encourage long-term investment, but the outcomes have not been entirely positive. Therefore, we welcome the implementation of the RED sustainability criteria in the RTFO as a step towards ensuring that the biofuels we use in the UK are ethically produced.

The UK Government is to be commended for waiting for further evidence, for example on the indirect effects of biofuels production, before setting specific targets beyond April 2013. A flexible approach to biofuels policy making will allow the UK to respond to external events or any further problems with biofuels that may arise in future. Indeed, a recent report delivered to the G20 agrees with this principle: it suggests that contingency plans should be put in place to adjust biofuels policies, at least temporarily, when global food markets are under pressure.<sup>4</sup>

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<sup>1</sup> *Price Volatility in Food and Agricultural Markets: Policy Responses*. Policy Report including contributions by FAO, IFAD, IMF, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF. June 2011. See: [www.unctad.org/en/docs/2011\\_G20\\_FoodPriceVolatility\\_en.pdf](http://www.unctad.org/en/docs/2011_G20_FoodPriceVolatility_en.pdf)

<sup>2</sup> Renewable Fuels Agency, *The Gallagher Review of the Indirect Effects of Biofuels Production* (2010). See <http://webarchive.nationalarchives.gov.uk/20110407094507/renewablefuelsagency.gov.uk/reportsandpublications/reviewoftheindirecteffectsofbiofuels> and Amnesty International, *Brazil: Amnesty International Report 2008* (2008). See: <https://www.amnesty.org/en/region/brazil/report-2008>

<sup>3</sup> Year Two of the RTFO. Renewable Fuels Agency report on the Renewable Transport Fuel Obligation 2009/10. See [http://webarchive.nationalarchives.gov.uk/20110407094507/http://www.renewablefuelsagency.gov.uk/sites/rfa/files/Year\\_Two\\_RTFO\\_v2.pdf](http://webarchive.nationalarchives.gov.uk/20110407094507/http://www.renewablefuelsagency.gov.uk/sites/rfa/files/Year_Two_RTFO_v2.pdf)

<sup>4</sup> *Price Volatility in Food and Agricultural Markets: Policy Responses*. Policy Report including contributions by FAO, IFAD, IMF, OECD, UNCTAD, WFP, the World Bank, the WTO, IFPRI and the UN HLTF. June 2011. See: [http://www.unctad.org/en/docs/2011\\_G20\\_FoodPriceVolatility\\_en.pdf](http://www.unctad.org/en/docs/2011_G20_FoodPriceVolatility_en.pdf)

The Council does, however, have some concerns about the Government's proposals:

- **The amended RTFO will not require biofuels suppliers to meet social sustainability criteria**, such as ensuring that biofuels production does not negatively impact on the essential rights of people in developing countries, such as access to sufficient food and water, health, work and land rights. Biofuels suppliers to the UK will be required to provide annual information on these kinds of issues, but this will not be used as 'eligibility' criteria under the RTFO. We urge the Government to call upon the EC to include social issues in the finalised RED sustainability criteria so that they can be introduced into national biofuel schemes across Europe from 2014.
- **Current policy includes few incentives for the development of new, more ethical types of biofuels.** Major research activities are underway to develop biofuels that have the potential to use less land and other resources, avoid social and environmental harms, and reduce greenhouse gas emissions. Promising avenues include biofuels made from the non-edible parts of crops (known as lignocellulosic biofuels) and biofuels made from algae. However, commercial-scale application is some years away. We urge the Government to develop biofuels policy that includes instruments to stimulate the development of these new approaches to biofuels specifically, rather than biofuels in general.
- **Tackling land use change through biofuel-specific policies is an ineffective way of dealing with the destruction of carbon stocks.** Biofuels production is one of many activities that can lead to direct or indirect land-use change and the destruction of important carbon stocks such as rainforests and peatland. A better approach would be to set national and international policies on land use change within wider, global measures to tackle climate change, with strong measures in place to prevent the destruction of high carbon stocks.
- **Sustainability criteria such as those set out under the RED should be applied to all comparable technologies and products.** There is the danger that the use of comprehensive sustainability criteria could unfairly inhibit biofuels development, while other agricultural, energy generation or trade practices continue to operate in an unsustainable and unethical way. Setting similar sustainability criteria for all comparable technologies and products would constitute an important step towards the development of the wider policy context that is needed to tackle the enormous challenges of the future.

### Ethical principles for biofuel policy

This briefing is based on the findings of an 18-month inquiry of the Nuffield Council on Bioethics, which were published in the report [Biofuels: ethical issues](#) in April 2011. The report sets out six ethical principles that biofuels policy should adhere to:

- 1 Biofuels development should not be at the expense of people's essential rights (including access to sufficient food and water, health rights, work rights and land entitlements).
- 2 Biofuels should be environmentally sustainable.
- 3 Biofuels should contribute to a net reduction of total greenhouse gas emissions and not exacerbate global climate change.
- 4 Biofuels should develop in accordance with trade principles that are fair and recognise the rights of people to just reward (including labour rights and intellectual property rights).
- 5 Costs and benefits of biofuels should be distributed in an equitable way.
- 6 If the first five Principles are respected and if biofuels can play a crucial role in mitigating dangerous climate change then, depending on additional key considerations, there is a duty to develop such biofuels.