

# Innovating for sustainable growth: a bioeconomy for Europe

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The Committee on the Environment, Public Health and Food Safety adopted the report by Paolo BARTOLOZZI (EPP, IT) on the Commission's communication entitled "Innovating for sustainable growth: a bioeconomy for Europe".

The committee welcomes the Commission's communication and highlights the fact that, while 22 million people are already employed in the bioeconomy, accounting for 9% of total employment in the EU, it has a strong potential to employ millions more.

**General comments:** the committee is of the view that the bioeconomy is a prerequisite for achieving the objectives of the Europe 2020 strategy and, more specifically, of the initiatives '[The Innovation Union](#)' and '[A resource-efficient Europe](#)'. It underlines the **urgency of taking action now to support innovation and investment** in new techniques and business models and to create the incentives that will bring long-term benefits for the economy. It emphasises the key role of the private sector in delivering sustainable economic growth.

**National and regional bioeconomy plans:** Members call on the Member States to develop national and regional bioeconomy action plans, and request the Commission to present a bi-annual report to Parliament with regard to the implementation of a bioeconomy.

**Transition to a bioeconomy:** Members take the view that the transition to a bioeconomy will enable Europe to take some major steps forward in terms of the low-carbon economy, innovation and competitiveness and will enhance its role on the international scene.

**Biofuels and bioliquids:** the committee recalls that indirect land use change (ILUC) factors for biofuels and bioliquids, as well as binding sustainability criteria for the use of solid and gaseous biomass, should be included in the Renewable Energy Directive and the Fuel Quality Directive and calls on the Commission to propose a Biomass Framework Directive covering all applications of biomass (energy, fuels, materials and chemicals) and introducing a biomass hierarchy.

## **Investment in research, innovation and skills:**

- **Research:** Members call for more detailed research to establish the social and environmental opportunities, as well as the potential costs of the bioeconomy. They support the establishment of a Bioeconomy Panel of experts to help enhance synergies and coherence between policies and initiatives, and a Bioeconomy Observatory, in order to promote mutual learning.

- **Practical measures at regional level:** Members call on the Commission to propose practical measures of regionally comprehensive scope to promote the production and consumption of bioeconomy products at regional level.

**Need for new skills, knowledge and disciplines:** the committee stresses that the bioeconomy requires that new skills, new knowledge and new disciplines be developed and/or integrated further in order to tackle bioeconomy-related societal changes, promote competitiveness, growth and job creation, meet the needs of industry and ensure that skills and jobs are better matched.

- **Biorefineries:** the committee emphasises that sufficient quantities of sustainable raw materials are needed for the successful operation of biorefineries in Europe and point out that this will also require **improving infrastructures for storage and transport and developing the necessary logistics**. It also points out that there are only **a limited number of demonstration facilities** in Europe and that **increased investments** are needed in order to maintain the leading role of European industries in the sector of biorefineries. It therefore calls on the Commission and the Member States to support pilot and demonstration activities for the up-scaling of products and processes.

- **Biomass:** in emphasising that bioeconomy policies must be better designed to ensure a cascading use of biomass, Members call for the **development of a legal instrument** that will pave the way for a more efficient and sustainable use of this resource. They stress that such an instrument should establish a cascading use principle in the **'pyramid of biomass'**. This approach would lead to a hierarchical, smart and efficient use of biomass, to value-adding applications and to supporting measures, such as coordination of research along the whole value chain.

- **Reinforced policy interaction and stakeholder engagement:** the committee considers it necessary to ensure an integrated, coherent, cross-sectoral and interdisciplinary approach to bioeconomy, and calls for the harmonisation of the different EU policies involved and the related guiding principles.

- **Financial instruments:** Members call on the Commission to make provisions for **financial instruments to support pre-commercial investments, turn research findings into commercial successes and enable innovative companies, especially SMEs, to find financial and other support instruments encouraging the development of the bioeconomy**. This could be, for example, through the use of Structural Funds and European Investment Bank risk-sharing facilities, through increased coherence between different EU research and innovation funds, and through the establishment of a one-stop shop for information about all bio-based economy related initiatives.

- **Less bureaucracy:** the committee calls for targeted and specific action to **reduce the complexity and duration of the bureaucratic authorisation procedures** that complicate biorefinery development processes and are likely to encourage the transfer of innovative, cutting-edge technologies outside the EU.

- **Public-private partnerships:** Members approve the use of the public-private partnership (PPP) formula, drawing adequate lessons from the problems that emerged in previous applications of the same formula to other sectors and call on the Commission to allocate adequate resources for development and growth of such partnerships.

- **Regional and local dimension:** Members agree with the need for a **multi-level approach**, and calls for increasing attention to be paid to the regional and local dimension of the bioeconomy and to **bottom-up initiatives**. They believe that bottom-up initiatives are important in creating a bio-based society and that a business- and demand-driven approach, combined with a government-driven approach, is crucial. The Commission is urged to support networks and clusters to promote exchanges of experiences within and between regions.

#### **Enhancement of markets and competitiveness:**

- **Market-creating tools:** Members take the view that there are a number of excellent tools (public procurement, standardisation, tax incentives, certification systems and specific labelling) that could **secure a sufficient supply of sustainable and high-quality bio-based products** as well as provide resource-efficient production systems. They believe that reform of the current legislation is required and call on the Commission to develop **sustainability criteria** for the use of biomass on which also market-creating tools should be based.

- **Sound political framework:** Members stress that a bio-based economy that relies on exploitation of biological resources instead of fossil energy must be guided by a sound political framework that takes into account not only economic viability but also **social and ecological sustainability factors**.

- **Long-term bioeconomy strategy:** the committee stresses the need to develop a **long-term bioeconomy strategy**, taking due account of the need to ensure food security, and takes the view that **synergy and close cooperation along the value chain**, including local producers of agricultural and forestry raw materials and biorefineries, would help strengthen the competitiveness and increase the profitability of rural regions.

- **Feedstock:** Members call on the Commission to promote **measures to increase feedstock potentials** in a sustainable manner, better mobilise such feedstocks, collect biodegradable waste - avoiding extensive transportation - and ensure that biomass use remains within ecological boundaries and does not reduce the carbon sink function. They consider it urgent, in this context, to **establish sustainability criteria for biomass energy use** to ensure the availability of biomass for more resource-efficient purposes, preventing incentives for the transformation of biomass into energy from creating market distortions and reducing its availability for producers.

- **Enabling legislation:** Members call for better and enabling legislation providing legal certainty and strong support for sustainable use of bioeconomy resources and exploitation of raw materials, and for policy to be based, in every respect, on a flexible, long-term approach that promotes investments.

- **Environmentally harmful subsidies:** Members urge the Commission to define environmentally harmful subsidies as 'a result of a government action that confers an advantage on consumers or producers, in order to supplement their income or lower their costs, but in doing so, discriminates against sound environmental practices'. They call on it and the Member States to adopt, without delay, **concrete plans**, based on this definition, for **progressively phasing out all such subsidies by 2020**, and to report on progress through the National Reform Programmes.

Lastly, the committee deems it crucial to **develop international legally binding sustainability standards** for all sectors of biomass usage, as well as binding sustainable forest management criteria. It urges the EU to pursue the adoption of multilateral agreements and provide, especially for LDCs, related institutional and technical support for ensuring the sustainable use of biomass.