

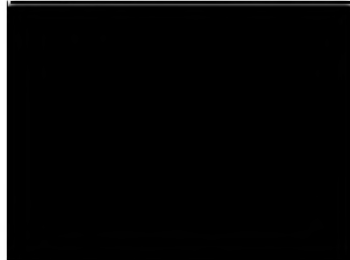


EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR ENERGY

Directorate C - Renewables, Research and Innovation, Energy Efficiency
C.1 - Renewables and CCS policy
 The Head of Unit

Brussels, 26 FEB. 2019
 [Redacted] ener.c.1(2019)574670

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**Indonesia Notification Body and
 Enquiry Point WTO TBT**



Thank you for your letter of 21 November 2018 containing a number of questions regarding the biofuel related contents of the recast of the Renewable Energy Directive for the period 2021 to 2030.

You may know that the Directive entered into force on 24 December 2018.

The Directive caps the contribution of all conventional (food and feed crop based) biofuels towards the EU renewable energy targets. In addition, it establishes an initial freeze and then a gradual reduction from 2030 on (reaching 0% by 2030 at the latest) of biofuels from crops for which a significant expansion on high carbon stock land has been observed. Low indirect land-use change-risk biofuels are excluded from this limit.

Furthermore, the Directive requires the Commission to draft a Delegated Act which will determine the high indirect land-use change-risk feedstock for which a significant expansion of the production area into land with high-carbon stock is observed, which represents a neutral and objective criterion. As required also by the text of the Directive, the Commission will base its analysis and recommendations on the best available scientific data, which will include a report on the status of worldwide production expansion of the relevant food and feed crops.

The contents of the Directive related to food and feed crop based biofuels do not constitute a ban or an import restriction on palm oil or palm oil-based biofuels in the EU market, but determine which biofuels can be counted towards the EU Renewable Energy targets. The text does not single out palm oil or any other specific biofuel or feedstock.

On a more general note, the Commission is fully aware that the palm oil issue is complex and requires a balanced approach. At the same time, we appreciate the importance of the palm oil sector as a source of growth and employment in producing countries, including for smallholders. However, there are legitimate concerns on the possible negative implications of palm oil production, such as deforestation and biodiversity loss, as well as greenhouse gas emissions.

The EU and producing countries have a common interest in addressing the possible negative environmental and social impacts of the production of palm oil, by ensuring that it takes place in a sustainable manner. We stand ready to work together with producing countries in this regard.

Yours sincerely,

