



Review of indirect impacts terms of reference for biofuels review

Introduction

Biofuels have the potential to deliver significant environmental benefits, and it is this principle that has underpinned UK Government support for them. Government support mechanisms have been justified in particular on the grounds that biofuels can deliver considerable net reductions in greenhouse gas emissions compared to fossil fuels.

New evidence has emerged in recent months on the net greenhouse gas benefits of certain types of biofuels. There is currently little consensus on much of this new evidence and there are widely diverging views on the sustainability of current and future biofuels targets.

The Government is keen that biofuel targets and support policies should be underpinned by robust scientific evidence. To this end, it commissioned in 2007 a review of work on the environmental sustainability of international biofuels production and use, and this review is due to report shortly.

To complement and build on this work, the Government is inviting the Renewable Fuels Agency to lead a review of the fast-emerging new evidence of displacement effects of biofuels on land-use and impacts upon GHG-savings. This RFA-led review will - alongside the review of work on the environmental sustainability of international biofuels production and use - inform the development of future biofuel policies and targets, including in particular proposed EU targets for future biofuel consumption.

Scope

The RFA-led review will focus on recent evidence on the indirect or "displacement" impacts of biofuel production, both within the EU and internationally, and evaluate, for current and future demand and production scenarios:

- The extent to which the production of biofuel feedstocks leads to land-conversion
- GHG-emissions arising from changes in land-use change and cultivation practices.

It will seek to make an objective, evidence-based assessment of the risks and uncertainty around these impacts and how this can be quantified.

It will seek to put the impacts of biofuels into perspective, by quantifying the extent to which the demand for biofuels - as opposed to other pressures - is likely to pressure on available land resources in the period to 2020. It will also consider the extent to which these impacts would be reduced if advanced biofuel technologies became commercially viable in the medium term.

It will consider and describe the risk that biofuel policies will affect international food commodity prices in the period to 2020 and indicate the uncertainties attached to that appraisal.

It will make recommendations as to how all of the above should be built into future calculations of the net greenhouse gas impacts of biofuel policies and future biofuel targets. It will also define the requirements of the further modelling and analysis that would be needed to consider a range of policy and demand scenarios, and their wider economic, environmental and social impacts, including for example on food prices.

It will make recommendations, as far as this is possible from the available evidence, on prudent levels and forms of biofuel targets and ways to manage and reduce the risk of displacement effects.

Participants

The UK's Renewable Fuels Agency will lead the work and will seek to draw upon knowledge and expertise globally. The study will be led by Professor Ed Gallagher, Chairman of the RFA, and former Chief Executive of the Environment Agency. The RFA will assemble a small team of experts to undertake the study including individuals with specific knowledge and skills in relevant areas.

Methodology

The study will include the following elements:

- Studies examining evidence concerning:
 - Global drivers, pressures and availability of land and the effect of current and future demand and production scenarios for biofuels
 - GHG emissions arising from land-change and cultivation of biofuels and uncertainties in science and methodologies
 - Drivers of rising food commodity prices and effects upon food security
- Written stakeholder consultation on these issues, disseminated globally to encourage a wide range of expert respondents
- Stakeholder workshops and meetings with experts from the UK, EU and elsewhere to consider land use change effects and the impact on agricultural markets

The review will as far as possible draw in expertise from other EU Member States and elsewhere. The findings will be peer-reviewed by the Government's Chief Scientific Advisers.

Timetable

An initial report will be provided to Ruth Kelly and Hilary Benn by Friday 27 June including recommendations for further work. This initial report will include the outcomes of the stakeholder consultation, literature review and workshops. A draft report will be provided to Government officials by the end of May which will inform UK negotiations in Brussels.