

# Delivering the bioeconomy agenda for 2024 and beyond

Industry players and EU institutions need an absolute focus on meeting the bloc's climate and circularity targets. The bioeconomy, bio-based and bio-derived products contribute to most of these ambitions, as well as to the overall defossilisation of society. The coming years will be critical to accelerate their development and market uptake. The EU agenda must visibly include them in the actions to deliver the climate and industry transition.

## 3 guiding principles for an acceleration

The bioeconomy in 2023 actually delivers many materials, substances and products for the chemical industry in Europe.

To further deliver direct and knock-on benefits for the environment, for climate, for workers, for the economy and for the society at large, the bioeconomy needs a number of principles to be set properly:

1. Significant amounts of sustainable bio feedstocks must be available and accessible at competitive conditions.
2. Global investors need a climate of long-term confidence for financial commitments in the European bioeconomy
3. Bio-based and bio-derived materials and products require kickstarting and incentive measures to get better access to markets and better recognition from customers and consumers.

This will only happen if the next Commission and the elected new Parliament develop strategies and policies in accordance with these guiding principles, and implement an ambitious action plan for the bioeconomy that should at least comprise of the following actions.

## Key actions for a striving bioeconomy beyond 2024

1. Fair access to biomass

The bioeconomy depends on multiple sources of biomass that must be seen as complementary and fit-for-purpose ones. From annual agricultural crops to bio-waste, all sustainably produced and harvested/collected feedstocks are indispensable to help

Europe's economy to switch as much as possible from a fossil-based, to a more circular and bio-based economy.

Concretely, this would require:

- ensuring compliance with the “cascading use” principle to make sure that biomass is used where it makes more environmental (circularity), economic (value creation) and social (jobs) sense. Aligning policies with cascading principle would require setting higher incentives (e.g. CO2 prices alignment) for the material uses than exist for energy uses.
- securing proportionate access to a fair share of bio-based feedstocks at world market price conditions. This may include removing import tariffs, direct contracting with the farmers, reduced taxes ....
- abiding by one single set of realistic and consistent sustainability criteria for biomass, irrespective of their end-use, such as the ones provided for in the Renewable Energy Directive.
- accelerating the implementation of EU legislation (e.g., Landfilling Directive, Waste Framework Directive) with the aim of limiting as much as possible landfilling of valuable waste together with the separate collection and sorting of waste, as to ensure the best possible availability of bio-waste.
- striking a careful balance between policies that promote the sustainable production and use of biomass as renewable raw materials for industrial applications and the ones that limit the production and harvesting of biomass for environmental (climate, biodiversity, soil protection, deforestation and forest degradation, ...) reasons.

## 2. Bring investment to Europe

Compared to the fossil- and mineral-based economies, the bioeconomy is still in a development phase. Massive investments are needed to increase the production capacities, either through greenfield installations or repurposing of existing capacities, and fine-tune industrial processes. Such investments are usually requiring significant capital and take decades to be written off.

Concretely, this would require:

- legal and regulatory certainty for companies to confidently build, refurbish and operate biorefineries and industrial installations in Europe.
- clear and supportive policies for the development and use of key enabling technologies for the bioeconomy, such as industrial biotechnologies, explicit recognition of the downstream climate benefits (scope 3) of biobased products, etc.
- active commitment of public investors into the bioeconomy as a way to “de-risk” and fast-track investments and attract private investors.

- sufficient budget allocation to support research, technological development and innovation in Europe, hence allowing to build knowledge and competence and keep them in Europe at the time of deployment.

### 3. Stimulate market demand

Bio-based materials, chemicals and products can be found for multiple applications, such as health, homecare, personal care and cosmetics, construction, textile, packaging, etc. In several cases, they are equally or even better performing than existing fossil- and mineral-based ones. They may also have end-of-life characteristics (recyclability, biodegradability, compostability, etc.) that contribute to more sustainable, more circular value chains. Still, most market players are not aware of it, nor are they ready to pay a “green premium” price for such goods.

To make this happen concretely, it would require:

- fair trading conditions on global markets for bio-based feedstocks and bio-based and bio-derived products (e.g. dumping, export/import duties, NTBTs, etc.).
- effective, self-standing, clear and transparent targets/mandates for bio-based content in products and materials placed on the EU market, based on a proper impact assessment.
- incentives for placing bio-based products on the EU market, in particular when they represent more sustainable solutions than the current situation, e.g. through modulation of product-related fees, tax exemptions, etc.
- development of an aligned LCA methodology for biomass-derived products that allows for fairer comparison with non-renewable products in their product category.
- learning from the US experience with the “Biopreferred” program, encouraged preference for sustainable bio-based products that have demonstrated benefits into national public procurement policies through an equivalent system in Europe.

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About Cefic

Cefic, the European Chemical Industry Council, founded in 1972, is the voice of large, medium and small chemical companies across Europe, which provide 1.2 million jobs and account for 16% of world chemicals production.