

# How serious is the EU about ending deforestation?

On Mar 29, 2023 the EU institutions have a last chance to save over 600,000 hectares of forests and peatlands, by agreeing on a fast phase-out of soy and palm oil in the bloc's biofuels.

---

March 2023

## 1. Commission blocking progress in RED negotiations

Since fall 2022, as part of the Fit-for-55 package, the EU institutions are negotiating a revision of the bloc's 'Renewable Energy Directive' (RED). Working along ever shifting timelines, final negotiations have been set for March 29. On the table for this last round of talks between the Commission, Council and Parliaments is the Parliament's proposal to include soy in the phase-out of biofuels with a high risk of deforestation, currently limited to palm oil only. The use of both shall also end much earlier than the currently agreed 2030 timeline. But the Commission is blocking this proposal, out of concerns over being sued again at the World Trade Organisation and out of concerns over such a move jeopardising trade talks with the Mercosur countries in South America<sup>1</sup>. Here, Argentina pushes to protect its 1 billion a year worth of exports of soy based biodiesel to the EU, 20% of its overall exports<sup>2</sup>. The Council, currently led by Sweden, is sitting on the fence, with only some member states (Belgium, France, Luxembourg, Germany) having expressed their support for the Parliament's proposal<sup>3</sup>. The rest is being mute on this, despite several countries phasing-out palm and/or soy in biofuels earlier than 2030.

In this short briefing, we show how much forests and peatlands are at risk, if the Commission is successful and nothing changes. **T&E urges the Commission and also the Council, to agree to the Parliament's proposal, supporting a rapid phase out of both soy and palm oil from EU biofuels.**

---

<sup>1</sup> Euractiv (Mar 2023). Brussels accused of backsliding on soy ban for biofuels, Retrieved from <https://www.euractiv.com/section/biofuels/news/brussels-accused-of-backsliding-on-soy-ban-for-biofuels/>

<sup>2</sup> Buenos Aires Times. (Feb 2023). EU, Mercosur accelerate trade deal against backdrop of Sino-American tussle. Retrieved from

[www.batimes.com.ar/news/world/eu-and-mercotur-rush-trade-deal-to-get-involved-in-us-china-tussle](http://www.batimes.com.ar/news/world/eu-and-mercotur-rush-trade-deal-to-get-involved-in-us-china-tussle)

<sup>3</sup> Non-public e-mail send to the Swedish Presidency by these four countries on March 3rd, copy held by Transport & Environment.

## 2. Results

If the Commission would agree to an immediate phase-out of soy and palm oil in EU biofuels, a volume of 4.5 million tonnes of palm oil and 1.1 million tonnes of soy oil - currently used in the EU production of biofuels - would be released to the global market. This would remove the incentive for new expansion for the cultivation of these crops, amounting to 3.1 million ha. With 41% of such expansion recently overlapping with forests and peatlands in the case of palm and 9% in the case of soy, this **could save over 630,000 hectares of forests and peatlands from being converted into soy fields and palm oil plantations.**

## 3. Methodology

Our modelling is based on the assumption that phasing-out both palm and soy biodiesel would restrain the growth in global demand and therefore reduce the need for expansion of soy and palm into new areas, including into high carbon stock areas.

In this case, we estimated the deforestation savings based on current palm and soy use in Europe's biofuels, average yield factors<sup>4</sup> and the of expansion into high carbon stock areas (e.g. rainforests and peatlands) for palm and soy<sup>5</sup>.

## Further information

Name

Title

Transport & Environment

email@transportenvironment.org

Mobile: +32(0)

---

<sup>4</sup> 4.2 t/ha and 0.52 t/ha per year respectively according to Biograce

<sup>5</sup> 41% for palm and 9% for soy, according to Guidehouse's recent ILUC analysis