

# Strategic Biomass Projects

## Opportunities under EU Programmes

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sustainable projects

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# Presentation Structure

## Background Policy

- EU Strategies / EU Biomass Action Plan

## Territorial Cooperation Programme

- Finance / regions covered / priorities / conditions of participating

## BioEnergy Promotion Projects under INTERREG

- samples of current projects
- Baltic Bio-Energy Promotion Project

Pan Baltic Organisations: BASREC / Baltic 21

# Renewable energy policy context

## Why? and What?

- Climate change poses a serious threat
- We cannot allow ourselves to depend too heavily on a few sources of energy
- Bioenergy sector is already making a progress around the world
- Biomass production could provide a growing extra market for EU forest-owners and farmers
- Biomass production could bring an extra technological stimulus and jobs to the EU economy
- Biofuels (bioethanol exports) could facilitate economies of developing countries

# Renewable energy policy context

## Why? and What?

- 1997 White Paper set the target to increase the proportion of renewable energy from 5.2% to 12% by 2010
- 2000 Green Paper expressed a strong desire to reduce the need for Europe to import energy and to increase self-sufficiency (currently at 50%)
- 2001 Directive on the promotion of electricity from renewable energy set a renewable electricity target for the internal market at 22% by 2010

# Renewable energy policy context

## Why? and What?

- 2003 Directive on the taxation of energy products and electricity enables MS to exempt biofuels from taxation or to apply a lower tax rate (until 2012)
- 2003 Biofuels Directive sets target for biofuel's share in overall transport fuel use in the EU at 5.75% for 2010 (review by the end of 2006)
- December 2005 Biomass Action Plan
- February 2006 EU Strategy for Biofuels
- June 2006 EU Forest Action Plan
- Renewable Energy Roadmap by the end of 2006

# Renewable energy policy context

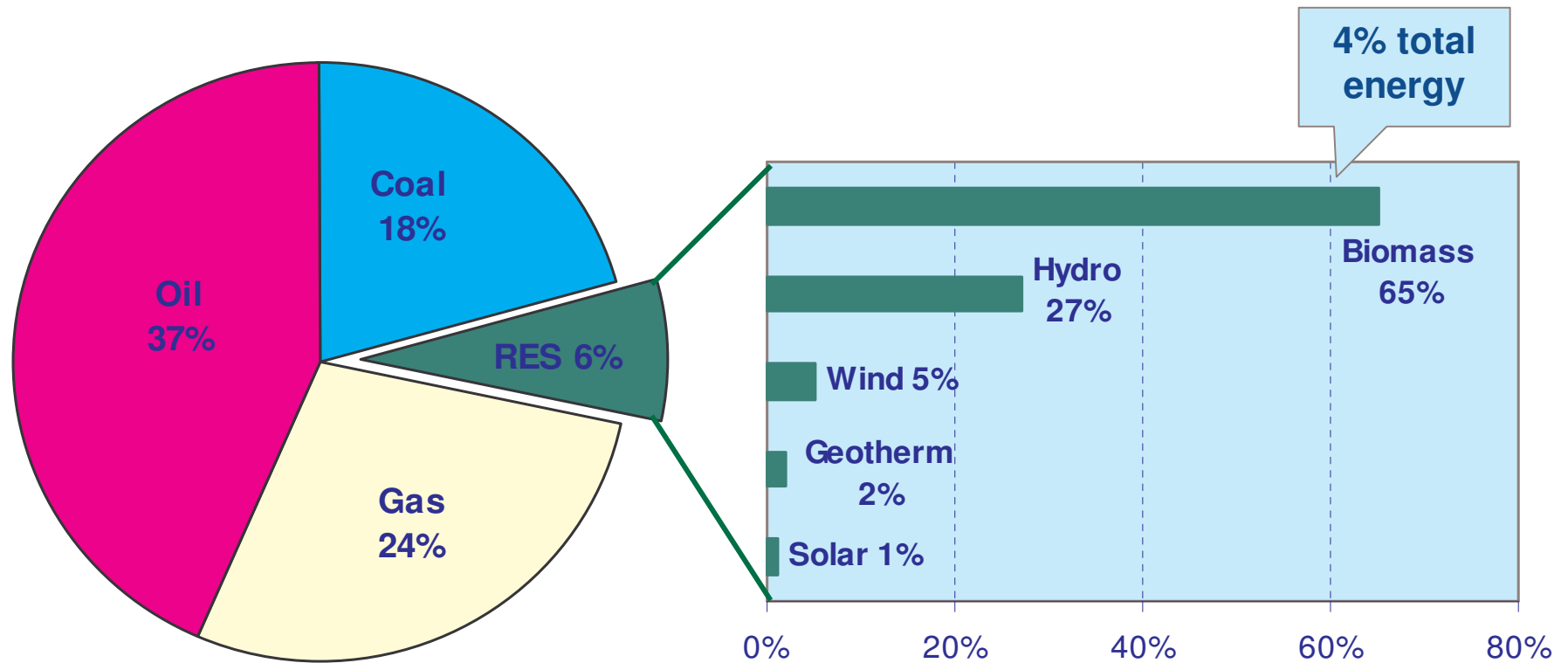
## Three targets for 2010

- **12%** renewable energy's share of gross inland energy consumption (5.2% in 1995)
- **22%** share of electricity generated by renewable energy (14% in 2000)
- **5.75%** share of biofuels in diesel and gasoline used for transport

# Biomass Action Plan

- Adopted on 7 December 2005: COM(2005) 628 final
- Objective: Make full use of bioenergy potential by creating market-based incentives and removing barriers
- Contains a set of measures (31) to help develop the production of energy in all sectors – electricity, heating and transport – from wood, waste and agricultural crops

# EU25 Gross energy consumption (2004)



# Biomass Action Plan

- Currently 4% of EU's energy needs from biomass (69 MtOE)
- Biomass use could be doubled by 2010 (to 150 MtOE)

# Biomass Action Plan

The increase in biomass use could bring the **following benefits** in 2010:

- **Diversification of energy supply** – increasing the share of renewable energy by 5% and reducing reliance on imports from 48% to 42%
- **Reduction in greenhouse emissions** of 209 million tones of CO<sub>2</sub> equivalent per year
- Direct **employment** for up to 250 000 people, mostly in rural areas

# EU Strategy for Biofuels in summary

- Further promote biofuels, and ensure that their production and use is globally positive for the environment
- Prepare for the large-scale use of biofuels
  - Improving their cost-competitiveness,
  - research into “2nd generation” biofuels
- Review in process (by the end of 2006) - level and nature of targets to be examined (obligatory or not)

# Tools for meeting the objectives

## Common Agricultural Policy:

- Decoupled income support (CAP reform 2003)
- Aid for growing energy crops
- Energy crops may be grown on set-aside land

## Cohesion policy:

- Can provide public money for the development of bioenergy industry
- Regional Development Fund and the Cohesion fund

## The 7<sup>th</sup> Research Framework Programme:

- Will promote bioenergy development as a main priority

## Fuel tax exemption: (2003 Directive)

## Rural development policy:

- Various forms of support for production, especially support for processing activities

Rural Development  
2007-2013

LEADER Axis

Axis 1  
Competi-  
tiveness

Axis 2  
Environment  
+  
Land  
Management

Axis 3  
Economic  
Diversification  
+  
Quality of  
Life

Single set of programming, financing, monitoring, auditing rules

Single Rural Development Fund

Measures - Axis 1	Potential
Modernisation of farms (farm investments)	Biogas production from raw material (e.g. manure) from the own or near holdings. Heating installations based on wood products. Diversification into energy crops (e.g., machinery)
Adding value to agricultural and forestry products (processing industry)	Investments linked to processing and marketing products, development of new products, processes, technologies (e.g., renewable energies)
Cooperation for development of new products, processes & technologies	Cooperation between farmers, foresters and the industry for promoting introduction of new technologies & innovation (e.g., new wood products)

Measures - Axis 1	Potential
Improvement of economic value of forests	Planting of appropriate species (short rotation coppices etc.) for combustion purposes. Installation of equipment to process wood to material
Training	Targeted training on biomass issues
Infrastructure-related	Development of infrastructure (e.g., district heating plants)
Set-up and use of farm advisory services	Better farmers' knowledge about biomass possibilities

<b>Measures - Axis 2</b>	<b>Potential</b>
Afforestation	Producing woody biomass for energy purposes (e.g., fast-growing tree species for short-term cultivation)

Measures - Axis 3	Potential
<p>Diversification into non-agricultural activities (beneficiary: members of the farm household)</p>	<p>Possibilities for supporting biogas installations, biomass plants for local production of renewable energy (biofuels, electricity and heating)</p>
<p>Support for business creation and development (beneficiary: micro-enterprises)</p>	<p>Building renewable energy infrastructure (e.g. wind parks)</p>
<p>Basic services for the economy and rural population</p>	<p>Installations for the production of electricity or heat for a municipality. Distribution network for biofuels or heat/electric power from biomass</p>

# Summary: EU Policy & Tools

Renewable energy policy context – three targets:

- 12% renewable energy
- 22% electricity generated by renewable energy
- 5.75% biofuels used for transport

To achieve the targets:

- Biomass Action Plan, EU Strategy for Biofuels
- Review of the Biofuels Directive (2006)

Tools for meeting the objectives:

- CAP, Cohesion policy, RDP, 7RFP, tax exemption

EU Forest Action Plan – support objectives of Biomass Action Plan

# Tools under Cohesion Fund: EU Territorial Cooperation Programme 2001 - 2006

Interreg III: 3 strands with total budget of 4,875 billion euro

☐ **Strand A** : cross-border cooperation ?

Cross-border cooperation between adjacent regions aims to develop cross-border social and economic centres through common development strategies.?

☐ **Strand B** : transnational cooperation ?

Transnational cooperation involving national, regional and local authorities aims to promote better integration within the Union through the formation of large groups of European regions.?

☐ **Strand C** : interregional cooperation?

Interregional cooperation aims to improve the effectiveness of regional development policies and instruments through large-scale information exchange and sharing of experience (networks).

# The EU Territorial Cooperation Programme 2001 - 2006

Samples of Bioenergy Projects implemented in Baltic Sea Region

- **Bioenergy Technology Transfer Project (2002-2005):**  
Finland, Norway, Brandenburg (Germany)  
analysis of current resources, production and use of bioenergy and resulting bottlenecks => regional bioenergy strategies & development plans => pilot actions, technology transfer
- **Emission Trading Bioenergy Project (2005-2007):**  
Finland, Germany, Estonia, Poland  
define and evaluate different business concepts in area of bioenergy utilisation => investment plans => win-win opportunities to benefit of exporting/importing countries
- **Baltic Biomass network (2005-2007):**  
Germany, Poland, Latvia, Lithuania, Estonia, Finland  
Develop regional bioenergy development scenarios based on new GIS tools => mobilise biomass resources and planning sustainable bio-energy investment projects

# The EU Territorial Cooperation Programme 2007 - 2013 for BSR

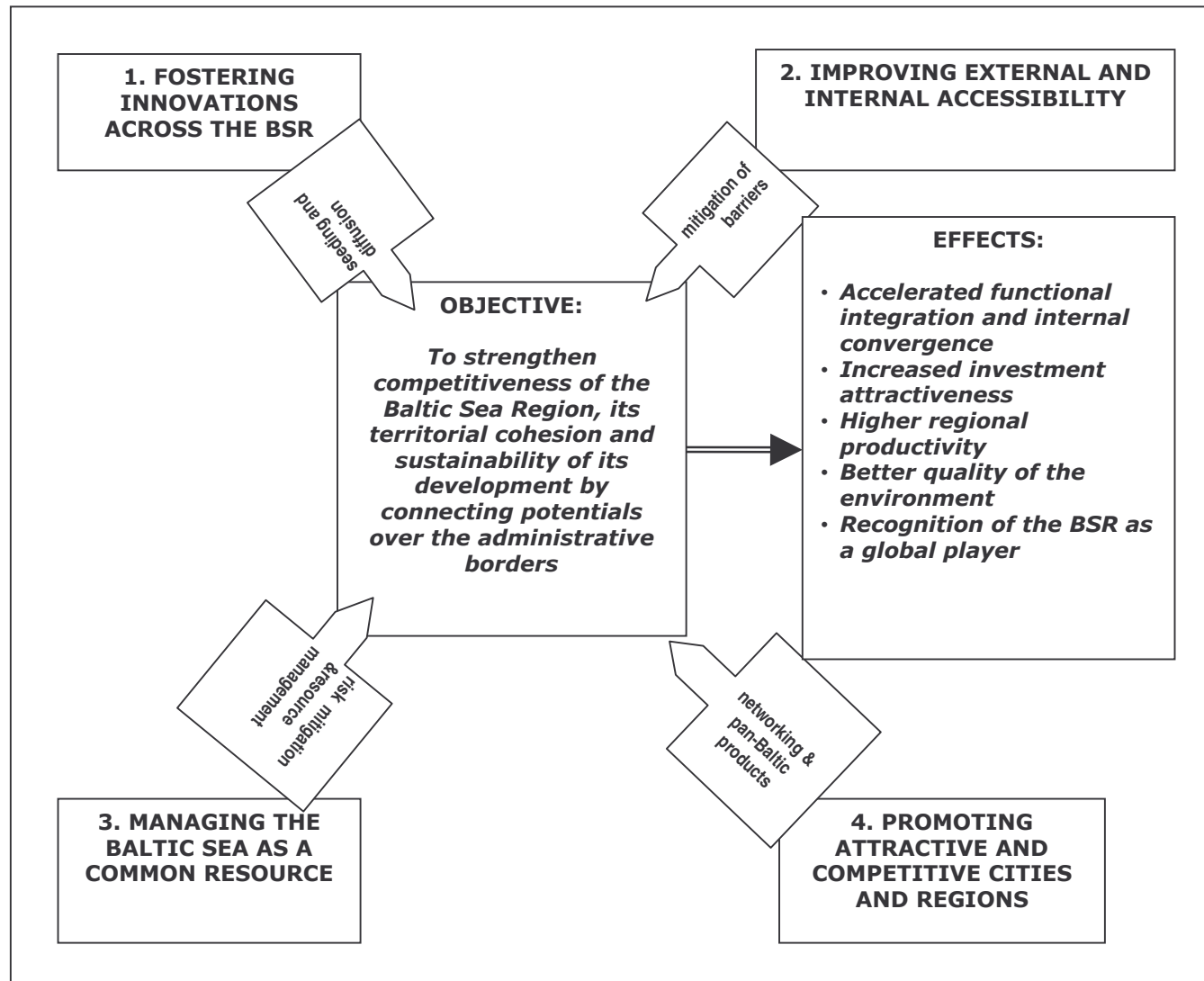
## Geographic Coverage :

- *Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden: the whole country,*
- *Germany: the States (Länder) of Berlin, Brandenburg, Bremen, Hamburg, Mecklenburg-Vorpommern, Schleswig-Holstein and Niedersachsen (only NUTS II area Regierungsbezirk Lüneburg)*
- *Funds available: approx. 200 Mio EURO EFRE + 15/25% Co-Finance*

## *In addition:*

- *Norway (with own funds approx. 20 Mio EUR + 50% Co-Finance)*
- *NW Russia + Kaliningrad, Belarus (four oblasts: Minsk, Grodno, Brest, Vitebsk) (ENPI funds approx. 20 Mio EURO + 15% Co-Finance)*
- *10% flexibility rule under Neighbourhood Programme*
- *20% flexibility beyond BSR room*

# EU Territorial Cooperation Programme 2007 - 2013 for BSR



# Baltic Sea Bio-Energy Programme

## Strategic Partner Framework:

- BASREC Bio-Energy Working Group
- Baltic 21 Agriculture and Forest Sector, VASAB

## Background Policy: EU Biomass Action Plan

## Core Outcome: National Biomass Action Programmes

## INTERREG features:

- Diffusion of Innovation
- Rural Development
- Land-Based Pollution of the Baltic Sea
- Transport Reduction due to decentralised energy solution

## Complementary Funding Programmes:

- EU Structural & Rural Development Funds; IEE; Joint Implementation Schemes



# Baltic Sea Bio-Energy Programme

## BASREC

- Forum to build up a regional view of energy policy strategies
- established in 1999
- Members:
  - BSR countries (Ministries of Energy/Economy)
  - EU DG Transport & Energy
  - Council of Baltic Sea States
  - Nordic Council of Ministers
- Organised around Working Groups:
  - Electricity Markets
  - Gas Markets
  - Energy Efficiency
  - Climate Change
  - Bioenergy



# Baltic Sea Bio-Energy Programme

## BALTIC 21

- Multi-stakeholder process to implement “Agenda 21 for the Baltic Sea States” via specific action programme
- BALTIC 21 established in 1998
- Links transnational organisations, national ministries, industry, finance and civil sector actors
- Organised around 7 Sector Working Groups:
  - Agriculture, Education, Energy, Forestry, Industry, Spatial Planning, Tourism, Transport
- Recognised player to turn sustainable development principles into practice and to promote the Eco-Region concept, which supports the economic growth of the BSR in a sustainable way

# Baltic Sea Bio-Energy Programme

## Key Activity Lines:

- **Development of National BioMass Action Plans**
  - Assessment of the physical and economic availability of biomass of different kinds (incl wood and wood residues, wastes, agricultural crops)
  - Identification of priorities for types of biomass to be used
  - Identification of priorities for how biomass resources can be developed
  - Indication of measures that will be taken at national level to promote this
- **BSR Networking**
  - Policy Level (various ministries) / Cross-sectoral meetings / Project Level (build on their results) / Stakeholder Level / Database promotion
- **Standardisation**
  - Training / Information activities to implement Bioenergy Standards throughout BSR
  - Development and agreement on new standards (e.g. storage of biofuels)
- **Recommendations**
- **Pilot Activities / Implementation**
  - Consumer Information / Local Capacity Raising / Technology Transfer / Application of Bio-energy spatial planning tools / Joint Implementation Projects

**Thank you for your attention !**

