V4 bioeconomy associations – policy priorities

Hungarian Biofuels Association (HU), Krajowa Izba Biopaliw (PL), Sdružení pro výrobu bionafty (CZ), Svaz lihovarů České republiky (CZ) and Združenie pre výrobu a využitie biopalív (SK) consider home-grown sustainable biofuels a pillar of transport decarbonisation in CEE.

The EU's transition to climate-neutral industry must safeguard economic competitiveness, ensure affordable mobility, respect technological inclusivity, fully utilize domestic biomass and renewable fuel production potential and reflect the differences and specificities of Member States.

We emphasize the link between renewable energy, agriculture, the agri-food industry and the broader bioeconomy, highlighting the role of biofuels in strengthening EU food and feed security, enhancing energy resilience, reducing import dependency and supporting rural economies. Biofuel production provides a stable and predictable market for agricultural feedstocks while simultaneously generating protein products and other co-products for the food, feed, chemical and energy sectors. Integrated biorefineries maximize synergies between renewable fuel production, protein-rich feed or food products, biogenic CO_2 and other bioeconomy products, thereby strengthening the overall resilience, protein sovereignty and efficiency of European agriculture.

The feedstocks used by our members are grown domestically on long-established agricultural land in Central and Eastern Europe. None of them – rapeseed, cereals or sugar beet – is classified as high indirect land-use change-risk under Commission Delegated Regulation (EU) 2019/807, and their use for biofuel production does not drive land conversion in third countries. Crop-based biofuels from the V4 region therefore deliver verified greenhouse gas savings without the land-use trade-offs that the crop cap was designed to address.

In this context, it is essential that policy approaches at national, regional (V4) and EU level reflect the specific circumstances of CEE to ensure that the long-term climate targets for transport decarbonisation are realistic, adapted to the actual capabilities of individual Member States, and aligned with broader systemic developments within the EU. For this purpose, the V4 partnership intends to coordinate its actions towards national authorities and promote the following policy priorities at V4 intergovernmental level:

1. **Full recognition of crop-based biofuels**

Immediately lift the crop cap at national level and allow more flexibility for Member States with higher agricultural potential. Remove the provision in Article 26(1) of the Renewable Energy Directive (RED) that allows Member States to reduce the RES-T target when they further limit crop-based biofuels.

Target: lift the crop cap above 7%

2. **Higher blends deployment and Fuel Quality Directive (FQD) revision**

Enable the introduction and full-scale deployment of B10 and E20 as EU-wide standardized fuels, as well as other higher-blend and neat renewable fuels such as B20, B30 or B100 by revising the Fuel Quality Directive (FQD) to remove existing regulatory barriers and allow broader use of renewable fuels in the fuel mix.

Target: allow fuel suppliers to place higher blends on the market

Target: remove the B7 protection grade

3. **Restoring a level playing field for crop-based biofuels / removing multipliers**

Ensure a level playing field for all sustainable biofuels, including crop-based biofuels, by phasing out multipliers for Annex IX feedstocks, which distort market conditions, undermine cost-effective and available solutions and create incentives for fraud.

Target: prevent further substitution of crop-based biofuels with Annex IX biofuels

4. **CO_2 standards and technological neutrality**

Ensure that the EU CO_2 standards for vehicles and the regulation on clean corporate vehicles fully reflect the role of biofuels by moving from a tailpipe-based approach to life-cycle assessment (LCA) and by establishing a new type of vehicle running on sustainable fuels. A unified nomenclature for all "sustainable biofuels" based on the RED legal definition and a sustainability classification based on Commission Implementing Regulation (EU) 2022/996 must replace the individual classifications and definitions of biofuels proposed within EU policies (CO_2 standards for cars and vans, AccelerateEU, Energy Taxation Directive).

Target: allow the sale of new ICE vehicles after 2035

Target: allow vehicles running on sustainable fuels to contribute to clean corporate vehicle targets

5. **Energy Taxation – crop-based biofuels classified as other sustainable renewables**

Establish a stable taxation framework for all types of renewable fuels including crop-based biofuels, by introducing a unified categorization of all types of sustainable biofuels within the Energy Taxation Directive (ETD).

Target: ensure that crop-based biofuels are not taxed as fossil fuels

6. Preventing market distortions from imports

Strengthen trade defense and regulatory measures to prevent unfair imports, including the use of anti-dumping and anti-subsidy instruments, stricter sustainability verification and traceability for imported feedstocks and sustainable fuels, and, where appropriate, the introduction of origin-based requirements to ensure a level playing field for EU producers. Biofuels should also be excluded from all free-trade agreements.

Target: prevent imports of fraudulent materials and products

Target: increase the default values for transport and distribution emissions (e_{td}) under Annex V to RED for third-country imports

7. Promoting EU-produced biofuels from local feedstocks

Introduce targeted incentives to priorities biofuels produced within the EU from locally sourced feedstocks, strengthen domestic value chains, support local agriculture and processing industries, enhance energy security and supply resilience, and reduce vulnerability to disruptions in global supply chains and transport routes. Define and promote the use of home-grown “Made in EU” sustainable biofuels under the post-2030 renewable energy framework.

Target: introduce regulatory incentives for local biofuel value chains

Target: establish a sub-target for sustainable EU-made biofuels produced from home-grown feedstocks

8. Industrial competitiveness

Ensure a genuine level playing field within the EU single market by disciplining divergent national industrial subsidy practices. The V4 countries entered this century with competitive energy costs, substantial unrealized agricultural potential and high expectations of convergence within a well-regulated European single market. Differing fiscal capacities and divergent approaches to industrial subsidies in response to recent crises – notably the energy price crisis, the COVID-19 pandemic and the war in Ukraine – have instead produced a market

in which industry is subsidized in some Member States and left to operate on purely market principles in others, distorting competitiveness to the detriment of the region.

Target: ensure a level playing field in terms of industrial subsidies in the EU single market

Signatories:

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The above-mentioned associations represent:

- close to 100 members from the V4 countries,
- total annual processing capacity of up to 8 500 000 tonnes of **agricultural feedstocks**,
- total annual production capacity of up to 2 920 000 tonnes of **biofuels**,
- total annual production capacity of up to 3 470 000 tonnes of **protein products** (various feed and food grades of DDGS, rapeseed meal, barley and other protein concentrates),
- total annual production capacity of several hundred thousand tonnes of other relevant **co-products** (various feed-grade oils, fibre, pharma-grade alcohols, crude glycerol, etc.),
- total annual production capacity of several hundred thousand tonnes of **biogenic CO_2**,
- total annual production capacity of several hundred thousand MWh of **biogas/biomethane**,
- total **employment** of up to 50 000 full-time equivalents (including direct and indirect jobs) across the V4 countries.