

**INDONESIAN CONCERNS REGARDING THE EUROPEAN UNION'S  
RENEWABLE ENERGY DIRECTIVE (EU - RED)**

The following communication, dated 7 June 2011, is being circulated at the request of the delegation of Indonesia.

**I. INTRODUCTION**

1. The purpose of the implementation of these regulations is to replace the use of petroleum-based fuels with renewable energy fuels in order to reduce vehicle emissions containing carbon dioxide (CO<sub>2</sub>) which caused the increase of greenhouse gas emissions. The EU-RED requires criteria for environmentally sustainable biofuel production process.
2. Indonesia fully understands that the purposes behind this draft regulation are to reduce vehicle emissions containing carbon dioxide (CO<sub>2</sub>) which caused the increase of greenhouse gas emissions and the environmental sustainability.
3. As one of main supplier of Crude Palm Oil (CPO) to the European Union (EU), Indonesia is much concerned about the draft EU-RED Regulation.
4. Therefore, Indonesia would like to request clarification from the EU on a number of issues.

**II. QUESTION RAISED**

- (a) Article 17, paragraph 4 and 5 allows for the revision of default values based on scientific evidence which is compiled by independent experts at the Joint Research Center (JRC). Could the EU confirm whether default values have already been revised, how long does the process take and what are the procedures including decision-making?
- (b) It is noted that the EU sustainability scheme also allows alternative methods to the default values to be used to show compliance with the sustainability criterion for minimum greenhouse gas savings. Could the Commission also confirm whether this alternative data has been presented and accepted, the duration of this process from submissions being made, and the decisions making process?
- (c) It is understood that the independent experts referred to are part of the JEC consortium financed by the EU. In order to ensure independence, would the Commission include experts from outside the Community?

- (d) While the Commission has explained that the RED Directive does not restrict imports of palm oil, Indonesia is of the view that the biofuel market in Europe is shaped by the RED Directive in terms of default values and financial support provided and that there is no meaningful market outside of the mandatory targets being set for the use of biofuels. In this respect, could the Commission confirm, based on independent market information, that there is a EU biofuel market outside of the market created and shaped by the RED Directive?
  - (e) In accordance to article 16.4, would the Commission explain the number of voluntary schemes that have been recognized to demonstrate compliance to the sustainability criteria set out? Could the Commission further explain the duration of the assessment process before a Commission decision is made?
  - (f) In accordance to article 16.4, would the Commission explain whether bilateral agreements are being negotiated and/or have been concluded with third countries to meet the sustainability criteria?
  - (g) Based on the article 19 paragraph 6, the Commission shall, by 31 December 2010, submit a report to the European Parliament and to the Council reviewing the impact of indirect land-use change on greenhouse gas emissions and addressing ways to minimize that impact by 31 December 2010. Indonesia would like to know about the report and ask whether the report is open to the public?
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