



EPP Ministers of Agriculture
EPP Ministers of Environment

To Commissioner of Environment, Water Resilience and a Competitive Circular Economy, Ms Jessika Roswall

We, as EPP ministers, are delighted that the Commission has taken on to renew the EU's Bioeconomy Strategy. Amid global challenges, bioeconomy is one of the focal keys to improve EU's competitiveness. It holds great potential to create new jobs, innovate and offer sustainable alternatives to fossil-based products while simultaneously strengthening the EU's resilience and security of supply. **The EU needs an ambitious bioeconomy strategy that strives for competitiveness as its key objective.** Focus should be to accelerate the growth of sustainable bioeconomy and increase its value added by ensuring investment security with long- term and coherent policies. The ecological, social and economic sustainability of bioresources as well as biodiversity are a necessary and undeniable starting point for the bioeconomy strategy.

To make the new Bioeconomy Strategy relevant and up to date, the following aspects need to be reflected in the new strategy.

Regulatory environment:

It is necessary to enhance competitiveness of the EU's bioeconomy by **simplifying regulation**, by **speeding up approval procedures** for bio-based products, including the possibility of recognition for use of biopesticides in all Member States and those produced with biotechnologies in accordance (with existing single market rules), and by **reducing administrative burden** to support investments in the sector. The strategy **should aim to increase the value added** of bio-based products and services. To realize bioeconomy's potential for the EU, **predictable and stable operating environment**, in which regulatory and administrative burden is kept to a minimum level is needed.

Cumulative impacts of existing legislation affecting the bioeconomy need to be assessed. In recent years, the Commission has introduced dozens of initiatives, primarily legislative measures, impacting the bioeconomy. It is important to carefully assess existing measures before preparing new legislation. **All new legislative initiatives should include thorough, timely, and high-quality impact assessments** which take carefully into consideration the impacts on competitiveness in the sector. In the spirit of simplification, all new proposals must be carefully considered and well justified.

Competitive bioeconomy can also be achieved by emphasizing the **horizontal integration of the bioeconomy across various policy** instruments aiming for **policy coherence**.

Innovation and investments:

As highlighted, regulatory environment must be **supportive to innovation** and investments in bioeconomy. Commercialization of new breakthrough technologies is challenging and typically involves building first industrial deployment factory (building on innovation beyond the state of the art), which has higher cost compared to existing technologies. Start-ups are most active in product development but struggle to find funding for the next growth stage. In the current situation, companies are sold outside Europe at an early stage, and therefore it is critical that suitable financing instruments are considered.

Possible new legislation on bioeconomy R&D could be modelled on the **framework provided by research and innovation Joint Undertakings, steering industry's R&D priorities** at the European scale, **testing environments and pilot lines**, as well as **financing**. More value added can also be generated through **industrial symbiosis**.

The EU's future measures and policies, such as the priorities of EU R&D funding instruments, should allow **development of variety of different sustainable technologies for bioeconomy** and aim to encourage innovations of highest quality and greatest potential impact.

Supporting resilience, security of supply and substitution while enhancing clean transition:

Investments in bio-based industries **strengthen the EU's resilience and sustainability** through the bioeconomy. Bioeconomy can both **reduce the EU's dependence on non-renewable and fossil-based raw materials and energy (substitution)** and improve **resource efficiency** and **system resilience, thus contributing to the EU's strategic autonomy in key sectors such as energy and protein supply**. Bioeconomy development also **boosts the EU's security of supply by reducing critical dependencies**.

The role of bioeconomy in **mitigating and adapting to climate change** as well as in enhancing **security of supply** of renewable raw material in Europe should be recognized. Aligning the EU bioeconomy strategy with the climate objectives can also promote the competitiveness of the EU. It is necessary that control measures, state aid regulation and financing go hand in hand while pursuing these different objectives.

The potential of extending value chains in the bioeconomy with **carbon capture, storage and utilization (CCSU) technologies** should be harnessed. By doing this, we support resource efficiency, circular economy, climate action and value creation. It is important to **create incentives for capturing of biogenic carbon** to enable achievement of ambitious climate targets and the clean transitions. Together with clean energy we can create a clean hydrogen industry which uses renewable biogenic carbon in their products, such as alternative fuels.

Rural areas and role of primary producers:

The EU bioeconomy strategy must **promote economies of rural areas in line with the EU's rural vision**. Bioeconomy promotes the **vitality of rural areas** in various ways. Most natural resources and land area used for bioeconomy products and services are in rural areas. The rural vision gives an excellent base for a comprehensive rural action plan to help rural communities and businesses reach their full potential. It is important to implement rural proofing also during the updating process of the EU bioeconomy strategy.

Aligning the EU bioeconomy strategy with the objectives of the Vision for Agriculture and Food, would be particularly beneficial for the farming and rural communities by enabling diversification of value streams, valorization of farm residues, strengthening the role of primary producers in the value chain and generating new jobs in the rural areas. By **improving the position of primary producers** and ensuring that they receive a fair share of the value of the product or service, their financial sustainability can be increased. **Education, competence development and advice services** are of outmost importance in promoting and further developing the entire bioeconomy and, in particular, in improving the status of primary producers. **Moreover, the development of bioeconomy can contribute to creating new job opportunities, which may encourage young people to remain in rural areas and actively participate in the local economy.**

Deploying local bioeconomies:

The EU should deploy local bioeconomies. According to the EU's definition, the bioeconomy covers all sectors and systems that rely on biological resources, their functions and principles. **Bioeconomy strategy should have a broad view of different biomasses** and potential to increase their value added sustainably. Type and origin of biomass used depends on the local and regional conditions in the Member States including the specific potential of the Outermost Regions of the European Union due to their unique geographical location, distinct biodiversity, and ecosystems. The Bioeconomy Strategy covers several different kinds of biomass sources.

Availability of sustainable biomass:

It is necessary to increase the availability of sustainable biomass. In contrary to fossil-based resources with limited availability, it is possible to increase the availability of sustainable biomass to a certain extent. This can be achieved, for example, by **promoting circularity** (e.g., nutrients recycling), by increasing transparency and accessibility of **information on the location of biomasses available** (such as side streams and wastes), and by means of **biotechnology**. It is important that the Commission recognises nutrient recycling as part of the circular economy and seeks to enhance the utilization of nutrient-rich biomasses such as livestock manure.

It is important to find solutions where the growth in the value added of the bioeconomy is not linked to the increasing demand for biomass. This can be achieved by increasing **resource efficiency and the use and processing of underutilized side streams** in agriculture, food, forestry, fisheries and aquaculture.

In conclusion

Finally, we believe that focusing on developing sustainable bioeconomy is one of the keys to the various challenges that the EU is facing. Therefore, it is commendable that the EPP has recognized the potential of bioeconomy and included it strongly in the work of the Commission.

Together we can achieve a better Europe for bioeconomy, which in turn contributes to a cleaner, more sustainable, more prepared and safer world. To achieve this, we must work together ensuring policy coherence. As EPP ministers responsible for agricultural and environmental policies in our countries, we are committed to work together for this common goal.