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ANNEX I to the

**COMMUNICATION FROM THE COMMISSION TO THE COUNCIL, THE
EUROPEAN PARLIAMENT, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

A Lead Market Initiative for Europe

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Action Plan for bio-based products

ACTION PLAN OF THE LEAD MARKET INITIATIVE IN THE AREA OF BIO-BASED PRODUCTS

This Action Plan describes the implementation of the Lead Market Initiative in the field of *Bio-based products: innovative use of renewable raw materials*.

Bio-based products are made from renewable, biological raw materials such as plants and trees. The market segment chosen for the specific LMI includes non-food new bio-based products and materials such as bio-plastics, bio-lubricants, surfactants, enzymes and pharmaceuticals. It excludes traditional paper and wood products, but also bio-mass as an energy source.¹ However, there are important interlinks between some bio-based products and bio-energy which influence the degree and timing of introduction of bio-products. Important interdependencies and complex value chains across a wide range of products characterise this market segment making it difficult to estimate its financial volume, although significant. The long term growth potential for bio-based products will depend on their capacity to substitute fossil-based products and to satisfy various end-used requirements at an competitive cost, to create product cycles that are neutral in terms of greenhouse gas (GHG) and to leave a smaller ecological footprint, i.e. generating less waste, using less energy and less water.²

Europe is currently well placed in the markets for innovative bio-based products, building on established knowledge and a leading technological and industrial position. Perceived uncertainty about product properties and weak market transparency however hinder the fast take-up of products.

Communication, standardisation, labelling and certification could be used to overcome this. **Environmental regulations have a clear role to play** by providing incentives for the emergence of the bio-based product market. A number of different existing Directives need to be assessed and possibly modified in order to increase efficiency while also taking into account international trade policy and ensuring realistic enforcement. Encouraging the Member States and private investors to set up **demonstration plants** could be a possible way to increase the knowledge available on the market for bio-based products. The Common Agriculture Policy also plays a key role in supporting production potential of EU agriculture allowing it to match the emerging demand for bio-products. Future revisions of the CAP could provide opportunities to examine the various elements of non-food policy in order to give positive incentives to the cultivation of crops for industrial uses, in line with the ongoing CAP reform path.

¹ Other policy initiatives cover the energy aspects.

² Assessed by [ex-ante sustainability assessments based on life cycle approaches](#).

Policy Instruments	Objectives	Actions	Timetable	Actors
Legislation	Ensure the coherent, comprehensive and coordinated development of policies and regulations that impact the development of bio-based product markets	Establish a high-level advisory group, including Member States and industry, to assist the thematic inter-service task force on bio-based products in the follow-up of the present action plan and including in the analysis of the impact of legislative proposals in relevant policy domains on the development of markets for bio-based products..	2008	EC Stakeholders
Public procurement	Encourage Green Public Procurement for bio-based products.	<p>Establish a network between public purchasers of biobased products to apply the Commission guide on public procurement for innovation, to identify good practices in the field of biobased products and promote their application across the EU.</p> <p>The network would inter alia:</p> <ul style="list-style-type: none"> – Provide an overview of standards or technical features of bio-based products – Collate a best practice catalogue and put it on the Web, – Initiate training programmes <p>Member States to consider developing milestones and roadmaps for increasing the use of bio-based products within National Action</p>	<p>2008-2010</p> <p>2008-2009</p>	<p>EC Member States Industry</p> <p>Member States</p>

Policy Instruments	Objectives	Actions	Timetable	Actors
		Plans on Green Public Procurement.		
Standardisation, Labelling, Certification	Aggregate demand for bio-based products through a coordinated approach for standard setting and labelling.	<p>Establish standards/labels for specific bio-based products involving all relevant actors by:</p> <ul style="list-style-type: none"> – analysing potential for bio-based products standards/labels, – launching a mandate to CEN, in co-operation with Commission services – developing standards/labels, including cost-effective assessment criteria and procedures, building upon the current work of the European Platform on Life-Cycle-Assessment – proposing a first set of standard. 	<p>2008</p> <p>2008</p> <p>2008-2011</p> <p>by 2010</p>	<p>EC</p> <p>CEN</p> <p>Industry</p> <p>Other stakeholders</p>
Complementary Actions	Communication of policies regarding bio-based products as well as the benefits of bio-based products.	Conduct an information campaign via different media with focus on SMEs.	2008-2012	EC
	Support access to finance for R&D&I.	Promote the establishment of strategically important bio-refinery pilot plants and demonstrators involving all actors and investments at EU, national and regional level.	2008-2010	EC Member States Stakeholders