

Directive 98/70/EC of the European Parliament and of the Council of 13 October 1998 relating to the quality of petrol and diesel fuels and amending Council Directive 93/12/EEC

*[<sup>F1</sup>Article 7c*

**Verification of compliance with the sustainability criteria for biofuels**

1 Where biofuels are to be taken into account for the purposes of Article 7a, Member States shall require economic operators to show that the sustainability criteria set out in Article 7b(2) to (5) have been fulfilled. For that purpose they shall require economic operators to use a mass balance system which:

- a allows consignments of raw material or biofuel with differing sustainability characteristics to be mixed;
- b requires information about the sustainability characteristics and sizes of the consignments referred to in point (a) to remain assigned to the mixture; and
- c provides for the sum of all consignments withdrawn from the mixture to be described as having the same sustainability characteristics, in the same quantities, as the sum of all consignments added to the mixture.

2 The Commission shall report to the European Parliament and the Council in 2010 and 2012 on the operation of the mass balance verification method described in paragraph 1 and on the potential for allowing for other verification methods in relation to some or all types of raw material or biofuels. In its assessment the Commission shall consider those verification methods in which information about sustainability characteristics need not remain physically assigned to particular consignments or mixtures. The assessment shall take into account the need to maintain the integrity and effectiveness of the verification system while avoiding the imposition of an unreasonable burden on industry. The report shall be accompanied, where appropriate, by proposals to the European Parliament and the Council, concerning the use of other verification methods.

3 Member States shall take measures to ensure that economic operators submit reliable information and make available to the Member State, on request, the data that were used to develop the information. Member States shall require economic operators to arrange for an adequate standard of independent auditing of the information submitted, and to provide evidence that this has been done. The auditing shall verify that the systems used by economic operators are accurate, reliable and protected against fraud. It shall evaluate the frequency and methodology of sampling and the robustness of the data.

The information referred to in the first subparagraph shall include in particular information on compliance with the sustainability criteria set out in Article 7b(2) to (5), appropriate and relevant information on measures taken for soil, water and air protection, the restoration of degraded land, the avoidance of excessive water consumption in areas where water is scarce, and appropriate and relevant information concerning measures taken in order to take into account the issues referred to in the second subparagraph of Article 7b(7).

[<sup>F2</sup>The Commission shall adopt implementing acts in accordance with the examination procedure referred to in Article 11(3), to establish the list of appropriate and relevant information referred to in the first two subparagraphs of this paragraph. The Commission shall ensure, in particular, that the provision of that information does not

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represent an excessive administrative burden for operators in general or for smallholder farmers, producer organisations and cooperatives in particular.]

The obligations laid down in this paragraph shall apply whether the biofuels are produced within the Community or imported.

Member States shall submit to the Commission in aggregated form, the information referred to in the first subparagraph. The Commission shall publish that information on the transparency platform referred to in Article 24 of Directive 2009/28/EC in summary form preserving the confidentiality of commercially sensitive information.

4 The Community shall endeavour to conclude bilateral or multilateral agreements with third countries containing provisions on sustainability criteria that correspond to those in this Directive. Where the Community has concluded agreements containing provisions relating to matters covered by the sustainability criteria set out in Article 7b(2) to (5), the Commission may decide that those agreements demonstrate that biofuels produced from raw materials cultivated in those countries comply with the sustainability criteria in question. When those agreements are concluded, due consideration shall be given to measures taken for the conservation of areas that provide, in critical situations, basic ecosystem services (such as watershed protection and erosion control), for soil, water and air protection, indirect land-use changes, the restoration of degraded land, the avoidance of excessive water consumption in areas where water is scarce and to the issues referred to in the second subparagraph of Article 7b(7).

The Commission may decide that voluntary national or international schemes setting standards for the production of biomass products contain accurate data for the purposes of Article 7b(2) or demonstrate that consignments of biofuel comply with the sustainability criteria set out in Article 7b(3) to (5). The Commission may decide that those schemes contain accurate data for the purposes of information on measures taken for the conservation of areas that provide, in critical situations, basic ecosystem services (such as watershed protection and erosion control), for soil, water and air protection, the restoration of degraded land, the avoidance of excessive water consumption in areas where water is scarce and on the issues referred to in the second subparagraph of Article 7b(7). The Commission may also recognise areas for the protection of rare, threatened or endangered ecosystems or species recognised by international agreements or included in lists drawn up by intergovernmental organisations or the International Union for the Conservation of Nature for the purposes of Article 7b(3)(b)(ii).

The Commission may decide that voluntary national or international schemes to measure greenhouse gas savings contain accurate data for the purposes of Article 7b(2).

The Commission may decide that land that falls within the scope of a national or regional recovery programme aimed at improving severely degraded or heavily contaminated land fulfils the criteria referred to in point 9 of Part C of Annex IV.

5 The Commission shall adopt decisions under paragraph 4 only if the agreement or scheme in question meets adequate standards of reliability, transparency and independent auditing. Schemes to measure greenhouse gas savings shall also comply with the methodological requirements in Annex IV. Lists of areas of high biodiversity value as referred to in Article 7b(3)(b)(ii) shall meet adequate standards of objectivity and coherence with internationally recognised standards and provide for appropriate appeal procedures.

[<sup>F3</sup>The voluntary schemes referred to in paragraph 4 ('the voluntary schemes') shall regularly, and at least once per year, publish a list of their certification bodies used for independent auditing, indicating for each certification body by which entity or national

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public authority it was recognised and which entity or national public authority is monitoring it.

In order in particular to prevent fraud, the Commission may, on the basis of a risk analysis or the reports referred to in the second subparagraph of paragraph 6 of this Article, specify the standards of independent auditing and require all voluntary schemes to apply those standards. This shall be done by means of implementing acts adopted in accordance with the examination procedure referred to in Article 11(3). Such acts shall set a time frame by which voluntary schemes need to implement the standards. The Commission may repeal decisions recognising voluntary schemes in the event that those schemes fail to implement such standards in the time frame provided for.]

[<sup>F26</sup> Decisions under paragraph 4 of this Article shall be adopted in accordance with the examination procedure referred to in Article 11(3). Such decisions shall be valid for a period of no more than five years.

The Commission shall require that each voluntary scheme, on which a decision has been adopted under paragraph 4, submit by 6 October 2016 and annually thereafter by 30 April, a report to the Commission covering each of the points set out in the third subparagraph of this paragraph. Generally, the report shall cover the preceding calendar year. The first report shall cover at least six months from 9 September 2015. The requirement to submit a report shall apply only to voluntary schemes that have operated for at least 12 months.

By 6 April 2017, the Commission shall submit a report to the European Parliament and to the Council analysing the reports referred to in the second subparagraph of this paragraph, reviewing the operation of the agreements referred to in paragraph 4 or voluntary schemes in respect of which a decision has been adopted in accordance with this Article, and identifying best practices. The report shall be based on the best information available, including following consultations with stakeholders, and on practical experience in the application of the agreements or schemes concerned. The report shall analyse the following:

in general:

- (a) the independence, modality and frequency of audits, both in relation to what is stated on those aspects in the scheme documentation, at the time the scheme concerned was approved by the Commission, and in relation to industry best practice;
- (b) the availability of, and experience and transparency in the application of, methods for identifying and dealing with non-compliance, with particular regard to dealing with situations or allegations of serious wrongdoing on the part of members of the scheme;
- (c) transparency, particularly in relation to the accessibility of the scheme, the availability of translations in the applicable languages of the countries and regions from which raw materials originate, the accessibility of a list of certified operators and relevant certificates, and the accessibility of auditor reports;
- (d) stakeholder involvement, particularly as regards the consultation of indigenous and local communities prior to decision making during the drafting and reviewing of the scheme as well as during audits and the response given to their contributions;

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- (e) the overall robustness of the scheme, particularly in light of rules on the accreditation, qualification and independence of auditors and relevant scheme bodies;
- (f) market updates of the scheme, the amount of feedstocks and biofuels certified, by country of origin and type, the number of participants;
- (g) the ease and effectiveness of implementing a system that tracks the proofs of conformity with the sustainability criteria that the scheme gives to its member(s), such a system intended to serve as a means of preventing fraudulent activity with a view, in particular, to the detection, treatment and follow-up of suspected fraud and other irregularities and where appropriate, the number of cases of fraud or irregularities detected;

and in particular:

- (h) options for entities to be authorised to recognise and monitor certification bodies;
- (i) criteria for the recognition or accreditation of certification bodies;
- (j) rules on how the monitoring of the certification bodies is to be conducted;
- (k) ways to facilitate or improve the promotion of best practice.

A Member State may notify its national scheme to the Commission. The Commission shall give priority to the assessment of such a scheme. A decision on the compliance of such a notified national scheme with the conditions set out in this Directive shall be adopted in accordance with the examination procedure referred to in Article 11(3), in order to facilitate mutual bilateral and multilateral recognition of schemes for verification of compliance with the sustainability criteria for biofuels. Where the decision is positive, schemes established in accordance with this Article shall not refuse mutual recognition with that Member State's scheme as regards the verification of compliance with the sustainability criteria set out in Article 7b(2) to (5).]

7 When an economic operator provides proof or data obtained in accordance with an agreement or scheme that has been the subject of a decision under paragraph 4, to the extent covered by that decision, a Member State shall not require the supplier to provide further evidence of compliance with the sustainability criteria set out in Article 7b(2) to (5) nor information on measures referred to in the second subparagraph of paragraph 3 of this Article.

[<sup>F28</sup> At the request of a Member State or on its own initiative, the Commission shall examine the application of Article 7b in relation to a source of biofuel and, within six months of receipt of a request decide, in accordance with the examination procedure referred to in Article 11(3), whether the Member State concerned may take biofuel from that source into account for the purposes of Article 7a.]

9 By 31 December 2012, the Commission shall report to the European Parliament and to the Council on:

- a the effectiveness of the system in place for the provision of information on sustainability criteria; and
- b whether it is feasible and appropriate to introduce mandatory requirements in relation to air, soil or water protection, taking into account the latest scientific evidence and the Community's international obligations.

The Commission shall, if appropriate, propose corrective action.]

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### Textual Amendments

- F1** Inserted by Directive 2009/30/EC of the European Parliament and of the Council of 23 April 2009 amending Directive 98/70/EC as regards the specification of petrol, diesel and gas-oil and introducing a mechanism to monitor and reduce greenhouse gas emissions and amending Council Directive 1999/32/EC as regards the specification of fuel used by inland waterway vessels and repealing Directive 93/12/EEC (Text with EEA relevance).
- F2** Substituted by Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources (Text with EEA relevance).
- F3** Inserted by Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources (Text with EEA relevance).