



Ministeriet for Grøn Trepert  
Departementet

J.nr. 2025-1356

June 23th 2025

## **Consultation response from Denmark:**

### **EU-Commission New Bioeconomy Strategy –**

#### **Towards a Circular, Regenerative, and Competitive Bioeconomy**

The European bioeconomy stands at a critical crossroads. With mounting challenges such as climate change, resource depletion, and increasing global competition, there is an urgent need for the EU to accelerate its transition towards a sustainable, innovative, and circular bioeconomy. This transition can contribute to the EU's climate targets by 2030 and climate neutrality by 2050, but not at least for securing long-term economic growth and EU's competitiveness.

In particular, the growing global competition from especially the United States and China underscores the pressing need for the EU to strengthen its position as a leader in bio-based innovation and sustainable development. If we do not take action right now, EU risks falling behind in the global competition for technological innovation and economic leadership in this key sector.

Denmark therefore welcomes a new Bioeconomy Strategy as it is important for safeguarding the EU's competitiveness, resilience and green transition. Denmark views the future strategy as a key opportunity to:

- 1) Ensure EU's food, feed, material, pharmaceutical and energy security by enhancing a responsible, efficient and sustainable production and consumption of renewable biological resources, and thereby addressing the biomass availability gap.
- 2) Create growth and new jobs in rural areas in all European countries by developing innovative high value products and processes, new markets as well as diversifying income opportunities for primary producers.
- 3) Deliver on climate targets, accelerate decarbonisation and support development of landscapes that are resilient towards climate change, protect biodiversity as well as deliver on water security.
- 4) Secure the competitiveness of the EU Bioeconomy and foster a strong European investment environment.

In order to develop a circular, efficient, and sustainable value chain for the Bioeconomy sector, Denmark proposes that the coming Bioeconomy Strategy should include the whole bio-based value chain also the health, microbiology, food and ingredients sector and have a strong focus on three issues:

- 1) scale up
- 2) cascading use
- 3) market pull

**Scale up:** In order to scale up the production of sustainable biomass, bio-based products as well as bio-based technological solutions to ensure EU competitiveness on global markets, it is important to:

- Improve and simplify access to finance for scaling up and developing test, demonstration and production facilities as well as infrastructure in the Bioeconomy sector by:
  - Addressing the late-stage funding gap through the Capital Markets Union and increase use of de-risking tools, tailoring EU financial instruments and simplify the application procedure for EU funds towards
  - large-scale logistic, agricultural technologies and biotech projects etc. and support clusters and centers of excellence.
  - Analyzing possible models for a European life science investment fund, with the goal of establishing the fund through the European Investment Fund (EIF) in order to attract institutional investors that primarily invest in local venture funds and secondly include syndication investments in life science companies.
- Create and invest in a limited number of European world-class innovation hubs to gain critical mass to rival the size, appeal and impact of major US hubs.
- Create better synergies with national and regional funding instruments.
- Continue to support research and innovation in new types of biotechnology, synthetic biology and molecular engineering for improved biological processing, biological production and new bio-based high value products.
- Ensure framework conditions for the replication of best-case projects e.g. flagship projects.
- Diversified biomass supply since large scale monocultures can lead to biodiversity loss, soil degradation, and water resource depletion and biodiversity is crucial for the future biomass supply as well as the future of the Bioeconomy sector.
- In order to promote innovation-friendly regulation within key regulatory frameworks such as Novel Food, New Genomic Techniques (NGT), REACH, feed additives, animal by-products, and Biocides. Concretely, we encourage the Commission to:
  - Eliminate unnecessary administrative burdens without compromising safety for humans, animals, nature and the environment.
  - Take initiatives to propose a new regulation concerning New Genomic Techniques (NGTs) in microorganisms.
  - Support regulatory sandboxes to test novel products, production methods and business models in collaboration with regulators, enabling faster market entry and regulatory learning.
- Streamline approval procedures in order to reduce “time to market” for bio-based solutions within different product groups e.g. Novel Food, plant

protection products, feed additives and Biocides. This could be done by pursuing the following actions:

- Consider the possibility and effects of introducing a fast-track approval procedure dedicated to microbiological and bio-based solutions for example via EFSA.
- Consider introducing Generally Recognized As Safe (GRAS)-like procedures for selected biotech application .
- Enforce stricter assessment deadlines.
- Strengthen pre-submission guidance on data, testing and protocols.
- Shift approval focus more toward end products instead of process.

**Cascading use:** Cascading use of biomass can contribute towards reducing the expected biomass availability gap and simultaneously contribute to reducing the dependency of fossil resources and enhance a responsible and sustainable use of renewable biological resources for both food, feed, energy, materials and carbon storage. Therefore, it is important to:

- Promote cascading use of biomass as a core principle in energy, food and industry through regulation or other incentives to maximize the value of biomass.
- Adopt principles from circular economy like reduce, reuse and recycle in the Bioeconomy and cascading principles to extend the value of bio-based materials and reduces the need for virgin biomass and waste generation.
- Harmonize the implementation of the cascading principle across Member States and provide guidelines for regulators on how to promote the Bioeconomy without risking unsustainable production and use of biomass.
- Strengthen the Single Market and increase awareness among Member States regarding biomass availability and responsible use through development of a better and simple EU biomass monitoring and availability system.
- Provide guidelines for regulators on how to promote the Bioeconomy without risking unsustainable biomass pathways.
- Promote sustainable and regenerative land use and cascading use as part of the implementation of the Regulation on nature restoration (2024/1991) with a specific focus on including the principles of cascading use in the delivery on targets regarding agriculture ecosystems in the context of the National Restoration Plans.

**Market pull:** Biorefineries, cascading use and bio-based products must be incentivized in order to establish a level-playing field compared to petrochemical refineries and create bio-based value chains which are compliant with the principle of cascading use. The transition towards more plant-based food and ingredients and bio-based solutions will contribute towards a more sustainable use of responsibly produced biomass as well as growth and jobs in rural areas. Further developing simple and streamlined monitoring, reporting and verification (MRV) to better

account for e.g. carbon removal effects is important to support the development of the market. The market pull could be strengthened through:

- Financial or other incentives to use bio-based products as for example carbon displacements/blend-in/circular use. It would be relevant to specifically look at e.g.:
  - Development of technical screening criteria for biotechnological climate solutions as enabling technologies based on the framework developed by the Technical Working Group for enabling technologies, in the context of the EU Taxonomy.
  - Promote production with less use of natural resources by actively leveraging the provisions of the Ecodesign for Sustainable Products Regulation (ESPR) to set requirements for recycled content and product repairability.
  - Promote uniform regulation, measures and policy coherence at EU-level of GHG emissions from the agricultural sector.
  - Support the development of simple and streamlined monitoring, reporting and verification (MRV) for bio-based products and materials to better account for carbon removal effects.
- Strengthened farm level participation in the bio-economy to increase new revenue streams for farmers while increasing decarbonization, reduced negative impact on biodiversity as well as a sustainable and responsible production, consumption and land-use through e.g. LCA. This could include:
  - Rewarding farmers to deliver eco-system services.
  - Introducing carbon pricing mechanisms in the land sector to incentivize farm level participation in the bio-economy.
  - Allowing farmers to capitalize on carbon farming initiatives, such as reduced levels of GHG emissions or carbon sequestration.
- Increased earmarking for decarbonization, biodiversity and environmental efforts in the Common Agricultural Policy across the EU.
- Development of an EU action plan on plant-based foods and focus on diversification of supply of proteins for feed and food.

Finally, it is important that the Bioeconomy Strategy seeks synergy with the upcoming Strategy for European Life Sciences and the Bioeconomy Strategy should seek inspiration in recommendations from the Danish Life Science Council, as a number of these recommendations are also highly relevant for a forthcoming Bioeconomy strategy. Not at least the strategy should ensure a coordinated effort across public and private stakeholders, have a holistic approach and cover the entire ecosystem and focus on development of the strategy with a cross-sectoral approach and organization across DGs in the Commission.