

Roundtable on Sustainable Biofuels

An initiative of the EPFL Energy Center



Paper 2 for SOC WG Meeting, September 10, 2007 Proposal for Draft Principles on Social Impacts

1. Overview and Goals of the meeting

- SOC Working Group is asked to discuss questions and recommendations throughout the document, with the goal of recommending changes to draft principles (summarized at the end of this document) to the RSB Steering Board.
- WG asked to comment on timeline of workplan.

2. Background and participation

The Working Group on Social Impacts was launched in July 2007, and its first objective is to review the original principles regarding social issues suggested by the Steering Board, and recommend changes to be made for the second round of global stakeholder comments (to take place from October to December of this year). For this paper, the Secretariat has integrated all the remarks, comments and suggestions into a new version of the principles. 33 Working Group members gave comments via the questionnaire, and an additional nine via the Bioenergy Wiki or in person.

The active contributions are much less than would be expected given the number of registered participants in this Working Group (84 as of the 31st of August!) We did, however, receive a good diversity of comments, and the questionnaires were used to feed into the discussion as well. From October to December there will be a second round of feedback on principles, so those who have not yet been able to give feedback will have another chance.

3. Draft principles to be discussed in the SOC Working Group

The Steering Board asked the SOC Working Group to discuss feedback received on the draft principles related to social impacts of biofuels production, and recommend changes to them for a second round of stakeholder feedback. The specific principles for discussion are as follows:

- (1) Biomass production should comply with all local and national laws, including labor laws and recognizing land and water rights. If such legislation does not exist, international norms shall be the reference.
- (8) Biomass production should contribute to the well-being of communities, workers and rural populations.
- (9) Biomass production should not contribute to food insecurity.

Broadly, we should consider two questions: Are any significant social impacts not covered under these principles? And, could the wording or structure of the current principles be improved? We must balance the need to keep the principles brief and over-arching with the need to ensure that all main issues of concern are covered.

3.1 Are any social issues not addressed by the current draft principles?

Most of those who gave feedback agree with the general content of these principles. One participant thought that **gender concerns** should be explicitly mentioned. A few respondents thought that biofuels should also be **economically sustainable**, but the Steering Board decided to leave this concept out of these principles, because defining ‘economic’ in two of the most controlled and subsidized markets in the world (agriculture and energy), at this stage seemed problematic. Rather, the Roundtable hopes to create a set of principles and criteria that governments could use to make policy decisions (for instance, subsidy, tax relief, or development aid decisions) affecting the economics of particular fuels.

Secretariat recommendation for discussion:

To keep the principles brief and broad, gender issues should not be referred to on the principle level, but the SOC WG should consider including them in the criteria under the principle related to community well-being.

The Environmental Impacts WG (ENV) brought up two issues that relate to our WG. The first regards potentially negative social impacts associated with the use of biotechnology (especially GMOs – genetically modified organisms) in biofuels production, specifically:

- The economic effects on farmers wishing to sell ‘GMO-free’ but whose product is contaminated by drift from neighbors using GMO products.
- The economic impacts of irreversible ‘locking-in’ farmers into expensive technologies (for instance, if traditional seeds/farming methods are lost).
- Pollution of air, soil and water resources with genetically altered material, which could have negative effects on human health (which can of course also be the case with other pollutants, e.g. pesticides).

Many of these concerns will be addressed in the ENV WG criteria work on preventing pollution and drift, which will likely require best practice when using biotechnology. The ENV group is currently working on a re-wording of the principle related to biotechnology – the current recommendation stands as such:

“The use of biotechnologies for biofuel production should improve their social and/or environmental performance, and always be consistent with national or international biosafety protocols.”

While this principle will remain in the workplan of the ENV Working Group, the ENV group recommended that the SOC Working Group address these potential social impacts in our workplan as well.

Secretariat suggestion for discussion:

SOC WG should recommend experts in the area of social impacts of biotechnology use to participate in the ENV WG’s Expert Group on Biotechnology, and get updates regarding how social issues are being addressed there. Please send any recommendations for experts to Annie.Sugrue@epfl.ch.

SOC WG should consider referring to best practice regarding biotechnology use in the criteria under the principles related to community and worker well-being.

Finally, another social issue came up in the discussion of biofuels’ production encroaching (directly or indirectly, via displacement of other crops) into areas of ‘high conservation value’,

which mostly relates to biodiversity protection and ecosystem services provided by specific land areas, but also includes (in the definition proposed by the High Conservation Value Network):

- Areas fundamental to meeting basic needs of local communities (e.g. subsistence, health).
- Areas critical to local communities' traditional cultural identity (areas of cultural, ecological, economic or religious significance identified in cooperation with such local communities).

These types of areas could include, for instance, land where community members collect building materials, medicinal herbs, insects, or wild fruits. Converting this land to biofuel or other agricultural production would have negative socio-economic impacts that should be taken into account.

Secretariat suggestion for discussion:

While these concepts could be considered under the principle related to community well-being, the ENV WG will be working on identifying land to be conserved, so we suggest keeping this issue in the ENV WG scope of work. We suggest that the SOC WG nominate 1-2 experts in the social issues related to this field to the ENV WG Expert Group on High Conservation Value Areas, and get updates on how these concepts are being discussed there. Please send any recommendations for experts to Annie.Sugrue@epfl.ch.

3. 2 How well are the main concerns covered in the current draft of principles?

3.2.1 National law

There was some concern that national law can be weak, and that international norms can be more meaningful. One respondent thought that the UN's Universal Declaration of Human Rights should be referenced (<http://www.un.org/Overview/rights.html>).

3.2.2 Labor rights

A few respondents felt that labor rights should be explicitly mentioned in their own principle. One thought that ILO core labor standards (<http://www.labourstart.org/rights/#en>) should be referenced, while another felt that these might be too aspirational and that companies would have a hard time proving that their supply chains meet these standards.

Secretariat suggestion for discussion:

- The specific definitions of these human and labor rights (ILO, UN or other) should be defined in the criteria under this principle.
- Keep the principle regarding national law as is, but add a new principle regarding worker rights and well-being:
 - “Biofuel production should not violate fundamental human or labor rights, and should ensure worker well-being.”

3.2.3 Food security

While the issue was highlighted as an important one that should definitely be covered in these principles, we received several comments regarding scope and wording, for instance:

Scope of the principle:

- “We need to mention all four dimensions of food security.”
- “We should specify whether we mean regionally, nationally, or globally.” (A few felt that global food security is the accurate reference case).

It was clear that food security is mostly an ‘indirect’ effect of biofuels production, and that the phrase ‘directly or indirectly’ should be added to the principle.

Question for discussion:

Do WG members agree that the definition and indicators of food security should be defined on the criteria, not principle, level?
Do WG members agree that local, regional, and global impacts on food security are all of concern? Should we mention this scale at the principle level, or does adding the phrase ‘directly or indirectly’ imply a global scale? (Note: ENV Working Group does not specify geographic scale of impacts at the principle level.)

Aspirational/unrealistic tone of the principle:

- “In our commercial world where food crop production is often a commercial activity . . . , the expectations that food production areas cannot convert, or that food stuff prices cannot change, are not realistic.”
- Another also thought the wording was too restrictive, and suggested: “Biofuels should be used with respect for food supply”.
- One respondent thought that emphasizing protecting the poor and less powerful from transitional aspects of biofuels production (for instance, rising food prices) was a better focus.

The ENV Working Group has also debated whether the principles should be kept aspirational (and thus likely unattainable, but at least indicating the direction in which everyone should move), or more positive. The idea of **aspirational principles** seemed to be shared among a majority of stakeholders, as long as the subsequent criteria and indicators are rather concrete, realistic and realisable. By definition, a principle is an idealistic vision and this is why the formulation “should” is used at this level. By saying that biofuel production should not contribute to food insecurity, we define a frame and send a clear message to the agriculture and industry sectors about our aspiration.

At the criteria level, however, we must show some realism about the current situation, and also explore tools for measuring and mitigating negative impacts. For instance, farm or supply-chain certification is pretty good at affecting the direct practices of farmers and companies (for instance, labor rights protection or good agricultural practices), but will be less effective at affecting indirect macroeconomic impacts like food production. The Implementation Working Group will be investigating other options for promoting these principles, but it is likely that the Social Working Group will also want to discuss these when they discuss principles like food security, which are more difficult for individual farms or companies to affect.

Secretariat question for discussion:

The issue of positive vs. aspirational wording will probably go to the Steering Board for advice during their next meeting. But some direction from the SOC Working Group would be welcome, as well as suggested text.

Secretariat suggested re-wording of principle:

“Biofuel production should not directly or indirectly contribute to food insecurity.”

3.2.4 Supporting rural communities

Many respondents emphasized the need to prioritize and/or protect smallholders in biofuels supply chains, and to ensure that rural communities benefit from biofuels. One thought that we should find “appropriate solutions to avoid elite-capture by powerful lobbies/multinationals interested in bio-fuels”. Another participant thought that biofuel production should not undermine self-sufficiency of local communities, or disturb local markets.

Other comments were more related to the definition of well-being of the community (e.g. “Biomass production should create social security within a community”), which should be dealt with at the criteria level under this principle.

Finally, there was a suggestion to utilize a more ‘negative’ wording in the principle:

“Biomass production **should not contribute to a deterioration** in the well-being of national populations of countries that produce biofuels.”

Secretariat questions for discussion:

- Does the current wording of ‘well-being’ cover our needs? What about ‘socio-economic development’ or ‘social security’?
- Is positive (“should contribute to positive”) or negative (“should not contribute to negative”) wording preferred?

Secretariat recommendation for discussion:

- Rewording of this principle to take out workers (as they would be covered under new labor principle) and emphasize producer community:
 - “Biofuel production should, directly or indirectly, contribute to the social and economic development of producer communities and rural populations.”

Smallholder access and promotion will be addressed in the Implementation Working Group, and we will ensure that SOC WG members are kept updated of recommendations coming out of that WG related to this subject.

4. Other wording changes

We have shifted to the term “biofuel” rather than biomass, to emphasize the choice to focus on **liquid biofuels** for the moment, whereas “biomass” covers other possible uses. As the RSB Steering Board noted when publishing the draft principles, while they hope that the principles and criteria that we develop could be applicable for any biomass production, this first

phase of the Roundtable's work will focus on the typical biomass feedstocks and supply chains used in transport fuel, as this is where much political and industrial activity is currently concentrated.

5. Synthesis

Assuming a consensual agreement from the Working Group, the new set of principles to be submitted to the Steering Board would be:

- Biofuel production should comply with all local and national laws, including labor laws and recognizing land and water rights. If such legislation does not exist, international norms shall be the reference.
- Biofuel production should not violate fundamental human or labor rights, and should ensure worker well-being.
- Biofuel production should, directly or indirectly, contribute to the social and economic development of producer communities and rural populations.
- Biofuel production should not directly or indirectly contribute to food insecurity.

There will be another chance for SOC WG members to comment on these principles during the second round of feedback, and further suggestions for re-wording could be discussed in other SOC WG meetings, but our hope is that these principles cover the main social risks and opportunities presented in biofuels production.

6. Timeline for the setting of criteria:

Oct-Dec: Rural and producer community socio-economic development
Dec-Feb: Labor rights and worker well-being
Feb-April: Food security
March-May: Land and water rights (*question for WG: should we split these up?*)

Next meeting of the SOC WG: November, 2007.