



## **The Inter-American Development Bank**

**IDB – RSB Consultation Workshop**

March 11-12, 2009 – Santo Domingo

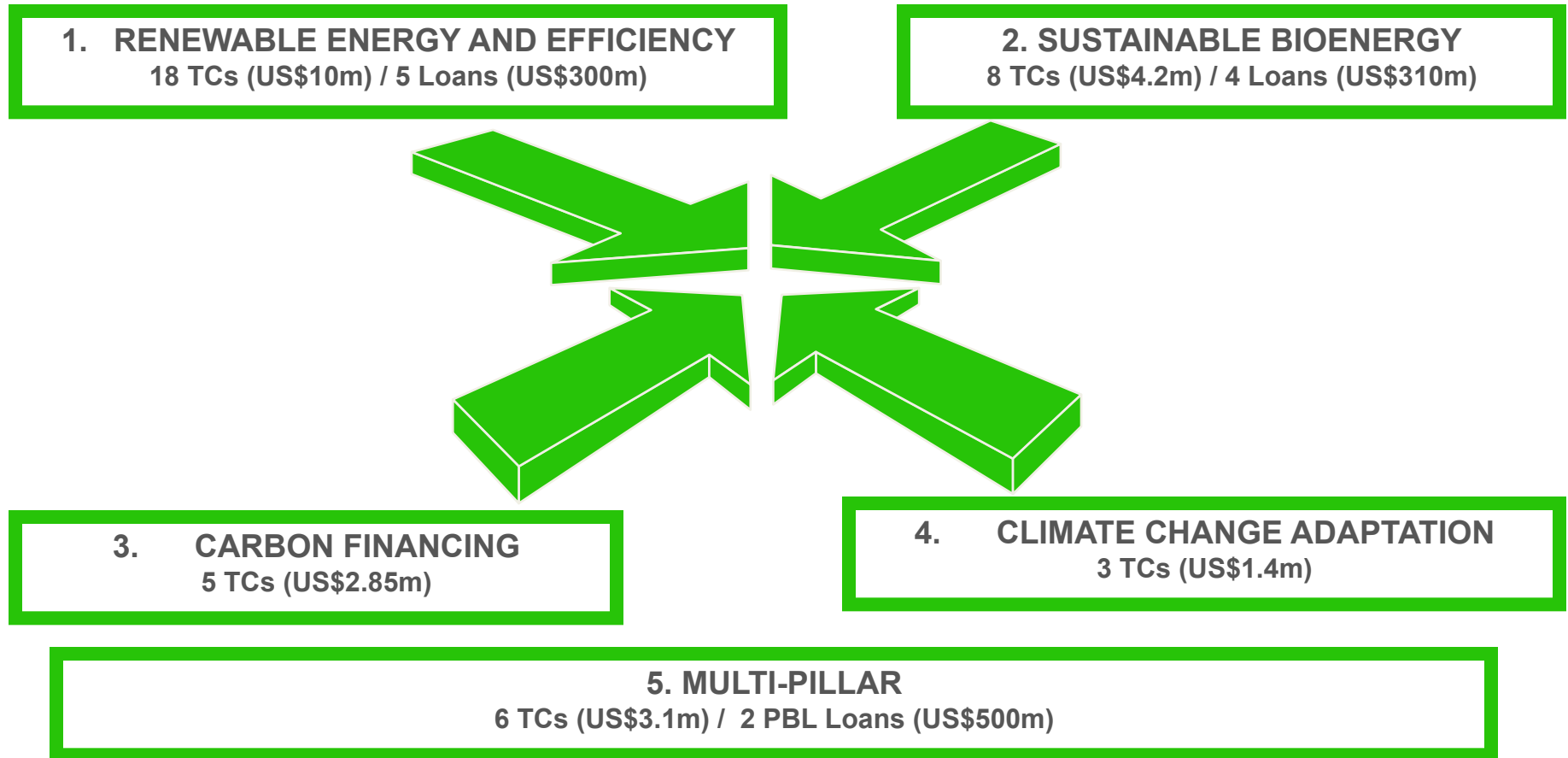
## **IDB's Sustainable Biofuels Scorecard**

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# IDB Sustainable Energy and Climate Change Initiative 2008 Activity



IDB-RSB workshop  
March 11-12, Santo Domingo

## Lessons learned

- » **Produced in a sustainable way, biofuels do offer:**
  - increased (domestic) energy security
  - cost-effective alternative to fossil fuels
  - reduction in greenhouse gas emissions
  - increase in jobs
  - reduction of rural poverty
  - cogeneration opportunities
  - twin track food and fuel
  
- » **Besides financing the private sector, necessity to provide support to the public sector, typically both Energy and Agriculture for countries to take informed decisions about the design and implementation of programs for the production and use of sustainable biofuels.**
  
- » **Decision to be taken not for or against biofuels but rather between sustainable and unsustainable ones.**

## Promoting Sustainable Biofuels

**“The lesson learned is that we have to distinguish between the various biofuel options, looking very carefully at the different feedstocks, agricultural practices and production processes to ensure that only the most sustainable biofuels are promoted: the ones that offer climate benefits while protecting biodiversity and food security”**

## Key Trends in Biofuels

- » **Increasing demand given high price of oil and climate change awareness**
- » **Moving target – scientific opinion continues to evolve**
- » **Highly complex issue with a series of trade-offs**
- » **Focus on sustainability standards, but no available tools for assessment so far**

## **IDB Supporting Investment in Sustainable Biofuels**

- » Biofuels action plans and technical cooperation**
- » Partnership with the Roundtable on Sustainable Biofuels**
- » Biofuels Sustainability Scorecard for assessing biofuels projects**

## **IDB's role in knowledge sharing and regional cooperation**

- » **Brazil-US MoU: IDB partnership to elaborate Biofuel Blueprints in Central America and the Caribbean**
  
- » **Meso-American Biofuels working group**
  - 10 countries (México, Guatemala, Belice, El Salvador, Honduras, Nicaragua, Costa Rica, Panamá, República Dominicana y Colombia)
  - 5 meetings
  - Sharing best practices and technology transfer
  - Action plans for regional initiatives for ethanol and biodiesel
  
- » **Regional stakeholder meetings with the RSB focusing on sustainability**

## IDB Support

### ★ » “Blueprints” and Action Plans for Biofuels

- suitability for production
- mapping of areas for feedstock development and production facilities
- Regulatory and legal issues

### ★ » Technical cooperation

- sustainability standards,
- Clean Development Mechanism credits;
- new technology utilization



## SECCI/SCF Scorecard Process

- » **High demand in biofuels**
- » **Needed a way to screen for the “best” projects**
- » **Sought internal and external feedback from academics, environmental NGOs, financial institutions, investors, and biofuels project developers in the US, EU, and in LAC**
- » **Launched the Scorecard on 9th of September at 4th Annual Western Hemisphere Energy Security and Cooperation Forum, hosted at IDB.**
- » **A 6-month broad public consultation period has begun with the posting of the Scorecard on the website**

## Scorecard Scope

- » **IDB knowledge product developed for use by financial institutions, investors/developers, and IDB at all stages of project lifecycle**
  - Government entities, NGOs, and other members of biofuels community also expected to benefit from Scorecard
- » **Thinking tool for how to address environmental and social sustainability issues**
  - Does not provide a single score
  - Fosters communication with clients about specific sustainability issues related to biofuels
  - Not a replacement for environmental and social due diligence
- » **Addresses complex issues in an organized and visual way**
  - Color map allows user to assess sustainability of project, including key trade-offs

## Scorecard Use

- » **Colors used to designate rating from excellent to unsatisfactory**
- » **If red (unsatisfactory), project should not be pursued**
- » **Promote discussions about sustainability issues at an early stage**
- » **Framework for providing clients with guidance on sustainability throughout project lifecycle**
- » **Already used to improve the sustainability of various biofuel projects**
- » **Anticipate potential obstacles (future regulations, import restrictions, community response, etc.)**
- » **Complimentary to environmental and social due diligence process**

# Biofuels Sustainability Scorecard

[www.iadb.org/scorecard/](http://www.iadb.org/scorecard/)

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