Roundtable on Sustainable Biofuels

An initiative of the EPFL Energy Center

ÉCOLE POLYTECHNIQUE
FÉDÉRALE DE LAUSANNE

Implementation Working Group
Background Paper 2 - For 21 February 2008 Teleconference

1. Meeting details

21 February, 2008, 15-16:00 GMT (London time - please check www.timeanddate.com for your local time).
Please fill out the Doodle poll if you will be attending:
http://www.doodle.ch/participation.html?pollId=wnvkvxsm93c29tzw

Chair: Alan Knight, Virgin Group
Coordinator: Charlotte Opal, Roundtable Secretariat

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If you will not be able to dial one of these numbers, please e-mail charlotte.opal@epfl.ch by February 20th so that we can arrange to conference you in.

Participant Access code: 112225#

Agenda:

1. Scorecard concept. (40 minutes)
2. Letter from the Environmental Impacts Working Group. (20 minutes)

2. Scorecard concept

The Steering Board has endorsed the concept of creating a **Sustainability Scorecard** for biofuels, which could be used to compare different supply chains' performance against the RSB principles, and to encourage performance improvements.

Please note that at this point, we are not discussing *how* performance will be evaluated – whether this will be through voluntary self-audits, third-party certification, or other means. This is obviously a topic of huge importance, to be discussed in a separate Implementation Working Group meeting. For now, the RSB Secretariat would like to leave the question of how the activities will be monitored open, and concentrate on the structure of the standards, specifically how we might account for and reward better performance using a scorecard mechanism.

A graphic representation of the scorecard concept is presented at the end of this document (the indicators are just examples and have not yet been approved by the appropriate Working Groups). Within the scorecard, each principle would have a 'red line' of performance below which no biofuel must score. For instance, on the principle related to labor rights, child labor would be considered an unacceptable, red-lined activity – its use would constitute an 'unsustainable' biofuel. On the biodiversity principle, harming high conservation value areas would also be considered unacceptable. A biofuel must thus score above the 'red line' minimum requirements in each principle to be considered acceptable.

Above this red line, the scorecard would allow truly excellent practice to score higher than average/acceptable practice. For instance, a 70% reduction in CO2 emissions vs. fossil fuel would score higher than a 20% reduction. Sourcing from small producers at good prices would receive a high score on the rural and social development principle. Already existing standards could then be benchmarked against this scorecard, to allow easy recognition of other certifications and avoid requiring multiple certifications. (For instance, an organic certification might automatically score well on certain environmental criteria.)

Once a supply chain has been evaluated against the scorecard, it will be clear in which areas performance can be improved. We would like to explore with the Implementation WG how to encourage actors to improve their performance and achieve better and better scores, to start to develop some implementation recommendations to the RSB Steering Board.

Examples of how other systems encourage and measure improvement

'Continuous improvement' is a core concept in nearly all sustainable agriculture schemes, and achieving it has been tackled in various ways. Below are just a few examples.

- **Common Code for the Coffee Community (4C).** This is a code of conduct for mainstream coffee companies, launched in 2004. The 4C initiative first developed a list of unacceptable practices mostly related to labor and human rights and illegal activities, including protecting conservation zones. For other practices, they created a 'traffic light' system of red, yellow, and green behaviour for each principle. For instance, within the Biodiversity category, the 4C principle "Native flora is protected and enhanced" has the following (paraphrased) traffic light assignments :

    - *Red:* Irreversible, destructive exploitation of native flora.
    - *Yellow:* No exploitation of native flora or watersheds on the farm is evident, and a strategy to protect and enhance native flora is developed.
    - *Green:* Native flora including watersheds and biodiversity habitats are protected and enhanced.

4C members must score an average of yellow, gradually phasing out 'red' behaviours and introducing more 'green' behaviours. The concept applies to individual members (for instance, a coffee plantation or cooperative) to improve their on-farm performance, as well as corporate members (importers, exporters, and coffee roasters), who need to improve the average performance of their supply chains. For more information on the 4C standards, please visit www.sustainable-coffee.net.

- **Fair Trade Labelling (FLO).** The Fair Trade label is a product and producer certification that mainly aims to secure better pricing and direct market access for disadvantaged producers of coffee, bananas, cocoa, and other commodities. FLO's standards include minimum requirements and progress requirements. All actors must comply with minimum requirements, and gradually over time comply with progress requirements. As an example, some minimum and progress requirements for the principle related to agrochemical use are given below.

    - *Minimum requirement.* Materials on the FLO Prohibited Materials List are not used or otherwise sold, handled, or distributed by the company.
    - *Progress requirement.* The company demonstrates a continual reduction in the toxicity and use of agrochemicals and a continual improvement in its rational use to the greatest possible extent.

  FLO is developing timelines to make sure that certified farms move through the progress requirements. For more information on Fair Trade standards, please visit www.fairtrade.net.

- **Sustainable Agriculture Standard.** This is a producer certification system (often accompanied by the 'Rainforest Alliance' product label) that promotes sustainable agriculture in food commodities and forest products. Their criteria include 'Critical Criteria', which are minimum requirements that all producers must meet, and other general criteria. Some criteria related to the principle on Ecosystem Conservation are presented below.

    - *Critical criterion.* The farm must maintain the integrity of aquatic or terrestrial ecosystems inside and outside of the farm, and must not permit their destruction or alteration as a result of management or production activities on the farm.
    - *General criterion.* There must be a minimum separation of production areas from natural ecosystems where chemical products are not used.

  On each principle, producers must comply with all critical criteria and 50% of the other criteria, as well as 80% of all criteria overall. (Thus weaker performance on one principle could be balanced by excellent performance on another, for an average score of 80%). For more information, please visit www.rainforest-alliance.org/programs/agriculture.

Proposal for IMP WG

Following are some implementation principles that the IMP WG should discuss, with the aim of making overall recommendations to the Steering Board. If these principles are endorsed, the exact thresholds and progress requirements can be developed by a small Expert Group and then discussed again by the larger Implementation Working Group.

1. **Producers** could be required to improve over time or as their capacities (for instance, income) allow, up to the best-practice potential of their particular supply chain. This would require the RSB to define crop-specific better-practices and develop guidance for producers for how to improve performance (for instance, how to reduce energy inputs). Rather than develop new guidelines we would aim to recognize other definitions of crop-specific better practices where they exist (for instance, those being developed in the Roundtable on Sustainable Palm Oil).
2. **Buyers** could be required to buy a higher and higher percentage of 'green' fuels over time, as a condition of membership or participation in the RSB. This would create a market for better-performing fuels.
3. **Governments** could be encouraged to link biofuel subsidies to better performance (scores).

Questions for discussion:
How does the IMP WG feel about this general direction and these implementation principles?
What other mechanisms are available to encourage better practices?
How much visibility do current actors already have in their supply chains?
Are there specific feedstocks or countries where measuring performance will be more difficult?

3. Letter from the Environmental Impacts Working Group (ENV WG)

Since October, the ENV WG has been developing criteria for the principle on conservation and biodiversity protection. Their work has resulted in some concerns regarding how the requirements to assess and protect High Conservation Value (HCV) areas can actually be implemented in the field. They have drafted a letter to the Implementation Working Group to ensure that we address their concerns in our workplan. The letter is attached separately; its main points are presented below.

1) Small producers must have lessened environmental requirements vis-à-vis large-scale producers. ENV WG requests IMP to:
   a) Define small vs. large producers;
   b) Give guidance to ENV re. which parameters are more important for small vs. large to follow; and
   c) Help small producers comply with the standards.

Proposal for discussion:
The RSB Secretariat will draft a definition of small producers and investigate how other standards-setters support their compliance. This paper should be discussed in a joint meeting of the SOC and IMP Working Group, with these groups then making recommendations to the Steering Board.

2) Governments should identify and map ecological corridors and conduct land use planning on a regional or national scale. Producers should identify and map high conservation value (HCV) areas. IMP should discuss mechanisms to allow for these activities.

3) Identify amount of land to be set aside in ecological corridors, per farmer's capacity.

Proposal for discussion:
The Secretariat is drawing up a concept note for a joint meeting of the RSB, other multi-stakeholder initiatives (for instance Roundtable on Sustainable Palm Oil, Round Table on Responsible Soy), the HCV Network, the forestry sector, and other interested parties to discuss how we can jointly collaborate to map and protect HCV areas. This conference would likely include a discussion of how best to conduct mapping exercises and tools that individual farmers can use to identify these areas, as well as other tools besides certification that can be used to protect these areas.
Would such a conference enable IMP to answer ENV WG's concerns 2 and 3?

Roundtable on Sustainable Biofuels - Draft Scorecard Concept

	Overall Energy and Greenhouse Gas Efficiency	Conservation of Natural Resources				Social Concerns	
	Total score for product life-cycle (well-to-wheel)	biodiversity	soil health	air quality	water use	Food security	Working conditions
Considerable reduction of ecological/ social footprint	Low GHG emissions, maximize carbon sequestration (e.g. low-till)	Biodiversity corridors	Use of already degraded land	No sig. impact on air quality on farm or at processing facility	No sig. impact on local water quality or quantity	Biofuels' development has positive effect on poor populations	Best-practice wages and working conditions
Small or no reduction on ecological/ social footprint	10-80% GHG emissions as compared to fossil fuel	Buffer zones	erosion protection	Moderate impact on air quality			
No or negative impact on ecological/ social footprint	High N2O emissions from fertilizers, conversion of high carbon-stock land	Deforestation, habitat encroachmt.			Water pollution, significant reduction in water availability		Hazardous or illegal working conditions

Examples shown are just illustrations of the concept and not consensus-derived – actual performance indicators would eventually be developed by the appropriate Working Groups (GHG, ENV, SOC) within the Roundtable.