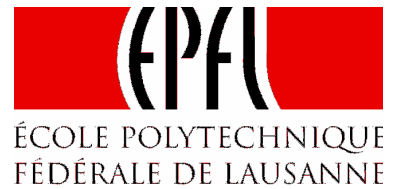


Roundtable on Sustainable Biofuels

An initiative of the EPFL Energy Center



Social Impacts (SOC) Working Group Background Paper on principle 2 – Consultation and Transparency For SOC WG meeting, November 1, 2007

During the second meeting of the Social Working Group (SOC), the issue of creating a new principle on consultation and transparency was raised; however, there was very little time to debate the idea. It was also discussed at the Steering Board (SB) meeting where some members of the SB felt it was important to include a principle on consultation.

As it stands the principle reads as follows

2. Consultation

Biofuels projects shall arise through fully transparent, consultative, and participatory processes that involve all relevant stakeholders.

This short background paper seeks to provide SOC with some information from which a discussion on the principle can begin.

The discussion considered whether the principle should be a principle of *verification*, where a biofuels project initiator's statements are verified; or a principle on the general way the Roundtable operates as we draft standards; or a principle for production itself. The secretariat agrees with the strong support for the inclusion of the concept at the principle level, as principle number 2, as a broad principle that defines the way biofuels projects should be initiated and implemented, while allowing for specific exemptions.

While the word “equitably” was originally proposed it has been removed as it is not possible to ensure that all projects will provide equity and that as long as communities and stakeholders agree on outcomes, that the aspirational nature of moving towards equity will be the unstated goal.

Purpose of the principle:

Broadly speaking the principle has been introduced to ensure that potential impacts of biofuels projects are understood and any negative impacts mitigated. Potential impacts can include (but are not limited to): various land use issues such as the protection of high conservation value land, land use rights in particular those that relate to indigenous people, and other rights associated with the use of the land such as water; labour issues; other economic value derived from the land prior to the project inception; and local food security.

Social issues, in particular, are difficult to assess without consultation with affected and interested parties. Getting full buy-in from local communities and stakeholders is an important step in achieving best practice, which is why the concept has been recommended for inclusion at the aspirational principle level.

The text of the principle:

Two clear areas of concern need to be addressed in this principle:

- a) Ensuring that local and indigenous communities to have a say in the way biofuel projects are implemented, if the project will have an impact on the local or indigenous community
- b) Ensuring that local and indigenous communities are provided with adequate information in an open and transparent way so that they can identify the potential impacts that a biofuel project may have on them

While the information of all projects should be transparent, not all biofuels projects will have an impact on a local community. Some will be developed on land owned in full title by an existing farmer on her/his own land. It is clear that in that case, community consultation is not necessary, unless it is deemed so through local laws as a result of the proposed farming activity to be carried out by the farmer.

Therefore, while the principle is a necessary one to ensure sustainability it should not create an unnecessary burden on projects where consultation is not required.

The text as it stands is broad and makes no definition between a project that may have impacts and involve a local community and one that is more independent in nature. Therefore the text should be revised to take into consideration the various scenarios. The criteria that will be developed will assist to further define the projects.

Secretariat's suggested new text (with additions in bold):

*Biofuels projects shall arise, **where appropriate**, through fully transparent, consultative and participatory processes that involve all relevant stakeholders.*

Questions for discussion:

Does this inclusion of the word "where appropriate" weaken the statement or create greater inclusion of all kinds of projects? Does the Working Group agree with the proposed change in wording?

Criteria

As the principle is broad it needs to be further defined to make sure it is more inclusive of all typical situations:

Discussion to contribute towards the development of criteria:

The following are not suggested criteria but generally provide the sense of what the criteria should contain. After discussion the secretariat will compile draft criteria for further discussion.

- a) That where land used for a biofuels project is being or has been used by indigenous people or communities, whether they have customary rights or title, where such rights can be rightfully established, a fully documented stakeholder consultation process must be initiated. The purpose of the consultation is to determine the losses that may be incurred and through negotiated agreements determine the best way the community or indigenous people may benefit from the project or seek reparations for the loss.

Question: does this cover the full extent of potential land use issues that may arise?

- b) Where a farmer has full title to her/his land and all national and local laws are being complied with in terms of land use changes, no consultation regarding the biofuels project is necessary.

Question: does this provide adequately for farmers who wish to engage in biofuels projects, is the requirement too onerous?

- c) That information on biofuels projects is open and transparent, so that in the event of impacts being identified by local stakeholders, that they may be able to seek some recourse for the impacts.

Question: Do we need to define the way in which we mean open and transparent e.g. use of local languages in the text or summaries, where should they be available, in local libraries or councils? How do we exclude information that may be proprietary?

- d) Projects that cannot be clearly excluded from the consultation principle must carry out consultation processes that are open, transparent, carried out in local languages, and documented in local languages.

Question: does this cover all of the issues around consultation, does it give enough depth? Do SOC Working Group members know of reference documents for defining best practice in stakeholder consultation?

- e) An agreed process will be established to deal with grievances and complaints as they may arise throughout the lifetime of the project.

Question: is this enough for conflict resolution? Do SOC WG members have preferred grievance procedure tools that we should reference?