



Summary report of the workshop
'Opportunities and challenges of certifying and monitoring sustainable biomass',
27 June 2013, Utrecht.

Background, aims and objective

Oxfam Novib, the Netherlands Centre for Indigenous Peoples (NCIV) and CREM implemented two pilot projects in the context of the Sustainable Biomass Programmes of the Dutch NL Agency.¹ These projects focused on improving the sustainability of the production of soy and sugar cane in Mato Grosso, Brazil and palm oil in West and Central Kalimantan, Indonesia and involved close cooperation with local civil society organizations.² The aims of this workshop were to share the results of the projects and facilitate a multi-stakeholder dialogue with regard to the opportunities and challenges of certifying and monitoring sustainable biomass. A specific objective of the workshop was to identify what each of the various groups of stakeholders could do to improve the local impacts of biomass production.

1. Summary of presentations and discussion

Opportunities and challenges of certifying and monitoring sustainable biomass³

The findings of the two projects were presented in the context of the EU renewable energy policies and related discussions about the need (1) to limit land-based biomass for biofuel production, (2) to include social criteria in the EU Renewable Energy Directive (EU RED), and (3) to increase the quality of EU RED-approved certification schemes.

The project in Indonesia identified many negative social-environmental impacts of the production of palm oil on local indigenous communities as well as on smallholders resulting in a decreased local well-being. The main issues to address are respect for customary land (use) rights and the right to free, prior and informed consent (FPIC) of local indigenous communities and improved conditions for smallholders, including on landownership, access to credits, markets and technical support and fair pricing. The main outcome of this project were recommendations to improve certification of social issues.

The project in Brazil identified many negative local environmental impacts (e.g. deforestation and reduction of biodiversity, pollution due to overuse of agrotoxics and erosion) as well as negative social impacts (e.g. concentration of land ownership, poor working conditions, health problems,

¹<http://english.agentschapnl.nl/topics/sustainability/sustainable-biomass/programmes>

²The projects are titled: 1) Working towards sustainable biomass production in Mato Grosso, Brazil; and (2) Improving the social-economic impact of biomass production for local communities and indigenous peoples (Indonesia)

³Jointly presented by Leo van der Vlist of NCIV and Madelon Meijer of Oxfam Novib

compromised food security) of the production of soy and sugarcane. This project developed a tool for improved monitoring of these impacts.⁴

The following recommendations from the two projects were presented:

EU:

- Limit the contribution of land-based biofuels
- Include adequate social criteria in EU RED/ Fuel Quality Directive (FQD)
- Improve monitoring of sustainability impacts of EU RED/FQD
- Ensure robust certification systems with a high level of assurance.

EU, EU governments, companies and NGOs:

- Provide adequate funding/support for Indigenous Peoples'/Local Communities' awareness and capacity building and for supporting small-scale farmers (organization, yields, income)

EU RED approved certification systems:

- Provide robust environmental and social criteria and a high level of assurance

European importing companies:

- Only buy palm oil, soy and sugarcane certified under a robust certification system with a high level of assurance

The Indonesian government:

- Recognize customary rights of IP's and implement legal and judicial reforms
- Avoid expanding the palm oil development on IP's territories without FPIC

Palm oil companies in Indonesia:

- Respect customary rights of indigenous peoples and arrive at agreements with indigenous peoples on palm oil development on the basis of FPIC

The Brazilian government:

- Undertake integrated land use planning
- Strict regulations on pesticide use and other pollutants
- Continuous analysis of water quality (pesticides, vinasse)
- Study of incidence of diseases related to pesticides
- National programs supporting family farmers to reach the regions

⁴http://www.formad.org.br/?page_id=2515

Local impacts of biomass production: What does certification bring to the table?⁵

According to Solidaridad the negative impacts of palm oil, soy and sugarcane production are well known but are not inherent to the crop. They rather depend on the system behind it: policy and planning of land use, the regulatory framework and the capacity for implementation and enforcement. The approach of Solidaridad is to improve practices on farm level, to increase social and environmental benefits on a landscape level and to build and strengthen the institutional framework to ensure lasting change. It was pointed out that certification is a set of rules and criteria, but not a guarantee for sustainability, that depends on how it is applied, and that the quality level of the certification standard influences the certified volumes that can be achieved. Examples were presented of successful certification of soy farmers in India and the development of a supply chain for agricultural and forestry by-products from smallholder producers in Mozambique to be used for electricity and heat production. A key practical consideration was the motivation of smallholders (e.g. certificate, increased yield or premium) and their understanding of sustainability.

Survey among certifying bodies and biofuel importing companies⁶

The presentation on a survey held among certifying bodies and biofuel importing companies highlighted that auditing on social issues in certification schemes faces both systemic and practical challenges, mostly related to time constraints during the audits and the financing model: winning a tender often means being the cheapest, while a proper social audit is time consuming. Social stakeholder engagement is mentioned as difficult: people don't come to meetings or are afraid to talk. Also the fact that each system has its own training and that language in the system documents is open for interpretation are mentioned as important issues. All respondents to the survey (both auditors and biofuel importing companies) expressed a clear opinion that the multitude of the EU RED approved certification schemes is creating a race to the bottom and that the EU RED does not include safeguards for the social sustainability issues reported from the projects.

A note on the project methodologies

In Indonesia, field visits to different locations and settings were carried out, besides consulting 15 different community representatives affected by palm oil development. The sites for field visits and consulted representatives were selected by the local partner, which represents some 2,200 indigenous communities throughout Indonesia. For further detail please see the summary report: <http://www.oxfamnovib.nl/Redactie/Downloads/Rapporten/Summary%20Report%20of%20Lunch%20dialogue%20at%20the%20World%20Biofuels%20Market;%20The%20sustainability%20challenges%20of%20biomass%20certification.pdf>. In Brazil, a network of social and environmental organizations in Mato Grosso selected the sites for field research and collected the data. They did this in close operation with local communities, a labour union, indigenous peoples' representatives, small-scale farmer representatives, and representatives of the *quilombola* communities. The collective construction of the methodology for the research was intrinsically linked to skills development. The representatives of local communities (farmers, fishermen and indigenous population) co-developed the monitoring tool with the staff of the project and were trained to be able to collect the primary data in the field, and, finally, to use this information to effectively participate in policy dialogues. For further detail please see the summary report:

⁵Presented by Katie Minderhoud of Solidaridad

⁶ Presented by Sandra Seeboldt of Oxfam Novib

<http://www.oxfamnovib.nl/Redactie/Downloads/Rapporten/Summary%20Report%20of%20Lunch%20dialogue%20at%20the%20World%20Biofuels%20Market;%20The%20sustainability%20challenges%20of%20biomass%20certification.pdf>.

Discussion

Generally, there was support for the presented recommendations derived from the project findings, though there was discussion on the recommendation regarding the need to limit the contribution of land-based biofuels to achieve the target set in the EU Renewable Energy Directive. To one participant, biofuels are seen as a unique opportunity to bring sustainability to sectors where before there was no sustainability (and can, for example, improve food security). Others were of the opinion that land-based biofuels will compete with land for growing food and will therefore have a negative impact on food security⁷.

Questions asked revolved around providing more clarification regarding the final destination of produced crops included in the projects, i.e. for biofuels or for food?; whether the crops came from certified plantations; and how much of the crops were going to European markets. This information was not known to the affected communities, and could not be checked within the limited scope of the projects. It was noted by some participants that certification can also be an opportunity to contribute to solving sustainability problems instead of facilitating a 'race to the bottom'.

Clarification was also asked as to why it is important for the Brazilian communities that they produce their own food? There is good infrastructure, so they can still have access to food? It was explained that the local communities strongly feel that their way of farming and their way of life is a much more sustainable model. Besides this, their food security is heavily impacted, because of the loss of land and income as a result of the large-scale production of soy and sugarcane. This puts them in a situation where they need to buy much more expensive, lower quality (non-organic) imported food. In regions where the large-scale plantations plan to extend their territories, small-scale farmers are excluded from being able to deliver their products to school feeding programs so that they cannot make a living from their land and will give up their land to the large-scale plantations.

One participant noted that large-scale production can successfully be integrated with small-scale production, which often gives more social benefits. For example, in Mozambique 30% of the production should come from smallholders. It was suggested that perhaps the EU should put a minimum level for biofuels produced by smallholders, but this suggestion was not included in the recommendations that were later mentioned by the workshop participants (below).

Appreciation was expressed that the Solidaridad presentation pointed at some general limitations of certification. It was asked what consequences we could draw from that. What issues can be dealt with within certification systems and what has to be dealt with outside? Are we too much focused on certification? Should there be more attention to other interventions? It was noted that most of the challenges are related to issues outside the span of control of certification schemes (e.g. land use planning and national legislative or judicial frameworks) and that those are also the most difficult to resolve. The question was raised if we need to focus more on these challenges. One participant

⁷Ecofys announced that it is going to do a follow up study for the European Commission on the sustainability of the EU biofuel policies and invited NGOs to engage with them in a discussion on the way this can best be done.

expressed that a perceived trend is that companies, at least some Dutch companies, expect governments to do more than having an industry view only.

2. Recommendations per set of actors

During a discussion in 4 break-out groups, the participants identified recommendations for various groups of stakeholders with regard to improving the sustainability of biomass production. These recommendations have been discussed in a plenary session and are listed below. Please note that the long list of recommendations do not necessarily express a consensus among participants.

GOVERNMENTS OF PRODUCING COUNTRIES

- Support sustainable production of bio-based feedstock through:
 - o (1) policy making (e.g. in relation to land use planning)
 - o (2) dissemination of information (e.g. on techniques to improve sustainability)
 - o (3) raising awareness on need for sustainability
- Enforce their laws on sustainable production and on smallholder production
- Make best practice the norm through policy & legislation
- Develop regulatory frameworks with stakeholders (e.g. involve small-scale farmers into legislation. Listen and develop policies based on frontrunner companies' demands)
- Develop and implement strict and binding law against worse case wrong doers
- Integrate biofuel sustainability requirements into other sectors (e.g. wider agricultural system) and create a level playing field for biofuels and food sectors.
- Stimulate/accelerate technologies for advanced (biofuels) bio-based products
- Motivate companies to become more sustainable with a broad spectrum of instruments/subsidies/penalties/pilots/laws
- Provide capacity building in country to avoid some of the negative impacts (for example support participatory land use planning exercises).

Discussion:

Power relations between companies and governments are strong. There is a significant level of influencing policies between the two. So, if you look at governments you have to look at companies as well.

Supporting the positive examples and the frontrunners only, is not going to achieve the necessary changes in the palm oil, soy and sugarcane sectors.

EUROPEAN COMMISSION (EC)

- Include all sustainability topics in the EU RED (also social issues)

- EC lawyers' analysis of WTO rules in relation to EU sustainability requirements should be public
- Improve certification systems – set rules for the quality of the systems
- The EC should continuously review the certification schemes approved (and withdraw licenses if their performance is not good)
- EC approval processes for certification schemes should be fully transparent and allow for full stakeholder involvement and facilitation
- Currently, reporting is taking place with regard to the final certificate while this may be another certificate than used in the beginning of the supply chain that was later accepted by the final certification scheme but had a lower standard or level of assurance. This should be made more transparent or not be allowed.
- Provide funds to enable capacity building of intermediary organizations and local stakeholders to participate fully in standard setting and monitoring
- Harmonize standards and provide and apply clear methods/tools to measure impacts
- Non-certified products should be taxed
- All audit organizations involved in auditing EU RED approved certification schemes should be accredited (mandatory 3rd party accreditation) to assure monitoring of the quality of their work
- Facilitate and strengthen governance, improve monitoring of the policies and frameworks
- Formulate mandatory reporting obligations on social and environmental sustainability performance for importing companies
- Make bilateral agreements, e.g. Voluntary Partnership Agreements(VPA's), to support producing countries with their legislation. (Not sure if WTO would allow this)
- Resolve bottlenecks of legislation that prohibit implementation of sustainability requirements
- Create level playing field for biofuels and food sectors. (Don't single out biofuels as the 'culprit')
- Social issues are also environmental issues and vice versa. Look at long term social-environmental impacts and Indirect Land Use Change (ILUC). EU RED should take this seriously
- Don't behave as the old colonizer (by enforcing strict sustainability requirements)

EUROPEAN GOVERNMENTS

- Stimulate/accelerate technologies for advanced bio-based products(biofuels)

- Develop policies based on frontrunner companies' demands
- Stimulate companies to be more sustainable with broad spectrum of instruments/subsidies/penalties/pilots/laws
- Encourage certification of sustainability beyond EU as sustainability is not only a European issue, but a global issue
- Provide sufficient funding for civil society organizations and local stakeholders to participate fully in standard setting and monitoring
- Make a sustainable environment a priority issue and provide sufficient funding for it
- The EU approval processes for certification schemes should be fully transparent and need full stakeholder involvement and facilitation
- Create a level playing field for biofuels and food sectors.(Sustainability criteria beyond biofuels). Integrate biofuel sustainability requirements into other sectors (e.g. wider agricultural system)
- Stimulate more pilot projects
- Support governments in producing countries to implement sustainability requirements
- Don't point fingers to governments of producing countries: give advice in a positive way (if asked).

SCIENTIFIC INSTITUTIONS

- Make sure 'scientific' tools can be implemented on the ground
- Do more action research; learn during changing processes and participate in the change
- Do more joint research: different stakeholders, different disciplines
- Provide scientific information actively to policy makers / governments
- Collaborate with local institutions (Universities, NGOs) – implement more of a 'bottom up' approach
- Predict and research the value of residues and the social impacts of the next generation biofuels
- Stimulate/accelerate technologies for advanced (biofuels) bio-based products
- Don't point fingers: give advice in a positive way (if asked)
- Highlight and share best practices.
- Test assumptions, such as: we have to fit in the existing fuel-system. Do we?

BIOFUEL PRODUCING COMPANIES

- Provide education and training for smallholders
- Have fair negotiations with local communities and smallholders
- Implement best management practices
- Provide funds for civil society organizations and local stakeholders to participate fully in negotiations.

IMPORTING COMPANIES

- Report on how they perform on social and environmental sustainability. Even *'I don't know'* is insightful.

Discussion:

Downstream companies are left out of the certification processes while that is often where the big profits are being made, e.g. retailers. We need to think more in terms of value chains and not in supply chains.

EU RED APPROVED SCHEMES:

- Assure strict implementation of certification principles and criteria (with strict enforcement in case of non-compliance)
- Make certification more transparent and visible (show achievements and improvement)
- Extend the certification to also include social issues
- 14 EU RED approved certification schemes should be merged into one scheme using the highest standard of each and then allow for a stepwise approach to comply
- Harmonize audit trainings + qualifications so that local auditors can work for more than one scheme + audit more than one commodity at the same time (joint audits means reduced costs)
- Shift emphasis of the auditors from carrying out stakeholder consultation to verifying the organizations ongoing engagement efforts (participatory mapping, impact assessments + operational planning)
- Harmonize social requirements (FPIC etc) in certification schemes, in a way that sets a race to the top
- Benchmark food security, social impact and benefit sharing requirements
- Be robust enough to avoid leakages.

Discussion:

Leakage is caused because of a too narrow application of certification. People can supply from non-certified mills.

Communities get tired of certification because it hardly delivered clear benefits to them. Companies ask for one set of rules. Meetings have started between FSC, RTRS, BonSucro, RSPO, ASC, to discuss harmonization in areas such as FPIC and auditing, which is currently totally inefficient. Social consultation is a challenge across all schemes. Rather than merging different schemes that sometimes have been set up for different purposes, ensure that a bottom line is being met that satisfies all schemes. The current set of rules is not complete.

AUDITORS

- Mandatory third party accreditation is crucial, as well as guidance to be given to interpretation questions.

Discussion:

An auditor is not a conflict resolver, but a compliance verifier, be aware of that.

NGO's

- Convince and support governments of producing countries to enforce their laws towards sustainable production *and* towards smallholder production
- Encourage certification of sustainability beyond EU as sustainability is not only a European issue, but a global issue
- Provide education and training for smallholders
- Promote fair negotiations with local communities and smallholders
- Promote best management practices
- Collect relevant data for monitoring
- Raise awareness on the need for sustainability (especially among governments)
- Look at long term social-environmental impacts and ILUC, because social issues are also environmental issues and vice versa. Social and environmental NGOs should take this seriously
- Don't point fingers: give advice in a positive way (if asked)
- Don't single out biofuels as a culprit.

Discussion

Different opinions were expressed on whether harmonization of the 14 schemes would be a good solution. What would it achieve? The schemes are often very different, so it is extremely difficult to do; 'it would be good, but it won't happen'.

Some argued that NGOs should not be pointing (colonial) fingers. Producing countries ask: why are you not blaming yourself for losing biodiversity with rapeseed oil, etc? We should also be aware that for example the production of palm oil is an issue of national pride.

Others saw no reason as to why they shouldn't point fingers because where companies are violating human rights, that should be pointed out. It was argued that human rights are universal which gives us the duty to point at violations of human rights and secondly, if we support indigenous peoples / local communities to raise their voices it is their own population they need to listen to and not a former colonizing country. NGOs and academic institutions should link with local NGOs and universities and support them to claim their rights.

Annex I - Organizers

- Netherlands Center for Indigenous Peoples (Leo van der Vlist)
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