

Summary Report
Roundtable on Sustainable Biofuels
First Regional Stakeholder Meeting
Belo Horizonte, Brazil
October 17-18, 2007

Co-sponsored by:



The Roundtable on Sustainable Biofuels (RSB) held its first Regional Stakeholder Meeting during the EcoLatina trade show in Belo Horizonte, Brazil on October 17th and 18th, 2007. About 45 people from governments, industry, academia, and NGOs in Brazil, Uruguay, Argentina, Colombia, Ecuador, Costa Rica, Honduras, Panama, Guatemala, and Europe attended. (A list of participants is provided at the end of this document). The Roundtable Secretariat at EPFL thanks Petrobras, the EcoLatina organizers, and UNEP for sponsoring this conference.

Since its launch in April 2007, the Roundtable has mainly held discussions in English via teleconferences and the BioenergyWiki, through Working Groups open to any interested party. The Brazil meeting was the first in-person stakeholder meeting to discuss most relevant issues for the region, and whether they are sufficiently addressed in the principles as currently proposed by the overall Roundtable. It was simultaneously translated in English, Spanish, and Portuguese, and included a mix of presentations and break-out sessions to ensure as much participation and exchange as possible. The interest in such in person meetings having made clear, this event was hopefully only the first of a series to discuss how biofuels can be produced sustainably in the Latin American region.

The notes below reflect the diversity of opinions expressed during the conference. Broadly, participants agreed that sharing of best practice, proper land use planning, and economic incentives were all needed to ensure the sustainability of biofuels production. The importance of finding ways to ensure small farmer participation in supply chains was also highlighted.

The feedback gathered in this meeting will feed into the Working Groups of the RSB process, and shared with the Roundtable's Steering Board during their meeting on November 6th & 7th.

Social risks and opportunities of biofuels production – the need for planning

Participants saw many opportunities for biofuels production to contribute to the economic and social development of their countries. Potential benefits included:

- Promoting energy independence in a local, national, & international context.
- Supporting rural populations & preventing migration to cities, with the social problems this often entails
- Improving rural livelihoods
- Promoting sustainability and a better distribution of income
- Creating jobs
- The numerous sources and pathways of biomass – waste, etc. – cater for different uses
- Biomass also caters for different types of use, including electricity, heat, and heat for cooling

At the same time, the following risks of biofuel production were highlighted:

- Use of land without taking community needs into account
- Projects that have no support from local actors can fail (risk for investors)
- Projects without proper planning or impact assessment risk to be unsustainable
- There is a political risk to having agricultural power in a few hands only
- Lack of access to market by small producers harms rural development

To maximize the benefits and mitigate the risks, many participants highlighted the need to involve municipal governments in land use planning, as they are the authorities carrying out zoning and designing development plans, as well as communities (participatory process) ..RSB principles could serve as a guide to how to best work with companies and farms, to maximize the productivity of land use and to make sure that the costs and benefits of growing biofuel vs. other crops are properly weighed.

Best practices

Best practice was discussed at the individual producer level, but also at the community level.

Specific recommended practices included:

- Encouraging a variety of feedstock produced, which can help protect farmers from risk. Cooperatives can produce mixed-feedstock biodiesel themselves, solving energy security, food security, and potentially biodiversity problems all at once.
- Using waste as a feedstock, e.g. animal fat, animal excrements
- Installing local generators using biofuels, to give people access to modern & affordable energy on a local level
- Avoiding monocultures – for instance, no more than 30% of community land should be covered by monoculture.
- Using abandoned land, which reduces the risk of displacing small farmers and indigenous peoples
- Using standing forests and thus having biofuels contribute to local value of forests
- Business models involving small farmer or community ownership
- Focusing on quality generates more income for producers.

However, participants made it clear that providing a manual of best practice only wouldn't be enough – farmers and companies need technical assistance to implement these best practices.

Legal frameworks and market incentives

Examples of strong national environmental protection laws were given: For instance, in Brazil if one farms in the Amazon, 80% of the plot has to be set aside as a reserve. Similar provisions could be made elsewhere/adapted to other cases. The call was made for mechanisms to ensure implementation of environmental laws.

The importance of having buyers and companies require sustainable practices was emphasized. Buyers have their choice of suppliers, and can use their power to influence better performance from suppliers. Companies should be involved in helping producer communities, for instance by helping communities access government programs and support. However, as one participant noted, 'don't forget that it is government's responsibility to provide social services, not companies.'

The need for economic incentives to protect conservation areas, and more generally to implement sustainability practices, was confirmed by many participants. It was pointed out that international organizations could help to support best practice with producers. The need to encourage international donors to sponsor more interested in research and development was highlighted. Possible tools might include:

- A market for products certified as being sustainable
- Northern consumers paying a higher price to allow small farmers to make transition to sustainable agriculture.

Finally, the need for 'historical justice' was also mentioned, namely: many developed countries have destroyed forest or high conservation value areas. If developing countries are asked to preserve their forests and high conservation value areas, this has an opportunity cost for these countries' development and by preserving these areas developing countries render a service to the world, which merits compensation.

Small farmers

Involving small farmers in biofuel production was highlighted to be essential to spur rural development. However, small farmers face many challenges to participating in biofuels chains. They are exposed to weather and price risks, as (unlike farmers in other regions of the world) they do not have a social safety net. Small producers often have only one buyer, so the prices they receive are set rather than negotiated (due to little negotiating power). For small farmers to effectively participate in biofuels markets, they need:

- Training to help them run their businesses
- Simple and affordable technologies, especially in countries that do not have as developed an agricultural system as does Brazil
- Better access to universities & technology
- To be organized (for instance, into cooperatives) to achieve economies of scale and to purchase equipment together. Formal organizations can also give farmers a group voice so that they can express their own opinions.
- More power in the supply chain.

Some participants saw the need for a minimum purchase requirement by companies (for instance, volume or percentage requirements) from small farmers, to ensure their participation. The Brazilian Social Seal, a government-supported model that provides tax relief for biodiesel purchased from small farmers, was held up as a model. One could also consider subsidizing technology transfer to small farmers, and using the RSB's scorecard concept to give a higher score to production from small farmers.

Community involvement

The impact of biofuels on local communities was discussed at length. Doing a social impact assessment (similar to an environmental impact assessment) *before* starting the project is recommended, to determine the community needs in terms of schools, hospitals, gender concerns, etc. The number of people affected and their baseline quality of life indicators are also important.

Community consultation should also happen before farms or factories are set up. If this does not happen from the beginning, the producer cannot ensure that there are no land rights conflicts and that customary rights of indigenous people are respected. Foreign companies coming in and buying land should make sure that this is the best use of this land. But some questioned whether consultation was enough – how can the community’s opinions be integrated after the consultation?

Finally, although job creation in rural areas was recognized as one of the important benefits of biofuels, often the jobs that are created are low-skilled, which promotes migrant labor and can negatively impact families and local social structures. Some thought that this was a question to be addressed through national legislation rather than certification or principles and criteria.

Food security

The complexity of the ‘food vs. fuel’ debate was recognized. Biofuels can actually give more choices and income to rural areas, and if biofuels are cheaper than fossil fuels, urban populations can also gain. In some countries, the problem is not availability of food, but its accessibility - often economic accessibility . Food distribution and accessibility is a major issue - for example, even in countries that produce more food than they can consume people are still dying of hunger.

Working with small farmers was seen as a way to cover food and energy needs at the same time. Using a variety of biodiesel feedstocks in blends also smoothes fuel and food prices.

Controlling the impact of fuel on food prices was discussed. Some participants considered requiring a minimum food production area to ensure adequate food for domestic consumption. But this is difficult to control, because much production could be used for food or energy. Municipal governments need to prioritize local food, then energy needs. This could be part of a land use planning map.

Labor rights

Many participants felt that everyone in the biofuels chain needs to benefit from Fair Trade practices and equity, including workers. Fundamental ILO rights should be respected, and a reference to the ILO’s ‘decent work’ agenda is very important. Decent work indicators could include accident rates and death rates of employees.

One group discussed the need to involve different actors in monitoring labor rights in biofuels supply chains, including:

- Companies – should be guaranteeing decent work
- Cooperatives should be monitoring its members
- public institutions, because they have the backing of law
- unions
- NGOs
- Banks & financial institutions

General comments on principles

The current draft of the RSB sustainability principles was presented for comment (available on http://www.bioenergywiki.net/index.php/Current_Version_of_Principles_2nd_round). The discussion focused around the conservation principle, although other comments are also presented below.

Conservation

Many participants felt that the current principle on conservation is too generic, and needs further explanation. For instance, which are the kinds of services that should be subject to conservation? We shouldn't aim only at wildlife services, but also water services, etc. Furthermore, we need to focus not only on 'no-go'/protected areas, but how conservation can be integrated into current agricultural practices. For instance, how best to restore degraded areas. Producers need maps and help defining which type of agriculture is appropriate in which areas (for instance, exclusion areas where monocultures are inappropriate but where other production might be acceptable).

There was some discussion if, like the Forest Stewardship Council and the Roundtable on Sustainable Palm Oil, we should refer to a 'start date' for conservation (especially of forests). For instance, a conservation criterion could state that if deforestation occurred after xx date (1994 in FSC and 2005 in RSPO), no plantation put on that land could be considered 'sustainable'. Some stakeholders were in favor of this concept; others thought it would be more useful to create definitions of 'degraded' areas and focus on how to restore those areas.

Indirect effects, for instance when new food plantations are put down in ecologically sensitive areas because they have been displaced by biofuel plantations, were also highlighted as important, although it was recognized that tackling them would be difficult. One participant mentioned that 'it's a myth that there's no sugarcane in the Amazon – there's a large plantation in Pará, with terrible working conditions.' Another noted that 'there is a wave pushing soy & cattle into the Amazon.'

Greenhouse Gas (GHG) Emissions

Using a life-cycle approach to measuring GHG emissions was seen as very important. IPCC methodologies should be used as much as possible – these exist already for palm oil, for instance.

Water

Many participants highlighted the importance of protecting water catchment areas and protecting the ecosystem services of humid zones. They emphasized the need to protect these zones from pollution & runoff. Governments are defining these areas, and local 'water use committees' should also be involved in their definition.

Other comments on the draft principles

There were a few other comments on the overall draft principles, including:

- The need to have a principle related specifically to the importance of traditional communities and indigenous peoples.
- The need for a principle on energy efficiency and process optimization.
- The need for a principle on sustainable use of all technologies, not just biotechnologies.
- The need to refer to international ILO and UN conventions on land rights & indigenous people's rights.

Finally, many felt the need to balance the ideal with the practicable: “Don’t make the standard too high, or no one will buy these fuels.”

The way forward / the role of the Roundtable on Sustainable Biofuels (RSB)

The goals of the Roundtable, namely to mitigate the risks and promote the opportunities and best practice, were discussed at the end of the session. Broadly, participants felt that the RSB should disseminate best practice and share experiences with regards to social, environmental, and economic impacts of biofuel production. Ideally, the RSB should work through regional networks; Central America, Andean region, and Mercosur might be a good way to break down the producing regions.

The RSB should have formal relationships with other Roundtables (soy, palm, sugar), which have already been working on defining sustainable agriculture for these different commodities. To add value to the other Roundtables’ work, the RSB should focus on GHG emissions, food vs. fuel, and measuring the impacts of indirect land use changes – these are areas that have not really been studied in the other Roundtables.

Any standards developed should be measurable, verifiable, and have minimum levels of compliance. Transparency of compliance is key, no matter who carries out verification. Some participants emphasized the need for rules and control of companies, and possibly third party verification, to ensure compliance with sustainability criteria. Using other certification systems (e.g. ISO 9000) was recommended. Ideally, the global RSB should define generic criteria, which could then be modified to local contexts and different feedstocks. Indicators should be national.

Appendix : List of participants

Country	Name	Organization	Stakeholder type
Brazil	Alcides Faria	Rios Vivos	NGO
Switzerland	Ambassador Rudolf Baerfuss	Embassy of Switzerland in Brazil	Government
Uruguay	Ana Clara Lopez	Laboratorio Tecnologico del Uruguay	Academic
Brazil	Anderson Pinheiro Costa	Petrobras	Industry
Brazil	Artur Yabe Milanez	BNDES	Bank
Argentina	Carlos Lacoste	Sec. de Medio Ambiente y Desarrollo Sostenible	Government
Switzerland	Charlotte Opal	Roundtable on Sustainable Biofuels, EPFL	Academic
Brazil	Carolina Moura Campos	Centro de Apoio Sócio-Ambiental	NGO
Brazil	Cristina Figueiredo	BP Brazil	Industry
Brazil	Délcio Rodrigues	Vitae Civilis	NGO
Brazil	Delly Oliveira Filho	UFV-Universidade Federal de Viçosa	University
Brazil	Diego Luiz Nunes	University Fédérale of Minas Gerais	University
Brazil	Evan Michael Vissel	UFV-Universidade Federal de Viçosa	University
Global	Guenther Buck	Unilever	Industry
Guatemala	Homero Fuentes	Coverco	NGO - labor rights
Panama	Ima Avila	Grupo para la Educación y Manejo Ambiental Sostenible (GEMAS),	NGO
Brazil	Isabel F. Silva Dias	Pólo Nacional de Biocombustíveis	Academic
Ecuador	Jaime Levy	Fundación para el Desarrollo de Alternativas Comunitárias de Conservación del Trópico – ALTROPICO	NGO
Colombia	Jens Mesa-Dishington	Fedepalma	Industry
Brazil	Joao Paulo Antonio	Pork Terra	Industry
Brazil	José Carlos Gameiro Miragaya	Petrobras	Industry
Brazil	Juliana Maria da Costa Lenz César	Petrobras	Industry
Brazil	Karen Saussuna	WWF Brazil	NGO
Germany	Lars Friberg	Postdam University	University
Brazil	Lenia Vieira	SECTES - Secretariat of Science and Technology of the Minas Gerais State	Government
Brazil	Lucas Rocha Carneiro	SEAPA-MG	
Brazil	Luis Fernando Guedes Filho	IMAFLORA	NGO
Brazil	Marcio Aredes Martins	UFV-Universidade Federal de Viçosa	University
Brazil	Mario Menezes	Amazonia	NGO
Global	Martina Otto	UNEP	Inter-governmental
Brazil	Mozart Quieroz	Petrobras	Industry
Costa Rica	Olga Corrales	CATIE	NGO
Brazil	Paulo Eduardo Fernandes de Almeida	FEAM - Environmental Foundation of Minas Gerais State	Government
Brazil	Rômulo Bernardes	State Govt. of Minas Gerais, Department of Education (Biofuels)	Government
Honduras	Rosman Marquez	Ecologic	NGO
Brazil	Sergio Yoshimitsu Motoike	UFV-Universidade Federal de Viçosa	University
Brazil	Tulio Dias	Agropalma	Industry

