

Sustainability Criteria and Certification Systems for Bioenergy

Comments on the EU RES Directive and
Biomass Criteria and Certification Report

Brussels, DG Tren, 18 March 2008

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Outline

- UN Response to consultation process on biofuels sustainability scheme (June 2007)
- A closer look at some outstanding issues
 - Land use change
 - Food security impacts
 - Social impacts
- Key Messages
- Relevant FAO work
- Possible areas for collaboration



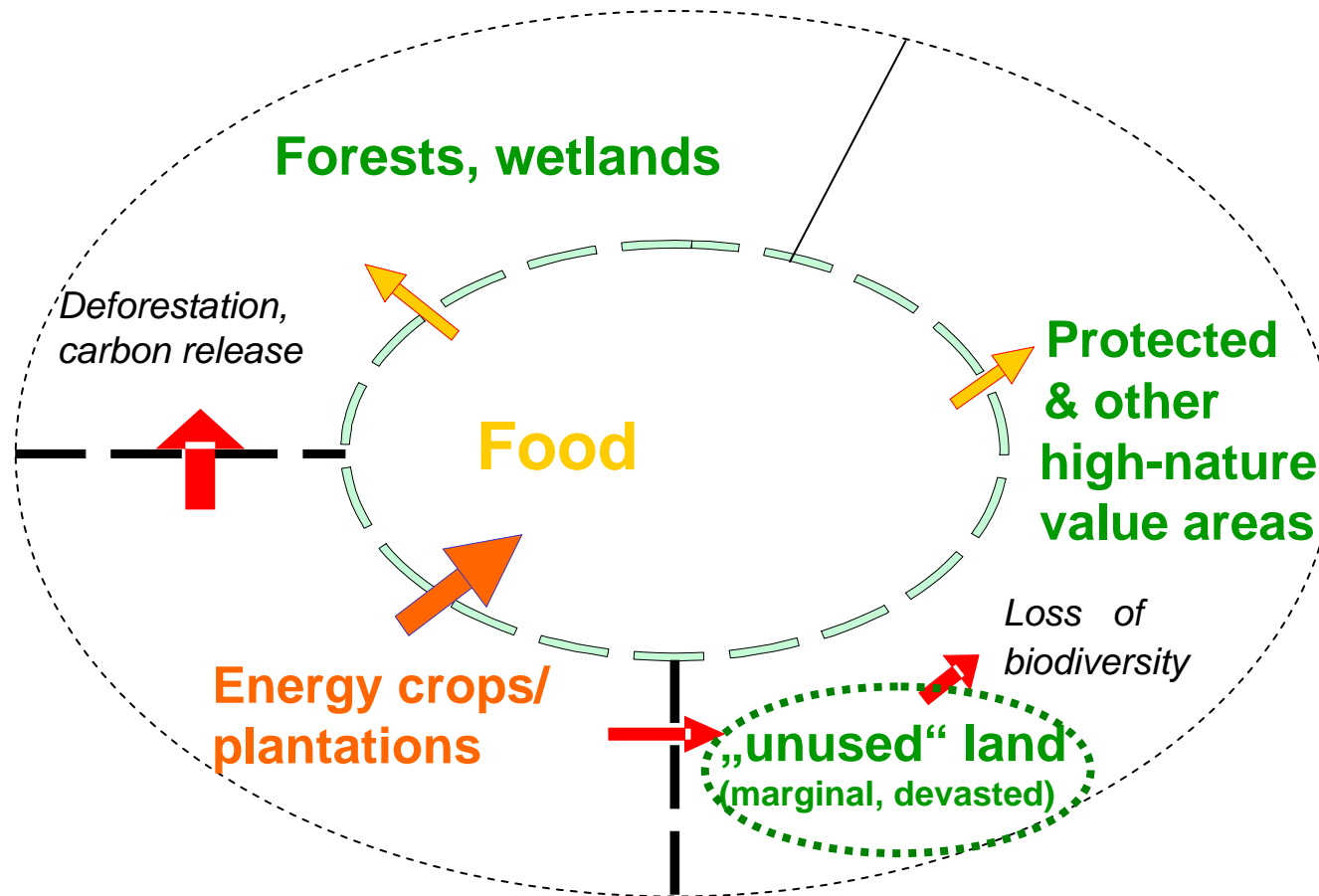
UN Response: Sustainability Principles

- Negative GHG balance / carbon stock conservation
- Biodiversity conservation/ sustainable NR use
 - including agrobiodiversity
- Soil conservation
- Sustainable water use
- Manage air quality
- Decent labour conditions
- Safeguarding food security and livelihoods
- Control and minimise leakage

Need to consider three pillars of sustainability – potential trade-offs



Direct and Indirect Land Use Change

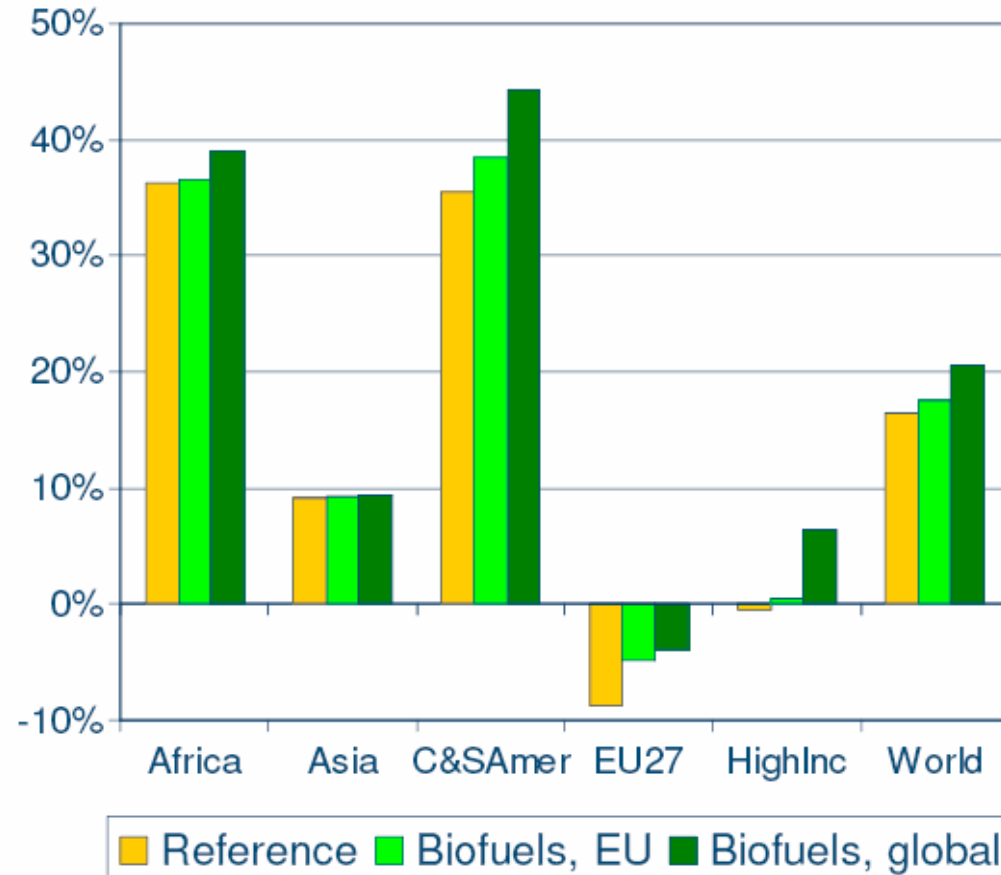


Source: Oeko Institute, based on Girard (GEF-STAP Biofuels Workshop, New Delhi 2005)



Change in total agricultural land use

in percent, 2020 relative to 2001



Banse et al. The Impact of Biofuel Policies on Global Agricultural Production, Trade and Land Use; FAO Expert Meeting on Biofuels, March 2007



Direct and Indirect Land Use Change

- **Expansion or intensification?**
 - Over past 50 years yield improvements accounted for nearly 80% of increase in global agricultural commodity production
 - gradual improvement of technology in line with gradual increase in demand
- **Rapid biofuel growth: demand shock**
 - distinguish ST versus LT response
 - time lag in technology development: 5-10 years
 - Short term expansion can create lasting impact
- **Good agricultural practices/sustainable land management/integrated food and energy systems**
 - Manage carbon, biodiversity, land and water



Food Security: Main threats and opportunities ⁽¹⁾

Competition for land and water:

- raise input costs for food production
- displacement of vulnerable/land insecure

Rural energy access:

- + Enhance farm productivity
- + Rural development
- + Food utilisation



Food Security: Main threats and opportunities (2)

Increasing prices:

- + increased returns to farming –producer livelihoods
- + Expand production
- + Increased demand for agricultural labour
- access to food of poor net consumers
- Reduction in food aid



Biofuels: Impacts on Commodity Prices

Biofuel growth only partially responsible for price rises

- approx. 12% of recent increase in global cereal prices (FAO, 2007)
- expected to raise price of basic food commodities by 15% over next decade (FAO/OECD, 2007)

Price volatility affects poor consumers and small producers disproportionately

- energy prices provide ceiling and floor prices for agricultural feedstocks
- BUT oil prices traditionally more volatile than agricultural prices

Price impacts are aggregate impacts

- cannot be assigned to specific consignment



Social criteria: Feasible and WTO compatible?

- **WTO compatibility:**
 - NOT certain that all social criteria are WTO incompatible
 - Human rights law/socio-economic rights/right to food
- **Feasibility: successfully applied in other schemes:**
 - FSC
 - IFOAM
 - Rainforest Alliance
- **Key Challenges:**
 - Improving implementation and monitoring principles and criteria
 - Requirements to reflect scale and intensity
 - costs for small operations, land tenure issues, minimum requirements for social consultation
 - Building local and national capacity (analysis and certification)



Main social areas & minimum criteria

Land & resource tenure	<ul style="list-style-type: none">• Equitable, clearly defined, documented and respected• Do not exclude poor people to avoid leakage effect• Avoid conflicts• No forced evictions
Labour conditions	<ul style="list-style-type: none">• No forced labour, no child labour, no discrimination• Minimum wage
Health & safety	<ul style="list-style-type: none">• Protection against hazardous products, adequate• Training on health & safety
Rights	<ul style="list-style-type: none">• Legal & customary rights of some social categories recognised & respected (women, youth, indigenous people)
Well-being	<ul style="list-style-type: none">• Activity will maintain or improve social and economic well-being of local workers & communities



Key Messages

- **Bioenergy is neither “silver bullet” nor “doom”**
 - Food security threats but also opportunities
 - Land use change must be managed sustainably
- **Rapid development means extrapolation from past trends is not fully informative, hence**
 - Need careful ex ante analysis and monitoring of impacts
 - Commitment by EU (and other policy makers) to adjust policies and targets to reflect results
EU is key market driver!



Key Messages ctd.

- **Keep regulation and compliance light**
 - facilitate participation for smallholders and LDCs
- **Transparent and inclusive process**
 - substantive stakeholder involvement
- **Capacity building needs** – developing countries
 - participation in process
 - compliance by non EU producers/countries
- **Promote code of conduct/standards/(voluntary) guidelines to complement minimum criteria**
- **Work within/complement existing initiatives**



Selected FAO Activities

- **BEFS – Bioenergy and Food Security**
Analyze linkages between bioenergy potentials and food security risks
- **BIAS – Bioenergy Impact Assessment**
Analytic framework for assessing environmental impacts of bioenergy development
- **State of Food and Agriculture 2008: Biofuels**
- **UN Energy: Guidelines for Policy Makers**
- **Global Bioenergy Partnership (GBEP):** Harmonising methodologies for GHG emission reductions; Bioenergy best practices for sustainability
- **High-Level Conference** on World Food Security and the Challenges of Climate Change and Bioenergy



Possible Areas for Collaboration

- **Monitoring** of food security and land use change impacts
- **Capacity building:** developing country stakeholders
 - participation in international process
 - certification and verification
- **Policy support** – developing countries: national bioenergy “programmes”
- **Expanding and field testing BIAS**
- **Expanding BEFS** - regional
- **FAO/UN/GBEP:** neutral fora to facilitate development of **code of conduct/guidelines**



Thank you for your attention!

FAO: www.fao.org

BEFS: <http://www.fao.org/NR/ben/befs/>

GBEP: www.globalbioenergy.org

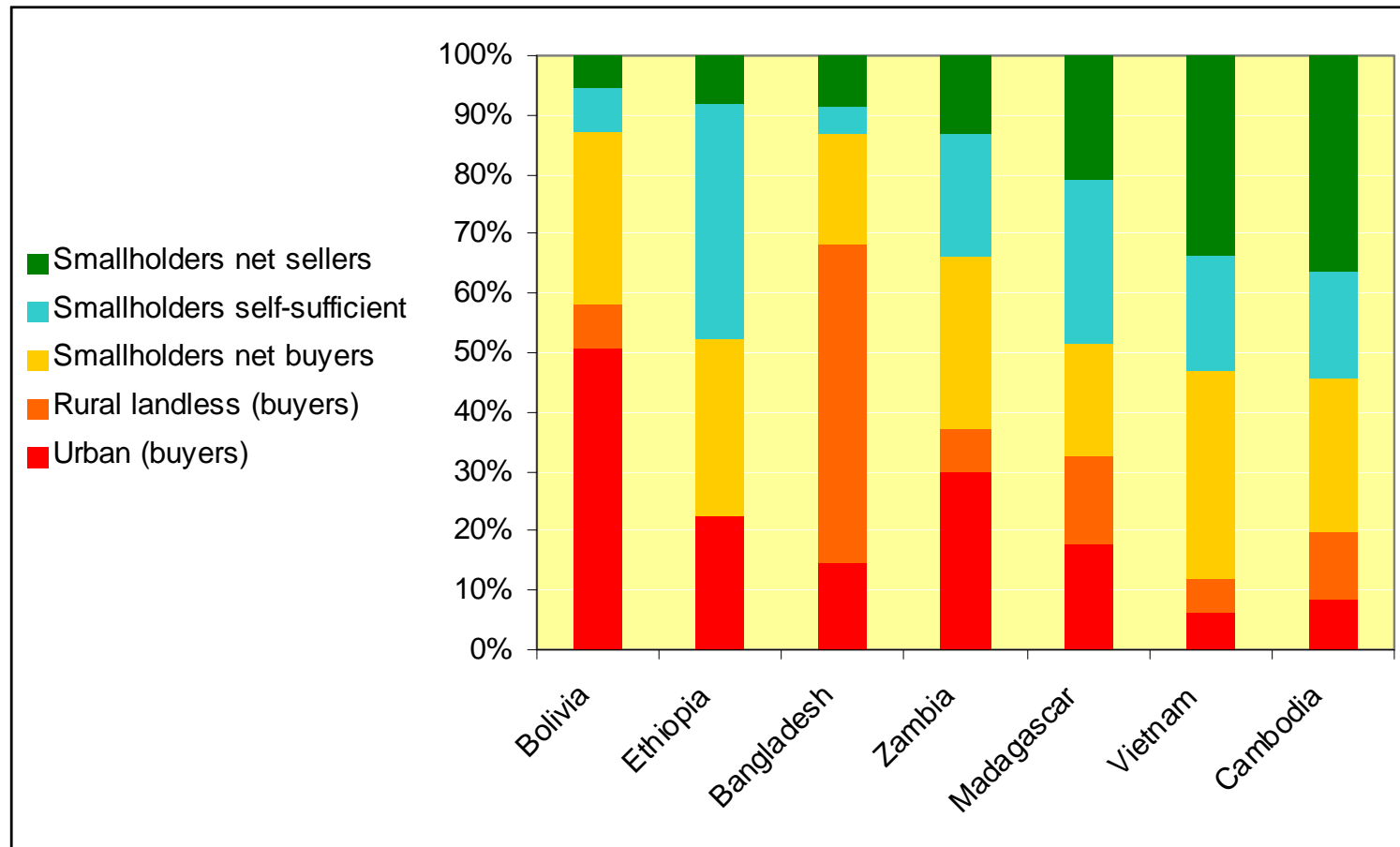
UN Energy: <http://esa.un.org/un-energy>



- other slides... background/references



Net buyers/sellers of food staples

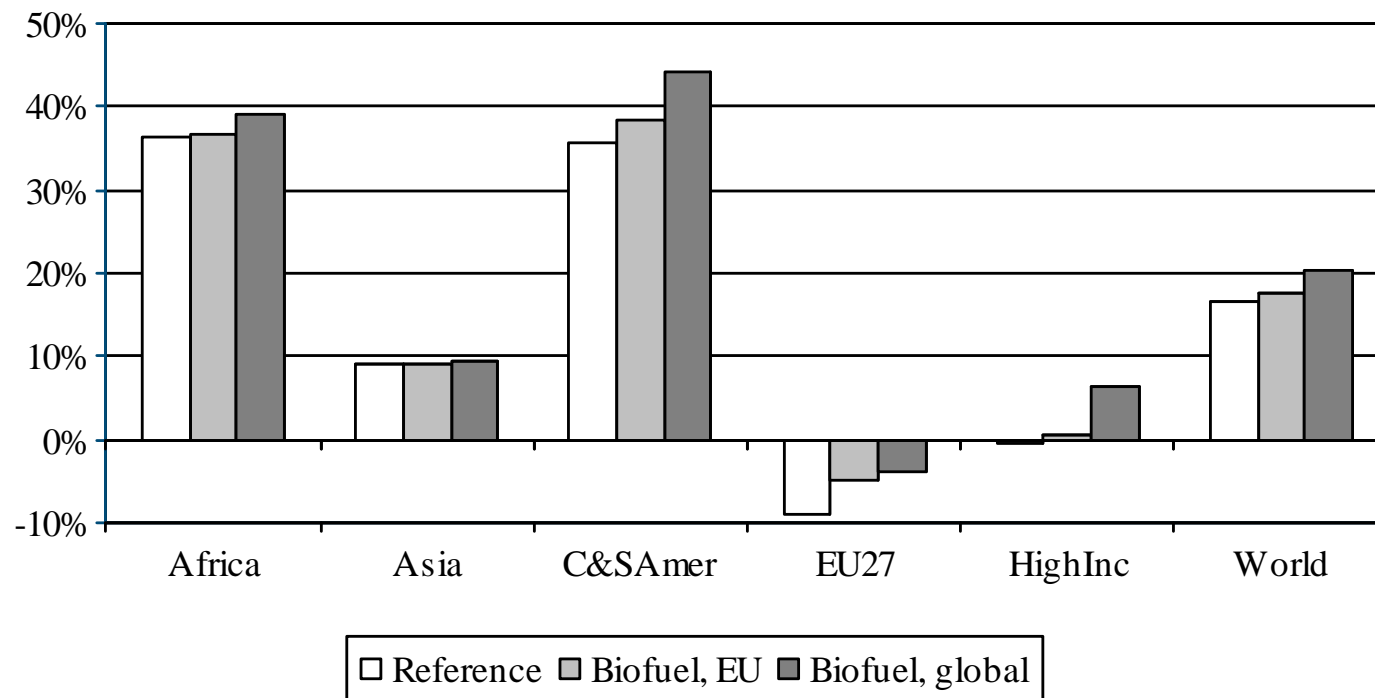


World Bank, 2007



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UN response: Process and Implementation

Biofuel growth: Both threats and Opportunities

- Thorough analysis of implications of the binding 10% biofuel target by 2020
- Testing of a variety of pathways that promote compliance and learning with opportunities for correction
- Priority given to flexibility in targets and scope for incremental improvements
- Choice based on multiple compliance/certification models
- Legal standards and voluntary codes of conduct choices need to fairly include small holder producer needs
- Food security first, biofuel production second
- Assess biofuel policy in context – promote energy efficiency



They require other elements to work

5. Other elements

4. Monitoring & Evaluation
Audits, certification, participatory assessment

3. Instruments
Incentives & disincentives for implementation

2. Policies
Policies on bioenergy, standards for its sustainable implementation, including legal aspects

1. Stakeholders' roles
Roles (rights, responsibilities & benefits) of bioenergy stakeholders & institutions negotiated and developed

Foundations

- Land, resource & workers' rights
- Enabling market conditions
- Mecanismos to involve the sector are in place
- Recognition of main institutions and stakeholders of the bioenergy sector (in government, private sector & civil society)

