

# Betting on best quality

A comparison of the quality and level of assurance of sustainability standards for biomass, soy and palmoil





# Foreword

Governments and the private sector are increasingly aware of the need to pursue sustainability for biomass. Over the past decades many criteria have been drawn up, mandatory or criteria in voluntary standard systems or in public-private agreements. As pressure on the earth's ecosystems is mounting, putting all these criteria into practice is becoming increasingly urgent.

Implementing certified sustainable production is one of the good governance measures needed to attain sustainability in value chains. Yet, amidst the many existing labels, the lack of clarity about what real quality production and certification entails, and the lack of pressure and willingness to pay for such quality, leads to a worldwide race to the bottom. This means that truly sustainable production is getting harder to attain, and the usefulness of certificates as a tool is being undermined.

In this report we are taking on the challenge of providing clarity and guidance to companies and other stakeholders on which standards to use when aiming for sustainability for biomass, soy and palm oil. We hope that the readers feel inspired to act upon the findings. Our core message from the start: always bet on best quality when sustainability is at stake.

We hope this report contributes to the continuous improvement of standards towards actual sustainable production of biomass, soy and palm oil. We continue to seek your comments, feedback and input, with a view to produce an update of this report in the years ahead.

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# Executive summary

**This report aims to provide insight in the quality and in the level of assurance of voluntary standard systems (VSS) for biomass, including soy and palm oil in order to help stakeholders “bet on best quality”. The report combines a thorough review by consultancy Proforest of eight existing benchmarking studies covering the ten most commonly used VSS, with additional in-depth analysis and further interpretation by SQ Consult. The result is a comparison of the quality of the ten selected schemes, both in content as well as in their level of assurance. With this report IUCN NL provides companies and policy makers practical information on how to select a good quality system and how to improve the quality and effectiveness of sustainability certification.**

## Introduction

Ensuring the sustainability of biomass for energy, food or feed has been discussed extensively over the last years. However, as the reality of major multiple-use flex crops like soy and palm oil demonstrates, working on effective measures to reduce the impact on deforestation, land use conflicts and various other sustainability issues, is urgently needed. Among other things this requires inclusive resource use planning, strong legal frameworks and adequate sustainability measures within value chains. One of the best-known and highly promoted ways to ensure environmental and social sustainability in value chains is to have the product and production certified. But according to which standard?

The EU Renewable Energy Directive (EU RED) takes a special position in this discussion because of its minimum sustainability requirements for biofuels. The EU RED is actually one of the few mandatory frameworks for the sustainability of biomass globally. For the regulation of its sustainability requirements EU RED makes use of voluntary standard systems (VSS). There are large differences between these individual systems, not only in the content and strictness of their social and environmental principles and criteria, but also in their level of assurance. IUCN NL believes assurance aspects that should be taken into account include: sampling requirements, stakeholder consultation, complaints procedures and recognition of certificates from other VSS.

In the last years several benchmark studies have been published on standards for soy, palm oil and other types of biomass. Unfortunately the results are often not very well known or accessible. With this study IUCN NL, financially supported by the Ecosystem Alliance (a collaboration with Wetlands International and Both ENDS), provides an overview of eight recent benchmarking studies covering ten of the most-used EU RED allowed standards and clear interpretation and guidance. Special attention is given to assurance aspects.

## Key findings from the Proforest Review of Benchmarking studies

### Main conclusions regarding the sustainability standards and schemes:

- There is an important distinction between the schemes designed specifically to meet a market demand for compliance with EU RED criteria, and those with a broader mission about sustainability. The requirements of standards developed mainly or solely to respond to EU RED are clearly weaker with regard to social issues.
- At certain aspects the EU-RED lacks guidance or provides room for interpretation (e.g. sampling, outsourcing activities) leading to unwanted diversity among schemes. “

## **Main conclusions regarding benchmarking studies:**

- Studies focusing exclusively on standards content face the challenge of trying to understand how a scheme's verification mechanism may affect the degree of obligation to meet the requirements in the standard. For example, although a standard may contain extensive requirements on e.g. biodiversity conservation, if its verification system allows operations to be 'approved' (eg. certified) by complying with 80% of the standard, then there is no guarantee that this criteria will in practice be met. In other words, the content of the standard needs to be looked at in conjunction with the degree to which the requirement is optional or can be met overtime.
- There is still a real lack of information about the actual impact of the schemes on the practices referred to in the standards. While the ISEAL Impacts Code is driving better information about outcomes, only a few of the schemes relevant to biofuels are currently members of ISEAL, and several of them are unlikely to wish to be.
- Studies such as the WWF study (2013), and the NL Agency (2012) study are highly significant in that they go beyond standards content, to look at qualitative issues affecting how the scheme operates in practice, which in turn affects the degree of confidence in the way the standard is verified and the claims made by users.

## **Key findings from the SQ-Consult guidance document**

The level of assurance of a VSS is strongly determined by the rules governing it.

- I. The rules on the audit system, including among others: audit procedures, sampling requirements, verification procedures, quality requirement for auditors, and sanctions for non-compliance;
- II. The management system, including the level of transparency and accessibility of information, the level of stakeholders engagement, and the availability of a complaints system;
- III. Accreditation, membership or recognition by official organisations or government bodies;
- IV. The rules for the affiliation and for the acceptance of certificates from other (sometimes weaker) VSS.

## **General conclusions:**

- There is a strong difference in strictness of criteria and quality of control within Voluntary Standard Systems (VSS) recognised by the European Commission (EC).
- While all VSS recognised by the EC have gone through the same assessment process, topics related to level of assurance are only generally defined in the RED and are therefore not assessed thoroughly in the recognition procedure.
- Multi-stakeholder VSS offer a higher level of assurance than company-owned or industry associations VSS.
- RSB covers more sustainability criteria, with greater detail, and with more breadth in terms of level of assurance than any of the other VSS. NTA8080, Bonsucro, RTRS and RSPO also meet a good level of quality in all comparisons made. ISCC, Proterra and Greenergy can be

considered to be of overall medium quality. REDcert and 2BSvs fall in the low quality segment, with 2BSvs having the overall lowest quality among all VSS compared.<sup>1</sup>

- The issue of non-regulated acceptance of certificates from other VSS poses a risk.

### **Key recommendations:**

#### Recommendations to the European Commission (EC)

- Actual sustainability is reached only when both environmental and socio-economic sustainability criteria are properly addressed and verified. It is therefore of critical importance to enhance RED criteria by including mandatory socio-economic criteria and stricter biodiversity criteria.
- It is important that the EC sets more defined and stricter procedures for the recognition of VSS, in particular regarding the level of assurance of the VSS. It is recommended to demand improvement– with a timeline- of those already EC recognised VSS that do not yet fully comply with those new requirements.

#### Recommendations to Companies:

- Companies that are committed to a good sustainability management of their operations should only choose high quality VSS. These are VSS that include both, environmental and socio-economic criteria, and a proper level of assurance.

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<sup>1</sup> This is an indication based on the outcomes of the benchmarking studies reviewed and additional benchmarking work and analysis by SQ-Consult and refers to the status of the VSS in September 2013.

# Part I

A review of benchmarking studies of biomass, soy and palmoil standards systems in relation to selected social and environmental standards content and systems requirements

A report for IUCN NL by **Proforest**

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# Introduction

This study was commissioned by IUCN National Committee of the Netherlands (IUCN NL) with the financial support of the Ecosystem Alliance (EA) - a collaboration between IUCN NL, Both ENDS and Wetlands International, and their offices and partners in more than 16 countries. The Alliance unites a broad network of international and local NGOs to help local communities manage and use ecosystems in a sustainable way, among others to face climate change.

## Objective of this review

This review aims to support the work of EA members and partners which is related to the environmental and social aspects of agricultural commodities production – whether this is used for biofuels, food, feed or consumer goods. It does so by reviewing comparative or ‘benchmarking’ studies of different voluntary environmental and social standards schemes, which have been carried out by a range of different organizations over the past 4 years. This review brings together findings from existing publicly available benchmarking studies on topics of Voluntary Standards Systems (VSS) of interest to EA members. It highlights common conclusions and observations about the standards, and identifies key issues for EA members to be aware of.

## Context

Voluntary environmental and social standards schemes have emerged in the last decade as important instruments for promoting, identifying and rewarding more sustainable production practices. Such Voluntary Standards Schemes (VSS) generally develop ‘standards’ to guide sustainable management and expansion, laid out as principles, criteria and indicators and describing the environmental, economic and social performance that they would like the producers of agricultural commodities to meet. Many of them also include independent certification – i.e. by 3rd party auditors – of both production and the supply chain, allowing links to be made to consumers (See Box 1).

### Box 1: The Creation of Voluntary Standards Schemes

Standards for agricultural commodities have been initiated by a variety of actors, including: Commercial enterprises: retailers, manufacturers and processors, eg. Greenergy’s Brazilian sugarcane standards, or Co-op Switzerland’s ‘Basel Standards’ for (which were taken by ProTerra as the basis for its soy standard), and the ‘Biomass Biofuels Sustainability Voluntary Scheme’ (2BSVs), developed by a consortium of French biofuels companies and associations, and now implemented by the certification body Bureau Veritas.

Multi-stakeholder ‘roundtable’ organizations: Organizations that set out to address concerns about the sustainability of a crop (eg. Oil palm) or sector (eg. Biofuels) by involving a range of global stakeholders; generally producers, finance, industry and civil society. Examples include The Roundtable on Sustainable Biofuels (RSB), the Roundtable on Responsible Soy (RTRS), Bonsucro (sugar), and the Roundtable on Sustainable Oil Palm (RSPO).

Standards and standards schemes have also been created by governments (eg. The Indonesian Sustainable Palm Oil –ISPO), and NGOs (eg. The Sustainable Agricultural Network –SAN).

Standards for agricultural commodities have been developed by a range of actors, and for a range of motivations (see Box 1). Several standards and associated certification schemes have emerged in response to concerns about the impact of agricultural expansion on natural forests; this has been the case for standards for soy, oil palm and sugarcane. An increase in demand for crop-based biofuels – partly driven by quotas for biofuel use in fuels around the world – heightened the concerns of environmentalists that there might be further negative impacts from commodity production.

The creation of EU-wide targets for including biofuels in transport fuel, and associated obligations to demonstrate the 'sustainability' of their production (a policy known as 'EU-RED')<sup>2</sup> has been a particular driver for scheme creation in the past 4 years (see Box 2).

The proliferation of standards within the last decade has generated questions from a whole range of users (end consumers, manufacturers, retailers, investors and the producers themselves) about the differences and similarities between schemes, and the degree to which they meet the concerns and priorities of the users. Consequently 'benchmarking' exercises and scheme comparisons have been commissioned, as a way of trying to make life easier for decision-makers by presenting condensed comparisons of the schemes. For example the Sustainable Agriculture Initiative (SAI) Platform - an organization made up of 21 corporate members (founded by Danone, Nestlé and Unilever) – commissioned a study in 2008 to look at 'investigating and comparing some of the most influential agricultural production standards worldwide'. Their motivation for this was to provide their corporate members with information to help them with their procurement decisions. The creation of biofuel targets and associated sustainability criteria by governments in Europe and Latin America also generated the need for comparative studies to determine which standards and schemes complied with the given sustainability criteria.

#### **Box 2: EU RED**

EU RED was adopted by the Council of the European Union in April 2009, and set a common EU framework for the promotion of energy from renewable sources. The Directive sets 2020 targets for sourcing 20% energy from renewable sources for the EU's total energy consumption, and additional 10% share of renewable energy specifically for the transport sector. To achieve this, every member state has to reach individual targets for their overall share of renewable energy in energy consumption, as well as a shared additional target of 10% for transport sector targets.

EU RED established sustainability criteria for the production of biofuels and bioliquids which have to be met to be accepted as counting toward the targets in the Directive – this includes those imported and/or obtained from raw materials cultivated outside of the member state. The mandatory sustainability criteria focus mainly on the environmental issues of: biodiversity, The protection of rare, threatened or endangered species and ecosystems and Greenhouse gas (GHG) emissions savings

Information about the social and economic issues included within the Directive must be reported by member states every two years, but there are no explicit requirements on social or economic aspects of production of biofuels or bioliquids to be met.

One mechanism that the Commission allows as proof for sustainable production and supply chain is demonstrated compliance with a voluntary standard, such as a certification scheme. Schemes are required to submit their standards and systems information for assessment by the EC. Since July 2011, the EC has recognised 14 voluntary schemes that apply directly in 27 EU Member States, which are accepted as fulfilling all mandatory EU RED requirements. (See Annex 1).

Through this review Ecosystem Alliance is seeking to review the findings of a range of different benchmarking studies, and draw useful conclusions about the standards schemes being compared, and the key issues that the benchmarking studies have highlighted. In the process, important lessons about challenges of doing benchmarking studies – and trying to compare these – have been learned.

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<sup>2</sup> The European Union Renewable Energy Directive. For the full text of EU-RED see <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=Oj:L:2009:140:0016:0062:en:PDF>

# Methodology

## Scope

This review has focused on benchmarking studies of sustainability standards and schemes used for biofuels (generically), soy, palm oil and sugar. It has a particular focus on those VSS that are recognized under the European Union Renewable Energy Directive (EU RED)<sup>3</sup>.

## Issues to be compared

The Ecosystem Alliance selected critical issues to be featured in this review, chosen due to the relevance and importance to their members and the partners they work with. These fall within two important categories (see Table 1):

- **Standards Content:** specifically several environmental and social issues addressed within the productions standards
- **Systems elements:** aspects of a standards scheme which affect the way it operates, and specifically the degree of confidence in the claim made by the scheme.

**Table 1:** Breakdown of issues featured in this review

### Section 1: Standards Content

#### 1.1 Environmental issues

Requirements Environmental and Social Management Systems (ESMS); and specifically for Social and Environmental Impact Assessment (SEIA);

Soil quality, pollution and conservation (including use of chemicals and pesticides);

Water quality, pollution and conservation;

GHG emissions requirements and high carbon stock land conversion;

Biodiversity: habitats conservation and protection.

#### 1.2 Social issues

Labour and working conditions (occupational health and safety);

Involvement of local communities and indigenous peoples.

### Section 2: Systems Elements

Compliance with ISEAL's Code of Good Practice for Standard Setting;

Verification (of compliance with standard);

Impact Assessment;

Chain of custody;

Multi-stakeholder participation;

Transparency.

## Comparative studies used in this review

Publicly available benchmarking studies of VSS for biofuels and the agri-commodities of soy, sugar and palm oil were identified. Studies were then selected on the basis of:

- Date of publication (using only those published in the last 5 years<sup>4</sup>);
- Relevance of criteria used for benchmarking (coverage of chosen social, environmental or systems elements criteria);
- Quality and type of benchmarking – note that some level of comparative analysis needed to have been done by the study, with repetition of scheme criteria alone not being sufficient<sup>5</sup>.

<sup>3</sup> One additional soy-specific scheme has been included.

<sup>4</sup> One of the biggest challenges for comparative studies is that Voluntary Standards Schemes tend to evolve over time, and revise both their standards and the system elements. Comparisons are only ever 'snapshots' in a given moment: once the schemes make changes, the comparisons need to be reviewed to confirm ongoing validity. The authors of this review tried to limit the impact of such changes on their work by limiting the report to include only benchmark studies 5 years old or less.

**Table 2.** Inclusion of schemes in comparative studies, by scheme name.

<b>Scheme</b>	<b>Number of comparative studies including this scheme</b>
RSPO	4
RTRS	5
RSB	5
BONSUCRO	4
ISCC	5
NTA 8080	3
Proterra	2
Greenergy	2
2BSvs	3
REDcert	2

NB. Schemes in bold have been recognized by the EU-RED as able to demonstrate compliance with the EU-RED sustainability requirements.

Table 3 below summarises the studies used for this report. For further information on the studies used please see Annex 3.

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<sup>5</sup> Note that many more publicly available studies were found that contained information based on criteria inclusion only, but where no further qualitative analysis had been carried out.



**Table 3.** Summary of comparative studies included in this review

<b>Comparative Study title</b>	<b>Author or Commissioning organization</b>	<b>Date of publication</b>	<b>Inclusion of schemes featured in this report</b>	<b>Study consultation approach</b>	<b>Notes</b>
How to select a biomass certification scheme?	NL Agency	May, 2011	ISCC, NTA 8080 REDcert , 2BSvs Bonsucro, Greenergy, RSPO, RTRS	“Interviews were conducted with some scheme owners and certification bodies for information gathering and verification”	No schemes had yet been recognised by the EC at the time this study was conducted
Selecting a biomass certification system – a benchmark on level of assurance, costs and benefits	NL Agency	March 2012	Bonsucro, ISCC (EU version), NTA 8080, REDcert (German version), RSB, RSPO, RTRS, 2BSvs	“Information for the benchmarking, costs and benefits was collected through literature, reviews of system documentation and interviews to market players.  Feedback on benchmarking was requested from all system owners and their comments processed”.	EU RED versions of these schemes used by this study, with exception of REDcert.  At the time of the study, 5 included schemes (Bonsucro, ISCC, RSB, RTRS, 2BSvs) had been recognised.
Agriculture standards benchmarking study	Sustainable Agriculture Initiative (SAI) Platform	July 2009	RTRS, RSPO	“All of the scheme owners were contacted for comments and an opportunity to address any information unable to verify during the desk research phase. Further evidence was collected in through electronic correspondence and/or phone calls with the following schemes” <i>[N.B RSPO did not contribute to this]</i> .	No schemes had yet been recognised by the EC at the time this study was conducted.
In search of responsible soy – key characteristics and comparison of voluntary soy standards	Commissioned by the Dutch Soy Coalition	November 2011	RTRS, Proterra, RSB, ISCC, NTA 8080	“The results were scanned by several experts in the field of voluntary standards for responsible soy. The results have not been validated by the organizations themselves”	

<b>Comparative Study title</b>	<b>Author or Commissioning organization</b>	<b>Date of publication</b>	<b>Inclusion of schemes featured in this report</b>	<b>Study consultation approach</b>	<b>Notes</b>
Social sustainability of EU-approved voluntary schemes for biofuels – implications for rural livelihoods	CIFOR (Centre for International Forestry Research)	2011	Bonsucro, Greenergy, ISCC, RBSA, RSB, RTRS, 2BSvs	No consultation with schemes is acknowledged by this study	EC recognised versions of all schemes used by this study.
Detailed benchmarking results against the Renewable Transport Fuel Obligation Sustainable Biofuel Meta-Standard	ECOFYS Consultancy	March 2011	Bonsucro, RSB (2009 and EU versions), RSPO, ISCC, Proterra	No consultation with schemes is acknowledged by this study	
WWF Bioenergy certification scheme benchmark study	WWF	2013	RSPO, RTRS, RSB, Bonsucro, ISCC, NTA8080, Greenergy, 2BSvs, REDcert	“Information sources used were current standard documents as well as publicly available information provided by the EC, on standard organizations’ homepages and on relevant external organizations’ websites. Interviews with representatives of each standard organization were conducted to cross-check and amend data. In a last step, comments received were integrated and assessments as well as the report were finalised”.	EC recognised versions of all schemes used by this study.
Examining sustainability certification of bioenergy	IEA Bioenergy	February 2013	2BSvs, ISCC, RSB, Bonsucro, RSPO, RTRS	No consultation with schemes is acknowledged by this study	Unclear whether EU RED versions of schemes used for this study, but the study recognises that RTRS, RSPO and Bonsucro have ‘recently been extended’ to be recognised by the EC.

## Methodologies used by the Benchmarking Studies included in this Review

Each comparative study typically used a different set of criteria or benchmarks that were of interest to the commissioning organization. They then ‘assessed’ whether the particular schemes ‘met’ or complied with these criteria. There was considerable variation in the way that information was analysed and presented:

- Some studies used criteria that were fairly generic terms in others they were extremely detailed requirements.
- Some studies only looked for the ‘presence’ of a particular topic, without judging the differences between how the topics were addressed.
- Some were truly ‘benchmarks’ seeking to determine whether standards would meet a comparable meta-standard (eg. The Ecofys Study for RTFO), whereas others sought to present a much more nuanced comparison about the relative merits of different schemes (eg. NL Agency) or a combination of the relative merits and some implied but complex ‘standard’ to be aimed for (eg. re, WWF)
- Some studies had several layers of criteria (eg. SAI, WWF, CIFOR), and used tables to present an aggregation of high level findings. In some cases only partial information about how the scoring was arrived at was given (eg. WWF), in others detailed specific footnotes were extensively used to increase the transparency of the report (eg. NL Agency).

The variability and complexity of the studies approaches made an overall comparison extremely difficult:

## Voluntary Standards Schemes (VSS) included in this review

(Please see Annex 2 for an overview of the VSS included in this review.)

A selection of EU RED- approved VSS (and one non-approved scheme<sup>6</sup>) were chosen for this study on the basis of:

- How frequently the schemes were featured in the publicly available benchmarking studies (any schemes featured only once were excluded);
- The established reputation and uptake of the schemes.
- Those of interest to EA and their partners (e.g. schemes only applying to agriculture within the EU were not included)

The EU RED-approved schemes can be broadly grouped into four different categories, as described by the NL Agency study (March 2012):

- The system itself is the EU-RED version (e.g. 2BSvs);
- The EU-RED version is an “add-on” module and must be used in conjunction with the main system (e.g. RTRS, RSPO, Bonsucro);
- The system has 2 separate versions; an EU-RED version and a general version (e.g. REDcert,
- ISCC, RSB);
- The system uses a step-wise approach, where the producer has to comply over time from the EU-RED standard to the general standard (e.g. NTA8080).

It is noted by the NL Agency (March 2012) that for some systems the EU-RED version is stricter than their original version (e.g. ISCC) while this is the opposite for other systems (e.g. NTA8080)

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<sup>6</sup> The Protterra Foundation certification scheme was also included due to its relevance to the work of EA members.

Note that some of the comparative studies used versions of the schemes' standards which pre-date their EU recognition (this is particularly so of the reviews carried out prior to 2012). This means that in some cases an evaluation of how well the scheme 'scores' in a particular benchmark post 2012 might generate slightly different results. However, this is a risk with any benchmarking study; once a standard or system has been changed, the benchmark needs to be reviewed to see whether its findings remain valid.

With the exception of **Greenenergy**, which applies exclusively to Brazil, the schemes all have a global scope.

### System for Comparing the Findings of the Benchmarking Studies

Developing a comparative methodology was challenging, given the considerable variation among the studies in a) level of detail on how their scoring or coding was reached, b) degree of aggregation of issues, c) way in which scoring or results were presented.

The system chosen was as follows:

- For the issues identified as interest for this review, the benchmarking studies were analysed in detail: both the summary tables (where provided) and the narrative (where provided).
- Where studies have aggregated issues without showing scores for each detailed sub-issue, these have been included as presented by the scheme eg. The SAI analysis scores schemes for 'Biodiversity conservation', which is made up of sub-issues 'endangered species, diversity of flora/fauna, protection, and restoration' But the individual findings for each sub-issue are not given.
- Where studies have given the 'scores' for each sub-issue, this review has sometimes aggregated these to create an issue comparable with other studies – this is indicated in the tables by an asterisk (\*) in the 'Aggregated' column. For example the WWF study shows a traffic light 'score' for 5 variables related to soil (Erosion prevention, soil quality, crop rotation/intercropping, soil structure, and topography). In this case an average of the 'scores' was presented in this review.
- In a few exceptional cases, where EA had expressed a particular interest, this review also shows the findings at the level of the sub-issue (e.g. for the issue of SEIA requirements within the SEMs requirements)

While there may be differences in the detail of the criteria covered by the studies, together the results can still help to form an impression of how schemes perform under different benchmarking studies. A simplified way of summarizing (and therefore comparing) the results of their benchmarking was developed:

- The standard scheme fully meets the criteria of the specific benchmarking study
- ◐ The standard scheme partially meets the criteria of the specific benchmarking study
- The standard scheme does not sufficiently meet the criteria of benchmarking study

Some comparative studies only indicated where a system includes particular requirements within their standards – i.e. it did not reflect any qualitative analysis of criterion in question. This is shown in this review by a tick or cross:

- ✓ Criteria included
- X Criteria not included

### Presentation of findings of benchmarking studies

For each of the issues of interest (standards content and systems elements) the findings of the different benchmarking studies are summarised in a table. The tables show:

- The selected comparative studies covering the issue ('comparative study');



- Details of the specific criteria used by the study in their analysis ('criteria included');
- Whether study benchmarking results have been aggregated by this review ('aggregated');
- Which schemes were included by the studies;
- A simplified graphical representation of the 'assessment' or findings of each study for each scheme included.

### Important note on the limitations of this review

No verification was carried out on information included in the studies or conclusions drawn. In cases where the authors are aware that the standards or systems documents have significantly changed this has been noted in the 'key issues' boxes in each section.

**This review describes the results of the featured comparative studies only** - no further benchmarking analysis or assessment of the schemes has been carried out.

The nature of this review means that the results of the different benchmarking studies can only be shown as summaries: graphic representations, intended to give a general overview of the common findings. The detail from each study cannot be included. We strongly recommend that people interested in specific topics, use this report as a roadmap, and refer the original studies for specific analysis of criteria and detailed information and conclusions.

### Box 3: The future of comparative studies: the Sustainability Standards Comparison Tool (SSCT)

What is it?

- The Sustainability Standards Comparison Tool is a tool which is under development and which when complete will primarily be a way of analysing information about the standards schemes to provide useful, comparable information for stakeholders about the content and rigour of a standard and the supporting systems.
- It will look in depth at both standards content,( e.g. environmental criteria) and standards systems issues, (e.g. audit requirements of voluntary standards systems), to offer a holistic picture of the sustainability standards scheme in question, using a neutral framework developed by experts.
- The Comparison Tool is an initiative of GIZ (the German international cooperation agency), ISEAL and ITC (International Trade Centre). It will build on data already contained in the ITC Trade for Sustainable Development database

How can it be used?

- The analysis and neutral framework will be integrated into different web-based IT tools that will be available for users, such as the ITC's Standards Map ([www.standardsmap.org](http://www.standardsmap.org)).
- In the tool, users will be able to select the content and process issues that are important to them.
- The framework behind the tool will provide with information about how these vary between schemes, but also how these issues affect the credibility of the scheme (as defined by the ten ISEAL credibility principles of sustainability, improvement, relevance, rigour,

# Section 1: Standards Content

## 1.1 Environmental issues

The environmental issues chosen by EA as of interest, and therefore included as part of the review of benchmarking studies are: Environmental and Social Management systems, Good Agricultural Practices (GAP). Water, Greenhouse Gas (GHG) emissions, biodiversity and habitat protection.

### Environmental and Social Management Systems (ESMS)

Some benchmark studies (eg. WWF) consider it important that producers go beyond simple compliance to integrate the standard into their management systems and practices. Environmental and Social Management Systems are a tool do this.

Comparative study	Criteria Included	Aggregate	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenery	2BSvs	REDcert
SAI, Agriculture standards benchmarking study (2009)	Sustainability management system criteria included: continuous improvement; management responsibilities; record keeping; training	*	●	◐							
WWF, Bioenergy certification scheme benchmarking study (2013)	The management system will incorporate the following elements: (i) social and environmental assessment; (ii) management program; (iii) organizational capacity; (iv) training; (v) community engagement; (vi) monitoring; and (vii) reporting. The scope of the EMS and related action plan should also include (viii) local economic, environmental, and social impacts on local communities and (ix) an assessment of primary ecosystem functions, with a plan to maintain or ideally enhance over time.		●	◐	●	●	◐	○	○	○	○
WWF, Bioenergy certification scheme benchmarking study (2013)	SEIA required		1.	2.	3.	4.	X	X	<sup>7</sup> Partial	X	X

### Comments

The 'multi-stakeholder schemes' all required Social and Environmental Impact Assessments, whereas this was either absent or only partially required by the others schemes reviewed. With regard to management systems, these were more likely to be required by the multi-stakeholder schemes, but were not explicit requirements in **ISCC** and **RTRS**, where the WWF study also identified weaknesses with regard to reporting requirements. **2BSvs**, **REDcert** and **NTA 8080** were reported to have no relevant requirements for either criteria.

<sup>7</sup> Authors note: This needs to be clarified from information in final WWF report

#### Box 4: The importance of Scale and Intensity

Requiring formal Social and Environmental Impact Assessments may be particularly important for any major structural changes (e.g. roads, drainage) and commodity expansion activities. However, requiring formal, documented SEIAs for all activities can create a barrier for small-scale producers. Likewise, requiring a social and environmental 'management system' may be unnecessary for small-scale operations. For larger operations it can be a helpful and new suggestion to put in place systems to address social and environmental issues, however it is possible- and sometimes preferable –for larger companies to internalize all of the requirements of the standard into their mainstream practices and management structures. Therefore it is important that the schemes require EMS or EIA 'appropriate to the nature, scale and potential risks' of the operations.

#### Good Agricultural Practices (GAP)

Comparative study	Criteria included	Aggregat	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Proterra	Greenerg	2BSvs	REDcert
SAI, Agriculture standards benchmarking (2009)	Soil conservation criteria included: cultivation techniques; soil structure and fertility		●	●								
SAI, Agriculture standards benchmarking (2009)	Crop management criteria included: Rotation practices; cultivation techniques; nutrient management; fertilizers; sludge; integrated pest management; agrochemicals		●	●								
Dutch Soy Coalition, key characteristics and comparison of voluntary soy standards (2011)	Inclusion of criteria on Good Agricultural Practices (e.g. limited use of pesticides, crop rotation, tillage)		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
WWF, Bioenergy certification scheme benchmarking study (2013): soil management	Included: a) erosion prevention, b) soil quality, c) soil structure and d) topography	*	●	◐	◐	◐	●	◐		◐	○	●
WWF, Bioenergy certification scheme benchmarking study (2013): use of chemicals	Included: a) integrated pest management (IPM); b) hazardous agrochemicals restriction; c) agrochemical and fertilizer application; d) agrochemical and fertilizer disposal	*	◐	◐	◐	◐	◐	○		◐	○	◐
ECOFYS, Detailed benchmarking results against the RTFO (2011)	Application of good agricultural practices to maintain and improve soil quality. o Erosion control		●		●	●	◐		◐			

- o Soil nutrient balance
- o Soil organic matter
- o Soil pH
- o Soil structure
- o Soil biodiversity
- o Prevention of salinization

### Comments

Both **RTRS** and **RSPO** criteria on soil conservation and ICM were seen to be aligned with the SAI Platform Principles<sup>8</sup>. **The Dutch Soy Coalition** reported that all the standards they reviewed contained Good Agricultural Practices (GAP) requirements: they describe briefly what each scheme covers under 'GAP' but they didn't set a benchmark against which schemes' standard were evaluated. , They noted that while some schemes are explicit in defining which GAP issues should be applied (such as **Proterra** and **RTRS**), for others the implementation of GAPs is implicit: eg. They are indirectly mentioned by for example stating that agricultural management must happen so that soil structure and soil fertility are maintained (such as in **ISCC** and **NTA 8080**).

The **WWF** study covered a range of soil and agrochemical issues, with a relevant selection chosen here. It is interesting to note that most schemes failed to fully meet these criteria; showing only partial compliance. **2BSvs** was here the weakest, not covering either of the criteria. WWF concluded that "most standards do not include clear requirements on the restriction of hazardous chemicals<sup>9</sup>"; and was critical of standards which include a reference to phasing these out, without a time-bound commitment for doing so.

The **ECOFYS** comparison with schemes against the UK government's Sustainable Biofuel Meta-Standard (for a biofuel requirement the RTFO<sup>10</sup> that pre-dated the EU-RED) showed that these criteria were fully met by the **Bonsucro**, **RSB** and **RSPO** schemes, but only partially met by **ISCC** and **Proterra**; here for example it was noted that the ISCC management plan covered only soil erosion but not soil management.

#### Box 5: Depth of benchmarking studies: the agro-chemicals example

The potential depth of benchmarking processes and standards comparisons becomes very apparent in the area of agro-chemicals. A high-level assessment may simply check whether the standards in question address the topic of agro-chemicals, providing simply 'yes/no' type information. A more detailed study may look into requirements listing banned agro-chemicals or references to international banned substances. Whilst this already provides more information than the simple 'yes/no' topic coverage level, it does not detail for example which pesticides are listed in each case.

Two standards that both have lists of banned pesticides, may have very different pesticides listed on those lists. The information the end user can draw from this type of standards comparison may not be terribly useful, if the aim is to disclose which standard has the most stringent requirements on agro-chemicals. For organizations or individuals interested in a particular topic such as this, further detailed analysis is needed.

<sup>8</sup> An initiative created by major food industries, SAI Platform has developed principles and practices for the sustainable production of arable and vegetable crops.

<sup>9</sup> Such as those listed by the WHO Class 1A, 1B and 2, as well as substances banned by the Stockholm and Rotterdam Conventions

<sup>10</sup> Renewable Transport Fuels Obligation . See <https://www.gov.uk/renewable-transport-fuels-obligation>



## Water

Comparative study	Criteria included	Aggregat	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Proterra	Greenerg	2BSvs	REDcert
SAI, Agriculture standards benchmarking study (2009)	Criteria included: water use/quality management; irrigation; wastewater management		●	●								
WWF, Bioenergy certification scheme benchmarking study (2013)	Criteria included: a) water availability, b) improved water quality, c) water use and efficiency, d) run-off and leaching	*	●	◐	●	◐	●	◐		◐	○	◐
ECOFYS, Detailed benchmarking results against the RTFO (2011)	Application of best practices to reduce water usage and to maintain and improve water quality		●		●	●	◐			◐		

### Comments

All schemes reviewed except **2BSvs** were reported to have either full or partial coverage of water quality and management issues.

The WWF study showed several schemes as not meeting their criteria on on water use and efficiency (**RTRS, REDcert**). **Bonsucro, REDcert and NTA 8080** were observed to be lacking in specific requirements for the study's criteria on water management. Similarly, **Greenery** while was noted to have addressed in some way all the water issues included in the study, there was a lack of specificity in requirements and how these should be applied. **2BSvs** coverage of water requirements was found to be weak across all water criteria.

The **ECOFYS** study found that both **ISCC** and **Proterra** only partially met the RTFO requirements for water best management practices to reduce usage and improve quality.

### GHG emissions

To a certain extent all standards schemes which have been recognized by the EU RED must include requirements in relation to GHG emissions and restrictions on the conversion of high carbon stock land for production of crops used for feedstocks. However, the benchmarking studies show mixed results for performance on the generic topic of 'GHG emissions'

Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Proterra	Greenenergy	2BSvs	REDcert
SAI, Agriculture standards benchmarking study (2009): energy conservation	Criteria on energy conservation included: renewable sources of energy; reduce air pollution; global warming; fuel usage		●	○								
WWF, Bioenergy certification scheme benchmarking study (2013): GHG emissions reduction	Criterion required the producer to monitor and reduce emissions (separate from legal minimum threshold of EU RED)	◐	○	●	●	○	●		○	○	○	
ECOFYS, Detailed benchmarking results against the RTFO (2011): carbon conservation	Preservation of above and below ground carbon stocks (reference date 01-01-2008)	◐			●	●	●		◐			

To a certain extent all standards schemes which have been recognized by the EU RED must include requirements in relation to GHG emissions and restrictions on the conversion of high carbon stock land for production of crops used for feedstocks. However, the benchmarking studies show mixed results for performance on the generic topic of ‘GHG emissions’. This is partly because some studies feel the bar should be set higher than the EU does (eg. WWF), and partly because some of the schemes only include such requirements in their “EU-add-on” standard ie. It is only required of producers who specifically want to have the EU RED compliant certification.

### GHG emissions

A minimum GHG emissions reduction is a mandatory requirement included in the Directive<sup>11</sup>: Importers of biofuels qualifying as meeting the EU RED requirements must demonstrate that emissions along the supply chain are below the feedstock-specific thresholds set by the EU In practice this is usually achieved by a mixture of using default values for crop production, and more specific GHG accounting through the supply chain, although all of the schemes also include optional criteria to use GHG calculation tools for calculating production emissions. However, a key finding of the **WWF** study was that most standards do not contain clear requirements on the continuous monitoring and reduction of GHG emissions beyond the 35% reduction target of EU RED, which is only done by **NTA 8080** and **RSB** and **Bonsucro**.

### High carbon stock land conversion

The issue of land-use change (direct and/or indirect) is a mandatory requirement included in the Directive<sup>12</sup>. This sets a cut-off date of January 2008 beyond which biofuels and bioliquids cannot be made from raw material obtained from land with high carbon stock – this includes primary forest, wetlands, continuously forested areas, land with dense tree coverage, and peat land. All the EU RED approved schemes fulfil these requirements. The **ECOFYS** study criteria showed RSPO as having only partial compliance with the UK meta-standard, but the RSPO has since made changes for an EU-RED-specific standard that has been approved by EU-RED<sup>13</sup>.

<sup>11</sup> See Articles 17 (2), and 22 (1)

<sup>12</sup> See Articles 17 (3), (4) and (5).

<sup>13</sup> Nb. This is an effective demonstration of how benchmarking studies have a limited life-span

## Biodiversity: habitat protection and conservation

Comparative study	Criteria included	Aggregat	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Proterra	Greenerg	2BSvs	REDcert
SAI, Agriculture standards benchmarking study (2009)	SAI PP on biodiversity conservation included endangered species; diversity of flora/fauna; protection; restoration		●	●								
WWF, Bioenergy certification scheme benchmarking study (2013)	Includes criteria on a) biodiversity assessment, b) priority habitat conservation c) set aside, wildlife corridors, d) endangered species, e) invasive species	*	◐	◐	●	◐	○	◐		◐	○	○
ECOFYS, Detailed benchmarking results against the RTFO (2011)	Identification and conservation of important biodiversity on and around the production unit.		●		●	●	◐			◐		
Dutch Soy Coalition, key characteristics and comparison of voluntary soy standards (2011)	Inclusion of criteria on nature conservation and biodiversity			✓	✓		✓	✓	✓			

### Land conversion of high biodiversity areas

Restrictions on sourcing feedstocks from converted land which had high biodiversity are included in the EU Directive<sup>14</sup>. This sets a cut-off date of January 2008 beyond which biofuels and bioliquids cannot be made from raw material obtained from land with a high biodiversity value – this includes primary forest, areas designated by laws or international agreements, and highly biodiverse grassland. All the EU RED approved schemes fulfil these requirements, except for **Bonsucro**, **2BSvs** and **NTA 8080** which do not fulfil criteria on highly biodiverse grassland.

<sup>14</sup> See Articles 17 (3), (7), and 22 (1)

### **Box 6: The High Conservation Value Approach**

High Conservation Values (HCVs) are biological, ecological, social or cultural values which are considered outstandingly significant or critically important, at the national, regional or global level.

The six High Conservation Values are as follows:

- HCV 1 Concentrations of biological diversity including endemic species, and rare, threatened or endangered species, that are significant at global, regional or national levels.
- HCV2 Large landscape-level ecosystems and ecosystem mosaics that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
- HCV3 Rare, threatened, or endangered ecosystems, habitats or refugia.
- HCV4. Basic ecosystem services in critical situations, including protection of water catchments and control of erosion of vulnerable soils and slopes.
- HCV5 Sites and resources fundamental for satisfying the basic necessities of local communities or indigenous peoples (for livelihoods, health, nutrition, water, etc.), identified through engagement with these communities or indigenous peoples.
- HCV6 Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.

Some of sustainability standards (RTRS, RSPO, Bonsucro, Greenergy) require the use of the HCV approach, asking the companies seeking certification to identify, manage and monitor HCVs. There has been some criticism of inconsistent use of the HCV approach, either by standards schemes themselves or by the producers. Failing to identify HCVs or to manage them appropriately can result in major risks to biodiversity conservation and to the wellbeing local communities.

For more information see the High Conservation Value Network, and organization working to support a consistent approach of the application via guidance, tools and documents, and reviews of HCV Assessments and processes <http://www.hcvnetwork.org/>

### **Inclusion of biodiversity issues**

Even if a scheme complies with the mandatory EU RED requirements that prevent sourcing of biofuels from raw materials of land which has (or had before 2008) high biodiversity value, this may still mean that key biodiversity issues remain unaddressed, as is suggested by the **WWF** study. Here **ISCC**, **2BSvs** and **REDcert** were found to have either poor or no coverage of most study criteria, and many other schemes showed only partial compliance. Across schemes, the weakest areas appeared to be coverage of endangered and invasive species criteria.

The **Dutch Soy Coalition** comments that of the schemes featured, the specific biodiversity requirements are significantly different across standards. It was observed that **Proterra** and **RSB** appear to be the most comprehensive in their approach as they require various programmes and plans to manage biodiversity covering a wide range of themes. The **ECOFYS** study also comment that for **ISCC** no management plan or similar is required for conservation.

### **Priority conservation areas**

The globally recognised system of identification **High Conservation Value (HCV)** areas was acknowledged by used by some schemes as their approved system of identifying and protecting priority conservation areas (see information box X). For **WWF** “High Conservation Value (HCV) is the ‘preferred’ designation for controlling ‘loss and/or degradation of priority habitat, species or

ecosystems. However they found that all schemes had requirements for HCV areas to be identified and protected – or a similarly exhaustive approach for assessment’ with the exception of **2BSvs** and **REDcert**. It is worth noting that the HCV approach covers more than just biodiversity and habitat protection: but that the ‘social / cultural’ functions were not considered by WWF in its study.

# Section 2: Social criteria

## Labour rights and working conditions

Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Proterra	Greenenergy	2BSvs	REDcert
SAI, Agriculture standards benchmarking study (2009)	SAI PP on labour conditions included ILO Conventions; worker safety, wages, working hours, discrimination, forced labour, freedom of association, child labour.		●	●								
CIFOR, Social sustainability of EU-approved schemes (2011)	Included criteria on: a) minimum age and child labour; b) OHS; c) right to organize and collectively bargain d) prohibitions on forced and bonded labour e) fair/legal/negotiated wage f) maximum working hours and overtime g) discrimination and equal opportunity.	*		●	◐	●	●			●	○	
WWF, Bioenergy certification scheme benchmarking study (2013)	Criteria here includes a) forced labour b) child labour c) safe and healthy working conditions d) grievance mechanisms e) freedom of association f) working hours g) discrimination.	*	●	●	●	●	●	◐		◐	○	◐
ECOFYS, Detailed benchmarking results against the RTFO (2011)	Criteria included: a) freedom to associate and bargain; b) child labour; c) health and safety; d) wages; e) forced labour	*	●		●	●	●		◐			

### Box 7: Consistency & the role of International Organizations

The issue of labour rights and working conditions is the one where most consistency, and highest 'compliance' with the benchmarking criteria was found across the findings of the different benchmarking studies. It is likely that this is due in large part to the central role played by the International Labour Organization's (ILO) Core Conventions. In providing criteria which standards can then reference or incorporate. This highlights the important role that intergovernmental organizations (and sometimes governments) can play in promoting consistency between standards.

Some tricky issues still remain and some standards schemes are starting to coordinate to seek consistency on such topics. For example some members of ISEAL are collaborating on the topic of how to define 'payment of a living wage or decent living wage' since a variety of different definitions and guidance exist. Work such as this also presents an opportunity for NGOs and government to participate with the schemes on definitions and guidance.

### Comments

Overall, coverage of labour rights and working conditions was strong across standards. Many schemes scored highly for labour rights and working conditions across studies, with **ISCC**, **Bonsucro**, **RTRS** and **RSPO** achieving overall full compliance with relevant criteria for all the studies they



featured in. Conversely **2BSvs** was found not to adequately address any of the labour-related study criteria in the two studies that reviewed them.

**CIFOR** comments that for the schemes they reviewed, notable gaps in labour requirements include job quality, safeguards against debt bondage and contract farming practices. They also commented that none of the standards include requirements for those sourcing from non-contracted smallholders.

### Dispute resolution/grievance mechanism for local communities<sup>15</sup>

Comparative study	Criteria included										
		Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenenergy	2BSvs	REDcert
CIFOR, Social sustainability of EU-approved schemes (2011)	Grievance and dispute resolution mechanism in place			●	●	●	●		○	○	
WWF, Bioenergy certification scheme benchmarking study (2013)	Grievance mechanisms for local communities: the standard requires producers to have a fair and transparent method for dispute resolution with local communities to ensure that the rights of local communities are protected.	●	●	●	●	●	●	●	○	○	

### Community engagement

Comparative study	Criteria included										
		Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Proterra	Greenenergy	2BSvs
SAI, Agriculture standards benchmarking study (2009): stakeholder engagement	The standard's principles/criteria encourages or gives guidance to the user to engage external stakeholders such as nearby communities, non-governmental organizations, local government, etc. through community or farm activities and proactive external communication.	●	●								
CIFOR, Social sustainability of EU-approved schemes (2011)	Procedures for local consultation, communication and participation			○	●	●	○		○	○	
WWF, Bioenergy certification scheme benchmarking study (2013)	Included criteria on a) land availability and rights, b) cultural heritage c) social context and welfare	*	●	●	●	●	●	●	●	○	○

<sup>15</sup> Note this not in relation to the scheme itself, but for scheme standard requirements for the client

### General observations

According to the study carried out by **CIFOR** – which had a particular focus on social aspects of the standards – the procedures for community consultation, communication and participation vary according to the extent to which they acknowledge and specify the diversity of local stakeholders, the comprehensiveness of the consultation process and the independence of verification procedures. **CIFOR** identified weaknesses with regard to representation and ensuring effective consultation and consensus with affected households. **RSB** was evaluated to be the strongest standard regarding land and resource rights, with **FPIC** being the basis of all stakeholder consultation, consensus as the method for reaching decisions with affected stakeholders, and clear stakeholder identification methods.

The **WWF** study was more positive, showing that all schemes except **2BSvs** and **REDcert** include requirements for using **FPIC** with respect to the use of land, and require certified operation to respect traditional rights including those of local and indigenous communities. **ECOFYS** also reported that all schemes reviewed fulfilled their criteria on consultation and communication with local stakeholders, except **Proterra** which only partially met study criteria.

#### **Box 8: The Challenges of implementing Free, Prior and Informed Consent (FPIC)**

Definition: A process whereby indigenous peoples or local communities have the right to give or to withhold consent to activities planned on their lands and territories of which will affect their cultures and traditional knowledge and other rights.

The use of the **FPIC** principle is required by several sustainability standards, asking companies seeking certification to apply **FPIC** when engaging with local communities, particularly around the issue of land acquisition.

A recent workshop on this topic concluded that while **FPIC** had had a positive impact on how companies think about the rights of local communities, the voluntary multistakeholder schemes are still failing to include sufficient representation in their governance structure of local communities, and communities remain unprepared to undertake the processes required

Most importantly the discussions revealed a need of collaboration and harmonisation amongst the roundtables themselves with regards to **FPIC** requirements and particularly for the development of supporting guidance for companies to help them apply the **FPIC** principle consistently and for auditors to facilitate better auditing of the application of **FPIC**

# Section 3: Review of Systems Elements

The proliferation of sustainability standards in recent years has led to a debate on the rigor, impartiality, transparency and accessibility of the schemes associated with the standards. Users of standards and consumers began to go look beyond the content to ask how the implementation of standard requirements is verified in practice, how the work of the verifiers is checked, and what the impact of the standard system is.

The following section looks at some of components of the standard *systems* of different voluntary standards schemes.

## Verification of compliance with standard

EA and their partners are interested to look at the way benchmarking studies have investigated the rigor and credibility of verification and assurance of compliance with standards. This is influenced, among other factors by the way compliance with the standard is verified<sup>16</sup> and the accreditation mechanism<sup>17</sup> for certification bodies,

The International Organization for Standards setting (ISO) has produced a number of standards and codes about how certification<sup>18</sup> and accreditation<sup>19</sup> processes should be carried out. The standards schemes frequently reference compliance with these standards as a requirement for certification bodies and/or accreditation bodies.

Additional the ISEAL Alliance have developed the Code of Good Practice for Assuring Compliance with Social and Environmental Standards (the Assurance Code) which complements the relevant ISO standards (ISO 17065 and 17021)

## Multi-stakeholder participation

### Box 9: Multi-stakeholder Schemes

Some schemes are referred to as 'Multi-stakeholder' organizations, because from the outset they were multi-party 'roundtable' organizations with the specific intention to bring together often opposing groups to seek common solutions and agree jointly on what 'sustainability' means for a particular sector. Their governance and ownership is 'multi-stakeholder'. This includes the RSB, RSPO, Bonsucro and RTRS.

Other schemes clearly do not make claims to be 'multi-stakeholder', e.g. those set up by certification bodies to meet EU RED, such as 2BSvs and REDCERT.

However, there is no simple dichotomy, many schemes which may have begun life as a project led by government (ISCC) or NGOs (SAN) have now adjusted their governance and modus operandi to more formally involve multiple interest groups, and even industry led schemes (e.g. Greenergy) are likely to have invited the input of stakeholders in the formulation of the standard.

<sup>16</sup> Sometimes called the 'certification system': ie. Who verifies? (a third party?), what is checked? (field audits, self assessment, desk study?) how often? (audit frequency) and how are decisions made (are there peer reviews? Is it the certification body or the standard scheme that decides?)

<sup>17</sup> Ie the mechanism by which certifiers are approved and their performance monitored.

<sup>18</sup> E.g. ISO/IEC 17065:2012 Conformity assessment -- Requirements for bodies certifying products, processes and services, and ISO/IEC TS 17021-2:2012 Conformity assessment -- Requirements for bodies providing audit and certification of management systems

<sup>19</sup> Eg. ISO/IEC 17011:2004 Conformity assessment -- General requirements for accreditation bodies accrediting conformity assessment bodies

### Multi-stakeholder participation in development of scheme standards

Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenergy	2BSvs	REDCert
		NL Agency, How to select a biomass certification scheme? (2011)	Multi-stakeholder participation in standard setting				✓		✓	✓	
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	Stakeholder participation in review of policies and procedures system		●	●	●	●	●	●		○	◐
SAI, Agriculture standards benchmarking study (2009)	Scheme was developed via a transparent multi-stakeholder process which fully reflects the view of all interested stakeholders. Green coding is reserved for those schemes who are fully transparent with publically available documentation and stakeholder information		●	●							
WWF, Bioenergy certification scheme benchmarking study (2013)	Criteria here includes multi-stakeholder participation in standard development process		●	●	●	●	●	●	◐	◐	◐
IEA Bioenergy, Examining sustainability certification of bioenergy (2013)	Stakeholder consultation in standard-setting									X	

### Multi-stakeholder participation in scheme governance

Comparative study	Criteria Included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenergy	2BSvs	REDCert
		SAI, Agriculture standards benchmarking study (2009)	Scheme is well maintained by a representative and transparent board. Green coding is reserved for those schemes who are fully transparent with publically available documentation and board member information.		●	●					
WWF, Bioenergy certification scheme benchmarking study (2013)	Criteria here includes multi-stakeholder participation in standard system		◐	●	●	●	◐	●	○	◐	◐
IEA Bioenergy, Examining sustainability certification of bioenergy (2013)	Stakeholder representation, involvement in governance and standard-setting	* *	✓	✓	✓	✓				X	

### Relevance of multi-stakeholder participation

The distinction between different aspects of multi-stakeholder participation is important, as highlighted by the **WWF** study. This observed that while many schemes may involve multiple stakeholders in the standard/scheme development, fewer schemes are maintained with the participation of all groups of stakeholders (business, civil society, governments, research institutions, and non-governmental organisations).

The different purpose and context of the industry-led schemes should be taken into account; they may have involved multiple stakeholders in the development of their standards, but there may be no claim or intention that these are multi-stakeholder initiatives and the scheme may not have been designed to have this structure. For example, as identified by **IEA**, **2BSvs** provides no information on whether multi-stakeholders are involved in the managing and decision-making process: this scheme was created by a certification body to meet a market demand.

### Development of standards

The performance of multi-stakeholder-led schemes with regard to standard development was strongly rated across all comparative studies. However, the **WWF** study notes that while most multi-stakeholder schemes provide documents and information about multi-stakeholder participation in standard development and operation, the details of these processes often remain unclear and information about whether implementation of this in practice is achieved not provided – for example the details of how the decision making is structured and how a balance of stakeholders is ensured.

### Successful implementation of a multi-stakeholder governance system

For the schemes that claim to be multi-stakeholder organisations, WWF again raised questions about whether their multi-stakeholder governance structures are in practice operating successfully. For example, **WWF** felt that there were weaknesses in the **RSPO** multi-stakeholder participation in decision-making processes, with a risk of these being biased against certain interest groups, but this was not expanded upon, nor justification given

### Audit samples and use of site visits (for individual and/or group certification)

Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenenergy	2BSvs	REDCert
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	Annual audit assessment required	✓	✓	✓	✓	✓	✓			✓	✓
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	Main and re-assessments are on-site field audits. Other annual assessments are on-site field audits; Requirement that all sites need to be externally visited during certificate validity, where there is group certification	*	●	●	◐	●	◐	◐		◐	◐
WWF, Bioenergy certification scheme benchmarking study (2013): Audit sample size	The standard's requirements for farm audit include mandatory farm visits and the sample size for group certification is at an acceptable level.		●	●	●	●	◐	●	●	○	◐

## Comments

The **WWF** study reports that audit frequency by CBs and sampling procedures are clearly defined by most of the standards. However, inconsistencies were observed between the documented procedures and what is implemented by the schemes in practice. An issue that WWF raise as being of particular concern is how group certification is being used. It states that this concept was permitted by the EC to support inclusion of smallholder cooperatives, but is now used without proper internal control systems for bigger farms. They have similar concerns about how desk audits are- permitted for low-risk areas - were found to be carried out for high-risk regions. These two examples were cited as one of the main weaknesses of schemes like **ISCC** and **2BSvs** “which are not controlled through stakeholder participation in audits”. **2BSvs** was also found to be weak in sample size requirements.

## Auditing procedures

The **NL Agency (2012)** found that there were large differences between systems in their chosen forms of auditing farmers (e.g. field or desk audits, sampling conditions), and therefore on the level of assurance. **REDCert** and **ISCC** were found to make use of self-declarations of farmers; **Bonsucro**, **RSPO** and **2BSvs** made use of a self-declaration to a limited extent, mainly for demonstrating compliance for a specific criterion (e.g. historic land use in the case of **2BSvs**). For **2BSvs**, the auditor used risk analysis to determine whether or not it is necessary to perform a field audit on the farm. **NL Agency (2012)** also comments that there are strong differences in sampling requirements and conditions between schemes, with **2BSvs** and **REDCert** having the most lenient sampling requirements, and **RTRS** and **NTA 8080** having the strictest.

### Box 10: Systems Elements

The different ‘system elements’ of a certification process may have different impacts on the performance of a scheme: sometimes these may even be contradictory. For example having requirements for on-site field audits can increase costs and decrease accessibility (for example for smallholders), but it is also considered important for the rigour of the system. The same can be said of sampling requirements: major cost savings can be had by visiting a small sample of farms, but too small a sample size could negatively affect the likelihood that non-compliances are identified and hence the rigor of the scheme.

Some schemes are starting to discuss how to reduce inconsistencies between schemes with regard to the way they audit and accredit their certification bodies. Standard schemes themselves have recognized how these differences can limit the opportunities for mutual recognition of each others certificates; something which users are increasingly asking for. We can expect to see more collaboration in this area in the future.

## Mechanisms for Accrediting Certification bodies.

Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenergy	2BSvs	REDCert
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	CB required to be accredited/recognized by: <ul style="list-style-type: none"> <li>- National accreditation body associated with IAF;</li> <li>- ISEAL (full or associate member);</li> <li>- relevant national authority of one of EU member states;</li> <li>- AB committed to ISO 17011 compliance (or equivalent)</li> </ul>	*	●	●	●	◐	●	◐		◐	○



Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenenergy	2BSvs	REDCert
WWF, Bioenergy certification scheme benchmarking study (2013): Accreditation	The standard requires independent third-party verification, which includes both third-party CBs to audit the producers as well as third-party accreditation bodies to accredit the CBs (ISO 65 compliance) in accordance with international guidance set by ISEAL (see draft ISEAL Assurance code) or by IAF.		●	◐	●	◐	◐	◐	○	◐	◐
ECOFYS, Detailed benchmarking results against the RTFO (2011)	Accreditation of CBs: ISO Guide 65: 1996, ISO 17021: 2006, or justified equivalent; Accreditation process for ABs: 'Commitment to comply' with ISO 17011: 2004, or justified equivalent, independently peer-reviewed and approved by an auditor that is recognised by either ISEAL or the IAF	*	●		●	●	●				

### General observations

WWF notes that there is a very wide range of approaches to accreditation used by the standards: this includes accreditation by a national accreditation body (such as **ISCC** and **REDCert**), accreditation by a full/affiliate ISEAL member, or by an even vaguer 'commitment to comply' by the CB conducting the audit process. WWF specifically they noted that Bonsucro does not have an independent system of accrediting CBs and monitoring performance: this is carried out in house.

It was reported that many schemes do not require an accreditation process which specifically addresses the certification body's understanding the scheme's standards or systems, but instead rely on generic accreditation with generic ISO standards or guidelines. WWF notes that a weakness of the **ISCC** is that it accepts non-specific accreditation by a National Accreditation body, but also highlights as a strength of **ISCC** their integrity scheme to monitor the performance of CBs independently from their accreditation process.

### Chain of custody

Most of the comparative reviews focus on the presence of absence of particular types of Chain of Custody systems. These are:

- Identify Preserved (IP): where material sold as 'certified' can be traced back to a specific mill or farm, and is kept in separate batches as it passes along the supply chain. In this system all supply chain actors that wish to handle (and sell on) certified material need to obtain a Chain of Custody certificate, which often requires an on-site audit to demonstrate that they have an effective IP system.
- Segregation (SG): where all 'certified' material must be kept separate from all 'non-processed material' as it passes along the supply chain. Material sold as certified is certain to come from certified mills or farms. In this system all supply chain actors that wish to handle (and sell on) certified material need to obtain a Chain of Custody certificate, which often requires an on-site audit to demonstrate that they have an effective segregation system.
- Mass Balance (MB): this is a system which allows certified material to be physically mixed with non-certified material as it passes along the supply chain. However there must be an administrative system which means that only a volume of mixed product corresponding to the original volume of certified material can be sold as 'certified'. Since the mixing means that in practice an end product may not contain any physical material which is actually from a certified mill or farm, only a weaker claim should be allowed at the time of sale when using a MB system (eg. 'This product contributes to the production sustainable material', as opposed

to 'this product *contains* sustainable material'). In this system all supply chain actors that wish to handle (and sell on) certified material need to obtain a Chain of Custody certificate, which often requires an on-site audit to demonstrate that they have a effective MB system.

- Book and Claim (B&C) (also called Certificate trading): this is a system which allows certified producers to sell 'sustainability credits' which correspond to the volume of certified product, and to end users (eg. Supermarkets) to purchase these 'credits'. In this way the end user guarantees that a premium is paid directly to a certified producer (not lost in the supply chain). The physical supply chain actors (processors, transporter, traders) play no role in this system and do not require any type of certification. The end product is unlikely to contain any material which is actually from a certified mill or farm, hence as for MB, the claims associated with B&C must be weaker than for segregated systems.

Comparative study	Criteria included	Aggregated									
		RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenergy	2BSvs	REDCert	
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	CoC systems	IP; SG; MB; B&C	SG; MB; B&C	IP; SG; MB; B&C	MB	IP; SG; MB	SG; MB		MB	MB	
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	CoC audit required for change of legal ownership	●	●	●	●	●	●		●	●	
WWF, Bioenergy scheme benchmarking study (2013) – Traceability system in place	The standard has a robust process for 'tracing' the product along the supply chain to ensure truthful claims.	●	●	●	●	●	●	●	●	●	

### General observations

As expected due to the mandatory EU RED CoC requirements, all schemes reviewed have a Chain of Custody and traceability system in place. The EU RED CoC requirements include all supply chain stages from the feedstock production up until the release of the fuels for consumption.

The EU RED does not recognize Book and Claim systems. It requires a **mass balance (MB)** CoC system or 'stricter' method (ie segregation and identify preserved): although in practice for the biofuels industry Mass Balance remains the most realistic system due to the complexity of trading and mixing..

As pointed out by the **NL Agency (2012)**, schemes differ in their coverage of the supply chain.

Although farmers are included in the audits of all certification systems, they are not necessarily the first certificate holder. The first certificate holder for **Bonsucro** and **RSPO** is the mill: ie part of the responsibility for ensuring that the supply base is in compliance with the standard lies with the mill owner. This is partly a function of the way that sugarcane and oil palm must be processed; other crops such as soy can be stored for many months after harvesting and tend to have a much weaker relationship with any specific processing plant. For **2BSvs** and **REDCert** the first 'gathering entity' is the certificate holder: this can be a processing plant or a storage facility, but means that in some cases the farmers themselves may not be aware that they are covered by a certificate. Farmers are the first certificate holders for **RSB**, **RTRS** and **NTA8080**.

### **Box 11: The need for harmonization on chain of custody certification**

With the rise in the number of agricultural commodities sustainability standards in recent years; crop-specific ones (e.g. sugarcane, soy, palm oil and cotton as addressed by Bonsucro, RTRS, RSPO and BCI), multi-crop farm-based ones (e.g. SAN, GlobalGAP) and end-use/entire chain schemes (e.g. biofuels standards ISCC, RSB, 2BSv), significant challenges are created for companies with regards to chain of custody management.

These standards are being used in the biofuels, fast moving consumer goods (FMCG), food and animal feed sectors and as companies source through a variety of supply chains, they are frequently faced with having to administer different chain of custody management systems for the different certified products they are sourcing. Audit fatigue is often cited by companies, who will have auditors for each of the sustainability standards they are using coming to audit their facilities.

Additionally, in certain sectors, such as food manufacturing, there are existing traceability requirements for food safety, which are not linked or coordinated with the requirements for chain of custody of sustainability standards, adding further to companies' administrative burden.

What is needed is collaborations among schemes to see how their Chain of Custody system requirements can be harmonized to increase efficiencies and reduce costs to users. Some schemes have taken initial steps toward this (e.g. RTRS, RSPO).

### **Monitoring and evaluation of Impacts**

The benchmarking studies did not provide sufficient scheme-by-scheme comparisons of how Impacts Assessment is being handled. However, WWF featured the topic prominently in some individual scheme reviews, and in their overall conclusions. WWF concluded that almost all schemes lack a monitoring and evaluation system to monitor impacts of certification activities over time on the ground and also in the supply chain. **Bonsucro** was found to be the only standard which contains a mechanism to monitor and evaluate impacts in relation to certification activities (via the requirements to measure and monitor in relation to Environmental management plans): i.e. this is a positive step toward the development of a scheme monitoring and evaluation system.

### **Box 12: Impacts of sustainability standards**

Sustainability standards increasingly are faced with a demand to prove positive impacts on the ground. Consumers and NGOs in particular are asking for proof of improved practices and positive impacts on producers and the environment. For many voluntary sustainability standards this constitutes quite a challenge: most are still in the early days of setting up their systems and programmes and are therefore focused with the day-to-day running of the organisation and increasing numbers of certificate holders.

ISEAL Alliance developed the Code of Good Practice for Assessing the Impacts of Social and Environmental Standards (Impacts Code), which offers a framework for building a monitoring and evaluation system capable of examining both short-term and long-term outcomes and to publicly report on the results of their evaluations. In practice many standards schemes are still a long way from having implemented effective impact evaluation systems, and remain poorly resourced to do so. Collaborative efforts with impartial NGOs and governments could help address this.

## Transparency

Comparative study	Criteria included	Aggregated	RSPO	RTRS	RSB	Bonsucro	ISCC	NTA8080	Greenenergy	2BSvs	REDCert
NL Agency, A benchmark on level of assurance, costs and benefits (2012)	Transparency in management of the system: <ul style="list-style-type: none"> <li>• Rights and duties of companies;</li> <li>• Availability of system documentation;</li> <li>• Publication of certified companies on the website;</li> <li>• Availability of summary reports of company assessments</li> <li>• Availability of a list of non-compliant companies</li> </ul>	*	●	●	●	◐	●			◐	◐
CIFOR, Social sustainability of EU-approved schemes (2011)	Transparency mechanisms			○	○	◐	○		○	○	
WWF, Bioenergy certification scheme benchmarking study (2013)	Criteria included here are a) transparency in public reporting and b) transparency in communication of standard docs and processes	*	●	●	●	◐	◐	◐	○	◐	◐

### General observations

Transparency commitments are mixed across standards, and in general are limited.

**RTRS, RSB and RSPO** are evaluated by the studies to have the strongest commitments.

A weakness of several schemes – including **ISCC, Bonsucro, 2BSvs and REDCert** – was their failure to have publicly available summary reports of audit assessments. Several schemes – including **ISCC, Bonsucro, 2BSvs REDCert and NTA 8080** – did not fully cover study criteria on transparency in the communication of the standard documents and processes.

# Conclusions and Reflections

## Conclusions about the sustainability standards and schemes

- There is an **important distinction between the schemes designed specifically to meet a market demand for compliance with EU RED criteria**, and those with a broader mission about sustainability. The requirements of standards developed mainly or solely to respond to EU RED are clearly weaker with regard to ‘Social issues’ – especially issues related to weaker in schemes that only designed to fill red criteria (check) as these requirements not mandatory
- Overall **the schemes included seemed to be ‘strongest’ on labour issues**, which underlines the significant role which is played by internationally agreed frameworks such as those of ILO, which have influenced labour standards development. However, in practice we know that compliance with these is among the most difficult, and particularly so for small-scale producers. This highlights the complexity of trying to evaluate the performance of a standard scheme on the basis of the strength of the demands of its standards. Even where a scheme appears to be strong on paper, on the ground there can be variability in how this is assessed, or on how this impacts on the accessibility of the standard.
- The NL 2012 study suggests where the **EU-RED lacks guidance or provides room for interpretation (e.g. sampling, outsourcing activities) there is likely to be greater diversity among schemes**. “More harmonization exists for those points where the EU-RED gives clear procedures and rules (e.g. third party evaluation and mass balance)”. “Issues like accreditation, sampling requirements, level of verification, stakeholder consultation, complaints procedures, transparency, or recognition of other EU systems, are not mentioned as requirements in the EU-RED or are only generally defined”.

## Conclusions about the benchmarking studies

- There is a **noticeable lack of comprehensive studies** that cover an extensive range of standards content criteria, and include detailed explanations of how criteria have been analysed. This may be largely because such studies are extremely complex – and therefore costly – to carry out. They require an extremely detailed knowledge of the different, very technical subjects covered by the standards, to full understand the nuances of what is being asked; also importantly they require analysis of the indicators and guidance associated with most standards: which is sometimes contained in separate documents, or developed at national level or by the certification bodies.
- Furthermore **studies focusing exclusively on standards content still face the challenge of trying to understand how the a scheme’s verification mechanism may affect the degree of obligation to meet the requirements in the standard** . For example, although a standard may contain extensive requirements on - for example - Biodiversity Conservation if its verification system allows operations to be ‘approved’ (eg. certified) by complying with 80% of the standard, then there is no guarantee that this criteria will in practice be met. In other words, the content of the standard needs to be looked at in conjunction with the degree to which the requirement is optional or can be met overtime.
- **Involving of the different schemes themselves in the comparative work varied greatly**. Even if the study authors approached the schemes for input this may not have been given: most schemes are not sufficiently resourced to deal with the number of enquiries from researchers and students to comment on their findings<sup>20</sup>. Not having the full cooperation of the schemes presents risks for the quality of the results; for example, of not using the most

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<sup>20</sup> NB. The Standards Sustainability Standards Comparison Tool being developed by GIZ ISEAL and ITC, builds on the T4SD database which uses data which uses data supplied and validated by ISEAL members .

up-to-date documents or of misinterpretation of the systems or requirements. This is particularly the case for organizations with strong external communication and marketing, yet difficult access to their actual policy or systems documents.

- There is still **a real lack of information for users such as EA partners about the actual impact of the schemes** on the practices referred to in the standards. While the ISEAL Impacts Code is driving better information about outcomes, only a few of the schemes relevant to biofuels are currently members of ISEAL, and several of them are unlikely to wish to be.
- Studies such as the WWF study (publication pending at the time of this review), and the NL Agency (2012) study are highly significant in that they **go beyond standards content, to look at qualitative issues affecting how the scheme operates in practice**, which in turn affects the degree of confidence in the way the standard is verified and the claims made by users. Examples of this include how the schemes make decisions about verification, how standards are set, how the scheme is governed. However, even where process and content are studied together it remains extremely difficult to go to the level of detail needed to give quality conclusions. EA members or partners should be particularly wary of ‘standards-content’ only comparisons, which only tell part of the picture.

#### Some conclusions on key content criteria

##### **1. Environmental and Social Management Systems:**

The ‘multi-stakeholder schemes’ all required Social and Environmental Impact Assessments, whereas this was either absent or only partially required by the others schemes reviewed. With regard to management systems, these were more likely to be required by the multi-stakeholder schemes.

##### **2. Good Agricultural Practices:**

The **WWF** study covered a range of soil and agrochemical issues, with a relevant selection chosen here. It is interesting to note that most schemes failed to fully meet these criteria; showing only partial compliance. **2BSvs** was here the weakest, not covering either of the criteria. WWF concluded that “most standards do not include clear requirements on the restriction of hazardous chemicals”.

##### **3. Water:**

All schemes reviewed except **2BSvs** were reported to have either full or partial coverage of water quality and management issues.

##### **4. Greenhouse Gases:**

To a certain extent all standards schemes which have been recognized by the EU RED must include requirements in relation to GHG emissions and restrictions on the conversion of high carbon stock land for production of crops used for feedstocks. However, the benchmarking studies show mixed results for performance on the generic topic of ‘GHG emissions’. This is partly because some studies feel the bar should be set higher than the EU does (eg. WWF), and partly because some of the schemes only include such requirements in their “EU-add-on” standard.

##### **5. Land conversion of high biodiversity areas:**

Restrictions on sourcing feedstocks from converted land which had high biodiversity are included in the EU Directive. This sets a cut-off date of January 2008 beyond which biofuels and bioliquids cannot be made from raw material obtained from land with a high biodiversity value. All the EU RED approved schemes fulfil these requirements, except for **Bonsucro**, **2BSvs** and **NTA 8080** which do not fulfil criteria on highly biodiverse grassland.



#### 6. ***Inclusion of biodiversity issues:***

Even if a scheme complies with the mandatory EU RED requirements, this may still mean that key biodiversity issues remain unaddressed, as is suggested by the **WWF** study. Here **ISCC**, **2BSvs** and **REDcert** were found to have either poor or no coverage of most study criteria, and many other schemes showed only partial compliance. Across schemes, the weakest areas appeared to be coverage of endangered and invasive species criteria.

#### 7. ***Labour rights and working conditions:***

Overall, coverage of labour rights and working conditions was strong across standards. Many schemes scored highly for labour rights and working conditions across studies, with **ISCC**, **Bonsucro**, **RTRS** and **RSPO** achieving overall full compliance with relevant criteria for all the studies they featured in. Conversely **2BSvs** was found not to adequately address any of the labour-related study criteria in the two studies that reviewed them.

#### 8. ***Community engagement:***

CIFOR identified weaknesses with regard to representation and ensuring effective consultation and consensus with affected households. **RSB** was evaluated to be the strongest standard regarding land and resource rights, with FPIC being the basis of all stakeholder consultation, consensus as the method for reaching decisions with affected stakeholders, and clear stakeholder identification methods. The **WWF** study was more positive, showing that all schemes except **2BSvs** and **REDcert** include requirements for using FPIC with respect to the use of land.

#### A key comment on the system elements of the schemes

9. Due to the lack of studies that included assessments of the schemes system elements, i.e. looking at how implementation of the content requirements of the standards is verified, how the schemes are governed and how standards are developed and revised, no clear conclusion can be drawn from the comparison of the existing studies. However, these elements are crucial to understanding potential impacts of the different standard schemes. It is therefore recommended to conduct a thorough study on schemes' system elements.

# Annexes

## Annex 1. Recognised EU RED schemes

The EU-RED recognised sustainability schemes<sup>21</sup>, (August 2013)

EU RED scheme	Date of recognition
ISCC (International Sustainability and Carbon Certification)	19 July 2011
Bonsucro EU	19 July 2011
RTRS EU RED (Roundtable on Responsible Soy EU RED)	19 July 2011
RSB EU RED (Roundtable of Sustainable Biofuels EU RED)	19 July 2011
2BSvs (Biomass Biofuels voluntary scheme)	19 July 2011
RBSA (Abengoa RED Bioenergy Sustainability Assurance)	19 July 2011
Greenergy (Greenergy Brazilian Bioethanol verification programme)	19 July 2011
Ensus (voluntary scheme under RED for Ensus bioethanol production)	23 April 2012
Red Tractor (Red Tractor Farm Assurance Combinable Crops & Sugar Beet Scheme)	16 July 2012
SQC (Scottish Quality Farm Assured Combinable Crops (SQC) scheme)	24 July 2012
REDcert	24 July 2012
NTA 8080	31 July 2012
RSPO RED (Roundtable on Sustainable Palm Oil RED)	23 November 2012
Biograce GHG calculation tool	30 May 2013

<sup>21</sup> Source: European Commission:  
[http://ec.europa.eu/energy/renewables/biofuels/sustainability\\_schemes\\_en.htm](http://ec.europa.eu/energy/renewables/biofuels/sustainability_schemes_en.htm)

## Annex 2: Overview of voluntary standard schemes included in this review

Table below adapted from:

- 1) ITC, Standards Map, [www.standardsmap.org](http://www.standardsmap.org) [accessed in Sept 2013]
- 2) CIFOR (2011), Social sustainability of EU-approved voluntary schemes for biofuels, p. 5
- 3) Organisation webpages

Name	Type of organisation	Location	Feedstock	Geographic Focus	Description
RSPO – Roundtable on Sustainable Palm Oil	Multi-stakeholder initiative; 'roundtable'; Non-profit membership-based organisation	Registered in Switzerland, Secretariat in Malaysia	Palm oil	Global	In 2004, RSPO was formally established in Switzerland with a governance structure that ensures fair representation of all stakeholders throughout the entire supply chain. The seat of the association is in Zurich, the Secretariat is based in Kuala Lumpur with a RSPO Liaison office in Jakarta.
RTRS – Roundtable on Responsible Soy	Multi-stakeholder initiative; 'roundtable'; Non-profit organisation	Founded in Switzerland, Secretariat in Argentina	Soy	Global	RTRS was established in 2006 in Zurich, with its Secretariat now located in Buenos Aires. The RTRS EU RED complements its existing scheme, focusing largely on soy-based biodiesel from Brazil and Argentina.
RSB – Roundtable on Sustainable Biomaterials	Multi-stakeholder initiative; 'roundtable'; Non-profit organisation	Switzerland	All	Global	RSB was formed in 2006 as Roundtable on Sustainable Biofuels and initially coordinated by the Energy Center at the École Polytechnique Fédérale de Lausanne (EPFL). With members from a large variety of interest groups, the RSB developed a global biofuel certification standard and system. In 2013 it widened its focus to all biomaterials.
Bonsucro	Multi-stakeholder initiative; 'roundtable'; Non-profit organisation	UK	Sugarcane	Global	Previously known as the Better Sugar Initiative (BSI), Bonsucro is a roundtable association initiated in 2005 to reduce the environmental and social impact of sugarcane cultivation. Their EU production standard complements Bonsucro's existing certification scheme.

Name	Type of organisation	Location	Feedstock	Geographic Focus	Description
ISCC	2 components: German registered association [ISCC e.V., membership predominantly private sector companies, decision-making through governance bodies] German limited liability company [ISCC System GmbH] for practical implementation of certification system	Germany	All	Global	The ISCC was developed with involvement of different stakeholder groups and financial support from the Agency for Renewable Resources (FNR). The ISCC was accredited under the German Biomass Law in early 2010, the first certification system of its kind to be recognized by a Member State.
NTA8080	Standardisation Institute	Netherlands	All	Global (currently in operation in Netherlands)	Based on the “Testing framework for sustainable biomass” - also known as ‘Cramer criteria’ developed by Dutch Government, NTA8080 covers six themes including the reduction of greenhouse gas emissions, competition with food production or other local applications, biodiversity, environmental and health and social welfare considerations.  NTA8080’s certification scheme is owned by the Netherlands’ Standardisation Institute (NEN) a non-profit organization bringing together different stakeholders.
REDCert	German limited liability company [REDCert GmbH]	Germany	All	Europe	REDCert was founded in 2010 by leading associations and organizations in the German agricultural and biofuel sector.
2BSvs	Industry consortium	France	All	Global	French economic operators involved in grain production and biofuel supply chain joined in a Consortium to develop 2BS voluntary scheme, aimed to demonstrate though independent audit, compliance of sustainability criteria set by the European Directive 2009/28/EC. This will allow sustainability claims, with respect to the Directive, for biomass used as raw material and biofuels processed from that biomass.

Name	Type of organisation	Location	Feedstock	Geographic Focus	Description
Proterra	NGO/foundation; non-profit organisation	UK	All	Global	The ProTerra foundation is an independent, non-governmental and not-for-profit foundation. The ProTerra Certification Program was created in 2006 within Cert ID, a global certification body that provides accredited certification programs to the food and agricultural industry. The Standard is based on the Basel Criteria (created by Coop Switzerland and WWF), but importantly has been expanded to be applicable to all sectors of the food and agricultural system and to all stages of the food chain.
Greenergy	Private sector company	UK	Sugarcane	Brazil	Greenergy, a private fuel supply company, is the principal biofuel supplier in the UK. The majority of its ethanol supplies are sourced from Brazilian sugarcane-based ethanol. Approval of its sustainability criteria, developed with support from Proforest, has enabled the company to gain access to all EU markets.

### Annex 3. Overview of benchmarking studies used for this review

#### Study 1

**Title** How to select a biomass certification scheme?

**Date** May, 2011

**Author** NL Agency

**Relevant schemes included** ISCC  
NTA 8080

REDcert

2BSvs

Bonsucro

Greenenergy

RSPO

RTRS

**Key objective of study** “The aim of this report is to provide the actors of the NL Agency biomass project portfolio (and of other projects aimed at developing more sustainable biomass production chains) with:

1. Information about important biomass sustainability certification schemes;
2. Guidance to be able to make a well-substantiated decision on the choice for a specific biomass sustainability certification scheme”.

**Nature of study** The project’s approach was based on the following activities:

1. selection of 5 certifications schemes for sustainable biomass;
2. detailed analysis of these 5 schemes and drafting of a factsheet per scheme;
3. interviews with scheme owners and certification bodies;
4. review of factsheets by scheme owners;
5. selection of 13 additional biomass certification schemes and characterisation based on existing literature.

#### Study 2

**Title** Selecting a biomass certification system – a benchmark on level of assurance, costs and benefits

**Date** March 2012

**Author** NL Agency

**Relevant schemes included** Bonsucro  
ISCC (EU version)  
NTA 8080  
REDcert (German version)

RSB

RSPO

RTRS

2BSvs

EU RED versions of these schemes used by this study, with exception of REDcert.

**Key objective of study** “The objective of this study is to provide a deeper understanding of the differences between voluntary certification systems for biofuels and bioliquids; this in terms of their level of assurance, their scope, and their benefits and costs of certification. The systems selected in this study are benchmarked regarding these topics. In this way, differences among systems as well as relative strengths and weakness of individual systems are identified”.

**Approach of study** “Information for this project is collected through an analysis of documentation of the voluntary certification systems, assessment documents of the European Commission



and through additional literature. Basis of this study is the report “How to select a biomass certification scheme?” (NL Agency, 2011)”

Study 3

**Title** Agriculture standards benchmarking study  
**Date** July 2009  
**Author** Sustainable Agriculture Initiative (SAI) Platform  
**Relevant schemes included** RTRS  
 RSPO  
**Key objective of study** The objective of the study is to give SAI Platform members further insight into the various agriculture schemes in order to facilitate sustainable sourcing.  
**Nature of study** The research approach for this study was divided into two phases:  
 • PHASE 1 Desk Research: research was restricted to the discovery of evidence in the public domain. This includes public websites and published documents that outline the content of each of the standard’s main principles and criteria. An initial report was issued in March 2009.  
 • PHASE 2 Field Research: all of the scheme owners were contacted for comments and an opportunity to address any information unable to verify during the desk research phase. Further evidence was collected in through electronic correspondence and/or phone calls with the following schemes *[N.B RSPO did not contribute to this]*.

Study 4

**Title** In search of responsible soy – key characteristics and comparison of voluntary soy standards  
**Date** November 2011  
**Author** CREM, Commissioned by the Dutch Soy Coalition  
**Relevant schemes included** RTRS  
 Proterra  
 RSB  
 ISCC  
 NTA 8080  
**Key objective of study** “The purpose of this publication is to enable those involved in the soy discussion to get a better understanding of the key characteristics of the content of the standards.”  
**Nature of study** “The report provides some information on the existence of (third party) verification and governance of the system. However, the report does not go into detail on independent accreditation, the quality of the verification (such as frequency of audits, thoroughness of audits, etc.) or how the systems performs in total. Nor does this report give information on what impacts can be seen in practice.  
 This publication mainly presents the facts on the different standards and does not express any preferences. The content is based on information that is publicly available (e.g. from the internet) and some specific questions (e.g. on complaints mechanisms) have been put forward to the standard organizations themselves. The results were scanned by several experts in the field of voluntary standards for responsible soy. The results have not been validated by the organizations themselves ”.

#### Study 5

**Title** Social sustainability of EU-approved voluntary schemes for biofuels – implications for rural livelihoods

**Date** 2011

**Author** CIFOR (Centre for International Forestry Research)

**Relevant schemes included** Bonsucro  
Greenergy

ISCC

RBSA

RSB

RTRS

2BSvs

EU RED versions of all schemes used by this study.

**Key objective of study** This paper assesses the social dimensions of the first seven biofuel sustainability schemes approved by the European Commission (EC) for verifying compliance of economic operators with EU RED sustainability criteria.

**Nature of study** “We assessed the different voluntary standards based on both scope and on procedural effectiveness. Scope here refers to the breadth and depth of treatment of the different concerns raised in the framework. We devised a set of codes to rank the social scope of each standard based on the above framework.

As evidence for effectiveness in practice is limited, this was assessed based on: (i) the extent to which key provisions in the scope of the standard are binding; (ii) conditionalities employed in the application of the different principles and criteria; and (iii) the extent to which assessments of performance are likely to be independent.”

#### Study 6

**Title** Detailed benchmarking results against the Renewable Transport Fuel Obligation Sustainable Biofuel Meta-Standard

**Date** March 2011

**Author** ECOFYS Consultancy

**Relevant schemes included** Bonsucro  
RSB (2009 and EU versions)

RSPO

ISCC

Proterra

**Key objective of study** This workbook includes the detailed results of the benchmarks performed of existing or developing sustainability standards against the RTFO Sustainable Biofuel Meta-Standard.

**Nature of study** Benchmarks have been performed on two aspects:

- The criteria and indicators of the sustainability standard;
- The audit quality of the sustainability standard.

Study 7

**Title** WWF bioenergy certification scheme benchmark study<sup>22</sup>

**Date** 2013

**Author** WWF

**Relevant schemes included** RSPO  
RTRS

RSB

Bonsucro

ISCC

ISCC

NTA8080

Greenenergy

2BSvs

REDcert

**Key objective of study** EC recognised versions of all schemes used by this study

The aim of this study is to clarify the standards' overall sustainability values, to identify areas for improvement, and to make recommendations on how this can and should inform EU RED legislation.

**Nature of study**

The study uses the Certification Assessment Tool (CAT) developed by WWF, to evaluate and compare schemes. The tool has a scoring methodology to assess the strategic, structural social and environmental strengths and weaknesses of standards and certification schemes.

Information sources used were current standard documents as well as publicly available information provided by the EC, on standard organizations' homepages and on relevant external organizations' websites. Interviews with representatives of each standard organization were conducted to cross-check and amend data. In a last step, comments received were integrated and assessments as well as the report were finalised.

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<sup>22</sup> This table may need to be revised on publication of final study by WWF

Study 8

**Title** Examining sustainability certification of bioenergy

**Date** February 2013

**Author** IEA Bioenergy

**Relevant schemes** 2BSvs

**included** ISCC

RSB

Bonsucro

RSPO

RTRS

**Key objective of study**

Within this context, the overall objective of this task is to elaborate further on the standard setting, implementation and verification of these sustainability certification initiatives. We will examine the various approaches of selected sustainability schemes for agriculture, forestry, biomass, biofuels and bioenergy and their practical applicability; what type of tracking procedures are in place (Chain-of Custody standards), how they ensure sustainability.

**Nature of study**

*Note that this report is part of a series of 4 related reports.*

This work builds upon the work of existing studies, refining the analysis and comparing results on the topics of:

Standard-setting and governance

Chain of Custody

Information handling along the supply chain

Assessment procedures

Relation with policies and other schemes

# Glossary

<b>2BSvs</b>	Biomass Biofuels Sustainability Voluntary Scheme
<b>AB</b>	Accreditation body
<b>B&amp;C</b>	Book and Claim
<b>CB</b>	Certification body
<b>CIFOR</b>	Centre for International Forestry Research
<b>CoC</b>	Chain of Custody
<b>EA</b>	Ecosystems Alliance
<b>EC</b>	European Commission
<b>EIA</b>	Environmental Impact Assessment
<b>EU RED</b>	European Union Renewable Energy Directive
<b>FMCG</b>	Fast Moving Consumer Goods
<b>FPIC</b>	Free, Prior and Informed Consent
<b>GAP</b>	Good Agricultural Practices
<b>GHG</b>	Greenhouse gas
<b>GIZ</b>	for the German 'Gesellschaft für Internationale Zusammenarbeit' = Society for International Cooperation
<b>HCV</b>	High Conservation Value
<b>ICM</b>	Integrated Crop Management
<b>ILO</b>	International Labour Organisation
<b>IP</b>	Identity Preserved
<b>ISCC</b>	International Sustainability and Carbon Certification
<b>ISEAL</b>	International <b>S</b> ocial and <b>E</b> nvironmental <b>A</b> ccreditation and <b>L</b> abelling, now ISEAL Alliance
<b>ISO</b>	International Standards Organisation
<b>ITC</b>	International Trade Centre
<b>IUCN</b>	International Union for Conservation of Nature
<b>MB</b>	Mass Balance
<b>NGO</b>	Non-governmental organisation
<b>NTA</b>	for the Dutch 'Nederlandse Technische Afspraak' = Dutch Technical Agreement
<b>RECOFTC</b>	The Center for People and Forests
<b>RSB</b>	Roundtable on Sustainable Biomaterials
<b>RSPO</b>	Roundtable on Sustainable Palm Oil
<b>RTFO</b>	Renewable Transport Fuels Obligation
<b>RTRS</b>	Roundtable on Responsible Soy
<b>SAI</b>	Sustainable Agriculture Initiative
<b>SAN</b>	Sustainable Agriculture Network
<b>SEIA</b>	Social and Environmental Impact Assessment
<b>SEMS</b>	Social and Environmental Management System
<b>SG</b>	Segregation
<b>SIA</b>	Social Impact Assessment
<b>VSS</b>	Voluntary Standards Systems

**WHO**

World Health Organisation

**WWF**

World Wide Fund for Nature (formerly World Wildlife Fund)

# Part II

Guidance for the selection of best quality voluntary standards systems for the certification of biomass, soy and palmoil

A report for IUCN NL by **SQ Consult**

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With special thanks to reviewers: Marieke Harteveld and Heleen van den Hombergh



# Introduction

This guidance document complements the publication “A review of benchmarking studies of agricultural commodity standards systems”<sup>23</sup>. The referred publication has reviewed several comparative or ‘benchmarking’ studies of Voluntary Standard Systems (VSS). This review focused on ten VSS, nine of them recognised by the European Commission (EC) for demonstrating compliance with sustainability requirements established by the European Renewable Energy Directive (RED)<sup>24</sup>, and Proterra<sup>25</sup>; Proterra is a VSS for the certification of food chains which is also used for the certification of responsible soy.

The process of developing and applying certification still needs improvements. Strictness of criteria and quality of control are not homogeneous within existing VSS. Best quality VSS are needed to guarantee the sustainability of biomass products, for consumers, stakeholders involved and public authorities.

When biomass is not produced sustainably, it may not even reduce greenhouse gas (GHG) emissions. Scaling-up the production of biomass increases the pressure on arable land, peat lands, forested regions, biodiversity and water use. It also potentially causes negative impacts on labour conditions, land rights, and food prices and availability. Bulk commodities are often sourced from areas with higher sustainability risk, but even when not, choosing a robust VSS is always the best choice. Areas with higher sustainability risk often have weaker governance, which makes them more vulnerable to the potential negative impacts of biomass production. In areas with good governance, the ‘extra’ work to be done by companies to achieve the norms of the best quality VSS requires less effort than in areas where governance is weak. Good quality VSS help close the sustainability gap in all cases and help achieve a real level playing field.

This guidance aims at providing useful and practical information for users and companies to help them select the best quality VSS for meeting their sustainability goals and the characteristics of their supply chains.

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<sup>23</sup> Elaborated by Proforest and commissioned by the Ecosystem Alliance (EA). EA is a collaboration between IUCN National Committee of the Netherlands (IUCN NL), Both ENDS and Wetlands International

<sup>24</sup> 2BSvs, BONSUCRO, Greenergy, ISCC, NTA 8080, REDcert, RSB, RSPO, RTRS

<sup>25</sup> Included in the review due to its relevance to the work of EA members

# What is a good quality Voluntary Standard System for biomass sustainability?

A voluntary standard system (VSS), or 'certification system', is an independent endorsement to show compliance with certain sustainability requirements. The main elements defining the scope, approach and complexities of a VSS are:

- The standard specifying sustainability criteria and their strictness;
- The quality of control of the VSS, which includes:
- Chain of Custody where the standard applies to;
- Level of assurance of the standard.

VSS can be classified in three groups:

- Multi-stakeholder VSS: These VSS are developed by Roundtables participated by a large variety of stakeholders with different interests. Companies, NGOs and other civil society organisations participate in these roundtables. These VSS are in comparison with the other two groups, the most ambitious in terms of strictness of criteria and quality of control;
- Industry association VSS: These VSS are developed by industry associations or farmers organisations to satisfy the specific needs of their target group;
- Company owned VSS: Some companies have also developed VSS exclusively for their own operations.

## Good quality standards

Standards adopt certain sustainability criteria. The quality of a standard is reflected in the standard's guidelines, which are provided for common and repeated use. Compliance with a standard is audited by an independent third party or 'certification body'. Certification bodies in charge of auditing standard's compliance are usually recognised by an official accreditation body.

Sustainability criteria are usually based on the People, Planet and Profit (PPP) approach. Examples of these criteria are:

- Environmental (Planet): Greenhouse gas emissions (GHG) reduction; water use; pollution; biodiversity; restrictions to genetically modified organisms (GMO); soil fertility; erosion; emissions to the air; waste disposal;
- Economic (Profit): Competition for land, water and end use; cost effectiveness; security of supply;
- Social (People): Competition with food production; land rights; employment conditions; creation of prosperity; stakeholder participation.

Sustainability standards generally show many similarities in terms of coverage of sustainability principles and criteria; however there is a variation in the strictness of those criteria. A clear example of these differences is how biodiversity protection and labour conditions are handled by different VSS that include these criteria within their requirements.

Highest quality VSS for example require that companies implement active management programs to strengthen biodiversity protection and conservation. These VSS also include requirements for companies to identify and protect for High Conservation Value (HCV) areas. Lowest quality VSS may have the requirement of biodiversity protection within their standards, but this requirement is limited to a ban of certain practices such as deforestation, and a declaration of intentions regarding the overall

protection of biodiversity. In the case of protecting basic labour rights, highest quality VSS will include field inspections and confidential interviews with employees to know the reality of their labour conditions. Other VSS will limit their verification to check if the country has signed the corresponding ILO conventions for the protection of those basic rights. The latter is considered as low level of assurance because it is not the country which is being certified, but the company in charge of production activities. Experience shows that the recognition of rights on paper does not always illustrate the reality on the ground. This is specially the case for places with weak enforcement mechanisms.

## The quality of control

### Chain of Custody

Certification aims to verify sustainability compliance from production of the feedstock to the final product entering into a market. The method connecting sustainability information or sustainability claims along the supply chain, in other words between feedstock, intermediate products and final products, is known as the Chain of Custody (CoC). There are four CoC methods. In order of rigorousness of their traceability rules, these methods are: preservation of identity, physical segregation, mass balance and book and claim. In practice, a CoC is about implementing and verifying a control mechanism for each relevant actor in the supply chain. If an actor does not comply with the rules of the control mechanism, the CoC is lost.

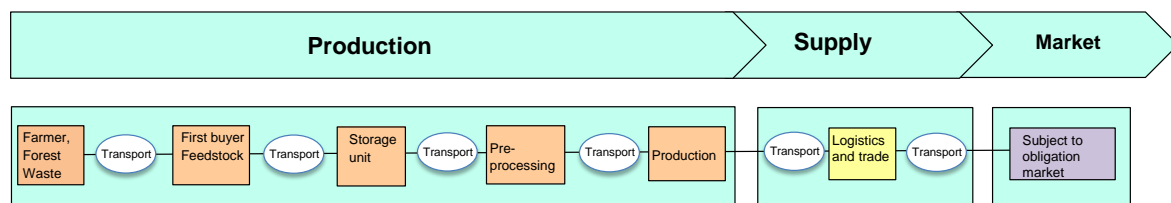


Figure 1: Typical Chain of Custody including all relevant actors

### Level of assurance

A key question to determine the effectiveness of a VSS is whether it can sufficiently ensure sustainability. The level of assurance is not only determined by the list of sustainability criteria, but mostly by how they are assessed in practice. A VSS provides a good level of assurance when those conformity assessments can deal well with complex and diverse realities facing different levels of governance and different levels sustainability risks.

The level of assurance of a VSS is strongly determined by the rules governing it. The main elements impacting the level of assurance of a VSS include:

- The rules on the audit system, including among others: audit procedures, sampling requirements, verification procedures, quality requirement for auditors, and sanctions for non-compliance;
- The management system, including the level of transparency and accessibility of information, the level of stakeholders engagement, and the availability of a complaints system;
- Accreditation, membership or recognition by official organisations or government bodies;
- The rules for the affiliation and for the acceptance of certificates from other (sometimes weaker) VSS.

# Why, where and when to use a Voluntary Standard System?

## European Union

### Certification of biofuels and bioliquids

Certification of biofuels and bioliquids consumed in the European Union (EU) has been introduced by the RED via a co-regulation framework that allows the use of VSS. Fourteen VSS and certification tools are recognised by the EC. RED's sustainability requirements are:

- GHG emissions reduction higher than 35%, increasing over time to 50% in 2017 and 60% for new installations;
- Exclusion of lands with high biodiversity value, high carbon stock and peat land;
- Good agricultural practice for feedstock produced in the EU;
- Obligation to report to the EC on environmental impacts on soil, water and air, and on social impacts in regions that are a significant source of feedstock.

### Certification of forestry products

The EU Timber Regulation (EUTR) requires producers in the forestry sector to demonstrate traceability of their products to minimize the risk of illegally harvested timber and products entering the EU. The forestry sector has a long tradition of certification with internationally recognised VSS such as the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC).

### Certification of other biomass uses

Sustainability requirements are not currently binding for solid and gaseous biomass for electricity and heat production, though they are being discussed in different EU Member States. The United Kingdom will apply those requirements as of 2015. The Netherlands is expected to adopt requirement in early 2015.

Sustainability requirements do not exist yet for non-energy uses such as in the chemistry or health industries, although relevant issues like the cascading principle are being discussed at European level.

## The situation in the US

The US Renewable Fuel Standard (RFS2) established sustainability requirements for the reduction of GHG emissions in biofuels production. Blenders must keep detailed records from feedstock and fuel producers to trace origin. Operators need to proof compliance through a declaration; VSS are not required.

Regarding woody biomass, the Lacey Act prohibits the commerce of illegally harvested timber and their products. It requires importers to declare the country of origin of harvest and species name of all plants contained in their products. This Act is similar to its European equivalent (the EUTR), but does not require VSS either.

## Developments in third countries

Some countries are already adopting policy instruments to establish sustainability frameworks into their legislation. Countries aiming at integrating the supply chain of biofuels for the EU market need in all circumstances to demonstrate compliance with the RED requirements, which is usually done via certification with VSS.

# How to select best quality Voluntary Standard Systems

Supply chains may vary greatly in length and characteristics. Many of the supply chains have their origin in multiple regions. Some of these regions may face more challenges than others, for example with respect to the implementation of the norms from the International Labour Organisation (ILO) Convention, or with respect to the implementation of good environmental practices into their legislations. The quality of control of the selected VSS needs to be appropriate to this complex reality. Betting on best quality VSS requires 5 steps:

- 1) Identifying best quality standards;
- 2) Choosing Chain of Custody method;
- 3) Selecting highest level of assurance;
- 4) Calculating the cost and benefits of selected certification options;
- 5) Selecting the best quality VSS

## Identifying best quality standards

The identification of best quality standards should be based on the following elements:

- a) Legal requirements for your product;
- b) Customer needs and requirements;
- c) Suitable strictness of criteria

The first two elements are necessary to confirm the type of certification required by the product. Additionally it is important that companies decide the extent of socio-economic criteria in the selected standards. Betting on best quality is not possible when socio-economic criteria are disregarded. It is also important that selected standards in this stage reflect well all the company's sustainability goals.

The list of sustainability criteria covered by a standard is not enough to measure the ambition of the company using it. The strictness of criteria is just as important. Strictness of criteria goes beyond answering yes/no to verification questions; it refers to the company methods and regular practices to comply with such criteria.

## Choosing Chain of Custody method

The organisational and supply chain characteristics of the company's product, together with any trade requirements will determine the most appropriate Chain of Custody (CoC) certification method. From higher to lower rigorousness of traceability, the CoC methods are:

- **Identity preserved:** Certified products must originate from identifiable sources. This means that the product cannot be mixed with any other product (certified or not);
- **Physical segregation:** Only certified products are delivered to the end user. The 100% certified product flow is kept physically segregated from other product flows and can be mixed only with other certified products flows;
- **Mass balance:** This method administratively monitors the trade of certified products throughout the supply chain. It allows for mixing certified and non-certified products at any stage in the supply chain, provided that overall company quantities are controlled;
- **Book-and-claim:** This method consists in tradable certificates. It does not offer any traceability, since the direct link between physical product flows and the sustainability characteristics is absent.
- Biofuels and bioliquids consumed in the EU must use a mass balance method or stricter. All VSS recognised by the EC use at least a mass balance method.

## Selecting highest level of assurance

Different regions where biomass is produced have different levels of vulnerability to the various possible negative impacts. Only VSS with high levels of assurance will be able to assure best quality certification. The level of assurance of a VSS basically determines its credibility. The main elements affecting the level of assurance of a VSS are:

### Rules on the audit system

Audit rules refer to aspects such as type of audits, frequency of auditing, validity period of certificates, verification procedures, quality requirements for auditors, and sanctions for non-compliance. The more comprehensive and stricter these rules are, the higher the level of assurance of the VSS. A few examples on what to pay attention to when selecting the highest level of assurance are:

- I. Types of audit: Types of audit range from mere self-declarations to full field audits. A higher quality of control is clearly reached with full field audits. Desk audits are more vulnerable to subjectivity, mistakes and even to fraud. The lowest level of assurance is found in self-declarations. Self-declarations transfer the responsibility of assurance to the producer rather than keeping it with the auditor;
- II. Audit frequency: It is usually determined by auditors according to the risk level, size and volume of operations. The higher the frequency, the more control over deviations from sustainable practices. Companies should look for VSS that determine audit frequency using a clear risk-based approach procedure. Procedures that are not risk-based offer lower levels of assurance;
- III. Validity period of certificates: These are determined by each VSS and range from 1 to 5 years. The more frequent certificates are renewed, the more level of assurance. However characteristics of operations, such as size of operating unit, volumes produced, etc. shall be considered for a sensible determination of the validity of certificates;
- IV. Management of the audits: It refers to the specific procedures to plan and carry out the audits. Auditors check compliance based on the available company documentation. Companies should pay attention for own responsible management of documentation as well;
- V. Sanctions: Sanctions for non-compliance shall be clearly defined. Failure of a company to meet VSS requirements leads to non-conformities. VSS with high level of assurance require that major non-conformities are corrected in a defined time period; if not, the certificate can be suspended and ultimately be withdrawn. Ambiguity in sanctions leads to interpretation and therefore to lower levels of assurance and less improvements over time.

### Management system

The management system of a VSS gives a clear indication of the VSS compromise with listening society's concerns for improvement. It includes aspects such as:

- I. Transparency and accessibility to information: This information should minimally include: Rights and duties of certified companies; VSS documentation; list of certified companies; summary reports of company assessments; and list of non-compliant companies;
- II. Stakeholder engagement: VSS with high levels of assurance ensure that stakeholders are always informed about the points where they may comment or participate in. This participation should be during the development of the standard and review processes;
- III. The complaints system: VSS shall have an easily accessible and responsive complaints system and shall ensure that auditing providers have a complaints system in place. A VSS with high quality of control shall facilitate complaints from any person.

### Accreditation, membership and recognition

The accreditation of a VSS by official organizations or government bodies gives an extra indication about its level of assurance. Accredited VSS are usually closely monitored by accreditation bodies.

There are not many VSS that are accredited. NTA8080 is the only VSS in review that is accredited; in this case by the Dutch Accreditation Council (RvA).

Membership to specialised institutions also gives a good indication about the assurance of a VSS. VSS that are for example members of the International Social and Environmental Accreditation and Labelling Alliance (ISEAL Alliance) have committed to the ISEAL Codes of Good Practice. ISEAL is a non-governmental organisation whose mission is to strengthen VSS for the benefit of people and the environment.

### Recognition and acceptance of certificates from other VSS

Acceptance of certificates from other VSS should not be allowed when there is a mismatch in criteria and level of assurance requirements. However, some VSS seem to use this option very freely and their recognition rules are low or non-transparent. It is important that these rules are part of the VSS official documentation. This means that they are subject to approval or scrutiny by accreditation bodies or other organisations recognising in some way the quality of VSS.

Unfortunately, there are no guidelines for cross-acceptance of VSS under the RED; worse, the common argument is that VSS should recognise certificates from VSS that are RED recognised. In practice, this means a huge variation regarding the covered sustainability criteria and the way these criteria are verified. Unregulated cross-acceptance of VSS results in lack of transparency and consequently in the loss or camouflage of valuable sustainability information. This may happen when certificates from VSS of lower quality are accepted by VSS with more or stricter requirements.

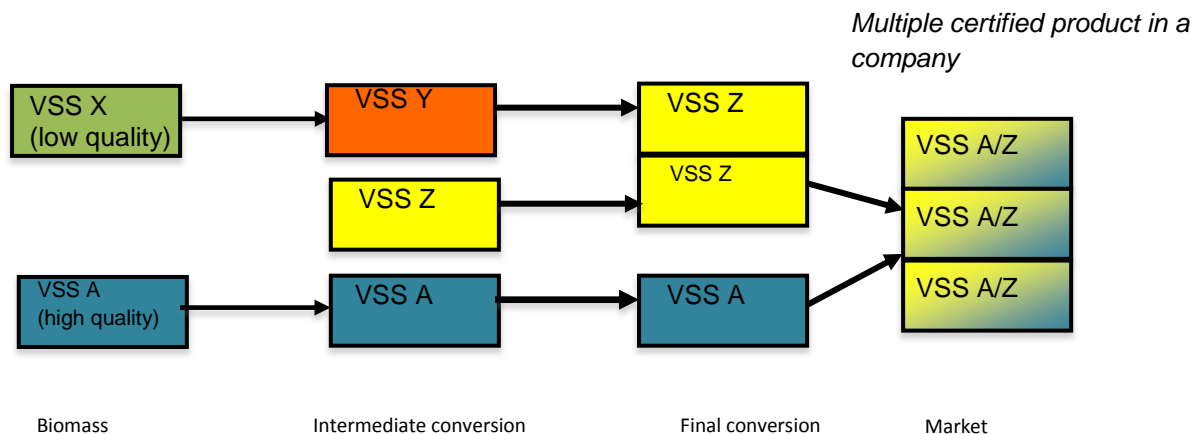


Figure 2: Possible transfer of certificates in a company's supply chain

## Calculating the cost and benefits of selected certification options

### Certification costs

There are direct and indirect certification costs. Direct costs are certification fees and auditing costs. Indirect costs depend on the preparedness of the company with respect to sustainable production practices, i.e. the regular costs of implementing and keeping sustainable practices in place.

There are not large differences in the direct certification costs of different VSS. Direct costs per unit of produced biomass are significantly larger for small producers compared to large producers. Certification costs can be reduced substantially when a producer decides to handle larger product



volumes or to merge his product with other product flows. The total impact of direct certification costs is usually for all cases below 5% of the total production cost<sup>26</sup>.

Indirect costs are the costs for meeting the sustainability requirements of the VSS, and keeping those practices permanently. The larger indirect costs, the less sustainable practices the company practices. Indirect costs can be zero for companies already caring for sustainable practices. For other companies, indirect costs can impact significantly their production costs, especially in the first years of certification. In these cases indirect costs can increase the product cost up to 30% according to available market studies<sup>27</sup>. Part of these costs may even be needed in some cases just to comply with national legal requirements that are regularly not complied with by the company.

In general, direct and indirect costs per year are higher at the start of the supply chain: at the plantation. This is because these players need stricter and more specialised auditing and where the most sustainability risks are. The most reliable VSS are also often the most expensive.

### **Benefits of best quality certification**

Operators at the end of the supply chain will receive most of the external benefits; farmers will receive most of the internal benefits. Internal benefits refer to the implementation of sustainable practices, like maintaining the soil quality, efficiency and management improvements within a company; external benefits refer to improved market access or price premiums.

### **Selecting the best quality VSS**

Companies are ready to select their VSS by taking above steps and finally choosing the best quality VSS for their supply chain.

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<sup>26</sup> Source NL Agency 2012 “Selecting a biomass certification system – a benchmark on level of assurance, cost and benefits”

<sup>27</sup> Source NL Agency 2012 “Selecting a biomass certification system – a benchmark on level of assurance, cost and benefits”

# Strictness of criteria and quality control

## – Discussion and examples

### Introduction

Ten VSS have been compared in detail by the Proforest review (see Table 2.1). Some of these VSS are limited to environmental criteria alone, others also include socio-economic criteria (for example land and water use and rights, competition with food, and labour conditions), and only few include guidance on dispute settlement. VSS with socio-economic criteria are also not homogeneous in their strictness of criteria and quality of control.

In the next two sections a discussion with examples is presented for the most relevant items evaluated in the areas of strictness of criteria and quality of control for the 10 compared VSS. An indicative ranking for illustration on the quality of VSS is also presented for helping companies to select their VSS. These indicative rankings classify VSS in four quality segments: high, good medium and low. This ranking is based on the benchmark of the current status of VSS.

Table 2.1 List of VSS compared in this guidance

VSS	Date of EC Decision of recognition	Coverage of RED mandatory criteria	Feedstock	Chain of custody	Geographic coverage	Full name of the VSS
<b>Multi stakeholders VSS</b>						
ISCC	19 July 2011	Full	All biomass	All stages	Global	International Sustainability and Carbon Certification Scheme
Bonsucro	19 July 2011	Partial	Sugarcane	All stages	Global (focus on sugarcane regions)	Bonsucro EU Certification Scheme
RSB	19 July 2011	Full	All biomass	All stages	Global (focus on sugarcane regions)	Roundtable on Sustainable Biofuels EU RED Scheme
RTRS	19 July 2011	Full	Soy	All stages	Global (focus on soy regions)	Roundtable on Responsible Soy EU RED Scheme
NTA8080	31 July 2012	Partial	All biomass	All stages	Global	Netherlands Technical Agreement 8080 Certification Scheme
RSPO	23 November 2012	Full	Palm oil	All stages	Global (focus on palm oil regions)	Roundtable for Sustainable Palm Oil Scheme
Proterra <sup>28</sup>	NA	NA	All biomass	All stages	Global	Proterra Certification System
<b>Industry Associations VSS</b>						
2BSvs	19 July 2011	Partial	All biomass	All stages	Global	Biomass Biofuels Voluntary Scheme
REDcert	24 July 2012	Full	All biomass	All stages	EU 27 + selected countries	Renewable Energy Directive Certification System
<b>Company owned VSS</b>						
Greenergy	19 July 2011	Partial	All biomass	All stages	Global (for Greenergy supply)	Greenergy Brazilian Bioethanol Verification Programme

<sup>28</sup> The ProTerra Certification System was included in this review due its importance for responsible soy. The Proterra VSS is based on the Basel Criteria (created by Coop Switzerland and WWF), and expanded to be to all sectors of the food and agricultural system and to all stages of the food chain.

## Strictness of criteria

### Environmental criteria

#### Mandatory RED criteria: GHG emissions reduction and high carbon stock land conversion

Nine of the ten VSS compared have been recognised by the EC. Proterra is the only VSS that does not belong to this group, however it does include sustainability requirements related to GHG emissions reductions and high carbon stock land conversion. All EC recognised VSS cover at least the RED mandatory criteria for which they have been recognised.

Regarding the reduction of GHG emissions, RSB, NTA8080 and Bonsucro show the highest strictness of criteria as they include clear requirements on the continuous monitoring and reduction of GHG emissions beyond the 35% reduction target of the RED. RSB is even stricter as it requires already now 50% of emissions reduction compared to fossil fuels when the RED will only require this in 2017. Companies wanting to differentiate their products with respect to others as being produced with a superior reduction of GHG emissions should select these VSS.

ISCC, RSPO, RTRS, 2BSVs, REDcert and Greenergy have a medium strictness of criteria, as they all require that certified companies meet at least the RED 35% threshold for GHG emissions reduction. Proterra only requires that there is reduction of GHG without setting targets.

Regarding high carbon stock land conversion, all EC recognised VSS include provisions banning raw material obtained from land with high carbon stock – this includes primary forest, wetlands, continuously forested areas, land with dense tree coverage, and peat land.

Table 2.2: Indicative quality ranking per quality segment for GHG emissions reduction and high carbon stock land conversion

	High	Good	Medium	Low
Multi-stakeholders VSS	RSB	NTA8080, Bonsucro	ISCC, RSPO, RTRS	Proterra
Industry associations VSS			2BSVs, REDcert	
Company owned VSS			Greenergy	

#### Mandatory RED criteria: Biodiversity – Habitat protection and conservation

While all ten compared VSS include requirements for the protection and conservation of habitats, key biodiversity issues remains unaddressed in most VSS, like for example the coverage of endangered and invasive species.

RSB and Proterra have however the most comprehensive approach; they are closely followed by NTA8080 and Bonsucro. These four VSS require that companies implement active management and strengthening of biodiversity protection. These VSS respond better to certification needs of companies working in regions with high density of biodiversity, or in regions where concerns about biodiversity loss exists.

RSPO, RTRS and Greenergy could be considered of medium quality. ISCC, 2BSVs and REDcert have poor overall coverage of biodiversity criteria, with 2BSVs and REDcert not even including requirements for the identification and protection for High Conservation Value (HCV) areas. The HCV is a globally recognised system for the identification of biological, ecological, social or cultural values which are considered outstandingly significant or critically important to be protected. These values are defined on a participatory basis.

From the point of view of EC recognition, four EC recognised VSS -Bonsucro, Greenergy, 2BSvs and NTA8080- are only partially recognised because they do not cover the specific criterion on bio-diverse grassland (RED art 17(3) (c)). It must be noted though that the official EC definition of these grasslands is still pending. All nine recognised VSS aim to adapt to the official definition or include the criterion in their standards once the EC provides it.

Table 2.3: Indicative quality ranking per quality segment for biodiversity - habitat protection and conservation

	High	Good	Medium	Low
Multi-stakeholders VSS	RSB, Proterra	NTA8080, Bonsucro	RSPO, RTRS	ISCC
Industry associations VSS				2BSvs, REDcert
Company owned VSS			Greenergy	

Regionally restricted and non-mandatory RED criteria: Good agricultural practices and protection of soil, water and air

There is not a clear best quality VSS in this area as none includes a fully comprehensive list of criteria related to the protection of soil, water and air. All multi-stakeholder VSS (Bonsucro, ISCC, NTA8080, Proterra, RSB, RSPO and RTRS) and Greenergy go beyond the mandatory RED criteria though, and include some provisions for the protection of soil, water and air.

Bonsucro, NTA8080, RSB and RTRS score higher in quality than any other VSS because they also require that companies continuously improve their measures to mitigate impacts on soil, water and air. Proterra and RTRS define explicitly which good agricultural practices should be implemented by companies. ISCC, RSPO and Greenergy complete the list of VSS partially including requirements on good agricultural practices, and protection of soil, water and air. The selection of best VSS in this area corresponds to the characteristics and main risks of the actual biomass supply chain. Regarding regulating agrochemical issues and restrictions of hazardous chemicals, none of the VSS is sufficiently strong.

As these criteria are non-mandatory under RED, some EC recognised VSS have decided not to include them thoroughly in their standards. This is the case of REDcert and 2BSvs. REDcert covers partially some criteria for water protection and soil management. 2BSvs covers none.

Table 2.4: Indicative quality ranking per quality segment for good agricultural practices and conservation of soil, water and air

	High	Good	Medium	Low
Multi-stakeholders VSS		Bonsucro, NTA8080, RSB, RTRS	ISCC, Proterra, RSPO	
Industry associations VSS			REDcert	2BSvs
Company owned VSS			Greenergy	

**Socio-economic criteria**

Land rights and community engagement

Assuring the respect of land rights is a very complex issue because it comprehends much more than the demonstration of some sort of permanent or temporary ownership over a piece of land. This is because issues such as “ownership” and “rights” are in many occasions in contradiction with each

other. Therefore the risk of abuse of land rights is higher in some regions, especially where indigenous or local community rights have been constantly undermined by economic or political power. Strictness of land rights criteria is largely determined by:

- Thorough respect to legality;
- Procedures for community consultation, communication and participation; and,
- Mechanisms for the solution of conflicts.

Not all above elements are required to ensure land rights in all locations. More vulnerable regions need VSS with higher strictness of criteria and higher level of assurance.

The effectiveness of community engagement to ensure the respect of land rights vary according to different factors as well:

The extent to which those processes acknowledge and specify the diversity of local stakeholders;

- The comprehensiveness of the consultation process; and,
- The independence of verification procedures.

RSB is the strongest VSS regarding land and resource rights. It includes strong stakeholder consultations and consensus as the method for reaching decisions with affected stakeholders. RSB also applies clear stakeholder identification tools and methods to make the consultations as much legitimate as possible. RSB identification of stakeholders includes 'locally-affected stakeholders', 'local leaders', 'representatives of community and indigenous peoples'. RSB also requires a stakeholder analysis as part of the impact assessment process.

The level of community engagement required by the other VSS is not as exhaustive. Bonsucro requires 'transparent, consultative and participatory processes with all relevant stakeholders' but misses a method for the identification of those stakeholders. ISCC, NTA8080, Proterra, RSPO, RTRS and Greenergy include slightly lower strictness of criteria in these aspects. ISCC considers the existence of a complaint form or mechanism for affected communities and a commitment to engage in a continued dialogue around issues highlighted in a social impact assessment. NTA8080 and Proterra require some consultation and improved communications with the community. RSPO focuses on the rights of indigenous people, but not on strong community engagement to address conflicts around them. RTRS requires evidence of communication channels and dialogue, but restricts this to matters relating to soy farming and its impacts. Greenergy requires that operators have procedures to 'consult and communicate with local populations and interest groups' on activities that may negatively affect their statutory or customary 'rights, property, resources or livelihoods', but do not monitor the application of those procedures.

All VSS with exception of REDCert and 2BSvs include the requirement of some proof of legal use of the land. REDCert and 2BSvs do not include any land rights criteria in their standards.

Table 2.5: Indicative quality ranking per quality segment for land rights and community engagement

	High	Good	Medium	Low
Multi-stakeholders VSS	RSB	Bonsucro	ISCC, NTA8080, Proterra, RSPO, RTRS	
Industry associations VSS				2BSvs, REDcert
Company owned VSS			Greenergy	

### Labour conditions

Overall, coverage of labour rights and working conditions is strong across all VSS. This is with the exception of 2BSvs, which does not include any socio-economic sustainability requirements.

Bonsucro, ISCC RSB, RSPO and RTRS exhibit thorough detail in the strictness of labour conditions criteria, including:

- Forced labour;
- Child labour;
- Safe and healthy working conditions;
- Grievance mechanisms;
- Freedom of association;
- Working hours; and,
- Discrimination.

Proterra, NTA8080, REDcert and Greenergy also show good quality level with slightly less coverage and strictness than the first group.

Table 2.6: Indicative quality ranking per quality segment for labour conditions criteria

	High	Good	Medium	Low
Multi-stakeholders VSS	Bonsucro, RSB, RSPO, RTRS	ISCC, Proterra, NTA8080,		
Industry associations VSS		REDcert		2BSvs
Company owned VSS		Greenergy		

### Food security

Regarding food security impacts, RSB is the most comprehensive in scope; however ISCC has the strongest commitment to mitigate food security impacts. In areas designated as ‘regions of food insecurity’, RSB requires food security baselines, proof of the effectiveness of impact mitigation efforts and efforts to enhance food security. Proterra also defends food security as it is a VSS used for the certification of food chains.

NTA8080 and RSPO include provisions for local food security. Bonsucro also includes some limited criteria on this topic. Food security criteria are fully non-included in RTRS, Greenergy, REDcert and 2BSvs.

Table 2.7: Indicative quality ranking per quality segment for food security criteria

	High	Good	Medium	Low
Multi-stakeholders VSS	ISCC, Proterra, RSB	NTA8080, RSPO	Bonsucro	RTRS
Industry associations VSS				2BSvs, REDcert
Company owned VSS				Greenergy

### **Quality of control**

It is important to look at VSS candidates not only in terms of WHAT criteria and in what detail they cover, but also HOW they identify non-compliance. The quality of control of a VSS defines the probability that non-conformities are identified consistently, correctly and in a timely manner.

There is considerable variation in the quality of control between VSS. Different VSS have different strengths or focus on different areas of the verification system. Some VSS score very high in their auditing procedures; other VSS focus more on quality requirements for auditors or the management

of the VSS itself. In general, quality of control of multi-stakeholder VSS is of higher level compared to any other VSS.

Note: Quality of control of Proterra has not been compared by the Proforest review and therefore it is excluded of the evaluation in this guidance.

## Chain of Custody

### Control method

There are four types of control methods of the Chain of Custody. From higher to lower level of traceability we have: Identity preserved, segregation, mass balance and book and claim. The RED accepts the mass balance system or higher.

RSB, RSPO and ISCC are the VSS that can apply three acceptable control methods (mass balance, segregation and identity preserved). RTRS and NTA8080 cannot enforce the identity preserved method.

Table 2.8: Control methods for eight of the compared VSS<sup>29</sup>

Control methods	RSB	RSPO	ISCC	RTRS	NTA8080	Bon-sucro	REDcert	2BSvs
Identity of product preserved								
Segregation								
Mass balance								
Book and claim								

Also RSB is the strictest VSS with respect to mass balance. RSB does not allow deficits in the mass balance and demands for a day-to-day mass balance to be implemented. The continuous balancing method (which is considered more accurate than the fixed inventory period) is required by RSB and RSPO, and it is also possible under RTRS, Bonsucro and ISCC. NTA8080, 2BSvs and REDcert only requires the fixed inventory period of their operators.

Companies that want to have the possibility of a stricter control of the supply chain should select VSS that allows them to go for stricter methods.

### Length of Chain of Custody and first certificate holders

VSS differ in the length of their Chain of Custody. Although farmers are included in the audits of all VSS, they are not necessarily certificate holders. Farmers are in principle the first certificate holders for RSB, RTRS, NTA8080, and also in some cases ISCC. The first certificate holder for Bonsucro and RSPO is the mill when the mill and its corresponding estate plantations are under the direct control of the same entity; for ISCC, 2BSvs and REDcert, the first certificate holder is the first gathering entity, this first gathering entity has supply contracts with farmers. Many farms and even the first conversion unit associated to them (for example mills) might be covered by only one certificate. RSPO and Bonsucro, for example, issue one single certificate to cover plantations, their first gathering point and the associated mill.

<sup>29</sup> . Source NL Agency 2012 “Selecting a biomass certification system – a benchmark on level of assurance, cost and benefits”



Table 2.9: Length of Chain of Custody (CoC) and first certificate holders for 8 of the Voluntary Biomass Certification Systems compared<sup>30</sup>

= Included in system and CoC audit required  
 = Included in system and no CoC audit needed  
 = Inclusion is under discussion  
 # = First point of the formal certificate holder

Chain of Custody	Voluntary Biomass Certification Systems							
	RSB	RSPO	RTRS	Bon-sucro	2BSvs	NTA8080	REDcert	ISCC
Farmer	■ #	■	■ #	■	■	■ #	■	■ #
First gathering point[#] and mills	■	■ #	■	■ #	■ #	■	■ #	■ #
Processing units	■	■	■	■	■	■	■	■
Transportation	■	■	■	■	■	■	■	■
Trader (physical)	■	■	■	■	■	■	■	■
Biofuel plant	■	■	■	■	■	■	■	■
Biofuel blender	■	■	■	■	■	■	■	■
Re-blending	■	■	■	■	■	■	■	■

[#] First gathering point can be a storage unit, warehouse, central managing office of farmers, etc.

## Level of assurance

### Rules of the audit system

#### Audit and verification procedures

The form of auditing farmers shows large differences between VSS. There are three forms of audit procedures. From higher to lower level of assurance they are: field audits, desk audits, and self-declarations.

NTA8080, RTRS and RSPO are the only VSS that restrict their audits to mainly field audits. These three VSS have therefore the highest level of assurance in this item.

Bonsucro, ISCC, RSB, REDcert and Greenergy have different audit and verification procedures and may make use of self-declarations of farmers, followed by sampling field audits.

In general, verification procedures may differ across VSS. An example of these differences is explained by how two VSS verify labour conditions in a field audit. ISCC assumes compliance of labour conditions by checking if international agreements are recognised by the country where the audited operations take place. RTRS also verifies with workers, during the field audit, if their labour conditions are respected (for example if workers are on the payroll and if their labour rights are in fact protected).

<sup>30</sup> Source NL Agency 2012 “Selecting a biomass certification system – a benchmark on level of assurance, cost and benefits”

2BSVs have the lowest level of assurance in this aspect. For 2BSVs, a field audit is not necessary when documentation is provided by the farm. The auditor decides whether or not it is necessary to perform a field audit afterwards.

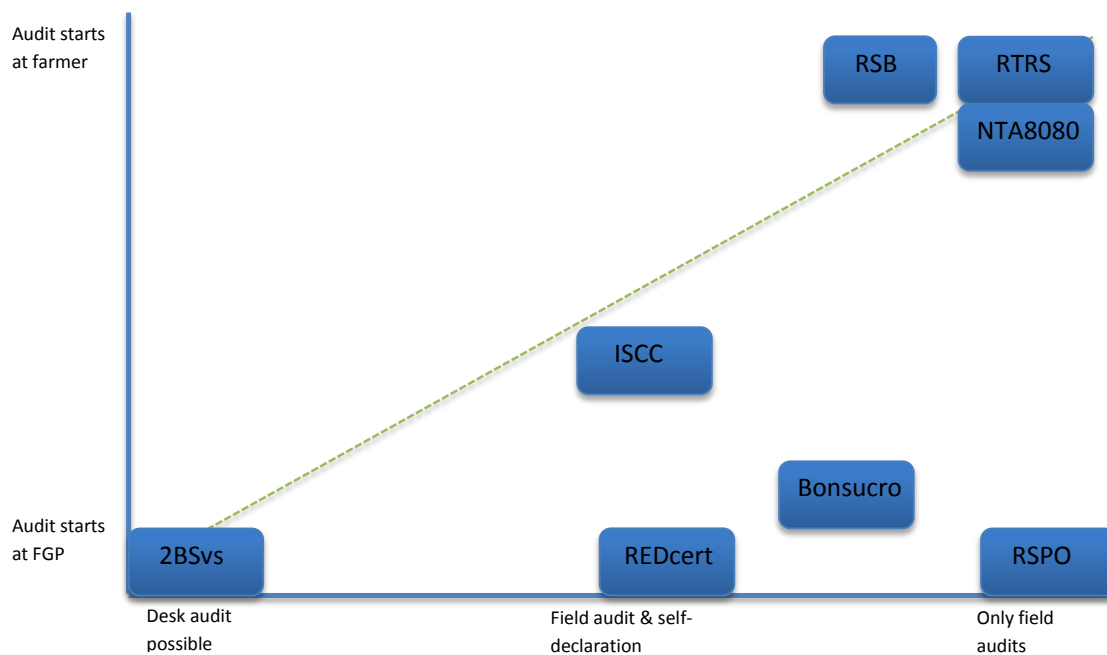


Figure 3: Different structures for auditing requirements at farmer and first gathering point (FGP) level, affecting the level of assurance of VSS<sup>31</sup>

Sampling requirements

Sampling is a common procedure for various VSS in cases of group certification. Sampling helps to reduce certification costs of multi-site production, however if not done properly, it also undermines the level of assurance of the VSS. The level of assurance regarding to sampling is crucial for avoiding ‘free-riders’ in these multi-sites production systems and consequently ensuring credibility of certification.

RSB, RTRS, NTA8080 and Greenergy have the strictest requirements for group certification. Sampling is not a regular practice for these VSS, which in practice means a larger number of verifications per group.

Bonsucro, ISCC and RSPO offer various sampling possibilities, all of them based in risk analysis. The level of assurance of these VSS related to this aspect is also good, though in all cases depending on the correct use of the sampling procedures. 2BSVs and REDcert have the most lenient requirements.

Quality requirements for auditors

The requested competencies are good and similar among most VSS.

RTRS has established more requirements to their auditors compared with the rest of VSS. Bonsucro, NTA8080, ISCC, RSB, RSPO and Greenergy have established also a good level of quality requirements for their auditors.

<sup>31</sup> Source NL Agency 2012 “Selecting a biomass certification system – a benchmark on level of assurance, cost and benefits”

These requirements are less for REDcert and 2BSvs, with the latter establishing the weakest requirements among all VSS (for example ISO accreditation requirements are not explicit under 2BSvs).

Table 2.10: Indicative quality ranking per quality segment related to the VSS rules of their audit systems

	High	Good	Medium	Low
Multi-stakeholders VSS	RSB, RTRS, NTA8080	Bonsucro, ISCC, RSPO		
Industry associations VSS			REDcert	2BSvs
Company owned VSS		Greenergy		

### Management system

Multi-stakeholder VSS have in general good management systems which increases their level of assurance. RSB scores highest in all the items of management system. Generally the industry associations VSS and the company-owned VSS show limited coverage in comparison with the multi stakeholders VSS. These limitations increase their risk of underperformance.

#### Transparency and accessibility of information

Industry associations VSS and company-owned VSS do not offer as much transparency and accessibility of information as multi-stakeholders VSS do. None of them make public the information on summary reports of the certificates issued, and the list of non-compliances.

#### Stakeholder consultation

Stakeholder consultation is well covered in all multi-stakeholder VSS. Industry associations VSS and company-owned VSS compared fail largely in practicing any proper stakeholder consultation.

#### Complaints system

Implementing a complaint system that is available to the general public is a key element to show that a VSS monitors and repair its deficiencies along time. All multi-stakeholders VSS have procedures for complaints. However, VSS in general do not have robust procedures on how to communicate non-compliances to other stakeholders and buyers. The exceptions are RSB, RTRS and RSPO that offer to some extent a transparent complaints system available to the public.

Table 2.11: Indicative quality ranking per quality segment related to the VSS rules of their management systems

	High	Good	Medium	Low
Multi-stakeholders VSS	RSB, RTRS, RSPO	Bonsucro, ISCC, NTA8080		
Industry associations VSS				2BSvs, REDcert
Company owned VSS				Greenergy

## Recognition of certificates from other VSS

While this practice may seem appropriate for certification of biofuels under the RED, the risk that claims of the end user do not necessarily represent the sustainability criteria of the end certifying VSS exist. Also the possibility of spill over to other markets is present. A good level of assurance requires clear and strict rules and guidelines for the acceptance of certificates from other VSS.

Companies should pay special attention to this aspect when selecting their VSS as otherwise they may be greenwashing sustainability criteria, for example criteria that are not mandatory under the RED. This is potentially the case of ISCC, which accepts certificates from all other EC recognised VSS under certain conditions. Turning a 2BSvs or REDcert certificate into ISCC may lead to confusion related to socio-economic criteria that was actually not covered by the original certificate.

NTA8080, RSB and RTRS accept the possibility of acceptance of certificates from other VSS under very strict conditions. These strict conditions make very rare or non-existent the cases of certificates acceptance. In the case of NTA8080 this possibility is at the moment null because NTA8080 can only accept certificates from other accredited VSS (NTA8080 is the only accredited VSS). Bonsucro and RSPO may consider accepting certificates from other VSS on a case by case basis and as long as they recognise that there is a level playing field in requirements.

2BSvs and REDcert accept certificates from other VSS although implementation so far is limited; 2BSvs requires officially a 'Multi-Lateral Agreement' and a gap analysis as condition for the recognition of certificates from other VSS.

Table 2.12: Indicative quality ranking per quality segment related to rules for the recognition of certificates from other VSS

	High	Good	Medium	Low
Multi-stakeholders VSS	NTA8080, RSB, RTRS	Bonsucro, RSPO		
Industry associations VSS			2BSvs, REDcert	ISCC
Company owned VSS			Greenergy	

# Discussion of benchmark outcomes and final recommendations

## Outcomes

After studying the benchmark review based on 9 studies, done by Proforest, and after further scrutiny of the documentation of the 10 VSS studied, we conclude the following:

There is a strong difference in strictness of criteria and quality of control within Voluntary Standard Systems (VSS) recognised by the European Commission (EC).

The current implementation of the European Renewable Energy Directive (RED) does not deliver the same assurance of sustainability across all VSS. What is more, the level of assurance required may not be sufficient to ensure compliance with sustainability criteria that is relevant in areas with more sustainability risks. While all VSS recognised by the EC have gone through the same assessment process, there are still topics related to level of assurance that are only generally defined in the RED and therefore not assessed thoroughly in the recognition procedure. These topics include issues like accreditation, sampling requirements, audit and verification procedures, stakeholder consultation, complaints procedures, level of transparency and accessibility of information, or recognition of certificates from other VSS.

Multi-stakeholder VSS offer a higher level of assurance than company-owned or industry associations VSS. This illustrates that the European legislation and the EC procedure for the recognition of VSS may not produce the right incentives for the biofuels industry to move forward with more robust VSS.

On the basis of our analysis, RSB covers more sustainability criteria, with greater detail, and with more breadth in terms of level of assurance than any of the other VSS. Bonsucro, NTA8080, RTRS and RSPO also meet a good level of quality in all comparisons made (see Table 2.13). ISCC, Proterra and Greenergy can be considered to be of overall medium quality. REDcert and 2BSVs fall in the low quality segment, with 2BSVs having the overall lowest quality among all VSS compared.

Table 2.13: Overall indicative quality ranking per quality segment

	High	Good	Medium	Low
Multi-stakeholders VSS	RSB	NTA8080, RTRS, RSPO, Bonsucro	ISCC, Proterra	
Industry associations VSS				REDcert, 2BSVs(*)
Company owned VSS			Greenergy	

(\*) Lowest quality identified for this VSS

RSB, Bonsucro, NTA8080 and RTRS are the VSS that best rank for the certification of environmental criteria. RSB, RSPO, Bonsucro and NTA8080 are the VSS that best rank for the certification of socio-economic criteria. VSS that do not include or insufficiently include socio-economic criteria are REDcert and 2BSVs. 2BSVs actually take the minimum compliance approach with RED, only covering the criteria for GHG emissions reduction and land use, and not including any commitment to socio-economic sustainability.

It is also concluded that a clear extra risk is the issue of non-regulated acceptance of certificates from other VSS. This practice may easily result in a misleading perception of specific sustainability criteria.

This is potentially the case of ISCC, which accepts certificates from all other EC recognised VSS under certain conditions. These conditions do not include a level playing field in terms of criteria covered or level of assurance applied during certification. Turning a 2BSvs or REDcert certificate into ISCC may lead to confusion related to biodiversity protection or social sustainability criteria for example, as none of those were sufficiently covered by the original certificate.

## Recommendations

### European Commission (EC)

- Actual sustainability is reached only when both environmental and socio-economic sustainability criteria are properly addressed and verified. It is therefore of critical importance to enhance RED criteria by including mandatory socio-economic criteria and stricter biodiversity criteria.
- It is also important that the EC sets more defined and stricter procedures for the recognition of VSS, in particular regarding the level of assurance of the VSS. It is recommended as well to demand improvement– with a timeline- of those already EC recognised VSS that do not yet fully comply with those new requirements.
- Two other aspects have been left unattended so far and require attention from the EC: 1) A minimum official set of rules for the acceptance of certificates from other VSS is required. These rules are needed to prevent a misleading perception of important sustainability aspects, or camouflage them for the market. VSS should take into account those rules when establishing their procedures for acceptance of other certificates. 2) A clear procedure for the approval of scheme changes is needed. Several small changes in VSS have happened already. The EC has limited its role to state its no-objection to some of those changes, as long as they do not alter the criteria for which the EC recognised the VSS. However it is unclear if those changes affect the level of assurance of the VSS. Leaving this situation unattended may potentially end up in VSS loosening the level of assurance of their standards.

### Voluntary Standards Systems (VSS)

- Increased use of stakeholder consultations and Roundtables would help raising the quality of control of all VSS. This is especially recommended when evaluations and revisions of the standard are scheduled. Industry association and company-owned VSS will benefit the most with this practice if they aim at raising their level of assurance.
- VSS should also consider the rule of acceptance of certificates from other VSS only when level playing field in terms of criteria and level of assurance exists. The rules and procedures for this option should be clearly defined in the VSS official documentation- In this way, these rules and procedures are also subject to the scrutiny of accreditation bodies, recognising institutions, and the general public. Only when clear and robust procedures exist, the risk of overestimating the assurance on important sustainability aspects would be mitigated.

### Companies

- Companies that are committed to a good sustainability management of their operations should only choose high quality VSS. These are VSS that include both, environmental and socio-economic criteria, and a proper level of assurance. The level of assurance of a VSS is strongly determined by the rules governing it. The main elements impacting the level of assurance and that should be studied by companies before selecting their best quality VSS include:

- I. The rules on the audit system, including among others: audit procedures, sampling requirements, verification procedures, quality requirement for auditors, and sanctions for non-compliance;
- II. The management system, including the level of transparency and accessibility of information, the level of stakeholders engagement, and the availability of a complaints system;
- III. Accreditation, membership or recognition by official organisations or government bodies;
- IV. The rules for the affiliation and for the acceptance of certificates from other (sometimes weaker) VSS.



**IUCN NL** is the Dutch national committee of the International Union for Conservation of Nature, the world's oldest and largest global environmental organization. IUCN publishes the Red List of Threatened Species and is the only environmental organization with official UN Observer Status. Within the international IUCN umbrella organization, IUCN NL works with NGOs, companies, governments and scientists to strengthen human wellbeing through worldwide nature conservation. IUCN NL's activities focus on three themes: green international cooperation, greening companies, and restoring and conserving nature. IUCN currently has 39 Netherlands-based member organizations.

**The Ecosystem Alliance** is the five-year collaboration between IUCN National Committee of the Netherlands (IUCN NL), Both ENDS and Wetlands International. It unites a broad network of some 125 international and local NGOs to help local communities manage and use ecosystems in a sustainable way and greening their economy. In total, the program encompasses almost 200 projects in 16 countries in Asia, Africa and South-America. The alliance is sponsored by the Dutch Ministry of Foreign Affairs.



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