Editorial

This annual report covers the activities of the Roundtable on Sustainable Biofuels from 1 June 2010 to 31 May 2011, a period which saw tremendous growth, as our staff and members continued to further our global presence through discussions on sustainability issues, outreach at bioenergy conferences and summits, and participation in numerous other regional events globally. Of the many activities described in this report, perhaps the most significant is an important general shift in focus of the RSB, as it moves from a purely standards development organization into an operational standard on the ground. These exciting times have seen the development of operational tools, such as the online RSB Tool (see: http://www.rsb-services.org/rsb-tool/), intended to help economic operators seeking certification against the RSB standards to engage with the RSB and begin certification-related activities. The RSB is also in the process of birthing a new organization, called RSB Services, which will separate from the Roundtable on Sustainable Biofuels and the EPFL to manage certification activities.

Reading through this year’s annual report, one notices the maturation of the RSB, as we have clearly established ourselves as an international thought leader the sustainability dimensions of bioenergy production. For example, the RSB’s Indirect Impacts Expert Group, an international, multi-stakeholder group, has become one of the most important unbiased forums internationally to discuss this critical topic, and this year the RSB finalized a methodology for the calculation of greenhouse gas impacts of biofuels, which was then converted to a one-of-a-kind, user-friendly, online calculator. In addition, the impact assessment requirements have been updated with a more logical flow, with the RSB Screening Exercise as a starting point to streamline the identification of critical sustainability issues for operators. Finally, with the support of key partners the RSB has participated in a number of critical regional road mapping initiatives in the development of the global aviation biofuels sector, as described in this report.

Another key activity of the RSB over the past year has been the further engagement of certification bodies and integrity bodies. The RSB has developed an auditor training program, which includes the social and environmental requirements described in the RSB standards, and the chain of custody, risk management and auditing requirements. An initial group of auditors has been granted authority to conduct RSB audits in the field, and certification bodies have started to develop internal RSB programs.

The RSB has come a long ways since its first exploratory meeting in November 2006, and the coming year will clearly be full of new milestones, as the first RSB certifications begin in the coming months. With full ISEAL membership granted in June 2010 and EU recognition formally announced in July 2011, the RSB is positioned as the most important international certification standard.

We thank all of our members and supporters profoundly, and look forward to many more years of collaboration.

Alwin Kopse

Executive Secretary
## Table of Contents

A. **Major Accomplishments and Initiatives in 2010/11.**  
B. **Standards development**  
C. **ISEAL Membership**  
D. **Launch of RSB Services**  
E. **Pilot Testing of the RSB Standards**  
F. **Moving Forward on Indirect Impacts**  
G. **Regional Initiatives**  
H. **Sustainable Standards Transparency Initiative (SSTI)**  
I. **Regulatory Recognition**  
J. **Other Important News**  
K. **Governance and Membership Developments**  
L. **Steering Board Developments**  
M. **RSB Secretariat and Staff Developments**  
N. **Expert Groups**  
O. **Interest Group: Biofuels Utilization for Sustainable Tourism**  
P. **Outreach: Conferences and meetings**  
Q. **Financial Reporting**
A. **Major Accomplishments and Initiatives in 2010/11**

*RSB opens its doors during World Biofuels Market 2011*

The RSB certification system was officially launched on 23 March 2011 at the World Biofuels Market conference in Rotterdam. This milestone was the culmination of the tremendous work accomplished by RSB members over the last four years. The event was attended by an audience of about 100, split nearly evenly between the two sessions. The events featured presentations on the RSB and its value proposition, as well as contributions from members and other stakeholders engaged with the RSB.

The RSB is working with a number of companies who are in the ‘pipeline’ for certification. These include an Australian bioethanol producer, a Peruvian sugarcane grower, biojet producers in the U.S. and Europe, a Mexican jatropha grower, a U.S. canola producer, a sugarcane grower in Brazil and a corn-based biofuel producer in the U.S.

*Auditor training courses – Training in Lausanne and Mexico*

Following a successful auditor training course held in early April in Lausanne, a second auditor training course was scheduled from 6 to 10 June in Mexico City. Around 15 people attended each auditor-training course. The instructors were RSB Secretariat staff, and Leading Standards and AB Training. The trainings involved presentations on each P&C and each of the most important standards. Case studies were also discussed for a number of the RSB principles. During the Mexico training, the participants were introduced to the RSB Tool, which was used to calculate GHG emissions in a case study.

Going forward, RSB has hired a professional auditor training firm, AB Training, to put together the permanent auditor training courses for the RSB Standard. AB training has extensive experience training auditors.

The training will comprise a web-based theoretical course followed by an exam, which the auditor must pass with a minimum grade. This will be followed by an in-person training, where the focus will be on reviewing case studies and real life scenarios. The trainings will be conducted in English. AB Training co-taught the Mexico City auditor training course, alongside the RSB secretariat staff.

B. **Standards development**

*Version 2*

In November 2009, the RSB Steering Board approved and released “Version One” of the RSB Standard. This version was pilot tested in real operations in 2010, thanks to the participation of several companies and auditors, which agreed to fully implement the RSB system and provide feedback to the Secretariat. In total, about ten pilot projects were initiated in 2010.

The valuable comments, questions and suggestions made by the participants in pilot projects were used by the Secretariat to further improve the RSB Principles & Criteria (P&Cs), Guidance, Guidelines and other standards documents. The main priorities of this revision work were to:

1) Remove all duplications in the requirements
2) Resolve all contradictions and inconsistencies in the requirements
3) Clarify any ambiguity in the requirements to make them more understandable

In September 2010, a draft Version 1.1 was brought to the attention of the RSB members and the public for a new round of open consultation. RSB Members were consulted on the draft Version 1.1 through teleconferences. In parallel, a one-month public consultation was opened through the bioenergy wiki (www.bioenergywiki.net). This consultation yielded reactions to the suggested edits and additional suggestions to further improve the RSB Standard towards full operability.

The consultation culminated in November 2010 when the RSB Steering Board met in Lausanne and, after another round of discussion, approved a “Version 2” of the RSB Standard. Whereas Version One had been approved “for pilot testing”, Version 2 was approved “for certification” and will therefore be used in the RSB certification system as the basis for compliance and audits.

**GHG Fossil Fuel Baseline**

Several associated processes were ongoing in parallel to the main revision of the RSB standards. One key aspect of the implementation of the RSB system is the calculation of greenhouse gas emissions over the full life cycle of biofuels, which is ultimately compared with the greenhouse gases emissions of a reference fossil fuel. The calculation of greenhouse gases must follow the methodology imposed under a national or regional regulation according to criterion 3a (e.g. the calculation methodology of the Renewable Energy Directive) and use the RSB methodology for compliance with Criterion 3b. Criterion 3c in turn requires certified operators to achieve 50% GHG reduction compared to fossil fuels. It was thus a compulsory prerequisite for the implementation of Criterion 3c to determine a baseline GHG performance for fossil fuels. This was performed with the contributions of the RSB GHG Expert Group, and especially with the contribution with an expert in the field of Oil & Gas and LCA, who collaborated with the RSB as a consultant. The fossil fuel baseline calculations resulted in an average life-cycle GHG emissions value for gasoline, diesel and kerosene of 90 gCO2 equivalent per MJ. The methodology for the calculation of the GHG baseline for fossil fuel is available on the RSB website (Reference: RSB-STD-01-003-02).

**RSB Tool**

The RSB Tool, which aims to facilitate the path towards certification for operators, is now online and available for feedback at http://www.rsb-services.org/rsb-tool/. The tool includes 4 modules:

1. The first module allows the operator to perform its self-assessment against the RSB Standard.
2. The second module allows the operator to perform its self-risk assessment to calculate the risk class of its operations.
3. The third module is used to perform the calculation of greenhouse gas (GHG) emissions of the processes included in the scope chosen by the operator for certification. The tool is specially designed to adapt to each operator’s specificities (feedstock producer, feedstock processor, biofuel producer and biofuel blender).
4. The fourth module allows the operator to directly submit its application to RSB Services thereby launching the certification process.

Note that each module can be used separately in any order.
Impact assessment guidelines and process

During the revision process described above, Principle 2 was thoroughly revised to better reflect its central role in the implementation of the RSB Principles & Criteria. The impact assessment process described in Principle 2 is cross-cutting and creates a connection to all of the other principles. In addition to the text of Principle 2 itself, an extensive work was undertaken by the Secretariat to improve and adapt the related guidelines. These are:

1. RSB Impact Assessment Guidelines (RSB-GUI-01-002-01)
2. RSB Screening Tool (RSB-GUI-01-002-02)
3. RSB ESIA Guidelines (RSB-GUI-01-002-03)
4. RSB RESA Guidelines (RSB-GUI-01-002-04)
5. RSB ESMP Guidelines (RSB-GUI-01-002-05)

Much of this work consisted in:

- Adapting the guidelines to the structural changes made to the P&Cs with regards to the impact assessment process;
- clarifying the link of each guideline with a specific part of the impact assessment process and the complementarity of each guideline with one another;
- ensuring consistency with the terminology used in the P&Cs and Guidance;
- removing duplications.

After thorough internal discussions, the Secretariat finalized and published the revised guidelines in early 2011.

Certification Standards

The implementation of the RSB certification system is governed by a set of standards, in addition to the Principles & Criteria. These standards describe the requirements in terms of chain of custody (CoC), claims, auditors’ qualifications, dispute resolution and many other key aspects in the proper implementation of the RSB certification system. The feedback from pilot projects was also used to further improve the important components of the system. The updated versions were published in early 2011 and are available on the RSB website.

C. ISEAL Membership

It has become common for voluntary schemes to claim that they are multi-stakeholder and participative. In order to allow truly multi-stakeholder schemes to prove their efforts in this sense in a credible way, the ISEAL Alliance establishes codes of good practices for standard-setting organizations. These codes describe the key requirements in the process of setting standards to follow a multi-stakeholder dialog and a balanced decision-making process. In order to become an

---

1 Note that the certification standards can be consulted on the RSB website as excerpts only. Full documents are freely available upon request at rsb@epfl.ch
ISEAL member, standard-setting organizations such as the RSB must thus demonstrate that they comply with ISEAL codes. Examples of requirements in ISEAL codes are:

1. The completion of a stakeholder mapping and setting of impact indicators
2. Offering opportunities to all relevant stakeholders to contribute, including through public consultations
3. Ensuring transparency in governance, decision-making and milestones

In 2009 RSB became an Associate Member of ISEAL, which is an intermediary status on its way towards becoming a Full Member. After making sure that all the requirements in ISEAL codes were fulfilled, the RSB application for Full Membership was submitted early 2011 to ISEAL Secretariat. See ISEAL’s Full Members.

D. Launch of RSB Services

Governance Structure of RSB Services

In November, 2010 the Steering Board approved the governance structure for RSB Services proposed by AccountAbility Inc.

The RSB Services governance will consist of a Board of Trustees composed of 8 individuals.

- The RSB Steering Board will appoint two individuals from the RSB Steering Board to the founding RSB Services Board (hereafter, “the Board”).
- The Chief Executive Officer (CEO) of the RSB Services Secretariat will be appointed to the Board.
- A representative from EPFL will be appointed to the RSB Services Board.
- These four founding members will design a recruitment process and selection criteria for the four remaining slots for voting members of the Board.
- Once established, the RSB Services Board will be responsible for Board member selection and criteria subject to the conditions of founding legal bylaws and incorporation documents that identify the expected criteria and characteristics Board members will possess.

The Steering Board also acknowledged that the RSB Services Board and Chief Executive Officer will possess the responsibility for forming the Advisory Group. This advisory group shall be comprised of 6 to 12 individuals. The purpose of Advisory Group will be to support the Board and CEO resolve key implementation challenges as they emerge. While the group will have no formal authority, it will consist of different stakeholders bringing expertise from civil society, governments and key areas in industry and will provide valuable insight and advice regarding the operation and function of RSB Services.

---

2 Note that after review of the application by ISEAL Secretariat, with the contribution of external reviewers, the ISEAL Board of Directors approved RSB Full Membership on June 10, 2011 (i.e. outside the time scope of this annual report). This will be covered in the Annual Report 2011.
**Manage the implementation of RSB Standards**

The purpose of RSB Services is to provide a framework and organization to facilitate the RSB standard certification process, and will operate at arms-length from the RSB. RSB Services will be the operational arm of the RSB and will manage a broad range of activities, including the certification process and oversight of the RSB license and trademark use. It will also manage relations with accreditation and certification bodies, and perform market development and other vital functions. The RSB Services will operate as a self-sustaining entity in a solvent manner that will support the workings of the Roundtable on Sustainable Biofuels standard setting body. RSB Services unofficially started operating on March 23rd with the announcement at the World Biofuels Markets 2011 in Rotterdam. RSB Services currently leverages the resources of the RSB with representation in the Americas, Europe and Asia performing both RSB Standard work as well as initial business development activity for RSB Services. We have received over 30 certification inquires that are in various stages of the application process.

**Manage the RSB Brand and Claims**

One of the important functions of RSB Services will be the monitoring of the use of the RSB brand and identity, including the use of the trademark on products, or in the claims and communications of the participating operators. In addition to monitoring and managing the use of the RSB trademark by others, RSB Services will also be actively building brand awareness of the RSB through its own marketing and communications activities.

**Interim arrangements with CBs**

RSB Services has received requests for recognition from eight internationally recognized certification bodies. Since we are also at various stages of the selection and due diligence process of recognizing two Integrity Bodies, the RSB has implemented an interim regime to perform the direct recognition of those CBs that have requested recognition. We have engaged a 3rd party experienced audit team to partner with the RSB to will develop a due diligence checklist and audit process so that interim recognition may be granted to the applicant CBs. Once the Integrity Bodies have been selected, the same CBs will have to complete an abbreviated audit by an RSB recognized Integrity Body.

**Work with the Accreditation Body**

The RSB is actively working with two accreditation bodies that have indicated a desire to prepare and submit programs for approval to the RSB. Once an Integrity Body has been selected they will develop and implement their RSB Program, which serves to ensure credible and uniform activities by certification bodies globally. Upon completion of the program, the Integrity Bodies will assume responsibility for the due diligence, monitoring and oversight of the RSB recognized certification bodies. All certification bodies recognized by the RSB will enter into a contract and license agreement with RSB Services.

**Upcoming Certification Opportunities**

The RSB Services sales pipeline continues to grow – 31 potential projects are currently in the pipeline for RSB Certification representing annual run rate revenue of approximately $167,000. These are
mostly from the Americas and Europe/Middle East/Africa. Ultimately, the world regions will be broken down into smaller units.

**Conduct communications and marketing activities**

Communications and marketing has remained within the scope of activities performed by the Secretariat staff. A website for RSB Services ([www.rsb-services.com](http://www.rsb-services.com)) is functioning, although under construction. All marketing and communications has been driven in parallel with those of RSB Standards. RSB Services will have its own marketing resources and independent messaging in coming months. To date RSB Services development efforts have relied on directly soliciting operators, conversation of pilot initiatives and conference and convention activities. Examples of which include: World Biofuels Markets 2011, Rotterdam; World Biofuels Conference, Seville; Challenge Bibendum 2011, Berlin and others. RSB has developed a significant presence as conference speakers and thought leaders contributing to the better understanding of sustainability in a number of different forums. These efforts will be significantly stepped up in coming months.

### E. Pilot Testing of the RSB Standards

During 2010 the RSB pilot tested the RSB standards through partnerships with agricultural producers and biofuel operations in different regions of the world. Examples of some of the pilot project activities conducted are described below. With the approval of Version 2.0 of the RSB Standard during the November 2010 board meeting, the RSB officially ended the pilot test period and opened the door to begin actual certification activities. Though the official pilot test period ended in 2010, a number of pilot projects are ongoing in 2011, and will likely continue for the first few years of the RSB. Ongoing pilot projects provide an opportunity for the RSB Secretariat to learn how to improve the standard through direct relationships with and feedback from farming and biofuel operations. A number of these activities will likely convert into actual certification opportunities, but will nevertheless continue to inform future revisions to the RSB standard.

The following is a non-comprehensive list of the pilot projects successfully conducted in 2010/11:

- **Mozambique**
  
  The project reviewed the available sustainability criteria frameworks and certification schemes and prepared a practical methodology for the sustainability assessment of Jatropha plantations. Three plantations were assessed, all located in Mozambique, a country chosen for its favorable conditions for Jatropha. Local stakeholders were involved in the assessment through a local stakeholder process lasting beyond the project period. The project ran between 1 October 2009 and 30 September 2010.

- **Guatemala**

  The project aimed to evaluate the practicability and usability of RSB standard in Central America. On-site audits were conducted throughout four regions of Guatemala. The project consisted of inter-cropping Jatropha with crops such as corn, pineapple, and millet. A key
aspect of the project involved the evaluation of management systems to apply the RSB standard across large numbers of geographically diffuse small farmers.

- **Brazil**
  The objective of the project was to evaluate sustainable practices of sunflower for biodiesel. Important features of the project included evaluating the benefits of a cover crop and no-tillage system. The adaptability to sandy soils with low level of organic matter condition were also tested. This pilot project was developed by an irrigation consulting company specializing in implementation and management of irrigation systems, and a sunflower variety trials specialist.

- **Australia**
  A pilot audit was conducted of a starch to ethanol plant in New South Wales, Australia against the requirements of the RSB standard. The audit process followed standard procedures for conducting environmental and quality audits in the region, and the Principles and Criteria appeared to be comprehensive, practical and relevant to the Participating Operator. A key aspect of the project was the evaluation of how to address waste streams and low value feedstocks in the RSB standards.

F. **Moving forward on Indirect Impacts**

*Indirect Impacts EG*

The RSB IIEG (Indirect Impacts EG) had its first 2011 meeting on May 24, when it discussed the background paper dated from “How to Address Indirect Impacts in the Roundtable on Sustainable Biofuels” dated May 18, which included several options to address indirect impacts in the RSB including:

- Incorporating a mandatory Principle on indirect impacts in the RSB Principles & Criteria
- Optional Module for Low Indirect Impact Biofuels
- Factor in ILUC in the GHG calculation
- Include indirect impacts-related categories in the Standard for Risk Management

In addition, the notion of an “indirect impacts fund” was discussed. Operators would contribute (e.g., monetarily) to this fund, which would fund projects aimed at improving productivity in regions that have potential for productivity increases. Note that this option is very much in the initial stages of exploration.

Several voices from academia and NGOs stated that the move forward of the RSB towards addressing indirect impacts is very good news. The precautionary principle of environmental protection is critical, and “high uncertainty” is not enough of an argument to prevent the RSB to move forward in addressing indirect impacts.

In general, participants agreed that integrating incentives or requirements for the production of “low risk” biofuels would be a good option to pursue in the RSB Standard. Several members argued that
an optional module would be a good option. The NGO and academic communities were particularly in favor of using ILUC factors, while industry members tended to prefer not to use ILUC factors.

Incorporating an optional module for low indirect impacts biofuels was seen by most participants as a potentially effective way of addressing indirect impacts in the RSB. However, some members felt that only including an optional module would be insufficient.

A member stated that a combined solution of an ILUC factor, together with incentivizing mitigating practices, could be the best option to address indirect impacts in the RSB. Several members felt that it is also important to allow the operator to implement mitigating practices that would affect their assigned ILUC factor, as proposed in the background paper.

The IIEG met four times in 2010 and discussed two background papers prepared by the RSB Secretariat, including the “RSB Draft Methodological Framework for Addressing Indirect Impacts” (February 2010) and the “Discussion Paper - Addressing Indirect Impacts in the RSB Standard” (May 2010). These papers proposed options on how indirect impacts could be addressed within the different RSB Standards. The papers also included general categories of good practices / low risk feedstocks. However, the papers left open many important technical questions regarding the assessment, monitoring, evaluation, and certification of such good practices (e.g., how to prove yield increases, how to demonstrate additionality, the definition of “waste” and “residue”). These questions are being addressed as part of the work that the RSB is doing in 2011.

Side event at Challenge Bibendum in Rio de Janeiro

The RSB held a workshop on indirect impacts as part of the Challenge Bibendum exposition on sustainable transportation on 2 June, 2010. The workshop was co-financed by Challenge Bibendum organizers. Invitees were RSB members and selected experts.

The workshop gathered 56 participants from 17 countries and several sectors: oil companies, biofuel producers, NGOs, research institutions and governments among others.

The workshop was held to bring further clarity to and reach out on indirect impacts related to biofuels, present and review the latest scientific findings and regulatory approaches, and gather input on how the RSB could address the issue.

While a broad majority of participants recognize the risk of indirect impacts induced by increased production of biofuels, the opinions diverge about the extent, and whether and how biofuel producers should be held responsible to address them individually. Some participants voiced skepticism that the existing evidences are good enough to address indirect impacts in the RSB Standard at this stage. Yet others believed that a standard such as the RSB cannot afford not to address the issue, and could include requirements for the implementation of mitigation measures that would lower the risk of negative indirect impacts.

Many participants thought that a balanced debate is needed, with attention to be paid to positive indirect impacts as well (e.g. technology and agriculture development). Ultimately, the RSB should aim to promote these positive effects while trying to prevent the negative ones.
Several participants flagged that biofuels usually are a better alternative to fossil fuels and should be analyzed from that perspective, including an analysis of the potential negative indirect impacts of the production and use of fossil fuels.

Finally, it was recognized that many of the indirect effects are not unique to biofuels, but relate to the agricultural sector overall, and that many other factors play in.

Several participants consider that the quantification of indirect impacts remain difficult due to the degree of uncertainty, the absence of reliable models and databases, and the many assumptions that are necessary to make a consequential analysis of the indirect impacts of biofuels and the associated co-products, and which products are likely to substituted for which, all of which have a high uncertainty and variability associated with them.

There was no consensus among participants about the extent to which biofuels may contribute to food insecurity. In particular, many participants tended to agree that this is a complex issue to be looked at from different perspectives (local, regional and global). It was also pointed out that there are several more important factors to take into account to address food insecurity at a global scale, for instance the food surplus produced in the developed world, which unfairly competes with local food production in developing countries.

A wide majority of participants consider that the work undertaken by the RSB on indirect impacts is relevant and should continue. However, there was no consensus about how the RSB may address negative indirect impacts in its Standard. It was pointed out by some participants that implementing several of the other existing requirements of the RSB Standard, such as the criteria related to direct land use change, labor rights and food security are relevant to indirect effects. It was pointed out that there are positive indirect impacts of biofuel production that should be taken into consideration.

**Certification System for Low-Indirect Impact Biofuels (CIIB)**

RSB is participating in a project with WWF International to further examine the issue of indirect impacts of biofuels.

The RSB Secretariat is collaborating with WWF International, Ecofys and other project partners on the development of a certification system for low-indirect impacts biofuels (CIIB). This project is funded by the Dutch development agency NL Agency and runs from March 2011 through mid-2012.

The goal of the CIIB project is to develop a certification module for “low indirect impacts biofuels”. It aims to develop them into a practical and cost-effective certification module that could be used in biofuel policies and voluntary schemes that wish to stimulate biofuel production with a low risk of unwanted indirect effects. The eventual certification module can be adopted in voluntary sustainability schemes or in regulations that wish to differentiate and incentivize biofuels with a low risk of causing unwanted indirect impacts, including indirect land use change and indirect impacts on food security.

The methodology focuses on preventing the displacement of existing provisioning services such as food, feed and fiber. This is done by listing certain categories of biofuels & biofuel feedstocks with...
certifiably low risk of causing indirect impacts, and by providing clear guidance on the requirements that a biofuel project would need to meet in order to qualify as a low indirect impact biofuel.

Such certifiably low indirect impact biofuels include:

1. Feedstock yield increase projects;
2. Degraded/unused land with low carbon stocks and low biodiversity values, in countries with an excess or growing amount of unused arable land;
3. Efficiency increases of food/feed/fiber/biofuel production, e.g., through integration of food and fuel production, such as sugarcane-cattle integration;
4. Biofuel production from wastes and residues that do not cause unwanted indirect effects, e.g., ethanol from straw.

The methodology developed is designed so that certified biofuels have a low risk of unwanted indirect effects, i.e., that they do not displace other production. To meet this requirement the biofuel feedstock production must be additional, meaning that the project activity should not have occurred in the absence of the biofuel demand. However, additionality is difficult to prove in practice because it essentially requires proving a hypothesis of what would have happened. Experience from carbon markets such as CDM (Clean Development Mechanism) has demonstrated that proving additionality can be challenging and could lead to high transactions costs of certification. For the Certification Module to deliver results it must be both effective (minimizing the risk of unwanted indirect effects) and have acceptable transaction costs. The low indirect impacts module does not include the requirement for additionality tests (e.g. barrier analysis and/or investment analysis together with common practice analysis). Instead, acceptance criteria are used, which are based on an additionality assessment conducted as part of the methodology development. Similarly, standard approaches for setting the baseline and for performance monitoring are provided in the methodology.

Also important is that the CIIB project includes four pilot projects aimed at testing the methodology and ensuring that it is practical. The certification body involved in the project will provide feedback on the “auditability” of the methodology and will apply the methodology in each of the four pilots:

- Pilot 1: A smallholder oil palm yield increase project in Indonesia,
- Pilot 2: A jatropha plantation on unused land in Mozambique,
- Pilot 3: A sugarcane-cattle integration project in Brazil, and
- Pilot 4: A biodiesel from waste vegetable oil production project in South Africa.

G. Regional Initiatives

Plan de Vuelo (Mexico)

On July 14, 2010 the Mexican Secretary of Communications and Transportation, through the Airports and Auxiliary Services (ASA), initiated a Plan de Vuelo, or ‘Flight Plan’ towards Sustainable Aviation Biofuels in Mexico. Over the course of nine months ASA hosted eight workshops that addressed different topics relevant to the development of a sustainable aviation biofuels industry in Mexico. In addition to an opening and closing session, the different topics addressed included: (1) Sustainability, (2) Feedstocks and Extraction, (3) Infrastructure and Refining, (4) Financing, Legislation, Logistics and
Distribution, (5) Algae, and (6) Viability of Aviation Biofuels in Mexico. The initiative concluded with a test flight by the Mexican airline Interjet running on biojet fuel produced from Jatropha grown in Mexico. As an integral partner in the process, RSB participated in most of the meetings held at the ASA headquarters, and led the discussion on sustainability in the development of an aviation biofuel industry in the country. [http://plandevuelo.asa.gob.mx](http://plandevuelo.asa.gob.mx)

**Sustainable Aviation Fuels Northwest – SAFN (Pacific Northwest of the USA)**

A number of key aviation biofuel stakeholders, including Alaska Airlines, The Boeing Company, Port of Seattle, Port of Portland, Spokane International Airport, and Washington State University embarked on a strategic stakeholder process to develop a "Flight Path" (action plan) to produce sustainable aviation biofuel in the Pacific Northwest. This regional initiative, known as the Sustainable Aviation Fuels Northwest (SAFN), had as a goal to evaluate the biomass options within a four-state area of the United States (Oregon, Washington, Idaho and Montana) for producing sustainable jet fuel. The Roundtable on Sustainable Biofuels was an integral part of this process, and participated in the in-person and electronic meetings of this group, which used the principles established by the RSB to as a framework to investigate sustainable biofuel pathways. Building upon the SAFN initiative are a number of opportunities for the RSB to further collaborate with local partners to improve its outreach in the region in 2011/12. [www.safnw.com](http://www.safnw.com)

**Australia Aviation Biofuels Roadmap**

The Sustainable Aviation Fuel Road Map was initiated by the Australasian grouping of the Sustainable Aviation Fuel Users Group (SAFUG), including Air New Zealand, Boeing, Qantas and Virgin Australia, together with the Defense Science and Technology Organization (DSTO). The group invited CSIRO to facilitate the study. A broad range of stakeholders from the aviation and bio-derived fuel industries, New Zealand and Australian Governments, and non-government organizations were also invited to co-fund and participate in the study. The report was released in May 2011 and states that over the next 20 years a new, sustainable, Australia-New Zealand aviation fuels industry could cut greenhouse gas emissions by 17 per cent, generate more than 12,000 jobs and reduce Australia’s reliance on aviation fuel imports by $2 billion per annum.

The report found that production of commercially viable quantities of aviation fuels derived from non-food biomass sources (e.g.: crop stubble, forestry residues, municipal waste and algae) is a feasible option for Australia and New Zealand. It also found there are currently sufficient biomass stocks to support a local jet fuel industry. (Source: [http://www.csiro.au/news/New-sustainable-bio-derived-jet-fuel-industry-is-achievable.html](http://www.csiro.au/news/New-sustainable-bio-derived-jet-fuel-industry-is-achievable.html))

The Sustainable Aviation Fuel Road Map had several meetings in Sydney, Australia, over the course of 2010. The RSB Secretariat attended one of the meetings in July.

**H. Sustainable Standards Transparency Initiative (SSTI)**

The Sustainable Standards Transparency Initiative builds upon earlier efforts of the RSB to benchmark other schemes against the RSB Standard. Eventually, the RSB might allow products that carry a certificate from another recognized scheme into the RSB Chain of Custody.
Such benchmarking processes are interesting to a broad range of stakeholders. It was therefore decided to extend the reflection and work beyond only bilateral discussions between two standard organizations.

The RSB, in partnership with the ISEAL Alliance, GIZ and the Rainforest Alliance, created the SSTI consortium to develop a methodology and a tool that will allow standards organizations to perform bilateral, unilateral or multilateral benchmarking. The need for such methodology can easily be explained by the existing diversity in the structure, terminology and level of requirements used in various standards, which makes a direct comparison difficult.

The SSTI is composed of a Steering Committee and a working group, which each appoint a representative from each organization. The working group also includes ad hoc experts. The role of the working group is to discuss and develop the methodology for comparison and benchmarking. In this process, it recently started developing a catalogue of common criteria that can be used to compare several standards together in an objective and comprehensive way. The first meeting of the working group was held near Frankfurt in March 2011 and yielded useful outcomes in terms of work planning and preliminary discussions about the methodology and tool to be developed. The second meeting was held at the GIZ headquarters in Eschborn in June 2011. It enabled participants to discuss the technical aspects of the SSTI development and resulted in a decision to focus this phase of the work on the production of a methodology to compare standards and the drafting of a set of guidelines to carry out field research within the framework of a comparative analysis. In between, each partner worked on “unpacking” sustainability principles that are commonly found in standards, such as labor rights, biodiversity, chemical management, etc. Unpacking consists of describing all the categories and sub-categories that make up each of these general principles. For example, the topic “biodiversity” can be broken down into “ecosystem diversity”, “species diversity”, “genetic diversity”, etc. Through this unpacking exercise, the SSTI partners will develop a common set of criteria that can be used to compare schemes.

In parallel to these theoretical discussions, field projects are also ongoing in order to inform the process. A pilot testing of a joint audit was conducted in December 2010 in Colombia. An oil palm plantations was jointly evaluated by 3 auditors, who were respectively using the RSB standards, the RSPO standards and the SAN standards (Rainforest Alliance) and brought their finding together to highlight some of the existing discrepancies in the way each standard addresses some sustainability issues or gets concretely implemented. Another joint field audit will possibly be conducted in South-East Asia in 2011 in order to further inform the development of the benchmarking methodology and tool within the SSTI framework.

Regulatory Benchmarking Work

The RSB Standard was developed with the clear intent to be a comprehensive global standard, covering all types of social and environmental issues relevant, in all regions of the world. Recently, a number of stakeholders have noted that in some regions the local laws appear to overlap with some of the social and environmental requirements in the RSB standards. In an effort to prevent duplication of efforts and to ease demonstration of compliance with the standard by the private sector, the RSB has embarked on a series of regulatory benchmarking activities, intended to identify
the specific areas in which local regulation covers aspects of the RSB standard, whether such local laws are credibly enforced, and the type of legal documentation that operators might use to demonstrate RSB compliance. At the end of 2010 the RSB had contracted with a consultant (Scientific Certification Services) to develop a global framework for conducting these regulatory benchmarking activities, and was in the process of starting to conduct the benchmarking activities in a number of regions of the world, including the Pacific Northwest region of the United States, Mexico, and Ethiopia.

I. Regulatory Recognition

In July 2010 the RSB was selected by the U.K. Renewable Fuels Agency (RFA) to conduct a benchmark of the RSB Standard against the Renewable Transport Fuel Obligation (RTFO) Meta-Standard, the RTFO Standard for Audit Quality and the RED. The results of this benchmark can be accessed either directly on the RFA website or through www.rsb.org. The RFA has also expressed interest in the work of a joint project between RSB and other organizations about the evaluation of biofuels with low risks of indirect impacts.

On March 18, 2011, the RSB received notification from the German authorities that the RSB Standard and Certification System are now provisionally recognized under the national regulatory schemes of Germany, as qualifying under the German “Regulation on the requirements for sustainable production of biofuels” (Biokraftstoff-Nachhaltigkeitsverordnung - Biokraft-NachV).

The competent EU Member States Committee met on May 27, 2011 and did not raise any objection against the recognition of the RSB EU RED Standard. As a next step the scheme will be translated and the College, i.e. the European Commission will adopt the recognition decision. After that, the decision, together with the text of the scheme, will be published in the Official Journal of the EU. Publication is expected early July.

J. Other Important News

Hawaii Outreach and Regional Adaptation December 6-9, 2010

In 2010 the Hawaii Biofuels Foundation (HBF), a multi-stakeholder group made up of members of private industry, farming interests, and NGOs interested in promoting the use of sustainable biofuels on the Hawaiian Islands, hired Liz Muller to lead a needs-assessment for geographic adaptation and stakeholder outreach process for the RSB in Hawaii. To evaluate its potential applicability to Hawaii, HBF sponsored a needs assessment of the geographic adaptation of the RSB Standard – done in accordance with RSB protocol - that assessed the legal, socio-economic, ecological, technological, and cultural applicability and appropriateness of indicators and criteria in the context of Hawaii.

---

3 Note that the official recognition of the RSB Standard and Certification by the European Commission was announced on July 19, i.e. out of the scope of this annual report. This will be covered in the Annual Report 2011.
The needs assessment was done using a two-step process:

1. Individual technical advisors assessed the RSB principle associated with their area of expertise in the context of Hawaii. The technical advisors, who are local subject matter experts, conducted an in-depth examination of the RSB Standards with a focus on evaluating the applicability and appropriateness of the indicators.

2. A wider group of stakeholders provided input and discussed various aspects of the RSB Standard and biofuels in Hawaii at public workshops. The input from the technical advisors was presented as a starting point for further discussion and input from the workshop participants.

Input from various stakeholders who participated in the RSB needs assessment process indicated that the RSB Standard could serve as a strong initial framework to define, promote, verify and, possibly market sustainable, locally grown biofuels; however, some modifications may be warranted. In addition, the promotion of biofuels will likely require additional systems and mechanisms, such as government-led incentives, infrastructure or guidelines, if it is to be a viable industry in Hawaii.

Additional input provided during the RSB needs assessment was very valuable and may not have been expressed in other forums as Hawaii currently lacks a comprehensive, holistic, systems-approach for vetting the appropriateness of biofuels for Hawaii. Efforts made to engage stakeholders during future efforts to develop a framework for sustainable biofuels expansion will add tremendous value and ensure stakeholder support for growth in the sustainable bioenergy sector on the islands.

**The RSB and Swiss Development Corporation (SDC) Partnership**

The SDC has generously awarded the RSB a grant to develop and improve on its social standard. Key to the project is the use of field research to gather information from operators on how they think the various tools for the standard could be improved to make their job easier. These guidelines and tools will be carefully streamlined and developed with additional tools to assist operators. Once the improved versions are available, they will be taken out into the field for further testing and refining. Already a field test was conducted in Mali with Mali Biocarburant, an operator with 4,200 smallholder farmers. Five further field tests will be conducted between July and February 2012. Improvements will focus on food security, land & water rights, stakeholder engagement, and developing guidelines for rural & social development. Definitions for regions of food insecurity and poverty and legitimate disputes will also be developed though this project.

**K. Governance and Membership Developments**

**Change in Chamber Structure**

The new Terms of Reference call for only seven RSB Chambers, including one which is non-voting. Among the voting chambers, three represent the private sector and three are composed of representatives from civil society. The seven chambers are: 1. Farmers and growers of biofuel feedstocks; 2. Industrial biofuel producers; 3. Retailers/blenders, the transportation industry, banks/investors; 4. Rights-based NGOs (including land, water, human, and labor rights) & trade unions; 5. Rural development or food security organizations & smallholder farmer organizations or
indigenous peoples’ organizations or community-based civil society organizations; 6. Environment or conservation organizations & climate change or policy organizations; 7. Intergovernmental organizations (IGOs), governments, standard-setters, specialist advisory agencies, certification agencies, and consultant experts (non-voting).

Each Chamber now has two Co-Chairs, who together participate in the new Steering Board, joined by the Executive Secretary as an ex officio member (for a total of 15 board members). Each Chamber has also one Alternate, who will serve as a non-voting observer to the Steering Board.

New members and member resignations over the past year

The RSB has currently 120 members in the seven chambers from numerous countries. In the last year the RSB welcomed 19 new members. The greatest number of members joined Chamber 7, which presently counts 36 members, followed by Chamber 2 with 24 members. The full list of current RSB members is listed by chamber category at: http://rsb.epfl.ch/page-24931-en.html

Besides to new members, also 19 members resigned the RSB for a variety of reasons. One organization does no longer exist, and in another case a new team has changed their scope concerning biofuel production. In four cases members resigned due to a lack of capacity. Two former members left the RSB because they disagreed with the process and with the results that the RSB came up, and in another two cases the organizations were unhappy with the new chamber structure. In many cases former members did not state the reasons for their leaving, even on enquiry. The full list of organizations that withdrew their RSB membership or decided not to renew is available on request from the Secretariat.

<table>
<thead>
<tr>
<th>Chambers</th>
<th>Apr. 09-Mar. 10</th>
<th>Apr. 10-Mar. 11</th>
<th>Fluctuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Farmers and growers of biofuel feedstocks</td>
<td>16</td>
<td>19</td>
<td>3</td>
</tr>
<tr>
<td>2. Industrial biofuel producers</td>
<td>30</td>
<td>24</td>
<td>-6</td>
</tr>
<tr>
<td>3. Retailers/blenders &amp; the transportation industry, bank/investors</td>
<td>11</td>
<td>11</td>
<td>0</td>
</tr>
<tr>
<td>4. Rights-based NGOs (including land, water, human, and labor rights) &amp; Trade Unions</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>5. Rural development or food security organizations &amp; smallholder farmer organizations or indigenous peoples' organizations or community-based civil society organizations</td>
<td>9</td>
<td>9</td>
<td>0</td>
</tr>
<tr>
<td>6. Environment or conservation organizations &amp; climate change or policy organizations</td>
<td>19</td>
<td>17</td>
<td>-2</td>
</tr>
<tr>
<td>7. Intergovernmental organizations (IGOs), governments, standard-setters, specialist</td>
<td>32</td>
<td>36</td>
<td>4</td>
</tr>
</tbody>
</table>
Table 1 Fluctuation of participants’ number by chamber

<table>
<thead>
<tr>
<th>advisory agencies, certification agencies, and consultant experts</th>
<th>Chamber 1</th>
<th>Chamber 2</th>
<th>Chamber 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>120</td>
<td>120</td>
<td>0</td>
</tr>
</tbody>
</table>

L. Steering Board Developments

New Chair and Vice-Chairs

On 16 September 2010 at a Steering Board teleconference the new RSB Board elected its Chair and Vice-Chairs: Barbara Bramble was reelected as RSB Chair and Damiana Serafini and Khoo Hock Aun were elected as RSB Vice-Chairs. In March 2011 Kevin Fingerman replaced Damiana Serafini as Vice-Chair of the RSB.

Steering Board Meeting outcomes

- Revision of the Terms of Reference (June 2010)

In addition to the changes in the governance structure (see above), the following edits were made to the TORs:

  - Subsidiaries from the same holding company are allowed to join separate chambers.
  - 2/3 vote is replaced by 3/4 vote in chambers.
  - Written comments provided by members on an agenda item to their respective Co-Chairs prior to a Chamber meeting shall be shared with the entire Chamber.
  - The role of the Secretariat is clarified.
  - A process for direct consultation is introduced.
  - Groups of interest can be formed on specific issues to enhance cross-chamber discussions.

Another review of the TORs is scheduled in June 2011. It will be described in the Annual Report for 2011-2012.

- Mission and Vision

The Steering Board decided to broaden the coverage of the RSB System beyond liquid biofuels for transport. The agreed RSB Vision and Mission are:

Vision: Global sustainable production, conversion, and use of biomass.

Mission:

  - To provide and promote the global standard for socially, environmentally and economically sustainable production and conversion of biomass.
  - To provide a global platform for multi-stakeholder dialogue and consensus building.
  - To ensure that users and producers have access to credible, practical and affordable certification.
  - To support continuous improvement through application of the standard.
• GHG Threshold of 50% Blend of Biofuels

The RSB announced the approval of the RSB greenhouse gas (GHG) accounting methodology and establishment of a GHG reduction threshold for our biofuel certification standard. It is important that the use of biofuels significantly reduces the contribution to global warming – and because of this concern, the RSB has focused on creating a certification standard that ensures biofuels have lower GHG emissions than fossil fuels.

Although many possible targets were considered, the RSB Steering Board agreed in June 2010 to a 50% reduction in GHG emissions of a biofuel blend compared to the fossil fuel baseline. The setting of this ambitious target is an exciting step forward in creating a meaningful biofuel standard.

The Roundtable on Sustainable Biofuels Steering Board approved a preliminary decision on a GHG threshold in its June 2010 in-person meeting; this decision was confirmed by all chambers during chamber calls in July. The chamber calls resulted, however, in recommendations for specifications of some of the new language of Criterion 3c (which deals with the GHG threshold). This criterion is subject to an 18-month evaluation period, after which the Secretariat will submit a findings report to the Steering Board and chambers.

• Approval of Version 2

Version 2 of the RSB Standard was released in November 2010. Version One was edited and improved to accommodate: a) the additional work carried out concerning the requirements for the Greenhouse Gas Emissions under Principle 3; b) the feedback collected through pilot testing of Version One in 2010; c) additional clarity that was required to ensure that the Standard is user-friendly for participating operators (POs); and d) standardizing of nomenclature and removal of duplications. The RSB and its Steering Board believes that Version 2 is easier to understand for all users and it has now been approved for use in certification.

Principle 2 and its criteria set out the socio-ecological management system that POs are required to implement. This process is called the RSB Impact Assessment Process. The first step in this assessment procedure, which is required by all POs, is to carry out a screening exercise. This process enables the PO to determine the extent and scope of the environmental and social impact assessment that it may have to complete. The screening exercise also helps to establish whether or not any specialized impact assessments are required. The screening exercise is supported by a tool developed by the RSB which guides POs and assists them in their analysis of the potential socio-ecological impacts that their biofuel operations may have.

M. RSB Secretariat and Staff Developments

The RSB Secretariat continued to serve the Steering Board and the Chambers. It managed the day-to-day operations of the RSB. In particular, it prepared and executed decisions by the Steering Board in accordance with the RSB Terms of Reference. It fulfilled all the functions and duties assigned to it in these Terms of Reference in an impartial manner.
Peter Ryus

In February 2011, Peter Ryus joined the RSB Secretariat as Manager for implementation and certification. Based near Washington, DC, Peter Ryus has over 30 years’ experience in general management and marketing in information services and technology. He has broad-based experience, both in small, entrepreneurial ventures (some of which have become public companies) and in large, multinational organizations including Time Warner, Verizon, General Electric and the Chase Manhattan Bank. Peter Ryus has had considerable experience working in situations with high risk and rapid change. During his career, he has focused on management, organization reinvention, marketing, sales and product development. Having started his career as a corporate lending officer with Chase, he then joined Time Inc. and assisted in the development of Home Box Office. He went on to become President of Televents, Inc., a cable company that was to become part of Telecommunications Inc. (TCI), the largest cable operator in the US. Later as the COO of Weather Services International, he was responsible for expanding the business into Latin America and Asia and subsequently was instrumental in the sale of the business to Landmark Communications, parent of The Weather Channel. Most recently, Peter has been serving as a consultant and senior advisor to the RSB in the development of the RSB Services Business Plan. Mr. Ryus holds a BA in Political Science from Tulane University and a Master of Business Administration in Finance from Columbia University.

Elisa Calcaterra

Elisa Calcaterra joined the RSB Secretariat in June 2011 as a manager for the areas of transparency and social affairs. Elisa previously worked for the IUCN, where she led the program of work on local governance and biodiversity and oversaw various pilot projects in developing countries related to the 2010 biodiversity targets; she also has consulting experience related to international development projects and evaluation.

Elisa holds a degree in International Relations and Diplomacy from the University of Trieste, Italy, and an M.Sc. in Development Management with a specialization in participation theory and practice from the London School of Economics.

Anne-Sophie Dörnbrack

Anne-Sophie Dörnbrack joined the RSB as an intern in May 2011. Her assignments include the possible adaptation of the RSB Standard for advanced feedstocks, communication aspects and country profiles. Anne-Sophie recently graduated and now holds a Magister Artium in Political Science from the Ludwig-Maximilians-Universität München.

Leaving of Maryline Guiramand

After more than 2 years spent with the Secretariat, Maryline Guiramand left the RSB staff early 2011. She will work with the RSB on specific mandates. We wish her all the best for her next endeavors.

N. Expert Groups

Indirect Impacts EG

See section F.
GHG Expert Group

The RSB GHG expert group was instrumental in 2010 in helping the RSB Secretariat and EMPA develop the RSB GHG methodology and the fossil fuels baseline. The fossil fuel baseline was published in May 2011. The final GHG methodology document was published in July 2011. The GHG EG held four meetings in 2010. In addition, GHG EG members were contacted to carry out the peer review the GHG methodology.

GMO Expert Group

Following the decision of the Steering Board in response to the request formulated by some member organizations, a dedicated expert group was created to analyze the degree to which some requirements under Principle 11 may possibly create GMO-related liabilities for participating operators and recommend enhancements to RSB guidelines for risk mitigation regarding GMOs in order to minimize such potential liabilities.

Despite the repeated efforts of the RSB Secretariat to recruit enough experts for a balanced and representative dialog, the participation in the expert group was limited. The expert group’s members are as follows:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bryan Endres</td>
<td>University of Illinois</td>
</tr>
<tr>
<td>Josiah McClellan</td>
<td>United Soybean Board (USB)</td>
</tr>
<tr>
<td>Tom Redick, Counsel to USB</td>
<td>Stuart Smyth, University of Saskatchewan</td>
</tr>
<tr>
<td>Charles Spillane</td>
<td>University of Ireland, Galway</td>
</tr>
</tbody>
</table>

As shown in this list, neither so-called “developing” countries nor CSOs/NGOs were represented in the group. The difficulties faced by the Secretariat and the existing members to recruit more experts are explained by the high degree of specialization and technicality required for this discussion.

After several exchanges by email, the expert group held a teleconference on March 1, 2011. The participants agreed that the wording of RSB criterion 11b is indeed creating additional liabilities with regards to GMOs and made a suggestion to the RSB Steering Board to revise the wording of 11b to minimize these liabilities. If accepted, such wording will be integrated during the next revision of the RSB Principles & Criteria.

As no further issue was raised by the expert group members after the 1st teleconference, the working group members were thanked in June 2011.

O. Interest Group: Biofuels Utilization for Sustainable Tourism

During the Steering Board meeting of November 2010, Khoo Hock Aun (Chamber 1) submitted a proposal to form an interest group on “Biofuels Utilization for Sustainable Tourism”. The purpose of these interest groups is to facilitate cross-sector communication among members in different chambers that share common interests.

Parallel initiatives for sustainability have emerged in the last few years involving biofuels for the tourism industry in an effort to promote carbon neutral destinations with common funders and sponsors. It is proposed that an Interest Group be formed to encourage biofuels use in aviation,
marine and ground transport for tourism. This Interest Group would focus on specific projects where this component can be integrated and develop synergies.

P. Outreach: Non-exhaustive list of conferences and meetings attended by the RSB

Workshop on Aviation Biofuels with SAFUG in Rio de Janeiro (1 June 2010)

The Sustainable Aviation Fuel User’s Group (SAFUG) and RSB organized a session called “Global Developments in Sustainable Aviation Fuels and the RSB” in Rio de Janeiro on June 1. The meeting was attended by approximately 60 members of airline and carrier companies, government officials, RSB members, NGOs, biofuel producers focusing on aviation biofuels, and other stakeholders.

The meeting covered the following items:

• Update on status of the RSB and its benchmarking project (Victoria Junquera, RSB)
• Current state of biofuels technical certification (Dr. Jim Kinder, Boeing)
• Overview of Sustainable Aviation Fuel activities outside Brazil (Darrin Morgan, Boeing)
• Presentation on research on jatropha cultivation and GHG emissions (Dr. Robert Bailis, Yale University)
• Open discussion on topics of group interest

UNEP Workshop on Biofuels and Water, Paris, France (July 2010)

On July 5-6, 2010, the UN Environment Programme and the Öko-Institut held an expert workshop on issues related to bioenergy and water. The workshop aimed to shed further light on the bioenergy and water nexus by discussing status quo, exchanging experiences and identifying needs for further research, as well as to develop a detailed outline and milestones for a report on bioenergy and water. Sébastien Haye (RSB Manager, Environmental Affairs) chaired a session on the role of water in certification schemes and contributed to the report through the chapter entitled “The role of sustainability criteria, indicators and certification schemes for bioenergy related water impacts” (Report to be published soon).

SWAFEA Conference, Munich, Germany (15-16 July 2010)

In February 2009, the European Commission's Directorate General for Energy and Transport initiated the Sustainable Way for Alternative Fuels and Energy in Aviation (SWAFEA) study to investigate the feasibility and the impact of the use of alternative fuels in aviation. The goal is to provide the European Commission with information and decision elements to support its future air transport policy, in the frame of the European commitment to promote renewable energy for the mitigation of climate change, security of supply and contribute to EU’s competitiveness and economic growth4.

The 2nd European Stakeholder Conference was dedicated to a general update on the state-of-the-art of alternative fuels for aviation with a focus on suitability, sustainability and availability of biofuels and in-depth discussions on biomass production, the business case for alternative fuels, regulatory requirements for their introduction, indirect land-use change and potential benefits of other

4 http://www.swafea.eu/LinkClick.aspx?fileticket=IllSmYPFNxY%3D&tabid=38
renewable energy carriers. There were more than 120 invited experts from universities, research institutes, air framers, airlines, engine manufacturers, refineries and fuel suppliers as well as biomass producers (http://www.swafea.eu/MeetingsEvents/tabid/126/Default.aspx). The RSB Secretariat gave a presentation on the RSB Standard with particular focus on indirect impacts and GHG emission.

The SWAFEA Synthesis Conference held on 9 & 10 February 2011 in Toulouse (France) addressed questions on sustainable biofuels: Should alternative fuels be introduced in aviation? Are they technically feasible and economically viable? Are they acceptable from an environmental and social point of view? The RSB Secretariat participated in the sustainability experts’ panel. The Q&A session showed that there was substantial interest in the RSB Standard.

Shell-IUCN Indirect Land Use Change Workshop, London UK (21-22 September 2010)

IUCN and Shell organized a workshop on indirect land use change (iLUC) and biofuels (21-22 September 2010, Chatham House, London). The session convened a range of stakeholders including agricultural commodity producers, biofuels producers and suppliers, research institutes, environmental NGOs and regulators.

The primary objectives were to gain a shared understanding of how to effectively mitigate against iLUC risks from biofuel production and to explore policy options which ensure and enable mitigation. The resulting report recorded the group discussions and was made publicly available, and particularly was intended to inform the European Commission’s consultation on iLUC and biofuels.

The workshop produced 4 outcomes:

- A framework to enable the selection of viable iLUC mitigation measures, in the form of success criteria;
- Indicative list of potentially viable iLUC mitigation options;
- Success criteria for effective iLUC mitigation policy; and
- Indicative list of iLUC mitigation policy options.

Global Agriculture Congress, Brussels, Belgium (28-30 September 2010)

The forum gathered experts on the outlook for agricultural commodities, focusing on global supply and demand, price projections and trade trends in key markets. Topical issues included: food scarcity, Food vs. Fuel, biofuels outlook, the use of GM, water scarcity etc. Commodities featured in the forum included grains, wheat, maize, sugar, oil, oilseed, dairy, meat and livestock.

Victoria Junquera (RSB Science & Technology Manager) gave a presentation entitled “Global Bioenergy Markets and the Impact on Agricultural Commodities”.

TIACA Air Cargo Forum 2010, Amsterdam, Netherlands (2-4 November 2010)

The International Air Cargo Association had its biannual forum, drawing hundreds of participants. The RSB Secretariat made a presentation on the RSB Standard. The air cargo industry could potentially be an important consumer of biofuel, but biofuels and sustainable biofuel certification are not well-known concepts in the industry. An important goal of the RSB Secretariat’s interest in participating in this forum was to inform the industry about the opportunity to use sustainable aviation biofuels.
**ISEAL Meeting on Sustainability in Value Chains: Sao Paulo, Brazil (16 November 2010)**

The ISEAL Alliance, Amigos da Terra – Amazônia Brasileira and IMAFLORA organized an international event on credibility and impacts of standards, including the global launch of the ISEAL Impacts Code. It brought together leaders of the corporate sector, civil society, researchers and communication professionals to build a common understanding and define actions to scale up the impacts of credible standard systems. Members of both the RSB Secretariat and RSB Steering Board participated in the meeting.

**ISO/PC 248/WG3 Meeting: Stockholm, Sweden (17-18 November 2010)**

ISO initiated a process to create a norm for sustainable bioenergy production, led by Project Committee (PC) 248. The kick-off meeting was held on the 27th of April 2010 in Rio de Janeiro, and was attended by delegates from 11 countries and 3 liaisons. During the meeting, the framework of the development of the norm was agreed upon, through resolutions, which included:

- The fact that the norm would not be a management system
- The absence of threshold values
- The acknowledgement of issues to be addressed such as GHG, Biodiversity or Human Rights
- The reference to existing ISO Standards only; possibility for members to put forth external standards where appropriate, but no formal reference can be made in the norm.

Working Groups and Study Groups were established during the Rio meeting, with WG 3 focused on sustainability criteria to be included in the norm and convened by Brazil and Sweden jointly. The RSB was invited to the WG meeting to present the existing initiatives and share relevant experience in the development of sustainability standards for bioenergy.

**WFES (World Future Energy Summit), Abu Dhabi, UAE (17-20 January 2011)**

The World Future Energy Summit (WFES) took place in Abu Dhabi, the United Arab Emirates from 17-20 January 2011. WFES is a very large international event bringing together policy makers, government leaders, private industry, the financing sector and the public sector and it is dedicated to “future energy” with particular emphasis on renewable energy. The summit included a Business Forum, specific days devoted to specific clean tech industries and innovation, and economic/analyst/government forums.

The RSB Secretariat organized a side event together with the Masdar Institute of Science & Technology (MIST) on biofuel production in the UAE and biofuel sustainability & certification. The event featured presentations by MIST, RSB, Boeing, and Etihad Airways. Boeing, Etihad and Masdar are involved in a bioenergy production R&D project in the UAE from the halophyte salicornia.

The event was attended by biofuel stakeholders and government officials from the energy and environmental sectors.

In summary, the purpose of the event was to show the potential for bioenergy production in a country like the UAE, where water scarcity is a key consideration. MIST also featured the preliminary results of an environmental impact study for biofuel production from salicornia. The RSB presented
on the issue of biofuel sustainability and introduced the RSB Standard, and discussed the subject of sustainability certification. Finally, Etihad and Boeing presented on their interest and involvement in renewable energy production and R&D in the aviation sector.

Technical Committee meeting of CEN, Brussels, Belgium (17 February 2011)

On February 17, 2011, Technical Committee 383 of the European Committee for Standardization (CEN) held its eights meeting in Brussels. The objectives of the meeting were to discuss outputs from the working groups in charge of the development of sustainability criteria for biomass for energy applications, in particular GHG calculations and terminology. As a technical liaison to the TC 383, the RSB Secretariat participated in this meeting. As of today, some of the proposals of TC 383 were submitted to the European Commission and are currently undergoing public consultation. Pending issues are still being discussed within the working groups.

2011 Sustainable Biodiesel Summit: Pittsboro, NC, USA (5 March 2011)

On March 5, 2011 the Sustainable Biodiesel Summit, an annual conference devoted to promoting sustainable biodiesel production in the United States was held near the RSB Americas office in Pittsboro, North Carolina. The event drew around 75 biodiesel sustainability enthusiasts from around the United States, and covered diverse topics from more efficient production technologies, to sustainability issues. Matt Rudolf, Regional Manager, Americas of the RSB participated on a panel with Jeff Plowman, Executive Director of the Sustainable Biodiesel Alliance (SBA), and Don Scott, Director of Sustainability for the National Biodiesel Board (NBB). As both the SBA and the NBB are members and supporters of the RSB, it was an opportunity to present a unified voice about the need for certified sustainable biofuels in the market. The SBA also unveiled their new sustainability scorecard for biodiesel, which rates the sustainability attributes of biodiesel plants along different criteria, one of which is whether the plant has undergone sustainability certification. The conference concluded with a tour of an operating industrial biodiesel plant.

World Biofuels Market 2011: Rotterdam, the Netherlands (22-24 March 2011)

The European Biodiesel 2011 conference focused on availability of biodiesel, current trends and with expert input from both the refining and automotive industry, encouraged discussions between industry, government and NGOs on the topic of sustainability. It also attempted to provide more detailed insight into the key challenges and opportunities related to biodiesel trading. The RSB was represented on a panel titled ‘Ensuring Biodiesel Sustainability.’ Co-panelists included representatives from Wetlands International, Friends of the Earth, Inspectorate, Ecofys, and FivebarGate. The conference session was well attended with over 100 attendees.

Bio-energy World Africa Conference, Johannesburg, South Africa (30-31 March 2011)

The Bio-energy World Africa Conference was a meeting held in Johannesburg for two days. It was organized by a private company to gather biofuels experts from the African continent to discuss bioenergy issues. Annie Sugrue gave a presentation on the use of the RSB Standard to promote sustainability.
After speaking on both a panel and the special aviation day at the World Biofuels Markets conference in March in Rotterdam, Steering Board Chair Barbara Bramble spoke at two events in April, the Advanced Biofuels Leadership Conference (April 19-21) and the World Bank’s annual conference on Land and Poverty (April 18-20) both in Washington DC. Representing the RSB, she described the development of the RSB standard and the recent opening of the certification system and RSB Services. In the Advanced Biofuels event, Barbara joined a panel on “Forging Washington’s Biofuels Roadmap – Policies to Drive Commercialization for 2011 and Beyond”, discussing the way that RSB certification can complement existing and new policies, and infrastructure investments, which together can help stimulate the development of advanced biofuels in the United States and globally. The panel was moderated by Brent Erickson, Executive Vice President, Industrial and Environmental Section, Biotechnology Industry Organization. After the presentation, Barbara and RSB Services head Peter Ryus met with several companies about potential application for certification.

At the World Bank event, Barbara spoke on a panel: “Addressing food security and land rights through multi-stakeholder initiatives: Lessons from commodity roundtables and multilateral approaches” along with Jeroen Douglas, a member of the Executive Board of the RTRS and Corey Brinkema, the President of FSC US. Much of the focus of the discussion, after the RSB presentation, was on the innovative nature of the RSB’s Principle 12 on Land Rights and the RSB guidance document that assists participating operators in its implementation. As a result of the presentation, Barbara and RSB staff member Annie Sugrue were invited to serve on an advisory group hosted by the Food and Agriculture Organization (FAO) and the International Food Policy Research Institute (IFPRI) to guide a new Land Governance Monitoring and Assessment Partnership among UN agencies and the World Bank.

**Q. Financial Reporting**

*Balance Statement*

RSB closed the period covering April 2010 to March 2011 (the RSB membership period) with a positive cash balance of CHF 924’218.

*Revenue*

The total revenue from April 2010 to March 2011 was CHF 1’389’904.

The Sustainable Biomass Consortium with 32% contributes the largest revenue, and is followed by the grant from the Packard Foundation, accounting for 29% of total revenue. Other important revenue streams come from corporate contribution (11%), the SDC (7%), and EU-Projects (5%). Membership dues accounted for approximately 9% of total revenue, and the combined in-kind contribution of the EPFL/Energy Center and miscellaneous revenue from other sources comprised 7% of total revenue.
Expenses

The total expenditure from April 2010 to March 2011 was CHF 1’284’160. Wages represent the single largest expense for the RSB. Including all RSB Secretariat staff covered under the RSB budget, wages consisted of approximately 53% of total expenses. The second largest expenses came in the form of projects, which amounted to 26% of total expenses. The majority of the remaining expenses are meeting and travel expenses (combined making up about 7% of total expenses), and a small amount spent on marketing expenses, including printing costs, graphic design, etc. 12% other.