

# Annual Report 2009



©istockphoto.com/nicolesy

Roundtable on   
Sustainable Biofuels



## Editorial

The period from 1 June 2009 to 31 May 2010 was one of tremendous activity and growth at the Roundtable on Sustainable Biofuels. This past year has been the first year of the RSB operating with a new, chamber-based multi-stakeholder governance structure, as originally anticipated by its founding members. After the May 2009 Steering Board meeting the RSB released Versions 0.5 and 0.6 of the RSB Standard, which were discussed during chamber teleconference calls in September and October 2009. This work culminated in the approval for pilot testing of Version 1.0 of the RSB Standard at the November 2009 Steering Board meeting. In addition, 2009/10 saw the development of the RSB Certification Systems, a novel system incorporating a highly flexible system of registered operations and an associated risk management approach that prevents complex operations from introducing too much risk into the certification system.

During 2009 the RSB also released a series of eight Requests for Proposals (RFPs) on topics ranging from GHG accounting methodologies to food security assessment guidelines. The work outputs from these projects fed into the content of Version 1.0 of the Principles & Criteria. The work project on the development of Compliance Indicators (RFP 08) was later enhanced upon through a workshop and subsequent work. Version 1.1 of the RSB Compliance Indicators was released as a technical draft for pilot testing in May 2010.

A major work project for 2010 has been the evaluation of the RSB Standards in a pilot phase, during which the Standards have been evaluated by operators throughout the world. Feedback from the pilot projects will be delivered to the RSB Secretariat from June – September 2010 in the form of written reports and through the use of a standard reporting framework, which provides easy means for reporting information such as usability and data availability.

Another major project initiated in 2010 is benchmarking. In a change from its previous strategy, the RSB will seek a collaborative approach to standards benchmarking working with a number of key partners, such as ISEAL, GTZ and the Rainforest Alliance. Together, the partners hope to bring in other voluntary schemes and companies to participate as equal partners.

Initial feedback in regards to EU recognition of the RSB Standard has been encouraging, with three independent analyses all indicating complete compliance of the RSB Standard to the sustainability requirements of the Renewable Energy Directive (RED) of the European Union. The application for EU recognition was briefly put on hold by the Steering Board in February 2010 pending a review of the Terms of Reference. The hold was lifted in May 2010 and the process was allowed to move forward.

The RSB continues its work on greenhouse gases and indirect impacts, in collaboration with RSB Expert Groups on both topics and through its partnership with EMPA. The RSB Secretariat recently released proposals for how the Steering Board might set a GHG threshold and a discussion paper on indirect impacts. Both topics are the subject of chamber teleconference calls being held in the upcoming months.

This past year has been one of considerable growth and change at the Roundtable on Sustainable Biofuels, and the Secretariat sincerely thanks all its members for their continued support.

A handwritten signature in black ink, appearing to read 'Alwin Kypse', with a long horizontal stroke extending to the right.

Alwin Kypse  
Executive Secretary

## Table of Contents

- A. [Towards Version One](#)
- B. [Development of Certification Standards](#)
- C. [Pilot Testing](#)
- D. [Revision of Compliance Indicators](#)
- E. [Benchmarking](#)
- F. [EU Recognition](#)
- G. [Strategy development](#)
- H. [Governance, Membership and Expert Groups](#)
- I. [Outreach](#)
- J. [RSB Secretariat](#)
- K. [Financial Report](#)

### A. Towards Version One

#### Release of Version 0.5

During the May 26-27, 2009 meeting the RSB Steering Board made a number of suggestions during its review and discussion of the RSB Principles & Criteria Version Zero. Based on the comments from the Steering Board the RSB Secretariat revised the Standard and released Version 0.5 of the Principles & Criteria, which was circulated to the RSB chambers in August 2009. Comments from the RSB members were received by email from August 10, 2010 through August 31, 2010. These comments were subsequently incorporated into Version 0.6 of the Principles & Criteria. A series of eight Request For Proposals (RFPs) released at the same time also provided relevant information as input into the Principles & Criteria revision process (see below for further information).

#### Version 0.6 – September & October 2009 Chamber Calls

In September/October 2009 teleconference calls were held with all eleven RSB Chambers to review recent work on the Principles & Criteria based on written feedback on Version 0.5 which was received during the August feedback period. Part 1 of Version 0.6 of the Principles & Criteria (Principles 1, 8, 9, 10, 11) was reviewed during the September 2009 calls, and Part 2 of the Principles & Criteria (Principles 2, 3, 4, 5, 6, 7 and 12) was reviewed during the October 2009 calls. In addition, during the September 2009 teleconference calls the Secretariat provided an overview of the RSB certification system under development, including the Chain of Custody models. The newly developed Compliance Indicators and Definitions of Terms were also reviewed during the same period.

Comments received from the teleconference calls with the RSB Chambers were shared and reviewed with the RSB Steering Board on September 29<sup>th</sup> and October 20<sup>th</sup>, when Part 1 and Part 2, respectively, of the revised Principles & Criteria were discussed for additional feedback. Early versions of the Certification System documents (e.g. Version 0.1/0.2 of the Standard for Participating Operators, Standard on Communications and Claim, Risk Management Standard) were also reviewed

during these calls. The output of the series of Chamber and Steering Board calls in September and October 2009 led to Version 0.7 of the Principles & Criteria, which was presented to the RSB Steering Board at the in-person meeting on November 10-12, 2009.

#### Consultancy Projects: RFPs 01-08

During the May 2009 meeting, the RSB Steering Board requested the completion of several work projects to provide the RSB with further information on specific topics. These projects were released in a group of eight 'Requests for Proposals (RFPs)' on the following subject categories: Lifecycle GHG accounting, accounting for indirect impacts, impact assessment, land rights, water rights, local food security, living wage, and developing generic definitions and indicators for third-party certification of the RSB Standard.

Collectively, these eight consultancy projects constituted a major work project for the RSB during the period from July – October 2009, and were a significant component of the 2009/10 RSB budget. Most of the output from these consultancy projects was incorporated into Version One of the RSB Principles & Criteria and posted to the RSB website, with the exception of the output from RFP 07 – Living Wage, which was not included in the RSB Standard.

Comments on all of the outputs from the RFPs were received from the RSB Chambers by the Secretariat via email from October 8 to 26, 2009.

#### November 2009 Steering Board Meeting

During the Steering Board meeting of November 10-12, 2009, the RSB Steering Board discussed, refined and approved "Version One" of the RSB Standard, which included the Principles & Criteria, the Indicators, the Definitions, and the RSB Certification Standards, for pilot testing. Accompanying guidance documents, intended to help clarify and support the standards documents were also approved. During the meeting, a number of Steering Board members expressed the need for further improvement on the Compliance Indicators developed as part of the RFP 08 work project. As a result, a project with the specific aim to review and improve the Compliance Indicators took place during March – May 2010 (see below for further information).

Approval of Version One of the RSB Standard meant that the RSB could move forward with evaluating the standards documents through a series of pilot projects during which biofuel companies will implement the RSB standards in a test setting. The goal of the RSB pilot projects is to learn from and improve the usability of the RSB Standards by having operators apply and evaluate the Standards in a test environment (see below for further information on the pilot phase).

Based on a series of three memos by the Secretariat and further discussion, the Board also decided that Version One will be used to seek recognition by the European Commission under the Renewable Energy Directive (RED). In May 2010, the UK Renewable Fuel Agency (RFA) performed a benchmark

exercise against the RED and demonstrated the complete compliance of the RSB Standards to the RED (additional information below).

During the negotiation leading to the approval of Version One, it became apparent that further work was needed on two key issues: indirect impacts and greenhouse gases. Two “Path Forward” documents, each of which lays out a clear procedure the RSB should follow in order to come to consensus on these two important topics were agreed by the Steering Board. Since that time much work was devoted to both; indirect impacts and the development of a greenhouse gas methodology. Recommendations reflecting the advice from Expert Groups specially created to discuss these two topics will be presented to the RSB Steering Board during the June 2010 meeting.

## **B. Development of Certification Standards**

Until mid-2009 most of the work on RSB Standards was devoted to the development of the content of the standards. In July 2009 the RSB Secretariat entered into a partnership with Leading Standards, a standards consulting firm based in Germany, to develop the RSB Certification Systems. Whereas the standards content is the area containing the social and environmental impacts’ requirements, the certification system houses the ‘infrastructure’ that make it possible for credible compliance claims to the RSB Standards to be made. In collaboration with Leading Standards, the RSB developed a novel approach to the certification systems in the sustainability arena: the approach chosen includes a system of recognized participants, described in the RSB Standard on Participating Operators and a risk management approach described in the RSB Standard on Risk Management.

A unique aspect of the RSB Certification Systems is the flexible system of recognized participants. Any legal entity aiming for certification must apply for participation in the RSB systems beforehand to become a 'Participating Operator'. A RSB 'System Operating Entity (SOE)' manages the system of recognized participants, and maintains the compliance management database and system administration. Unlike many other certification schemes, which only allow discrete individual entities to apply for certification, the Participating Operator concept applied in the RSB Standard allows for great flexibility in the types of entities that may apply to the system, such as groups of related companies and/or organizations. Groups applying to be recognized Participating Operators may be groups of “like” operators (e.g. feedstock grower groups), groups of companies that work together along the supply chain (e.g. feedstock growers and a feedstock processing plant), or other grouped entities, as well as discrete individual ones. The flexibility provided by this system is made possible through the application of a risk based approach.

Another novel aspect of the RSB Certification Systems is the integration of a risk management system in which auditing requirements (i.e. frequency and intensity), as well as the types of communications and claims allowed, are impacted by a risk class assigned to the Participating Operator. As the level of risk to the system brought by the Participating Operator increases, for example by having more complex operations or poor management structures, the Operator’s risk class also increases, leading

to more frequent and intense auditing requirements. The flexibility of the system allowed for by the Participating Operator concept is thus balanced with the need to prevent too much risk from entering into the system through highly complex or poorly organized operators.

Also at the backbone of the certification system is a chain of custody (CoC) standard, with different associated models for product tracking. The Chain of Custody Standard is a chronological tracking system of product attributes and related documentation, which creates a trail of RSB compliant products throughout the value chain. Different tracking models have been developed, including the following:

- Identity Preserved – Origin of the certified product is maintained and assured.
- Product Segregation – Certified product is stored and handled separately from uncertified product
- Mass Balance – Certified product and uncertified product may be combined and handled together, however overall mass of certified compared to uncertified product is maintained.
- Content Ratio – Certified product and uncertified product may be combined and a percent ratio of certified product is recorded on associated documentation.

Different tracking models offer different levels of credibility and also differ in the types of communications and claims that may be made in regards to the certified product being handled. The development of a Book-and-Claim system, in which the certificate may be entirely separated from the certified product, is anticipated for 2011.

The RSB Certification System differentiates between three primary functions, following a model of checks and balances that minimizes conflicts of interests and maximizes transparency and accountability:

1. Standard setting by the RSB,
2. Implementation of the RSB standards by an independent service unit, and
3. Verification of the implementation of the RSB standards by independent certification bodies.

This division of roles and responsibilities follows international norms (e.g. ISEAL, ISO, IAF), where the functions of standard setting, standards implementation and verification against standards must be independent of each other and clearly separated to avoid conflicts of interest.

#### *Development of the RSB Tool/Software*

The RSB has received a grant from the Swiss Government to update and use the Swiss Federal Laboratories' (EMPA) Sustainability Quick Check for Biofuels (SQCB) . The SQCB was originally designed as a web-based tool to assess the sustainability of biofuels and to check the compliance of biofuels against the sustainability criteria in Swiss legislation on mineral-oil tax-exemption for biofuels. The tool allowed calculation of the lifecycle greenhouse gas emissions as well as the overall impacts of the biofuel production.

The RSB Tool project funded by the Swiss government aims to adapt the SQCB tool to become a “RSB one-stop-shop tool” that enables an operator to calculate their real greenhouse gas emission reductions based on the RSB LCA methodology and the methodologies defined by the regulators of the respective markets the operators work in. The RSB Tool will thus include a multi-methodology lifecycle GHG emissions calculator. Additionally, an operator will be able to conduct the risk self-assessment and the self-evaluation against the RSB Principles & Criteria with this internet-based software. A quick check will allow operators to get to know the RSB System in a simple and user-friendly way.

During phase 1 of this project the EU RED market access standard will be integrated into the tool, and in phase 2 other market access standards, all relevant RSB Standards and the RSB GHG calculation methodology will be integrated into the tool. The beta version of the tool will be available in late June 2010, including all modifications that are part of Phase 2. The final tool is expected to be ready by December 2010.

### **C. Pilot Testing**

After approving Version One of the RSB Standard for pilot testing, the RSB Secretariat sought collaboration with a number of different donors and companies with biofuel projects which the RSB could use to pilot test the standards. The goal of the RSB pilot projects is learn from and improve the usability of the RSB Standards by having operators apply and evaluate the Standards in a test setting. Feedback received during the pilot phase will be used to improve the RSB Standard and move towards a Version Two of the RSB Standards.

All pilot projects include the participation of a certification body, which provides the operator and the RSB with feedback on the usability of the RSB Standard from an auditor’s perspective. On-site ‘pilot audits’ are conducted during the course of the pilot projects, the results of which provide additional information to the operators and the RSB.

Before pilot projects begin, the Pilot Participating Operator and the RSB Secretariat agree to terms of reference, which clearly describe the scope of the project, roles and responsibilities, important milestones, and expected deliverables/outcomes. Although the specifics of each pilot vary by case, the terms of reference are based on a common framework for pilot testing approved by the Steering Board and used by all pilot projects, an example of which is provided in Annex 3 of this document.

Operators’ feedback is collected via a standard ‘Reporting Framework’ provided by the Secretariat. This framework provides a clear and easy format for operators to report on different aspects of the RSB Standard, including information on data availability, cost and types of documentation provided to show compliance. Feedback is also gathered from pilot certification bodies during the pilot audits accompanying each pilot project. Feedback received during the pilot phase will be compiled and reviewed, and used to make improvements towards Version Two of the RSB Standard.

Pilot projects partners were chosen based on feedstock type and location, such that the projects would represent various types of biofuels from different regions of the world. As of May 2010, the RSB Secretariat project pipeline comprises of a number of active or completed pilot projects representing different types of projects from different geographic regions. A number of additional projects are in the planning stage for the second half of 2010 and beyond. Active or completed pilot projects include feedstock and biofuels in the following locations:

Table 1. the table shows active or completed feedstock pilot projects and locations

Feedstock	Biofuel Type	Location
Rapeseed	Biodiesel	Germany
Jatropha	Biodiesel	Guatemala
Sugarcane	Ethanol	South America
Sunflower	Biodiesel	Brazil
Sugarcane/Cassava	Ethanol	Southern Africa
Sugarcane	Ethanol	Southern Africa
Wheat	Ethanol	Australia
Palm Oil	Biodiesel	Colombia

#### **D. Revision of Compliance Indicators**

The purpose of the RSB Indicators is to operationalize the Standard by providing concrete and specific ‘check points’ of how an operator can demonstrate compliance with the RSB Criteria. During the November 2009 Steering Board meeting some Steering Board members expressed that the RSB Compliance Indicators required further improvement. A large emphasis was on making the indicators more “checklist-like” and identify the type of documentation an operator would need to submit to demonstrate compliance with the RSB Standard with greater detail.

In response to the need to improve the Indicators, the RSB Secretariat led a small group of certification experts, experienced certification auditors, NGO’s representatives, in addition to IUCN and RSB staff, that convened at IUCN headquarters in Gland, Switzerland on February 22-26. This expert group provided feedback on the usability of the compliance indicators based on real-world certification experience, and helped ensure that each indicator matched a concretely expressed requirement and did not extend beyond the RSB Criteria. Similarly, it was important that every ‘Minimum Requirement’ in the RSB Standard be appropriately reflected by one or more indicators.

Inputs received in the February workshop , and subsequent refinement of the Indicators, led to the public release of Version 1.1 of the Compliance Indicators on May 10, 2010 as a technical draft for pilot testing and was posted for download on the RSB website. The revised RSB Indicators have been included in the pilot testing, and further feedback on their practicality and usability will be gathered

and reported back to the RSB Steering Board through this process. It is anticipated that the Indicators will continue to be refined in the immediate future as the RSB continues to learn through experience.

## **E. Benchmarking**

Benchmarking of social and environmental standards & verification schemes has been going on in various forms ever since such standards systems were first introduced. Civil society initiatives and economic actors have evaluated whether different social and environmental standards and verification systems met their respective needs and benchmarking initiatives were designed by public authorities (e.g. UK RTFO, EU RED) to facilitate the recognition of standards systems as part of the implementation of regulatory schemes. Benchmarking frameworks have been agreed upon to facilitate recognition and collaboration, and to enhance synergies between different standards and verification systems. Recently, a new generation of benchmarking frameworks has been introduced which aims to scale up the use of social and environmental standards through improved outreach, and better understanding and promotion of these systems. The Steering Board considered a benchmarking concept during its in-person meeting in May 2009, however due to the development of the RSB Certification System, further work on benchmarking was delayed until after the November 2009 meeting of the Board.

In late 2009 and early 2010, a series of meetings were held exploring possibilities for alignment and collaboration between biomass/biofuels standards and certification schemes. During a meeting in February 2010 co-organized by Shell, IUCN and the Packard Foundation in London, it became apparent that key stakeholders desired a collaborative approach, such as establishing an independent technical platform enabling benchmarking of different standards and certification schemes. ISEAL and the RSB were encouraged to lead such a benchmarking initiative, and to set up a working architecture to attain credible benchmarking results in the near term. Shortly after these meetings the RSB brought together a core group of certification experts to help develop a plan for developing the benchmarking system, including representatives from ISEAL, GTZ, Leading Standards, and the Rainforest Alliance, as well as participants from the private sector. Through a series of meetings of these actors between March and May 2010 a concept note was developed describing the key elements of a credible benchmarking system. This concept note is now being adapted into a project proposal to develop a biomass/biofuel certification benchmarking systems. It is important that the benchmarking project integrates lessons learned from the previous initiatives mentioned above, and their respective strengths and weaknesses serve as input to the development of a benchmarking architecture.

The benchmarking project aims to engage a critical number of standards and verification schemes from the outset and employ their collective experience and expertise in the project. One project partner, ISEAL, is sought to take a leading role in convening and engaging social & environmental standards and verification schemes and their respective constituents by providing a neutral space for

participation in the benchmarking project. The project is intended to be open to the future involvement of more systems and interested parties, and will include a series of meetings, workshops and joint activities to engage all interested parties.

One concern raised during the various discussions on benchmarking systems is the increasing activity of regulatory agencies around the world to define legal requirements for biofuels sustainability, increasing the complexity of biofuel sustainability for stakeholders. To address this concern, the benchmarking project also seeks to include regulation related to biofuel sustainability, in addition to comparing voluntary social & environmental standards.

The benchmarking project aims to be an important work project for the RSB and its project partners during late 2010 through 2012, and represents a significant step forward in the development of a credible system for the benchmarking of certification standards systems. The proposed benchmarking project will employ a more collaborative approach, and be more independent and credible than the benchmarking system proposed previously by the RSB. Furthermore, because it is less of a 'top-down' approach and more collaborative in nature, the proposed benchmarking project is more likely to draw support from and participation by other major biomass/biofuel certification schemes.

## **F. EU Recognition**

In April 2009 the European Union released Directive 2009/28/EC on the promotion of the use of energy from renewable sources. Commonly known as the Renewable Energy Directive (RED), the law mandates that all member states in the European Union include at least 10% renewable fuel towards their total transportation energy use by 2020, making Europe a large and important future market for biofuels. Given concerns about the potential for negative environmental and social impacts, the European Union included specific criteria that must be met for biofuels to qualify towards RED requirements.

The RED includes an important place for voluntary standards like the RSB under this system. The regulation specifically indicates that biofuels which enter into EU member states and have been certified by voluntary standards recognized by the European Commission must count towards the member states' RED renewable fuel obligation. Given this opportunity, the RSB entered into an ambitious timeline to seek EU recognition such that RSB certified biofuels would qualify to enter the EU market for sustainable biofuels. The EU recognition process is anticipated to take about six months to complete, and the EU regulations enter into force in December 2010, so the time is short for the RSB to take advantage of this significant opportunity.

Initial discussions with regulators in charge of the Renewable Energy Directive indicated strong support for the RSB to apply for EU recognition. Since then, the RSB has worked with Leading Standards to develop an 'RSB EU Market Access Standard' adaption for the RSB standard, which

includes language that modifies the RSB standard to ensure compliance with RED requirements when certified biofuels are destined for those markets. Some of the specific adaptations included in the EU market standard include the following:

- Modifying the cutoff date for land conversion to 1 January 2008;
- Specifying the types of land that may not be converted after the cutoff date, such as native forests and highly biodiverse grasslands and land with high carbon stock;
- Specifying that only 'identity of product preserved', 'segregation of product' and 'mass balance of product' may be used as the chain of custody tracking model;
- Specifying a minimum GHG reduction threshold of 35% using an EU approved methodology;

During discussions with EU representatives in early 2010 the RSB Secretariat explained that the RSB Standard was still in a period of development, and it was likely there would be some further refinements to the Standard based on outcomes from the pilot phase. The EU representatives explained that the development of a standard during and after the recognition process would not represent an obstacle to recognition. Any changes would need to be submitted for recognition consideration by the European Commission in any case.

During a February 2010 conference call, the RSB Steering Board agreed to establish a governance committee to review and revise the organization's Terms of Reference (more information below). It was agreed that the RSB would pause its activities seeking EU recognition until the new RSB Terms of Reference were approved. The Steering Board also asked the Secretariat to seek the advice on the recognition application from a group of experts. Experts consulted by the Secretariat include representatives of the DG TREN, RFA, Leading Standards and DQS. The representatives of the DG TREN and of Leading Standards advised to await the publication of the relevant communication by the European Commission on the recognition process of voluntary schemes before applying. The Secretariat intends to follow this advice unless it hears otherwise from the Steering Board or the experts consulted and notes that the hold of the application for recognition has been lifted in May 2010.

Recently the UK Renewable Fuels Agency conducted a thorough benchmarking of the RSB Standard to the UK Renewable Transport Fuel Obligation and the Renewable Energy Directive, and found that with the EU Standard for Market Access the RSB Standard would likely fully comply with all requirements in the RED. While such information is only preliminary in nature and does not guarantee recognition by EU authorities, it does provide positive feedback that the RSB is on the right track towards demonstrating compliance with the RED requirements. The RFA benchmark was the third independent benchmark of the RSB to the RED that indicated the same result of conformity.

## **G. Strategy development**

During the "World Biofuels Markets" 2010 conference in Amsterdam the RSB Secretariat held a side event aimed at peer-reviewing the early thinking of the Secretariat on a strategic plan for the RSB. Participants included members of the Board, selected RSB Chamber members, and two outside experts. They shared the view that the RSB should be split into two entities, one focused on standards development and one focused on standards implementation, for the time being to be called 'RSB Standards' and 'RSB Services' respectively. The group discussed a range of aspects and identified the specific areas to be addressed in the RSB strategic planning, including the need for a clear vision of the RSB, clearer understanding of who the customer of RSB certification is, the importance of developing revenue streams outside of grant funding to support the operations of both organizations and the need to develop a detailed business plan which besides guiding future activities could also be used for fundraising purposes. All these actions combined will allow the RSB to undertake more targeted activities, meet its client's expectations, and become self-sustaining over the mid-term.

In collaboration with the Packard Foundation and the National Wildlife Federation, the RSB recently hired a business school student of MIT Sloan as a 2010 summer intern, who will develop a business plan and articulate the 'value proposition' of the RSB. The Packard Environmental Fellow will work with the Packard Foundation and the RSB Secretariat to investigate different options for a sustainable financial model for the RSB. This process will include interviews with key actors with experience in certification experience, (e.g. the Marine Stewardship Council, the Forest Stewardship Council, Leading Standards, and others) to collect information on strategies employed by these groups to reach financial viability. The fellow will investigate the types of services that will need to be offered by both RSB Standards and RSB Services, and make a proposal on how to sustain both organizations. The first elements of the business plan will be presented to the Steering Board during the June 2010 meeting. The results of this work and the other components of the business plan will be shared with the RSB Steering Board during the second half of 2010.

In 2009 the RSB solidified an on-going partnership with representatives from the aviation sector, a critical strategic partner who the RSB Secretariat believes will drive demand for RSB-certified products in the near future. Through its partnership with members of the aviation industry the RSB Secretariat has worked closely to increase awareness of the standards, and to ensure market demand for sustainable products in local areas. This key partnership has also helped the RSB to find new members who have made important contributions to the RSB in areas such as next generation biofuels for the aviation sector.

## H. Governance, Membership and Expert Groups

### Steering Board

In March 2009 the RSB became a membership-based organization and released a call for participation of stakeholders from all regions of the world. Interested parties were invited to join one of the eleven stakeholder chambers, intended to represent the different biofuel stakeholders. In May 2009 elections were held, and all eleven chambers elected representatives to the new RSB Steering Board in the form of a chamber chair and vice-chair. The May 26-27, 2009 in-person Steering Board meeting included representatives from both the founding Steering Board and the newly elected Steering Board. The RSB expressed its deep gratitude to the members of the Founding Steering Board, and especially to Founding Board Chair Mr. Claude Martin, for their dedication and commitment of time to establish a firm base of operations for the Roundtable on Sustainable Biofuels.

The last in-person RSB Steering Board meeting was held in November 2009, culminating in the approval of “Version One” of the RSB Standard for pilot testing. In addition to the Principles & Criteria, Compliance Indicators and Guidelines were also validated for pilot testing. Projects subjected to a pilot audit during the Version One pilot phase will not be given the benefits of full certification, but rather benefit from the ability to make certain communications about their involvement in the RSB, at their own discretion. Outputs and feedback from these pilot projects will be used to further refine the RSB Standard.

Over the last year, the RSB Steering Board also met “virtually” through teleconference calls on September 29 and October 20 in 2009, as well as on February 11, April 15 and May 7 in 2010. In 2009, most teleconference calls were dedicated to reviewing and improving intermediary versions of the RSB Standard, moving towards Version One. During the teleconference calls in 2010, the Steering Board received updates about progress on the Expert Groups’ discussions as well as on pilot projects and the revision of indicators. Beginning in early 2010, a request to revise the Terms of Reference and its consequences on the RSB timeline (e.g. application for EU recognition, setting of a GHG methodology) occupied much of the discussion (see below for more information).

During the 2009-2010 period a number of elected Steering Board members left the RSB for a variety of reasons. Steering Board members that moved on during this period included Geraldine Kutas of the Brazilian Sugarcane Industry Association (UNICA), Elizabeth Beall of the Inter-American Development Bank, Paloma Berenguer of Shell and Raffaello Garofalo of the European Biodiesel Board. The RSB expressed its deep appreciation for the contributions of each of these Steering Board members at the time each of them left the board. Replacing these Steering Board members, the RSB welcomed Damiana Serafini of the Argentine Renewable Energies Chamber, Gloria Visconti of the Inter-American Development Bank, Rosie Rafferty of Shell, and Don Scott of the US National Biodiesel Board. In addition, Khoo Hock Aun of Cosmo Biofuels was voted to serve as Vice-Chair of the RSB Steering Board during the November 2009 Steering Board meeting. He joined Barbara Bramble of

NWF, Chair of the RSB Steering Board and Richard Sykes of IPIECA, Vice-Chair, in the Steering Board leadership team.

### Review of Terms of Reference

Following the Steering Board meeting in November 2009, some members raised concerns with the decision-making process of the RSB, followed by the discussion of a broader need to improve the RSB governance structure. As the initial Terms of Reference call for an annual review, it was decided to include these concerns as part of the regular review process. Furthermore, it was agreed by the Steering Board that some in-process projects (e.g. EU recognition) would be put on hold, pending a quick and efficient revision of the Terms of Reference. A Governance Committee was established by the Steering Board on February 11, 2010, composed of an equal number of representatives from the private sector and the civil society. Members of the Governance Committee were appointed by the Steering Board Chair and included: Khoo Hock Aun (CH 1), Damiana Serafini (CH 2), Richard Sykes (CH 3; temporarily replaced by Rob C (CH 6), Roberto Smeraldi (CH 7), and Melinda Kimble (CH 8); and Alwin Kopse (RSB Secretariat) served as an ex-officio participant. The Governance Committee was facilitated by Teddy Püttgen, Director of the EPFL Energy Center. Through the work of a series of teleconferences, the Governance Committee made a proposal for revised Terms of Reference, based on the inputs of all participants and the eleven Chambers. This proposal was then reviewed and revised by the Steering Board and submitted to the Chambers for consultation.

The main changes made in the proposed revision to the Terms of Reference are:

- Chambers consolidation: The new Terms of Reference calls for consolidation of the former 11 Chambers to 7 RSB Chambers, including one which is non-voting. Among the voting chambers, 3 represent the private sector and 3 contain representatives from civil society.
- A super majority vote consisting of three-quarters of all members of a Chamber may break a deadlock if consensus is not reached by a third meeting on a particular subject.
- Interest Groups can be formed across chambers to address particular topics. To be officially recognized by the Steering Board, they need to have at least 20 members.
- A direct consultation process was established to provide a mechanism for members to voice discontentment and/or major concerns with the RSB Executive Secretary and to the Steering Board if they feel their voice has not been heard through normal channels.
- Teleconferences will be notified 7 days in advance; background documents must be sent at least 5 days in advance.
- A 60% quorum is required for Steering Board meetings to be validly constituted.

After thorough discussion of the revised Terms of Reference, concerns about the proposed chamber structure by a few members caused this process to be further delayed while different options were explored. Due to this continued discussion with several members the entry into force of the revised ToR was delayed until later, i.e. after the June Steering Board meeting. The revised ToR include a compromise solution that the question of chamber structure be studied again 6 months after the

entry into force of the revised ToR. The delay made it necessary to hold replacement elections for one of the Chamber 2 Steering Board representatives, whose organization had decided at the end of April 2010 to withdraw from the RSB.

### Chambers

During the first year the RSB welcomed nearly 120 new members to the eleven chambers from numerous countries. The greatest number of members joined Chamber 11, which currently counts 32 members, followed closely by Chamber 2 with 27 members. The next largest chambers are Chamber 1 with 14 members and Chamber 7 with 12 members. The full list of current RSB members is listed by chamber category at: <http://cgse.epfl.ch/page77270.html>

In addition to new members, the RSB also had 11 members leave the organization for a variety of reasons. In at least two cases members resigned due to a lack of resources. In one case the organization decided not to renew its membership because the primary contact for the RSB at the organization had left and there was no longer someone available to participate in the RSB process. In two cases the organizations decided they were no longer going to work in the biofuel sector, and in another case the organization dissolved when project financing was halted. In one case an organization withdrew because they felt their participation was redundant and unnecessary given the representation of their partners and industry representatives. In two cases members resigned because they were unhappy with the RSB process. In two cases the reason for the organization's withdrawal remains unclear. The full list of organizations that withdrew their RSB membership or decided not to renew is available on request from the Secretariat.

In an effort to improve communications with RSB members, in May 2010 the Secretariat began to circulate the RSB Bulletin which is based on information collected during bi-weekly meetings of the RSB Secretariat staff, and reflects ongoing RSB activities. The RSB Bulletins go out to all members at least once per month.

Ten teleconference calls were held with all eleven chambers during the period from April 2009 to June 2010. A summary of the agenda items for each of these calls is listed below. For completeness reasons the following list also contains the Chamber calls held in April 2009.

1. April 2009 (1<sup>st</sup> Call) – Introduction and update on the RSB; Timeline, work plan and structural changes; RSB Policy on Indirect impacts; Review of Version 0.1 of Principles 6, 7, 12
2. April 2009 (2<sup>nd</sup> Call) – Call for Nominations to the Steering Board; Review of Version 0.1 of Principles 2, 5, 8, 9, 11
3. May 2009 – Review of Version 0.1 of Principles 1, 3, 4 and 10; Review of Outstanding issues from prior calls
4. September 2009 – Part 1 of Version 0.6 of the Principles & Criteria and the Certification System
5. October 2009 – Part 2 of Version 0.6 of the Principles & Criteria and the Certification System

6. January 2010 – Update on November 2009 RSB Steering Board Meeting; Review of Pilot Testing Framework; iLUC/Indirect impacts: Objective and Next Steps
7. February 2010 – Update on RSB Activities: Indicators, EU Recognition, Pilot Phase, GHG & Indirect Impacts, Revision of Principles & Criteria;
8. February/March 2010 Review of the Terms of Reference
9. April/May 2010 – Update on the revision process for the RSB Terms of Reference; Discussion on the draft TORs
10. May/June 2010 – Update on RSB Draft GHG Methodology; Presentation of Study 1 & Study 2; Update on RSB Draft indirect impacts methodology

### Expert Groups

#### *GHG Expert Group: Progress on Setting a Greenhouse Gas Threshold*

During the November 2009 Steering Board meeting it was decided that the RSB Secretariat would develop a lifecycle GHG calculation methodology for biofuels, based on the EMPA SQCB methodology, and to use this proposed new RSB methodology to calculate greenhouse gas (GHG) emissions for the most important biofuel pathways (see ‘Study 1’ distributed to all RSB Chamber members). This proposed new RSB methodology, developed with the input and advice of the RSB GHG Expert Group, is described in the document ‘RSB GHG Calculation Methodology, Background Report Draft’, distributed to the RSB chambers in May 2010. In addition, for a few pilot cases, the RSB Secretariat assessed the feasibility of attaining certain GHG emission reductions (10%, 40% and 70%) with respect to the fossil fuel baseline (see ‘Study 2’ ).

The results of both Study 1 and Study 2 were distributed to the RSB Chambers in May 2010 for discussion in chamber teleconference calls. The RSB Secretariat selected the 13 most important biofuel pathways based on current production volumes for Study 1, compared with European averages for the gasoline and diesel pathways. The RSB Steering Board validated these selections for Study 1 in its teleconference call on April 2010. The intent is for the results from Study 1 and Study 2 to help the Steering Board to set a GHG reduction threshold for biofuels.

#### *Indirect Impacts Expert Group*

During its November 2009 in-person meeting, the RSB Steering Board decided on a path forward to address indirect impacts of biofuel production in the RSB Standard, with specific mandates to:

- “Integrate indirect impacts in the Principles & Criteria (P&C) in a manner that provides incentives for operators to mitigate negative indirect impacts of biofuel” production;
- Commission or develop a study to “assess the inclusion of ILUC factors” in the GHG methodology;
- Commission or develop a study to evaluate biofuel production from “certain feedstocks and practices” with low risk for indirect impacts; and

- “Continue to serve as a platform for iLUC discussion and consensus building” through the development of an expert groups, the organization of a workshop, and/or the publication of information and working materials on the issue.

With input and guidance from the RSB Indirect Impacts Expert Group (IIEG) the RSB Secretariat drafted a document with draft elements for an indirect impacts methodology. Though the draft methodology was developed through consultation with the Indirect Impacts Expert Group not all aspects reflect a consensus opinion of this group. The methodology consists of a dual approach to address indirect impacts in the RSB Standard and presents two potentially viable options. The first approach is to address indirect impacts within the RSB Principles & Criteria by developing a principle & criteria on indirect impacts. The second approach presented is to address indirect impacts in the RSB Standard for Risk Management. The rationale of the second option is that the relative risk of indirect impacts of the operator would have an effect on the risk class that the operator is assigned under this Standard. This in turn would affect the evaluation period and intensity of the operator’s audits.

The RSB Secretariat recently became involved in a project sponsored by SenterNovem, lasting from June 2010 to 2011, that aims to develop a methodology to certify biofuels at low risk of indirect impacts. Key project partners are WWF International and Ecofys. The RSB Secretariat aims to conduct in-depth analyses of displacement and likely market effects of current and future bioenergy feedstocks to obtain a clearer view of their likely impacts. The RSB Secretariat recommends that an in-depth study be conducted in which current research on indirect impacts of biofuel feedstocks, agricultural co-products, and wastes are compiled, analyzed, and assessed for potential integration within a future RSB indirect impacts methodology. This study should also focus on practical means to quantify, monitor, and minimize such negative impacts.

#### *Implementation Expert Group*

The Implementation Expert Group was formed to provide expert, multi-stakeholder feedback during the development of the RSB Certification Standards. The Implementation Expert Group had the opportunity to review the certification standards and provide comments during several conference calls in 2009. Two calls were organized during the fall of 2009 (October 15<sup>th</sup> and November 3<sup>rd</sup>) during which the Standards on Participating Operators, the Standard on Risk Management, and the Chain of Custody models were reviewed. Webinars were later conducted in late March/early April 2010 during which the entire certification systems were presented to the chamber members.

During these calls the novel approach of the RSB Certification Standards was reviewed in depth, and comments on the proposed systems were solicited. Most of the comments were clarification questions, rather than comments proposing changes to the proposed system. Examples of questions received from the Implementation Expert Group include:

- How the grouping would work in practice under the participating operator standards;

- How the weights in the risk assessment were chosen and how the risk assessment approach will impact the audit;
- Difference between the mass balance and percent content ratio, in terms of the handling of documents

## I. Outreach

During the period from April 2009 – May 2010 the RSB Secretariat and some of its board members reached out to numerous stakeholder groups, including governmental agencies in the United States and the European Union, different industry events, and a number of major academic events.

Secretariat members had the opportunity to work with stakeholder partners in many corners of the world, from working with the local FAO office in Sierra Leone to help the country develop its bioenergy development plan, to meeting with members of the Government developing biofuel regulation and representatives from the sugarcane industry in Colombia.

Although the full list of outreach events and activities engaged in by the RSB in 2009/10 is too long to recount in its entirety, below are some of the major events attended by the RSB Secretariat during this period.

Assessing Challenges for Implementation of Biofuels Sustainability Criteria , January 25-26 2010. Washington DC. Hosted jointly by the Inter-American Development Bank and the United Nations Environment Programme. This workshop focused on challenges associated with the implementation of certification standards. Some of the topics discussed included: new sustainability criteria (e.g. Food Security, GHGs), applicability to new technology, the variety of feedstocks, the complexity of supply chain systems, availability of skilled auditors, affordability of certification and the plurality of sustainability initiatives. In addition to plenary presentations, the workshop included breakout sessions during which specific topics were discussed in small groups. In attendance were representatives from many of the international biomass sustainability certification initiatives (RTRS, BSI, CSBP, etc.), representatives from some of the international certification bodies, as well as representatives from private industry to provide perspectives from the economic operators who will ultimately seek certification. During the meeting, many economic operators expressed comfort that they could meet the requirements of the sustainability standards. However, clarity on the “rules of the game” is required. In their view, the different parallel initiatives and changing requirements make it difficult for them to plan for the future.

Sustainability standards and biofuel policies: Perspectives from regulators and standard setters. January 26-27, 2010. Washington DC. Hosted by International Council on Clean Transportation and the Packard Foundation. This workshop brought together groups from the fields of biofuels regulation and voluntary biofuels sustainability certification for a full day of meetings to discuss the work of the various groups and to explore areas of potential collaboration. An important question underlying the meeting was how can the work of voluntary and regulatory groups establishing biofuels sustainability standards best complement each other? In attendance at the meeting were most of the voluntary international sustainability certification initiatives, as well as representatives from the EU, US EPA, UK RFA, the State of California, and NESCAUM.

Towards Harmonization of Biofuel Certification, February 17-18, 2010. London UK. Hosted by Shell, IUCN and the Packard Foundation. A The workshop focused on possibilities to enhance collaboration between the different biofuels sustainability certification schemes. One of the main conclusions was the recognition of the potential substantial contribution of the benchmarking concept developed by the RSB. This workshop was followed by an event of the Packard Foundation, which allowed some of its biofuel grantees to meet for the first time and exchange experience and know-how. IEA Roadmap Workshop: Biofuels for Transport, 15-16 April. IEA HQ, Paris. The International Energy Agency held a Workshop on the World Energy Outlook Report 2010 in Paris and the RSB Secretariat was invited to participate. The purpose was to collect feedback from non-governmental institutions on renewable energy solutions. The general take home message was that there continues to be some skepticism around biofuels, and biofuels are not seen as the 'silver bullet', but only one possible piece of an energy strategy. Investors continue to be interested in projects that are carefully considered and developed using sustainable practices.

Workshop on Biofuels and Indirect Impacts , June 02 2010. Rio de Janeiro. Hosted in partnership with UNEP, Michelin, and Petrobras. The workshop hosted 56 participants from 17 countries, including petroleum companies, biofuel producers, environmental and social NGOs and researchers. Five groups were formed and moderated by Greg Archer of Low CVP, Khoo Hock Aun of Cosmo Biofuels and RSB vice-chair to the RSB steering Board, Marcelo Moreira of ICONE, Christine Dragisic of Conservation International and Simone Pfuderer of UK Government. Opinions differed on whether and how to account for indirect impacts of biofuel production. Many participants did not feel that adding an iLUC factor was the right solution, and many participants insisted that a qualitative, risk-based approach would prove more efficient. Several participants felt that more emphasis should be put on potentially positive indirect impacts such as agriculture and technology development. Finally, several practices were suggested to produce low-risk biofuels, for example, the use of degraded lands, wastes, land use zoning, intercropping, etc. Finally, the promotion of non-food feedstocks did find consensus, as some participants felt that no feedstock can be claimed as having no effect on food. Furthermore, several participants think that having a crop able to produce fuel and food is preferable as it enables the producer to adjust to the needs of the situation.

## **J. RSB Secretariat**

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.

In the reporting year, following members joined the RSB Secretariat team:

Alwin Kopse

In July 2009 Alwin Kopse replaced Charlotte Opal as the new Head of the Secretariat of the Roundtable on Sustainable Biofuels. Alwin comes from Harvard University where he worked as a research fellow at the Kennedy School of Government. His research focused mainly on the governance issues of biodiversity. Previously, Alwin worked both in the private and public sectors on

issues related to agriculture, biodiversity, intellectual property, biotechnology, trade and human rights. He is a specialist in international negotiations, especially around the Convention on Biological Diversity, and has extensive experience in negotiating agricultural agreements among industry, government, and NGO actors.

Alwin holds an MLaw of the University of Bern, Switzerland, and an MSc in Public Policy and Management of the School of Oriental and African Studies of the University of London, UK. He speaks German, English and French.

#### Victoria Junquera

In September 2009 the RSB hired Victoria Junquera as Science & Technology Manager at its EPFL/Energy Center headquarters in Lausanne, Switzerland to lead the RSB's work on lifecycle greenhouse gases and indirect impacts. Victoria is a Certified Professional Engineer in California and has a Masters in Chemical Engineering from The University of Texas at Austin, where she authored several papers on air quality. Victoria has worked for the past 8 years in the areas of biofuels, climate change and Life Cycle Assessment. She was a Process Engineer and Environmental, Health and Safety (EH&S) manager at an industrial biodiesel production plant in California, where she was responsible for day-to-day operations, optimization, EH&S compliance, and sustainability. Previously, she provided engineering and sustainability services, regulatory analyses, life cycle assessments, and environmental impact studies as a consultant for the petrochemical, biofuel, and financial sectors. She was also a member of a working group of the California Low Carbon Fuel Standard.

#### Dulce Benke (Temporary)

In May 2010, through a secondment by the United Nations Foundation, the RSB was able to bring in Dulce Benke to help coordinate global pilot project activities. When not working with the RSB, Dulce Benke is a consultant to the International Bioenergy and Sustainability Initiative (IBSI) of the United Nations Foundation, which supports UN efforts to expand the development and use of bioenergy in a sustainable way. She has worked on relevant issues related to climate change and bioenergy, such as the development of sustainability indicators for bioenergy, policy development, trade and best-practices. Prior to the UN Foundation, she worked for the private sector in Brazil, and for the Climate Change Program of UNCTAD in Geneva. Dulce holds a Master Degree in Environmental and Energy Management from George Washington University in Washington DC.

#### Samira Ben Mansour

After her studies in audiovisual arts in Lausanne and Paris Samira Ben Mansour directed several short films and a documentary. In parallel she worked as program coordinator for Cinéma Tous Ecrans International Film Festival in Geneva. In 2009 she took part in the organization of the Energy Film Festival, her first collaboration with the EPFL Energy Center.

Samira recently joined the RSB team, with duties primarily to help organize meetings and provide general support to the Secretariat staff. She is in charge of several events organized by the Energy

Center and continues her work as an organizer of the EPFL Energy Film Festival. She speaks French, English and Italian.

Jaap-Jan Lammers (Intern)

In May 2010 JJ joined the RSB Secretariat as an intern detached by SkyNRG, a aviation biofuels company. His main function at the RSB is assisting the Secretariat staff, while becoming an expert on the RSB guidelines, focusing his research on biofuels for the aviation sector. JJ is currently a student at the University of Utrecht, working on his Masters in Environmental Biology. JJ has a B.Sc in Biology and during his university studies has led a research project on biofuels and European biodiversity. While working on his 2<sup>nd</sup> research JJ was offered an internship at the SkyNRG, which eventually led him to his internship at the RSB.

Josiah Seale (Intern)

In June 2010 Josiah Seale joined the RSB as a Packard Environment Fellow in a summer internship based at the National Wildlife Federation in Washington DC. Josiah will be working on the research for elements of a business plan, articulating the value proposition of the RSB and developing a business plan for the organization.

Josiah Seale is a Legatum Fellow at the MIT Sloan School of Management, where he is a 2011 MBA candidate. Prior to attending MIT Sloan, Josiah was founder and CFO at World Energy Management, an MIT start-up addressing the sustainable energy space in the developing world. Hailing from Maracaibo, Venezuela, Josiah's background is in quantitative modeling and international development. In addition to his business degree, Josiah also holds an SM and SB from MIT, where he served a term as student body president. In his spare time Josiah enjoys languages, motorcycle riding and Modernist poetry.

## **K. Financial Report**

### Balance Statement

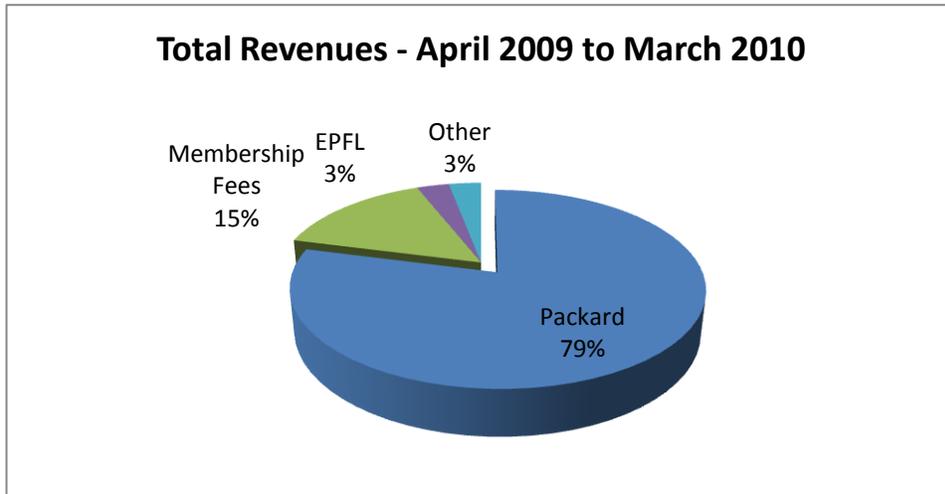
RSB closed the period covering April 2009 to March 2010 (the RSB membership period) with a positive cash balance of CHF 818'474.

### Revenue

As in previous years, the RSB continues to be primarily dependent on grant money for revenue. However in 2009/10 for the first time revenue in the form of membership dues was collected to supplement this amount. . Unlike grant money which may have geographic or activity-specific restrictions revenue from membership dues is unrestricted, and may be used to pay for expenses which cannot be covered by grant money.

Total revenue from April 2009 to March 2010 was CHF 1'113'690.

The grant from the Packard Foundation continues to be the single largest revenue stream for the RSB, accounting for 79% of total revenue in membership year 2009/10. Membership dues accounted for approximately 15% of total revenue, and the combined in-kind contribution of the EPFL/Energy Center and miscellaneous revenue from other sources comprised 6% of total revenue.



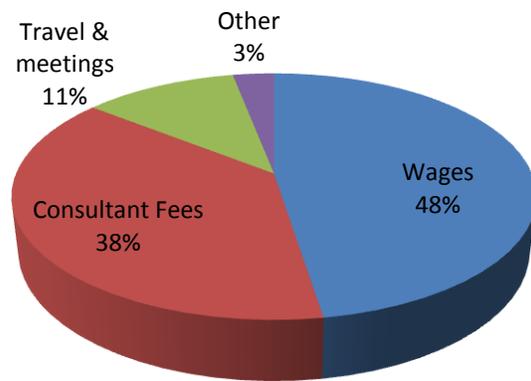
The Swiss State Secretariat for Economic Affairs is contributing CHF 440'000 for the development of the RSB Tool, which is not reflected in the financial report as the funds are paid directly to the contractor (Swiss Federal Laboratories for Materials Science and Research EMPA).

#### Expenses

The total expenditures from April 2009 to March 2010 was CHF 1'052'380. Wages represent the single largest expense for the RSB. Including all RSB Secretariat staff covered under the RSB budget, wages consisted of approximately 48% of total expenses. The second largest expenses came in the form of consultancy fees, which amounted to 38.2% of total expenses. RFPs 1-8, which were released in May 2009 and led to 8 consultancy projects on topics ranging from GHG methodologies to developing the RSB Indicators accounted for about 16% of total expenses in 2009/10. Likewise, RSB's work with Leading Standards to develop the RSB Certification Standards accounts for 16.7% of total expenses. The RSB has also hired a specialist consultant to help in the development of the Business Strategic Plan, which accounts for the remainder of the consultancy fees.

The majority of the remaining expenses are meeting and travel expenses (combined making up about 17% of total expenses), and a small amount spent on marketing expenses, including printing costs, graphic design, etc.

### Total Expenses - April 2009 to March 2010



## Annex 1: List of Request for Proposals

Summaries of all eight RFPs released in June 2009 are listed below, along with the online location of the work output that resulted from the contract.

RFP 01 Summary of methodological differences in lifecycle accounting for GHG emissions from biofuels, and implications of choosing different approaches

The objective of this work proposal was to develop a research paper reviewing the different life cycle methodologies being used in the public and private sectors to calculate greenhouse gas emissions from biofuels. The work required a comparison of different components of the LCA methodologies being used in GHG accounting, including co-product allocation, time horizon selection, discounting of future emissions reductions, and minimum reduction thresholds.

- 'GHG accounting scheme of the RSB: Feasibility of a meta-methodology and ingredients for a strategy forward' by E4Tech Sàrl. Available for download at:  
[http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Documents%20and%20Resources/09-10-08\\_E4Tech%20Report%20GHG%20Accounting\\_V4%201\\_08October09.pdf](http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Documents%20and%20Resources/09-10-08_E4Tech%20Report%20GHG%20Accounting_V4%201_08October09.pdf)

RFP 02 Summary of approaches to accounting for indirect impacts of biofuels production

The objective of this work proposal was to develop a research paper that describes existing regulatory approaches to accounting for the indirect or 'market mediated' impacts from biofuels. This will include public-sector approaches, such as those used by the US EPA, California ARB, European Commission and others, as well as private sector (including industry, NGO and academic) proposals.

- 'Summary of approaches to accounting for indirect impacts of biofuel production' by Ecofys International BV. Available for download at:  
[http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Documents and Resources/09-10-09\\_Ecofys - Summary of approaches to accounting for indirect impacts of biofuel production.pdf](http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Documents%20and%20Resources/09-10-09_Ecofys-Summary%20of%20approaches%20to%20accounting%20for%20indirect%20impacts%20of%20biofuel%20production.pdf)

RFP 03 Developing RSB guidelines for project-level impact assessment, stakeholder mapping, and community consultation

There were three principle objectives of this work proposal: (1) to develop a practical tool that Environmental and Social Impact Assessment (ESIA) professionals and biofuel operators can use to identify stakeholders to be consulted during project planning and assessment phases, (2) develop a tool that ESIA professionals and biofuel operators can use to help build consensus amongst stakeholders involved in the ESIA processes, and (3) develop generic guidelines for (a) a preliminary scoping exercise to determine if a full ESIA is needed and (b) a full ESIA that covers the social and environmental concerns addressed in the RSB standard.

- 'Guidelines for environmental and social impact assessment, stakeholder mapping and community consultation specific to the biofuels sector' by Coastal & Environmental Services. Available for download at:  
[http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Version One/Version 1.0/30-11-2009 ESIA guidelines.pdf](http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Version%20One/Version%201.0/30-11-2009%20ESIA%20guidelines.pdf)

RFP 04 Developing RSB toolkit and guidelines for establishing land rights and land use rights, and assisting with disputes and negotiated agreements

There were two principle objectives of this work proposal: (1) to develop a practical tool that Environmental and Social Impact Assessment (ESIA) professionals, biofuel operators, and auditors can use to accurately

determine formal, informal, and traditional land rights and land use rights, and establish the existence of disputes on the land, as well as ascertaining the legitimacy of such disputes, and (2) to develop a tool to assist in dealing with disputes that will enable farmers, agricultural processors, and biofuels producers to reach negotiated agreements around land rights, through the process outlined under the UN guidelines for Free, Prior and Informed Consent.

- 'Land Rights Guidelines' by Environmental Resources Management (ERM). Available for download at: <http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Version One/Version 1.0/Land Rights guidelines.pdf>

RFP 05 RSB toolkits and guidelines for establishing water rights and a toolkit for assisting with disputes and negotiated agreements

There were two principle objectives of this work proposal: (1) to develop a practical tool that ESIA professionals and biofuel operators can use to accurately determine and establish any water rights, formal or customary, that may be infringed upon by the proposed operations, and (2) to develop a tool to assist in dealing with disputes that will enable farmers, agricultural processors, and biofuels producers to reach negotiated agreements around water rights, through the process outlined under the UN guidelines for Free, Prior and Informed Consent.

- 'RSB Tool for establishing water rights' by Pegasys Strategy and Development. Available for download at: <http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Version One/Version 1.0/Water Rights tool.pdf>

RFP 06 Developing definitions and assessment tools for RSB Principle on local food security

The objective of this work proposal was to develop a tool that farmers, producers, and Environmental and Social Impact Assessment (ESIA) professionals can use in the field to assess compliance with the RSB principle on Local Food Security. The tool included (a) risk assessment, (b) mitigation of any risks, and (c) strategies to enhance local food security.

- 'RSB Food Security Guidelines' by Kimetrica International Limited. Available for download at : <http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Version One/Version 1.0/Food security guidelines.pdf>

RFP 07 Feasibility of incorporating the 'living wage' concept into the RSB Standard

The objective of this work proposal was to develop a research paper that examines the definition of 'living wage'. The paper explored the availability of living wage, poverty level, and minimum wage data in typical countries producing biofuels, and examined how agricultural and factory workers wages perform against minimum and living wage levels in these countries. The study also examined how other certification standards incorporate these concepts into their standards and auditing programs.

- 'Living Wages: Best Practices and Recommendations from Social Initiatives' by Specialized Technology Resources, Inc. (STR). Available for download at : <http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/RFPs/2009/Reports%20for%20web/RFP7%20-%20report%20for%20web%20publishing.pdf>

RFP 08 Developing definitions and indicators for the RSB standard

The objective of this work proposal was to develop the definitions of key terms and compliance indicators for the principles and criteria described in the RSB sustainability standard. Definitions and compliance indicators already developed through other sustainability standards development processes were to be used when

possible and generic compliance indicators developed for crops which do not already have sustainability standards.

- 'RSB Definitions of Terms for the Principles & Criteria', by Proforest.  
Available for download at:  
<http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/RFPs/2009/Reports%20for%20web/09-10-30%20RSB%20Definitions%20V0-7.pdf>
- 'RSB Compliance Indicators for the Principles & Criteria', by Proforest.  
Available for download at:  
<http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/RFPs/2009/Reports%20for%20web/09-10-30%20RSB%20Indicators%20V0-7.pdf>
- 'Indicators of Compliance for the RSB Principles & Criteria' V1.1 (May 2010 update to Proforest work).  
Available for download at:  
<http://cgse.epfl.ch/webdav/site/cgse/shared/Biofuels/Version%20One/Version%201.1/10-05-07%20RSB%20Indicators%201-1.pdf>

## Annex 2 : List of RSB Standards

### RSB List of documents and corresponding reference codes

The list of documents below list all documents officially issued by the RSB and their corresponding reference codes.

Reference code	Version	Date	RSB Document
RSB-STD-01-001	vers. 1.0	12 Nov 2009	RSB Principles & Criteria
RSB-IND-01-001	vers. 1.0	12 Nov 2009	RSB Indicators to Principles & Criteria
RSB-GUI-01-001	vers. 1.0	12 Nov 2009	RSB Guidance on Principles & Criteria
RSB-GUI-01-002	vers. 1.0	12 Nov 2009	Guidelines for environmental and social impact assessment, stakeholder mapping and community consultation specific to the Biofuels sector
RSB-GUI-01-003	vers. 1.0	12 Nov 2009	Annex to the Guidelines for environmental and social impact assessment, stakeholder mapping and community consultation specific to the Biofuels sector – Social Specialist Guidelines
RSB-GUI-01-004	vers. 1.0	12 Nov 2009	Annex to the Guidelines for environmental and social impact assessment, stakeholder mapping and community consultation specific to the Biofuels sector – Ecosystem and Conservation Specialist Guidelines
RSB-GUI-01-005	vers. 1.0	12 Nov 2009	Annex to the Guidelines for environmental and social impact assessment, stakeholder mapping and community consultation specific to the Biofuels sector – Soil Specialist Guidelines
RSB-GUI-01-006	vers. 1.0	12 Nov 2009	Annex to the Guidelines for environmental and social impact assessment, stakeholder mapping and community consultation specific to the Biofuels sector – Water Specialist Guidelines
RSB-GUI-01-007	vers. 1.0	12 Nov 2009	RSB Land Rights Guidelines
RSB-GUI-01-008	vers. 1.0	12 Nov 2009	RSB Tool for establishing water rights
RSB-GUI-01-009	vers. 1.0	12 Nov 2009	Food Security Guidelines
RSB-DOC-01-001	vers. 1.0	12 Nov 2009	RSB Use of Terms for the Principles & Criteria
RSB-DOC-10-001	vers. 1.0	19 Mar 2010	RSB List of Documents
RSB-DOC-10-002	vers. 1.0	19 Mar 2010	RSB Glossary of Terms

RSB-STD-11-001	vers. 0.9	19 Mar 2010	RSB Standard for EU market access
RSB-STD-15-001	vers. 1.0	19 Mar 2010	RSB Standard for adaptation to crop specific conditions
RSB-STD-15-002	vers. 1.0	19 Mar 2010	RSB Standard for adaptation to geographic conditions
RSB-STD-15-003	vers. 1.0	19 Mar 2010	RSB Standard for adaptation to biomass production standards
RSB-STD-20-001	vers. 1.0	19 Mar 2010	RSB Generic Chain of Custody Standard
RSB-STD-20-002	vers. 1.0	19 Mar 2010	RSB "Identity of product preserved" chain of custody standard
RSB-STD-20-003	vers. 1.0	19 Mar 2010	RSB "Segregation of product" chain of custody standard
RSB-STD-20-004	vers. 1.0	19 Mar 2010	RSB "Mass balance of product" chain of custody standard
RSB-STD-20-005	vers. 1.0	19 Mar 2010	RSB "Content ratio accounting of product" chain of custody standard
RSB-STD-30-001	vers. 1.0	19 Mar 2010	RSB Standard for participating operators
RSB-STD-50-001	vers. 1.0	19 Mar 2010	RSB Standard on communication and claims
RSB-STD-60-001	vers. 0.9a	19 Mar 2010	RSB Standard for risk management
RSB-STD-65-001	vers. 1.0	19 Mar 2010	RSB Standard for dispute resolution
RSB-STD-70-001	vers. 1.0	19 Mar 2010	RSB General requirements for certification bodies: The application of ISO/IEC Guide 65:1996 (E)
RSB-STD-70-002	vers. 1.0	19 Mar 2010	RSB Requirements for auditor qualification
RSB-STD-70-003	vers. 1.0	19 Mar 2010	RSB Requirements for evaluation of and reporting on participating operators
RSB-STD-70-004	vers. 1.0	19 Mar 2010	RSB Requirements for certification bodies' risk management
RSB-STD-75-001	vers. 1.0	19 Mar 2010	RSB General requirements for accreditation bodies

## Annex 3: Pilot Project Generic Terms of Reference

### 1. General

The aim of the RSB pilot tests is to evaluate the practicality and the usability of Version One of the RSB Standard. The RSB hopes to accomplish this by working with a number of biomass and biofuel producers to implement the RSB Standard and evaluate the process and requirements in different geographic and biomass contexts. The general approach of the RSB pilot projects will be that participating operators will enter into the pilot projects through a process similar to how RSB certification will ultimately be conducted. This entails an application process, in which a self-risk assessment will be conducted in accordance with the RSB Standard for Risk Management (RSB-STD-60-001), and the terms set forth in the Standard for Participating Operators (RSB-STD-30-001) are acknowledged.

Following the adoption of the requirements as set forth in the Application Process, participating operators will be asked to evaluate the content of the standards. Evaluation of the standards content will include the evaluation of Version One of the Principles & Criteria (RSB-STD-20-001), associated Guidance documents (RSB-GUI-20-001), the Compliance Indicators (RSB-IND-20-001), Glossary of Terms (RSB-STD-20-001) as well as Data Availability and Chain of Custody (RSB-STD-20-001). More detail on all of these requirements is indicated below.

In addition to the RSB Secretariat and the participating operator, a certification body will participate in RSB pilot projects to ensure knowledge transfer to auditors and provide participating operators with support from entities with previous certification experience. After the participating operator completes the evaluation of the RSB standards, verification of compliance will be conducted, during which an on-site pilot audit will be conducted by auditors affiliated with a participating certification body. Included in the verification will be evaluating the accuracy of the self-risk assessment, Principles & Criteria, Chain of Custody (when and where applicable), greenhouse gas emission factors, and other general audit issues.

### 2. Specifics for [Participating Operator] Pilot

To the greatest extent possible, RSB pilot projects will be tailored to the unique aspects specific to each of the different projects participating in the RSB pilots.

The [Participating Operator] project offers unique opportunities for the RSB in the type of feedstock being used, the type of producer and in the geographic setting.

The pilot presents a unique opportunity to test and evaluate the Environmental and Social Impact Assessment (ESIA) process as developed by the RSB as a means to show compliance with the RSB Principles & Criteria for small and medium-scale projects (*see ESIA Guidelines (RSB-GUI-20-002) for more information*).

### 3. Primary Points of Contact

[Name of Operator Point of Contact] will be the primary point of contact for [Participating Operator] to the RSB and will oversee day-to-day activities related to the implementation of the RSB pilot project. [Name of Supervisor], will be in charge of strategic project decisions regarding the RSB Pilots, and will oversee the work of Julian with the Roundtable on Sustainable Biofuels.

[Name of RSB Point of Contact] will be the lead contact for the Roundtable on Sustainable Biofuels to [Participating Operator] in regards to the RSB pilot projects, and will coordinate with the [Participating Operator] team to successfully pilot test the RSB standard. Maryline Guiramand, Senior Advisor on Implementation for the RSB will serve as overall project leader on the pilot projects, and ensure that pilot projects throughout the world are conducted appropriately and uniformly. The RSB Secretariat reserves the right to include other staff and resource people working for the Secretariat as appropriate.

[Name of Certification Body Point of Contact] will be the lead contact for [Certification Body] in regards to the [Participating Operator] pilot project. Mr/Ms [XXX] will be in charge of the coordination of the audit program and the country report for [location]. Mr/Ms [XXX] will liaise with the RSB Secretariat staff and serve as the communication focal point for the [location] pilot project for [Certification Body].

*Involvement of other entities or organizations is allowed but needs the prior agreement of the RSB Secretariat.*

#### **4. Process**

The RSB Pilot process includes 4 stages:

- a. Defining the scope of the project: This entails discussions among partners to agree on the Terms of Reference for the project and the signing of a memorandum of understanding between RSB and [Participating Operator].
- b. Preparation of the pilot audit: [Participating Operator] will perform a self risk assessment and prepare data and documentation as required to comply with the RSB standards (Participating operator standard, Risk assessment standard, Principles & Criteria, Chain of Custody)
- c. On-site pilot audit: A pilot verification audit will be performed by the certification body.
- d. Reporting: The certification body will issue an audit report of the [Participating Operator] pilot, as well as provide feedback on the pilot. [Participating Operator] will provide a report with feedback on the RSB standards and on the certification process following a reporting framework provided by the RSB. A debriefing will be held for the closing of the project.

Note: These activities are not necessarily consecutive, and it is possible that some later stage activities may be conducted before the previous stage is completed.

#### **5. Deliverables and Timeline**

The [Participating Operator] pilot project begins in [DATE], with the completion of the application form and the designation of a primary contact with [Participating Operator]. During [Define Period] the participating operator and RSB representatives will hold regular phone meetings as necessary to ensure that project goals and timelines are met.

##### **[Participating Operator] Expectations and Deliverables**

[Participating Operator] will work closely with the RSB Secretariat to evaluate different components of the RSB Standard as indicated below, and measure [Participating Operator] compliance against the RSB Standard. [Participating Operator] will participate in a mid-term project review, which will serve to identify progress to date, challenges encountered, and initial feedback from the pilot project if available. The project review will involve responding to a review questionnaire provided by the RSB, and a conference call to discuss the progress to date.

In [insert dates], [Participating Operator] will demonstrate compliance with the RSB Principles & Criteria by preparing specific data and documentation in preparation for the pilot audit. The ESIA guidelines will be reviewed and followed as appropriate, and evaluated for clarity and usefulness. [Participating Operator] will be responsible for providing full access to auditors and RSB staff during the pilot audit. Upon completion of the project, [Participating Operator] will provide the RSB a final report, following a reporting template provided by the RSB. The final report will be due to the RSB on XXX. A good faith effort will be made to meet this timeline, but [Participating Operator] will not be held responsible for delays due to unrealistic timelines or factors outside of its control.

##### **Milestones**

<b>Defining the Scope of the Project</b>	
TBD	Completion of Application Form
TBD	Completion of the Standard on Participating Operators (RSB-STD-30-001)
<b>Preparation for the Pilot Audit</b>	
TBD	Involvement of Certification Body
TBD	Standard for Risk Management (RSB-STD-60-001) – Determine Risk Class
TBD	ESIA Screening exercise to determine if ESIA or RESA are required -- see Chapter 5 of ESIA guidelines (RSB-GUI-20-002)
TBD	Evaluate ESIA/RESA process (only if required per Screening Exercise)
TBD	Social and Environmental Baseline Assessment
TBD	Environmental and Social Management Plan (ESMP) Due
<b>On Site Pilot Audit</b>	
TBD	On-site audit performed by participating certification body
<b>Reporting</b>	
TBD	Mid-term project review
TBD	Final report of RSB pilot project due after audit, in accordance with RSB Reporting Framework.
TBD	Debriefing meeting with participating entities

## 6. Components of RSB Pilot Project with [Participating Operator]

[Participating Operator] will be responsible for the completion of the following components of the RSB pilot project under the defined deliverables and timetable above:

### Defining the Scope of the Project

- **Application Form**
  - [Participating Operator] will complete and return to the RSB the Pilot Application Form
- **Standard for Participating Operators (RSB-STD-30-001)**
  - [Participating Operator] will review and demonstrate compliance with the requirements set forth in this document.
  - Definition and scoping of the participating operator for the pilot.

### Preparation for the Pilot Audit

- **Risk self assessment – Determination of Risk Class**
  - [Participating Operator] will conduct a self-risk assessment, using the most current version of the Standard for Risk Management (RSB-STD-60-001). Based on this process [Participating Operator] will assign itself a risk class.
  - [Participating Operator] will evaluate the self-risk assessment, based on criteria provided by the RSB, such as:
    - Does the self-risk assessment identify potential areas of risk?
    - How can the RSB best ensure accurate information is provided?
    - How well does the system weight different risk categories?
    - What mitigating factors might be included to balance areas of high risk?
- **Principles & Criteria**

- [Participating Operator] will be responsible for reviewing and understanding the requirements set forth in Version One of the RSB Principles & Criteria (RSB-STD-20-001) and associated guidance document (RSB-GUI-20-001). Based on this review [Participating Operator] will conduct a self-assessment of their operations against the RSB Principles & Criteria.
- Baseline data and documentation of compliance with the RSB Standard shall be reported in accordance with the reporting and monitoring requirements described in the ESIA Guidelines.
- In addition to compliance reporting, [Participating Operator] will evaluate the suitability and practicality of the RSB Principles, following an evaluation framework provided by the RSB. Examples questions may include, but are not limited to:
  - The clarity and suitability of the Principles & Criteria in the context of the [Participating Operator] project.
  - The comprehensiveness of the Principles & Criteria guidance document (RSB-GUI-20-001).
  - Areas where greater guidance is needed.
- **Compliance Indicators**

Compliance Indicators are specific means to demonstrate compliance with the RSB Criteria. [Participating Operator] will be provided with the most current version of the Compliance Indicators (RSB-IND-20-001) and will use them as a tool to evaluate compliance with the RSB Principles & Criteria.

  - Evaluation of the Indicators may include, but is not limited to:
    - Are the indicators helpful to prepare for the audit?
    - Are the indicators clearly understood?
    - Are the indicators adapted to the [Participating Operator] operations? Additional recommendations for other Indicators to be used?
- **Availability of Data**

Data collection is required to establish baselines and demonstrate compliance with the RSB Standard in accordance with the ESIA guidelines. [Participating Operator] will undertake such data collection as necessary.

  - Evaluation of data availability may include, but is not limited to:
    - Ease of data collection
    - Cost of data collection
    - Quality of data obtained
- **ESIA Process**
  - As described in Principle 2, the RSB requires that Operators conduct an Environmental and Social Impact Assessment (ESIA), Rapid Environmental and Social Assessment (RESA) or an Environmental and Social Management Plan (ESMP) depending on the projected impacts of the project. All projects are required to put together an ESMP.
  - In addition to fulfilling the requirements and process described in the ESIA guidance document, [Participating Operator] will evaluate the ESIA process in accordance with guidance provided by RSB, including information such as, but not limited to:
    - Clarity of the ESIA process as outlined in the ESIA Guidelines. Suggestions for improving the clarity of the guidelines?
    - Has the 1000-hectare threshold, which triggers a full ESIA, been set correctly? What threshold would you suggest?
    - In which cases should only an ESMP be necessary? When is a RESA deemed necessary?
    - Costs associated with conducting an ESIA or RESA, if determined to be necessary.
- **Chain of Custody Standard**

Developing and implementing chain of custody tracking and management systems enable organizations (participating operators) to effectively control the flow of biomass/biofuel product through their respective purchasing, processing and sales systems and inform their respective customers about the origin and characteristics of the material in their products. Any organization legally and/or physically controlling biomass/biofuel product along the supply chain is required to establish effective chain of custody tracking systems.

- [Participating Operator] will establish supply chain management systems to comply with the requirements described in the Generic Chain of Custody Standard (RSB-STD-20-001), and one of the tracking systems (e.g. segregated product, mass balance, etc...)
- [Participating Operator] will evaluate the Chain of Custody requirements established by the RSB in accordance with guidance provided by RSB, including information such as, but not limited to:
  - Are modifications to existing tracking systems necessary for compliance?
  - Difficulties encountered in demonstrating compliance.

### **Costs**

It is not possible to predict the costs of complying with the RSB standard, as this will vary greatly with each project and the degree of initial compliance. During the pilot [Participating Operator] will not be expected to undergo any additional work to meet compliance, but should provide RSB with some indication of what they think will be required to meet full compliance during a full audit.

Some typical costs associated with pilot auditing will be covered by the RSB. This will cover the cost of the on-site pilot audit and work of [Certification Body] during the pilot test with the support of [Project Funder]. [Participating Operator] will be required to cover any costs arising on its side as necessary to prepare for the pilot audit and demonstrate compliance with the RSB Standard. [Participating Operator] will contribute any logistical expenses and the labor required to meet the requirements as described in this document.

## **7. Confidentiality**

All matters related to the implementation of the pilot project shall be treated confidentially unless otherwise agreed by the RSB Secretariat and [Participating Operator]. This confidentiality agreement shall include donors, the certification body and other supporters of the pilot test. The RSB will have access to and receive all data relevant for the improvement of the RSB Standard established during the implementation of the pilot test, such as auditing reports, results of the self-risk assessment and the detailed information thereof, self-evaluation reports, and the feedback reports. Non-nominative summary reports/case studies describing the project can be written and made publicly available, free of any individually attributable remarks.

## **8. Benefits of Participation in RSB Pilots to Participating Operator**

Participating in a RSB pilot is done on a voluntary basis. Benefits of participation in a pilot can be summarized as follows:

- Participants gain practical knowledge on the RSB Standards in a pre-certification setting;
- Participants will benefit from the support of a pilot field audit to receive feedback on their operations;
- Participants will be able to collect and assess data relevant for a certification audit (likely leading to a better risk class as the data provided through the self risk assessment will be accurate.)
- Participants in risk class 3 and better will only need to conduct a differential audit in their first real audit to become certified if performed within one year of the pilot, i.e. their first certification audit will be restricted to:

- RSB requirements not included in the specific pilot audit;
- requirements that have been included in the specific pilot but where compliance was not met or verified; and
- any requirements that are new or have been changed since the pilot audit.
- For further details see below.
- With the feedback provided to the RSB Secretariat, the participants have a direct impact on the improvement of the RSB Standards.
- Participants can claim their participation in a pilot test in their business communication.

Further detail of benefit package for participants with risk class 3 and better:

The results of the pilot tests of the RSB certification systems shall be valid for the periods specified in the RSB standards (i.e. maximum duration of certificates as specified in Section 7 of the General requirements for certification bodies (RSB-STD-70-001).

If the full scope of the RSB certification systems is implemented and the results of the pilot audit indicate compliance with the RSB standards and that a valid RSB certificate would have been issued, the results of the pilot test remain valid as and for the time specified in Section 7 of the General requirements for certification bodies (RSB-STD-70-001). As soon as the RSB certification systems officially begin formal operation a valid RSB certificate may be issued for the remainder of the time, in accordance with these requirements.

If the RSB certification systems are partially implemented during the pilot test and the results of pilot audit indicate compliance with the RSB standards for the part of the RSB certification systems implemented, the results of this independent pilot test evaluation remain valid as specified in Section 7 of the General requirements for certification bodies (RSB-STD-70-001), to a maximum of 1 year. As soon as the RSB certification systems officially begin formal operation the parts of the RSB certification systems implemented during the pilot test and the results of the independent evaluation may be incorporated into the certification evaluation.

The competent certification body shall not be required to repeat evaluation of the parts of the RSB certification systems already evaluated during the pilot tests. However, the participating operator and the competent certification body shall ensure that the parts of the RSB certification systems implemented during the pilot tests have not changed and that they are properly integrated with the overall certification scope of the participating operator.

#### **9. Communication on Pilots**

Participating operators involved in a pilot may communicate their involvement in the RSB pilots.

Specifically, they can make the following off product claims, or a combination thereof:

- “XY is participating in a pilot test of the Roundtable on Sustainable Biofuels (RSB) standard.”
- “XY supports socially and environmentally responsible production of biomass and biofuel as established by the international Roundtable on Sustainable Biofuels (RSB).”
- “XY will seek RSB certification”.

These off-product claims may be made for nine months after the date of the on-site audit, or until the pilot project ends, whichever is later. Further claims will be subject to applying for certification after the release of Version 2 of the RSB Standard.

On product claims, i.e. claims in documents attached to the biomass or biofuel, are not allowed during the pilot phase.

## RSB Terms of Reference

The Roundtable on Sustainable Biofuels (RSB) is an international initiative bringing together farmers, corporations, non-governmental organizations, experts, governments, and inter-governmental agencies concerned with ensuring the sustainability of biofuels' production and processing. By way of a multi-stakeholder consensus, the RSB first put forward a draft standard for sustainable biofuels consisting of principles and criteria. During its November 2009 meeting, the Steering Board approved Version 1 of the Standard. As a result, the RSB is in the process of pilot testing of the Standard and intends to maintain and further develop them by way of a number of related activities.

The RSB is organized under the auspices of the Energy Center of the Ecole Polytechnique Fédérale de Lausanne, EPFL (Swiss Federal Institute of Technology in Lausanne). The RSB operates under its own budget, based on resources provided by EPFL and third party organizations.

In January, 2009, the Energy Center began inviting stakeholders to join one of eleven Chambers who have elected representatives to a new Steering Board, which is the highest decision-making body of the RSB and responsible for overseeing the content and implementation of the standards. The new Steering Board replaced the previous RSB Steering Board in June of 2009.

As provided for in its original Terms of Reference, ToR, the ToR are to be periodically reviewed. This document lays out the ToR resulting from the first such periodic review.

---

## Membership

Membership in the RSB is not limited in number and is organized along six voting Chambers and one non-voting Chamber, the compositions of which are outlined below. Members must be recognized as performing an activity directly relevant to their particular Chamber constituency. Membership is open but conditional on relevant expertise, active engagement, and commitment to the objectives of the RSB. Any organization, formally set up as a legal entity, can only be member of one particular Chamber – subsidiaries of a holding company active in different aspects of the bio-fuels arena may each join separate chambers provided they each pay membership dues as specified below.

Any organization seeking formal membership in an RSB Chamber shall:

- Accept and comply with these Terms of Reference as well as any and all other documents decided, approved, adopted, enacted and implemented by the RSB;
- Commit to support for the vision, mission, objectives, and systems of the RSB;
- Conduct its affairs in a manner suitable to support and further the vision, mission, objectives, and systems of the RSB;
- Be directly involved in working with the issues or practicalities of biofuels;
- Allocate sufficient time, resources and effort necessary to meet the requirements for formal participation in the RSB Chambers to be able to:
  - react to discussion papers, and
  - participate in teleconferences and/or in-person meetings;
- Apply for formal membership in an RSB Chamber.  
The application for formal membership shall contain:
  - a formal application letter clearly stating support for the vision, mission, objectives, and systems of the RSB and accepting without prejudice any and all provisions related to formal participation in the RSB Chambers;
  - a declaration of interests, which shall be evaluated for any conflict of interest.

Applications or nominations must be submitted to the RSB Secretariat, which will then make a recommendation to the Steering Board as to whether or not the applicant should be accepted. The Steering Board will have two weeks to query any suggestions of the Secretariat regarding acceptance of a candidate. Any Secretariat recommendation questioned by any member of the Steering Board will be discussed during the next Steering Board meeting for a final decision. Membership shall not be unduly denied to any organization. The same process will be applied in case a member wishes to change its membership from one Chamber to another.

### **RSB Member Forum**

In an effort to enhance the communication between RSB member organizations, a bi-annual RSB Member Forum will be organized, subject to budgetary considerations and available sponsoring for the purposes of the Forum. The location of the RSB Member Forum will be selected taking member convenience as well as specific sponsoring into account.

### **Annual membership fees**

The RSB is a membership organization.

The annual membership fee structure is given below, based on the economic size of the organization. Upon recommendation by the Secretariat, the Steering Board may decide to waive or reduce the fee according to the needs of the organization wishing to participate. The fee structure takes the ability to pay into account and is not intended to exclude participants.

#### Public sector and not-for-profit organizations

	<i>Annual Operating Budget</i>	<i>Annual Fee (USD)</i>
Small	<15 million	250

Medium	15-30 million	500
Large	30-150 million	1 000
very large	>150 million	2 000

All other organizations

	<i>Revenue</i>	<i>Annual Fee (USD)</i>
Small	<40 million	1 000
Medium	40-200 million	2 000
Large	200 million - 2 billion	5 000
very large	>2 billion	10 000

The membership year runs from April 1 through March 30 of the subsequent year. New members joining the RSB pay a prorated membership fee based on the number of quarters or partial quarters of active membership during the first year. For example, a member joining the RSB in June would pay full membership fees whereas a member joining in August would pay 75%.

If a member withdraws or is excluded from membership, the membership fees already paid are not refunded.

**Membership exclusion**

A Chamber may recommend that a member be excluded for reason of repeated and demonstrated non adherence to the membership principles listed above. Such recommendation shall be forwarded to the RSB Steering Board with a majority of 50% of the Chamber members.

The RSB Secretariat may recommend that a member be excluded for reason of non-payment of yearly membership dues.

The RSB Steering Board pronounces final membership exclusion with a vote of at least 8 voting members.

**Chambers**

**Chambers composition**

Formal members of the RSB must belong to one of the following seven constituencies:

1. Farmers and growers of biofuel feedstocks  
*Formerly Chamber 1*
2. Industrial biofuel producers  
*Formerly Chamber 2*
3. Retailers/blenders, Transportation industry, Banks/investors  
*Formerly Chambers 3 & 4*
4. Rights-based NGOs (including land, water, human, and labor rights) & Trade unions  
*Formerly Chambers 5 & 9*

5. Rural development or food security organizations & Smallholder farmer organizations or indigenous peoples' organizations or community-based civil society organizations  
*Formerly Chambers 6 & 10*
6. Environment or conservation organizations & Climate change or policy organizations  
*Formerly Chambers 7 & 8*
7. Intergovernmental organizations (IGOs), governments, standard-setters, specialist advisory agencies, certification agencies, and consultant experts. Unless so decided by the Steering Board, consultants shall be members of Chamber 7.  
*Formerly Chamber 11*

**Note:** It is recognized that to ensure proper stakeholder representation within the RSB, membership in each Chamber should exceed some minimum threshold. While setting a minimum membership threshold for all Chambers may be unrealistic as the RSB membership is still in a building phase, during the second periodic review of the ToR, in 2011, a redistribution of members between Chambers might be necessary should membership in one particular Chamber not reach 6.

In the mean time, the emphasis should be on membership development. 6 months after the entry into force of these revised Terms of Reference, the question of further changes in the Chamber structure will be considered by the Steering Board.

### **Election of Chamber Co-Chairs and Alternate**

Each Chamber elects two Co-Chairs and one Alternate *ad personam* which implies that it is the person who is elected and not the member organization employing the person.

Unless particular circumstances makes so prohibit, the following recommendations shall be observed when electing the Co-Chairs:

- |                |   |
|----------------|---|
| Chambers 1 & 2 | <p><b>One Co-Chair</b> from a developing country (as listed in the OECD DAC list as eligible for overseas development assistance)<br/> <b>One Co-Chair</b> from a developed country.</p>  |
| Chamber 3      | <p>The two Co-Chairs and the Alternate shall be from different sub-groups of the Chamber members; the designation of the Co-Chairs and the Alternate between sub-groups shall rotate each year.</p>                                 |
| Chamber 4      | <p><b>One Co-Chair</b> from a rights-based NGO<br/> <b>One Co-Chair</b> from a trade union</p>  |
| Chamber 5      | <p><b>One Co-Chair</b> from a rural development or food security organization<br/> <b>One Co-Chair</b> from a Smallholder farmer organization or indigenous peoples' organization or community-based civil society organization</p> |
| Chamber 6      | <p><b>One Co-Chair</b> from an environment and conservation organization<br/> <b>One Co-Chair</b> from a Climate change or policy organization</p>  |

Each Chamber of Chambers 3-7 shall strive to ensure a balanced representation of developing and developed countries when electing their Co-Chairs.

For the purposes of the election recommendations above, an organization or corporation is deemed to be from the region in which its headquarters are located.

Chamber Co-Chairs and the Alternates are elected for two-year terms. Whenever possible, the terms of the Co-Chairs shall be staggered.

### **Duties of Co-Chairs**

The Co-Chairs serve as main liaison between the RSB Steering Board and the Chamber members.

To that end:

- The Co-Chairs call for a meeting of the Chamber in advance of each meeting of the RSB Steering Board with the purpose of preparing reactions & suggestions related to specific agenda items.
- The Co-Chairs shall also share with the Chamber members all information distributed by the RSB Secretariat in preparation of and as a result of Steering Board meetings.
- The Secretariat will share all Calls for Meetings with the Co-Chairs at least three weeks before any in-person or teleconference Steering Board meeting.

Unless a “force majeure” reason so justifies, if either Co-Chair fails to attend two meetings annually - any combination of Chamber meetings and/or Steering Board meetings, either in-person or by teleconference – she or he is deemed to have de facto resigned from the Co-Chair position. In this case, the Alternate will automatically become interim Co-Chair until the Chamber elects a new Co-Chair. The same rule applies for the Alternate who would have to be replaced having missed two meetings annually.

The RSB Secretariat shall be informed as to the absence of a Co-Chair during a Chamber meeting.

### **Duties of the Alternate**

The Alternate:

- Attends the Chamber meetings.
- Can participate in the Steering Board meetings as an observer.
- Attends the Steering Board meetings as a voting member if and when one of the Co-Chairs cannot attend.
- Supports the Co-Chairs in their duties.
- Until a new Co-Chair is elected, assumes the position of interim Co-Chairs if and when one of the Co-Chairs resigns or has de facto resigned.

### **Chamber meetings**

Each Chamber meets at least twice a year.

Chamber meetings:

- Can be in-person or by teleconferencing;
- Are called by either Co-Chair in consultation with the other;
- Can also be called at the request of at least 25% of the Chamber members.

Such request shall be presented in writing, via electronic mail, to one of the Co-Chairs;

- Are Chaired by one of the Co-Chairs. Unless otherwise agreed upon, the two Co-Chairs will alternate meetings they chair.

Chamber meetings are deemed to have a quorum if 25% of its members or 3 members, whatever is highest, participate.

A Chamber meeting is official if:

- A Call for meeting has been sent to all Chamber members at least 7 days in advance and that the background information is sent out at least 5 days in advance. The RSB Secretariat shall be copied when these documents are sent out.
- A quorum is reached.
- A summary of the meeting outcomes, recommendations and decisions has been sent to all Chamber members with a copy to the RSB Secretariat.

Unless specifically asked not to and for good reasons, the RSB Secretariat will act as secretary in the Chamber meetings. Specific duties include:

- Sending out Calls for meetings along with background documents as required for the meeting;
- Arranging for conference call numbers;
- Attend the meeting in an effort to take notes and prepare a meeting summary. The RSB Secretariat will only participate in the discussions when asked to do so to provide clarification and explanations related to a specific issue.

### **Chamber decision making**

Decisions are taken by consensus within each Chamber, with consensus being defined as the lack of sustained opposition. If consensus is not reached after the first meeting, the Secretariat shall create a document explaining the point of discussion and circulate this document to all members to request feedback.

If a consensus cannot be reached during a third consecutive Chamber meeting regarding a particular agenda item, a decision may be reached, during the meeting, by a vote of 3/4 of all members of the Chamber. If a quorum is not reached during the third consecutive Chamber meeting to discuss a particular agenda item, a decision may be reached by way of an email poll sent out to all Chamber members.

Consecutive meetings to discuss the same matter in an effort to reach consensus shall be scheduled at least ten days apart.

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.

Members who believe that their opinions have been not been sufficiently heard or heeded, may use the Direct Consultation process as outlined below.

## **Steering Board**

The Steering Board is the highest decision-making body of the RSB for overseeing the content development of the RSB Standard.

The two Co-Chairs of all Chambers are the members of the RSB Steering Board. If one of the Co-Chairs is unable to attend a meeting to represent the Chamber, he or she will so notify the Chamber constituency and the RSB Secretariat with sufficient advance notice to allow the Alternate to make arrangements to attend the meeting.

The participants in the Steering Board do not defend their personal or organizational opinions, but are committed to representing the recommendations and/or decisions reached in their respective Chambers and to upholding the overall RSB objectives.

When presenting recommendations and decisions emanating from their respective Chambers, the presenting Steering Board members shall indicate whether the particular recommendation or decision was reached by consensus or whether an alternate approval mechanism was invoked, as provided for in the section dealing with Chamber decision making.

The Steering Board shall ensure that the Chambers and Steering Board follow the Terms of Reference. The Steering Board is responsible for reaching the final decisions regarding all aspects related to the Standard, as outlined below, based on previous discussions in the Chambers.

The Steering Board shall elect its own Chair and Vice-Chairs for one-year renewable terms.

The Steering Board meets at least once yearly.

It may conduct its meetings by way of conference calls.

### **Duties of the RSB Steering Board**

The RSB Steering Board:

- Approves new versions of the RSB Standard;
- Maintains and updates the RSB standard. It considers any and all recommendations for changes in the generic standard, regional adaptations and/or crop specific indicators;
- Decides on RSB activities related to the standard proposed by the Secretariat. This includes pilot projects and workshops/conferences;
- Approves regional and/or feedstock-specific adaptations of the standard;
- Decides on the organization and incorporation of the results of public consultation processes, with the help of the RSB Secretariat and any Working Groups;
- Defines the criteria to be met for other standards to be recognized within the RSB meta-standard;
- Decides on the principles for verification options for the standard, including third party certification and/or accreditation;
- Decides on the acceptance of members in the Chambers and maintains governance over such membership; and

- Sets the membership fee within the RSB.

The Steering Board receives a yearly report, prepared by the RSB Secretariat, describing the activities of the RSB, including a financial summary of expenses and financial contributions.

On occasion, the RSB Secretariat may partially or fully reimburse travel expenses for Steering Board members for activities directly related to the RSB; such travel reimbursements are normally not provided for individuals from the private sector.

The Chair and Vice-Chairs of the Steering Board will also advise the Energy Center on the final budget for the Energy Center's RSB-related activities and the hiring of Energy Center staff working on RSB activities.

### **Steering Board meetings**

Meetings of the Steering Board may be called:

- By its Chair;
- By 60% of its participants, or
- At the suggestion of the RSB Secretariat.

RSB Steering Board Calls for meetings are to be sent out at least 7 days in advance for teleconference meetings and at least 20 days in advance for in-person meetings. All background information is to be sent out at least 5 days in advance.

The Steering Board shall be deemed to have a quorum if more than 60% of its voting members are present.

The RSB Executive Secretary is a non-voting *ex-officio* member of the Steering Board.

The Director of the Energy Center is invited to the Steering Board meetings as a guest.

### **Steering Board decision making**

Chambers 1-6 are decision-making Chambers in the Steering Board and have formal voting rights.

Chamber 7, which includes IGOs, governments, standards-setters, and special advisory groups, is a non-decision-making, non-voting chamber. Members of this Chamber fully participate fully in discussions, have access to all Steering Board documents, provide advice and guidance, and react to proposals; however, they cannot block consensus.

Decisions are taken by consensus within the Steering Board, with consensus being defined as the lack of sustained opposition.

If a consensus cannot be reached during a third consecutive Steering Board meeting regarding a particular agenda item, decisions may be reached by a vote of 3/4 of the voting members of the Steering Board. If a quorum is not reached during the third consecutive Steering Board meeting to discuss a particular agenda item, a decision may be reached by way of an email poll sent out to all Chamber members.

Consecutive meetings to discuss the same matter in an effort to reach consensus shall be scheduled at least ten days apart.

A Chamber which believes that its opinions have been not been sufficiently heard or heeded, may use the Direct Consultation process as outlined below.

## **Secretariat**

The Secretariat manages the day-to-day operations of the RSB. In particular, it prepares and executes decisions by the Steering Board in accordance with these Terms of Reference. It fulfills all the functions and duties assigned to it in these Terms of Reference and in the RSB Standards in an impartial manner.

The Secretariat is organized under the auspices of the Energy Center of the EPFL and is led by the Executive Secretary. As member of the staff of the Energy Center, the Executive Secretary is under the administrative and financial supervision of the Director of that Center. Regular staff members of the Secretariat are members of the staff of the Energy Center.

## **Interest Groups**

Interest Groups are launched to facilitate communication among members who share common interests but may not belong to one particular Chamber. Focus of Interest Groups may include be regional specific issues or may address specific end-uses of biofuels, for example.

Interest Groups may be created at:

- The suggestion of at least 20 members from at least two different Chambers  
or
- At the suggestion of the Steering Board.

Once a valid suggestion to create an Interest Group is received by the Secretariat, it shall:

- Formally create the Interest Group by advertising its existence on the RSB membership web page.
- Confirm the Convener as suggested by the groups of members having proposed the Interest Group
- Advertise the meetings of the Interest Groups as proposed by the Convener.

Once created, Interest Groups are to self-organize and operate with minimal support from the Secretariat.

Any recommendation of an Interest Group proposing decision making on a particular issue shall be sent to the Secretariat which will initiate the decision making process in accordance with these Terms of Reference.

Based on a brief yearly report provided by each Interest Group Convener, during of its meetings, the Steering Board shall assess the need to prolong each Interest Group on a yearly basis.

## **Working Groups**

As occasionally suggested by the Steering Board, the RSB Secretariat may create Working Groups (WGs) to address topics of specific interest. The Steering Board may also suggest structure and characteristics of the WGs, and individuals to serve in them. Participation in a WG is on an "ad persona" basis and does not require or imply membership in the Steering Board of the organization employing the individual.

A WG is active as long as required to complete its agreed-upon task. Upon completion of the agreed-upon task, the WG is dissolved. Participation in a WG does not involve any financial compensation. On occasion, the RSB Secretariat may partially or fully reimburse travel expenses for Working Group members for activities directly related to RSB; such travel reimbursements are normally not provided for individuals from the private sector.

## **Direct Consultation Process**

Any RSB member or any RSB Chamber may invoke the Direct Consultation Process if it believes that its opinions have been not been sufficiently heard or heeded.

In such situations, any member may bring the matter to the attention of the Executive Secretary. In doing so, the member shall provide a written statement as to the problem at hand along with a proposal as to a reasonable and constructive resolution of the matter.

In turn, the Executive Secretary shall consult with the Chamber Co-Chairs to seek a resolution of the matter compatible with the Chamber decision by consensus process. If this is not possible, the Executive Secretary shall bring the matter to the attention of the Steering Board for its consideration during its next meeting, either in-person or by teleconference.

Similarly, the Direct Consultation Process may also be invoked by any Chamber who believes that its voice has not been sufficiently taken into consideration during a Steering Board decision making process. A written statement including a reasonable and constructive resolution will be required for presentation to the Steering Board Chair and the Executive Secretary such that it can be included for resolution during the next Steering Board meeting, either in-person or by teleconference.

---

## **Review**

In 2010, 2011 and 2012, the Terms of Reference will be reviewed yearly.

Thereafter review will be done if requested by a Chamber or recommended by the RSB Secretariat.

In the framework of the periodic reviews of the Terms of References organizational structures of other roundtables or similar organizations shall be analyzed.