



Standards for Sustainable Development -- Relations to Bioenergy

In addition to the United Nations Millennium Development Goals,^a some international and nongovernmental organizations have developed standards and criteria for sustainable development which are relevant to our concern for public-private alliances in the field of bioenergy.

Four strong examples are: The Ten Principles of the United Nations Global Compact, the Principles for Responsible Investment, the Biofuels Sustainability Scorecard of the Inter-American Development Bank, and the Sustainable Agriculture Standards of the Rainforest Alliance and related groups.

These four differ in their focus and details, but they have elements in common that are essential to development of public-private partnerships for sustainable bioenergy. Given below are short descriptions to assist in understanding the main issues and applying the precepts.

The United Nations Global Compact (www.unglobalcompact.org) recognizes the critical role business plays in the sustainable development of societies and economies, and seeks to build their support for UN goals. It currently has some 6700 participants, including over 5,200 businesses from 130 countries. Launched in July 2000, the United Nations Global Compact is a voluntary agreement in which businesses adhere to a governance framework based on ten principles, grouped under four headings, which reflect major international agreements in these fields. Businesses agree to:

Human Rights

1. Support and respect the protection of internationally proclaimed human rights;
2. Make sure that they are not complicit in human rights abuses

Labor Standards

3. Uphold the freedom of association and the recognition of the right to collective bargaining;
4. Uphold the elimination of all forms of forced and compulsory labor;
5. Uphold the effective abolition of child labor; and
6. Uphold the elimination of discrimination in respect of employment and occupation.

Environment

7. Support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility;
9. Encourage the development and diffusion of environmentally friendly technologies.

Anti-corruption

10. Work against corruption in all its forms, including extortion and bribery.

The Principles for Responsible Investment (www.unpri.org) was founded in 2006 through coordination between the United Nations Environment Programme Finance Initiative (UNEP FI) and the UN Global Compact. The PRI provides a framework of actions investment professionals can make regarding environmental, social, and corporate governance (**ESG**) issues. Today, PRI has 500 signatories from 36 countries, representing \$18 trillion in assets. From October 2008 to May 2009, in the middle of the financial crisis, PRI acquired 160 new signatories holding over \$5 trillion in assets.

^a 1. Eradicate extreme poverty and hunger; 2. Achieve universal primary education; 3. Promote gender equality and empower women; 4. Reduce child mortality; 5. Improve maternal health; 6. Combat HIV/AIDS, malaria and other diseases; 7. Ensure environmental sustainability; 8. Develop a global partnership for development

Drafted and supported by a multi-stakeholder group, PRI's six principles call for:

1. Incorporation of ESG issues into investment analysis and decision-making processes;
2. Active ownership and incorporation of ESG issues into ownership policies and practices;
3. Appropriate disclosure on ESG issues by the entities chosen for investment;
4. Promotion of acceptance and implementation of Principles within investment industry;
5. Collaboration to enhance effective implementation of Principles;
6. Reporting of activities and progress toward implementation of Principles.

The Inter-American Development Bank Biofuels Sustainability Scorecard

(www.iadb.org/scorecard) was launched in September 2008 by the Sustainable Energy and Climate Change Initiative (SECCI) and the Structured and Corporate Finance Department (SCF) of the IDB to assist in the understanding of complex issues related to biofuels. Based on the sustainability criteria from the Roundtable on Sustainable Biofuels (RSB), biofuel projects can earn scores of excellent, good, satisfactory, potential risk, and unsatisfactory when using the scorecard as analysis tool. The scorecard considers 23 key environmental and social sustainability issues including:

Environmental issues:

- o Cultivation: former land use, crop lifecycle and rotation, harvesting methods, water, fertilizer, and pesticide usage
- o Production: energy source facilities, water requirements, waste disposal, and co-product use
- o Transversal: energy balance and greenhouse gas emissions
- o Transportation: energy efficiency of transport and distribution

Social issues:

- o Human and Labor rights
- o Usage of best practices and techniques
- o Land ownership
- o Capacity building
- o Poverty reduction

The Rainforest Alliance (www.ra.org), since its founding in 1987, has established methods and criteria for the **Sustainable Agriculture certification**, in addition to its work in sustainable forestry and tourism. Today, Rainforest Alliance has certified over 1 million acres of farmland in countries such as Brazil, Colombia, Dominican Republic, Cote d'Ivoire, Ethiopia, Honduras, and Nicaragua. Known for its work with Chiquita, certification of the banana company's farms cut costs 12 percent and increased productivity 27 percent. The retail value of its certified coffee, bananas, and cocoa was estimated at \$1.2 billion in 2007. Its certified coffee is sold through Whole Foods, Wal-Mart, Kraft, and Gloria Jean's Coffees. Rainforest Alliance evaluates farms on issues pertaining to:

1. Social and Environmental Management
2. Ecosystem Conservation
3. Wildlife Protection
4. Water Conservation
5. Fair Treatment and Good Working Conditions for Workers
6. Occupational Health and Safety
7. Community Relations
8. Integrated Crop Management
9. Soil Management and Conservation
10. Integrated Waste Management

RA certification, granted by Sustainable Farm Certification International, requires that farms fulfill 80% of the standards established by the Sustainable Agriculture Network (SAN). Recognizing a significant increase in crop area for the production of biofuels, RA published the Sustainable Agriculture Network (SAN) Addendum in April 2009. This specifically deals with cultivation of oil palm, sugarcane, soy, peanuts, and sunflowers (http://www.rainforest-alliance.org/agriculture/documents/san_addendum_en.pdf).

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