

**IEA Bioenergy**

Quantifying and managing land use effects of bioenergy

# **IS CERTIFICATION THE SILVER BULLET FOR SUSTAINABILITY?**



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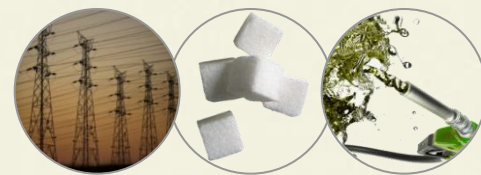
Executive Director

**Luiz Fernando do Amaral**

Sustainability Manager

*Campinas, September 20th, 2011*

# ABOUT UNICA

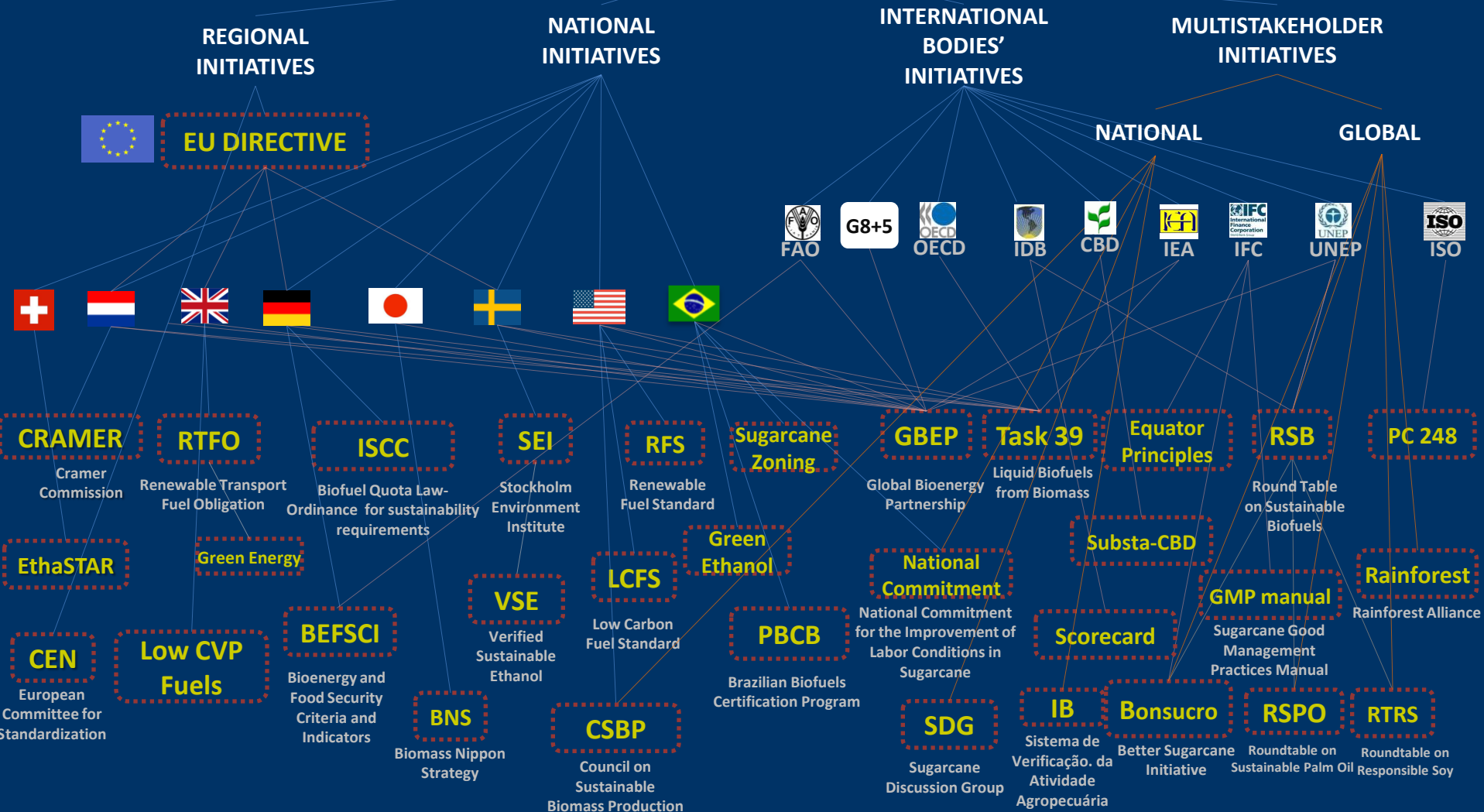


- ❖ The Brazilian Sugarcane Industry Association (UNICA) is the **leading sugarcane industry association** in Brazil.
- ❖ Its more than **140 member companies**, **voluntarily engaged**, represent over 50% of the ethanol and 60% of the sugar produced in Brazil. In global terms, UNICA represents 13% of the ethanol and 14% of the sugar produced worldwide.
- ❖ Its member companies also produce and sell bioelectricity to the national electricity grid.
- ❖ UNICA's expertise covers key areas including the **environment, energy, technology, international trade, corporate social responsibility, sustainability, regulation, economics and communications**
- ❖ It has offices in **five locations**: **São Paulo, Brasília, Ribeirão Preto, Washington D.C, and Brussels**

# SUSTAINABILITY INITIATIVES FOR BIOFUELS: A “UNIVERSE” IN CONSTANT EXPANSION



## SUSTAINABLE BIOFUELS





Some Bonsucro members



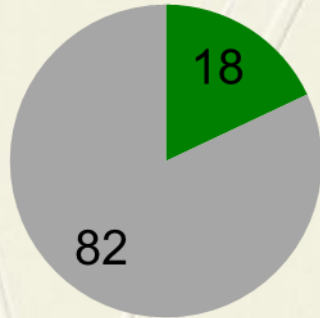
Bonsucro is an Associate member of Iseal Alliance (global association for social and environmental standards)



# Lessons from other sectors

## Forestry products (FSC and others)

percentage of global managed forested area (2009-10)

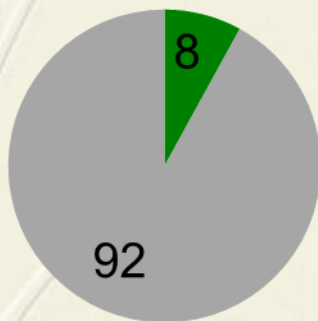
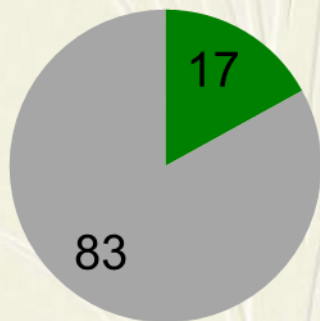


## Green coffee

percentage of production and world trade (2009)

production

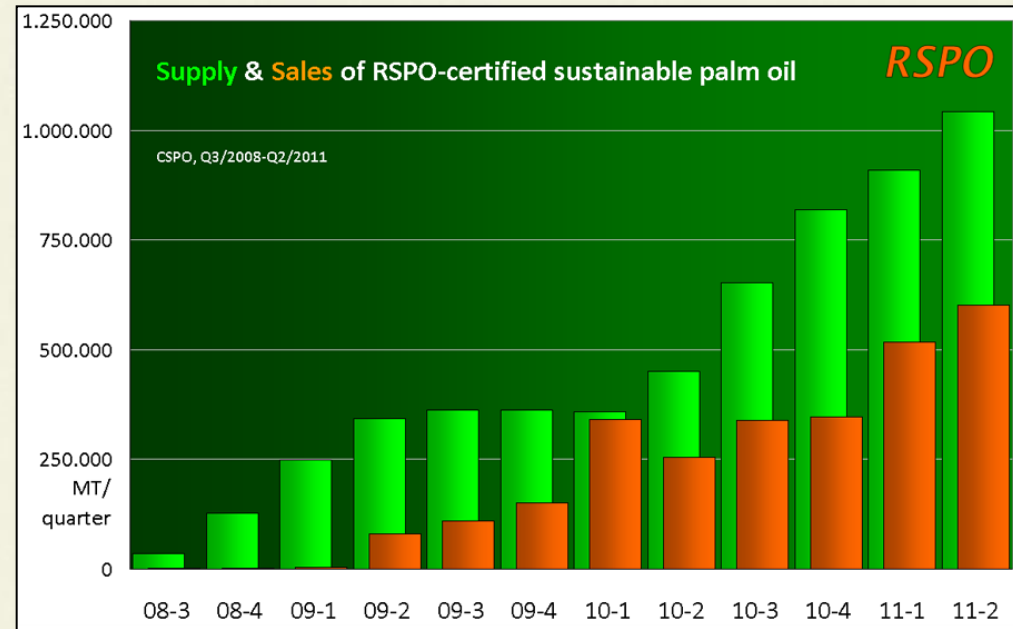
world trade



■ % Non-certified    ■ % Certified

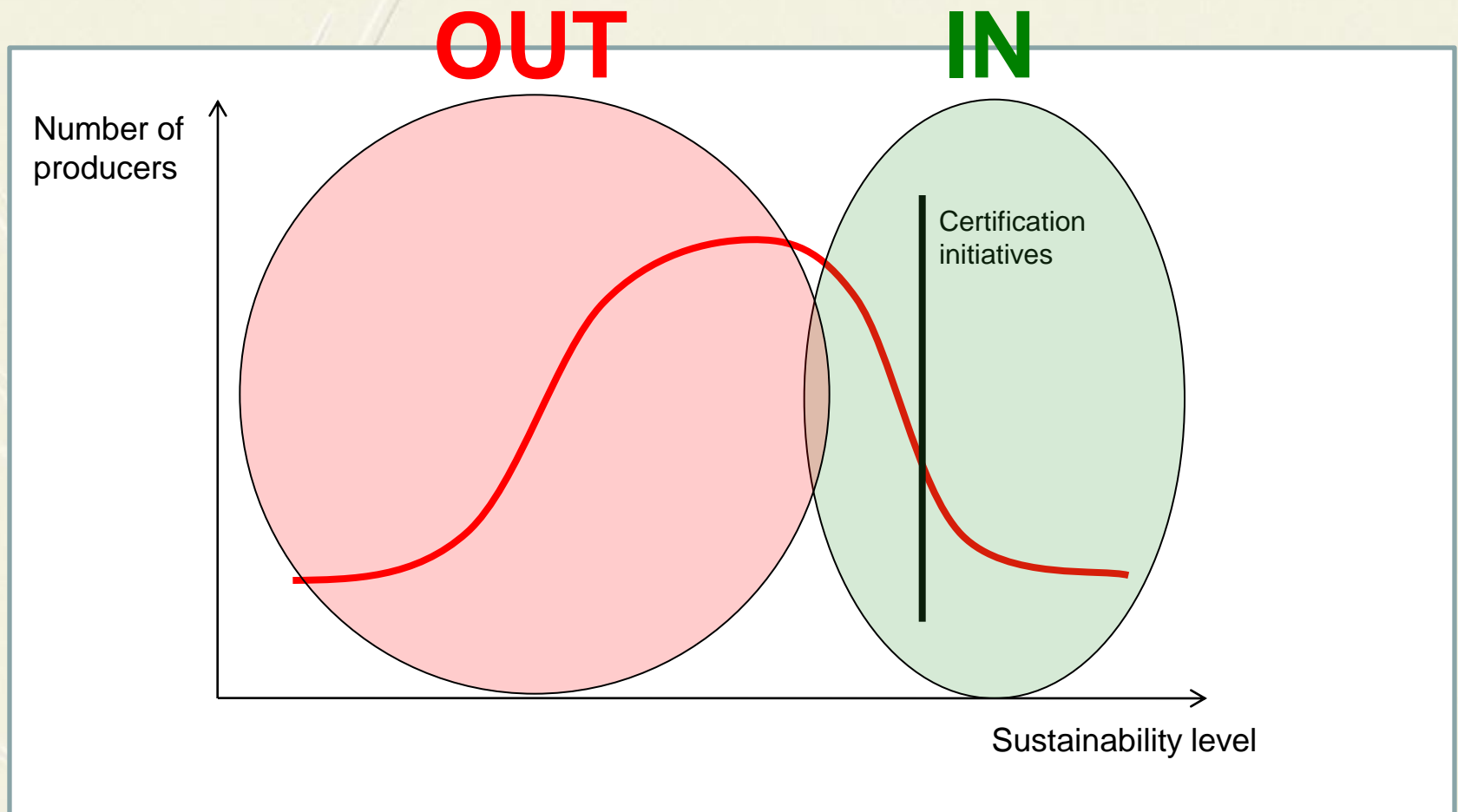
## Palm oil

supply and sales of RSPO-certified palm oil

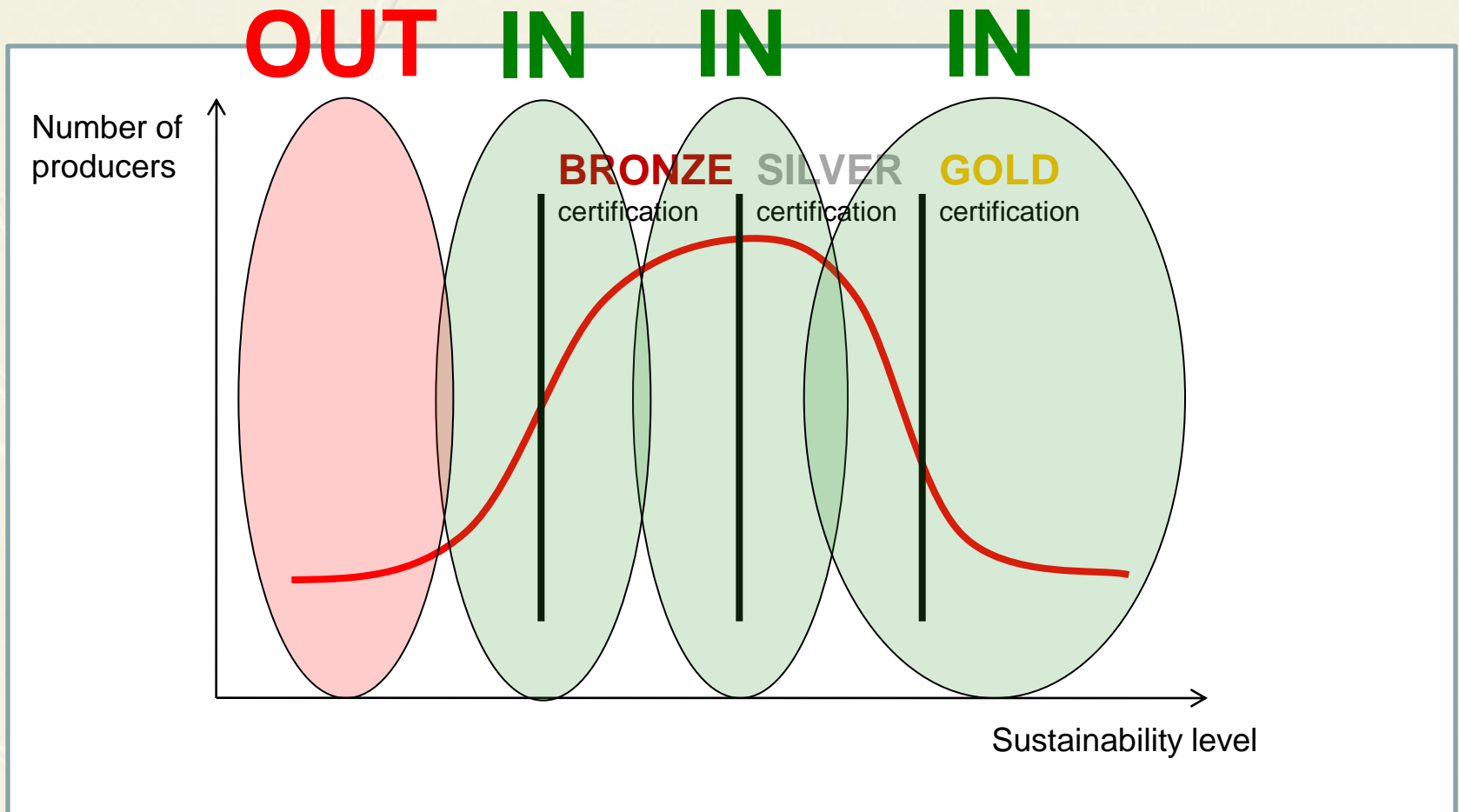


- Global market penetration is low, even if all sustainability certifications are summed up.
- Demand does not follow supply. Risks for the long term sustainability of the “certification business”.

# Current certification models for agricultural commodities



What if ? ...



Obviously, there will always be a **limited number of “gold medal champions”** achieving higher levels of requirements and only those could be **in the spotlight of best sustainability practice.**

<b><u>GOLD LABEL</u></b> <i>Differentiation of commodities</i>	<b><u>BRONZE LABEL</u></b> <i>Commoditization of sustainability</i>
•Wide range of sustainability issues	•Focused on few, important sustainability issues
•Limited supply and demand for certified products	•Global applicability
•Eventual price premium	•“Entry ticket” (no premium)
•Best performance levels	•Normal and accepted performance levels
•Reduced number of certified producers	•Wide number of certified producers
•Complex verification process	•Lighter verification process
•Focused on larger companies with complex management systems	•Accessibility for smaller companies and producers with lower levels of management technologies
• Very trustful traceability system	• Simplified traceability system
•Continuous improvement: important	•Continuous improvement: core part of the system



- ✓ There is no silver bullet for the sustainability challenge.
- ✓ Certification initiatives suit some objectives, but not others.
- ✓ There are challenges outside the scope of certification initiatives, not applicable at the producer level (e.g.: ILUC, food versus fuel etc)
- ✓ Other sustainability initiatives and strategies are also important, such as sectorial agreements and public policies

# SUGARCANE AGROECOLOGICAL ZONING IN BRAZIL

1. It does not allow sugarcane expansion in the most sensitive biomes – e.g. Amazonia and Pantanal.
2. It does not allow sugarcane expansion on any type of native vegetation (*Cerrados*, *Campos*, etc.)
3. Authorized areas for sugarcane expansion: 64.7 ml hectares, equivalent to 7.5% of the Brazilian territory (Currently 0.9% of the area is used for sugarcane)



## BRAZILIAN NATIONAL POLICY ON CLIMATE CHANGE

**Objective:** To reduce Brazilian GHG emissions by 36.1% to 38.9% in 2020, to be achieved through a set of measures, including:

- ✓ 80% reduction in Legal Amazon deforestation by 2020;
- ✓ Implementation of a “Low Carbon Agricultural Plan”: Recovery of 15 million ha of degraded pastures.

- The Green Protocol signed between UNICA and the São Paulo state government is a voluntary agreement to end the use of fire in sugarcane harvesting and to protect riparian areas. Currently, in the state, 60% of the cane is harvested mechanically and 25% of all the riparian areas are protected by the sector.



The green protocol

## renovAção

Requalification Program for  
Sugarcane Rural Workers



Course for harvester

- Program to train and requalify 3,000 workers and community members per year for jobs in sugar mills and ethanol plants and to work in other sectors, as a response to the process of mechanizing the sugarcane harvest. It is coordinated by UNICA in partnership with the Union of the Agricultural Workers of São Paulo (FERAESP).
- A “trilateral” agreement - between Government, Private Sector and Labor Unions - of voluntary participation which sets around 30 better work practices that goes beyond legislation demand. “Positive List” of verified companies to be included in the website of the General Secretary of the Presidency of the Republic

## The National Commitment

To improve labor conditions in the sugarcane activity





## GRI Sustainability Report

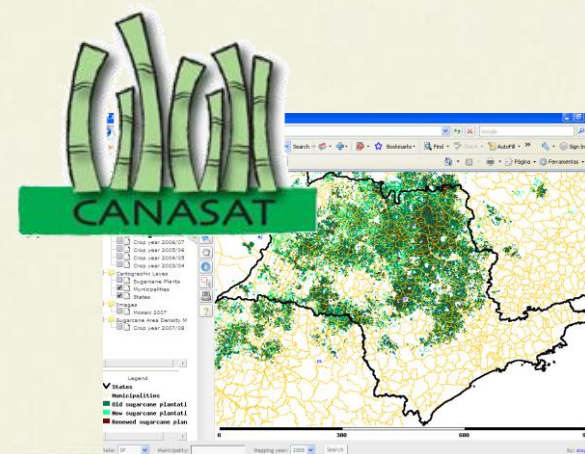
- UNICA was the first agribusiness association in the world to publish a sustainability report following GRI guidelines. In its last version (2010) it achieved an “A+ Grade”. Dissemination of the practice within the Sugarcane sector: around 75 mills have now their own GRI Sustainability Report!



**The Council of Sugarcane, Sugar and Ethanol Producers in São Paulo State**

- A bilateral private sector arrangement between sugar /ethanol industry and sugarcane growers, Consecana elaborates a dynamic and transparent model to define the price paid by ton of cane. Subject to revisions of its parameters and improvement of its rules on a regular basis, the objective is to make the revenue of the sugarcane grower is proportional to the industrial revenue.

- Developed by INPE (National Institute for Spatial Research) and supported by UNICA, Canasat is a remote sensing monitoring system with all the cane areas in the south-center of Brazil, field by field. It is an important sectorial tool for planning and transparency. All the data and maps are freely available at [www.dsr.inpe.br/mapdsr](http://www.dsr.inpe.br/mapdsr). A second phase of the project called Series ([www.dsr.inpe.br/laf/series](http://www.dsr.inpe.br/laf/series)) allows for monitoring previous land use patterns for all South-America.



# CONCLUSIONS

- ❖ Sustainability certification is an important tool for promoting better practices, as it can “**differentiate commodities**”
- ❖ Deeper strategic thinking and new business models are needed to boost the certification potential impact. However, based on other sectors, it is difficult to imagine **full market penetration**.
- ❖ Promoting demand and higher commitment from buyers is important to guarantee the future of the “certification business”.
- ❖ **However, there are still challenges that cannot be properly addressed by project specific certification initiatives.**
- ❖ There is **no silver bullet** to efficiently deal with all the sustainability challenges. We need correct tools for the correct objectives.
- ❖ **Some can be met by certification, many by public policies, some by sectoral commitments and others by international agreements.**



**Thank you**



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