

MINUTES OF THE THIRD MEETING OF ISCC TECHNICAL COMMITTEE NO. 2: EXPERIENCES WITH THE ISCC SYSTEM IN LATIN AMERICA

SAO PAULO, NOVEMBER 9, 2011

On November 9, 2011, the third meeting of the ISCC Technical Committee No. 2: Experiences with the ISCC System in Latin America was held in Sao Paulo, Brazil from 2 PM to 6 PM. Around 20 persons participated in the meeting.

The Chairman of the Technical Committee, Marcio Nappo of ADM do Brasil, welcomed the participants and explained objectives and agenda of the meeting.

Norbert Schmitz provided an update after EC recognition of ISCC and most recent developments of the scheme (see separate PP-file).

Marcio presented the experience gained with ISCC implementation in Latin America (see separate PP-file). He made reference to the critical issues discussed in the 2nd TC meeting and the new guidance approved by the ISCC Board:

1. Brazilian Forest Code (Legal Reserve and PPA Riverside Areas)

What should the status be regarding compliance with the Brazilian Forest Code to be accepted by ISCC to comply with Principle V?

New Guidance: As agreed within the ISCC Latin America Technical Committee and approved by the ISCC Board, while the new Brazilian Forest Code has not been voted in the Congress, the Environmental Rural Registration (CAR in Portuguese) or if the producer has already applied to MT-LEGAL program will be accepted by ISCC as prove of compliance with Principle V.

In addition it must be ensured that there is no legal case running against a farmer from an environmental agency regarding land use / legal reserve.

2. Second audit to check non-conformity items (40 days to achieve compliance)

How should we proceed with farm infrastructure issues (Major-must non-conformity items) which demand more than 40 days to be resolved?

New Guidance: As agreed within the ISCC Latin America Technical Committee and approved by the ISCC Board, corrections of farm infrastructure issues (Major-must non-conformity items) can be extended over 40 days with the condition that the producer presents to the certification body a consistent project to correct the non-conformities and a timeline to finish the project. When the non-conformities are resolved and the project is finished the producer must send photos and other appropriate proves to the CB to close the process.

3. ISCC docs. in Portuguese

As requested, ISCC organization developed and provided the main ISCC documentation and a website in Portuguese language.

In addition, the following critical issues and draft proposal to address them have been discussed in the 3rd TC meeting:

4. HCVA definitions/maps

How to conciliate national maps and database for natural conservations areas with the international ones? STILL IN DISCUSSION.

5. Audit Costs

How to reduce the costs of the audit process as a whole (first audit and the following-up audit 6 months later)? STILL IN DISCUSSION.

6. Harmonization of different certification schemes

How to support a process of harmonization of different certification schemes currently available in the marketplace in order to develop a kind of mutual recognition among them? STILL IN DISCUSSION.

7. Pasture land conversion to agriculture area (High biodiversity non-natural grassland)

How should we proceed with grazing/pasture areas, which were opened long before the cut-off date of January 2008, and have being recently converted to soybean areas in Mato Grosso state? High biodiversity is still not defined. Pasture land being converted is often degraded. How to deal with farms which are converting grassland into soybean areas in relation to ISCC certification requirements (Principle1)?

Current ISCC DE Guidance: "In case artificially created grassland areas are not permanently managed as grassland, but form part of a crop rotation system (fallow, rotations of pasture and cropping), they are to be treated as farmland on which biomass can be grown and used according to the sustainability ordinances. Set-aside farmland still counts as agriculturally managed land. The right to use this land after termination of the set-aside period in the same way and to the same extent endures. This holds also for areas that have changed in the course of the set-aside period. Thus, grassland areas that have evolved on former set-aside areas are generally suitable for the production of biomass." **(ISCC 202)**

Group Proposal: Once the current ISCC guidance refers only to the European context, develop a work-group made up by Brazilian based certification body members and other stakeholders to develop a complementary guidance proposal in reference to the Brazilian context, highlighting the technical difference between "High biodiversity non-natural grassland" (despite the lack of definition of this term by the European Commission under the RED) and the "pasture land" as occurs in Brazil.

Three certification bodies presented their experience with ISCC certification. The presentations have been made by Alfredo Gonzalez of Control Union, Torsten Malchow (virtually) of TÜV Rheinland, and Lucas Engelbrecht of SGS (presentations attached). The insights provided have been appreciated by the participants.

Marcio concluded the meeting, thanked all the participants for coming and contributing to a successful meeting.