

INDUSTRY RESPONSE TO FRAUD

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ECOLOGIA DELLE IDEE













INCREASING TRACEABILITY AND TRANSPARENCY



Improving Voluntary schemes

"EWABA Standard of Transparency" Cross-industry
work towards a
single PanEuropean
Database

EWABA work
on a functioning
testing
method to
identify UCO
Composition



Improving Voluntary schemes

"EWABA Standard of Transparency"



The EWABA Standard of Transparency...



Final revision – September 2019

FWARA Standard of Transparence

Preliminary remarks

- 1. EWABA members support the immediate adoption of a series of additional measures to further increase transparency and assurance along the whole biofuels value chain, with specific requirements for the wastes and residues feedstock supply chains. These agreed measures, concerning Collecting Points, Points of Origin, Traders, Biofuel Producers and Processing units, are listed in Annex 1 below.
- 2. These measures constitute the "EWABA Standard of Transparency" and preliminary drafts have already been presented to certification schemes for their consideration and adoption. The proposed measures are to be implemented as soon as administratively feasible within EWABA Members' own operations and verified by an accredited certification body during their upcoming audits. Their applicability is to be optional for 1 year as from their entry into force and mandatory thereafter for all users of the certification schemes.
- 3. EWABA calls certification schemes to prepare for the adoption of downstream physical tests on the composition of UCO and potentially of other waste feedstock streams. The adoption of reliable physical tests depends on the evolution of technical progress. In absence of reliable physical tests, comparisons against sets of characteristic profiles of oils are to be favoured. EWABA consulted its members on the reliability of physical characteristics to distinguish between consignments of used cooking oil and other non-waste vegetable fats or oils. It was agreed that there is currently no reliable indicator to differentiate oil that has been used to cook compared to non-waste oil that has been adulterated to look like used cooking oil. There are very characteristic profiles of unadulterated non-waste vegetable oils and fats. Certification schemes need to ensure that auditors are trained in identifying these non-waste products so that they can identify co-mineline of waste with non-waste or false declarations.
- 4. EWABA members found the training and diligence of auditors together with certification schemes' responsiveness to allegations of fraud in need of manifest improvement. EWABA requests certification schemes to allocate greater resources to politing, complaint-handling and follow-up in response to whistleblowing procedures. In addition, in order to mitigate possible auditor bias, certifications bodies should be limited to maximum consecutive audits of two years.
- 5. EWABA calls once more on certification schemes to reach an understanding to prevent that companies whose certificate is withdrawn are allowed to apply for new certificates under other schemes or under different company names. The withdrawal of any certificate should result in an 11-month quarantine period during which no certificate should be granted to the relevant company notwithstanding name changes (unless valid reasons for a reissuance or revocation of the suspension are proved).
- 6. EWABA requests certification schemes to prioritise immediate action on high-risk hotspots. Highest risk of fraud occurs where volumes are greatest and where there is coexistence of sustainable and non-sustainable featocks and fuels. Certification schemes should address the points of highest risk with greatest priority. Extra transparency should not result in increased administrative burden on restaurant owners. Certification schemes should work with industry to map the supply chain points/geographies/product categories of highest risk. Auditors should be trained in identifying indicators of high risk (i.e. single product points are low risk). If an auditor sees physical/commercial deliveries of palm into a UCO first collector it should be identified as high risk. If a trader sells multiple products, waste/non-waste, high GHG/now GHG, certified/non-certified they should be considered high risk.

- Agreed enhancement of Voluntary Schemes
- Applicable to:
 - Collecting points / points of origin
 - Traders
 - Producers / processing units
- Initially binding members
- Discussions with ISCC, RSB, Redcert, 2BSVS
- To be progressively adopted by all certification schemes...



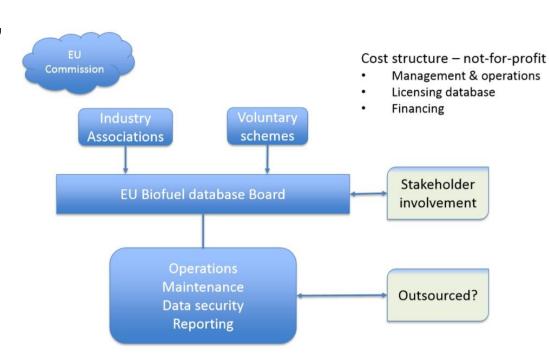
Improving Voluntary schemes

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Database



Work towards a pan-EU database

- Pan-industry taskforce (EBB, EWABA, NVDB, MVO, MVAK, VDB)
- Assessing existing platforms
 - Nabisy
 - ISCC Trace your Claim
 - RBO



 Series of working meetings held – <u>tangible results</u>



Identified traceability criteria - I

1. Identified entities in supply chain allowed to enter information into database:

- Suppliers of any product along entire biofuel value chain
 - 1st Point of collection / Crop collector / Pretreatment of feedstock / Crusher Refiner / Biofuels producer / Traders / Warehouses / Fuel suppliers
- All entities must be certified in conformity with RED under a Voluntary Scheme

2. Defined Goods to be included in database:

- Physical feedstocks (clear technical definitions required to distinct between feedstocks)
- Intermediary products
- Blends of feedstocks, blends of final products
- Final products traceable per each batch delivered
- No paper trades.



Identified traceability criteria - II

3. Information to be included

- Still under discussion. It will certainly comprise volumes, and could additionally cover:
 - Full mass balance: per feedstock type, per entity, per quarter. Feedstock batches uniquely linked to final product batches
 - Max. production capacity + tolerance (for production / storage)
 - Certificate of Origins
 - Certificates of Analyses
 - Information on mixing, stock splits
 - Reported GHG information on aggregated level (in conformity with RED)

4. Required functionalities of database

- Unique reference codes for companies, feedstocks and blends.
- Mixing / Splitting / blending / Treatment and Conversion. Yields.
 Transfers
- Optionality to link with other databases
- Fit to comply with RED2 conditions for traceability database
- Make corrections easily, incl audit trail for corrections.



Tangible results: 2 database pilots running in Nov-Dec 2019

ISCC Trace you Claim

- ISCC has transmitted technical info to participants
- Volunteers include EWABA members and 3 of the largest fuel suppliers active in the EU
- Pilot to conclude by end of December 2019

ISIL Alliance / RSB Blockchain

- ISIL Alliance umbrella group of environmental sustainability standards
- Volunteers include EWABA members
- Blockchain database in real-life biofuels transactions

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Work on a novel UCO testing method

- +3 year work with University
- EWABA technical working group assessing results
- More than 500 tests no cheating possible
- Differentiates UCO from virgin vegetable oils
- Presented to the European Commission
- Next step → JRC control testing
- Aim: Obtaining an European Standard ASAP



THANK YOU!

Questions?