Plan for Developing a Certification Scheme for Sustainable Peatland Management (SPM)

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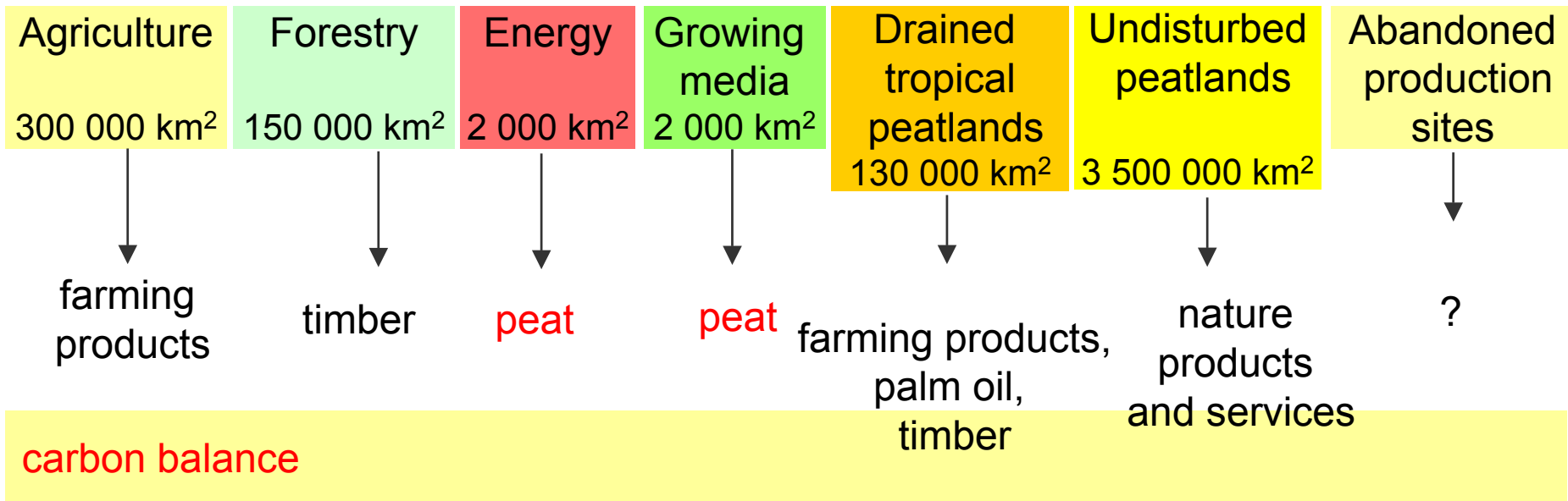**INDUFOR**

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1. General targets for certification of peatland management

1. Promote globally the best management practices

2. Strive for more harmonized peatland management globally (quality)

3. Increase awareness of the good management practices

4. Improve the image of peat at environmentally sensitive markets

5. Recognize sustainably produced peat from other peat products at the markets

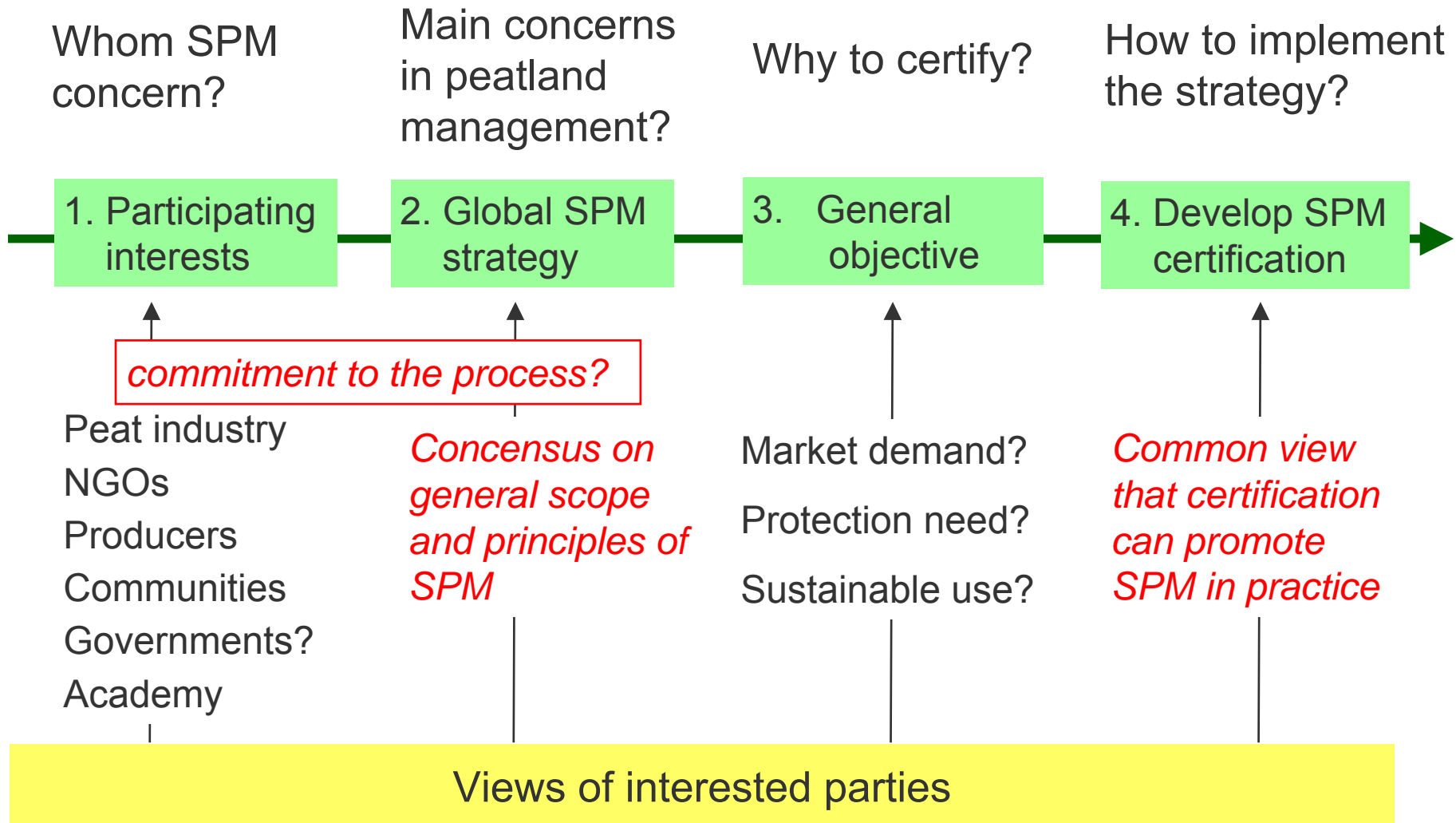6. Provide a certification system for carbon balance verification

Producer has the responsibility to demonstrate the use of sustainable production methods!

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2. Management regimes for peatlands

Agriculture	Forestry	Energy	Growing media	Drained tropical peatlands	Undisturbed peatlands	Abandoned production sites
300 000 km^2	150 000 km^2	2 000 km^2	2 000 km^2	130 000 km^2	3 500 000 km^2	

farming products

timber

peat

peat

farming products, palm oil, timber

nature products and services

?

carbon balance

What to certify?

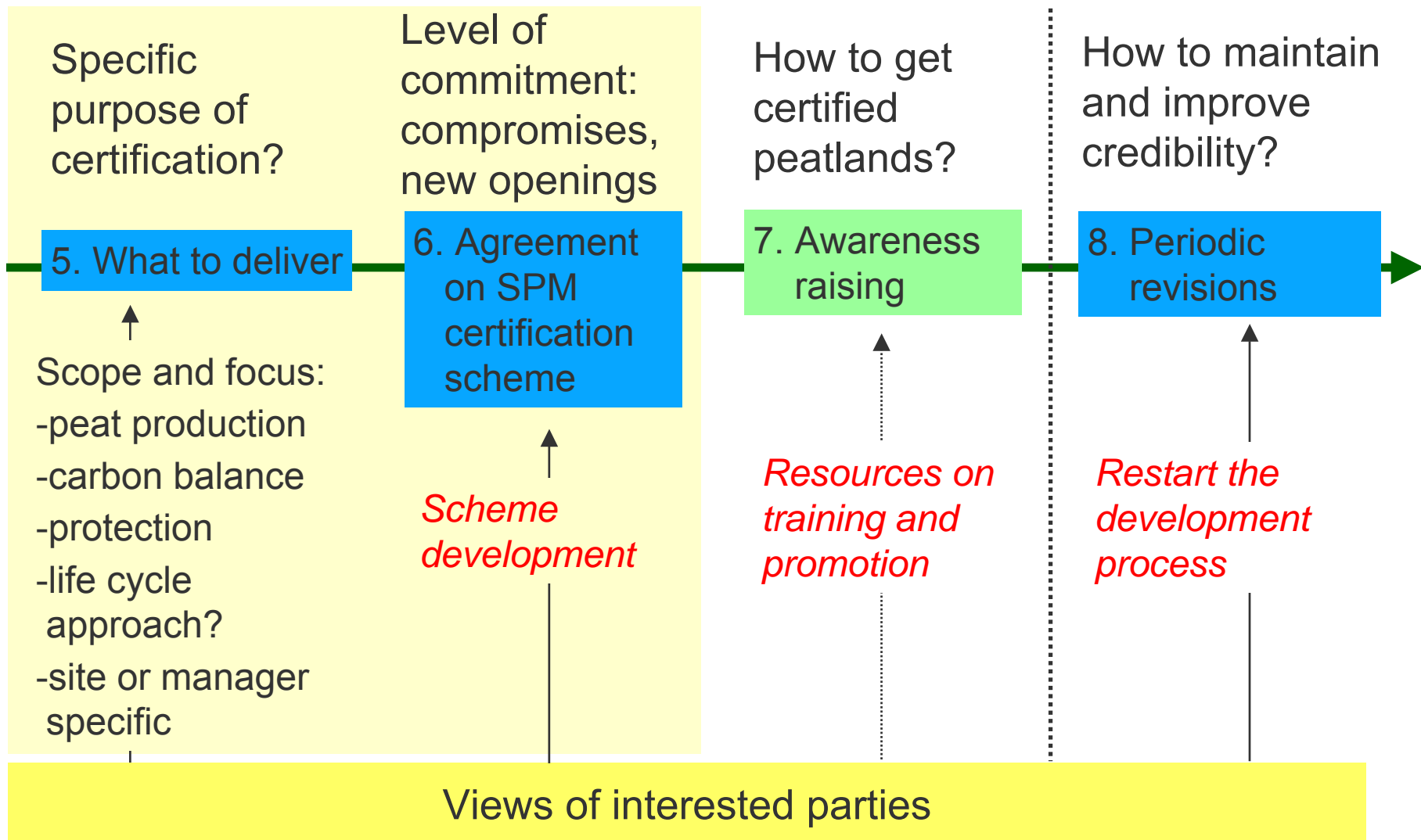*Data: IPS 2008, Silvius& Diemont 2007, Joosten&Clarke 2002*

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3. Key issues to be addressed prior to scheme development ...(1/2)

Whom SPM concern?

Main concerns in peatland management?

Why to certify?

How to implement the strategy?

| 1. Participating interests | 2. Global SPM strategy | 3. General objective | 4. Develop SPM certification |

commitment to the process?

Peat industry
NGOs
Producers
Communities
Governments?
Academy

Concensus on general scope and principles of SPM

Market demand?

Protection need?

Sustainable use?

Common view that certification can promote SPM in practice

Views of interested parties

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Specific purpose of certification?

Level of commitment: compromises, new openings

How to get certified peatlands?

How to maintain and improve credibility?

5. What to deliver

6. Agreement on SPM certification scheme

7. Awareness raising

8. Periodic revisions

Scope and focus:
- peat production
- carbon balance
- protection
- life cycle approach?
- site or manager specific

Scheme development

Resources on training and promotion

Restart the development process

Views of interested parties

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Source: GTZ

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4. Elements of a certification scheme

Scheme

Scheme administration → *Support* → **Standard setting WG** - stakeholder group

Accreditation body
-Sweden: SWEDAC
- UK: UKAS
- Germany: TGA
- Finland: FINAS
- etc.

Rules for
- administration
- standard setting
- scheme implementation
- certification accreditation
- endorsement of national specifications to standard
- chain of custody
- product label

Additional requirements

Accreditation

Standard for SPM

Certification body ← *Application* → **Applicant** - company

Conformity certificate

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5. Underlying assumptions (1/2)

Assumptions may be questioned during the scheme development

The future scheme should be:

1. **Global**

   - global requirements but potentially national specifications will be allowed

2. **Broad in scope covering** Sustainable Peatland Management (SPM)

   - peatlands managed for peat production, protection and other functions
   - including provisions for carbon balance assessment
   - management for agriculture or forestry is not considered (certification exists) – carbon balance verification potentially applicable

3. **Accessible** to different types of peat producers

   - from large industry to small scale producers in any climate zone

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4. Credible and internationally recognized

   - relies on established certification procedures, competent certification and accreditation bodies

5. Supported and partly resourced by IPS

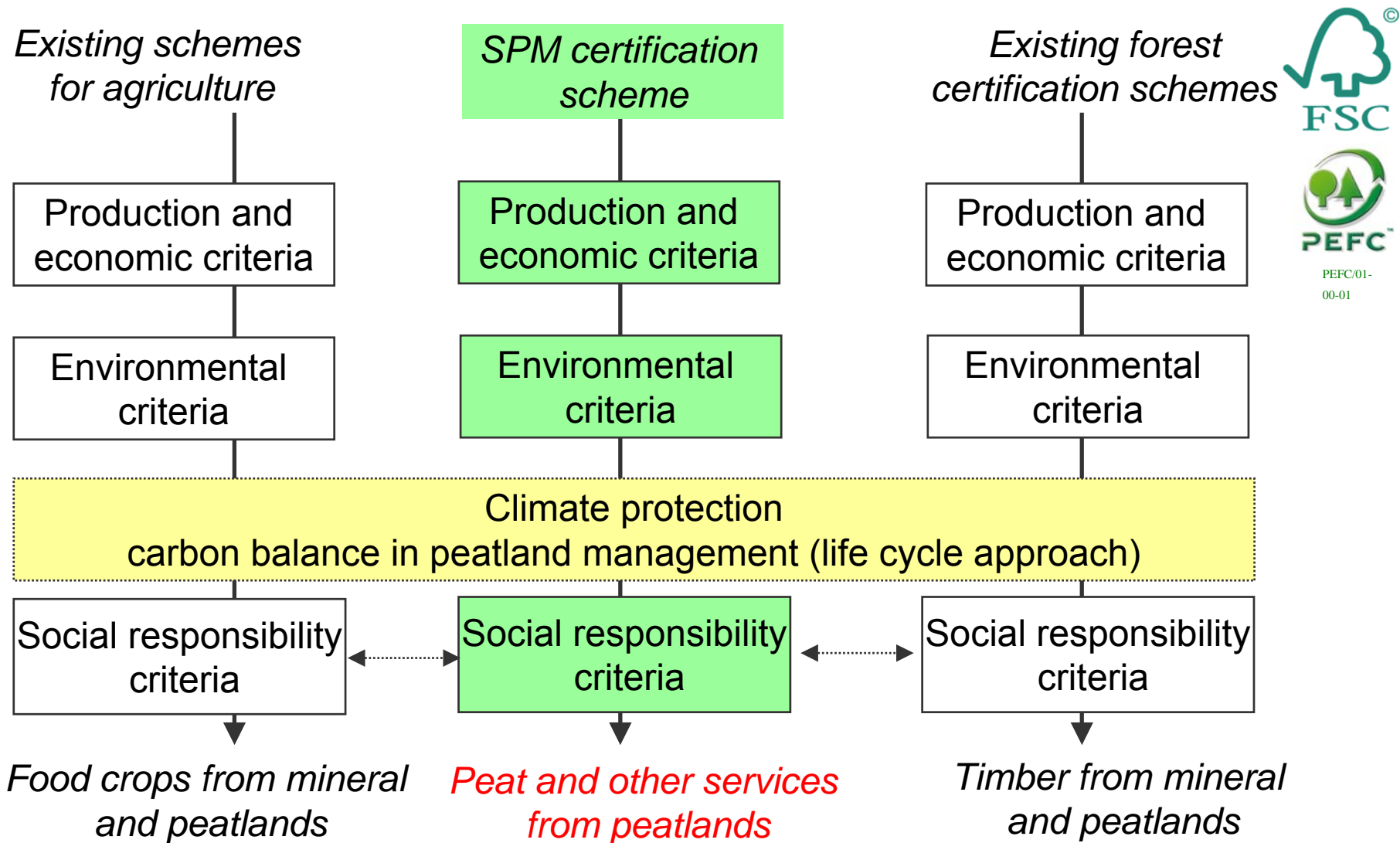   - independent position under the IPS

6. Including an option to develop a SPM product label

   - owned and governed by the SPM scheme

7. Certifies individual peatlands (production sites)

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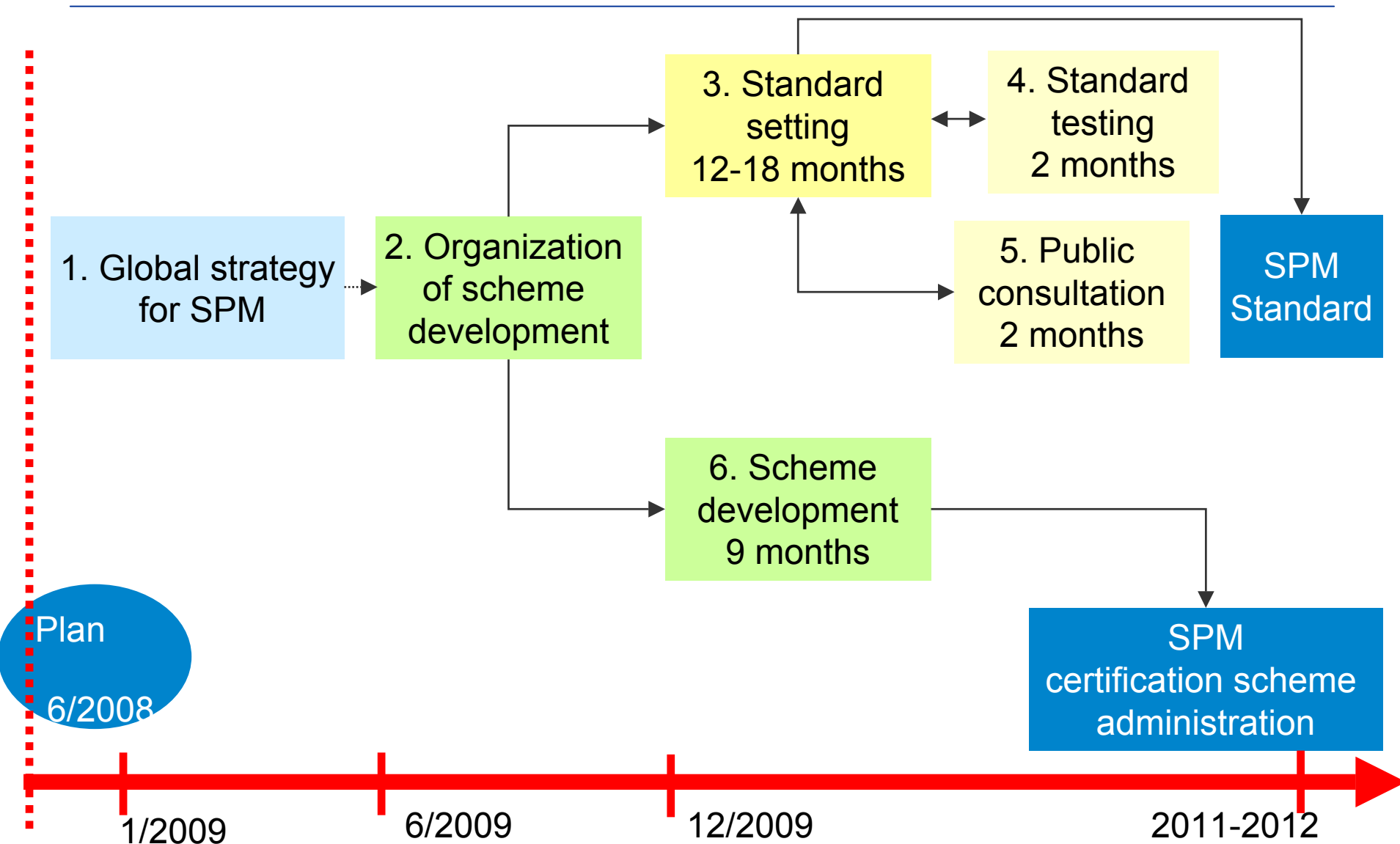# 5. Relation between existing and SPM certification schemes

Existing schemes for agriculture

SPM certification scheme

Existing forest certification schemes

Production and economic criteria	Production and economic criteria	Production and economic criteria
Environmental criteria	Environmental criteria	Environmental criteria

Climate protection
carbon balance in peatland management (life cycle approach)

Social responsibility criteria	Social responsibility criteria	Social responsibility criteria

Food crops from mineral and peatlands

Peat and other services from peatlands

Timber from mineral and peatlands

FSC ©

PEFC
PEFC/01-00-01

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6. Proposed SPM Scheme Development plan

Schedule

1. **Global strategy for sustainable peatland management**

2. **Scheme administration - proposal for an administrative structure**

3. **Standard setting**

4. **Chain of custody verification**

5. **Certification and accreditation arrangements**

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6. Development of SPM certification scheme*

1. Global strategy for SPM → **2. Organization of scheme development**

3. Standard setting 12-18 months ↔ **4. Standard testing 2 months**

5. Public consultation 2 months

SPM Standard

6. Scheme development 9 months

SPM certification scheme administration

Plan 6/2008

1/2009   6/2009   12/2009   2011-2012

* Excludes chain of custody verification

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6.1. Global strategy for SPM

■ **Purpose**

- Express the stakeholders' view on strategic framework for sustainable use and protection of peatlands
- Provide a common basis for standard development
- Interprets international conventions and IPS codes of conduct on Wise Use of Peatlands into strategic principles
- General strategy reflects the values of all interested parties

■ **Working method**

- Open participatory process initiated by IPS
- Participating parties define development procedures and elect a chair
- IPS provides a coordinator and secretarial services
- Chair and coordinator prepare the sceduled stakeholder meetings (3-4)

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6.1. Global strategy for SPM - responsibilities

- Chair – leads strategy development
  - IPS member or other trusted person, elected by the stakeholders
- IPS
  - supplies a coordinator (later called certification manager) and secretary services
  - informs on the process, invites stakeholders
  - acquires resources
  - administers the process

Planned to be developed within 1 – 6/2009

Work input   5 months expert services

2 months secretary services

Cost estimates EUR 89 000

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6.2. Scheme administration

■ Purpose

- develop professional, cost-efficient, reliable and transparent SPM scheme administration that can

    - further develop and promote it

    - ensure its reliable and impartial implementation and

    - negotiate internationally to ensure scheme's recognition

    - ensure a fair consideration of all interests in scheme development and implementation

    - collect and administer finances for development and implementation

- benefit from synenergies with IPS without interfering to the current IPS operations

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6.2. Development of scheme administration
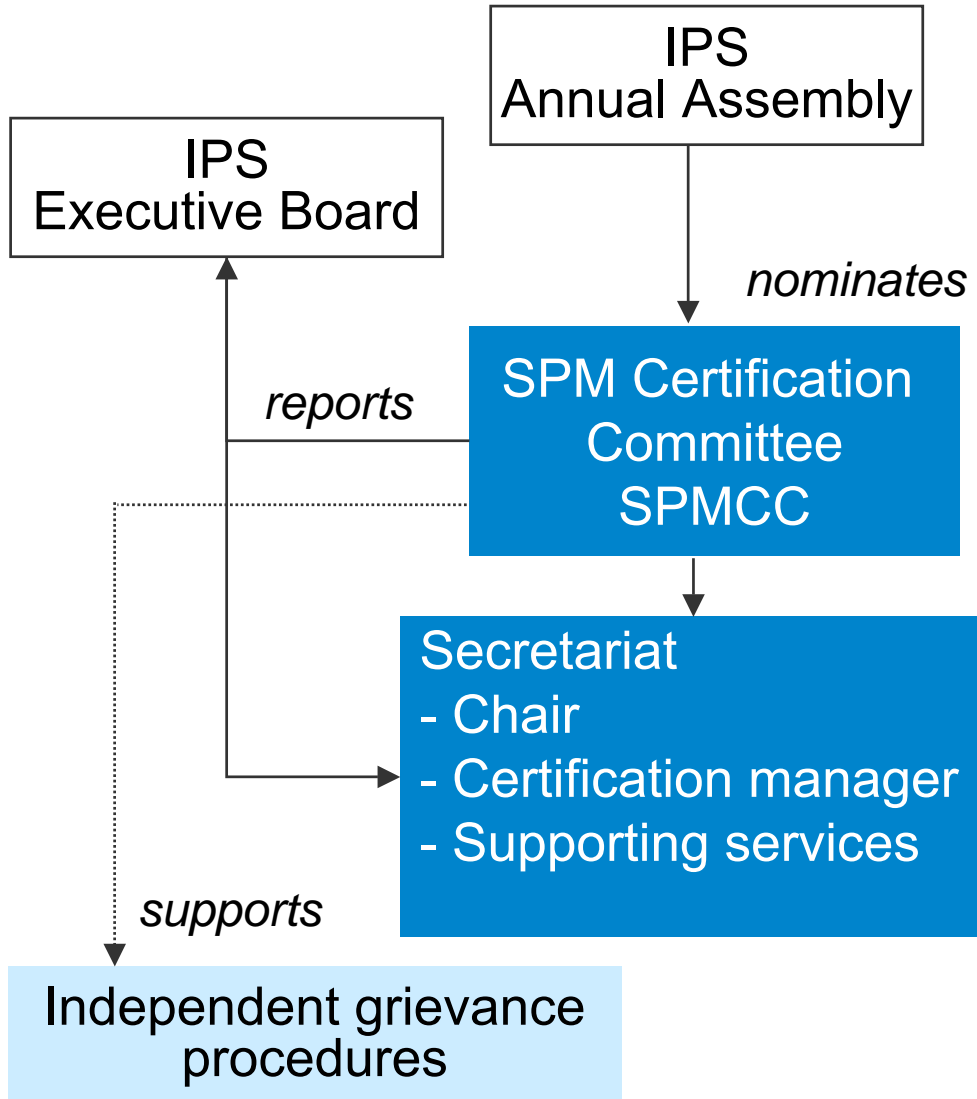
- **Options to consider**
  - a) Scheme is financially and administratively independent from IPS
  - b) Semi-independent organization partly supported by IPS
  - c) Certification committee under IPS organization (cf. IPS Commissions)

  Best synenergies with IPS, without the risk for double administration

- **Working method**
  - Administrative working group invited by IPS drafts the management structures, rules and administrative procedures
    - headed by a chair (IPS member or other)
    - coordinated by IPS nominated certification manager
    - other interested parties (producers, NGOs, ...)
  - Administrative structures to be developed in 6 – 11/2009
  - Estimated costs EUR 50 000

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6.2. Scheme administration

```
┌─────────────────────┐
│         IPS         │
│   Annual Assembly   │
└─────────────────────┘
```

┌─────────────────────┐
│   IPS   │
│ Executive Board   │
└─────────────────────┘

nominates

reports

SPM Certification Committee SPMCC

Secretariat
- Chair
- Certification manager
- Supporting services

supports

Independent grievance procedures

-*SPMCC: Balanced representation of economic, social andenvironmental interests*
- *Geographical balance to be considered*
- *9 to 15 members*

- *SPMCC – legal body (or under IPS)*

- *Operates from IPS office*

- *Manages the scheme and potential product label*

- *Personnel costs EUR 77 000/a*
- *Total operation costs EUR 214 000/a*

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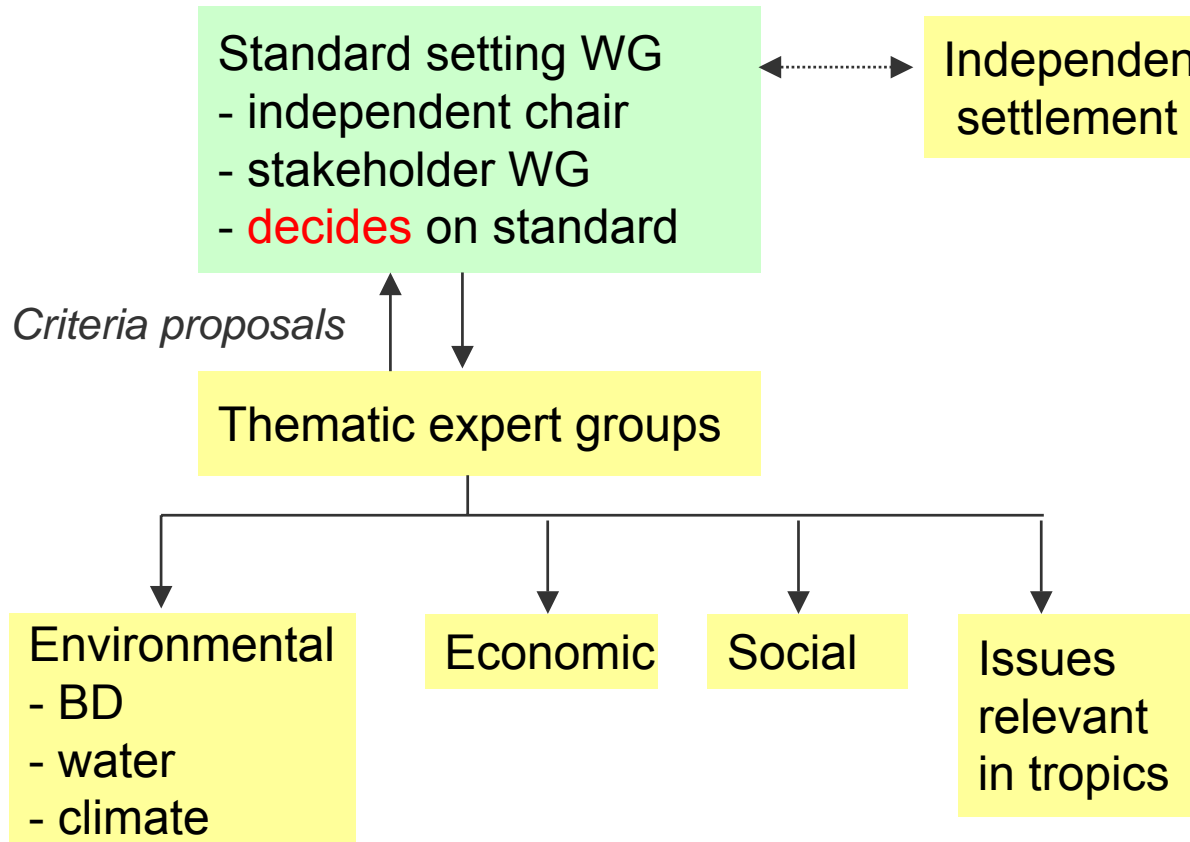5. **Certification and accreditation arrangements**

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6.3. Standard setting

■ Purpose

- expresses the desired state of art of SPM

- address all the environmental, social and economic issues relevant for SPM and is efficient in achieving the desired objectives

■ Working method

- developed by standard setting WG in an open participatory process according to set rules and work plans

- intergrate the expertise of IPS Comissions and other stakeholders

- IPS initiates the process and provides coordinating and secretarial services

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6.3. Proposed structure for standard setting

Standard setting WG
- independent chair
- stakeholder WG
- **decides** on standard

⟵⋯⟶ Independent dispute settlement body

Criteria proposals

Thematic expert groups

Environmental
- BD
- water
- climate

Economic

Social

Issues relevant in tropics

IPS Commissions provide expertise

- *Std setting WG (10 pers)*
- *Chair*
- *Heads of thematic WGs*
- *Other stakeholders*
- *IPS provides resources*

- *Planning 2010 –2011*
- *Std setting WG*
  6 meetings
- *Cost estimate*
  EUR 265 000

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Certified production → Certified chain of custody → Certified product

Verification of supply chain in

- storages

- transport and

- processing

Kuva: Pertti Harstela

Turveteollisuusliitto

Turveteollisuusliitto

Vapo

Kuva: Pertti Harstela

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6.4. Chain of custody

- ■ Purpose
 - mechanism to provide reliable information on the origin of raw material in a product
- ■ Method
  - requirements for chain of custody verification presented in a standard
  - generic standards exists should be adapted to peatland management under the SPM scheme
- ■ Chain of custody system should deliver
  1. classification of raw material to certified, uncertified, recycled and exclude all material from controversial sources
  2. shares of each category
  3. consider climate impact for peat entering into relevant end-use segments – avoid cost implications on other end-use
  4. avoid "greenwashing" – e.g. speculations in allocation of sites for carbon trade

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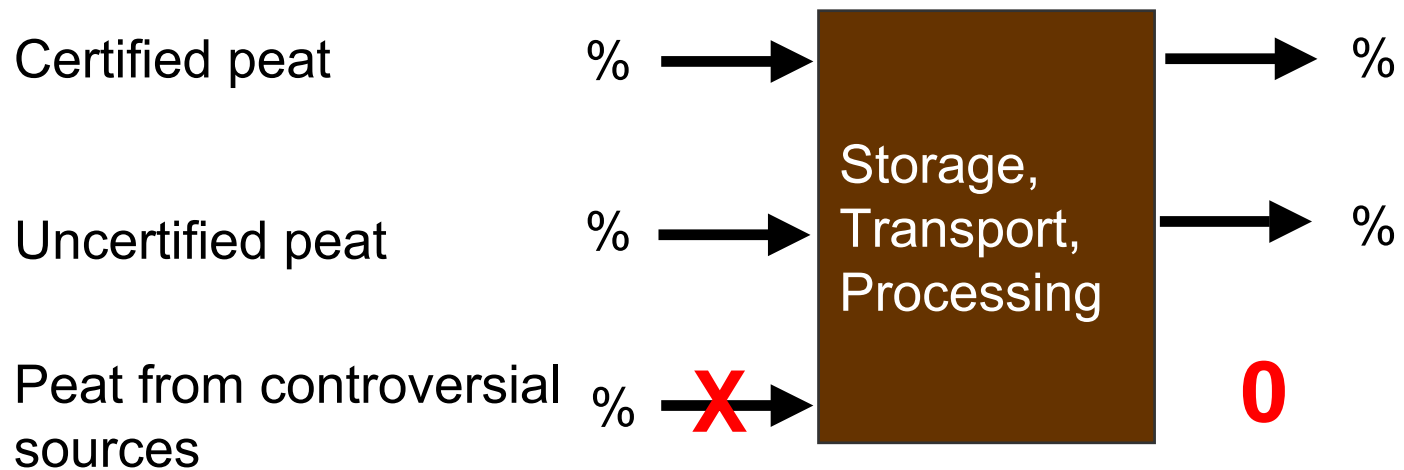
6.4. Chain of custody - labelling

Tasks to consider

1. Adaptation of a generic standard for supply chain verification to meet the needs of peatland and carbon pool management and peat production for the multiple purposes

   - verification of climate adapted peat production and various systems for carbon trade set their specific requirements

2. Need for a labelling system?

   - is information on certification status important only in business-business communication?

   - is a product label required? - SPM label?

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6.5. Certification and accreditation   (1/2)

■ **Basic assumptions**

1. IPS will not be an accreditation body

2. SPM certification relies on ISO requirements for certification and accreditation

   • internationally recognized and administered procedures
   • valid in any business

3. Parties involved in SPM scheme development are not involved in certification or accreditation procedures (general rule)

   • IPS (SPMCC) does not have control

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6.5. Certification and accreditation   (1/2)

4. Only certification bodies that already are in business and have an accreditation e.g. to certification against ISO standards are recognized to do SPM certification

    • small new-comers excluded by SPM scheme requirement

5. Forest certification frameworks (FSC, PEFC) do not currently have any procedures for certification of peatland management

    • cooperation possible in future

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6.5. Certification and accreditation
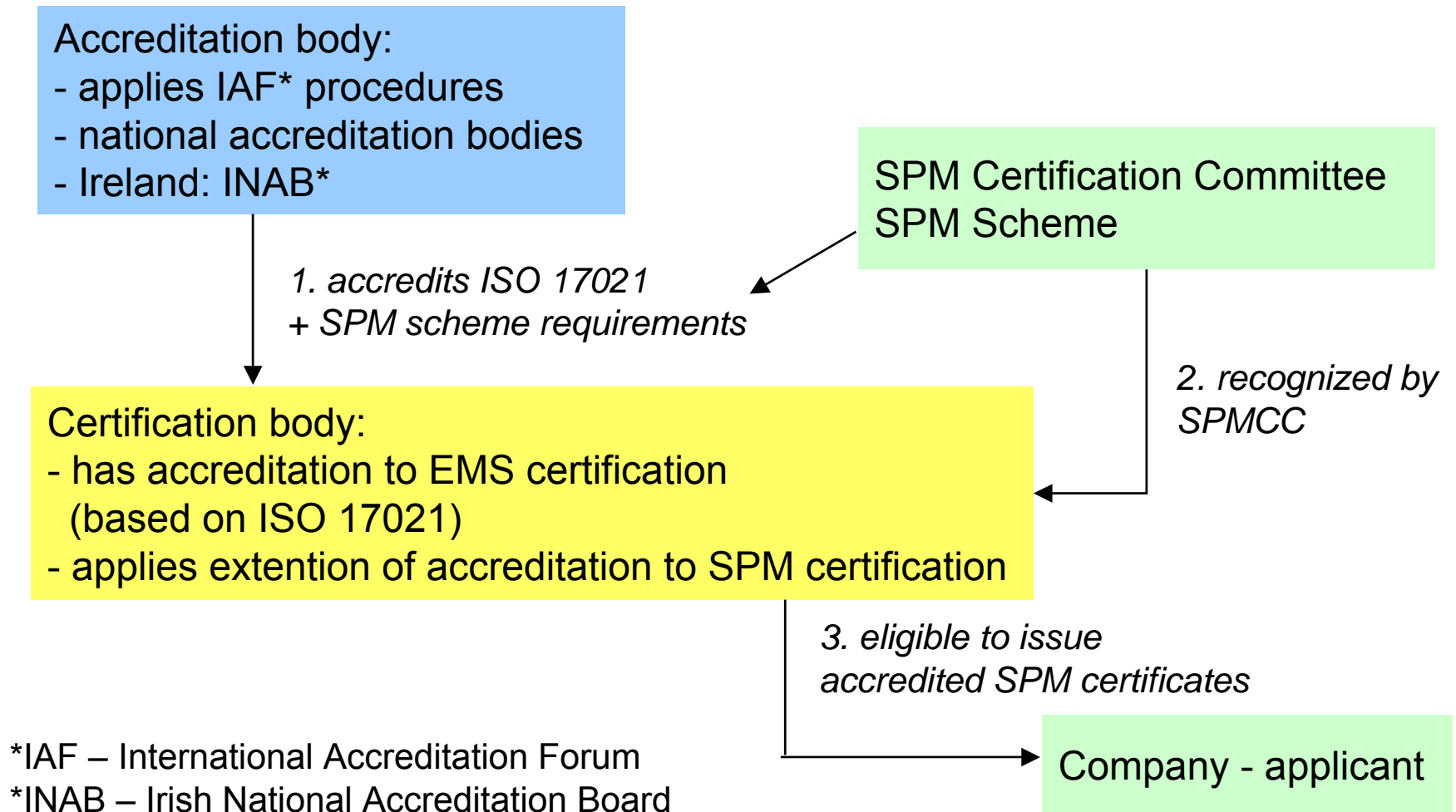
■ **Purpose**

- <u>Accreditation body</u> verifies impartiality, independence and competence of certification bodies and the auditing procedures*

- <u>Certification process</u> meets the international requirements* and specific provisions of the SPM scheme
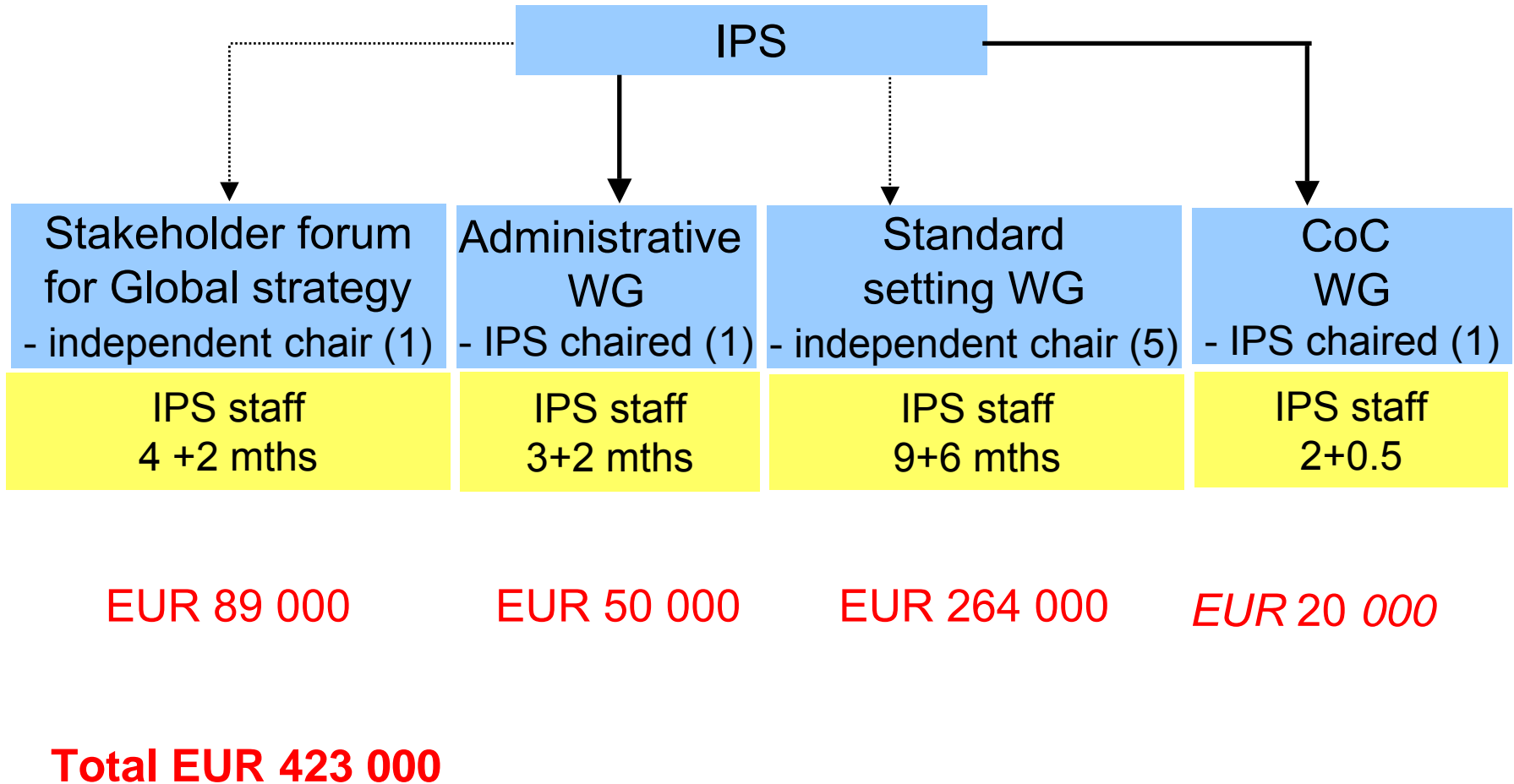
■ **Method**

- SPM scheme defines the general provisions for certificatin bodies it can recognize – refers to specific ISO standards

- SPMCC raises awareness among accreditation and certification bodies on the SPM certification

  - AB and CB must invest in developing procedures for SPM certification

*requirements stated in respective ISO standards

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6.5. Proposed organization certification and accreditation

Accreditation body:
- applies IAF* procedures
- national accreditation bodies
- Ireland: INAB*

SPM Certification Committee
SPM Scheme

*1. accredits ISO 17021
+ SPM scheme requirements*

2. recognized by SPMCC

Certification body:
- has accreditation to EMS certification
  (based on ISO 17021)
- applies extention of accreditation to SPM certification

*3. eligible to issue
accredited SPM certificates*

*IAF – International Accreditation Forum
*INAB – Irish National Accreditation Board

Company - applicant

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7. Summary on SPM scheme development

IPS

Stakeholder forum for Global strategy - independent chair (1)	Administrative WG - IPS chaired (1)	Standard setting WG - independent chair (5)	CoC WG - IPS chaired (1)
IPS staff 4 +2 mths	IPS staff 3+2 mths	IPS staff 9+6 mths	IPS staff 2+0.5

EUR 89 000   EUR 50 000   EUR 264 000   *EUR* 20 *000*

Total EUR 423 000

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7. Annual operational expenses and estimated incomes

Expenses		Incomes	
Personnel costs	EUR 77 000	Royalties*	EUR 160 000
Office costs	EUR 12 500	Fees on CoC	EUR 40 000
Operation costs	EUR 70 000	Carbon trade (voluntary markets)**	EUR 14 500
Development costs	EUR 55 000	Fees on label use	later
Total expenses	**EUR 214 500**	**Total incomes**	**EUR 214 500**

*0.5 cent per total peat production (m^3) of the companies having a certificate

** Expected to increase if soil carbon pool is considered in carbon trade markets

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8. Lessons learned

✓ Common baseline for sustainable use is important to avoid fundamental conflicts

✓ Resources and procedural expertise in standard setting important (conflict resolution, win-win approach)

✓ Power sharing in administration and development among interested parties increase commitment

✓ Scheme development and management requires resources – merely available in large-scale industry and carbon trade markets

✓ Certification requires extensive promotion

• among producers, traders, consumers

✓ Only well known and trusted certification has market value!

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Thank you!

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