Results of the workshop
Market-based instruments for peatland restoration in Central and Eastern Europe in the view of climate change
organised by the Federal Agency for Nature Conservation, International Academy for Nature Conseration Isle of Vilm, 13 – 17 November 2008

Over forty peatland scientists, representatives from environmental authorities, conservation NGOs and foundations, peat mining industry, companies in the business of sourcing, developing and trading emission reduction credits, and other experts from Belarus, the Russian Federation, Ukraine, Poland, Lithuania, Germany, United Kingdom, The Netherlands and France met at the workshop on the Isle of Vilm to discuss opportunities for peatland restoration that have recently arisen in climate policy. The results of the meeting are presented at a reception in Berlin with representatives from the German Environment Ministry, the Federal Agency for Nature Conservation, embassies, prominent conservationists and media.

The contribution of Central and Eastern European degraded peatlands to GHG emissions is substantial. Peatlands are the most space-effective carbon stocks of all terrestrial ecosystems. Degradation leads to massive GHG emissions.

Restoration of peatlands can help substantially to reduce the world's emissions, and at the same time create other substantial benefits:

- prevention of disastrous and costly fires, which also cause health problems,
- prevention of radioactivity to be spread,
- conservation of globally threatened biodiversity,
- restoration of important water services such as water purification and flood control, and
- even new economic opportunities by growing wet "crops" such as reed or elder trees, and others.

So, benefits would accrue on all levels: local, national and global.

Since money for restoration is scarce in our countries, market-based instruments based on the ecosystem services provided by restored peatlands could be the solution for making restoration happen on the large scale needed. Hence, we looked at the feasibility of such instruments in our countries.

We identified a number of bottlenecks for using market-based instruments such as the

- lack of interest from potential buyers
- lack of interest and knowledge of national and local decision makers
- lack of national expertise in designing and conducting carbon projects
- lack of adequate methods to easily assess emissions avoided
- lack of adequate standards for quality control
- lack of a conducive legal and policy framework
- insufficient knowledge of the peatland resource base

We formulated recommendations and national action points to develop carbon markets for the restoration of peatland in our countries.

Action is needed on both international and national levels, and require the involvement of various actors.

We ask the governments of our countries and Germany to lobby within UNFCCC for inclusion of peatland restoration in climate policy

We urge scientists to develop methods to easily assess GHG emission reductions of restored peatlands

We invite international NGOs to make a case for peatland restoration in Central and Eastern Europe at major donors, companies acting as brokers on the carbon market

We request our governments to

- include peatland restoration as a central instrument in the national strategies and action plans for reducing GHG emissions
- develop a National Programme for peatland restoration with the use of market instruments
- adopt legal regulations regarding GHG emission reduction, including trading, and
- develop mechanisms for factoring ecosystem services into land use planning.

We urge governments with the help of external donors to

- develop institutional capacity for
  - advancing restoration projects on a national scale
  - facilitating the preparation of JI projects and projects for the voluntary carbon market
  - certifying and verifying carbon credits
- sustain the financial base for peatland restoration, e.g. by financial mechanisms such as revolving funds filled with the money earned from market-based instruments

The workshop has provided a first overview of peatlands suited for restoration. This overview needs

- to be completed and updated with information from existing peatland cadasters
- to be based on GIS technology, and
- to include information on current status and use.

We developed a list of environmental, social, economic, political and technological factors to be taken into account when choosing sites for restoration, including

- emission reduction potential,
- biodiversity benefits,
- overall economic benefit,
- technical feasibility, and
- consent of land users and other stakeholders.

We foresee no major conflicts in case of restoring the many abandoned degraded peatland areas.

One challenge will be to optimise restoration between carbon, biodiversity, water and other economic benefits. Technical guidance on these aspects is urgently required. There is furthermore a clear task for scientists to explore the water services of restored peatlands as a base for developing market-based instruments related to water.

Exchange of experience and networking between countries and experts will continue. Coordinated action between our three major peatland countries is needed to create synergies for standard development and accreditation, for market development, and for influencing international policy.

These action points will now need to be addressed by different actors on different levels. The BMU funded project that we are about to start in Belarus will contribute to implementing these action points.

We would like to thank the German Federal Ministry for the Environment with its Federal Agency for Nature Conservation as well as the partners, the RSPB, the University of Greifswald, the International Mire Conservation Group, the Michael Succow Foundation and the Manfred Hermsen Foundation for giving us the opportunity to exchange experiences on this important topic and to develop future cooperation and networks towards applying marked-based instruments for peatland restoration.