Process Document

Theory of Change

Delivering on the promise of good biomass

Consultation draft

Sustainable Biomass Program
sbp-cert.org

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In the case of inconsistency between translations, the official English language version shall always take precedence.

SBP welcomes comments and suggestions for changes, revisions and/or clarifications on all of its Standards documentation. Please contact: info@sbp-cert.org

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Foreword

At SBP we aim to strengthen our proposition as the global biomass certification scheme of choice, pursuing opportunities within and beyond woody feedstocks and within and beyond the energy sector. We see ourselves as an honest broker between Civil Society Organisations and the practitioners in the biomass to energy sector.

SBP is in the beneficial position of being able to look from one side to the other and comment on what works and what does not as we aim to meet stakeholders' ambitions and go beyond legislative and regulatory requirements.

With energy policy focused on reducing carbon emissions the uptake of renewable energy has significantly increased over the last decade or so. Respected scientific advisory bodies and policy makers worldwide recognise biomass to energy as a renewable technology with a significant role to play in reducing greenhouse gas emissions and meeting challenging climate and sustainability goals.

As a certification scheme, we do not set public policy or the framework that regulates large-scale energy production, nor are we responsible for the commercial enterprises that operate within that framework and deliver on climate goals.

We do, however, believe we are well-positioned to take a leadership role in the transition away from fossil fuels. Central to that transition will be the need to demonstrate sustainability if biomass is required to help mitigate the effects of harmful environmental and social effects. Through the development and implementation of standards that go beyond regulatory compliance, we will provide the all-important proof point that biomass is delivering against societal expectations.

Through our robust certification scheme, assuring responsible practice throughout the biomass supply chain, SBP is the promise of good biomass and is an integral part of the solution for tackling widespread challenges from climate change, deforestation, and biodiversity loss to workers', local communities' and indigenous Peoples' rights.

Carsten Huljus

Chief Executive Officer

1 Background

We first published our Theory of Change in September 2021. During its development we held two consultative workshops. The first was held in the last quarter of 2019 with our Stakeholder Advisory Group and Standards Committee. And the second in the first quarter of 2021, with our Stakeholder Advisory Group, Standards Committee and Technical Committee, as well as all stakeholders involved, at that time, in our Standards Development Process.

In May 2023, we launched our revised Standards (v2.0), which has strengthened and improved a number of aspects of all six of our Standards. In June of the same year, we published our refreshed strategy for the three-year period to the end of 2025 and beyond. Our Strategy presents a refreshed Purpose and Strategic Aims, and identifies five Focus Areas against which our operational work plan aims to deliver.

In the light of those significant developments we have reviewed our Theory of Change and present an updated version for consultation.

2 Introduction

The Sustainable Biomass Program (SBP) is a voluntary, independent, multi-stakeholder certification scheme initially designed for woody biomass used in energy production. We give assurances on the legality and sustainability of woody biomass used in energy production and provide verified data along the supply chain, and exist to expand the contribution of good biomass to the global bioeconomy through promoting sustainable woody biomass supply chains and facilitating trade in an emerging global market.

Towards 2030 and beyond, the forecast potential for biomass to complete the transition from fossil fuels is significant. Central to that will be the need to demonstrate sustainability if biomass is required to help mitigate the effects of climate change.

We believe that we are well placed to take a leadership role in that transition, verifying the actions taken in pursuit of a better and more sustainable sector. Together with our stakeholders we see an opportunity to be a catalyst for change.

We not only serve the needs of supply chain actors, from Biomass Producers, through Traders to End-users, but equally important we serve the needs of wider society. Regular reviews of our Standards allows us to keep up-to-date with the latest developments, not just in terms of best practice but also the latest thinking on key concepts, such as forest carbon, biodiversity and social issues.

Our Theory of Change is results-oriented and articulates logical and causal relationships between strategic aims, projects and activities directly aligned with those aims, outputs and outcomes in the short, medium and longer term, which ultimately deliver our intended impact and purpose. To date, our focus has been solely on the woody biomass to energy sector, and we will continue to serve that sector. In the short to medium term, non-woody feedstock, such as agricultural feedstock will be explored for biomass production. And in the medium to longer term other uses of biomass in the wider bioeconomy will be explored as extensions to our current certification scope.

As a guide to measuring the effectiveness of our activities, our Theory of Change underpins the development of our Monitoring and Evaluation System. Monitoring and evaluating our progress through the use of indicators and independent verification will provide a measure of success in achieving our desired impact, as well as identifying areas for improvement and innovation.

Our Theory of Change will be reviewed on an annual basis and subject to continual change and improvement, with inputs from our various stakeholders. Stakeholders are welcome to comment on our Theory of Change at any time. We will maintain a registry of comments to assist in the annual reviews.

3 Our purpose

Our purpose is to expand the contribution of good biomass to the global bioeconomy.

Our purpose expresses our overarching, long-term ambition. We believe that good biomass has a significant role to play in a sustainable, low-carbon future at a global scale, bringing with it proven benefits of positive economic, environmental and social impact.

Our Standards are built on principles, which are broken down into criteria and indicators covering, amongst other things, forest carbon, biodiversity and social impacts. Our indicators are of equal importance and together define good biomass.

Our robust certification scheme assures responsible practice throughout the biomass supply chain. And throughout that supply chain, our Data Transfer System collects and communicates verified energy data enabling greenhouse gas emissions calculations to be made.

It is important to understand that the SBP claim accompanying biomass produced in compliance with our Standards is not a guarantee of greenhouse gas savings, nor should it be associated with claims of carbon neutrality. SBP is a tool for demonstrating compliance with sustainability requirements (where regulatory compliance is considered to be the minimum) and verifying the energy data used in greenhouse gas calculation methodologies.

Within the biomass to energy sector, assuring responsible sourcing practice and verifying energy data are specific to SBP and define our role in ensuring that biomass makes a net positive contribution to climate goals, which may be national or international ambitions, quantified reductions or net zero commitments.

Our specific actions:

- Assuring responsible sourcing practice
- Verifying energy data

4 Pre-conditions

To fulfil our role as a sustainable sourcing standard expanding the contribution of good biomass to the global bioeconomy our certification scheme must meet a number of pre-conditions.

Brand awareness of SBP and a reputation for being a robust biomass certification scheme underpin our desire to be the biomass certification scheme of choice. Multistakeholder recognition and support strengthens the credibility of the certification scheme, process and procedures.

Hand-in-hand with that is global market penetration. Our share of the global market for biomass used in energy production, in terms of volume and geographic reach, needs to position us so that we can make a meaningful contribution to the sector.

In order for us to deliver a tool for demonstrating responsible practice and, at a minimum, regulatory compliance, and for verifying data, we must remain market relevant and be recognised by the relevant regulatory authorities.

Supply chain actors need to make better and informed choices. Biomass Producers need to be confident that their sourcing strategies and production processes will deliver good biomass, with positive economic, environmental and social impacts and with a carbon intensity that meets the demands of their ultimate customers, the End-users.

End-users need to be confident that the biomass they source has positive economic, environmental and social impacts and delivers the greenhouse gas savings thresholds they have committed to, which may be a stated ambition or set by legislation/regulation. The ability to determine carbon intensity of the biomass product and the greenhouse gas savings potential for the End-user is critical to enabling better and informed choices.

Stakeholder consensus that SBP's certification scheme, processes and procedures are credible is a pre-requisite to enabling better and informed choices.

Pre-conditions:

- Brand awareness
- Multistakeholder recognition and support
- Robust certification scheme
- Market relevant
- Recognition by regulatory authorities
- Enabling better and informed choices
- Credible scientific and evidence-based methodologies

5 Core strategy

Our core strategy sets out our approach, at its centre sits our purpose. Our approach is informed by our review of risks and opportunities, enabled by the right stakeholder balance and skill set, and underpinned by our values.

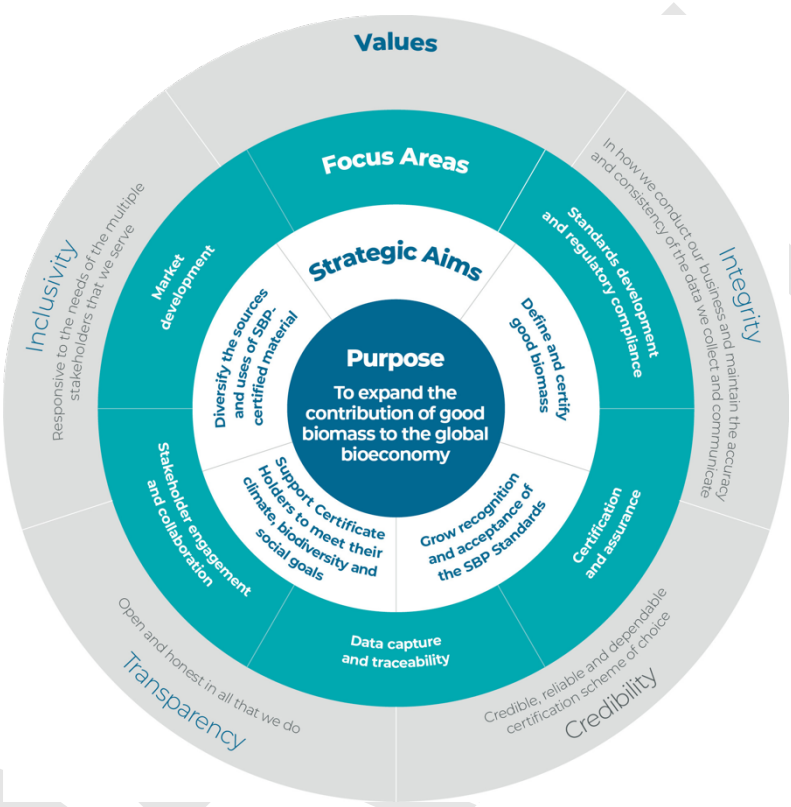


Figure 1 Our core strategy

The first of our four strategic aims is to define and certify good biomass. That is our raison d'être. Our Standards define good biomass and underpin our promise and our actions.

Armed with our Standards, processes and procedures we will continue to deliver a robust certification scheme in pursuit our second Strategic Aim to grow recognition and acceptance of the SBP Standards. Amongst other things, we will use our data and information to further the scientific and evidence-based support for biomass.

Through our certification scheme we offer our Certificate Holders the highest level of assurance for their operations. Through our knowledge, expertise and commitment to excellence, we will support Certificate Holders to meet their climate, biodiversity and social goals, our third Strategic Aim.

Our fourth and final Strategic Aim is to diversify the sources and uses of SBP-certified material. As the contribution of good biomass grows to meet its potential, we will be there to support that growth.

6 Impact pathways

Our five focus areas are synonymous with our impact pathways, identifying the priorities for investment of our people and resources over the next three years to achieve our strategic aims and deliver our purpose.

The impact pathways articulate the causal relationships between our strategic aims, inputs and activities directly aligned with those aims, the resultant outputs, and intended outcomes and impact. Our three-year work plan for 2023-25 identifies specific projects that together with our day-to-day activities will further each of our five focus areas.

Each of the impact pathways is illustrated showing the causal linkages that we anticipate will take us from our strategic aims to our intended impact, and ultimately our purpose. The inputs, activities, outputs and outcomes identified are highly interrelated with some feeding into one or more of the impact pathways.

Inputs

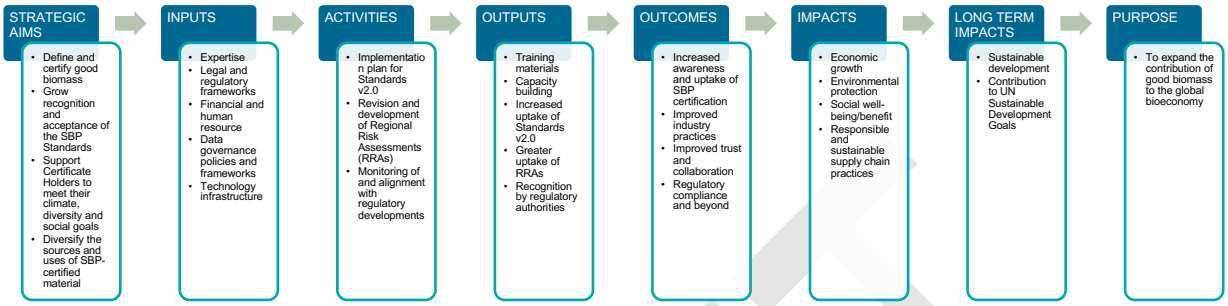
Inputs serve as the foundation that shapes the development and effectiveness of our certification scheme. The critical components that underpin all our activities and, therefore, our impact pathways are: expertise, legal and regulatory frameworks, financial and human resources, data governance policies and frameworks, and technology infrastructure.

- *Expertise* is central to our needs, drawing upon a diverse range of subject matter experts spanning forestry, environmental science, sustainable development, certification standards, data management, stakeholder engagement and communications. Their insights inform the development of rigorous standards and methodologies, fostering credibility and trust within the industry and among stakeholders.
- *Legal and regulatory frameworks* form the intricate landscape that must be navigated to ensure compliance and effectiveness. Engaging with policymakers, governmental bodies, and international agreements facilitates alignment with existing regulations, while consensus among stakeholders allows for progressive measures that enhance sustainability goals. Clear delineation of rights, responsibilities, and obligations mitigates risks and fosters accountability across the biomass supply chain.
- *Financial and human resources* are necessary to catalyse meaningful change. Secure funding streams sustain the operational functions of our organisation. Concurrently, investing in skilled personnel bolsters the scheme's agility and resilience, ensuring continuous improvement and adaptation to evolving challenges.
- *Data governance policies and frameworks* are essential requirements for transparency, accountability, and integrity within our certification scheme and operations. Establishing robust policies and frameworks for data collection, management, and dissemination ensures the veracity and reliability of information underpinning certification decisions. Embracing principles of data privacy, security, and accessibility engenders stakeholder confidence and facilitates informed decision-making across the biomass value chain.
- *Technology infrastructure* harnessing technological advancements amplifies the efficacy and scalability of our certification scheme. Digital platforms and remote sensing technologies offer unprecedented capabilities for real-time monitoring, traceability, and verification of sustainability criteria. Integrating such innovations streamlines processes, reduces administrative burdens, and enhances visibility into supply chain dynamics, fostering greater accountability and impact.

The convergence of expertise, legal and regulatory frameworks, financial and human resources, data governance policies and frameworks, and technology infrastructure culminates in a dynamic Theory of Change and perpetuates continuous improvement.

The activities and outputs serve as pivotal drivers for broader changes and impacts, these are explained for each identified impact pathway below.

Impact pathway 1: Standards development and regulatory compliance



With activities focused on the implementation of SBP Standards v2.0, greater uptake of SBP Regional Risk Assessments (RRAs), and monitoring regulatory developments, this impact pathway explains how the development and enforcement of our Standards, coupled with regulatory alignment, can deliver our intended impact across the biomass supply chain.

The provision of training and capacity building will enhance understanding of sustainability principles and certification requirements, empowering Certificate Holders with the skills and knowledge necessary to achieve and maintain compliance with certification standards.

The implementation of robust sustainability standards that, at a minimum, align with regulatory requirements maintains SBP's market relevance. Ensuring compliance with regulatory requirements will enable recognition by regulatory authorities, which will drive the uptake of certification.

Through revising existing SBP-endorsed RRAs, or developing new ones, we aim to increase their uptake. RRAs offer a robust approach for evaluating supply bases, resulting in consistent application by Biomass Producers operating in the same country/region.

By delivering standards and processes that are both rigorous and feasible, biomass supply chain actors will be supported in meeting ambitious sustainability objectives.

Heightened awareness among all stakeholders regarding the importance of sustainability in biomass production and utilisation will lead to greater participation in certification initiatives and voluntary compliance with sustainability standards as a means of demonstrating commitment to responsible practices.

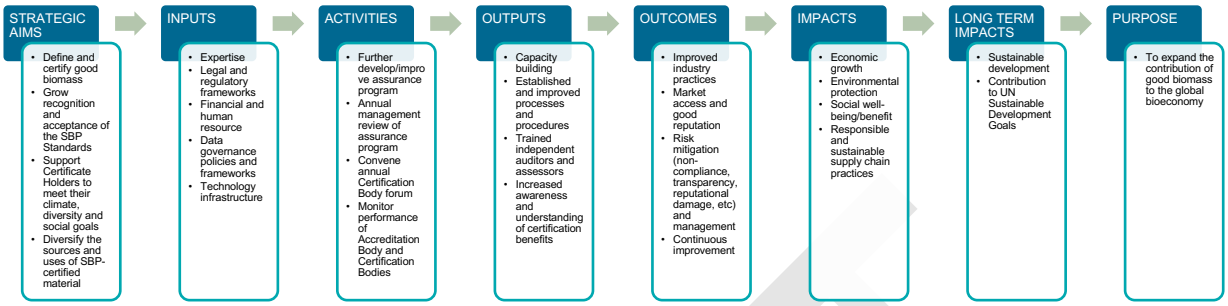
As an outcome, adoption of our revised Standards will lead to improved safety and sustainability practices within the biomass sector. Compliance with regulatory requirements will be facilitated. And increased trust and collaboration garnered amongst all stakeholders involved in the standards development process.

Differentiation of certified versus non-certified biomass in the marketplace will create value propositions for certified biomass and drive industry-wide adoption of sustainable practices, which in turn will drive sectoral transformation towards greater sustainability.

The intended impacts of this pathway are economic growth, environmental protection, and social well-being. Improved industry practices and regulatory compliance can lead to increased efficiency, competitiveness, and market access for businesses, contributing to economic growth. Adoption of sustainability standards can reduce environmental impact and promote conservation efforts, contributing to environmental protection. And protection of workers and their rights, enhanced livelihoods and well-being of local communities, and the rights of Indigenous Peoples contributes to social well-being.

In the long term, cumulative impacts can contribute to sustainable development goals by fostering economic prosperity, environmental stewardship, and social well-being.

Impact pathway 2: Certification and assurance



With activities focused on developing and improving our assurance program, and monitoring the performance of our key partners, this impact pathway explains how our rigorous certification process and ongoing assurance mechanisms can deliver our intended impact across the biomass supply chain.

Verification of compliance with certification requirements is critical to uphold the rigour and credibility of our certification scheme. Training and capacity building will serve to enhance understanding of certification processes, requirements, and best practices, equipping auditors and assessors with the necessary knowledge and skills base to determine conformance with our certification requirements.

Established processes and procedures will support consistent audit practices, and ongoing monitoring will sustain the required level of performance.

Certification and verified sustainability credentials will deliver enhanced transparency and accountability throughout the biomass supply chain.

As an outcome, certified organisations adopt improved industry practices, leading to enhanced sustainability in their operations. Certified organisations will gain a competitive advantage in the marketplace by demonstrating their commitment to excellence, leading to increased trust from consumers, investors, and other stakeholders.

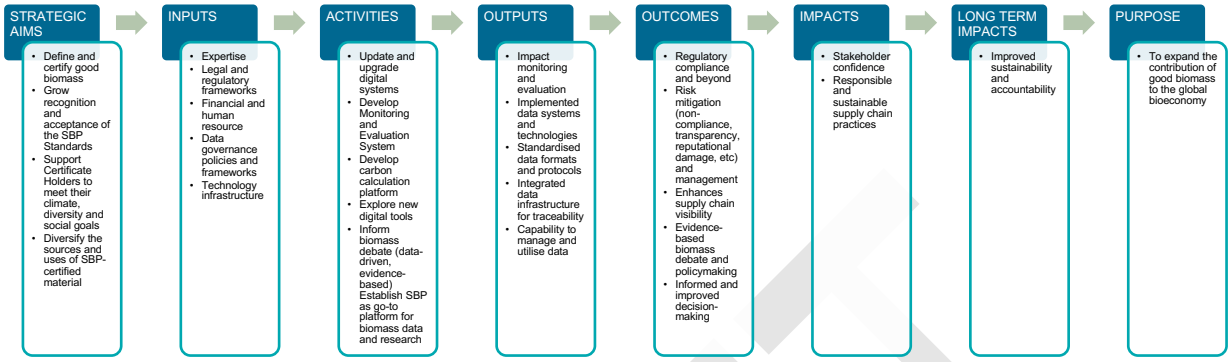
Certification helps with risk management and performance improvement initiatives, and fosters a culture of continuous improvement within organisations, as they strive to maintain compliance and meet evolving standards.

The intended impacts of this pathway are economic growth, environmental protection, and social benefit. Strengthening of market demand for certified biomass products can create economic incentives for sustainable production and investment. Certified organisations can experience increased market share, revenue, and profitability due to improved efficiency, reduced costs, and enhanced reputation.

Adoption of certified sustainable practices can contribute to environmental conservation, resource efficiency, and mitigation of environmental impact. And certification can lead to positive social impacts, such as improved working conditions, community engagement, and social responsibility initiatives.

In the long term, cumulative impacts can contribute to sustainable development goals by fostering economic prosperity, environmental stewardship, and social well-being through widespread adoption of certified best practices.

Impact pathway 3: Data capture and traceability



With activities focused on enhancing digital systems, including exploring new digital tools, developing a monitoring and evaluation system, and establishing an evidence base to inform the biomass debate, this impact pathway explains how the systematic collection, management, and traceability of data throughout the biomass supply chain facilitates our intended impact across the biomass supply chain.

Maintaining a wealth of independently verified data on biomass production, processing, transportation, and end use facilitates access to accurate, reliable, and up-to-date information that can be used for decision-making, analysis, and reporting purposes.

As an outcome, supply chain visibility is enhanced through allowing the origins of biomass to be traced, identification of potential risks or issues, and informing corrective actions as needed. Compliance with traceability requirements and standards ensures adherence to legal and regulatory frameworks governing sustainability criteria.

Greater transparency of supply chain processes, practices, and performance metrics, fosters trust and accountability among stakeholders. Differentiation of certified and sustainably produced biomass products in the marketplace, creates value propositions for environmentally conscious consumers and businesses.

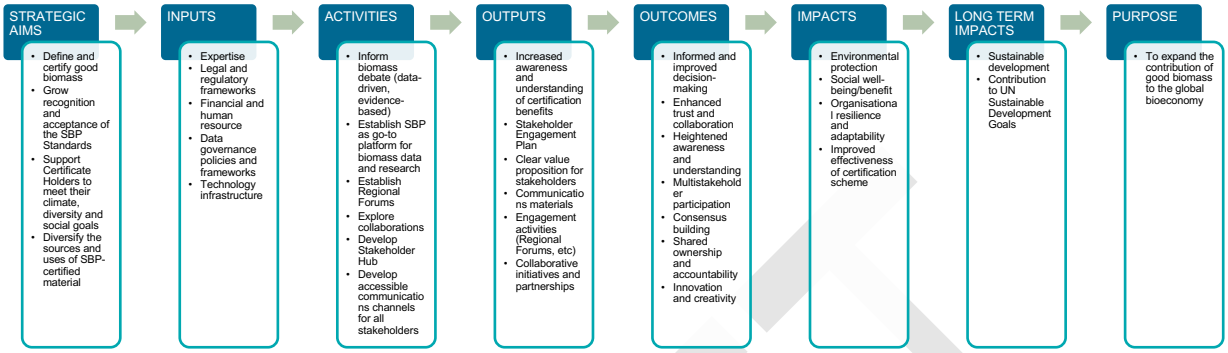
Through the analysis of the data captured, trends, patterns, and opportunities for optimisation, innovation, and continuous improvement are identified within the biomass supply chain, and insights generated. Access to real-time, accurate data allows all stakeholders to make informed, evidence-based decisions.

The intended impacts of this pathway are stakeholder confidence, and responsible and sustainable supply chain practices. Enhanced traceability can build trust and confidence among stakeholders by providing transparent and incontrovertible evidence of biomass origins and sustainability characteristics.

Through robust traceability and transparency, responsible and sustainable supply chain practices can be demonstrated, which in turn drives demand.

In the long term, cumulative impacts can contribute to long-term improvements in supply chain sustainability, accountability, and resilience, promoting positive social, environmental, and economic impacts.

Impact pathway 4: Stakeholder engagement and collaboration



With activities focused on broadening and deepening our reach and relationships with our stakeholders, with particular emphasis on Civil Society Organisations and emerging markets, this impact pathway illustrates how inclusive engagement and collaborative efforts among diverse stakeholders can deliver our intended impact across the biomass supply chain.

Our Regional Forums will serve to facilitate dialogue and collaboration among stakeholders and interest groups. Our stakeholder hub will be developed as a platform for knowledge sharing, exchange of best practices, and co-creation of solutions to sustainability challenges.

Partnerships and networking with industry associations, NGOs, government agencies, academia, and local communities will leverage collective expertise, resources, and influence, fostering synergies and collective action towards common sustainability goals.

Implementing mechanisms for stakeholder consultation, feedback, and participation in decision-making procedures will allow input from all interested parties, including affected communities, Indigenous Peoples, and marginalised groups, ensuring their voices are heard and their perspectives integrated into our certification standards and processes.

As an outcome, trust, understanding, and relationships among stakeholders will be built through open and transparent communication, mutual respect, and collaboration. A culture of cooperation, shared responsibility, and collective accountability for advancing biomass sustainability goals will be encouraged.

Heightened awareness among stakeholders regarding the importance of biomass sustainability, certification schemes, and their role in driving positive change, will lead to greater engagement and participation in certification processes, standards development, and implementation efforts across the biomass supply chain.

Input from stakeholders provides valuable insights and perspectives that inform organisational decision-making, leading to more effective and responsive strategies and initiatives.

Multistakeholder engagement cultivates a sense of ownership and accountability among stakeholders for the outcomes of initiatives, fostering commitment and sustainability. Incorporation of diverse perspectives, values, and priorities into decision-making processes related to biomass sustainability certification will ensure that the interests of all stakeholders, including marginalised and vulnerable groups, are considered and represented in our certification Standards and governance structures.

Collaboration with diverse stakeholders stimulates innovation and creativity by bringing together different perspectives, knowledge, and expertise to address complex challenges.

The intended impacts of this pathway are environmental and social benefits, organisational resilience and adaptability, and improved effectiveness of our certification scheme. Collaborative initiatives can address

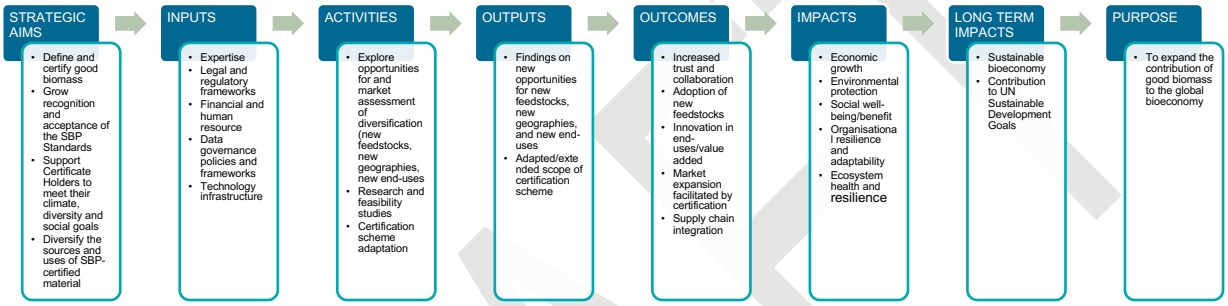
social and environmental challenges, such as environmental conservation and community development, leading to positive impacts on people and the planet.

Strong relationships with stakeholders can enhance the organisation's resilience and adaptability by fostering flexibility, responsiveness, and the ability to navigate change and uncertainty.

Stakeholder engagement can lead to the development and implementation of more effective programs and policies that better meet the needs and priorities of stakeholders and communities.

In the long term, cumulative impacts can contribute to sustainable development by fostering inclusive, participatory, and equitable processes that address social, environmental, and economic challenges and promote long-term well-being and prosperity for all.

Impact pathway 5: Market development



With activities focused on exploring opportunities for diversification into new feedstocks, new geographies and new end uses, which will include research and feasibility studies, and consideration and determination of appropriate certification scheme adaptations, this impact pathway outlines how strategic interventions to expand market access can contribute to our intended impact across the biomass supply chain.

Through conducting market research/surveys to identify demand trends, supply chain actor preferences, and market opportunities for certified biomass, analysis of market dynamics, competitive landscapes, and regulatory frameworks will inform market development strategies.

Market access for certified biomass will be facilitated through certification verification mechanisms to ensure the integrity and traceability of biomass carrying the SBP claim. Supporting collateral materials will help to raise the awareness of certified biomass among target audiences, highlighting the environmental, social, and economic benefits of certification and creating value propositions for all stakeholder groups.

As an outcome, availability and visibility of certified biomass will increase. Previously untapped feedstock sources, geographies and end uses creating opportunities for growth and market diversification.

Adoption of new feedstocks can increase the diversity and resilience of the biomass supply chain, reducing dependence on traditional feedstocks and expanding sourcing options.

Introduction of new end-uses derived from certified biomass can stimulate innovation and value-added opportunities in the global bioeconomy.

Certification can facilitate market access for biomass from new feedstocks and end-uses by providing assurance of sustainability, and compliance with certification standards, opening up opportunities in new geographies.

Collaboration across the biomass supply chain, from Biomass Producers to End-users, can promote knowledge and experience sharing in sourcing, processing, and utilising biomass from new feedstocks, enhancing efficiency and value capture.

Growing consumer awareness and preference for certified biomass due to increased visibility, credibility, and trust associated with certification can result, driving market demand and incentivising industry-wide adoption of certification standards.

Differentiation of certified versus non-certified biomass in the marketplace can create value-added opportunities for certified biomass driving enhanced brand reputation.

The intended impacts of this pathway are economic growth, environmental benefits, and social well-being. Market development for biomass from new feedstocks, geographies, and end-uses can stimulate economic growth by creating new jobs, fostering innovation, and generating revenue in the global bioeconomy.

Adoption of sustainable practices promoted by biomass certification can contribute to environmental conservation, carbon sequestration, and climate change mitigation, enhancing ecosystem health and resilience.

Certification can support social responsibility and equitable practices throughout the biomass supply chain, benefiting local communities by promoting livelihoods, supporting rural development, and fostering inclusive growth.

In the long term, cumulative impacts can contribute to the transition towards a sustainable biomass economy that balances economic prosperity, environmental stewardship, and social well-being, promoting long-term sustainability and resilience.

7 Assumptions

For us to meet our purpose, there are a number of underlying assumptions, as follows:

- Biomass maintains its place in the climate smart energy mix through national/international energy policies and legislation recognising the greenhouse gas savings potential of biomass and governments' continued commitment to ambitious climate goals.
- Biomass sustainability requirements are practicable and do not disrupt the market and/or constitute a barrier to trade. For example, international trade of biomass is not thwarted by overly stringent greenhouse gas savings thresholds, costs or complexity of meeting requirements does not become overly burdensome and foreclose the market to some supply chain actors.
- Supply chain actors and policymakers alike continue to be informed by evidence-based climate science.
- Biomass Producers' continue to supply good biomass to markets, both regulated and un-regulated.
- End-users' continue to source good biomass, with or without the incentive of subsidy regimes.
- Demand for and supply of good biomass maintains market equilibrium.
- Un-regulated markets recognise the benefits of good biomass and voluntarily commit to the economically, environmentally and socially responsible use of biomass.
- SBP remains market relevant and recognised by regulatory authorities as an effective tool for delivering good biomass.
- SBP remains the biomass certification scheme of choice.

8 Contact us

If you have any information needs do not hesitate to get in touch…

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