

England Peat Strategy: Policy Discussion Document

June 2020

<u>Overview</u>

England's peatlands are the nation's largest carbon store, as well as a haven for rare wildlife, an important part of our cultural heritage and natural providers of water regulation. However, England's peatlands are currently highly degraded and are emitting approximately 11 million tonnes of carbon dioxide equivalents annually, which is equivalent to 24% of emissions reported for the UK's agriculture sector in 2017. It is therefore vital we restore our peatlands to take action on our world-leading Net Zero commitment and for the sake of nature recovery.

On 11 March 2020, the Chancellor of the Exchequer announced the government's intention to restore 35,000ha of our peatlands by 2025, with England's biggest ever investment in peat and tree-planting through the £640million Nature for Climate Fund (NCF). Later this year, we will publish England's first comprehensive Peat Strategy.

As part of our work to develop the Peat Strategy, Defra is seeking your input alongside the publication of the England Tree Strategy consultation. Sitting under the overarching Nature Strategy, both the Peat and Tree Strategies will be implemented in a coordinated and timely manner as part of the NCF, to deliver on their programmes of action. This will ensure a joined up approach to tackling climate change and biodiversity loss.

This document sets out our proposed approach and long-term commitments for the Peat Strategy. It also provides an update on our initial plans for the delivery of the peat elements of the NCF. This document presents the key questions on which we are seeking your views. The responses we receive will help inform the development of the Peat Strategy and the design of the peat component of the NCF. We anticipate that this online stakeholder engagement will be accompanied by targeted stakeholder roundtables in July, subject to government's and stakeholders' capacity in the context of the Covid-19 response and restrictions.

We greatly appreciate your input, given current demands and pressures on everyone's time. We look forward to your response by **7 July 2020**.

Strategic direction

Our aim is that, by 2050, our peatlands will be functioning healthily for the needs of wildlife, people and the planet.

In addition to the **35,000ha of restoration by 2025** announced by the Chancellor, we propose that the following long-term commitments should be the Peat Strategy's headline measures:

- We will bring all our peatland into good condition, restoration management or more sustainable management by 2040;
- We will secure our peatlands' **carbon store** and ensure their contribution towards the Net Zero 2050 target;

- We will restore peatlands to deliver **Natural Flood Management** outcomes. Restored peatlands hold water and reduce run-off from the uplands, helping to reduce flooding in vulnerable catchments in the lowlands;
- Our peat habitats will support healthy **well-functioning ecosystems rich in wildlife**, to contribute to our commitments for habitats and species, which will be taken forward under the Nature Strategy. We will achieve this by:
 - Bringing 75% of SSSIs into favourable condition;
 - Acting to increase the abundance or distribution of peatland species, and their resilience to move and adapt on climate change, through the restoration of connections and networks of peatland habitats
- We will consult on measures to **phase out the use of peat in horticulture**, prioritising measures in the amateur sector.

To achieve these commitments, we propose a mixed approach to peatland recovery based on incentives for restoration and sustainable management, and initiatives to overcome nonfinancial barriers, particularly lack of information. The Strategy may also include regulatory measures to protect peat, but these will be addressed as part of subsequent formal consultations.

Our approach can be summarised as "Restore, Reduce and Protect":

<u>Restore</u> – restoration of peat achieves multiple natural capital outcomes, including, but not limited to, improving water quality, mitigating flood risk and increasing drought resilience. We should therefore look to restore peat where it is cost-effective to do so. Through the NCF, we will kick-start a comprehensive programme of 35,000ha peatland restoration in England. This would more than double the current estimated amount of restoration and will be a critical contributor to meeting the Net Zero target. The NCF will be the start of longer-term investment. It will provide vital investment in this Parliament, in advance of the Environmental Land Management Scheme's (ELM's) introduction from 2024, and will help stimulate the development of a market for private sector investment in ecosystem services and nature-based solutions to climate change. Once launched, ELM could be used to target areas where we want to see landscape-scale shifts in land use.

We are proposing to develop a competitive grant scheme to significantly ramp up the delivery of peat restoration. We will also use this scheme to stimulate the identification of peat restoration projects and to further develop and utilise emerging mechanisms for leveraging private finance.

In addition to providing and unlocking funding, we will introduce support for peatland recovery that will drive delivery of the Strategy. This would include:

- better information such as a comprehensive map and model of England's peatland;
- empowerment of stakeholders on the ground supporting existing peatland partnerships and encouraging their development in new areas of the country;
- support for planning and implementation;
- unlocking of a range of non-financial barriers e.g. better guidance on restoration and the historic environment and better knowledge sharing; and
- ongoing monitoring and evaluation of restoration to ensure we are achieving outcomes.

Reduce – where it is not cost-effective to fully restore peat, we should embed changes to management practices to reduce damage to peat and the concomitant carbon emissions. 38% of our peat is currently managed for intensive agriculture in the lowlands; this can be highly profitable. For example, 90% of East Anglian Fens farmland is classed as Grade 1 or 2 land. It covers less than 4% of England's farmed area but produces more than 7% of the country's total agricultural production and is worth £1.23 billion to the UK economy – therefore restoration may not be economically feasible in all settings. Continued drainage is also often required to reduce flooding. Sustainable management measures that reduce the harm done to peat, such as seasonal rewetting, can represent a pragmatic alternative. To strengthen these alternative approaches, we will **set up the Lowland Agricultural Peat Task Force (LAPTF)** to work with the farming community to identify solutions that reduce carbon emissions, are economically feasible, support agricultural transition and link with the future ELM systems.

Given the vital role of both peatland restoration and significantly increased rates of treeplanting in meeting our carbon reductions, we need both to happen without compromising one for the other.

The UK Forestry Standard, Environmental Impact Assessment Regulations and Open Habitat Policy provide a well-established structure of policy, regulation and guidance to consider woodland creation and the restoration of open habitat from woodland. We want to ensure these standards are implemented effectively in order to achieve a better balance between peatland restoration and woodland creation, and are considering what mechanisms could support this approach.

<u>**Protect**</u> – We will phase out the most damaging remaining practices that harm peat. This may potentially be through regulation and we will consult on these aspects separately.

The Government has always been clear of the need to phase out burning of protected blanket bog to conserve these vulnerable habitats, and we are looking at how legislation could achieve this and considering next steps.

We also recognise that protecting peat from wildfire is vital to ensure sustainable restoration and we will be incorporating the findings of Defra's Wildfire Review into the strategy to ensure that peatland restoration, improved mapping and the use of a range of management practices, in line with published guidance, all help to minimise wildfire risk.