



12th May 2016

<b>Paper Title</b>	Peatlands for the Future - restoring Welsh peatlands for people and wildlife: NRW's role in delivering the Welsh Government target to secure sustainable management for all semi-natural peatlands by 2020.
<b>Paper Reference:</b>	NRW B 31.16
<b>Paper Sponsored by:</b>	Ceri Davies
<b>Paper Presented by:</b>	Clive Walmsley/Pete Jones

<b>Purpose of Paper:</b>	<b>Information</b>
<b>Recommendation:</b>	<p>To note the rationale for peatland restoration and the multiple benefits associated with restoration in terms of biodiversity, carbon emissions reductions, adaptation to climate change, and flood risk management.</p> <p>To note NRW's contribution to date in supporting the development of Welsh Government's target for peatlands and endorse our continuing input in terms of evidence, advice and delivery, including the development of externally funded large-scale projects.</p>

<b>Impact:</b> To note – all headings might not be applicable to the topic	<p>How do the proposals in this paper help NRW achieve the Well-Being of Future Generations Act principles in terms of:</p> <p><b>Looking at the <u>long term</u>:</b> Restoration now and in the near future will secure the long-term environmental benefits peatlands provide</p> <p><b>Taking an <u>integrated</u> approach:</b> The programme of peatland action described here is relevant to multiple drivers and delivers many environmental benefits.</p> <p><b>Involving a <u>diversity</u> of the population:</b> Peat occurs throughout Wales and provides environmental benefits for all sectors of society.</p> <p><b>Working in a <u>collaborative</u> way:</b></p>
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	<p>Many sectors are engaged in delivering Welsh Government’s peat commitment and NRW’s role in this work is strongly based on partnership working.</p> <p><b><u>Preventing issues from occurring:</u></b> Restoration increases the resilience of peatlands to climate change, thus helping avoid the future loss of carbon to the atmosphere.</p>
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**Issue**

1. This paper describes work to support Welsh Government’s peat initiative. It outlines WG’s expectation for ongoing support from NRW, including our involvement/lead role in large scale restoration initiatives.

**Background**

2. Peatlands are one of Wales’s critical natural assets. Welsh Government has made a commitment to restore all peatland areas supporting semi-natural habitat in Wales (c. 66,000 ha) by 2020. A Peatland Action Stakeholder Group has been convened by WG to help deliver this and is supported by NRW. Welsh Government has identified a critical role for NRW in delivering the 2020 target, with Glastir also significant. Our primary roles include strategic technical advice in terms of prioritising where action should occur, technical advice on restoration, ongoing work on our own estate and on land which we influence through the SSSI mechanism, and the development of large scale projects requiring external funding. Other members of the Stakeholder Group have a range of advisory and delivery roles.
3. The primary driver for the target is safeguarding and enhancing the characteristic biodiversity of Welsh peatlands and the now well established role of peatland restoration in reducing carbon emissions. This enables the inclusion of resultant emissions savings as part of national greenhouse gas accounting due to recent changes to the UN Framework Convention on Climate Change guidance. WG has also emphasised the multiple benefits of peatland restoration, notably for biodiversity and the management of flood risk. The peat commitment nests within the over-arching NRM policy and will be delivered through multiple mechanisms.
4. As a specific Government commitment, the peat target responds to a range of statutory instruments and policies, including,
  - the Climate Change Strategy for Wales (identifies importance of peatland carbon stores and their protection),
  - important aspects of the Well Being of Future Generations Act (notably the goal of achieving a more resilient Wales),
  - the Environment (Wales) Act (governance around Welsh statutory emission targets and carbon budgets, including the land use sector),
  - key aspects of the Nature Recovery Plan,
  - the enhanced NERC duty (as part of the Environment (Wales) Act to “maintain and enhance biodiversity”),

- the EU Biodiversity Strategy to 2020,
  - key elements of sustainable management of natural resources (SMNR).
5. Peatland management and restoration demonstrates the ‘multiple benefits’ concept of The Ecosystem Approach particularly well. There is a direct relationship between the ecological condition of peatlands and their importance for biodiversity, and both their resilience and capacity to deliver ecosystem services. Peatlands in good condition and actively forming peat are associated with the lowest (or negative) carbon emissions, whilst peatlands in poor condition emit between 3 and 45x more carbon per unit area. The Government’s focus on peatlands gives NRW a strong mandate for developing this as an exemplar of the benefits of the NRM approach in a field where we possess significant evidence, expertise and operational capability. There are also significant areas of peatland under our own management.
  6. NRW’s contribution to the development of the peat commitment and target to date is significant. Our contribution to on the ground delivery is also extensive. The SSSI series includes 47,440 ha of deep peat, with 13,500 included within management agreements; approximately 70% of this resource remains in unfavourable condition. There are 22,100 ha of peatland habitat within the SAC series and we are already supporting significant restoration work across many of these sites, including the 15 peatland NNRs. We have contributed to or led 2 major LIFE projects for peatlands.
  7. The restriction of the target to semi-natural peatlands reflects the difficulty (both technical and financial) of achieving by 2020 restoration of the most highly modified peatlands under intensive agricultural and silvicultural management. Meeting the current target could result in emissions savings of 168 kt CO<sub>2e</sub> yr<sup>-1</sup>, this rising to 400 kt CO<sub>2e</sub> yr<sup>-1</sup> (equivalent to approximately 7% of all transport related emissions in Wales) if all peatlands were included.
  8. NRW is already achieving significant restoration of these more heavily modified peatlands. Our programme for afforested peatlands (there are 11,000 ha within the WG Woodland Estate) has developed a toolkit for prioritising sites based on delivery of multiple environmental benefits, with 300 ha of the top 10 sites already restored and another 200 ha planned; restoration of a further 660 ha of afforested peat has already been undertaken.
  9. NRW has been heavily engaged in developing the robust evidence base which underpins the peat target and which led to its endorsement across WG departments. We co-produced the main evidence report supporting the peat target (published as part of the Glastir Monitoring & Evaluation Project [GMEP]). More recently, with WG we co-produced an infographic as part of a briefing for the Natural Resources Minister in advance of the COP 21 meeting in Paris (Annex 1). Ongoing support will be required to meet the 2020 peat restoration target and ensure appropriate focussing of effort and resources.
  10. In May 2015, WG tasked NRW with identifying potential peatland projects for funding under the EU LIFE programme. A focus on the Natura 2000 series is

appropriate; 80% of peatland SAC features are in unfavourable condition, and are identified as a priority area for action in the Priority Action Framework by NRW's LIFE Natura 2000 Project. We have considered a range of candidate projects using criteria including the potential for delivering those key actions identified in the PAF, the capacity of projects to deliver multiple benefits, contribution to NRM and other key business priorities, availability of co-funders, and overall achievability within the 2020 timescale. Initial proposals were submitted to NRW's External Funding Strategy Board in July 2015 and approval given to continue the development of projects and partnerships. NRW is a partner in the Natural England led bid to restore active raised bog at Fenn's, Whixall, Bettisfield, Wem and Cadney Mosses SAC.

## **Assessment**

11. Ongoing NRW support and guidance is needed to ensure delivery of the Welsh Government peat target. A critical component is our development of a national strategy for Welsh peatlands based on a prioritised action plan identifying restoration priorities which provide multiple benefits. This will guide the work of partners, help identify the funding requirement for the 2020 target, and provide the evidence base for calculating the overall benefit to society of peatlands in Wales. Alongside this the Carbon Positive project is calculating NRW's net carbon status, including estimating the emissions and stores of carbon on our estate, and evaluating options for mitigation, which will include consideration of the potential for peatland restoration to contribute to reducing NRW's carbon footprint.
12. Ongoing development of the evidence base to support implementation of the peat commitment is required. This includes NRW's strategic Peatland Survey programme, acquisition/analysis of spatial data for peatlands covering biodiversity, ecological condition, carbon and flood risk mitigation metrics, and support for key research and development projects which are being planned or undertaken to strengthen the evidence base concerning the wider ecosystem relevance of peatlands, particularly with respect to carbon flux. NRW's contribution to the future evolution of GMPEP will be a critical role here through the co-production of critical evidence programmes.
13. NRW should continue investing in the development and uptake of the Peatland Code (a PES based instrument for securing private-sector investment in restoration - [www.iucn-uk-peatlandprogramme.org/peatland-code](http://www.iucn-uk-peatlandprogramme.org/peatland-code)) in Wales and other mechanisms, including work to improve the delivery of outcomes by the Glastir scheme, the ongoing work of the Welsh Peatlands Stakeholder Group, and work to support a coordinated Sustainable Management Scheme bid by the Stakeholder Group. All of these initiatives offer the potential to place peatland management on a more sustainable footing, with external funding being used elsewhere where significant initial capital investment is essential (see below). Significant NGO effort is being devoted to securing private sector investment through the Peatland Code; this would benefit from being informed by the strategy outlined under 11 above.

14. The development of external funding options for delivering elements of the Peat Policy is the main area where resources need to be considered carefully. There are two main elements to this; a prospective UK-level LIFE Integrated Project submission, and several conventional LIFE projects.
15. The 2014-2020 EU LIFE programme includes a new 'Integrated Projects' (LIFE IP) element to support the implementation of plans or strategies in priority programme areas at member state level. A DEFRA led consortium, which includes NRW and WG, has been engaged in the development of a LIFE IP project for UK peatlands since late 2013. A key objective of the project is to realise the carbon mitigation potential of UK peatlands through the development of a national strategy and a range of PES based mechanisms, and measures to tackle peatland restoration within the most challenging contexts, including deep peat under intensive agricultural management.
16. The Welsh input to the LIFE IP project will be led by Welsh Government; we are being asked to focus our contribution in providing supporting evidence and expert advice, and the development of complementary projects, including traditional LIFE projects.
17. Two LIFE projects are under development;
  - a project to restore 'active raised bog' (an Annex I priority habitat) within the Cors Fochno and Cors Caron SACs in Ceredigion, with 2017 as the planned submission date.
  - restoration of blanket bog across the three upland SAC in Wales notified for the Annex I priority habitat 'active blanket bog'; RSPB propose to submit this project in 2016,
18. The Ceredigion raised bogs project would deliver a wide range of NRW priorities through an integrated project to achieve biodiversity, carbon and flood risk mitigation objectives within the framework of SMNR. The Cors Fochno element would take forward important aspects of our development work in the Dyfi trial catchment and would also enable delivery of key actions needed to support the current Internal Drainage District Review and resolve long-standing problems associated with water level management in this area. The 'priority' status of active raised bog would attract 75% project funding, with co-funding of the remaining 25% required. Existing work programmes or other external funding streams may be eligible as match contributions.
19. RSPB is leading the development of the upland blanket bog project, focussing on Berwyn (Vyrnwy) and Migneint. NRW is working to extend this project to include Elenydd, thus ensuring coverage of all three key Welsh blanket bog SACs and providing a mechanism for restoring heavily modified bogs dominated by *Molinia*.

## **Recommendations**

20. The Board is asked to note recent significant developments in the priority given to peatlands by Government and to endorse ongoing work by NRW in

terms of developing the evidence base, expert advice, and project development and delivery within the overall context of the sustainable management of natural resources.

21. The Board is asked to note ongoing work to develop two significant LIFE projects, including work to identify co-funding based on a 75% grant from the EU. These projects will realise practical demonstrations of the benefits of the NRM approach. Full Project Initiation Documents for both projects have been submitted to NRW's External Funding Strategy Board. Welsh Government funding in support of the co-funding burden is a possibility; match funding from HLF is also being explored.
22. Given the demanding 2020 timescale of Welsh Government's peat target and our own financial challenges, we need to ensure that we fully consider and where possible prioritise peatland management and restoration work across areas under our management and influence, including SSSI, NNRs and the Welsh Government Woodland Estate.

### **Key Risks**

23. WG regard NRW's support for this policy area as critical. The peat commitment is tightly aligned to NRW's duties and the development and delivery of Natural Resource Management. We will need to work closely with WG and other stakeholders to agree a work programme in the face of decreasing resources. We will also be ensuring these priority targets are picked up in the Nature Recovery Plan actions to ensure a collaborative and partnership approach to delivery. Progression of one of more LIFE projects carries some financial risks, but these can be balanced against our significant experience in managing and engaging in large external funding projects, and the potential for using existing work programmes or even other external funding streams as match contributions.

### **Financial Implications**

24. Technical specialist (KSP) and operational support can be provided by existing staff given appropriate prioritisation of work programmes. The external funding elements require significant further development before costings can be provided. We will work with the NRW External Funding Strategy Board and WG through the LIFE Funding Forum to seek match funding. NRW's input to improving the delivery of peatland restoration by Glastir, the development of an all-Wales SMS bid, delivery of the UK peatland LIFE IP project, and supporting the development and uptake of the Peatland Code in Wales, will all provide important funding streams and also help in engaging land owners and managers as equal partners in the overall process. Development of the strategy for delivering the Ministerial target will provide a better understanding of the overall resource implications. Any expansion of the target after the May 16 elections to cover our most modified peatlands would result in significant additional resource requirements: NRW's existing work to restore afforested peatlands is already heavily constrained.



## **Communications**

25. NRW issued a press release on 27 November 2015 outlining our work with Welsh Government and announcing the Ministers attendance at COP 21.

## **Equality impact assessment (EqIA)**

26. Screening against NRW's EqIA process has not identified any potential equality issues.

27. Land managers and owners will be the main financial beneficiary of incentive mechanisms to secure favourable management of peatlands. This poses no obvious equality issues as the presence of peat is the primary criterion.

28. The multiple benefits achieved through peatland restoration offer a range of community benefits, including climate change mitigation, improved resilience of peatlands to climate change, retention and enhancement of emblematic elements of the Welsh landscape, biodiversity conservation, and flood risk benefits. Peatland restoration contributes to the tackling poverty agenda; the cost of restoration is not felt by those in poverty whereas the benefits will be shared equally by all those across Welsh society.

## **Index of Annexes**

**Annex 1.** Natural Resources Ministers Infographic produced for COP 21 Meeting.