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WP4: Transformation

Short Report of the 3rd Peat Extraction Sector Roundtable

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The H2020 MERLIN roundtables aim to build a community of practice linking economic sector representatives with MERLIN scientific and implementation partners. This report captures the main discussion points of the Peat Extraction Sector roundtable. The findings will shape the strategy for the sector to support upscaling of peatland restoration focusing on rewetting and revegetation.

What we did

The third Peat Extraction Roundtable was held on 7th May 2024, and brought together 24 experts from the peat extraction industry, involving private and non-governmental organisations. Previously, a sectoral briefing was produced, and 2 roundtables were held: the first roundtable helped to understand the Peat Extraction Sector, and the second was used to identify some cooperation points to frame the role of the Sector. The third roundtable focused on two key topics:

- Draft strategy for the Peat Extraction Sector to support upscaling peatland restoration through rewetting and revegetation.
- Opportunities for the value chain of peat-based substrate and industry standards to support upscaling peatland restoration.

The roundtables are convened in collaboration with the International Peatland Society (IPS), who are MERLIN partners representing the Peat Extraction Sector.

Themes discussed

The themes summarised below are not attributed to a specific participant and not presented as facts, but a reflection of the diverse opinions and concerns among peat extraction stakeholders.

Peat extraction Sector strategy

Overview of the draft strategy highlighted the major challenges of upscaling peatland restoration, including complex land use and land ownership, lack of viable funding to support large-scale restoration and lack of clear policy framework. The discussion also highlighted opportunities for the sector to partner with other sectors and use their expertise to upscale restoration while increasing their good reputation.

The consensus is that upscaling restoration is not the sole responsibility of the Peat Extraction Sector given that they mostly do not own peat extraction lands and do not control use of the adjoining landscape. Therefore, the strategy aims to **upscale peat extraction site restoration through landscape partnership, and go beyond the peat extraction site level by increasing uptake of the sector's experience through policy.** The five strategic actions for achieving this are:

1. Build knowledge to increase understanding of Nature-Based Solutions (NbS) for ecosystem restoration and what it means for the Peat Extraction Sector.

2. Initiate landscape partnership for cross-sectoral and multiple dialogue and coordinated restoration.
3. Develop policy and regulatory framework enabling a landscape authority to prepare landscape restoration plans, integrate Peat Extraction Sector's experience and support partnerships for large-scale restoration.
4. Create clear and viable business incentives funding enabling the Peat Extraction Sector to become involved in restoration beyond their peat extraction sites.
5. Optimise the rewetting and revegetating of peat extraction sites while upscaling the lessons and experience to enable landscape restoration and responsible peat use where appropriate.

Which roles can the sector practically spearhead?

The consensus is that the Peat Extraction Sector cannot be responsible for large-scale peatland restoration beyond their peat extraction sites. However, they could play vital roles to support large-scale restoration. Therefore, the sector could;

- → Share their knowledge and experience of peatland rewetting, including metrics for raising water levels, to support restoration.
- → Provide baseline data of site conditions (water, emissions and biodiversity) before peat extraction and monitor impact of site-level restoration covering surface and ground water conditions, carbon emission and biodiversity and share their lessons for upscaling.
- → Help to develop local peatland maps to identify sites which need restoration.
- → Umbrella organizations (e.g. IPS, Growing Media Europe, and MS Associations) could use their platforms for engagement and knowledge exchange between cross-disciplinary experts since they have members from different sectors including Agriculture and Forestry.
- → Cooperate with other sectors (e.g. agriculture and forestry) to develop common knowledge and understanding of peatland challenges and restoration needs with the tools mentioned above in this list (metrics, data sharing, monitoring, mapping etc).
- → Initiate conversation with landowners to prioritise rewetting and revegetation after extraction ceases.
- → Rehabilitate degraded peatland outside peat extraction sites with appropriate compensation.
- → Establish further collaboration with different levels of government.
- → Adjust licensing system to enable peat extraction companies to prioritise rewetting and revegetation of peat extraction sites in preference to other after-uses depending on engagement with landowners.
- → Raise awareness about the role of peat in sustaining quality growing media availability for horticulture and food production. This could attract the support of value-chain actors for peatland restoration.

Under what conditions could the peat extraction sector partner with other sectors and actors?

The discussion emphasized the need for information, evidence-based science and enabling policies and regulations to effectively address the challenges related to restoration. For the sector to better play a role, the following conditions need to be addressed:

- → Enabling appropriate coordinating authority for catchment or landscape partnership between diverse stakeholders. Where the landscape is beyond the catchment level, regional bodies need to be involved.
- → Enabling policy and strategic direction from the EU for cross-sector cooperation in which there is a clear understanding of future direction for the sector given that policy changes lead to uncertainties. For example, through the Nature Restoration Law, the agriculture sector should be willing to support peatland restoration, so that the Peat Extraction Sector can play a meaningful role.
- → Addressing land ownership challenges, including involvement of landowners and farmers to voluntarily support restoration. Landowners should be educated about the direct benefits of restoration to them.
- → Building capacity to certify the carbon removals and savings based on peatland restoration.
- → Involving partners and public agencies willing to commit funding for large-scale restoration. This can help address the funding gap.
- → Involving local communities and raising awareness about tourism and cultural values of peatland restoration (e.g. https://svartadalen.se/).
- → Synthesising different sources of knowledge for easy use. This is important given that current knowledge on peatlands in relation to different sectors appears to be scattered. The synthesis could

be in the form of a support tool to help make informed decision about peatland restoration. This is important because the peat extraction sector does not have expertise of other sectors, especially regarding agricultural lands.
- Embedding the Peat Extraction Sector's experience in policies.

Any ongoing programmes or projects at MS/EU level to help with partnership?[1]

A few projects and policy measures were highlighted as relevant to the ongoing discussions:

- **The Nature Restoration Law (NRL):** Passage of the NRL could determine whether farmers and landowners support restoration or not. For instance, there is no obligation for farmers to undertake restoration. Hence, to get their support, there should be a clear incentive for them. However, the NRL mentions the need for Member States to make rewetting attractive by providing incentives, training and advice to farmers, landowners and other stakeholders. Therefore, the peat extraction sector could become a necessary part in the implementation of the law and apply for the incentives for rewetting.
- **Bord na Móna's Peatlands Climate Action Scheme (PCAS)** can help provide lessons from Ireland's experience of restoring past commercial peat extraction sites to enhance climate benefits, including carbon sequestration and emissions reduction. This example also shows the importance of public funding in undertaking large-scale restoration.
- **Shared Island Fund** (part of Shared Island Initiative): This was cited as an example of sharing information and enabling cross-border cooperation covering Northern Ireland and Scotland. The fund involves a €15 million investment for peatland restoration through **cross-border collaboration and capacity building**. This measure is in its initial stages.
- **The Canadian Sphagnum Peat Moss Association** (CPMA) also has a long history of partnerships with governments, scientists, and NGOs, which helped to develop peatland restoration techniques. Their approach could provide lessons for creating partnerships as proposed under Action 2.
- **Hort2thefuture and SPIN-FERT** is a Horizon Europe grant, which will start mid-year. It focuses on developing peat alternatives and examining consumer behaviour and the growing media and peat industry. While the MERLIN project does not focus on developing peat alternatives, this project could highlight peat value chain implications (see value chain section) and whether the industry wants to commit more resources for restoration to guarantee their future and increase their public acceptance.
- Apart from the above projects/programmes, participants suggested that there are several other nature protection laws and protected areas influencing land-use. These include the EU carbon removal framework. These will be explored further to understand what can or cannot be done on peatlands and incentives for upscaling restoration.

Which other actors and MS bodies could help with establishing partnerships?

Participants assert that actual actors to be involved vary according to each Member State. However, the bodies mentioned generally include Agricultural, Climate, Forestry Ministries and Departments, Peatland-related Programmes and Platforms, and Regional Planning Agencies. Focus should be on actors willing to commit funding for restoration. Independent bodies and research institutions were also seen as important in fostering collaboration and knowledge exchange respectively.

Peat extraction value chain opportunities

Focusing on industry standards, the roundtable discussed the value chain of the peat-based substrate and how it can be strengthened to support NbS and vice-versa.

How can NbS be used to enhance the peat substrate value chain?

Participants acknowledge that mainstreaming NbS through responsible peat production could help address the negative perceptions about peat extraction and enhance the corporate image of the peat extraction industry. Some suggested that Lifecycle Analysis of the peat-substrate will help understand the environmental impact of extracting and using peat, and which impacts NbS could help address. There

[1] Note: these programmes were only mentioned briefly, and their lessons and opportunities for the peat extraction sector strategy will be investigated further.

are ongoing discussions about incorporating biodiversity into environmental assessments, but it is difficult to measure consistently.

What role should industry standards play?

Industry standards were generally seen as beneficial in raising awareness and promoting environmentally responsible action and induce good after-use practice. For example, standards and associated certification could impose cost for restoration on the peat substrate and require the peat extraction industry to do more to restore peatlands after extraction ceases. Two such examples cited include:

- The Responsibly Produced Peat (RPP) certification is a good example of directly linking rewetting to value creation.
- The Dutch Covenant requires that all peat-based substrate should be manufactured responsibly by 2025.

However, concerns were raised about the value chain approach:

- There is the need to consider the impacts of alternative growing media and ensure that such standards do not displace peat extraction by giving alternatives a competitive advantage.
- The so-called peat alternatives could have more negative impacts on the environment than peat. Therefore, there is a need for independent comparative analysis between peat and peat-free substrates to determine their relative impacts on the environment.
- While RPP and similar standards are relevant in Europe and North America, expanding markets elsewhere may not prioritise restoration and labelling. Therefore, having certifications may not work effectively because others will find a way to replace certified peat with non-certified peat.

Despite the concerns, others were of the view that good standards in North America and Europe can have global impact since most of the peat used in horticultural mostly originates from these two regions of the world. Also, awareness creation could extend beyond Europe to growing media markets in other geographical regions.

What is the role of peat substrate consumers?

The main end-users in the value chain are hobby gardeners and professional growers, who need to be provided with knowledge to gain their willingness and support for responsible peat production. Putting extra value on the peat-based substrate could allow these consumers to contribute to funding restoration beyond the peat extraction sites. Other issues raised include:

- Most actors in the value chain are not aware of existing standards and their usefulness in supporting NbS. Therefore, awareness raising is needed to sensitise all actors to increase their support.
- Consumers are concerned about the quality of growing media and not necessarily their links with freshwater restoration. Hence, they may not care whether peat-based substrates have labelling or not.

Key message

The discussion has highlighted the need to adopt a nuanced strategy, recognising the complexities in upscaling peatland restoration beyond peat extraction sites. Key priorities for effective action involve establishing clear roles and promoting collaboration amongst stakeholders. Other messages include:

- The participants recognized that the Peat Extraction Sector could play a role in upscaling restoration. This includes sharing their experiences and providing data.
- It is important to differentiate the roles of actors – i.e. individual companies, associations, and industry groups – and to specify the levels of involvement for each of them.
- The sector's ability to effectively support upscaling of restoration is conditional on the funding and clear policy direction in terms of long-term benefits for the sector.
- The willingness and involvement of other actors such as landowners, farmers and public agencies to join forces for restoration is key. A cross-sectoral cooperation led by a coordinating body is therefore needed to facilitate a joint action. The Peat Extraction Sector can also use their platform for cross-sectoral discussions among experts to have overall understanding of peatland conditions in Europe.

- Industry standards may enable value chain actors to contribute to restoration by requiring the Peat Extraction Sector to minimise the impacts of their actions on the environment, including the extraction stage and use of the peat substrate.

Next steps

- Integrate the findings into the draft strategy and value chain analysis. Further analysis of EU Regulation on Carbon Removals Certification as a possible way to incentivise the sector to upscale restoration.
- Hold further bilateral talks with stakeholders, including IPS, RPP, and representatives from the European Commission to jointly shape the strategy and value chain analysis.
- Develop a second draft of the strategy and value chain analysis and ask for comments.

Please let us know if you have any comments or clarifications to add to this report. Please address your comments to Alhassan.Ibrahim@hutton.ac.uk

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