

Workshop summary

Peatland Finance Collective: A year on
October 2024, Leeds, UK



Blended finance in practice

We were thrilled to welcome 23 members of the Peatland Finance Collective, representing 16 organisations at the latest in-person gathering. Joined by new partners from Nature North, Northern Ireland Dept. of Agriculture Environment and Rural Affairs and South West Peatland Partnership we also heard stories of development from:

- The Flow Country
- The Great North Bog (GNB)
- Peatland Finance Ireland (PFI)

Discussion centred around the application of blended finance for peatland restoration, emphasising inter-project synergies, economies of scale, and collaborative governance. Key challenges surfaced include public funding limitations, long-term sustainability issues, and the need for high financial returns. Examples from landscapes illustrated the integration of for-profit and non-profit entities to attract diverse funding sources. .



Participants highlighted the importance of clear science to both support peatland restoration efforts and reduce perceived risks for investors, along with long-term monitoring to ensure project viability.

Concerns about carbon credit pricing, landowner uncertainty, institutional support and the need for robust governance structures were raised. A showcase of peatland standards and a blended finance refresher offered shared learning moments. The event concluded with a solutions and dilemma session where groups explored; how to implement a landscape approach; challenges to landowner engagement and how to engage corporates more systematically. The Peatland Finance Collective strategy and Steering group role was agreed along with a commitment to continuing collaboration. Current members include:

Blended Finance

Discussion takeaways

Public finance enables the projects through subsidies, innovation grants and philanthropic finance. However there isn't enough public funding and programme cycles of 15 - 20 years include multiple election cycles which can put trajectory of funding at risk.

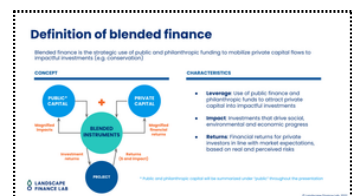
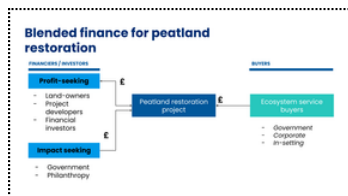
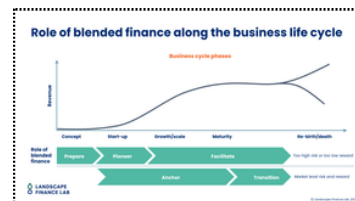
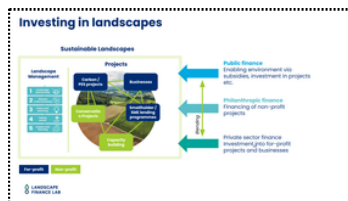
Private sector finance investors often seek low-risk, high-return opportunities, which peatland projects struggle to provide. Bridging this gap requires innovative financing structures and risk mitigation strategies.

Along with a presentation on blended finance by Anton Gegov, Bryan Irvine and Ed Salter presented key developments of the peatland standards in Ireland (which is open for public consultation until 5 Dec '24) through PFI and Biodiversity credits as part of the Peatland Code by IUCN Peatland programme (see slides for more info).

The key information that financial sector needs to accurately assess the risk profile of peatland restoration projects was narrowed down to:

- **Detailed cost data** on restoration techniques and long-term maintenance requirements. This should include sensitivity analysis on how costs may change over time due to factors like inflation.
- **Robust scientific data and monitoring results** demonstrating the reliability and predictability of outcomes, such as carbon sequestration rates, biodiversity improvements, and water regulation benefits. The more empirical evidence that can be provided, the better.
- **Clear governance structures, contractual arrangements**, and risk mitigation strategies, such as insurance mechanisms, to address uncertainties around factors like natural disasters, land use changes, and market fluctuations.
- **Transparent reporting on project performance** and the ability to independently verify outcomes over the long timelines required for peatland restoration.

[Click here for the full event slides](#)



Needs for attracting investment

- **A landscape approach** can help us **achieve scale** - forestry, peatland and water actions can be dealt with together. Resources can be shared for greater impact. The challenge is that you need to build strong landscape partnerships with stakeholders e.g. landowners, communities and crofters.
- We need to build **platforms that can aggregate projects** and set up an investor framework to attract larger investors. There are few coherent national and no global frameworks for investment into peatlands.
- Explore opportunities to **stack or include biodiversity outcomes** as an offering to corporates and investors. Benefits such as reputation of buying 'World Heritage Carbon' in the Flow Country, or CSR benefits of investing in communities are attractive but some landscapes have seen investors view this as an "extras on top" of carbon and water. There is a need to strengthen the story here.
- Further clarity being on how we **attach additional financial benefits** - tourism, water and flood management, managing flood risk, wet-farming to the landscape propositions.
- We need to **develop models which help investors calibrate risk over return** and eliminate uncertainties which are the barrier to investment. Being able to calculate maximum possible loss would be an important data point which could build investor certainty.

Dilemma and solution session

This session opened with Richard Grayson discussing landscape perspectives, Lisa Gill on landowner engagement, and Paul Leadbitter on corporate partnerships - each sharing their challenges and optimism before leading focused roundtable discussions.

Summary of the discussion share-back;

1. Finance through a landscape Lens	
	Benefits: • Product is worth more • Co-benefits that go beyond nature • Can attract greater funding • Connectivity supports economies of scale • More effective - have to restore whole unit hydrologically or work at the catchment scale Challenges: • Difficulty accessing adequate and sustained funding for projects at scale • Time constraints between funding allocation and project implementation • Lack of clear regulations or standards across different regions, complicating the broader application of projects • Misalignment of government policies that affect restoration efforts, e.g., agricultural production subsidies clashing with conservation goals Proposed Solutions: • Consistent set of standards and protocols for engagement and funding • Policy alignment across different government departments to streamline efforts and politician buy-in • Needs to be large but also inclusive, don't miss out small farms
2. Community benefits	
	Challenges: ◦ Difficulty in getting landowner participation across entire landscapes ◦ Trust building is a long, resource-intensive process, with varying motivations among different landowners ◦ Complicated funding processes involving carbon credits, financial risk, and legal uncertainties make landowners hesitant ◦ Agents and gamekeepers can be hard to engage ◦ Amount of time required to engage landowners effectively ◦ Schemes are complicated to explain, esp. nuances and don't have answer to all the questions ◦ Uncertainty and number of options leads to no action/restoration undertaken ◦ Lack of understanding on the difference of bundling vs stacking. Shouldn't need to separate Proposed Solutions: ◦ Case studies to demonstrate what is possible and use advocates in fellow landowners e.g. Armadale Farm ◦ Establish incentives beyond immediate financial gains, focus on long-term community benefits ◦ Communication and trust-building including funding for initial engagement and ongoing relationship building and investment in specialist staff ensures landowners are committed to restoration and allows transparency ◦ Creation of more localized financial mechanisms, like community-led or cooperative models, to ensure fair financial outcomes ◦ Develop systematic approach for equitable benefit sharing to secure long-term community buy-in ◦ Adoption of clear regulatory frameworks, possible penalties for not restoring ◦ Incentives to encourage landowner participation e.g. minimum carbon price, long term income for farmers, payments for peatland in good condition ◦ Minimise the ask of landowners and approach as a joint venture where there are risks on both sides ◦ Integrate new income streams with other income e.g. carbon and subsidies ◦ Work to encourage the next generation of landowners

3. Systematic approaches to engaging corporates

Challenges:

- Corporates are unsure about what they need when it comes to investing in restoration projects.
- Knowledge gaps on both sides, landowners and project developers are unclear on what to offer
- Some landowners are reluctant to sell carbon credits or participate in such initiatives, creating a bottleneck
- Hesitation due to financial risks, legal implications, need for more concrete guarantees
- There is a concern about how corporate involvement might be perceived by the community
- Corporates engaging in these projects need to navigate issues of publicity carefully, as any negative press could undermine local trust
- Need to ensure it is worth investing the time

Proposed Solutions:

- Educate corporates about what they need to buy and how they can contribute to environmental restoration
- Clear examples of successful partnerships may encourage other corporates to engage e.g. draft Corporate Sustainability Reporting Directive (CSRD) on a peatland would be useful to demonstrate the services they provide
- Establishment of a set of standards and protocols for corporate engagement
- Help guide corporates and landowners, offering a consistent and transparent framework for investment
- Project developers should draft Corporate Social Responsibility (CSR) frameworks or standards for corporates to follow, rather than waiting for government action
- Trust between corporates and local communities needs to be established. This involves making clear the social and ecological benefits to both parties, and ensuring equitable distribution of benefits
- Offering a standardised approach could help mitigate the perception of corporates just extracting value, and instead position them as genuine partners in restoration
- Establish clear lines of communication i.e. who is responsible for what
- Awareness of different scales, i.e. project vs landscape, as this will alter who corporates speak to
- Aggregate offer in advance to capture the scale for investment/buyers
- Use structured 'investment rounds, a structured process over a window of time
- Map and engage existing networks/work/initiatives and establish relationship and activity logs to avoid duplication and streamline activity

Emerging needs (for further discussion):

1. Develop clearer risk assessment and mitigation strategies for peatland restoration projects to attract institutional investors. How can we tell a better story about how these investments reduce risk in the long term?

2. Develop targeted communication strategies for different stakeholder groups (landowners, corporates, institutional investors) to address their specific concerns and motivations, including improve communication of scientific certainty and project outcomes to build confidence among investors and landowners.

3. Work towards standardisation of metrics and verification systems across different ecosystem services (carbon, water, biodiversity) to facilitate market growth.

4. Engage with policymakers to ensure supportive regulatory frameworks for peatland finance initiatives.

5. Continue to build the evidence base for long-term peatland restoration outcomes and maintenance costs.

6. Investigate the potential for insurance products or other risk mitigation tools specific to peatland restoration projects.

7. Organise follow-up workshops or working groups to address specific challenges identified during this session, such as long-term monitoring protocols or innovative governance structures for landscape-scale projects.

8. Develop common language on peatland restoration including the definition of terms such as 'restoration', 're-wetting' etc.

A key outcome of the workshop was the signing off of the updated Peatland Finance Collective strategy and agreement of the activities and roles. Below includes a summary of actions for the next stages of the Collective and developing resources.

Peatland Finance Collective: Summary actions



Nominate steering group member

Please email [Deesha](mailto:Deesha@peatlandfinancecollective.org) referencing the name and contact of your organisational lead who will participate in the Collective's steering group.

1. Draft a 'user guide' on developing peatland landscape finance initiatives based on the experience of the Flow Country Partnership, Great North Bog and Peatland Finance Ireland. The guide should include considerations of how to deal with risks of concern to potential investors e.g. through the use of a risk register that identifies potential risks, their probability of materialising and mitigation strategies.
2. Develop 1-page summaries / case studies of each landscape partnership and compile key statistics to demonstrate the reach of the Peatland Finance Collective e.g. the total area of peatland that members aim to restore. GFI is currently working with GNB to draft something similar, could use this as an additional template.
3. Organise the next online Peatland Collective meeting (with guidance from the Steering Committee) in late January/ early February 2025.
4. Convene the first Peatland Finance Collective Steering Committee based on the Terms of Reference agreed in Leeds. This will include confirming the membership and focal points for individual peatland landscape partnership / organisations.
5. Invite other peatland landscape initiatives in the British Isles to join the Collective including the Somerset Peatland Partnership; Fens East Peat Partnership; and Natural Resources Wales (managing the National Peatland Action Programme).
6. Natural England have offered to host the next in person Peatland Collective meeting in Exeter, 10 - 11 June 2025. Invites for this will be shared soon.



Acknowledgements

We'd like to thank WaterLANDs for funding this event and all speakers and participants for their expert contributions to discussions. In addition, thank you to our venue and local host Richard Grayson and the wider team at iCASP.

If you attended the workshop and would like to offer additional feedback, we welcome you to do so at this [link](#)