

# Farming (in) peatlands

*“Building the European Peatlands Initiative: A Strong Alliance for Peatland Climate Protection in Europe”*



*A project formed under the European Climate Initiative (EUKI), aims to strengthen pan-European collaboration for the protection, restoration, and sustainable use of peatlands. The project helps to support the adoption of peatland strategies and policies based on up-to-date data and enhances multi-stakeholder collaboration on the topic of peatlands. Moreover, it aims to share peatland restoration practices and foster multi-national collaboration between countries to successfully mitigate climate change on a European level.*

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## How can we ease the transition to sustainable and feasible use of peatlands in agricultural areas?

*Despite the critical importance of the ongoing discussions on this topic in Europe, the participation of farmers—the essential stakeholders—has often been limited. A lack of funding mechanisms for the transition to sustainable practices remains one of the major hurdles, alongside uncertainties about the ecological, economic, and social impact of the transition for the farmer in the long term.*

This brochure aims to inform stakeholders in the field and raise awareness for future strategies and discussions on peatland restoration by outlining the primary concerns and gaps identified by farmers. This brochure also highlights current funding mechanisms and initiatives, serving as a reference guide, an example, and a recommendation for developing future initiatives. The information presented was partly collected during the workshop “Peatlands in Agricultural Areas” held on 8th and 9th November 2023 as one of the regional workshops of the project “Building the European Peatlands Initiative” which aimed to identify the main barriers and what needs to change (policy, funding, knowledge) to scale up restoration and sustainable use by farmers. The workshop was attended by (representatives of) land managers and landowners, policymakers, and conservation experts.

“Building the European Peatlands Initiative: a strong alliance for peatland climate protection in Europe” – a project formed under the European Climate Initiative (EUKI), aims to strengthen pan-European collaboration for the protection, restoration, and sustainable use of peatlands. The project helps to support the adoption of peatland strategies and policies based on up-to-date data and enhances multi-stakeholder collaboration on the topic of peatlands. Moreover, it aims to share peatland restoration practices and foster multi-national collaboration between countries to successfully mitigate climate change on a European level.



# Why should you care?

*Peatlands can be found in almost every country in the world, but we are only just starting to realize their value and how to harness their potential as a powerhouse nature-based solution. The protection of peatlands offers opportunities to reduce extensive CO<sub>2</sub> emissions. Conserving these irrecoverable carbon sinks provides precious refuge for plant and animal species.*

Europe itself has around 59 million ha of peatlands, of which ~46% are degraded, causing greenhouse gas (GHG) emissions of 582 Mt CO<sub>2</sub>e / yr.<sup>1</sup> Despite covering only 3-4% of the world's land surface, peatlands contain at least 450-650 gigatons of carbon - more than twice the amount stored in all forest biomass. Peatlands are the world's largest land-based carbon store despite their relatively small surface coverage. Beyond their vital role in carbon storage, peatlands provide further crucial ecosystem services.

# Barriers for Farmers in Transitioning to Peatland Restoration

Farmers face numerous challenges when considering the shift from conventional, drainage-based agriculture to sustainable wetland management practices such as paludiculture. While the environmental benefits of reducing CO<sub>2</sub> emissions are increasingly recognized, many farmers remain hesitant to adopt these practices due to the absence of a robust legal and financial framework and a lack of practical guidance and long-term security. Below, we highlight some of the key barriers and concerns identified during a recent workshop, which are preventing farmers from transitioning their land management practices for peatland restoration and protection.

# Lack of Knowledge and Training

A significant barrier to change is the limited understanding of paludiculture, i.e. the use of wet and rewetted peatlands, and alternative wetland-based practices. Many farmers, particularly in the dairy sector, are unfamiliar with these methods, often perceiving traditional activities on drained land as the only viable option. This leads to concerns about the practicalities of switching to wetland agriculture, particularly regarding food versus material production.

- **Limited awareness of carbon storage practices:** There is insufficient knowledge about how peatlands store carbon and the potential for carbon credits as part of sustainable land management.
- **Limited understanding of bio-based business models:** Farmers lack awareness of viable business models that offer secondary income sources from rewetted peatlands, hindering their ability to see long-term economic benefits.
- **Complexity of agri-environmental schemes:** Existing schemes that promote sustainable farming practices are either too complex or entirely lacking, making it difficult for farmers to access the necessary financial and technical support for transition.
- **Insufficient training and advisory support:** There is a clear gap in available training and expertise for farmers, land managers, and contractors on effectively implementing and managing sustainable peatland practices.

# What is the problem?

*Damage is caused when peatlands are drained, e.g., for agriculture and afforestation. When a peatland is drained, or its peat-forming vegetation is stripped, it shifts from storing and sequestering nutrients and carbon to emitting them.*

Drained and damaged peatlands are a significant source of GHG emissions, responsible for more than 4% of global human-caused CO<sub>2</sub>e emissions annually. This is more than aviation and shipping combined. About 25% of the EU's agricultural GHG emissions result from drained peatlands, although this area covers only 3% of agricultural land. Peatland degradation also drives biodiversity loss, more flooding and droughts, fires, degraded drinking water for local communities, and open waters' eutrophication (excessive algae growth).

Peatland conservation, restoration, and sustainable management are thus highly significant for combatting climate change and conserving biodiversity. While it is crucial to understand how we can effectively restore degraded peatlands, this is a complex area crossing multiple domains and affecting many landowners and users. It cannot be solved by simply raising the water table on drained peatlands.

1. Numbers according to: UNEP (2022) Global Peatlands Assessment <https://www.unep.org/resources/global-peatlands-assessment-2022>

7. <https://sites.google.com/view/c-toolbox/components-of-the-toolbox/policy-recommendations?authuser=0>

## Uncertainty in Management

The uncertainty surrounding the impacts of rewetting adds another layer of reluctance for farmers to embrace these new practices.

- **Unpredictable effects on water levels and agriculture:** Rewetting can have variable impacts on water levels, disrupting existing agricultural activities and leading to increased management difficulties in the field.
- **Increased risks of flooding and invasive species:** Farmers fear the potential for land flooding and the spread of invasive species, such as *Ludwigia* and *Myriophyllum aquaticum*, which can harm farm productivity.
- **Challenges posed by terrain:** In areas with steep slopes or uneven topography, rewetting becomes even more complicated, adding to the operational burden.

## Lack of Financial Incentives and Economic Support

Financial concerns are a significant deterrent to the adoption of wetland-based agriculture. Current economic conditions and a lack of market development for paludiculture products make it difficult for farmers to justify the investment needed to transition.

- **Subsidies favour drainage-based agriculture:** Existing subsidies tend to support traditional, drainage-oriented practices, leaving farmers without sufficient financial incentives or options to switch to sustainable alternatives.
- **Limited market opportunities:** Highly structured agricultural markets leave little room for products derived from paludiculture, and competition from conventional farming products remains high.
- **High investment costs:** Farmers are concerned about the significant investments required to adapt their operations, with insufficient financial support available to facilitate the transition.
- **Lack of funding for training and land improvement:** There is a noticeable lack of financing for training land managers and landowners and enhancing soil health and biodiversity.

## Lack of Cooperation and Motivation

A lack of cooperation and recognition hinders the transition to sustainable land management.

- **Limited recognition of farmers' role in peatland preservation:** Many farmers feel their contributions to biodiversity and greenhouse gas (GHG) reduction efforts are undervalued, leading to low motivation to engage in restoration practices.
- **Incompatibility with current economic crises:** Innovation and sustainable transitions are difficult to prioritize during ongoing economic and climate crises, where short-term survival often takes precedence.
- **Farmers with limited influence:** Grazing tenants, who may not own the land they work on, often have little say in pushing for sustainable practices, as the decision lies with landowners.
- **Rapid shifts in policy models:** Quick transitions between policies and practices can lead to negative experiences, making farmers hesitant to try new approaches again.

In conclusion, the transition to peatland restoration through sustainable agricultural practices faces numerous barriers. Addressing these issues—through better knowledge transfer, more robust financial incentives, and increased support for farmers—will be crucial in enabling this necessary shift in land management.

### What is Needed?

A comprehensive approach is required to overcome the abovementioned barriers, fears, and misconceptions. This includes acquiring specialized knowledge, access to appropriate equipment, financial support, and fostering long-term commitment. Farmers need support in critical areas to make the transition to sustainable peatland management more feasible. Below are essential actions identified during the workshop:

#### Motivation and Incentives

- ✓ **Incentives for early adopters:** Offer long-term financial incentives to encourage early engagement in peatland restoration.
- ✓ **Farmer involvement in policymaking:** Farmers should actively design policies and incentives related to peatland rewetting.
- ✓ **Clear communication of impacts:** The ecological and economic benefits of rewetting must be well understood and clearly explained.



# What is Needed?

## Knowledge and Technical Support

- ✓ **Access to local advisors:** Farmers need specialized site preparation, equipment investment, and water management support.
- ✓ **Market connections:** Advisors should help link producers and buyers of paludiculture products to develop new revenue streams.
- ✓ **Practical tools for monitoring:** User-friendly, cost-effective tools are needed to be developed to help farmers monitor the environmental and economic impact of transitioning to sustainable practices.
- ✓ **Machinery adapted to wet soils:** Affordable or publicly supported access to machinery suitable for managing wet soils is essential for both crop and livestock farmers.

## Financial Support

- ✓ **Income diversification:** Farmers should have opportunities to diversify their income sources, reducing reliance on a single product or market.
- ✓ **Equitable subsidies:** Subsidies for sustainable practices should equal or exceed those for drainage-based agriculture, ensuring financial viability for farmers and landowners.
- ✓ **Payments for environmental services:** Implementing a payment system would recognize good practices and provide ongoing financial support for sustainable land management.
- ✓ **Financial rewards for ecosystem services:** Farmers should receive compensation for rewetting and services like carbon sequestration and biodiversity improvement.

## Certainty in Management

- ✓ **Clear long-term regulations:** Farmers need certainty through long-term regulations governing rewetting and cultivating wet crops, helping them confidently plan for the future.

These actions are crucial to overcome current barriers and ensure successful peatland restoration.

## Financing Peatland Management in Agricultural Areas

*Focus on finance is needed; despite the ecological benefits of peatland restoration, the financial barriers remain one of the biggest challenges preventing farmers and land managers from adopting sustainable practices like rewetting and paludiculture.*

While significant financial barriers exist to transitioning to sustainable peatland agriculture, several funding options are already available. However, these options are not always well-suited to the diverse situations farmers and land managers face, nor are they uniformly accessible across all EU Member States. The EU's Common Agricultural Policy (CAP) is central to setting policy direction and providing financial support for conservation goals. However, it is co-funded by regional governments and may not fully address the needs of peatland restoration. Additional support may come from national funding schemes or EU sources like the European Regional Development Fund (ERDF), but availability remains uneven.

Privately financed initiatives, such as voluntary carbon markets or water companies funding peatland restoration in their catchment areas, are growing but remain limited in scope. Nonetheless, they offer essential complements to government-funded schemes and inspire future initiatives. Given their vital role in peatland restoration, rewetting projects, in particular, need further attention and financial backing.

# Relevant Funding Areas for Peatland Management and Paludiculture

Although many EU policies outline objectives relevant to peatland management, not all include dedicated funding mechanisms. Below are some key areas where funding and regulatory frameworks intersect to support sustainable peatland agriculture, including paludiculture:

**Nature Protection:** Habitats Directive, Birds Directive, Natura 2000, Biodiversity Strategy 2030, Nature Restoration Law, LIFE Programme

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**Climate Mitigation:** 2030 Climate and Energy Framework, Climate Law, LULUCF Regulation, proposed EU Carbon Farming Initiative

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**Research & Development:** Horizon 2020, Joint Research Centre (JRC)

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**Agriculture:** Common Agricultural Policy (CAP), European Agricultural Fund for Rural Development (EAFRD), Farm to Fork Strategy

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**EU Water Policy:** Water Framework Directive, Floods Directive

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**Soil Policy:** Soil Thematic Strategy, EU's 7th Environment Action Programme, proposed Soil Framework Directive

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**Rural Development:** European Regional Development Fund (ERDF), Interreg, Cohesion Fund, EU Recovery and Resilience Facility

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**Energy Policy:** Renewable Energy Directive

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**Infrastructure Planning:** Environmental Impact Assessment (EIA) Directive, Green Infrastructure Policy

# Funding Sources for Peatland Restoration and Paludiculture

A variety of funding streams are available to support peatland restoration and paludiculture, including:

**Government subsidies, programs, and projects:** Regional governments partially co-funded CAP.

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**Public-private partnerships:** Joint initiatives between public authorities and private entities.

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**Restoration and rehabilitation funds:** Financial contributions from companies responsible for land exploitation (either voluntarily or to meet legal requirements).

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**Compensation Activities / Offsets:** Restoration projects funded by companies to offset environmental damage, including habitat banking or carbon credits, offering financial support for peatland rewetting and conservation.

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**Water purification projects:** Funded by water supply and purification companies to restore peatlands and improve water quality.

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**Payments for ecosystem services (PES):** These are payments for activities that enhance carbon sequestration, improve water quality, and support biodiversity. They are designed to make sustainable land management economically viable by earning credits that can be sold in voluntary carbon markets or rewarded through results-based finance schemes.

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**Paludiculture business models:** Profitable farming on wet peat soils, offering the potential to fund rewetting activities.<sup>2</sup>

In summary, while the regulatory framework provides various avenues for support, specific and dedicated funding for peatland rewetting and paludiculture needs to be expanded and better coordinated across Member States to ensure the successful restoration of these critical ecosystems.

2. [https://www.ramsar.org/sites/default/files/documents/library/rtr11\\_peatland\\_rewetting\\_restoration\\_e.pdf](https://www.ramsar.org/sites/default/files/documents/library/rtr11_peatland_rewetting_restoration_e.pdf)



# Common Agricultural Policy (CAP)

*The Common Agricultural Policy (CAP) is the central legislation governing financial support to farmers across the EU, integrating climate and environmental protection into its framework. The CAP consists of two pillars:*

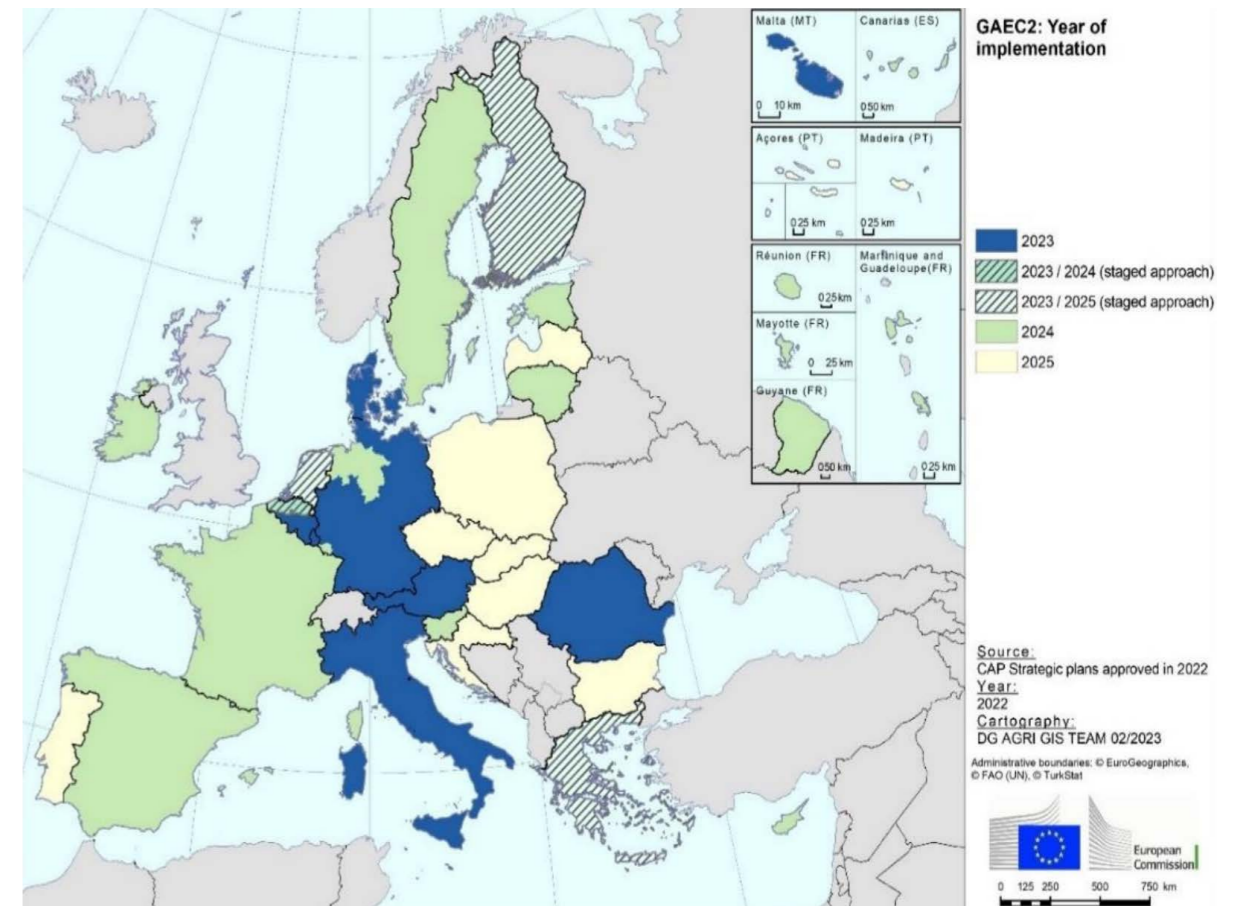
- **Pillar I:** Focuses on direct payments to farmers, contingent on adherence to a set of basic rules known as conditionality, which includes the 'Good Agricultural and Environmental Conditions' (GAECs).
- **Pillar II:** Manages payments through the European Agricultural Fund for Rural Development (EAFRD).

## Pillar I: Good Agricultural and Environmental Conditions (GAEC)

To receive EU income support through the Common Agricultural Policy (CAP), farmers must comply with a set of basic rules known as Good Agricultural and Environmental Conditions (GAECs). This requirement, termed conditionality, ensures that agricultural areas, including land no longer in production, are maintained in good agricultural and environmental condition. The criteria for determining 'good condition' include maintaining soil quality, protecting water resources, and preserving biodiversity.<sup>3</sup>

GAEC 2 is particularly significant in peatlands, as it protects carbon-rich soils in wetlands and peatlands. The extent of protection varies among Member States and is detailed in their national strategic plans. Common provisions include restrictions on drainage, tillage, and land conversion. However, many Member States have postponed the implementation of GAEC 2 until 2025 or later, leading to a significant delay in protective measures.

The following table summarises key findings from the European Environmental Bureau's analysis of GAEC 2 conditions across several EU Member States:



**Figure 1:** Year of implementation of GAEC 2 in the CAP Strategic Plans (CSPs). Taken from “Approved 28 CAP Strategic Plans (2023-2027) Summary overview for 27 Member States Facts and figures” by DG AGRI. June 2023. P.47.

## Eco-Schemes

Eco-schemes are integrated into CAP direct payments to encourage farmers to adopt sustainable practices that contribute to preserving public goods. In 2022, the European Commission published a list of potential eco-schemes, including rewetting of peatlands and paludiculture. However, it is worth noting that Latvia, Lithuania, Sweden, Germany, Ireland, France, and Belgium do not offer explicitly eco-scheme options related to improved peatland management. Conversely, the Netherlands supports paludiculture through its new eco-scheme initiatives.<sup>4</sup>

3. [https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-glance\\_en](https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/cap-glance_en)

4. [https://vb.nweurope.eu/media/19450/financing-mechanisms-for-rewetting-peatlands\\_vf.pdf](https://vb.nweurope.eu/media/19450/financing-mechanisms-for-rewetting-peatlands_vf.pdf)



## Pillar II: Agri-Environmental Climate Measures (AECMs)

Agri-environmental climate measures (AECMs), financed by the Rural Development Fund under Pillar II, provide additional support for implementing low-carbon management practices in peatlands. Despite this potential, funding for peatland rewetting and improved management remains limited in many EU Member States, and successful examples of best practices are scarce. Furthermore, there is inadequate assistance for transitioning to paludiculture, including a lack of advisory services, investment support for machinery suitable for wet soils, and installations for water retention.

### Table: Indicating financial support for peatland management in different EU Member States.

These are an indication of what is available but not an exhaustive list.

Source: National Strategic Plans.

Czechia	
18.70.07 - Subsidy rate for Permanent meadows and peat meadows	€691/ha
18.70.17 - Subsidy rate for Vrosale meadows and peat meadows (Organic farming)	€640/ha
Denmark	
Nitrate wetlands, permanent pasture	€4.765/ha
Nitrogen wetlands, rotational grassland	€11.074/ha
Phosphorus wetlands, permanent pasture	€4.765/ha
Phosphorus wetlands, rotational grassland	€11.074/ha
Watercourse interventions on agricultural land, permanent pasture	€4.765/ha
Watercourse interventions on agricultural land, rotational areas	€11.074/ha

### Germany (DE<sup>4</sup> Brandenburg, DE<sup>8</sup> Mecklenburg-Vorpommern, DE<sup>9</sup> Niedersachsen/Lower Saxony, DED Sachsen/Saxony)

DE4-EL-0101-03-a-01 – Peat soil protection, water level min. 40 cm below the surface	€65/ha
DE4-EL-0101-03-a-02 – Peat soil protection, water level min. 30 cm below the surface	€140/ha
DE4-EL-0101-03-a-03 - Peat soil protection, water level min. 20 cm below the surface	€174/ha
DE4-EL-0101-03-a-04 – Peat soil protection, water level min. 10 cm below the surface	€199/ha
DE4-EL-0101-03-b-01 - Paludiculture on arable land	€350/ha
DE8-EL-0101-03-b-01 - Cropping paludicultures compatible with nature conservation – possible combination with ÖR 7	€450/ha
DE4-EL-0101-03-b-01 - Paludiculture on arable land	€350/ha
DE8-EL-0101-03-a-01 - Peatland-friendly water retention (through water retention of at least 10 cm below the surface all year round) with no use of fertilization and plant protection products – possible combination with ÖR 1d, ÖR 4, ÖR 5, ÖR 7	€450/ha
DE8-EL-0101-03-a-02 - Peatland-friendly water retention (through water retention of at least 10 cm below the surface all year round) in combination with EL 0105-01-4-1, EL 0105-01-2, EL 0108-01-b-1, 0108-02-b-1	€420/ha
DE8-EL-0101-03-a-03 - Peatland-friendly water retention (through water retention of at least 30 cm below the surface all year round) with no use of fertilization and plant protection products – possible combination with ÖR 1d, ÖR 4, ÖR 5, ÖR 7	€150/ha

DE8-EL-0101-03-a-04 - Peatland-friendly water retention (through water retention of at least 30 cm below the surface all year round) in combination with EL 0105-01-4-1, EL 0105-01-2, EL 0108-01-b-1, 0108-02-b-1	€120/ha
DE9-EL-0101-03-a-01 - - BK1 peatland-friendly damming	€536/ha
DE9-EL-0101-03-a-02 - for organic farms	€436/ha
DED-EL-0101-01-b-01 - New permanent grassland from arable land in floodplains and on peatlands, with no use of fertilization and plant protection products (GL 2b)	€2.943/ha
DED-EL-0101-01-b-02 - New permanent grassland from arable land in floodplains and on peatlands, with no use of fertilization and plant protection products in combination with organic farming (GL 2b + ÖBL)	€2.713/ha
<b>Estonia</b>	
ÜS KK4.1 - Support for the protection of peat and eroded soils	€70/ha
ÜS KK4.2 - Support for the protection of peat and eroded soils of valuable grassland	€100/ha
<b>Finland</b>	
Grasslands on plots of peat	€100/ha
<b>The Netherlands</b>	
Peatland and Natura 2000 cooperation	€40.000/ha
<b>Italy</b>	
SRA09 - BOL.01 - Lean meadows and low moorland meadows.	€660/ha

SRA09 - BOL.08 – Peat bogs and alders	€240/ha
SRA09 - BOL.11 - Lean meadows and peatland meadows. Low supplement steep surfaces or meadows particular area	€200/ha

### Poland

8_1_6 - Peatlands – essential requirements	€269,82/ha
8_2_7 - Peatlands – critical and complementary requirements	€359,47/ha
8_9_1_6_1 - Peatlands – mandatory requirements	€245,29/ha
8_9_1_6_2 - Peatlands – mandatory and complementary requirements	€347,65/ha

### Sweden

Wetland management compensation	€430/ha
Wetland land replacement Götalands södra slättbygder (GSS) (The southern plains of Götaland)	€108/ha

### Ireland

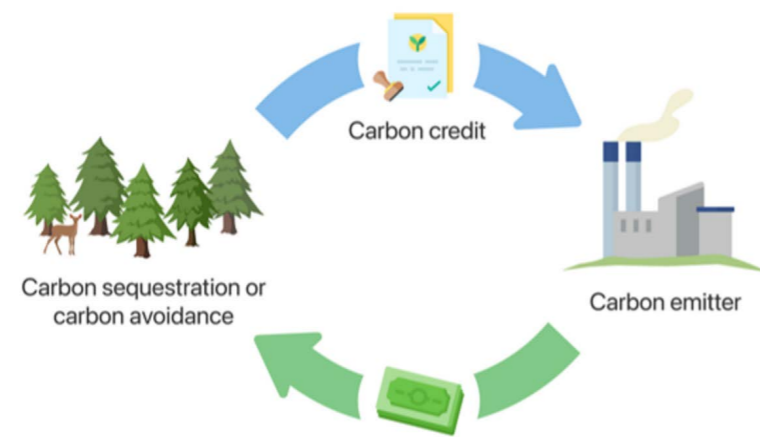
Low Input Peat Grassland (LIPG) – Results Based	A structured package is whereby an applicant may select from a range of actions with an expected overall maximum value of €7.311 per year, applicable in all cases.
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In summary, while the CAP and its associated mechanisms provide a framework for supporting peatland management, the timing of GAEC implementation and the availability of eco-schemes must be addressed to ensure effective conservation and restoration efforts.



# Alternative Business Models

While peatlands can be used to produce livestock products, paludicrops, and other biomass, the management and income generated from these activities may not ensure a feasible implementation of sustainable practices in a way that remains profitable in the short term. Consequently, farmers and landowners may need to explore additional financial arrangements tied to the rewetting or restoration of peatlands by leveraging the environmental services generated by these practices, such as carbon sequestration, water protection, flood control, and biodiversity enhancement.



**Figure 2:** Carbon Credits Explained. Source: ClimateCarbon

An important initiative in this regard is the toMOORow Alliance, a coalition of pioneers in paludiculture in Germany. This alliance brings together larger companies to enhance and promote paludiculture value chains, fostering collaboration and innovation in the sector. For more information, visit [toMOORow](https://www.toMOORow.com).

The Carbon toolbox<sup>5</sup> gives an overview of financial incentives and innovative business models on peatland in agricultural areas:



5. This C-toolbox is based on the learnings of 5 European projects (see below) which are dealing with peatland restoration by providing landowners and farmers alternative income sources without damaging the environment.



## Carbon and Blue Credits Certification

**Carbon credits are quantifiable units that represent the removal of carbon dioxide from the atmosphere or avoiding its emission.**

In peatlands, they are generated through rewetting, reducing CO<sub>2</sub> emissions. Current carbon credits focus on avoided emissions rather than sequestered carbon, distinguishing them from afforestation credits. Blue Credits, defined within North-West Europe Interreg projects, represent tradable certificates linked to water-related services delivered through sustainable peatland management. Each Blue Credit represents one ton of CO<sub>2</sub> equivalent (1 t CO<sub>2</sub>e) associated with the environmental benefits provided by the peatland. Peatland carbon credits are traded within the voluntary carbon market, driven primarily by Corporate Social Responsibility initiatives. Private and public institutions can purchase carbon credits to compensate for emissions. Such Voluntary Carbon credits (VCC) may also have an impact on broader considerations, including the regulatory, tax and accounting treatment<sup>6</sup>. The European Union is developing a Carbon Removal Certification Framework (CRCF) to standardize carbon credit certification processes, potentially enhancing the credibility and marketability of carbon credits generated from peatland restoration efforts.



6. <https://sites.google.com/view/c-toolbox/components-of-the-toolbox/incomes-credit?authuser=0>

# Other programs and initiatives for carbon certification in peatlands

The European project Road4Schemes has identified 36 carbon farming certification schemes associated with peatlands, and these schemes have been brought together on [a digital platform](#).

## Other initiatives:

### MoorFutures



<https://www.moorfutures.de/>



### UK Peatland Code



<https://www.iucn-uk-peatlandprogramme.org/peatland-code/introduction-peatland-code>



### PayingForPeat (NL)



<https://valutavoorveen.nl/>



### SNK Currency for Peat (NL)



<https://nationaleco2markt.nl/>



### BetterClimate

<https://betterclimate-company.de/>



### Under development: Farm Carbon



<https://farmcarbon.ie/>



### Verra



<https://verra.org/>

<https://verra.org/wp-content/uploads/imported/methodologies/VM0036-Rewetting-Drained-Temperate-Peatlands-v1.0.pdf>



### Max.moor

<https://www.wsl.ch/de/projekte/klimaschutz-durch-hochmoorschutz-1/>



## BOX 1 The UK Peatland Code

The UK currently employs a robust system known as the UK Peatland Code. This quality standard for peatland restoration projects produces verified carbon units (credits). The code outlines criteria for validating and verifying greenhouse gas emission reductions and carbon sequestration achieved through peatland restoration.

The Peatland Code issues two types of carbon units, both available for sale:

- A Peatland Carbon Unit (PCU) represents a tonne of CO<sub>2</sub> emissions savings from a Peatland Code-certified peatland.
- A Pending Issuance Unit (PIU) essentially serves as a commitment to deliver a Peatland Carbon Unit in the future. It lacks a 'guarantee' and, as such, cannot be utilized to report UK-based emissions until it undergoes verification.<sup>7</sup>

7. <https://www.iucn-uk-peatlandprogramme.org/peatland-code/how-it-works>



## How does it work?

To adhere to the UK Peatland Code, land managers, farmers, and landowners must undertake the following steps:

### 1. Comply with the eligibility criteria

- Peat soils must be greater than 30cm in depth for bogs with additional requirements, 45cm in fens
- Peatland type must be blanket bog, raised bog, or fen
- Peatland condition must be 'Actively Eroding,' 'Drained,' 'Modified bog,' 'Cropland – drained,' 'Grassland - intensive,' 'Grassland - extensive' or 'Modified fen' (See Field Protocol for definitions)
- Restoration activities must not include forest removal Project must be able to enter a minimum contract of 30 years
- Restoration activities must not conflict with any other land management agreements
- Project must be additional i.e., it must require carbon finance to take place

### 2. Register the project on the [UK land carbon registry](#) & Complete Peatland Code documentation

### 3. Project Plan validation

An independent validation body should be contacted to validate a project. The current bodies approved to validate and verify Peatland Code projects are OF&G, Soil Association, and [SAC Consulting](#).

### 4. Peatland restoration

During this step, restoration activities are carried out.

### 5. Restoration validation

An evaluation will be conducted to verify if the project has successfully and satisfactorily implemented the planned restoration work.

### 6. Verification

After successful validation and the completion of the restoration activity, the validation/verification body will conduct regular verification audits according to a predetermined schedule.

## The Way Forward: Achieving Ecological, Economic, and Social Balance

Based on the presentations and discussions held during the workshop, the current shortcomings that need to be addressed can be summarised as follows:



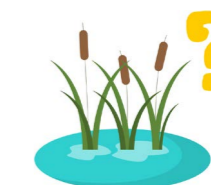
### 1. Insufficient Financing

There is a notable lack of funding mechanisms to adequately compensate farmers for long-term transitions to sustainable practices, discouraging investment in necessary changes.



### 2. Conflicting Support for Drainage-Based Agriculture

Existing support systems often favour drainage-based peatland management, which hinders the adoption of more sustainable alternatives.



### 3. Uncertainty Regarding Wetland Crops

There is a lack of clarity regarding the recognition of wetland plants as legitimate crops, creating barriers for farmers interested in diversifying their operations.



### 4. Limited Recognition of Ecosystem Services

Current incentives do not adequately reward farmers for the public benefits of ecosystem services, such as carbon sequestration and water quality enhancement. The absence of long-term funding schemes exacerbates uncertainty, undermining farmers' planning security.



### 5. Need for Knowledge Exchange:

Good practice examples are only partially implemented across individual Member States. Enhancing the exchange of successful practices and programs among peatland-rich Member States is crucial for fostering effective and sustainable management.

Every site is unique. Therefore, site managers, landowners, farmers, scientists, and decision-makers must collaborate to define the most appropriate local solutions. The following 10 'recommendations for success' were identified and discussed during the workshop for rewetting projects in agricultural areas and should be considered for future projects.

## Ten recommendations for success:

- 1 Try to adapt existing models before shifting to new business models.
- 2 Aim for diversification of income sources.
- 3 Available financial support must be equal to or even more significant than those for drainage-based practices.
- 4 Alternative business models must guarantee farmers' income. Farmers should be financially rewarded for rewetting peatlands, carbon sequestration, improved biodiversity, or water quality when (alternative) activities impact their current productivity or workload.
- 5 Involve pioneer farmers, experts, and specialized institutions to forge credibility in the statements and proposals.
- 6 Involve people outside the targeted area to provide a different perspective and broaden the discussion.
- 7 Involve decision-makers and local authorities at an early stage
- 8 Do not only focus on farming: broaden the discussion to other sectors impacting peatland and the paludiculture industry.
- 9 Farmers should be an integral part of the policymaking while designing financial incentives related to rewetting.
- 10 Aim for clear political regulations on growing wet crops and rewetting soils.

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## AUTHORS

Mulier, Anne Sophie – European Landowners Organisation, Belgium

Cesar das Neves, Leonor – European Landowners Organisation, Belgium

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## EDITOR

Mulier, Anne Sophie – European Landowners Organisation, Belgium

Cesar das Neves, Leonor – European Landowners Organisation, Belgium

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