### Policy brief:

# "New Developments in European Peatland Strategies"

### **Main messages**

- 1. Peatlands are rising on the global political agenda due to their recognised importance for climate, biodiversity, water, and people. National peatland strategies serve as a basis to coordinate peatland restoration and now have been published in Austria, England, Finland, Germany, Ireland, Northern Ireland, The Netherlands, Scotland and Wales, while in other countries they are under preparation.
- 2. The lack of funds for peatland restoration is a key barrier to implementation. Private funding is widely seen as an indispensable addition to public funds. At the same time, the short-term cycles of CAP payments do not allow for long-term planning; it is crucial for the participation of farmers and landowners to offer them long-term perspectives. The planned EU Carbon Removals and Carbon Farming Certification is intended to be an important step towards reliable blended finance and accelerating investment in peatland rewetting.
- **3.** A more regular dialogue and exchange of best practices across Europe would be highly beneficial for national governments. Countries currently engaged in peatland strategy development have expressed strong interest in sharing insights with other European countries, building on their collective experiences. A common European Strategy for peatlands interlinking different policy fields and a European Peatlands Initiative, advised by the Global Peatlands Initiative led by the United Nations Environment Programme, presents an opportunity to form a dedicated platform for this exchange, accelerating progress and fostering collaboration across borders.

"To ensure peatlands continue delivering vital ecosystem services and contributing to climate targets, they must be prioritised, conserved, restored, and sustainably managed, placing them prominently on the global political agenda. The Global Peatlands Initiative has supported the establishment of the European Peatlands Initiative to foster collaboration, accelerate investment, and align policy strategies across borders."

**United Nations Environment Programme - Global Peatlands Initiative** 



### Introduction

Peatlands play a crucial role in reaching national and international goals regarding climate, biodiversity conservation, water retention and quality, and nutrient retention. Peatlands are among Earth's most valuable ecosystems, holding up to a third of the world's soil carbon, despite covering only 3–4% of its land surface<sup>1</sup>. Their importance is increasingly acknowledged, yet many peatlands are threatened by drainage and damaging land use<sup>2</sup>. Current peatland management practices are often unable to retain their important ecosystem services. To tackle this challenge, several European governments and actors have developed national peatland strategies, as a basis for coherent peatland management.

In May 2024, 31 governmental representatives and experts from 13 European countries came together in Bonn, Germany at the German Federal Agency for Nature Conservation (BfN) to exchange knowledge and experiences on existing and planned national peatland strategies. The objective was to discuss the needs and possibilities for integrating strategic peatland conservation and for sustainable use of organic soils at European level, including an overview of current practices and existing regulations, as well as opportunities for closer cooperation between countries.

The workshop was designed as a follow-up on a similar exchange on European Peatland Strategies in 2019, which also resulted in the publication of a Policy brief<sup>3</sup>.

# **Existing national strategies: Experiences and challenges**

National peatland strategies have been published in Austria, England, Finland, Germany, Ireland, Northern Ireland, the Netherlands, Scotland and Wales, while in other countries they are under preparation at different speeds<sup>4</sup>. In general, peatlands have risen significantly on the political agenda and are receiving increasing awareness internationally. While there is a growing need for cooperation and exchange between national governments, a pan-European exchange platform beyond science and civil society organisations is still lacking, as identified at the 2021 Climate Summit in Glasgow, Scotland, where a European Peatlands Initiative was proposed under the lead of the Irish government and the United Nations Environment Programme. In 2022, an exploratory study<sup>5</sup> involving 150 peatland actors across 15 EU countries highlighted the need for European-wide collaboration. This led to a ministerial meeting

- https://www.unep.org/resources/global-peatlands-assessment-2022
- https://onlinelibrary.wiley.com/doi/full/10.1002/adsu.202000146
- https://www.bfn.de/sites/default/files/2021-06/policy-brief-peatland-strategies-bfn.pdf
- 4 For examples from central and Eastern Europe, see: https://www.ceeweb.org/publication.php?id=847
- https://www.npws.ie/sites/default/files/files/epi-explanatory-report-english.pdf

in Dublin, Ireland, in 2023, where representatives from several countries and organizations expressed interest to establishing a collaborative network for peatland restoration, conservation, and sustainable management across Europe.

Wet peatlands do not release CO<sub>2</sub>, can potentially sequester carbon, store and improve quality of water, provide habitat for rare and threatened biodiversity, and can still be used for production of biomass ("paludiculture"). In contrast, drained peatlands emit large amounts of CO<sub>2</sub> due to peat mineralization. Rewetting them and adjusting their land use towards sustainable practices can therefore substantially contribute to low-emission goals. **To reach overarching climate, water, and biodiversity objectives, there is a clear need for** implementing national peatland strategies and **significantly scaling up peatland restoration now.** 

For national strategies, a clear integral vision, a sufficiently long timeframe and continuity are important. The Irish peatland strategy<sup>6</sup>, for example, covers the period 2015 – 2025 and is likely to be extended. The new Irish strategy might reflect a broader perspective looking at a landscape and water approach. In Germany, the "Federal Action Plan on Nature based Solutions for Climate and Biodiversity" sets concrete measures to implement the National Peatland Strategy in the upcoming years and provides public funding. Such benchmarks serve as blueprints for other countries to foster future peatland action.

To effectively implement national peatland strategies, a cross-sectoral and whole-of-government approach is key. More exchange is needed between sectoral policies and different ministries. Since large peatland areas in Europe are used for agriculture and forestry, the involvement of respective ministries and stakeholders from the land use sector is crucial. Authorities responsible for water management and climate change mitigation should be actively engaged, to ensure policy coherence and harness synergy potentials. As large areas need to be rewetted soon to reach climate targets, planning and approval processes need to be accelerated and streamlined. This requires increased capacities in authorities, water boards, planning offices, and construction companies.

At the same time, clear communication, consultation, and transparency between the sectors still need to be improved. Early collaboration in policy strategies and restoration projects with all relevant stakeholders is vital, especially with landowners, land users, civil society, and local communities; guidance on stakeholder engagement is available<sup>8</sup>. While past, ongoing and upcoming peatland projects hope to bridge the gaps between the sectors, successful networking and experience-sharing events should be replicated on a regular basis.

The lack of funds for peatland restoration is a key barrier to implementation. Private funding is widely seen as an indispensable addition to public funds, leading to what is known as blended finance. Useful experience has been made with this approach in the UK and Ireland, using the Peatland Code<sup>9</sup> 10. The Peatland Code is a voluntary certification standard for UK peatland projects wishing to seek additional private funding via the voluntary carbon market.

To finance peatland rewetting, private funding and blended finance must be scaled up. However, for any involvement of private money, standardised data and MRV (measurement,

https://www.npws.ie/sites/default/files/publications/pdf/NationalPeatlandsStrategy2015EnglishVers.pdf

<sup>7</sup> https://www.publikationen-bundesregierung.de/pp-de/publikationssuche/aktionsprogramm-natuerlicher-klimaschutz2251322

https://www.bfn.de/publikationen/praxisinfo/meaningful-engagement-nature-restoration-local-level

<sup>9</sup> https://www.iucn-uk-peatlandprogramme.org/peatland-code-0

<sup>10</sup> https://www.sciencedirect.com/science/article/abs/pii/S0264837721003173

reporting and verification) systems are needed to sell achieved targets, e.g., for water tables, greenhouse gas (GHG) fluxes, and biodiversity. Moreover, sound safeguards need to be set, to ensure that privately funded projects meet relevant criteria such as additionality and permanence, include meaningful stakeholder engagement and result in biodiversity benefits. MoorFutures, Peatland Code, and Valuta voor veen are best practice examples from Germany, UK, and the Netherlands, respectively. However, uptake of these has been slow due to barriers such as local resistance to land use change, particularly when measures are seen to potentially compromise agricultural production. Continued wise land use on rewetted peatlands such as paludiculture could be an option.

For paludiculture, a common challenge is the lack of established value chains<sup>11</sup> <sup>12</sup>, lack of public finance schemes, and inappropriate legislation. In this context, ambiguities on the definition of paludiculture and its products need to be clarified. Demonstration sites are needed for different paludicultures, e.g., sphagnum, common reed, cattail, grass, and sedges as fodder, materials, or energy source. Some good examples exist, e.g., in UK and Germany<sup>13</sup>, and show that scaling up and a market stimulation to create a supply chain is urgently needed. Additional data on GHG emissions from different paludiculture types would also be helpful to quantify climate benefits (e.g., meta-analyses do exist for Germany<sup>14</sup> <sup>15</sup>). While incentives are needed for pioneers, they should not be disadvantaged later for being early movers. An option is to have high and attractive incentives at the beginning and slowly decreasing rates plus an assurance for a long-term economic livelihood.

Some knowledge gaps still exist. Detailed peatland extent and status are still not fully available in Europe. It seems advisable to use new and harmonised approaches of remote sensing. As an example from Ireland, a combination of ground referencing and machine learning brought good results in mapping the biodiversity of bogs. Portugal, Spain and France are still updating their national wetland inventories which include peatlands. On a broader theoretical level, the definition of peatlands is inconsistent between European countries. Moreover, a lack of hydrological information at the watershed level persists, which exacerbates planning of peatland restoration measures. LULUCF reporting, e.g., reporting on land use category and thus GHG emissions, needs to be improved for some countries. A new handbook by the European Environment Agency provides guidance and orientation in that regard<sup>16</sup>. Additionally, national databases, ideally open source, are needed for restoration and paludiculture projects to get an overview on extent, status, measured parameters and contacts for national agencies and share best-practice experiences for practitioners<sup>17</sup>.

A more regular dialogue and exchange of best practices across Europe would be highly beneficial for national governments. Government representatives from countries currently engaged in wetland and peatland strategy development have expressed interest in sharing insights with other European countries, building on their collective experiences. A European Peatlands Initiative, advised by the UNEP-led Global Peatlands Initiative, could potentially form a platform for this exchange in the near future.

<sup>11</sup> https://www.tomoorow.org/

<sup>12</sup> https://www.fnr.de/projektfoerderung/ausgewaehlte-projekte/projekte/paludiallianz

 $<sup>\</sup>underline{\textbf{13}} \ \underline{\textbf{https://www.fnr.de/presse/forschung-live/projektnews/paludi-zentrale-stimmt-bundesweite-mooraktivitaeten-abselventen.} \\$ 

<sup>14</sup> https://doi.org/10.1007/s10113-022-01900-8

 $<sup>{\</sup>tt 15} \\ {\tt https://www.hswt.de/fileadmin/Redaktion/Forschung/Forschungseinrichtungen/Peatland\_Science\_Centre/Downloads\_Publikationen/Abschlussbericht\_MOORuse.pdf$ 

<sup>16</sup> https://climate-energy.eea.europa.eu/topics/climate-change-mitigation/land-and-forests/reports/handbook-on-the-update-lulucf-regulation-v2

<sup>17</sup> https://moor-net.de/

# Peatland strategies in the context of the EU policy framework

Peatlands play an important role for reaching the targets of several EU sectoral policies.

Notable EU legislations include Common Agricultural Policy (CAP); EU Land use, land-use change and forestry (LULUCF) regulation under the Fit for 55 Climate Package; Water Framework Directive (WFD); Habitats and Birds Directives; Nature Restoration Regulation (NRR); and a potential upcoming Carbon Removals and Carbon Farming Certification (CRCF). Overall, EU legislation should be better aligned on peatlands to reduce inconsistencies, avoid trade-offs resulting from one-sided action, and strengthen synergies instead.

Unsustainable land use of peatlands is still being incentivised. Agriculture is the most common land use on drained peatlands in Europe. Thus, the EU CAP shapes agricultural land use and peatland management across EU Member States. Although in 2021, crop codes were introduced for a number of wet crops, and the present CAP (2023 onwards) includes paludiculture as eligible for payments, the CAP still dominantly stimulates a drained use of peatlands for agriculture. While in some Member States schemes for paludiculture do exist, in most they are still missing. The CAP could be a powerful tool in the future, incentivising the establishment of paludiculture with its environmental service as a standard agricultural activity on peatlands. At the same time, a structural problem needs to be addressed as the short-term cycles of CAP payments do not allow for long-term planning and solutions. It is crucial for the participation of farmers and landowners to offer them long-term perspectives.

Minimising trade-offs while meeting the objectives of different policies is another challenge. While peatland restoration improves the water balance and quality on a landscape scale, it may have some undesirable (temporary) effects on the WFD objectives on a local scale. For example, peatland rewetting may initially deteriorate water quality, and the blocking of ditches for peatland rewetting is not always compatible with the objective of water stream continuity. In principle, the WFD also addresses groundwater-dependent ecosystems, which include many peatland sites. However, the status of these ecosystems does not have to be reported on, meaning that their status in practice is usually treated as a lower priority. As soon as this is given the same priority as the ecological status or the continuity of a water body, it would be easier to balance trade-offs and create synergies between these requirements. Even now, many synergies do already exist as peatlands are an essential part of the landscape hydrological system. Finding the best trade-offs and mitigating any negative impacts requires a full picture and comprehensive understanding.

Through the **Habitats and Birds Directives**, not only pristine mires are protected but also secondary, non-peatland habitats on drained peatlands. In a general sense, peatland rewetting and wet utilisation goes hand in hand with improvements for biodiversity. In specific areas, measures could pose difficulties<sup>18 19 20</sup>. The prohibition of deterioration of the conservation status of a habitat type refers to within a Special Area of Conservation (SAC). Unfortunately, in the case of rewetting measures there is often a lack of land to create a replacement within

<sup>18</sup> Vischer-Leopold, M. et al. (2015) Natura 2000 und Management in Moorgebieten. Naturschutz und Biologische Vielfalt 140. Bonn: Bundesamt für Naturschutz.

<sup>19</sup> https://greifswaldmoor.de/files/dokumente/GMC%20Schriften/201908\_Broschuere\_Klimaschutz%20auf%20Moorb%C3% B6den\_2019.pdf

<sup>20</sup> https://greifswaldmoor.de/files/dokumente/GMC%20Schriften/2023-01\_Hirschelmann%20et%20al\_Beschleunigte%20Planung%20und%20Genehmigung%20 von%20Moorklimaschutz\_korr.pdf

the SAC only. As an alternative, to prevent deterioration of the conservation status, measures outside of SACs should be included and a more regional "view", i.e., a larger reference area based on a regional integrated water-soil analysis, should be accepted.

The recently adopted Nature Restoration Regulation intends to enhance peatland restoration in EU Member States by setting binding targets at EU level<sup>21</sup>. It has been recognised by a wide range of stakeholders as a potential 'game changer', particularly for peatlands in agricultural use – a tool to trigger large-scale transformation (and restoration) and to help slow and halt the catastrophic decline of biodiversity, while stimulating sustainable and resilient economies. That potential, however, depends entirely on effective implementation and sufficient funding. The NRR requires Member States to develop and adopt National Restoration Plans (NRPs) detailing how they will achieve the regulation's targets and obligations - draft plans need to be submitted September 2026. Even though rewetting peatlands is a necessary prerequisite for restoring peatlands, the NRR leaves flexibility for Member States. The plans will look at possibilities to balance setting peatland restoration goals which are ambitious enough to reach climate objectives on the one hand, and offering agricultural landowners long-term economic perspectives on the other hand. A regular knowledge exchange between governments and stakeholders, specific to peatlands within the NRR, would be very useful.

To facilitate sustainable carbon farming solutions without greenwashing, standardisation is approached on EU level via the planned **Carbon Removals and Carbon Farming Certification** (CRCF), which aims at building an EU-wide robust, comparable, and reliable system for private sector investments into peatland restoration. The CRCF is intended to be an important step towards accelerating investment in peatland rewetting.

Because of the exceptional, but insufficiently recognised role played by peatlands, the participating experts at the Bonn workshop proposed a common **European Strategy for peatlands**. Such a strategy would highlight the crucial role peatlands play in climate change mitigation, improve the interlinkages between different policy fields and create an enabling context for public and private investment. To allow for a more regional, peatland type specific perspective, it is suggested to approach peatlands using the concept of European mire regions<sup>22</sup> in European strategies and policies, e.g., with regional chapters. This way, solutions for common challenges can be more easily adapted for different biogeographical circumstances.

# Collaboration on European level as a way forward

Future collaboration on governmental level in Europe is key to reach a high level of knowledge, supporting political framework and legislation, and fruitful practical work on the ground when it comes to peatlands in all European countries. Continued and more frequent exchange on best practices and knowledge transfer are needed in all fields of peatland protection and restoration, including theory, research, implementation, policy, and more. Exchange beyond the EU and Europe is also necessary to learn from other countries and their pilot projects, carbon credits and blended finance approaches.



A European Peatlands Initiative would be a promising and permanent platform to unify collaboration and knowledge production between European governments, but also between civil society, science, and other stakeholders, as the Global Peatlands Initiative has shown worldwide.



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