

Peatland rewetting and restoration in the Common Agricultural Policy

Insights, changes and (new) levers of influence

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Insights (1)

Peatlands have become more visible within the CAP

- CAP 2023–27 provided a stronger framework for better peatland management to contribute towards the **European Green Deal** biodiversity and nature goals
- It provided new minimum regulatory standards (to stop degradation) and expanded financial incentives to support restoration and better peatland management
- Changes to CAP eligibility rules created new opportunities to support rewetted land and paludiculture
- A growing number of Member States are employing the CAP's flexible instrument approach to support peatland protection, rewetting, water management and wet land use

Good Member State approaches:

- 6 MS have used possibility under Article 4 definitions to ensure paludiculture crops are eligible for direct payments/subsidy: **DK, FR, DE, IE, IT ,NL**
- 2 MS have eco-schemes directly relevant for peatlands: **DK** (extensification actions, leading to eventual retirement of grassland areas from production (to be financed by other means), **NL** wet cultivation/ paludiculture)
- 7 MS have included specific agri-environment-climate measures (AECMs) for peatlands in their CAP strategies (focus primarily on funding water retention and drainage management, extensive grassland management and biodiversity protection): **AT, DK, FI, DE, IE, NL, SE**
- Collective approaches/cooperation: **(DE) Brandenburg and IE.**

Derived from Norbeck, et al, 2025 *The integration of peatlands into the EU Common Agricultural Policy: Recent progress and remaining challenges*

Insights (2)

Progress has been made but implementation remains uneven

- Some countries have made significant progress in integrating peatlands into their CAP Strategic Plans
- But many countries stalled in early stages of integrating peatlands into their CAP Strategic Plans (e.g. delays on mapping/operationalising GAEC 2)
- Farmer protests from 2023 led to significant changes to GAEC 2 (CAP simplification)
- Focus shifted towards **incentives** and support for farmers rather than relying solely on minimum standards (especially in light of Nature Restoration Regulation peatland targets)
- At the same time, awareness of the critical role of **healthy peatlands** and **retaining water in landscapes** for climate, biodiversity and societal resilience continues to grow



Insights (3)

CAP remains a critical funding source for peatland restoration

- Restoring and rewetting peatlands requires long-term support and investment
- The CAP (within the new National and Regional Partnership Plans (NRPPs) proposed by the EC) remains one of the **largest sources of public funding** potentially available for peatland restoration rewetting and sustainable management
- Progress made on integrating peatlands within the CAP in the existing period needs to be retained and built on for the post-2027 CAP
- There is increasing recognition that the transition away from drainage-based land use must also provide long-term, viable economic opportunities for farmers and land managers in peatland regions
- Support for rewetting, paludiculture and other peatland-friendly land uses will be essential to deliver restoration at scale
- Better coordination between agriculture, climate and environmental ministries and policies will be critical to ensure that rules and support align between the CAP, the Nature Restoration Regulation and National Energy and Climate Plans (NECPs)

Changes (1)

Current CAP vs proposed post-2027 CAP framework

Current CAP Green architecture

- BISS (pillar 1 payment) Article 4/eligibility changes to allow for pillar 1 payment on re-wetted land
- Conditionality – GAEC 2 minimum standards for peatlands and wetlands (not compensated – forms the baseline for payments)
- **Simplification* – GAEC 2 – MS can pay farmers for compliance with this standard (no longer part of the baseline for calculating ES/AECM payments)
- Eco-schemes (P1)
 - Agri-environment commitments (P2)
 - Non-productive investments (100% funded)
- Co-operation actions (for landscape-scale actions)

Post-2027 proposed CAP Green architecture

- Farm stewardship replaces conditionality – MS given more flexibility to define rules for protection of carbon rich soils (farmers can be compensated for these actions)
- Eco-schemes (P1) + Agri-environment (P2) combined into Agri-environment-climate actions (no min spend)
 - Transition payments (lump sum payment)
- Non-productive investments (max only 80% funded!)
- Co-operation action (moved out of CAP ring-fenced action into NRPP) – collective action for peatland restoration is vital

Changes (2)

What will the impact of the proposed CAP changes depend on?

- Ongoing negotiations on the future CAP and NRPP framework (to be concluded end of 2027)
- The ambition of **National Restoration Plans** and how they connect with agricultural funding (CAP/NRPP)
- Whether there is a clear peatland restoration plan/strategy at **national level** (areas, actions, funding, advisory services, cooperation mechanisms)
- Detailed work being done in Member States and regions to ensure rules and funding opportunities are **coherent, well communicated and attractive** to farmers and land managers
- More flexibility means national decisions will become increasingly important

New levers of influence

Where can peatland stakeholders engage?

- The proposed post-2027 CAP and the NRPP leave many decisions on funding priorities and details to be defined at the **national level**
- **National Restoration Plans** are currently being developed across Europe, creating an important opportunity to strengthen the role of peatlands in national restoration strategies and funding priorities
- Progress on the **Carbon Removal and Carbon Farming (CRCF) Regulation**, including certification methodologies for peatlands, could help unlock additional finance for peatland restoration, but should not replace strong public support
- Beyond public funding, interest in **private and blended finance** for peatland restoration is growing and is increasingly seen as important for meeting climate goals
- National governments will play a critical role in translating these opportunities into meaningful action for climate, water, biodiversity and societal resilience

Conclusion

Key takeaways

- Peatlands have become more firmly embedded within the CAP and EU agricultural policy, reflecting their importance for climate, water and biodiversity
- The current and proposed post-2027 CAP architecture offer a range of tools to support peatland rewetting, restoration and sustainable management
- The effectiveness of these tools will increasingly depend on how Member States reflect peatlands in their National Restoration Plans and future CAP/NRPP priorities
- CAP/public funding and emerging carbon finance need to work together to deliver restoration at scale