

Financing European Peatlands

A Roadmap towards an institutional asset class



Can peatlands become an investable market?

Large capital need

›€2bn restoration capital
needed across 8 archetypes
over the next decade

Conservative estimate, just a
sub-set of Europe's peatlands
Even so, beyond grant-maker's
ability to finance

Private CapEx finance absent

Very **little repayable private
capital** funding restoration
capex today

Buying credits ≠ financing
restoration assets

Investability

Report works backwards from
an **institutional investor bar**
They will have three tests

1. Is impact credible?
1. Are returns sufficient?
1. Can risks be managed?

Report deliberately works backwards from highest investment bar

Impact is there, and returns are closer than one might think



IMPACT

- Science proven
- Climate, water, biodiversity, resilience



RETURNS

- Some archetypes nearing viable project economics, even on carbon alone
- Lowland peatlands particularly so



RISK

- **Revenue risk** – price and volume too uncertain
- **Scale risk** – projects too small and heterogenous
- **Structural risk** – investments hard to assess

The real barrier is risk

Three shifts to investability



Revenue 1st

- ➡ Stronger carbon
- ➡ Water as second anchor
- ➡ Revenue certainty mechanisms



Scale 2nd

- ➡ Aggregation vehicles
- ➡ Diversification



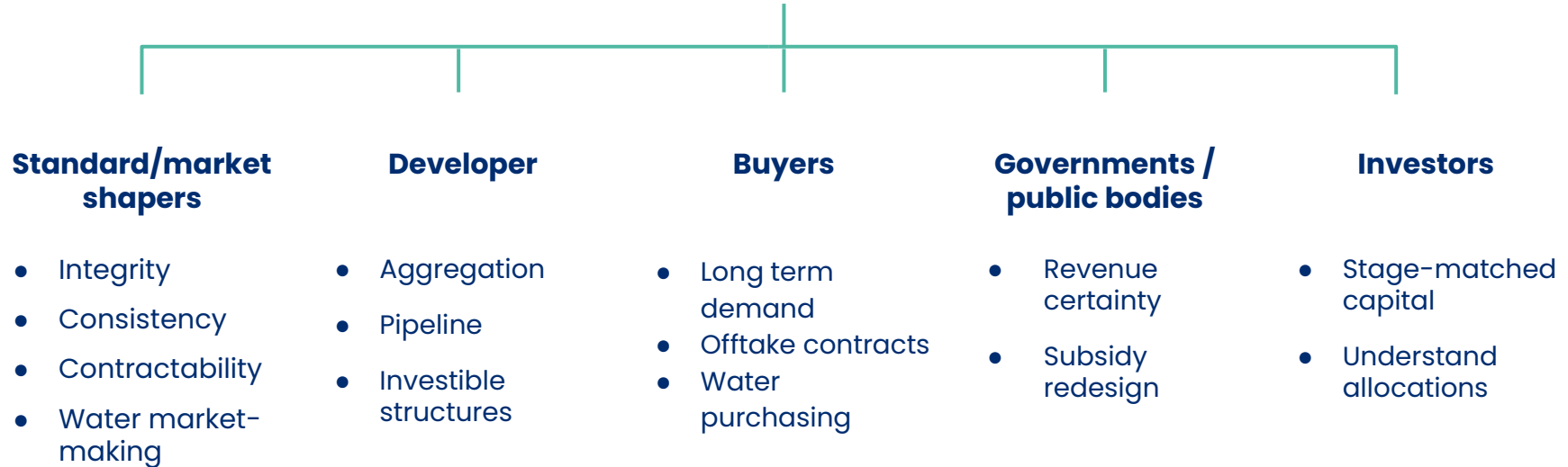
Structure 3rd

- ➡ Project finance structures
- ➡ Lower cost of capital
- ➡ Institutional debt & equity

Prize: peatlands as green infrastructure

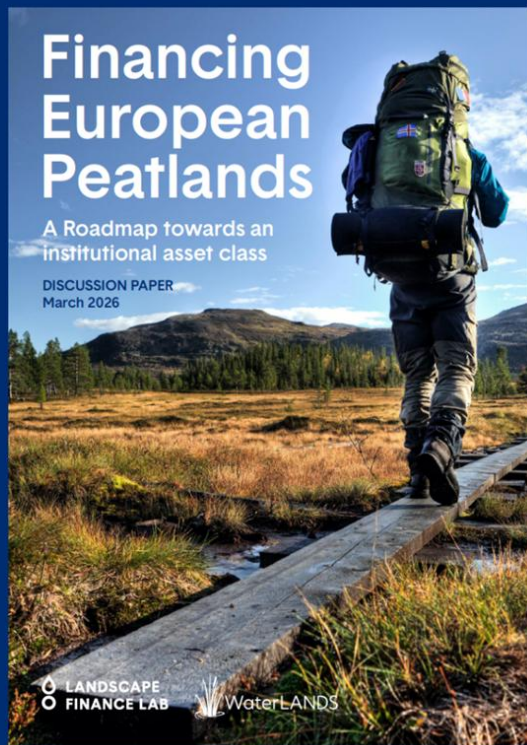
Key practical actions by stakeholder group

Roadmap



Action will need leadership and coordination

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Financing European Peatlands



Out today

