Peatlands and wetlands in the new CAP: too little action to protect and restore

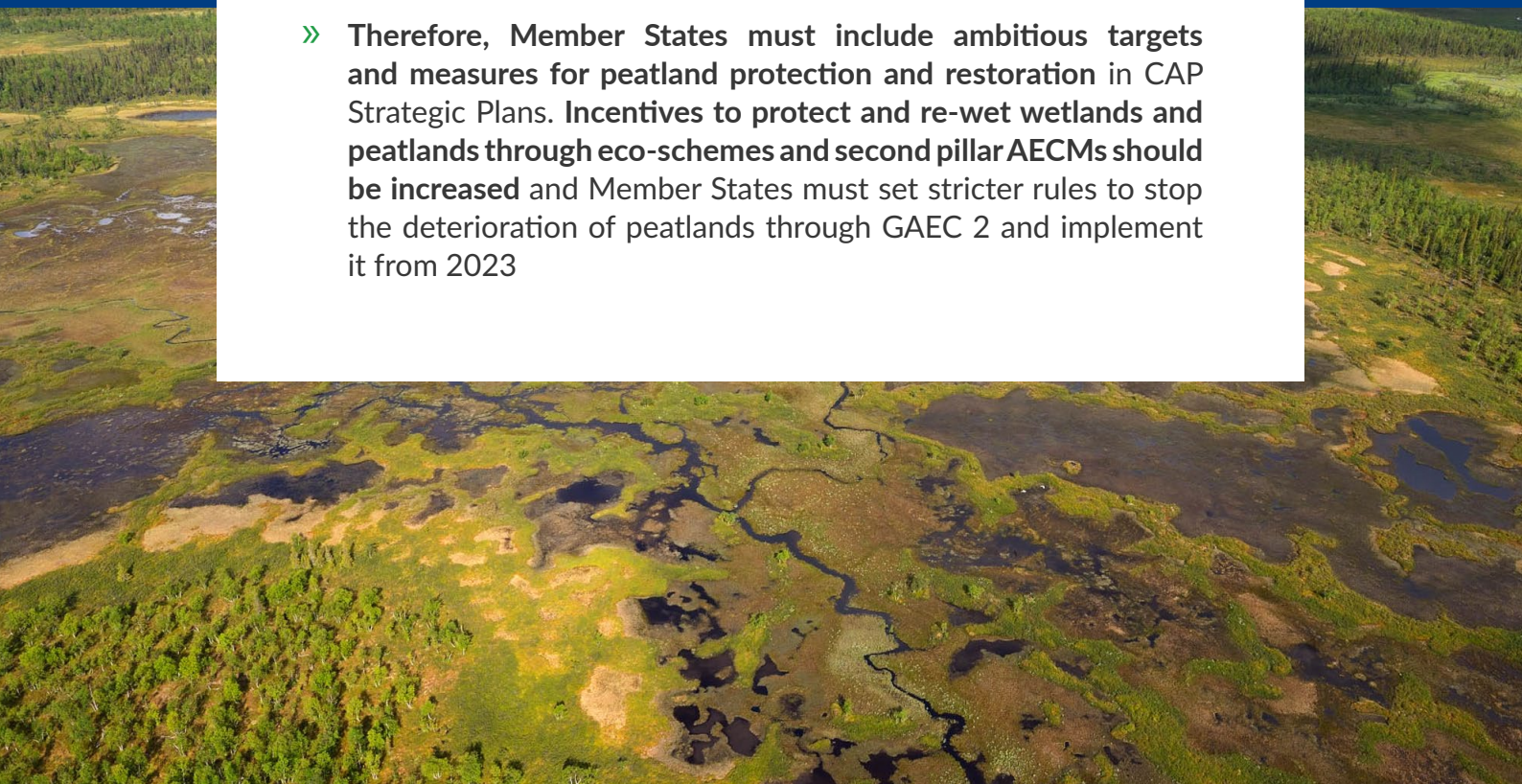
BirdLife Europe and European Environmental Bureau policy briefing

Key messages:

- **Restoring drained peatlands used in agriculture is easily the single measure** which could have the **greatest climate benefit, the lowest cost for policy-makers, and the fewest farmers affected.**

- **Draft CAP Strategic Plans currently fail to sufficiently protect wetlands and peatlands** and thereby to safeguard the preservation of carbon rich soils. Unfortunately, **GAEC 2 is implemented weakly by Member States** and in some cases even **delayed**, thereby contributing to the destructive status quo of peatland drainage and intensive use for agriculture.

- **Therefore, Member States must include ambitious targets and measures for peatland protection and restoration** in CAP Strategic Plans. **Incentives to protect and re-wet wetlands and peatlands through eco-schemes and second pillar AECMs should be increased** and Member States must set stricter rules to stop the deterioration of peatlands through GAEC 2 and implement it from 2023

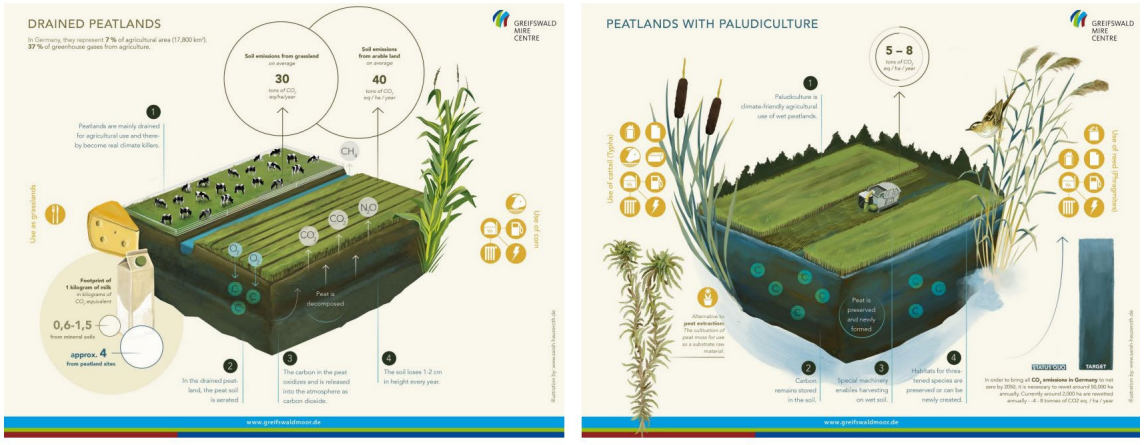


1. Background:

As outlined in the European Commission communication on the EU Biodiversity Strategy for 2030, *"nature is a vital ally in the fight against climate change,"* and *"nature-based solutions, such as protecting and restoring wetlands, peatlands and coastal ecosystems, or sustainably managing marine areas, forests, grasslands and agricultural soils, will be essential for emission reduction and climate adaptation."*[1] In other words, human society can adapt and mitigate climate change, while ecosystems have their limits and thus require robust protection, restoration and conservation measures.

Despite covering just 3% of the planet's land-surface area,[2] peatlands - a type of wetland with a thick, naturally accumulated peat layer on the surface - are valuable habitats and vital ecosystems with the ability to remove and sequester large amounts of carbon in soil and biomass. The drainage and degradation of peatlands for agriculture, forestry, and peat extraction is common practice, but causes vast emissions of greenhouse gases (GHGs).

Within the EU, the large-scale drainage and overexploitation of peatlands accounts for roughly 5% of the total EU GHG emissions, making the European Union the second largest emitter of GHGs from drained peatlands globally. On the contrary, peatlands - if untouched, restored or sustainably maintained - can act as important carbon sinks. The EU as a whole could reduce up to 25% of GHG emissions from EU agriculture and agricultural land-use by rewetting just 3% of the EU agricultural land.[3] **Restoring drained peatlands used in agriculture is easily the single measure which could have the greatest climate benefit, the lowest cost for policy-makers, and the fewest farmers affected.**



Source: Greifswald Mire Centre

1 COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS EU Biodiversity Strategy for 2030 Bringing nature back into our lives COM/2020/380 final: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-:52020DC0380

2 IUCN, Peatlands and climate change (2017):https://www.iucn.org/resources/issues-briefs/peatlands-and-climate-change

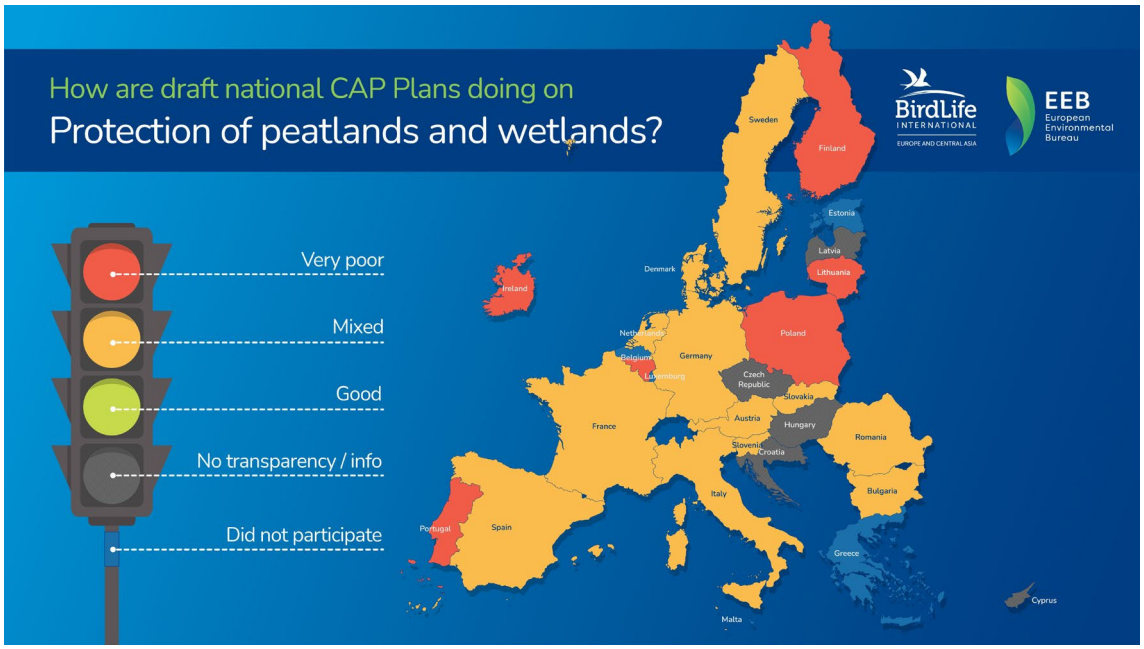
3 Greifswald Mire Centre, Opportunities for Peatlands and Paludiculture in the EU Common Agricultural Policy (2023-2027) Recommendations for EU Member States for their CAP Strategic Plans: https://greifswaldmoor.de/files/dokumente/Infopapiere_Briefings/202111_Opportunities-for-paludiculture-in-CAP-1.pdf

An effective way of avoiding damaging agricultural practices on carbon-rich peatlands, while simultaneously keeping the land in production, is paludiculture. In contrast to drainage-based agriculture, paludiculture refers to *"the productive land use of wet and rewetted peatlands that preserves the peat soil and thereby minimises CO_2 emissions and subsidence."*[4] Through the cultivation of specific crops and the maintenance of high water levels, paludiculture is a viable and environmentally-friendly solution to preserve peat and keep accumulated carbon stored in the soil.

For the following assessment, the EEB and BirdLife Europe asked national experts from their networks to review the targets and measures proposed by Member States to protect and restore peatlands. Although peatlands occur in almost all EU countries, they are most commonly found in north-western, Nordic and eastern European countries.[5] For this reason, the assessment focuses on seven peatland-rich countries: Denmark, Latvia, Lithuania, Sweden, Germany, Ireland and Poland.

1.1. Wetlands and peatlands in the CAP

The EU's Common Agricultural Policy (CAP) has a history of driving the destruction and ongoing degradation of wetlands and peatlands, as farmers were encouraged to increase their production and to convert diverse ecosystems into farmland. Still today, the CAP provides a strong incentive for the continued degradation of peatlands used in agriculture, as rewetting them would lead to farmers losing their Direct Payments.



4 Ibid.

5 Greifswald Mire Centre 2021: Protecting and Restoring Peatlands – Targets and Recommendations for Peatlands in the EU Biodiversity Strategy: https://greifswaldmoor.de/files/dokumente/Infopapiere_Briefings/2021_EU_Restoration_Targ_Peatlands_Policy%20brief.pdf

The new CAP is supposed to deliver a greener and fairer agricultural policy in Europe and to contribute to the European Green Deal and related Farm to Fork and Biodiversity strategies. In theory each Member State is obliged to demonstrate higher green ambitions through their CAP Strategic Plans (CSPs). However, as the EEB and BirdLife's most recent assessment revealed, clear targets, measures and funding to halt biodiversity loss and to cut greenhouse gas emissions are overwhelmingly absent in draft national plans. In several countries with a high share of peatlands and high emissions from degraded peatlands (Finland, Ireland, Lithuania, and Poland) the level of peatlands and wetlands protection is deemed "very poor".

2. Protection and restoration of peatlands in seven EU Member States:

2.1. Low ambitions for GAEC 2 requirements

To receive direct payments, farmers have to implement standards for good agricultural and ecological conditions (GAECs) under "conditionality", including one for the protection of wetlands and peatlands (GAEC 2). While GAEC 2 aims to protect carbon rich soils, the actual requirements remain weak: there is no obligation to halt or reverse degradation and Member States can ask to delay the implementation of GAEC 2 until 2025.

Only eight Member States plan to apply the standard in 2023, while 14 have requested a derogation (four Member States until 2024 and the remaining 12 until 2025).[6]

Overall, countries lack strong action to safeguard peatlands through GAEC 2, and insufficient data and mapping of peatlands are often named as barriers to the early implementation of GAEC 2. As a consequence, the status quo of drainage-based agriculture is essentially maintained within the new CAP:

- In **Ireland, Poland and Latvia**, GAEC 2 will not come into force until 2024/2025. The justifications for the delay are questionable, and could result in more wetlands in the agricultural landscape being destroyed.

- In **Denmark**, GAEC 2 sets the following requirements: Reduced allowance of nitrogen input on soils with >6% carbon (in total 171,000 ha), and no tillage allowed on soils with >12% carbon within protected areas (in total 28,800 ha). While mitigating the worst negative effects of the dry use of peatlands, the requirements will not strongly cut the GHG from those areas.

6 EC note on proposed CAP Strategic Plans 11/03/2022: https://data.consilium.europa.eu/doc/document/ST-7022-2022-INIT/en/pdf

- **Lithuania's** CSP still allows for ploughing, drainage, and reconstruction of drainage etc.

- In **Latvia**, renovation or installation of new drainage systems is possible (if solutions are applied that do not increase GHG emissions from the soil). Also ploughing of the wetlands once in a five year period will be permitted.

- The **Swedish** CSP does not foresee any restoration measures of peatlands under GAEC 2. The requirement under GAEC 2 is to comply with existing national legislation on water management and soil drainage. Renovation of drainage, ploughing and fertilisation are allowed. New drainage is forbidden or needs permission.

- In **Germany**, national laws set a criteria for conditionality that farmers must fulfil to receive subsidies. GAEC 2 requires that peat and wetlands are identified and reported as designated areas in accordance with national law. Moreover, drained peatlands used as grasslands cannot be converted to cropland, and those used as cropland cannot be ploughed deeper than 30cm. The use of paludicultures is possible, but changes in drainage (hydro-engineering) require approval.

2.2. No eco-schemes for paludiculture

Although unsustainable farming on drained peatlands represents the third-largest source of emissions from agriculture,[7] **none of the assessed countries** have programmed an eco-scheme to support and incentivise paludiculture on formerly drained peatlands, and the two only countries who have a relevant eco-scheme lacked ambition:

- **Latvia, Lithuania, Sweden, Germany, Ireland** offer no eco-schemes options related to the improved management of peatlands

- **Denmark** is the only country planning to programme an eco-scheme which aims to compensate farmers to plant grass on drained peatlands and harvest the grass to remove nutrients so that it can later be flooded with lower emissions of nitrogen and methane. The scheme runs on annual commitment but should rather commit the farmer to extensification for several years as well as commit the area to eventual rewetting. Without these commitments it might turn out to be only a half-hearted attempt at restoring and safeguarding peatlands.

7 EEB Briefing 2020: A CAP for a climate neutral Europe: https://eeb.org/library/a-cap-for-a-climate-neutral-europe/

» Poland has programmed one eco-scheme only somehow related to peatland conservation - “Water retention on permanent grasslands”. An important, but far from sufficient step to support water retention in agricultural landscapes. In order to receive payments in a given year, flooding must have occurred on a permanent grassland between 1 May and 30 September for a period of at least 12 days. This eco-scheme is meant only for grasslands on which an agri-environment-climate scheme or some other eco-schemes are implemented. It is heavily criticised for being too weak in its assumptions and highly restricted in its scope of application.

2.3. 2nd Pillar payments for improved management of peatlands

Agri-environmental climate measures[8] represent another support tool within the CAP with the potential to fund improved and low-carbon management of peatlands. Until now, there has been no substantial upscaling of AECM funding for peatland rewetting and improved management of drained peatlands in most EU Member States, and good practice examples remain few and far between. Moreover, none of the assessed countries has planned to spend Pillar 2 payments on measures which could encourage farmers to shift towards paludiculture (such as advisory services, investment support for novel machineries to move on wet soils, or water-logging installations):

» In **Denmark**, farmers are offered a one time compensation when changing the land-use by rewetting. There is also a financial scheme to investigate the possibilities of the rewetting of certain peatland areas as well as support for the actual rewetting.

» Uptake and targeting of AECMs for peatland restoration remains low in Latvia (no measures with direct contribution to restoring biodiversity in wetlands) and **Lithuania** (only one “old” measure for extensive wetland management).

» **Sweden** has programmed an AECM for the restoration of wetlands for nutrient retention or biodiversity and offers some support for the management of existing wetlands and the planning for new wetlands. Wetland restoration measures under Pillar 2 already exist in the current CAP but will receive a higher budget from 2023 onwards. If the wetland is on former arable land, farmers receive compensation for changed land use.

» For **Germany**, every federal state decides individually about the measures, the level of payments, and the related specifications. Only three federal states are known to have AECMs for peatland rewetting, and two for paludiculture.

8 AECM are second pillar CAP measures co-funded by Member States and the EU over a period of 5-7 years

- In **Ireland**, there are two relevant actions under AECMs. The first one is called "Low Input Peat Grassland" action and aims to protect peat soils by incentivising farmers to manage grassland on organic peat soils extensively and retain high water levels. The second AECM concerns farmers in defined high priority geographical areas and is offering bespoke farm, landscape and catchment measures and a local project team to assist with the implementation of the scheme at local level. Over the period to 2027, the AECM is expected to facilitate water table management of at least 40,000 hectares of drained, agricultural, managed, carbon-rich soils. However, most peat soils are also covered by "Areas of Natural Constraints" (ANC) payments, which prop up conventional farming on drained peatlands, without adequate environmental safeguards (Ireland has 20% peat soils).

- **Poland's** CSP only includes AECMs that are already in place in the current CAP to protect existing peatlands. However, these do not currently attract much interest from farmers. There are also measures aimed at protecting wet meadows or breeding habitats of wetland-dependent birds (e.g., waders and warblers) and although relatively well-structured, only a small target area is provided for all of them.

2.4. Relevant targets and objectives outside the CAP

Although peatlands are amongst our most valuable ecosystems, CAP subsidies do not offer enough support for farmers and landowners to rewet, maintain and restore peatlands. In the EU, appropriate peatland management and restoration measures vary among Member States and their national strategies:

- In **Denmark**, for instance, state aid financing offers support mechanisms for rewetting peatlands beyond the CAP (through the national framework for a green transition of the agricultural sector). Here, the CAP and state aid act in complementary mode with the primary objective to restore, rewet or set aside at least 100,000 ha of carbon rich peat lowland soils with >6 % organic carbon until 2030.

- Similarly, **Swedish** municipalities can apply for funding for wetland restoration through the national investment project LONA and the Swedish Forestry Agency has been assigned by the government to start re-wetting drained peatlands to reduce the amount of GHG emissions. Clear targets or long-term objectives, however, are not mentioned.

- **Germany's** first step towards becoming climate-neutral by 2050 consists of a 65% reduction in emissions by 2030. For this purpose, around €332 million have been earmarked for the protection of peatlands for the period from 2021-2025. Germany also introduced a National Peatland Protection Strategy last year which is aimed at ensuring both the protection of intact peatlands and the restoration and sustainable management of previously drained peatlands.

- While **Latvia** has not set any additional targets outside of the CAP to rewet peatlands, **Lithuania** has secured funding under the RRF (Recovery and Resilience Facility) for rewetting 8000 ha of peatlands and another 8000 ha are foreseen under its National Energy and Climate Action Plan**Ireland's** national climate action plan includes a reduced management intensity (water table management) of at least 80,000 hectares of drained, agricultural, managed, carbon-rich soils.

- **Poland's** "Strategy for the protection of wetlands in Poland for 2022-2031" is currently developed and includes several specific objectives related to rewetting of peatlands (e.g., the promotion of paludiculture methods among farmers; enabling the Regional Directorates for Environmental Protection and NGOs to take over/buy agricultural land for nature conservation purposes; allocating peatlands owned by the State Treasury for rewetting etc.)

3. Conclusion

The science is clear: the conservation and restoration of peatlands are essential in the fight against the climate biodiversity crisis. But according to this assessment, peatland-rich Member States lack strong and appropriate action to safeguard, maintain and restore wet- and peatlands through their CAP national strategies.

While some Member States have implemented targets outside the CAP about rewetting peatlands, eco-schemes and Pillar 2 measures supporting the improved management of peatlands, e.g., through paludiculture, are either absent or only focus on the management of remaining wet peatland areas, without seeking to achieve any significant change in land management practices.

In addition, GAEC 2 is implemented weakly and in some cases even delayed, thereby contributing to the destructive status quo of peatland drainage and intensive use for agriculture.

The EU and Member States must urgently scale up action on wet- and peatlands to save them from further degradation. Although often overlooked, peatlands deliver important ecosystem services for humans, nature and the planet and time is pressing to ensure that peatlands are adequately protected, restored, and sustainably managed.

Instead of maintaining the destructive status quo of drainage-based agriculture, Member States should set clear targets for the protection and restoration of peatlands and ensure that financial support through the CAP (Pillars 1&2) rewards the implementation of paludiculture and peatland rewetting.

Key recommendations:

- The EU aims to be climate-neutral by 2050. To achieve this objective, the EU and Member States should tap into the high climate mitigation potential of rewetting peatlands and scaling up paludiculture. Member States must **include ambitious targets and measures for peatland protection and restoration in CAP Strategic Plans**, in line with their own national climate targets.

- **Incentives through eco-schemes and second pillar AECMs should be increased** and support peatland rewetting and paludiculture over several years, ideally even long-term programmes of 15-20 years. EU farmers and landowners must be encouraged to take up new agriculture techniques on wet peatlands (through advisory services, site preparation and mapping, investment support for adapted machinery to move on wet grounds and for water-logging installations etc.).

- **Member States must set stricter rules to stop the deterioration of peatlands through GAEC 2 and implement it from 2023.** The need for better data and maps should not delay the entry into force of GAEC 2, as monitoring systems can be improved while the rule is already in place, and Member States already have basic maps for their GHG reporting to the UNFCCC.

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