



# REWETTING WETLANDS IN ESTONIA

Policy insights from Ess-soo Bog for scaling  
peatland restoration



# CONTEXT AND CURRENT POLICY LANDSCAPE

**P**eat soils cover almost a quarter of Estonia, but only a small share remains in a near-natural state or is protected. Most peatlands have been drained for forestry and agriculture, creating significant restoration challenges.

Estonia's policy framework has

proven most effective when supported by legal obligations or dedicated funding, with measures linked to permits and programmes such as LIFE generally delivering tangible results. In contrast, non-binding strategies and action plans often have limited impact.

The Peatland Action Plan demonstrates the value of cross-sector collaboration. By bringing together industry, government, researchers, and NGOs, it helped introduce mandatory restoration plans for peat extraction sites and identify areas where extraction can continue.

## WHY IS RESTORATION HARD TO SCALE?

### Economic dependence on drained peatlands

Forestry and agriculture on peat soils remain important sources of income in rural areas.

### Limited incentives for landowners

Restoration may reduce short-term revenues, while alternative business opportunities are still underdeveloped.

### Fragmented land ownership

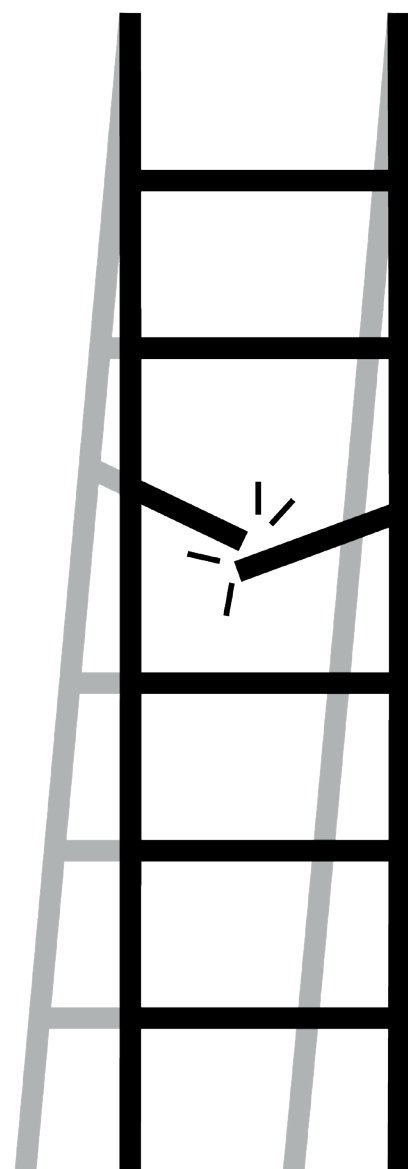
Multiple private owners make coordinated restoration difficult.

### Low uptake of voluntary measures

Actions without legal obligations or compensation are rarely implemented.

### Weak business case for paludiculture

Wetland-based production systems are not yet widely understood or commercially attractive.



# PRIORITY POLICY MEASURES

## Create viable economic pathways for rewetting

In Estonia, the main barrier to restoration is economic. Rewetting must become financially attractive for landowners.

- Increase public funding for ditch blocking and rewetting, particularly around high-value and near-natural peatlands.
- Support the development of paludiculture through investment in processing capacity, supply chains and markets.
- Expand restoration obligations beyond peat extraction sites to other peatland uses.
- Introduce results-based payment schemes that reward long-term restoration outcomes rather than restoration activities alone.
- Strengthen financial incentives to encourage landowners to transition away from drainage-based land use.



# EVIDENCE FROM PRACTICE

## Ess-soo Bog

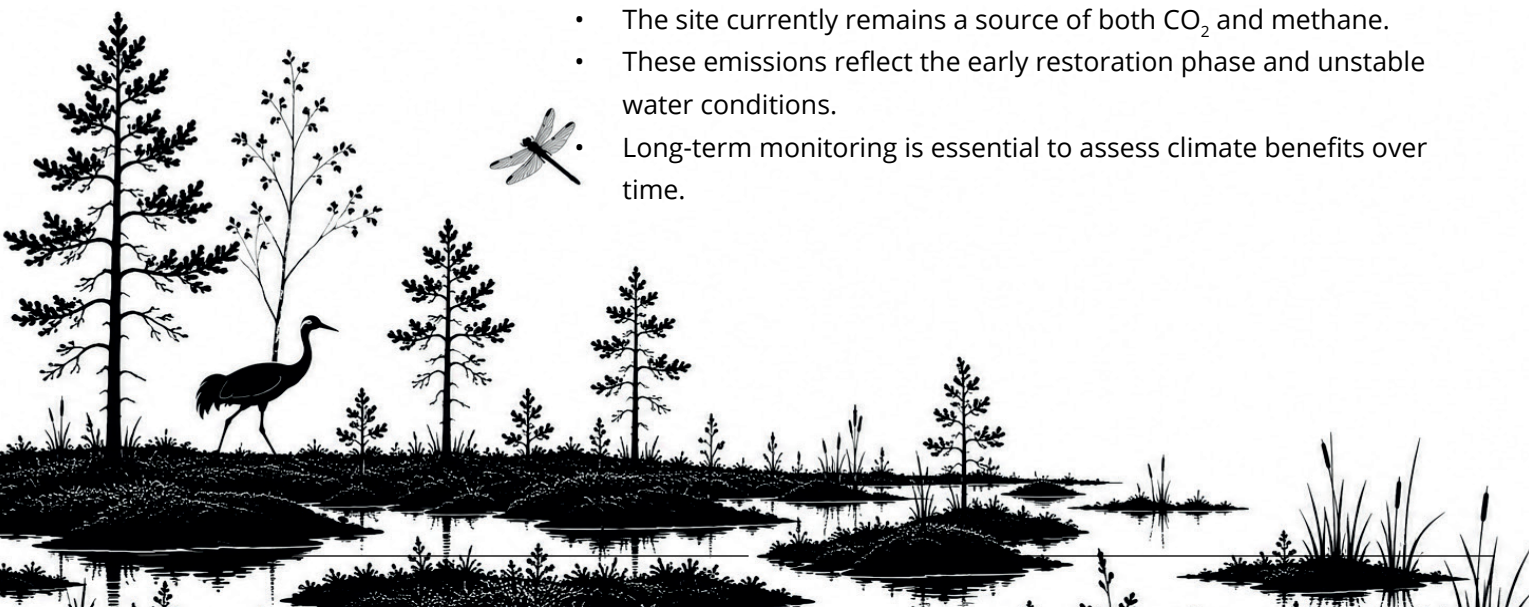
The Ess-soo Bog restoration project in southwest Estonia focuses on restoring a drained peat extraction area through ditch blocking and the re-establishment of wetland vegetation, including Sphagnum species. This is what the results say:

### Biodiversity impacts

- Vegetation recovery has been uneven and strongly influenced to water levels.
- Biodiversity improvements are already visible in wetter areas.
- The project demonstrates the importance of stable hydrological conditions for ecological recovery.

### Climate impacts

- The site currently remains a source of both CO<sub>2</sub> and methane.
- These emissions reflect the early restoration phase and unstable water conditions.
- Long-term monitoring is essential to assess climate benefits over time.



# WHAT DOES THIS CASE SHOW?

**E**xperience from Estonia shows that restoration success depends heavily on maintaining stable water levels. Where hydrology cannot be effectively restored, vegetation recovery is slow and climate benefits remain limited.

Monitoring indicates that restored sites may continue to emit greenhouse gases for some time after rewetting. This reflects the early stages of ecosystem recovery rather than restoration failure and highlights the need for long-term monitoring.

A key lesson is that restoration requires sustained commitment. Without funding for ongoing management and monitoring, opportunities to adjust interventions and improve outcomes are lost.

## POLICY PROPOSALS

**I**ntroduce results-based funding schemes that support both restoration and long-term management, while strengthening financial incentives for landowners to transition away from drainage-based land use.

## HOW TO SCALE AND ACCELERATE?

- Provide financial incentives for rewetting privately owned peatlands.
- Develop markets and value chains for paludiculture products.
- Introduce results-based payment schemes linked to ecosystem outcomes.
- Prioritise restoration in and around high-value and near-natural peatlands.
- Combine restoration funding with mandatory long-term monitoring.





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