

# Denmark's tripartite agreement: Cutting agricultural emissions and restoring nature

On 18 November 2024, Denmark's government unveiled a historic tripartite agreement. Made with broad political consensus, the agreement is set to introduce the world's first climate tax on agriculture, while boosting efforts to enhance biodiversity and nature across Denmark.

The tripartite agreement was concluded between the government, The Danish Society for Nature Conservation, The Danish Agriculture and Food Council and a number of other organisations.

It is introduced to reduce greenhouse gas emissions, reduce emissions of nitrogen to the aquatic environment and improve nature and biodiversity. This includes converting agricultural land to forest and nature and inducing the world's first tax on greenhouse gas emissions from agriculture.

The agreement will initiate the largest transformation of the Danish landscape in over 100 years, with approximately EUR 5.76 billion allocated to reshaping land use and advancing efforts in biodiversity, climate action and water quality.

Overall, it is estimated that the efforts will reduce Danish emissions by 1.8-2.6 million tonnes of CO<sub>2</sub>e in 2030. The agreement will be revisited to guarantee the reduction of 2.2 million tonnes of CO<sub>2</sub>e in 2030.

The agreement will transform Denmark's landscape in the coming years in close collaboration with the Danish agrifood industry to drive change across sectors. The vision is for Denmark to be an international role model with an integrated and bold approach to land management.

This approach combines a commitment to biodiversity and sustainable water management with a more efficient and modern method for food production.

Globally, food systems are responsible for about 30 percent of greenhouse gas emissions. In Denmark, this figure is close to 33 percent. Estimated to reduce Danish emissions by 1.8-2.6 million tonnes of CO<sub>2</sub> by 2030 (compared to 1990 levels), the agreement will bring Denmark closer to achieving the national target of reducing emission by 70% by 2030.

## INFO

### Ministry for Green Tripartite

In the fall of 2024, the Danish government established the Ministry of the Green Tripartite. The ministry is responsible for driving efforts to decarbonise Denmark's agricultural sector and ensuring the initiatives outlined in the Green Tripartite are fully implemented.

## The green tripartite agreement explained

Denmark will become the first country to implement a CO<sub>2</sub>e tax on livestock emissions. The tax specifically applies to livestock, peatland, liming and F-gases, supporting Denmark's broader climate targets and accelerating the green transition in agriculture.

Starting in 2030, the tax entails a fee of EUR 40 per tonnes of CO<sub>2</sub>e on livestock emissions, increasing to EUR 100 by 2035. There will be a 60 percent base deduction which will ensure that the most climate-efficient farms will not have to pay tax. Revenue from the tax will be reinvested in climate technology and green initiatives within the agricultural businesses.

### Restoring nature and improving coastal water quality

A cornerstone of the Green Tripartite Agreement is the reduction of nitrogen pollution, which has significantly impacted Danish coastal waters. By integrating sustainable land use practices, the agreement aims to restore life in fjords and coastal ecosystems.

The agreement ensures that Danish coastal waters have the necessary conditions to be brought into good ecological condition once again. With the agreement, nitrogen emissions must be reduced by 13,780 tonnes. This will be met mainly by targeted measures and land transformation from agriculture to more nature near waters. Among actions in marine areas, EUR 10.72 million will be allocated to restoring habitats in Øresund and Lillebælt, creating two new marine nature parks. These initiatives aim to support biodiversity and revive marine ecosystems through measures such as creating stone reefs.

### Reshaping landscapes by introducing the new Green Area Fund

Another aspect of the Green Tripartite Agreement is the establishment of the Green Area Fund. To support the transformation of the Danish land area, the Green Area Fund is aimed at setting aside agricultural land, accelerating afforestation and peatland rewetting – thus creating better conditions for nature to thrive in Denmark.

The fund will give landowners the opportunity to apply for support for afforestation, establishment of wetlands and removal of low-lying soils and facilitate land sales. The fund's activities will include efforts for approximately EUR 5.76 billion. Over 15 percent of the arable land in production today will be converted to forest and nature from today until 2045.

To drive the transition, the plan introduces local Green Tripartite Councils and coastal water councils across Denmark, ensuring a collaborative approach to planning and implementing land use changes. These councils will involve local stakeholders, including municipalities, agricultural organisations and environmental groups.

# Over 15%

**Over 15 percent of the arable land in production today will be converted to forest and nature from today until 2045.**



The plan prioritises maintaining a competitive agricultural sector, investing EUR 1.34 billion in the storage of biochar pyrolysis. The initiative is expected to store 0.3 tonnes of greenhouse gas in 2030 with a potential for up to 0.6 million tonnes.

### A target of at least 20 percent protected nature

The Green Tripartite Agreement will seek to establish 250,000 hectares of new forest – an area equivalent to the combined size of Lolland, Falster and Bornholm – and convert 140,000 hectares of low-lying farmland into natural areas.

# 250,000

**The Green Tripartite Agreement will seek to establish 250,000 hectares of new forest.**

The agreement sets out to improve biodiversity and create habitats like heathlands, meadows and wetlands. 10 percent of Denmark's total area will be converted to nature. With the key element being the 250,000 hectares of new forest, the plan also includes the establishment of six new national nature parks, increasing the total to 21 by 2030. A notable further addition is an urban national nature park at Kalvebod Fælled, enhancing access to green spaces near Copenhagen.

### Plant-based foods

Conversion to more plant production is a central element of the green transition. Therefore, the agreement allocates a total of EUR 56 million to the Foundation for Plant-Based Food in 2025-2030. The parties agree that Denmark must work for a European action plan for plant-based foods.

### A pool for upskilling

The green transition will lead to the unavoidable loss of some traditional workforces – but new jobs will arise as a result. To promote a just transition the agreement includes an upskilling fund releasing EUR 13 million between 2027-2030.

As Denmark is a small country, the nation continuously seeks to share insights, plans and visions internationally, in order to reach a fully transformed agricultural sector.