



## Commission approves €1.04 billion Danish State aid scheme to support landowner climate projects\*

Brussels, 13 February 2026

The European Commission has approved, under EU State aid rules, a €1.04 billion (DKK 7.8 billion) Danish scheme to support landowners committing to voluntarily remove agricultural or forestry land from production to reduce agricultural emissions.

### The Danish measure

Denmark notified the Commission of its plans to support landowners voluntarily ceasing agricultural production on their land to reduce agricultural greenhouse gas emissions, as well as nitrogen and phosphorus deposits into the aquatic environment. The project involves the permanent extensification of farming, meaning that the land will not be tilled and no pesticides or fertilisers will be used. This will lead to the restoration of the soil's natural hydrology through the creation of wetlands. This will in turn lead to a reduction in the emissions of greenhouse gases and nitrogen. To achieve the desired effects, projects may support actions such as the creation or relocation of fences to allow grazing to maintain nature maintenance and promote biodiversity.

In areas with forest land that is connected by water to agricultural land, additional compensation may be granted to landowners also ceasing forest land production. Forest land that is permanently set aside cannot be included in forest production again, even after a change of ownership, as the goal is to achieve a long-term and lasting environmental and climate impact.

Eligible costs include the cost of non-productive investments, a compensation for the permanent loss of income caused by the setting-aside of land and the restrictions imposed, and legal, administrative and survey costs of land consolidation. The scheme is part of a Danish initiative to finance a significant transformation of land, with the aim to create the basis for a good aquatic environment, to reduce climate pressure while providing more space for nature and better conditions for biodiversity, and to protect drinking water. The scheme will run until 31 December 2030.

Under the scheme, the aid will take the form of **direct grants** or **benefits in kind** such as technical consultancy or the purchase of goods and services. Aid will be granted to landowners voluntarily joining the scheme. The aid will cover up to 100% of the eligible costs.

### The Commission's assessment

The Commission assessed the scheme under EU State aid rules, in particular Article [107\(3\)\(c\)](#) of the Treaty on the Functioning of the European Union ('TFEU'), which allows Member States to support the development of certain economic activities under certain conditions, and under the [2022 Guidelines for State aid in the agricultural and forestry sectors and in rural areas](#) ('2022 Agricultural Guidelines').

The Commission found that:

- The measure facilitates the **development of an economic activity**
- The measure has an incentive effect, as the projects would not take place without the public support;
- The measure is **necessary** and **appropriate** to achieve the objectives pursued and the aid fulfils the relevant conditions of the Agricultural Guidelines;
- The aid is **proportionate**, as it is limited to the minimum necessary and will have a limited impact on competition and trade between Member States;
- The aid brings about **positive effects** that outweigh any potential distortion of competition and trade in the EU.

On this basis, the Commission approved the Danish scheme under EU State aid rules.

## Background

The [2022 Agricultural Guidelines](#) provide guidance on how the Commission assesses the compatibility of State aid measures in the sector under Article 107(3)(c) TFEU. The Guidelines create a flexible, fit-for-purpose enabling framework to help Member States provide the necessary support and contribute, among other things, to the objectives of the Common Agricultural Policy. The 2022 Agricultural Guidelines aim to help Member States design national measures and meet national and EU's goals at the least possible cost for taxpayers and without undue distortions of competition in the Single Market.

## For More Information

The non-confidential version of the decision will be made available under the case number SA.119017 in the [State aid register](#) on the Commission's [competition website](#) once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [Competition Weekly e-News](#).

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