LIFE ProForPES
PROMOTING FOREST PAYMENTS FOR ECOSYSTEM SERVICES

Co-funded by the European Union

Gaps and potential for the integration of PES within the State Aid financial framework

Deliverable 3.2

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About the project

Payments for Ecosystem Services (PES) schemes are considered a promising economic instrument for diversifying income to forest owners and rural communities while supporting biodiversity and climate mitigation. LIFE ProForPES is an EU funded project that aims at collecting, synthesising and integrating the knowledge and the know-how already present at the national and EU level on PES and PES-like schemes.

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Executive summary

This LIFE ProForPES Deliverable 3.2, *Gaps and potential for the integration of PES within the State Aid financial framework*, examines how Payments for Ecosystem Services (PES), with a specific focus on Forest Ecosystem Services (FES), are currently supported through State aid and other public funding mechanisms in the European Union (EU), and identifies opportunities for strengthening their integration within the existing financial framework.

The assessment combined two complementary approaches. First, forestry related State aid cases recorded in the European Commission Competition Case Search were identified, classified according to their relevance to FES, and analysed in terms of authorised budgets and reported expenditure. Second, a structured desk review of national and regional initiatives across EU Member States examined their ES objectives, beneficiaries, payment logic, conditionality, duration, monitoring and implementation.

The quantitative analysis identified 607 forestry related State aid cases in the EU-27 in the period 2014–2026, of which 281 (46.3%) were classified as directly or indirectly relevant to FES. Their identifiable attributable authorised budget amounted to approximately €13.81 billion, including €4.93 billion (35.7%) for direct ES measures and €8.89 billion (64.3%) for indirect ES measures.

To align the allocation analysis with expenditure data available only up to 2024, a separate 2014–2024 subset was constructed and it was observed a low expenditure-to-authorised-budget ratio of 29.1%. However, this ratio should not be interpreted as a final absorption rate, since authorised scheme budgets may extend beyond 2024 and recently approved measures had less time to generate expenditure.

The results show that FES are already substantially supported in the EU through State aid, but largely implicitly. Funds that support ES indirectly dominate, indicating that support is mainly channelled through established forestry instruments such as afforestation, restoration, damage prevention and forest-resilience measures rather than through schemes explicitly framed as PES. A stricter screening of the 281 ES relevant State aid cases identified 58 measures with clear PES or PES-like characteristics, indicating that more explicit ES remuneration already exists within the State aid framework, although it remains a minority within the wider portfolio of forestry support. The desk review confirms this pattern.

Most instruments are action- or compensation-based, with payments linked to prescribed management activities, eligible costs, environmental restrictions or income foregone. Result-based approaches remain comparatively rare, although carbon-related mechanisms provide some emerging examples.

Overall, a main gap is therefore not the absence of public funding or legal pathways for supporting FES, but the limited extent to which existing support is explicitly linked to ES objectives and measurable environmental performance. Further challenges concern additionality, long-term commitments, fragmented implementation and reporting, and the still limited complementary role of private finance.

The main policy opportunity is to progressively adapt and connect existing instruments. Clearer ES objectives, stronger ecological monitoring, improved financial reporting, suitable collective and intermediary arrangements, and greater use of hybrid payment models combining predictable action- or cost-based support with incentives for verified environmental performance could strengthen the State aid framework as an enabling basis for Forest PES.

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Table of contents

EXECUTIVE SUMMARY **3**

LIST OF TABLES **5**

LIST OF FIGURES **5**

LIST OF BOXES **5**

LIST OF ABBREVIATIONS AND ACRONYMS **6**

1. INTRODUCTION **8**

1.1. STATE AID 8
1.2. NATIONAL PUBLIC FUNDING FALLING OUTSIDE THE SCOPE OF STATE AID LAW 11

2. OBJECTIVES AND STRUCTURE OF THE DOCUMENT **13**

3. METHODOLOGY **14**

3.1. STATE AID FINANCIAL ANALYSIS 14
3.1.1. Authorised budget analysis *14*
3.1.2. Reported expenditure *16*
3.2. DESK REVIEW OF RELEVANT CASES 17

4. RESULTS **19**

4.1. STATE AID FINANCIAL ANALYSIS 19
4.1.1. Authorised budget *19*
4.1.2. Reported expenditure *25*
4.1.3. Comparison between authorised budgets and reported expenditure *26*
4.2. DESK REVIEW OF RELEVANT CASES 28
4.2.1. Austria *28*
4.2.2. Belgium *29*
4.2.3. Croatia *31*
4.2.4. Czech Republic *34*
4.2.5. Denmark *36*
4.2.6. Estonia *38*
4.2.7. Finland *39*
4.2.8. France *42*
4.2.9. Germany *45*
4.2.10. Hungary *46*
4.2.11. Ireland *47*
4.2.12. Italy *50*
4.2.13. Latvia *53*
4.2.14. Luxembourg *54*
4.2.15. The Netherlands *56*
4.2.16. Portugal *57*
4.2.17. Romania *58*
4.2.18. Slovakia *60*
4.2.19. Slovenia *62*
4.2.20. Spain *63*
4.2.21. Sweden *65*

5. OVERVIEW OF THE FINDINGS, DISCUSSION AND POLICY IMPLICATIONS **68**

5.1. OVERVIEW OF THE FINDINGS AND DISCUSSION 68
5.2. IMPLICATIONS FOR INTEGRATING PES INTO THE STATE AID FINANCIAL FRAMEWORK 72

REFERENCES 73

ANNEX I COMPARATIVE OVERVIEW OF STATE AID MEASURES WITH STRONG OR MODERATE PES/PES-LIKE CHARACTERISTICS IN THE EU-27, 2014–2026 75

ANNEX II: COMPARATIVE OVERVIEW OF SELECTED FOREST CASES RELEVANT FOR FES IN THE EU MEMBER STATES .83

List of tables

Table 1 Payment design of the five 2022 Guidelines cases most directly related to forest ES 24

List of figures

Figure 1 Attributable authorised budgets for direct and indirect FES related State aid measures by EU Member State, 2014–2026 19
Figure 2 Attributable authorised budgets for direct and indirect FES related State aid measures by EU Member State, 2014–2024 21
Figure 3 ES relevant cases by intervention category, 2014–2026 22
Figure 4 Legal framework by number of ES-relevant cases, 2014–2026 23
Figure 5 Legal framework by attributable budget, 2014–2026. 23
Figure 6 Attributable reported expenditure for direct and indirect FES related State aid measures by EU Member State, 2014–2024. 25
Figure 7 Comparable authorised budgets and reported expenditure for FES related State aid measures by EU Member State, 2014–2024. 26
Figure 8 Observed expenditure-to-authorised-budget ratio for comparable FES related State aid measures by EU Member State 27

List of boxes

Box 1 New Guidelines for State aid in the agricultural and forestry sector 10

List of abbreviations and acronyms

ABER	Agricultural Block Exemption Regulation
CAP	Common Agricultural Policy
CO_2	Carbon dioxide
CREA	*Consiglio per la Ricerca in Agricoltura e l'Analisi dell'Economia Agraria*
EAFRD	European Agricultural Fund for Rural Development
ERSAF	*Ente Regionale Servizi Agricoltura Foreste Lombardia*
EC	European Commission
ES	Ecosystem Services
EU	European Union
FES	Forest Ecosystem Services
FSC	Forest Stewardship Council
GBER	General Block Exemption Regulation
HNEE	*Hochschule für Nachhaltige Entwicklung Eberswalde* - The Eberswalde University for Sustainable Development
ICNF	*Instituto da Conservação da Natureza e das Florestas*
KWM	*Klimaangepasstes Waldmanagement*
MS	Member States
PES	Payments for Ecosystem Services
PEFC	Programme for the Endorsement of Forest Certification schemes
PST	*Projets Sylvicoles Territoriaux*
RDP	Rural Development Programme
SA	State Aid
SNL	*Subsidiestelsel Natuur en Landschap*
TFEU	Treaty on the Functioning of the European Union
UNIPD	*Università degli Studi di Padova* - University of Padova
WP	Working Package

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1. Introduction

Forests generate a broad range of ecosystem services (ES) that contribute to human well-being, economic activity and the maintenance of healthy ecosystems and biodiversity. Many of these forest ecosystem services (FES) have public-good characteristics: their benefits are diffuse, difficult to exclude others from using, and only partly reflected in market prices (Costanza et al., 1997; Nichiforel et al., 2018). Consequently, forest owners and managers may bear additional costs or forego income when managing forests for biodiversity, climate resilience, water protection or recreation, while a substantial share of the benefits accrues to society at large.

This mismatch between private costs and public benefits provides an economic rationale for intervention, with public funding used to correct market failures, reward positive externalities and distribute the costs of environmental protection more equitably between land managers and society.

In practice, FES related support may take the form of annual management payments, compensation for additional costs and income foregone, grants for non-productive investments, long-term conservation agreements, payments for reduced land value, or support for restoration and climate adaptation (Engel et al., 2008; Sotirov, 2025; Wunder, 2015).

Payments for Ecosystem Services (PES) provide one conceptual framework for understanding these instruments. Early definitions described PES as voluntary transactions in which a clearly defined environmental service is purchased from a provider, conditional on its continued provision (Wunder, 2005). Subsequent literature has emphasised that real-world schemes rarely resemble pure markets and are commonly embedded in public administration, regulation and broader policy mixes (Muradian et al., 2010; Vatn, 2010; Wunder, 2015). For the purposes of this report, PES and PES-like instruments are understood broadly as positive economic incentives that forest owners or managers may voluntarily access and that are conditional either on the provision of an ES or on an activity linked to that service (Engel, 2016).

The principal European Union (EU) funding channel for forestry has historically been the Common Agricultural Policy (CAP), particularly the European Agricultural Fund for Rural Development (EAFRD). CAP forestry support can cover afforestation and agroforestry, prevention and restoration of forest damage, non-productive investments that improve biodiversity and other ecosystem services, and voluntary forest-environment and climate commitments. Nevertheless, the existence of substantial programme budget has not always translated into effective implementation.

Studies of Natura 2000 and forest subsidies have identified limited uptake, uneven access among ownership categories, inconsistencies in reporting and strong differences in national priorities between production-oriented and environmental measures (Geitzenauer et al., 2017; Haeler et al., 2023; Sotirov, 2025). These findings point to a wider policy-coherence problem: biodiversity and climate policies often impose ambitious environmental objectives, while the funding instruments capable of supporting implementation are governed through agricultural, rural-development, forestry and competition-policy frameworks with partly different priorities (Winkel and Sotirov, 2016).

Beyond the CAP, forests may also receive support through other public funding instruments. Among these, State aid schemes and national public funding measures constitute an important additional layer of support and are the focus of this report. The following sections therefore introduce the main features of State aid applicable to the forestry sector, as well as national public funding measures falling outside the scope of State aid law.

1.1. State aid

State aid is a legal and policy concept used, most prominently in the EU, to regulate when public support to undertakings (companies, cooperatives, forest owners' associations, etc.) is allowed. In EU terms, support qualifies as State aid when it is granted by the State (or through State resources), is selective, and distorts or threatens to distort competition and affects trade between Member States. As a rule, such aid is incompatible with the internal market. Articles 107-109 of the Treaty on the Functioning of the European Union (TFEU) Article 107 TFEU generally prohibits State aid unless exceptionally justified.

This regulatory approach reflects the fact that selective public support may give beneficiaries an advantage over competitors and distort competition. State aid control therefore aims to preserve a level playing field while allowing public support where it addresses market failures or pursues legitimate public-policy objectives, including environmental protection (European Commission, 2026).

State aid policies are not merely “subsidy rules”: they are governance mechanisms to ensure public support is targeted, proportionate, transparent, and aligned with public objectives. Member States must notify planned aid measures to the European Commission unless an exemption applies. The Commission assesses whether an aid measure is compatible and under what conditions it can be implemented, with strong emphasis on transparency and legal certainty.

Where a measure constitutes State aid, Member States have three main legal routes. First, it may be implemented without prior notification where all conditions of the *Agricultural Block Exemption Regulation (ABER)* are met. Second, aid may be notified to the European Commission and assessed under the *Guidelines for State aid in the agricultural and forestry sectors and in rural areas*. Third, small amounts may be granted under the applicable *De minimis regulation*, under which aid is deemed not to meet all the criteria of Article 107(1) TFEU. In more detail:

i. **General block exemption/Agricultural block exemption regulations (GBER/ABER):** Block exemption regulations declare specified categories of State aid compatible with the internal market, provided that all applicable conditions are met. Aid satisfying these conditions may be implemented without prior notification to, and approval by, the European Commission under Article 108(3) TFEU. Member States nevertheless remain subject to the relevant registration, transparency, reporting and monitoring obligations, as well as to the applicable notification thresholds (European Commission, 2022a). The General Block Exemption Regulation (GBER) and the Agricultural Block Exemption Regulation (ABER) are distinct legal instruments. Whereas the GBER covers a broad range of economic sectors, State aid for the agricultural and forestry sectors is primarily governed by the ABER (European Commission, 2014a, 2022a). During the previous programming period, the relevant instrument was Commission Regulation (EU) No 702/2014. It was replaced, with effect from 1 January 2023, by Commission Regulation (EU) 2022/2472, which applies until 31 December 2029. Regulation (EU) 2022/2472 identifies specific categories of forestry aid that may be block-exempted and establishes, for each category, the eligible activities and costs, aid intensities, beneficiaries and other compatibility conditions. The categories relevant to FES include aid for afforestation and the creation of woodland; the establishment, regeneration or renovation of agroforestry systems; the prevention and restoration of damage to forests; investments improving the resilience and environmental value of forest ecosystems; compensation for area-specific disadvantages resulting from mandatory requirements; and aid for forest-environmental and climate services and forest conservation. In particular, Article 44 covers investments intended to improve the resilience, environmental value and climate-mitigation potential of forest ecosystems. Eligible interventions must pursue environmental, ES or public-amenity objectives, rather than primarily increasing the commercial value or profitability of forest holdings. Aid for these investments may cover up to 100% of eligible costs, subject to the conditions established by the Regulation.
   Article 46 covers forest-environmental and climate services and forest conservation. It allows aid for voluntary management commitments that go beyond the relevant mandatory requirements established by national forestry legislation or other applicable national or Union law. Payments are generally calculated on the basis of the additional costs and income foregone resulting from the commitments and may also cover eligible transaction costs. This category provides a block-exempted basis for supporting the provision of non-market forest ecosystem services where payments remain compensatory and comply with the standardised conditions laid down in the ABER.
   The ABER thus simplifies the implementation of nationally financed forestry measures, including measures not co-financed under the Common Agricultural Policy, by removing the requirement for prior Commission approval where all exemption conditions are fulfilled. However, block exemption does not provide the same degree of flexibility as the *Guidelines for State aid in the agricultural and forestry sectors and in rural areas* (see below). In particular, schemes using the additional incentive component of up to 20% above full compensation, or other payment designs not covered by the ABER, must be notified to the Commission and assessed under the Guidelines (European Commission, 2022b).

ii. **Guidelines for State Aid in Agriculture and Forestry:** These are policy communications that guide how the European Commission assesses notified state aid measures in these sectors (European Commission, 2014a, 2022a). For 2014-2020, the Commission adopted the *"European Union Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020"* (OJ C 204, 01.07.2014). These were later prolonged and amended to cover the transition period up to 2022. In late 2022, the Commission issued new guidelines for the current period: "*Guidelines for State aid in the agricultural and forestry sectors and in rural areas" (2022/C 485/01)*, applicable from January 2023 onward. These guidelines align state aid rules with updated EU policies (Green Deal, Biodiversity and Forest Strategies, etc.) and set the criteria for Commission approval of aid not covered by block exemptions. They enumerate permissible aid categories (e.g. aid for afforestation, forest-environment commitments, climate adaptation, etc.) along with conditions on aid intensity, duration, and beneficiary obligations. The Commission's Guidelines set out the conditions under which Member States can design public support schemes for forestry that remain compatible with the internal market under Articles 107–108 TFEU. For forest policy, the practical relevance is that the Guidelines do not only frame "classic" forestry investments (afforestation, restoration after damage, infrastructure, technologies**),** but also explicitly structure how public money can be used to remunerate FES provision. Box 1 illustrates in more detail how the new Guidelines function.

iii. **De Minimis Regulation:** Finally, small support amounts can sometimes be provided under de minimis rules. Such aid is deemed not to meet all the criteria of Article 107(1) TFEU, in particular because its limited amount is considered not to affect competition and trade between Member States, and therefore does not require prior notification to the Commission (European Commission, 2023). The current general de minimis framework is established by Commission Regulation (EU) 2023/2831, which sets a ceiling of EUR 300,000 per Member State for a "single undertaking" over any period of three years. It also strengthens transparency and monitoring requirements, notably by requiring Member States, from 1 January 2026, to record information on de minimis aid in a central register at national or Union level.
For forestry-related ecosystem service schemes, the applicable de minimis framework depends on the economic activity to which the aid relates rather than solely on the legal classification of the beneficiary. The agricultural de minimis regulation applies only to aid connected with the primary production of agricultural products, whereas forestry activities generally fall within the scope of the general de minimis regulation, provided that the activity concerned is not otherwise excluded from its scope (European Commission, 2013).

Box 1 New Guidelines for State aid in the agricultural and forestry sector

The new *Guidelines for State aid in the agricultural and forestry sectors and in rural areas* (2022/C 485/01), which entered into force on 1 January 2023, provide two main legal pathways for supporting the provision of FES.
The first concerns compensation for area-specific disadvantages resulting from mandatory requirements in forest areas. Aid may be granted where restrictions arise from the implementation of the Habitats Directive, the Birds Directive or the Water Framework Directive. Support takes the form of annual payments per hectare to forest holders and managers, including their associations, to compensate for additional costs and income foregone as a result of these restrictions. Transaction costs may also be covered, and aid intensity may reach 100% of eligible costs. Eligible land includes Natura 2000 forest areas and, within specified limits, other delimited nature-protection areas subject to environmental restrictions relevant to forestry. This pathway is particularly relevant where the provision of ecosystem services is embedded in statutory conservation obligations and compensation is required to prevent such obligations from imposing uncompensated costs on forest managers.
The second pathway, which is more directly comparable to a PES scheme, is provided under Part II, Section 2.3, concerning aid for forest-environment and climate services and forest conservation. Aid may support voluntary forest management commitments contributing to one or more of the climate- and environment-related objectives established under Article 6(1) of Regulation (EU) 2021/2115. To be eligible, these commitments must go beyond the relevant mandatory requirements established by national forestry legislation or other applicable national or Union rules. The applicable baseline requirements must therefore be clearly identified and described in the State aid notification.
Commitments are generally undertaken for a period of five to seven years. Member States may establish longer periods where this is necessary and duly justified, or shorter periods of at least one year in specific cases, such as commitments concerning forest genetic resources. Management interventions required only once or a limited number of times during a forest cycle may also be eligible.

The Guidelines provide two main methods for determining the level of support. The first is compensation for additional costs and income foregone, which may include transaction costs of up to 20% of the premium paid for forest-environment commitments. The second is remuneration based on the estimated value of forest-environment and climate services that are not remunerated by the market. This second approach is particularly relevant to PES because it allows support to be linked directly to the non-market value of the ecosystem services delivered rather than exclusively to the costs incurred by forest managers.
The Guidelines also explicitly recognise collective schemes and result-based payment arrangements, including carbon-farming schemes. For services related to biodiversity, climate, water or soil, as well as for collective and result-based schemes, aid intensity may reach 120% of eligible costs where duly justified. This allows the payment to include an incentive component of up to 20% in addition to the full compensation of additional costs and income foregone. Where support is calculated using the valuation method, aid may instead reach the estimated non-market value of the service provided. These provisions establish a State aid-compatible basis not only for compensating forest managers for the costs of environmental commitments, but also for providing a positive incentive for the delivery of FES.
The introduction of this incentive component reflects the evaluation of the previous State aid framework. Although the earlier rules had considerable potential to support the transition towards a more sustainable and biodiversity-friendly land-use sector, they were not considered sufficiently ambitious in all cases to contribute fully to the objectives of the European Green Deal and the European Climate Law. The new framework therefore provides greater scope for rewarding the provision of biodiversity-, climate-, water- and soil-related services.

The ABER and the State Aid Guidelines perform complementary functions within the EU State aid framework for forestry. Regulation (EU) 2022/2472 facilitates the implementation of standardised aid measures by exempting specified categories from prior Commission notification, provided that all prescribed eligibility conditions, aid intensities and notification thresholds are respected. The Guidelines, by contrast, establish the assessment framework for notified measures and provide greater flexibility for support schemes that cannot be implemented under the ABER, including certain collective, result-based and incentive-based approaches to remunerating forest ecosystem services (European Commission, 2022a, 2022b; Sotirov, 2025).

Together, these instruments cover a broad range of forestry measures, including afforestation and agroforestry; the prevention and restoration of forest damage; investments improving forest resilience and environmental value; compensation for mandatory environmental restrictions; forest-environmental and climate services; forest conservation; knowledge exchange and advisory services; infrastructure; forestry technologies and processing; conservation of forest genetic resources; producer organisations; land consolidation; and cooperation. For each category, the applicable framework establishes specific requirements concerning eligible beneficiaries and activities, eligible costs, aid intensities, commitment periods and other conditions necessary to ensure compatibility with the internal market (European Commission, 2022a, 2022b).

The expanded use of block exemptions represents an important procedural simplification, particularly for nationally financed forestry aid that is not co-financed under the Common Agricultural Policy, as eligible measures may be implemented without an individual Commission approval decision (Sotirov, 2025). However, the legal distinction between block-exempted and notified aid remains central to the design of forest PES schemes. The ABER primarily supports measures based on predefined categories and compensatory payment models, whereas the Guidelines allow greater scope for payments reflecting the estimated value of non-market services and for collective or result-based arrangements. In particular, schemes applying the additional incentive component of up to 20% beyond full compensation must be notified to and assessed by the Commission under the Guidelines.

1.2. National public funding falling outside the scope of State aid law

In addition to notified State aid, block-exempted aid and de minimis support, Member States may finance forest related measures that fall outside the scope of Article 107(1) TFEU. These measures fall outside State aid law because one or more of the cumulative criteria defining State aid are not met. In particular, a publicly funded measure is not State aid where it does not confer an economic advantage on an undertaking, is not selective, does not involve an economic activity, is implemented on market terms, or is not liable to affect competition and trade between Member States (European Commission, 2016; European Union, 2012).

This distinction is relevant to the financing of FES because public authorities may support, procure or directly provide a wide range of environmental functions without necessarily granting State aid. Examples may include ecological monitoring, forest inventories, mapping, research, environmental information systems, public

awareness activities, regulatory and administrative functions, or restoration and conservation works carried out directly by public authorities as part of their public responsibilities.

A further category concerns compensation for the provision of clearly defined public services. The relevant legal benchmark derives from the 2003 *Altmark Trans* judgment (Case C-280/00), in which the Court of Justice established the conditions under which public-service compensation does not constitute State aid because it does not confer an economic advantage on the recipient[1].

National environmental or forest funds may therefore finance activities both within and outside State aid law. A fund may, for example, support public forest monitoring and research, finance works undertaken directly by public authorities, purchase ecosystem services under market conditions, or provide compensation that does not confer an economic advantage.

[1] For this exclusion to apply, four cumulative conditions must be met: i) the undertaking must actually be entrusted with clearly defined public-service obligations; ii) the parameters used to calculate the compensation must be established in advance in an objective and transparent manner; iii) the compensation must not exceed the costs necessary to discharge those obligations, taking into account the relevant revenues and a reasonable profit; and iv) where the provider is not selected through a public procurement procedure capable of identifying the least-cost provider, the level of compensation must be determined by reference to the costs of a typical, well-run and adequately equipped undertaking. If all four conditions are fulfilled, the compensation falls outside Article 107(1) TFEU rather than constituting State aid that must subsequently be justified as compatible with the internal market

2. Objectives and structure of the document

This report investigates the gaps and potential for integrating PES within the State aid financial framework and the broader landscape of national public support, with a specific focus on FES. The assessment combines a quantitative analysis of forestry related State aid measures with a qualitative desk review of selected funding mechanisms implemented across EU Member States. More specifically, the report pursues the following objectives:

i. **Identify and classify forestry related State aid measures according to their relevance to FES**, distinguishing between measures directly targeting environmental or public forest functions (direct ES), measures indirectly supporting ES provision through forestry interventions (indirect ES), and measures without a sufficiently clear ES relevance.

ii. **Assess the financial scale and implementation of FES related State aid**, by reconstructing attributable authorised budgets and reported expenditure, and comparing the two, where sufficiently consistent financial information is available.

iii. **Examine how Member States support FES through different public policy and funding mechanisms**, including notified or block-exempted State aid, de minimis measures and other national or regional public schemes, considering their environmental objectives, beneficiaries, payment logic, conditionality, commitment periods, monitoring arrangements, funding sources and documented implementation.

iv. **Identify recurring gaps and opportunities for a stronger integration of PES within the State aid framework**, with particular attention to the definition of ES objectives, payment design, environmental conditionality, implementation and financial reporting, long-term commitments, collective delivery and the interaction between public and private finance.

v. **Derive policy implications for the future development of ForestPES**, considering how existing State aid instruments and national funding mechanisms could be adapted or combined to strengthen the link between public financial support, forest management decisions and ES delivery.

The document is structured accordingly. Chapter 1 introduces the rationale for public support to FES and outlines the main legal EU State aid pathways through which such support may be provided.

Chapter 3 describes the two complementary methodological components of the assessment. The first is a structured analysis of forestry related State aid cases recorded in the European Commission Competition Case Search, including reconstruction of authorised budgets and reported expenditure. The second is a desk review of selected public mechanisms across the EU Member States, examining their design and implementation characteristics.

Chapter 4 presents the results. Section 4.1 reports the quantitative findings from the State aid allocation and expenditure analysis, while Section 4.2 presents the selected country-level cases and illustrates the variety of instruments through which Member States support FES.

Finally, Chapter 5 integrates the findings from the two analyses, discusses the main gaps and opportunities emerging from the assessment, and develops policy implications for strengthening the integration of PES within the State aid financial framework.

3. Methodology

The assessment combined **two complementary methodological approaches** to examine how State aid and other public funding mechanisms support FES across the EU.

1. **State aid financial analysis.** Forestry related State aid cases recorded in the European Commission Competition Case Search were identified, classified according to their relevance to FES, and these were analysed in terms of authorised budgets and reported expenditure.
2. **Desk review of relevant cases.** Selected national and regional public funding mechanisms were reviewed to examine their objectives, beneficiaries, payment mechanisms, conditionality, monitoring and implementation.

The first component provides a quantitative assessment of the scale and financial implementation of FES related support, while the second examines the design and functioning of selected instruments.

3.1. State aid financial analysis

The study was initially designed as an online expert consultation based on a Delphi study approach. The objective was twofold: first, to collect information on the main policy instruments, funding mechanisms and programmes related to PES in State aid and national programmes across the EU-27 Member States; and second, to explore the extent to which consensus could be identified among experts on the main features, strengths and limitations of these instruments.

A structured questionnaire was therefore developed and administered online using the Qualtrics ^{XM} platform. A database of 50 experts on policies, funding mechanisms and PES, including PES managers, was compiled, with all EU-27 countries represented. Experts were contacted through personalised emails introducing the project, explaining the objectives of the consultation and providing a link to the online survey.

Despite several reminders and additional personalised contacts, the response rate remained lower than expected. The pool of contacted experts was therefore expanded to 71. Overall, 22 experts provided responses, representing 15 Member States.

Given the limited response rate and the uneven geographical coverage, as well as the presence of some incomplete responses, the survey results could not be considered fully representative. For this reason, the expert consultation was complemented by a structured desk analysis aimed at filling information gaps and ensuring broader coverage of Member States and relevant instruments. Nevertheless, all valid questionnaire responses were retained and used to provide additional evidence on specific cases and instruments in individual Member States, as well as to inform the interpretation of the findings, the discussion and the conclusions.

Therefore, a structured screening and harmonisation of State aid cases reported in the European Commission Competition Case Search database [2] was conducted, in order to build a database of cases. The analysis was structured in the following steps.

3.1.1. Authorised budget analysis

Identification of forestry related State aid cases. The screening covered forestry related State aid cases recorded between 2014 and 2026 and available at the date of data extraction. It included the main EU legal frameworks applicable to forestry State aid: Commission Regulation (EU) No 702/2014 and Commission Regulation (EU) 2022/2472 (ABER), the 2014 and 2022 Guidelines for State aid in the agricultural and forestry sectors and in rural areas, and relevant GBER provisions. De minimis measures were outside the State aid case population recorded in the Competition database.

[2] https://competition-cases.ec.europa.eu/search?caseInstrument=SA&caseSecondaryLaws=~2_8122&sortField=caseLastDecisionDate&sortOrder=DESC

Cases were selected because they were related to forestry. Records were manually screened to remove false positives and cases without a clear forestry component. After removal of duplicates, the EU-27 working database contained 607 unique SA cases for 2014–2026. A further 27 United Kingdom cases were retained.

A separate 2014–2024 subset was created to provide a temporal reference consistent with the expenditure analysis. This subset comprised 580 forestry-related State aid cases. The same ES classification, duplication-control and budget-attribution rules applied to the full 2014–2026 dataset were retained unchanged.

Extraction of authorised budgets. For each retained State aid case, the authorised budget was reconstructed from official documentation. The preferred sources were Commission State aid summary information forms, followed by formal Commission decisions, Official Journal/EUR-Lex notices and, exceptionally, other official EU, national or regional sources. Amendments, prolongations and successor cases were checked to minimise double counting. Where an amendment introduced an identifiable budget increase, only the additional amount was counted; where it merely repeated an existing total, no additional budget was attributed. Cases for which no reliable overall budget could be reconstructed were retained in the database but excluded from cumulative financial totals.

Currency harmonisation. Budgets reported in national currencies were converted into euros using annual average exchange rates reported by the Deutsche Bundesbank and derived from European Central Bank reference rates.

Screening for ecosystem service relevance. Each case was reviewed for its relevance to ES using the case title, stated objectives and relevant wording in the official documentation. Cases were classified as:

- Direct ES, where environmental or public forest functions were explicitly targeted;
- Indirect ES, where the intervention was expected to support ecosystem functions without ecosystem services necessarily constituting the explicit payment objective;
- No ES, where no sufficiently clear ecosystem-function objective could be identified.

For 2014–2026, the EU-27 database contained 125 direct ES cases, 156 indirect ES cases and 326 no ES cases. Consequently, 281 of the 607 forestry-related cases (46.3%) were classified as ES relevant.

For the 2014–2024 subset, 121 cases were classified as direct ES, 152 as indirect ES and 307 as no ES. The ES relevant reference population for the expenditure analysis therefore comprised 273 of the 580 cases (47.1%).

Budget attribution. Budget attribution was assessed separately from ES relevance. The full financial budget was included only where it could reasonably be attributed to the forest ES measure. Where the FES share of a broader programme could not be isolated, the case was classified as not separable and excluded from monetary aggregation. Country-level totals therefore represent conservative estimates of identifiable and attributable State aid budgets supporting FES rather than complete estimates of national public expenditure.

Classification by legal framework and intervention type. The 281 ES relevant cases identified for 2014–2026 were further classified according to the legal framework through which they were implemented, distinguishing measures under the ABER from notified aid assessed under the 2014 Guidelines or the 2022 Guidelines. The same cases were also grouped according to their principal type of intervention: afforestation and woodland creation; prevention and restoration of forest damage; forest resilience and environmental value; forest-environment and climate services; Natura 2000 or other restriction-related compensation; biodiversity, habitat or forest genetic resources; and other ES-relevant forestry measures.

Identification of PES and PES-like measures. A stricter screening was subsequently applied to all 281 ES-relevant cases in the 2014–2026 dataset to identify measures with clearer PES or PES-like characteristics. Cases were retained where support was explicitly linked to forest-environment or climate services, voluntary environmental commitments, contractual conservation arrangements, voluntary agreements linked to a defined environmental service, or compensation for conservation restrictions and associated additional costs or income foregone. Retained measures were classified as having a strong PES orientation where a direct voluntary or contractual ES service logic was present, and a moderate PES orientation where the mechanism was mainly compensatory or formed part of a broader scheme with a clear PES-like component.

Screening of PES-oriented provisions under the 2022 Guidelines. Finally, the 25 ES relevant cases associated with the 2022 Guidelines were systematically screened to assess whether Member States had used the more explicitly PES-oriented payment options introduced by the new framework. The analysis focused on two possibilities: the additional incentive component allowing support above full compensation, potentially reaching 120% of eligible costs under the conditions established by the Guidelines, and remuneration based on the estimated value of non-market forest-environment and climate services. For each case, official documentation was reviewed to identify the relevant legal route, payment basis and maximum aid intensity where available. Within these 25 cases, measures with a clear forest-environment and climate-service logic were examined in greater detail because they represented the cases in which the PES oriented provisions were most directly relevant.

3.1.2. Reported expenditure

The analysis then moved from authorised budgets to actual implementation, with the aim of estimating the expenditure reported by Member States for the selected State aid measures. The expenditure analysis was restricted to the cases recorded between 2014 and 2024 and classified in the allocated-budget database as direct ES or indirect ES.

For each selected State aid case, identified by its unique SA number, annual expenditure information was reconstructed for the period 2014–2024. Information available through the European Commission Competition Case Search was reviewed together with the underlying case documentation. The analysis relied primarily on Commission decisions, summary information forms and other official case-related documents. Where the case page itself did not provide data, the linked technical documentation was examined individually to identify expenditure figures reported for specific years.

The reconstruction was performed year by year. For each case, expenditure was recorded separately for every available calendar year, together with the currency in which it was originally reported. Where the documentation provided more than one expenditure amount for the same year, for example because expenditure was reported separately for different components, sub measures or categories within the same State aid scheme, the relevant amounts were summed only where they represented distinct financial flows and did not refer to the same expenditure item. Only figures that could reasonably be interpreted as reported

The expenditure series were subsequently harmonised into EUR million. Values in other currencies were converted separately for each reporting year using the corresponding annual average euro reference rate, expressed as national currency units per euro. The amount in national currency was therefore divided by the relevant annual exchange rate. Using year-specific exchange rates ensured consistency with the annual structure of the expenditure dataset.

The expenditure database was then matched to the 2014–2024 allocated-budget subset using the SA number as the primary identifier. The reference population comprised only cases classified as direct ES or indirect ES under the same substantive rules used for the allocated budget analysis. Cases for which no expenditure record could be identified were retained in the reference population and treated as missing information.

Expenditure attribution was assessed separately from ES relevance. A case could be clearly relevant to forest ecosystem services while forming part of a broader multi-purpose programme. Where the available documentation did not allow the FES share of expenditure to be separated from other forestry, agricultural, infrastructure or other programme components, the case was retained in the database for transparency but excluded from the attributable FES expenditure aggregate.

The resulting ratio was interpreted as an observed expenditure-to-authorised-budget indicator, rather than as a final absorption rate. Although both analyses refer to State aid cases recorded by the end of 2024, authorised budgets generally represent the total financial budget of the schemes and may cover implementation periods extending beyond 2024. Consequently, expenditure reported up to 2024 don't represent the final expenditure associated with all authorised resources.

The resulting dataset should therefore be interpreted as a reconstruction of reported annual expenditure for 2014–2024 associated with the selected FES-related State aid measures, based on the best available official documentation. It does not represent total national expenditure on forests or FES, as relevant expenditure may

also occur outside the State aid framework or within broader programmes for which the FES share cannot be isolated.

3.2. Desk review of relevant cases

A desk review was conducted across the 27 EU Member States to identify public mechanisms supporting FES, including biodiversity conservation, climate mitigation and adaptation, water and soil protection, natural-hazard reduction, recreation and cultural values.

The review focused primarily on instruments operating during the current policy period, while earlier schemes were retained where they remained active or provided relevant implementation evidence. Sources included national legislation, official programme and scheme documents, European Commission State aid records, EUR-Lex, CAP Strategic Plans, funding calls, annual reports, budget documents and payment records. Official and up-to-date sources were prioritised, and searches were conducted in English and, where necessary, in national languages.

Digital tools supported multilingual source identification, translation, structured extraction and consistency checks. All retained information, classifications and interpretations were subsequently reviewed by the authors.

The desk review was also informed by Sotirov (2025), particularly for the identification and interpretation of relevant forest-financing instruments.

An instrument was included when it:

1. constituted a notified or block-exempted State aid scheme, a de minimis measure, or another national, regional or local public funding mechanism; and
2. had an explicit FES objective or a clearly equivalent environmental-function objective.

Ordinary productive forestry support, machinery subsidies and generic forestry measures without a clear environmental objective were excluded. CAP-cofinanced measures were included selectively where they were necessary to describe the national policy context or represented a particularly relevant ecosystem service mechanism. Regional schemes were considered where forest policy responsibilities were decentralised or where no comparable national instrument existed.

For each retained case, a common template was used to extract information on: legal and funding basis, ecosystem services targeted, eligible beneficiaries, conditionality and payment mechanism, payment mechanisms and commitment length, monitoring and verification, and available evidence on budget and expenditure.

Schemes were classified according to their principal payment logic as:

- action-based, where payment depended on prescribed activities, management practices or investment operations;
- compensation-based, where payment covered additional costs, income foregone, mandatory restrictions or reductions in land value;
- results-based, where the amount of payment depended directly on measured and verified ecological outcomes[3]; or
- hybrid, where an action- or compensation-based payment was combined with an outcome-related component.

The extracted information was harmonised in a cross-country table available in Annex I.

Methodological limitations. The desk review was affected by substantial differences in national reporting systems, terminology and level of detail. In decentralised Member States, relevant information was often distributed across national ministries, regional administrations, paying agencies and forest authorities. While

[3] A scheme was considered results-based only where payment depended directly on measured ecological outcomes; the use of indicators solely for eligibility or monitoring was not sufficient.

some schemes reported beneficiaries, area covered and actual payments, others provided only authorised budgets or general programme allocations.

The distinction between ES support and broader forestry expenditure was not always clear, as many instruments combine environmental, protective, productive and socio-economic objectives. Classification therefore required a reasoned assessment of programme objectives, eligible activities and payment conditions.

Financial comparability was also limited by differences in accounting periods and reporting conventions. Authorised budgets, annual distinction, approved grants, commitments and actual payments were not consistently distinguished across sources. Where an ES component formed part of a broader programme, its financial value could not always be isolated.

The review assessed policy design and documented implementation but did not independently evaluate ecological effectiveness. It should therefore be interpreted as a structured overview of the publicly documented policy landscape rather than as an exhaustive inventory of all FES financing in the EU. Recently introduced or amended schemes may also have had limited implementation data available at the time of assessment.

4. Results

The results are presented in two main sections, reflecting the two methodological parts of the assessment.

Section 4.1 presents the quantitative State aid analysis. Section 4.1.1 examines authorised budgets for forestry-related measures classified as direct or indirect ES support, while Section 4.1.2 analyses reported expenditure and compares it with authorised budgets where sufficiently comparable data are available.

Section 4.2 presents the desk review of selected national and regional mechanisms across EU Member States.

4.1. State aid financial analysis

4.1.1. Authorised budget

I. Overall 2014–2026 budget allocation results

For the EU-27, the analysis of the Competition database identified **607 forestry-related State aid cases** over the period 2014–2026. Of these, **125 were classified as direct ES, 156 as indirect ES**, and 326 as no ES. Consequently, **281 cases (46.3%) were considered relevant to forest ecosystem services**, either directly or indirectly.

Budget figures refer to the total authorised financial budget of the selected schemes, or to the identifiable incremental amount in the case of amendments and prolongations. They should therefore not be interpreted as expenditure occurring specifically between 2014 and 2026. A scheme recorded during the observation period may have an implementation period extending beyond its year of authorisation and, in some cases, beyond 2026.

After the relevance, duplication and budget-attribution checks, the identifiable budget attributable to FES related measures amounted to approximately **€13.81 billion**. Of this amount, about **€4.93 billion (35.7%) was associated with direct ES measures and €8.89 billion (64.3%) with indirect ES measures**. Thus, almost two thirds of the attributable financial volume concerned measures supporting ES provision indirectly, particularly through afforestation, forest restoration, prevention and restoration of forest damage, and improvements in forest resilience.

The distribution of attributable budgets varied considerably among Member States. The largest amounts were identified in Germany (€2.09 billion), Italy (€1.66 billion), France (€1.62 billion), Czechia (€1.45 billion) and Ireland (€1.43 billion). Substantial amounts were also observed in Romania (€1.15 billion), Slovakia (€0.93 billion), Portugal (€0.93 billion) and Denmark (€0.86 billion) (Figure 1).

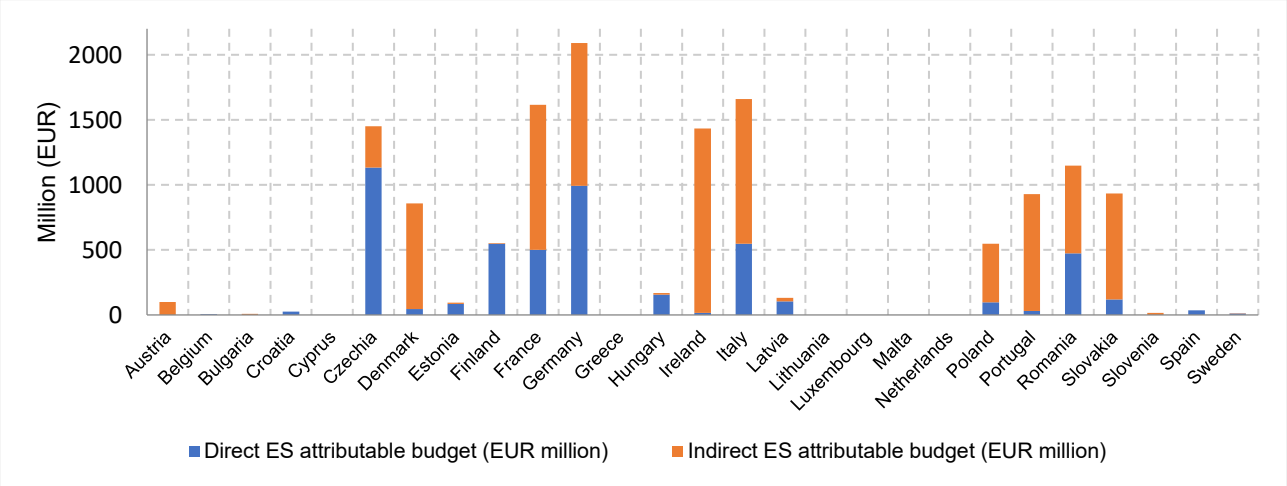

Figure 1 Attributable authorised budgets for direct and indirect FES related State aid measures by EU Member State, 2014–2026

These differences should not be interpreted as a ranking of Member States according to their overall public expenditure on forests or forest ecosystem services. The figures represent only the authorised budgets of State aid instruments captured by the analysis and for which a FES related financial allocation could be attributed with sufficient confidence. Other forms of public support, including measures outside the State aid framework, de minimis aid, and expenditure embedded in broader CAP, national or regional programmes, are not necessarily represented.

The composition of the attributable budgets also differed markedly between countries. Germany showed a relatively balanced contribution from direct and indirect ES measures, reflecting the coexistence of instruments explicitly oriented towards forest conservation and environmental management with larger programmes supporting restoration, damage prevention and forest resilience. Czechia also showed a strong direct ES component, related to measures explicitly targeting the resilience and environmental value of forest ecosystems.

By contrast, the attributable budget in Ireland, France, Portugal, Slovakia and Denmark were strongly dominated by indirect ES measures. In Ireland, for example, a large share of the attributable budget was related to afforestation, including the Afforestation Grant and Premium Scheme and the afforestation component of the Forestry Programme 2023–2027. A similar pattern emerged in France, where substantial allocations were associated with forest restoration, prevention of forest damage and adaptation to climate change. In general, the results indicate that much of the financial support relevant to FES is channelled through established forestry-policy categories such as afforestation, restoration and risk prevention, rather than through schemes explicitly labelled as PES.

Direct ES support was particularly evident in measures compensating forest owners for environmental restrictions, conservation commitments or opportunity costs. These included forest Natura 2000 compensation, forest-environment and climate commitments, biodiversity-oriented interventions and compensation associated with limitations on harvesting or forest management. Romania provides an example through the case “SA.107567”, a forest compensation measure associated with restrictions linked to forest-protection and Natura 2000 objectives.

The results therefore highlight the importance of forest biodiversity and conservation measures within the State aid framework. Forest Natura 2000 payments and biodiversity-oriented measures were classified as direct ES where they specifically targeted forests or forest owners. Although such instruments are not necessarily described as PES, their economic rationale may be closely related to ES remuneration, particularly when payments compensate for income foregone or additional management constraints required to maintain conservation functions.

The analysis demonstrates the importance of distinguishing case relevance from budget attribution. Some large State aid schemes combine environmental forestry measures with productive forestry, infrastructure, research, knowledge transfer or other activities. Attributing their complete authorised budgets to ES provision would substantially overestimate the resources concerned. Where the FES component could not be separated reliably, the case was retained as evidence of a relevant policy instrument, but its budget was excluded from the attributable country totals. The resulting financial estimates should therefore be regarded as conservative.

II. Temporal focus on 2014–2024

A second step focused specifically on State aid cases recorded between 2014 and 2024. This temporal subset was established to provide a reference period consistent with the subsequent analysis of reported expenditure, for which annual observations are available only up to 2024.

Within the EU-27, the 2014–2024 subset comprised 580 forestry related State aid cases, of which 121 were classified as direct ES, 152 as indirect ES, and 307 as No ES. Overall, 273 cases (47.1%) were therefore considered relevant to forest ecosystem services.

After applying the same relevance, duplication and budget-attribution rules used for the full 2014–2026 analysis, the attributable authorised budget amounted to approximately **€12.87 billion**. Of this amount,

approximately **€4.92 billion (38.2%)** was associated with **direct ES** measures and **€7.95 billion (61.8%**) **with indirect ES measures**.

The 2014–2024 subset accounts for approximately 93% of the attributable financial volume identified for the complete 2014–2026 period. The additional cases recorded in 2025–2026 increased the attributable budget by approximately €0.95 billion, with most of this increase associated with Indirect ES support.

The overall geographical distribution also remained broadly similar between the two periods. The major financial concentrations in Germany, Italy, France, Czechia and Ireland were already present in the 2014–2024 subset (Figure 2). However, the inclusion of post-2024 measures substantially increased the attributable totals in some countries. This is particularly visible for Denmark and Portugal, where recently authorised forestry measures increase the financial budget in the 2014–2026 analysis.

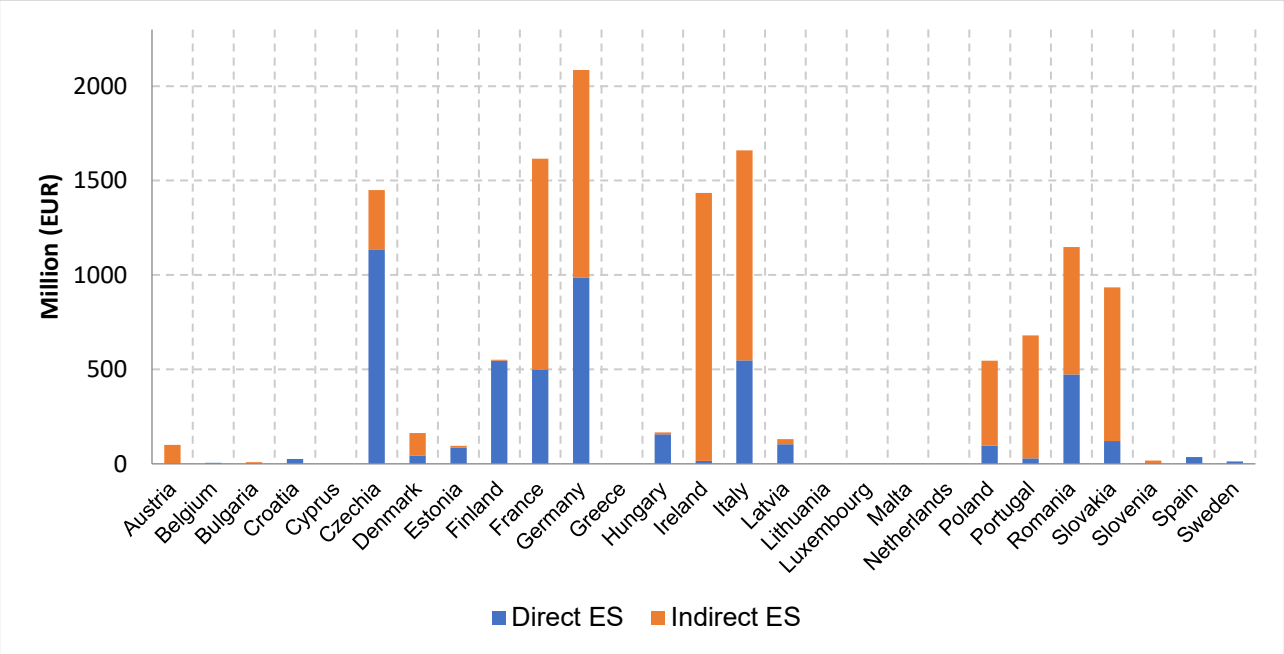

Figure 2 Attributable authorised budgets for direct and indirect FES related State aid measures by EU Member State, 2014–2024

The comparison between the two periods also confirms the persistent predominance of indirect ES measures. These represented 61.8% of the attributable budget in 2014–2024 and 64.3% in 2014–2026. The increase in their relative importance in the full period reflects the continued use of afforestation, restoration, resilience and comparable forestry interventions as major channels through which public support contributes to ES provision.

The 2014–2024 subset should nevertheless not be interpreted as the amount of public resources allocated *f*or expenditure during those calendar years. As in the full dataset, the budget associated with each case represents the overall authorised financial envelope of the scheme, which may include implementation after 2024. The temporal filter therefore refers to the year in which the State aid case entered the analysed population, rather than to the years in which the authorised resources were actually spent.

III. Type of intervention

The 2014-2026 cases were examined in terms of the type of intervention represented. The largest category was **prevention and restoration of forest damage**, with 94 cases, followed by **afforestation and woodland creation** (56 cases) and measures aimed at **improving forest resilience and environmental value** (51 cases). More explicitly environmental forms of support were less numerous: 31 cases concerned f**orest climate services**, 25 concerned Natura 2000 or other restriction-related compensation, and 13 primarily

addressed **biodiversity, habitats or forest genetic resources**. A further 11 cases comprised other ES-relevant forestry measures (Figure 3).

This distribution helps explain the predominance of indirect ES support observed in the financial analysis. **A large proportion of the State aid architecture relevant to ES operates through conventional forestry interventions**, particularly restoration, risk prevention, afforestation and resilience investments, whose primary payment logic is linked to management actions or investment costs. More explicitly ES oriented instruments, such as forest climate commitments and compensation for conservation restrictions, form a smaller component of the portfolio.

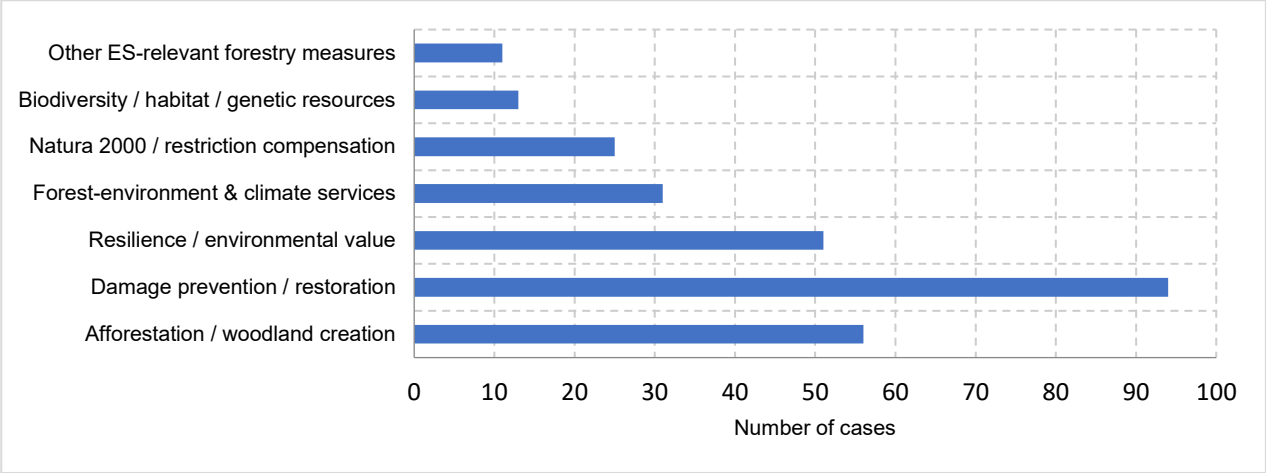

Figure 3 ES relevant cases by intervention category, 2014–2026

A further screening was carried out to identify the measures with the strongest PES or PES-like characteristics across the full set of 281 ES relevant State aid cases. Using a stricter criterion than the general direct/indirect ES classification, cases were retained where support was explicitly linked to forest-environment or climate services, voluntary environmental commitments, nature-conservation arrangements, or compensation for Natura 2000 and other conservation-related restrictions.

On this basis, **58 cases were identified as PES oriented or strongly PES-like**. Of these, **27 were classified as having a strong PES orientation**, reflecting a direct voluntary or contractual environmental-service logic, while **31 were classified as moderate**, mainly because they were compensatory measures linked to statutory conservation restrictions or broader schemes containing a clear PES-like component. The complete list of retained cases, including the State aid measure name, legal framework, ES focus, payment logic and basis for classification, is provided in Annex I.

This more restrictive screening confirms that explicitly PES-like instruments form a relatively limited subset of the wider State aid portfolio relevant to FES.

IV. Legal framework under which measures are implemented

The ES relevant State aid measures 2014-2026 were also examined according to the legal framework under which they were implemented. For this purpose, cases were distinguished between aid implemented under the Agricultural Block Exemption Regulation (ABER), notified aid assessed under the 2014 Guidelines, and notified aid assessed under the 2022 Guidelines. De minimis aid is not represented because it falls outside the State aid case population recorded in the Competition database. No ES-relevant cases clearly implemented under the General Block Exemption Regulation (GBER) were identified in the retained dataset.

For the full **2014–2026 period**, ABER was the most frequently used route, accounting for **202 of the 281 ES-relevant cases (71.9%)**. A further **54 cases (19.2%)** were associated with the 2014 Guidelines and **25 cases (8.9%)** with the 2022 Guidelines (Figure 4).

The distribution changes substantially when financial volume rather than the number of cases is considered. ABER measures accounted for approximately **€5.42 billion (39.2%)** of the attributable authorised budget, compared with **€3.73 billion (27.0%)** under the 2014 Guidelines and **€4.67 billion (33.8%)** under the 2022 Guidelines. Thus, although relatively few cases had been approved under the new Guidelines by the end of the observation period, they already represented around one third of the identifiable ES-related authorised budget (Figure 5).

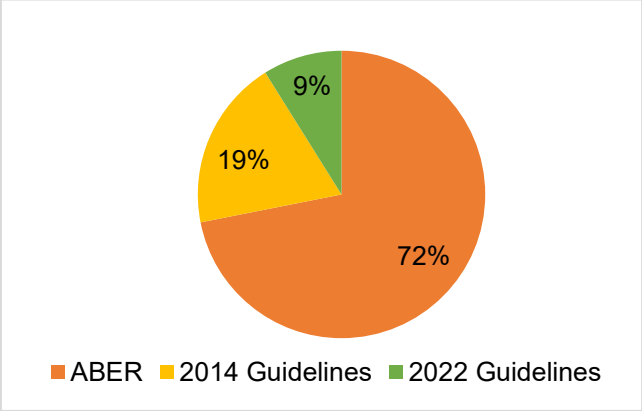

Figure 4 Legal framework by number of ES-relevant cases, 2014–2026

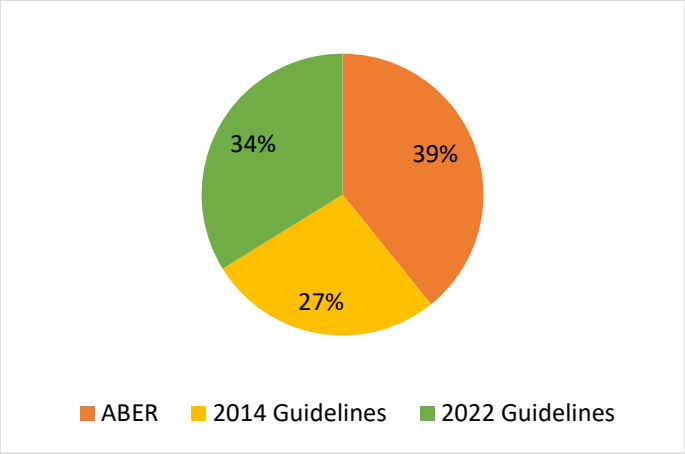

Figure 5 Legal framework by attributable budget, 2014–2026.

V. Uptake of the new PES related possibilities under the 2022 Guidelines

The 25 ES relevant cases associated with the 2022 Guidelines were additionally screened to assess whether Member States had begun to use the more explicitly PES-oriented possibilities introduced by the new framework (see Box 1 in Introduction). In particular, the analysis examined whether authorised measures made use of either the additional incentive component allowing support above full compensation, potentially reaching 120% of eligible costs in the circumstances foreseen by the Guidelines, or remuneration based on the estimated value of non-market forest-environment and climate services.

No use of either option was identified among the 25 cases examined. Most of these cases concerned established categories of forestry support, including afforestation, prevention and restoration of forest damage, investments improving forest resilience and environmental value, or compensation for environmental restrictions.

Within the 25 cases, however, five measures were identified as particularly relevant because they had a clear forest-environment and climate-service logic: SA.114173 and SA.116653 in Germany, and SA.109467, SA.111967 and SA.117255 in Italy. These measures are presented in Table 1 because they provide the

clearest indication, within the new Guidelines, of how support is being designed for interventions that are conceptually close to PES.

Table 1 Payment design of the five 2022 Guidelines cases most directly related to forest ES

Case	Country	Scheme / measure	Type	Payment basis	Max. intensity / PES option
SA.114173	Germany	Bavarian Contract Nature Protection Programme for Forests (VNP Wald)	Forest-environment and climate services	Compensatory	100%; no +20% identified
SA.116653	Germany	Climate-adapted Forest Management PLUS (Klimaangepasstes Waldmanagement PLUS, KWM PLUS)	Forest-environment and climate services	Compensatory	100%; no +20% identified
SA.109467	Italy	PSP 2023–2027 – SRA27: Payments for forest-environmental and climate commitments	SRA27 commitments	Additional costs and income foregone	No +20% or value-based remuneration identified
SA.111967	Italy	SRA27 – Payment for forest-environmental and climate commitments (Piedmont)	SRA27 commitments	Additional costs and income foregone	100%; no +20% identified
SA.117255	Italy	PSP 2023–2027 – SRA27: Payments for forest-environmental and climate commitments (Abruzzo)	SRA27 commitments	Additional costs and income foregone	100%; no +20% identified

The legal route is not identical across these five measures. The German schemes concern notified aid for forest-environment and climate services and forest conservation, whereas the Italian SRA27 measures are CAP/EAFRD-cofinanced interventions assessed through the specific compatibility provisions applicable to CAP-supported forestry measures. Nevertheless, all five involve voluntary environmental commitments intended to generate forest-environment and climate benefits.

Even within this more directly PES-relevant subset, the payment logic remained essentially compensatory. Support did not exceed 100% of the relevant eligible costs, while the Italian SRA27 measures were calculated on the basis of additional costs and income foregone. No case was identified in which remuneration was determined from the estimated value of the ecosystem services provided.

PES logic were not identified in any of the 25 ES-relevant cases examined. This result should nevertheless be interpreted in light of the relatively recent application of the 2022 Guidelines and the still limited number of cases approved under the new framework.

VI. Overall considerations

Overall, the analysis shows that the **State aid framework provides a substantial financial basis for activities relevant to FES but this support is largely embedded in broader forestry policy instruments rather than organised as explicitly labelled PES schemes**. The predominance of indirect ES measures further suggests that public financing is principally directed towards management actions and investments expected to sustain or enhance ES, rather than towards payments conditional on the measured quantity or quality of ES delivered.

The analysis also reveals a **limited use of explicit PES terminology**; however, this should not be interpreted as an absence of remuneration for ES provision. In practice, many schemes compensate forest managers for management actions, restrictions or opportunity costs that contribute to maintaining biodiversity, carbon sequestration, water regulation, protective functions and other public benefits. This is also consistent with the predominantly **action-based**, rather than result-based, design of State aid measures. Payments are generally

linked to the implementation of prescribed management practices or to compliance with specific restrictions, rather than to the quantity or quality of the ES delivered. Consequently, the terminology used by these instruments tends to refer to the **actions required to support ES provision**.

4.1.2. Reported expenditure

For the expenditure analysis, the reference population comprised 273 EU-27 State aid cases classified as Direct ES or Indirect ES and recorded between 2014 and 2024. Of these, **268 cases could be matched** to the expenditure database through their unique SA case number, while no expenditure record was available for five cases.

Across the selected measures, approximately **€3.46 billion** of attributable reported expenditure could be identified. **Of this amount, approximately €1.17 billion (33.6%) was associated with direct ES measures and €2.30 billion (66.4%) with indirect ES measures**.

The largest volumes of attributable reported expenditure were observed in Germany (€821.7 million), Italy (€602 million) and Ireland (€561.1 million). These were followed by Czechia (€293 million), Portugal (€245.1 million), France (€196.6 million), Finland (€154.7 million), Romania (€149.4 million), Slovakia (€103.9 million) and Latvia (€87 million) (Figure 6).

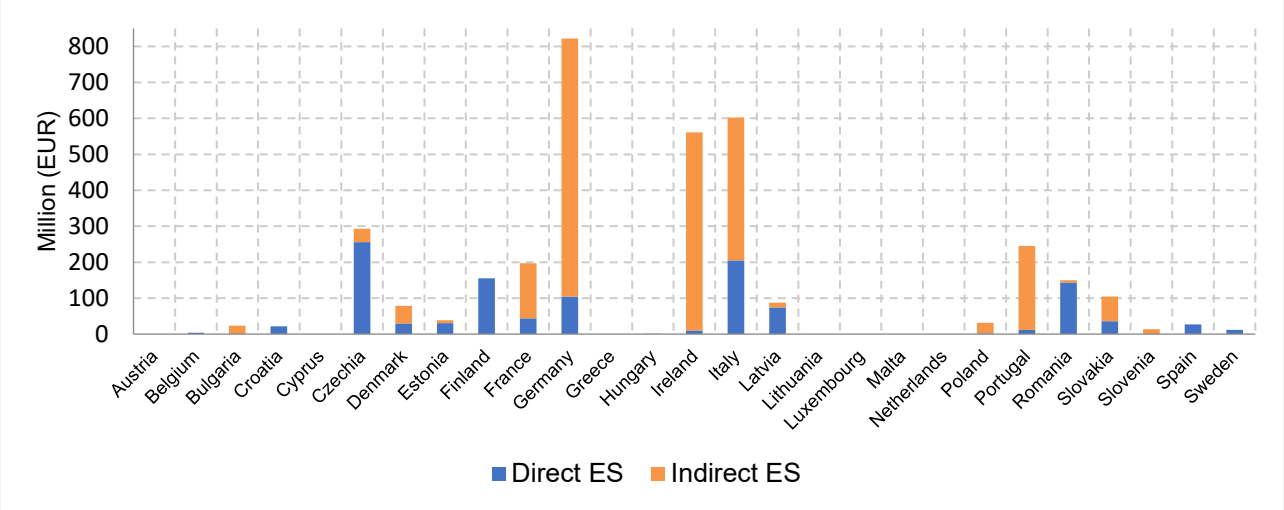

Figure 6 Attributable reported expenditure for direct and indirect FES related State aid measures by EU Member State, 2014–2024.

The predominance of indirect ES expenditure closely mirrors the pattern observed for authorised budgets. A large share of financial implementation was associated with conventional forestry interventions such as afforestation, restoration of forest potential, prevention and restoration of forest damage, and investments aimed at increasing forest resilience. This confirms that public support relevant to FES is frequently delivered through established forestry instruments rather than through schemes explicitly framed as payments for ecosystem services.

The composition of expenditure differed substantially among Member States. Germany was strongly dominated by indirect ES expenditure, with approximately €717.8 million compared with €103.9 million associated with direct ES measures. Italy also showed a predominance of indirect ES expenditure, with approximately €396.7 million compared with €205.3 million for direct ES measures. Ireland displayed an even stronger indirect ES profile, largely reflecting the financial importance of afforestation-related support.

By contrast, Czechia was characterised by a much stronger direct ES component, with approximately €255.8 million associated with direct ES measures and €37.2 million with indirect ES measures. Romania displayed a similar pattern, with approximately €143.3 million in direct ES expenditure and only €6.0 million in indirect ES expenditure.

Germany illustrates the financial importance of conventional forestry instruments. The federal “Improvement of Agricultural Structures and Coastal Protection” – Support for Forestry Measures, for example, accounted for a substantial share of the expenditure recorded in the German portfolio. At the same time, more explicitly ES oriented instruments, such as the Bavarian Contract Nature Protection Scheme for Forestry (VNP Wald), support forest-environmental and conservation commitments. The coexistence of these instruments illustrates a continuum ranging from broad forestry interventions expected to generate environmental benefits to measures explicitly targeting particular forest ecosystem functions.

A clear example of direct ES support is found in Belgium. SA.45683, “Indemnités pour les zones forestières Natura 2000”, compensates disadvantages associated specifically with Natura 2000 forest areas. The scheme recorded approximately €3.49 million in expenditure, against an attributable authorised budget of €5.58 million.

4.1.3. Comparison between authorised budgets and reported expenditure

A stricter subset was used to compare reported expenditure with authorised budgets. Cases were considered comparable only where the State aid measure had a positive and fully attributable authorised budget and a matched attributable expenditure record. Measures whose FES financial component could not be separated from a broader programme, cases without a comparable overall budget, zero-increment amendment records and cases without an expenditure record were excluded from the ratio calculation.

Following these restrictions, 249 cases provided sufficiently comparable allocation and expenditure information. Their combined authorised budget amounted to approximately €11.63 billion, while corresponding reported expenditure over 2014–2024 amounted to approximately €3.38 billion. **The resulting observed expenditure to authorised budget ratio was 29.1%.**

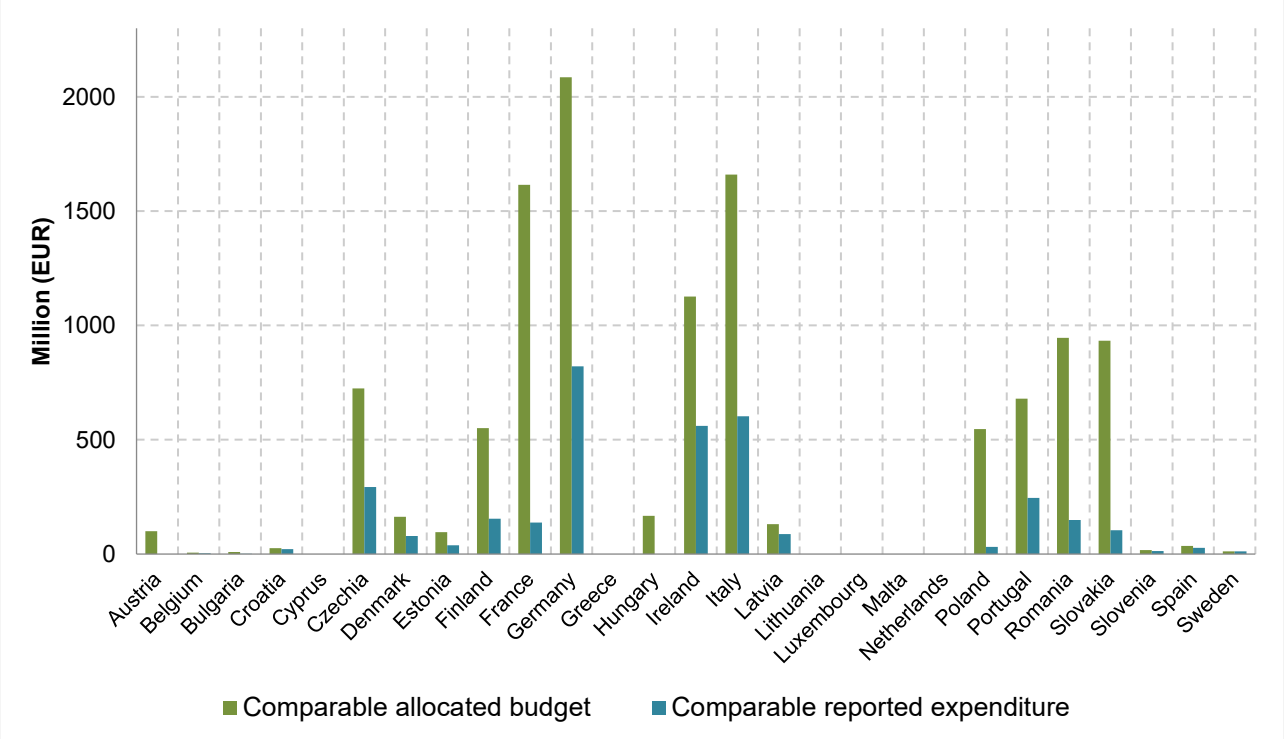

Figure 7 Comparable authorised budgets and reported expenditure for FES related State aid measures by EU Member State, 2014–2024.

The composition of the comparable expenditure remained very similar to that observed for the wider attributable expenditure dataset. Approximately €1.17 billion (34.5%) was associated with direct ES measures and €2.21 billion (65.5%) with indirect ES measures.

The 29.1% ratio should not be interpreted as a final absorption rate. The authorised budgets may cover implementation periods extending beyond 2024. In addition, measures authorised towards the end of the observation period had less time to generate expenditure than measures operating since the beginning of the period. The ratio therefore represents the share of the comparable authorised financial budget observed as reported expenditure up to 2024.

Observed expenditure-to-budget ratios differed substantially among Member States. Among countries with comparable financial information, relatively high observed ratios were found in Croatia (82.4%), Slovenia (78.4%), Spain (74.7%), Latvia (66.8%) and Belgium (62.6%). Ireland showed a ratio of approximately 49.8%, while the revised temporal alignment substantially increases the ratio for Denmark to 48.2%. Intermediate values were observed in Czechia (40.4%), Estonia (40.3%), Germany (39.4%), Italy (36.3%) and Portugal (36.1%). Lower ratios were found in Finland (28.1%), Romania (15.8%), Slovakia (11.1%), France (8.5%), Poland (5.7%) and Bulgaria (0.9%) (Figure 8).

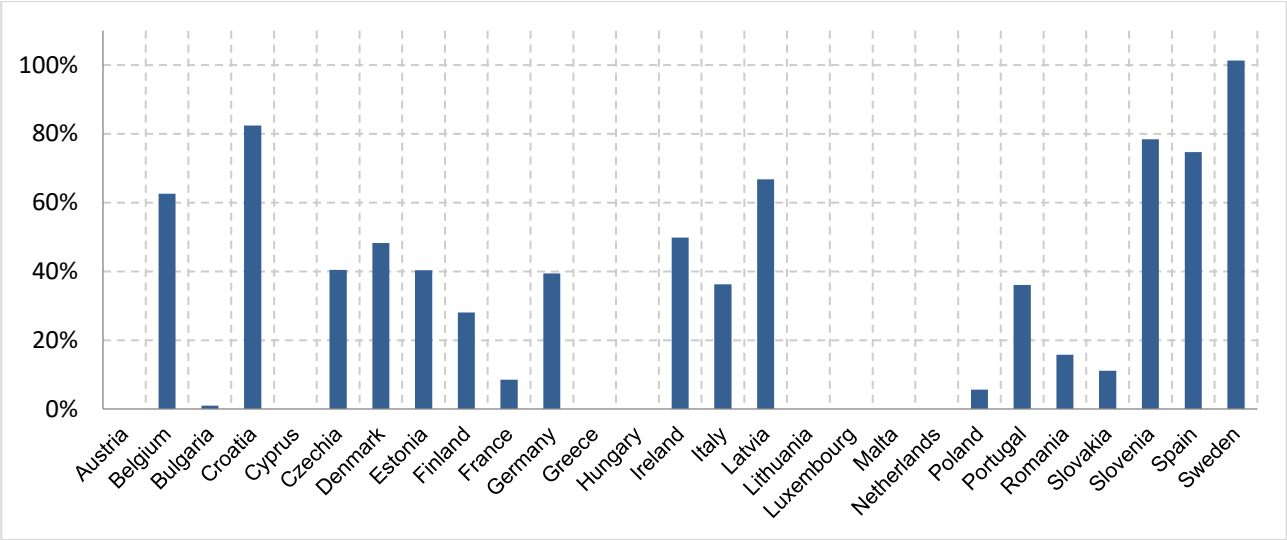

Figure 8 Observed expenditure-to-authorised-budget ratio for comparable FES related State aid measures by EU Member State

Programme age, implementation timetables, national reporting practices, amendments and the timing of expenditure declarations can all affect the relationship between authorised budgets and expenditure observed by 2024.

In Sweden, reported comparable expenditure slightly exceeded the attributable authorised budget, producing an observed ratio of approximately 101.3%. Individual cases in other Member States also displayed expenditure values exceeding the corresponding authorised amount retained in the database. Such observations were not artificially capped at 100%, as they may reflect amendments, or later updates to reported expenditure.

A further limitation concerns multi-purpose programmes. Fourteen cases within the 2014–2024 ES relevant population had budgets that could not be separated reliably into FES and other programme components. These cases were retained as evidence of relevant policy support but excluded from the strict financial comparison. This conservative approach avoids assigning productive forestry, infrastructure, research or other expenditure to ES provision where the relevant financial share cannot be identified.

Overall, the expenditure analysis confirms that substantial financial implementation of FES related measures occurs through the Stateaid framework but also reveals a considerable difference between the scale of authorised financial budget and expenditure documented up to 2024. The predominance of indirect ES measures in both authorised budgets and reported expenditure may indicate that FES are predominantly supported through action-based forestry interventions, rather than through payments explicitly conditional on measured ES outcomes.

4.2. Desk review of relevant cases

Across the EU, Member States utilise a range of policy and financial instruments to support the provision of FES.

The following section provides a selection of country-level examples illustrating how EU Member States have implemented State aid schemes and national public funding mechanisms for FES. The analysis focuses primarily on the current programming period, 2021–2027, while also covering the previous 2014–2020 period where relevant information is available. The overview is intended to be illustrative rather than exhaustive. Where no relevant case studies could be identified for a Member State, that country was excluded from the analysis.

4.2.1. Austria

National Forest Fund (*Waldfonds*)

Austria's National Forest Fund (*Waldfonds*) is a federally financed forest-support instrument established in 2020. The *Waldfonds* is both a federal national programme financed through the Austrian federal budget and a State aid measure formally approved by the European Commission. The relevant reference is SA.59973 – Austria, Forest Fund Act. The measure is listed in the *Official Journal of the European Union* as an Austrian aid scheme, and the Commission subsequently approved its prolongation and amendment.

The Fund currently has a total budget of €430 million (while SA.59973 has 350million) and supports 10 measures: 1) reforestation after damage, 2) establishment of climate-fit forests, 3) compensation for bark-beetle-related losses, 4) storage sites for damaged timber, 5) mechanical debarking as a forest-protection measure, 6) wildfire prevention and control, 7) research on wood gas and biofuels, 8) research on climate-fit forests, 9) increased use of wood, and 10) strengthening, maintenance and promotion of biodiversity in forests.

Ecosystem service focus. The fund represents a broad Austrian forestry support package under the Forest Fund Act, but it is FES relevant because several components explicitly target biodiversity, forest ecosystem restoration, climate resilience and the environmental value of forests. The Fund explicitly aims to develop climate-resilient forests, promote forest biodiversity and increase the use of wood as a contribution to climate protection. It recognises the role of forests in protection against natural hazards, carbon storage, water filtration, biodiversity conservation, recreation and wood supply. However, support is linked mainly to eligible management, restoration, protection and research activities rather than to measured quantities of ecosystem services.
The measures most directly linked to FES are Measure 1 and Measure 2 for forest regeneration, adaptation and resilience; Measure 6 for wildfire prevention and protective functions; Measure 8 for knowledge on climate-fit forests; Measure 9 for climate mitigation through greater wood use; and Measure 10 for biodiversity conservation. The official *Waldfonds* website describes Austrian forests as protecting against natural hazards, storing CO_2, filtering water, providing habitat, offering recreation and supplying wood.

Eligible applicants. Eligible applicants include managers of agricultural and forestry holdings, research institutions and other applicants specified under the individual measures, such as agrarian communities and public authorities. Applications are submitted online, either continuously or through specific calls, depending on the measure.

Conditionality and payment mechanism. Funding conditions, rates and minimum or maximum amounts vary by measure and are defined in the Fund's specific guidelines. Activities are generally supported only from a minimum grant amount of €500. Where standard costs are defined, payments are calculated using those rates. Area-based measures have no general funding ceiling. For area-based measures, the official Fund information states that sufficient resources are intended to support projects that meet the applicable conditions. Measures 7–10 are generally implemented through calls and technical selection procedures. The same planned activity must not already have received another public grant.

The *Waldfonds* uses mainly action-based grants. Funding rates vary by measure:

- Reforestation after damage and climate-fit forest conversion: generally 60% of eligible costs, rising to 80% on forests with medium-to-high protective functions or high welfare functions. Eligible actions include site preparation, planting, tending, stand conversion, natural regeneration support, thinning,

forest-edge management and protection against browsing. Standard costs may be used instead of actual invoices.

- Bark-beetle losses: compensation of €3,500/ha, capped at 30% of the calculated asset-value loss and €200,000 per beneficiary.
- Damaged-timber storage: 65% for wet-storage investments, 35% for dry-storage investments, 80% for timber transport and handling, and 100% for concepts and feasibility studies.
- Mechanical debarking and preventive forest protection: 80% of eligible costs.
- Wildfire prevention: generally 80%, rising to 100% for awareness-raising, operational planning and training.
- Forest biodiversity projects: up to 100% of eligible investment, material and project-related personnel costs. Eligible activities include habitat restoration, natural forest reserves, non-intervention areas, old-growth islands, deadwood and habitat-tree retention, rare species, ecological forest edges and invasive-species control.

Commitment length. Most measures do not create annual multi-year payment contracts. They finance an approved project, followed by implementation and verification. Funded investments must normally be maintained and used for their approved purpose for five years after completion; control fences carry a ten-year retention obligation.

Monitoring and verification. Controls are carried out on a sample basis by the responsible implementing body. The Austrian Court of Audit and competent EU bodies may also verify compliance with funding conditions and the eligibility of requested or already paid support.

The available official information describes verification of compliance with funding requirements and project implementation (not conditional on the quantified delivery of carbon sequestration, biodiversity, water regulation or other ES outcomes).

Implementation. By 2 October 2025, approximately €386 million of the €430 million Fund had been committed or paid. The Austrian Minister reported an implementation level of 86%. By 31 December 2024, more than 26,700 applications had been approved. Reforestation supported through the Fund included approximately 23.4 million climate-adapted forest seedlings.

References[4]

4.2.2. Belgium

Forêt résiliente

Forêt résiliente was a Walloon regional support scheme implemented through annual calls between 2021 and 2024. It financed the regeneration and diversification of public and private forests to improve their resilience to climate change, pests and diseases. The initial 2021 pilot had a total budget of €3.0 million, while the cumulative budget allocated to the four private-forest calls amounted to approximately €6.44 million. The

[4] Austrian Parliament. (2025). *Landwirtschaftsressort: Weiterhin hoher Bedarf für Maßnahmen des Waldfonds*. Austrian Parliament.
Austrian Parliament. (2025). *Landwirtschaftsausschuss diskutiert Einkommenssituation, Waldfonds und Tierseuchen*. Austrian Parliament.
Austrian Parliament. (2025). *Bericht zum Waldfonds für das Jahr 2024*. Austrian Parliament.
Austrian Parliament. (2025). *Budgetbegleitgesetz 2025: Änderung des Waldfondsgesetzes*. Austrian Parliament.
Bundesministerium für Land- und Forstwirtschaft, Regionen und Wasserwirtschaft. (2024). *Sonderrichtlinie Waldfonds: Sonderrichtlinie des Bundesministers für Land- und Forstwirtschaft, Regionen und Wasserwirtschaft zur Umsetzung und Durchführung der Förderung gemäß Waldfondsgesetz* (3. Änderung, GZ 2024-0.280.049). https://www.bmluk.gv.at/dam/jcr%3Ab7106d2a-f850-41b3-b41e-ba766fd7f567/3_%C3%84nderung_Sonderrichtlinie_gem%C3%A4%C3%9F_Waldfondsgesetz_Ver%C3%B6ffentlichung_August_2024.pdf
Federal Ministry of Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management. (n.d.). *Der Waldfonds*.
Federal Ministry of Agriculture and Forestry, Climate and Environmental Protection, Regions and Water Management. (2024). *Special guideline for implementing funding under the Forest Fund Act* [Sonderrichtlinie Waldfonds, third amendment]. https://www.bmluk.gv.at/dam/jcr%3Ab7106d2a-f850-41b3-b41e-ba766fd7f567/3_%C3%84nderung_Sonderrichtlinie_gem%C3%A4%C3%9F_Waldfondsgesetz_Ver%C3%B6ffentlichung_August_2024.pdf

scheme promoted mixed stands, climate-suitable species, natural regeneration and greater integration of biodiversity.

Ecosystem service focus. Maintaining forest ecosystem services was an explicit programme objective. Official documents define resilient forests as forests able to continue providing ecosystem services over the long term. Particular emphasis was placed on timber production, carbon sequestration, climate regulation and biodiversity, alongside broader benefits such as soil and landscape protection. Payments were not linked to measured ES outcomes. However, higher payments and additional selection points were assigned to more biodiversity-oriented options

Eligible applicants. The private forest calls were open to owners of forest land in Wallonia. Applicants submitted an electronic dossier describing the parcels, the proposed regeneration or diversification itinerary and the intended future stand. In the 2024 call, eligible project areas generally had to be at least 0.25 ha, and support was not cumulative with another public grant for the same activities. Support was capped at €20,000 per owner.

Conditionality and payment mechanism. Support took the form of action-based flat-rate grants ranging, depending on the call and option selected, from €500 to €3,000/ha. The four 2024 options rewarded progressively more demanding regeneration and diversification commitments. The highest rate, €3,000/ha, supported biodiversity-oriented projects with tree species covering at least 90% of the future stand, or the creation of diverse forest edges.
Beneficiaries had to implement and maintain the approved technical itinerary, respect the specified species composition and permit controls. More specifically:

- Forfait 1: €500/ha for diversification or enrichment of young stands;
- Forfait 2: €2,000/ha for mixed regeneration or diversification with at least three species, including at least one biogenic species;
- Forfait 3: €2,500/ha where at least two biogenic species represent at least 50% of the target stand;
- Forfait 4: €3,000/ha for the most biodiversity-oriented option, requiring four or five biogenic species covering at least 90% of the target stand, or the creation of a 10–20 m-wide diverse forest edge with at least five native shrub species.

The grant was awarded upon approval of the technical regeneration or diversification plan and paid within 90 days after the Walloon Government validated the list of selected projects. It was therefore an upfront payment.

Commitment length. Beneficiaries entered into a 10-year silvicultural commitment. The application had to describe the intended actions over the following ten years, including species composition, regeneration methods, protection against browsing and planned interventions. Filière Bois Wallonie could inspect the initial condition and project implementation throughout this period.

Monitoring and verification. For the 2024 private-forest call, *Filière Bois Wallonie* was responsible for eligibility checks, technical assessment, project ranking, payment and verification of silvicultural commitments. Field inspections could verify both the initial parcel condition and project implementation. Compliance controls were risk-based and continued for ten years.
Full repayment could be required for refusal of controls, false declarations, unauthorised drainage, excessive mechanical clearing or unjustified failure to implement the approved technical itinerary.

Implementation. Across the four private-forest calls in 2021–2024, the scheme supported: 719 forest owners; 1,632 projects; 2,420 ha; approximately €5.726 million in grants.
The cumulative budget for the four calls amounted to approximately €6.44 million, indicating an uptake of about 89%. However, the €5.726 million figure refers to grants associated with approved projects; published sources do not clearly distinguish awarded amounts from final verified expenditure. Forfaits 3 and 4, the more biodiversity-oriented options, were the most widely selected.

State aid - SA.45683

SA.45683 was a Walloon regional State aid scheme implemented under the Agricultural Block Exemption Regulation, Commission Regulation (EU) No 702/2014. It was registered as SA.45683 (2016/XA) and concerned compensation for Natura 2000 forest areas under Article 36 of that Regulation. The scheme, entitled *Indemnités pour les zones forestières Natura 2000*, provided annual compensation for disadvantages

arising from mandatory conservation requirements in Natura 2000 forest areas in Wallonia. It ran from 1 July 2016 to 31 December 2020 and had a total budget of €5.58 million. The granting authority was the Public Service of Wallonia.

Ecosystem service focus. The payment compensated forest owners or managers for restrictions imposed to maintain the ecological functions of Natura 2000 forests. The supported obligations included compliance with Natura 2000 management rules and, in eligible forests larger than 2.5 ha, the retention and identification of conservation islands, dead trees and trees of biological interest. The scheme therefore had a strong biodiversity and habitat-conservation focus. Landholders received compensation for maintaining ecological functions under regulatory constraints.

Eligible applicants. Eligible beneficiaries included private owners, co-owners, forestry groups and companies managing eligible forest areas in Wallonia's Natura 2000 network. Applicants had to hold a forestry identification number and submit an annual application.

Conditionality and payment mechanism. The mechanism was an annual area-based compensation payment. During the relevant period, the basic forest indemnity was reported as €40/ha/year for eligible forests, subject to a minimum cumulative payment threshold of €100, corresponding in practice to at least 2.5 ha. Payment was conditional on compliance with Natura 2000 management obligations, declaration of all managed Natura 2000 parcels, and the marking and reporting of required conservation features. Non-compliance could result in a warning, a 10% or 50% reduction, or complete withdrawal of the annual payment, depending on the seriousness of the breach.

Monitoring and verification. Administrative checks were carried out by the Walloon Department of Agriculture, while field controls were carried out by the Department of Nature and Forests. Beneficiaries had to allow authorised officials access to the property to verify implementation and compliance. Monitoring concerned eligibility and observance of management requirements.

References[5]

4.2.3. Croatia

OKFŠ

Croatia's *OKFŠ* mechanism is a national statutory and parafiscal forest-financing system established under the Forest Act and financed by a levy on economic operators above a defined revenue threshold. It finances activities related to the management, restoration and protection of forests and their public-benefit functions. The mechanism is financed through a compulsory charge payable by legal and natural persons carrying out

[5] European Commission. (2016). *State aid SA.45683 (2016/XA)—Belgium: Indemnités pour les zones forestières Natura 2000*. https://ec.europa.eu/competition/state_aid/cases/264805/264805_1760190_15_1.pdf
Filière Bois Wallonie. (2021). *Premier bilan de l'appel à projets « Forêt résiliente »*. https://www.filiereboiswallonie.be/news/premier-bilan-de-lappel-projets-foret-resiliente
Filière Bois Wallonie. (2022). *Forêt résiliente 2022 : Communiqué de presse*. https://www.filiereboiswallonie.be/sites/default/files/media-documents/CP%20-%20For%C3%AAt%20r%C3%A9siliente%202022.pdf
Gouvernement wallon. (2021). *Appel à projets « Forêt résiliente » : Projet pilote 2021*. https://foretresiliente.be/wp-content/uploads/2021/04/FR-officiel.pdf
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Service public de Wallonie. (n.d.-b). *Soutien à la régénération des forêts*. Retrieved July 20, 2026, from https://www.wallonie.be/fr/soutien-la-regeneration-des-forets

an economic activity and subject to corporate or personal income tax, whose annual revenue or receipts exceed the statutory threshold. OKFŠ is a continuing revenue-and-expenditure mechanism whose annual resources depend on levy receipts.

Following the 2024 amendment to the Forest Act, the threshold is €995,421.06 and the levy rate is 0.015% of total annual revenue or receipts. The amendment entered into force on 2 April 2024. Consequently, a transitional average rate of 0.017% was applied to revenue and advance payments for 2024, while the rate of 0.015% applies in full of 2025 onwards. The Ministry calculates and assesses the charge based on annual financial statements.

The Forest Act specifies that *OKFŠ* revenue may finance, among other things, management works in protective forests and forest land; forest management plans; management works in forests belonging to small private forest owners; restoration following biotic and abiotic damage; forest-fire protection; maintenance of water sources, wells and cisterns; scientific and professional forestry activities; and firefighting equipment and training.

Ecosystem service focus. The ecosystem service focus is explicit in Croatian forest legislation. The legally recognised public-benefit functions of forests include soil protection, regulation of water regimes, flood and erosion prevention, climate regulation, carbon sequestration and oxygen production, air purification, landscape and recreational benefits, habitat provision and biodiversity conservation.

Eligible beneficiaries. Eligibility depends on the expenditure category. For works in private forests, beneficiaries may include private forest owners and associations of private forest owners, subject to the conditions established in the relevant annual programme or public call. Croatian legislation classifies private forest owners holding up to 20 ha of forest or forest land as small private forest owners. Specific calls may establish additional or narrower eligibility requirements.

Other *OKFŠ* resources are transferred to public bodies or organisations responsible for functions listed in the Forest Act, including firefighting organisations, through the Croatian Firefighting Association, for equipment and training. The mechanism is therefore broader than a conventional forest-owner grant scheme: it finances private-forest works, public forest-protection functions, planning, research and emergency-response capacity.

Conditionality and payment mechanism. For forest management works, the mechanism is action-based. Activities must fall within the categories authorised by the Forest Act and the relevant implementing rules. Forest works are planned through annual programmes or calls, and payment is linked to the implementation and verification of approved activities.

For private forest owners, access takes place through public calls. Applicants must provide the technical, cadastral and ownership documentation specified in the relevant call, which may include maps, evidence of ownership or management rights, and information on the proposed works.

Conditionality may include eligibility of the applicant and activity; inclusion of the work in the applicable annual programme or approved public call; implementation in accordance with forestry legislation and technical requirements; documentary evidence of completed works; technical verification before payment; and compliance with rules preventing overlapping or double financing. No double financing with CAP or other EU funds is allowed.

No uniform payment rate applies to the *OKFŠ* system as a whole. Payment conditions, eligible costs and funding levels vary according to the type of activity and the relevant annual programme, agreement or public call.

Commitment length. The Forest Act does not establish a single uniform contractual duration for all *OKFŠ*-supported activities. Implementation periods and any post-payment obligations are determined by the relevant annual programme.

Monitoring and verification. The Ministry of Agriculture, Forestry and Fisheries is responsible for calculating the charge and overseeing the use of *OKFŠ* resources. Implementing bodies and beneficiaries must maintain records of the works performed, including information on contractors, the type and quantity of work and the amount paid. Relevant implementation records are reported to the Ministry.

Verification focuses on whether the approved works were completed and complied with the relevant technical and legal requirements. Public calls may require maps, cadastral data and other supporting evidence, followed by technical inspection or certification of completed works before payment.

Implementation. No single consolidated implementation figure covering the entire *OKFŠ* mechanism was identified. Because OKFŠ is a continuing levy rather than a programme with a fixed multiannual budget, a conventional uptake ratio-expenditure divided by a predetermined programme budget, is not directly applicable.

Official reporting for 2024 provides a partial indication of implementation in private forests. Of €4.109 million in OKFŠ resources attributed to private forests, approximately €1.784 million was used. These figures imply an execution rate of approximately 43.42%[6].

One verified component concerns firefighting. In October 2025, the Ministry signed a €19 million agreement with the Croatian Firefighting Association covering equipment and training activities for the period 2024–2027. Under the agreement, 20% of the total OKFŠ revenue collected annually is allocated to firefighting activities. Funding is distributed among firefighting organisations according to their level of equipment, the area of forest and forest land covered, and the degree of fire risk in their operational territory.

RDP Sub-measure 8.5 and associated State aid scheme SA.51071

SA.51071 concerned Croatian Rural Development Programme 2014–2020 Sub-measure 8.5, “Support for investments in improving the resilience and environmental value of forest ecosystems”. It was the State aid applicable to support granted under an EAFRD-cofinanced Rural Development Programme sub-measure.

The measure was financed from the EU budget through the European Agricultural Fund for Rural Development (EAFRD) and from the Croatian national budget, with an 85% EAFRD contribution and a 15% national contribution. Because the support could confer an economic advantage on forest owners, managers and other eligible entities, it was also subject to EU State aid rules.

Ecosystem service focus. The measure supported two types of operation: i) the conversion of degraded forest stands and forest plantations into high-forest or mixed stands with a more favourable species composition, including the use of native tree species; and ii) the establishment and improvement of educational trails, viewpoints and other small-scale recreational and educational infrastructure.

Its ES relevance included forest resilience, biodiversity conservation, habitat quality, climate adaptation, landscape and recreational services, and environmental education.

Eligible beneficiaries. Eligibility differed between the two operation types. For forest conversion under operation 8.5.1, eligible beneficiaries included: forest holders; associations of forest holders; and companies and other legal entities entrusted by law with managing forests and forest land owned by the Republic of Croatia.

For recreational and educational infrastructure under operation 8.5.2, the eligible categories also included civil-society organisations active in environmental and nature protection and other entities with responsibilities in these fields. Applicants had to meet the eligibility requirements established by the implementing regulation and the relevant calls, including registration, tax-compliance and forest management-plan requirements where applicable.

Conditionality and payment mechanism. Support was action-based. Forest-conversion projects had to comply with an approved forest management plan or an equivalent instrument and had to be accompanied by a conversion plan prepared and certified by an authorised forestry engineer. Where required, projects were also subject to environmental-impact or Natura 2000 appropriate-assessment procedures. Support covered up to 100% of eligible project costs with a threshold per project level.

[6] The same ministerial report states a rate of 36.76%, which does not appear to correspond arithmetically to the published amounts and should therefore be reported with caution.

Commitment length. Projects had to be implemented within a maximum of 36 months from the funding decision. An advance of up to 50% of the approved public support could be paid against a bank guarantee. Following final payment, the beneficiary was required to keep the supported investment operational and publicly accessible, where relevant, for at least five years.

Implementation. Documents do not report actual expenditure, the number of funded projects, the area treated or the overall financial uptake.

References[7]

4.2.4. Czech Republic

State aid SA.103979

SA.103979 (2022/N), *Aid in favour of the adaptation of forests to climate change*, was a national State aid scheme established by the Czech Ministry of Agriculture and approved by the European Commission in October 2023. The scheme was intended to encourage forest owners and managers to adopt management practices exceeding the minimum requirements of Czech forestry legislation and thereby improve the resilience of forests to climate change. The aid was financed entirely from the Czech State budget. Its estimated total budget was CZK 17.4 billion, approximately €742 million, with an authorised duration until 31 December 2028.

Ecosystem service focus. The scheme primarily targeted climate adaptation, forest resilience and biodiversity. It also addressed soil protection and other regulating and supporting ecosystem services through requirements concerning: reduced clear-cut size; greater tree-species diversity in artificial regeneration; natural forest regeneration; retention of standing and lying deadwood; environmentally friendly timber extraction; thinning of young forest stands; and enrichment planting with meliorating, reinforcing or preparatory tree species.

These practices were expected to improve stand stability and structural and species diversity, reduce erosion and soil damage, preserve habitats associated with deadwood and increase resistance to abiotic disturbances linked to climate change.

[7] Croatian Parliament. (2018). *Zakon o šumama* [Forest Act]. *Narodne novine, 68/2018*. https://narodne-novine.nn.hr/clanci/sluzbeni/2018_07_68_1392.html
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Ministry of Agriculture. (2021). *Pravilnik o postupku, načinu ostvarivanja prava i načinu korištenja sredstava naknade za korištenje općekorisnih funkcija šuma* [Regulation on the procedure for obtaining entitlement to, and the use of, revenue from the fee for the public-benefit functions of forests]. *Narodne novine, 107/2021*. https://narodne-novine.nn.hr/clanci/sluzbeni/2021_10_107_1887.html
Ministry of Agriculture. (2023a, January 19). *Ministarstvo poljoprivrede financira radove održavanja šumskih cesta na području primorske Hrvatske* [Ministry of Agriculture finances forest-road maintenance works in coastal Croatia]. https://poljoprivreda.gov.hr/vijesti/ministarstvo-poljoprivrede-financira-radove-odrzavanja-sumskih-cesta-na-podrucju-primorske-hrvatske/5917
Ministry of Agriculture. (2023b, September 26). *Objavljen Javni poziv za financiranje radova održavanja šumskih cesta u šumama malih šumoposjednika za 2024.* [Public call published for financing forest-road maintenance works in forests belonging to small private forest owners in 2024]. https://poljoprivreda.gov.hr/vijesti/objavljen-javni-poziv-za-financiranje-radova-odrzavanja-sumskih-cesta-u-sumama-malih-sumoposjednika-za-2024/6457
Ministry of Agriculture, Forestry and Fisheries. (2024). *Pravilnik o načinu obračuna i uplati naknade za korištenje općekorisnih funkcija šuma* [Regulation on the calculation and payment of the fee for the public-benefit functions of forests]. *Narodne novine, 88/2024*. https://narodne-novine.nn.hr/clanci/sluzbeni/full/2024_07_88_1542.html
Ministry of Agriculture, Forestry and Fisheries. (2025, October 30). *Ministar Vlajčić potpisao Sporazum vrijedan 19 milijuna eura s Hrvatskom vatrogasnom zajednicom* [Minister Vlajčić signs a €19 million agreement with the Croatian Firefighting Association]. https://poljoprivreda.gov.hr/vijesti/ministar-vlajcic-potpisao-sporazum-vrijedan-19-milijuna-eura-s-hrvatskom-vatrogasnom-zajednicom/7968

Eligible applicants. Eligible beneficiaries included forest owners and other entities exercising the rights and obligations of forest owners. These comprised private and municipal forest owners, State enterprises, State entities and public bodies responsible for forest management.

Conditionality and payment mechanism. The scheme used an action-based support, that was conditional on beneficiaries entering into voluntary commitments and applying prescribed forest management practices beyond the statutory baseline.

The aid was designed to compensate beneficiaries for the additional costs and income foregone resulting from the required forest management commitments. The planned payment rate was approximately CZK 1,540 per hectare per year, equivalent to about €65 per hectare per year at the exchange rate. The aid could cover up to 100% of the eligible additional costs and income foregone.

The management conditions included: keeping average clear-cut size below 0.5 ha in managed oak and pine forests and below 0.3 ha in other stands; using a prescribed diversity of tree species in artificial regeneration; retaining at least three standing dead trees or whole lying trees per hectare in harvested stands older than 60 years; achieving a minimum share of natural regeneration in eligible non-State forests; using environmentally friendly extraction technologies for a specified proportion of harvested timber; thinning at least a prescribed share of young forest stands.

Payment reductions were foreseen where certain commitments were not fully met.

Commitment length. Beneficiaries were expected to enter into a voluntary commitment lasting five years. A payment application would have been submitted only for years in which the relevant management conditions were applicable and fulfilled. In years without eligible harvesting or regeneration activities, beneficiaries would have submitted a declaration that no relevant management activity had taken place.

Monitoring and verification. Compliance was to be assessed through forest management records and verification of the prescribed practices. Monitoring would have focused on factors such as clear-cut size, tree-species composition, the proportion of natural regeneration, deadwood retention, thinning, enrichment planting and the use of low-impact extraction technologies.

Implementation. The approved scheme had an estimated maximum budget of CZK 17.4 billion (€742 million). No information about the actual expenditure were found. On 26 July 2024, the Ministry cancelled the calls without replacement. Some elements of the cancelled programme, particularly deadwood retention, were subsequently considered for incorporation into forest-environmental interventions under the Czech CAP Strategic Plan.

References[8]

[8] European Commission. (2023, October 23). *State aid: Commission approves €742 million Czech scheme to support sustainable forest management* [Press release]. https://ec.europa.eu/commission/presscorner/detail/en/ip_23_5205
Ministry of Agriculture of the Czech Republic. (2022a, February 3). *Výzva k podávání ohlášení a žádostí o finanční příspěvek na podporu adaptace lesních ekosystémů na klimatickou změnu vlastníkům nestátních lesů za období 2022 až 2026* [Call for notifications and applications for financial support for the adaptation of forest ecosystems to climate change for non-State forest owners for the period 2022–2026]. https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/adaptace/vyzva-k-podavani-ohlaseni-a-zadosti-o
Ministry of Agriculture of the Czech Republic. (2022b, February 3). *Výzva k podávání ohlášení a žádostí o finanční příspěvek na podporu adaptace lesních ekosystémů na klimatickou změnu v případě státních lesů za období 2022 až 2026* [Call for notifications and applications for financial support for the adaptation of forest ecosystems to climate change in State forests for the period 2022–2026]. https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/adaptace/vyzva-k-podavani-ohlaseni-a-zadosti-o-1
Ministry of Agriculture of the Czech Republic. (2022c, September 12). *Zásady příspěvku na podporu adaptace lesních ekosystémů na klimatickou změnu po dodatku č. 1* [Rules governing financial support for the adaptation of forest ecosystems to climate change, as amended by Addendum No. 1]. https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/adaptace/zasady-prispevku-na-podporu-adaptace
Ministry of Agriculture of the Czech Republic. (2024a, January 12). *Podpora adaptace lesních ekosystémů na klimatickou změnu: Státní podpora SA.103979 (2022/N), Česká republika* [Support for the adaptation of forest ecosystems to climate change: State aid SA.103979 (2022/N), Czech Republic]. https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/schvaleni_statnich_podpor/podpora-adaptace-lesnich-ekosystemu-na-klimatickou-zmenu
Ministry of Agriculture of the Czech Republic. (2024b, July 26). *Zrušení výzvy k podávání ohlášení a žádostí o finanční příspěvek na podporu adaptace lesních ekosystémů na klimatickou změnu za období 2022 až 2026* [Cancellation of the call for notifications and applications for financial support for the adaptation of forest ecosystems to climate change for the period 2022–2026]. https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/adaptace/zruseni-vyzvy-k-podavani-ohlaseni-a-zadosti-o-financni-prispevek-na-podporu-adaptace-lesnich-ekosystemu-na-klimatickou-zmenu-za-obdobi-2022-az-2026

4.2.5. Denmark

National afforestation scheme - SA.118866

Denmark's national afforestation grant is a nationally financed State aid scheme approved by the European Commission as SA.118866 in August 2025. It has a budget of DKK 4.672 billion, approximately €626 million, and runs until 31 December 2030. The scheme is financed exclusively from the Danish State budget and supports the permanent conversion of agricultural land into productive or untouched forest. It replaces, after a transitional period, an earlier afforestation intervention under Denmark's CAP Strategic Plan.

Ecosystem service focus. The scheme aims to increase forest area while delivering CO_2 reductions, biodiversity protection, lower nitrogen emissions and drinking-water protection. Untouched forests are subject to additional permanent restrictions intended to protect ecological processes, natural hydrology, habitats and diverse forest structures.

Eligible beneficiaries. Eligible beneficiaries are public and private landowners undertaking the voluntary conversion of agricultural land into forest. Supported forests must comply with environmental and climatic suitability requirements; short-rotation coppice, Christmas trees and fast-growing trees for energy production are excluded.

Conditionality and payment mechanism. Aid is provided as a fixed, action-based, one-off payment of DKK 75,500/ha (€10,100/ha) for afforestation. An additional DKK 15,000/ha (€2,000/ha) is available where the new forest is permanently designated as untouched forest, bringing total support to DKK 90,500/ha (€12,100/ha), plus certain land-registration costs.

The relatively high payment rate reflects that the grant is intended to provide combined compensation for forest establishment, maintenance and the loss of land value and agricultural income resulting from the permanent conversion of agricultural land to forest. The payment therefore goes beyond reimbursement of planting costs alone.

Commitment length. Projects must normally be completed within three years; the forest must be maintained for five years after payment and then remains permanently subject to the Forest Act. Restrictions attached to untouched forest are permanent and bind future owners.

Monitoring and verification. Verification focuses on eligibility, compliance with afforestation requirements and the permanent registration of forest-protection obligations.

Implementation. The scheme opened on 8 September 2025. By 31 December 2025, the Danish Agency for Green Land Conversion and Water Environment had received 298 applications, requesting DKK 141.3 million for 2,091 ha. By 19 January 2026, 31 applicants had received approval.

Danish Climate Forest Fund - *Klimaskovfonden*

The Danish Climate Forest Fund is an independent public administrative body established by the Danish Parliament. It finances afforestation and the conversion of carbon-rich lowland soils through a mixed model combining State appropriations with voluntary contributions from companies, organisations and individuals. Contributions associated with documented project climate effects are reinvested in further projects.

The Fund does not operate with a single fixed multiannual programme budget, as its resources derive from successive public appropriations and continuing private contributions. In December 2024, the Danish Parliament's Finance Committee approved an additional State appropriation of DKK 193.9 million (approximately €26.0 million), announced by the Fund in March 2025, to accelerate afforestation and develop

Sotirov, M. (2025). *Funding resilient forests: Rethinking EU and State subsidies*. Fern. https://www.fern.org/publications-insight/funding-resilient-forests-rethinking-eu-and-State aid/

a new model for untouched forest. This amount should therefore be reported as an additional allocation rather than as the Fund's total budget.

Ecosystem service focus. Climate-change mitigation through long-term carbon sequestration is the Fund's principal objective. Projects may also contribute to biodiversity, drinking-water protection, improved water quality, nature restoration and recreation. Supported forests are permanently protected as forests.

Eligible applicants. Support is available to landowners, including private owners, municipalities, churches and other organisations wishing to establish forest or restore carbon-rich lowland areas.

Conditionality and payment mechanism. Support is project-based and conditional on compliance with the Fund's project standards and long-term land-use commitments. Projects are assessed partly according to their expected climate effect and cost-effectiveness. Although quantified CO_2 effects are central to project selection, documentation and financing, payments are not made solely on the basis of ex-post ES results. Support for afforestation is allocated through a competitive auction in which applicants indicate the amount of support required. Payments may cover establishment costs and separate compensation for income foregone, subject to the Fund's maximum rates and maximum permitted cost per tonne of expected CO_2 sequestration. Payments are generally made in two instalments: 80% after the forest has been established and the first payment conditions have been satisfied, and the remaining 20% after final inspection and verification, generally around 2.5–3.5 years later.

Commitment length. The land must be permanently protected as forest through a forest-protection obligation or registered covenant. The mechanism is therefore partly performance-oriented through carbon calculations and subsequent verification, but it is not a pure results-based annual payment.

Monitoring and verification. The Fund applies its own project standards and records supported projects and their expected climate effects. Carbon effects are calculated over long periods and are subject to documentation and verification requirements. The mechanism therefore contains stronger carbon-accounting elements than ordinary afforestation grants.

Implementation. By the beginning of 2024, the Fund had reportedly received more than 100 applications covering approximately 1,000 ha. In June 2024, it approved support for 50 new forests covering 486 ha, with an estimated cumulative climate effect of approximately 170,000 tonnes of CO_2. By March 2025, the Fund reported that it had supported 177 afforestation and lowland-restoration projects since its establishment. By June 2025, it referred to 179 active climate projects. Payments are released progressively, with 20% retained until the supported forest has passed subsequent verification.

Voluntary land set-aside scheme - SA.119017

On 13 February 2026, the European Commission approved SA.119017, a Danish State aid scheme with an overall budget of DKK 7.8 billion (approximately €1.04 billion). The scheme runs until 31 December 2030 and supports landowners who voluntarily and permanently remove agricultural land from production as part of climate, nitrogen-reduction and nature-restoration projects. Additional compensation may also be granted for forestry land where it is hydrologically connected to agricultural land included in an eligible land-conversion project.

Ecosystem service focus. The scheme aims to reduce greenhouse-gas emissions and nitrogen and phosphorus losses to the aquatic environment, restore natural hydrological conditions, create more space for nature and biodiversity, and protect drinking-water resources. Projects may include the establishment of wetlands and other forms of permanent agricultural extensification, under which the land is no longer cultivated and pesticides and fertilisers are no longer applied. Where forestry land is included, its permanent withdrawal from production is intended to contribute to the long-term environmental and climate effects of the wider project.

Eligible applicants. Beneficiaries are landowners who voluntarily participate in eligible land-conversion projects. This may include owners of agricultural land and, under the specific hydrological conditions described above, owners of associated forestry land.

Conditionality and payment mechanism. Aid may be provided through direct grants or in-kind support, including technical advice or the purchase of goods and services. Support may cover up to 100% of eligible costs. Eligible costs include:

- non-productive investments required to implement the land-conversion project;
- compensation for permanent income losses resulting from the withdrawal of land from production and the associated restrictions; and
- legal, administrative and surveying costs associated with land consolidation or land reallotment.

Support is conditional on voluntary participation, implementation of the approved project and acceptance of permanent land-use restrictions. Agricultural land is permanently converted to extensive or natural uses, while forestry land receiving compensation may not subsequently be returned to forestry production, including following a change of ownership.

Commitment length. The land-use restrictions are permanent. For agricultural land, this means permanent withdrawal from intensive agricultural production. Compensated forestry land may not be returned to forestry production even after a transfer of ownership, ensuring a long-term and durable environmental effect.

Monitoring and verification. Verification is expected to cover land and beneficiary eligibility, implementation of the approved project, eligible expenditure and registration of the permanent land-use restrictions. The publicly available Commission summary does not provide detailed information on inspection frequency, environmental indicators or ex-post monitoring procedures. It should therefore not be assumed that payments are conditional on quantified reductions in greenhouse-gas emissions, nitrogen losses or other ES outcomes.

Implementation. The approved overall budget is DKK 7.8 billion (approximately €1.04 billion), with aid intensity of up to 100%, and the scheme is authorised until 31 December 2030. As the Commission approved the scheme only on 13 February 2026, no consolidated official figures were identified.

References[9]

4.2.6. Estonia

SA.103786 - *Aid for compensation for nature conservation restrictions in private forest areas outside the Natura 2000 network*

SA.103786, *Aid for compensation for nature conservation restrictions in private forest areas outside the Natura 2000 network*, is a national State aid scheme approved by the European Commission on 9 December 2022. It

[9] Danish Agency for Green Land Conversion and Water Environment. (2025). *Vejledning om tilskud til skovrejsning 2025* [Guidance on grants for afforestation in 2025]. https://sgavmst.dk/media/ouhbv1dx/vejledning-om-tilskud-til-skovrejsning-2025.pdf
Danish Agency for Green Land Conversion and Water Environment. (2026, January 19). *298 ansøgninger om skovtilskud i 2025* [298 applications for afforestation grants in 2025]. https://sgav.dk/alle-nyheder/nyheder/2026/jan/298-ansoegninger-om-skovtilskud-i-2025
Danish Climate Forest Fund. (n.d.-a). *Projects*. Retrieved August 7, 2026, from https://klimaskovfonden.dk/projekter
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European Commission. (2026, February 13). *Commission approves €1.04 billion Danish State aid scheme to support landowner climate projects* [Press release]. https://ec.europa.eu/commission/presscorner/detail/en/ip_26_384
Ministry of Environment of Denmark. (2021, April 27). *Her er Danmarks nye Klimaskovfond* [Introducing Denmark's new Climate Forest Fund] [Press release]. https://mim.dk/nyheder/pressemeddelelser/2021/april/her-er-danmarks-nye-klimaskovfond

is fully financed from the Estonian State budget, has a total budget of €16.2 million, and may grant aid until 31 December 2027. The scheme is separate from the EAFRD-financed Natura 2000 forest payment.

Ecosystem service focus. The scheme compensates private forest owners for income foregone because of statutory conservation restrictions in protected forest areas outside Natura 2000. These areas contribute to ecological connectivity and to the protection of habitats, species, biodiversity and landscape diversity. The scheme is therefore strongly related to biodiversity conservation and the maintenance of forest ecosystem functions.

Eligible applicants. Eligible beneficiaries are private forest owners. Eligible forest parcels must cover at least 0.3 ha and be included in the official Estonian Nature Information System map of qualifying protected areas outside Natura 2000.

Conditionality and payment mechanism. Aid is provided as an annual direct grant of up to €60/ha. The amount is calculated as partial compensation for income foregone from timber production (the rate was calculated using timber-production value, expected annual yield and the severity of applicable management restrictions). Support may be reduced where available budget resources are insufficient or where beneficiaries breach requirements under nature-conservation or forestry legislation. The same eligible costs cannot receive support from other sources, except within the applicable *de minimis* ceiling. Support is granted for one commitment year, and forest owners must submit a new application each year.

Monitoring and verification. Applications are submitted annually through Estonia's electronic portal for agricultural and rural-support applications, and assessed by the Environmental Investment Centre. Eligibility is verified against official land, forest and nature-conservation records, including ownership, parcel boundaries and the applicable conservation restrictions. Monitoring therefore focuses on eligibility and compliance with statutory restrictions.

Implementation. In the 2023 application round, 490 applications were submitted for approximately €503,275. Funding decisions were subsequently issued for 472 applications, amounting to €484,148. This indicates that most eligible applications were funded, although these figures represent only the 2023 round and not cumulative expenditure under the full €16.2 million scheme.

References[10]

4.2.7. Finland

Temporary Forestry Incentive Scheme - *METKA*, SA.106581

METKA is a national State aid scheme for private forestry, approved by the European Commission as SA.106581 in August 2023. It is based on Finland's Act on a Temporary Forestry Incentive Scheme (71/2023), entered into force on 1 January 2024 and runs until 31 December 2029. The scheme is financed entirely from the Finnish State budget, with an estimated total budget of €360 million, or approximately €60 million per year.

Ecosystem service focus. *METKA* aims to increase forest growth, safeguard biodiversity, improve water protection, mitigate and adapt to climate change, and support sustainable forest management. Supported measures include remedial fertilisation, peatland forest management planning, water-protection works, environmental aid, forest nature-management projects, prescribed burning and forest-road works.

[10] Environmental Investment Centre. (n.d.). *Hüvitis Natura 2000 alal ja väljaspool* [Compensation in Natura 2000 areas and outside Natura 2000]. Retrieved August 7, 2026, from https://kik.ee/et/toetatavad-tegevused/huvitis-natura-2000-alal-ja-valjaspool
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European Commission. (2022, December 9). *State aid SA.103786 (2022/N)—Estonia: Aid for compensation for nature conservation restrictions in private forest areas outside the Natura 2000 network area* (C(2022) 9183 final). https://ec.europa.eu/competition/state_aid/cases1/202304/SA_103786_E0DADE85-0100-C1C0-8AC5-4E69F581D7A7_37_1.pdf

Environmental aid can compensate landowners for ten-year voluntary biodiversity commitments exceeding statutory requirements.

Eligible beneficiaries. *METKA* is primarily available to private forest owners and other eligible private forestry entities. The Finnish Forest Centre processes applications and payments.

Payment mechanism. Support is action-based. Depending on the measure, aid is provided through fixed unit payments or as a percentage of eligible costs. Activities requiring an implementation plan cannot begin before approval, while support for early tending and young-stand management is generally claimed after completion.

Support varies by measure:

- Environmental aid: compensates income foregone from timber production; it may include an additional deadwood incentive of up to 20% of the total environmental payment. It requires a 10-year conservation contract.
- Forest nature-management projects: generally cover 100% of eligible costs, including habitat restoration, water-protection works and biodiversity management.
- Peatland forest management plans: cover approximately 60–80% of costs, depending on project size and number of properties; associated water-protection measures may receive 100% of eligible costs.
- Remedial fertilisation: fixed payments, including €270/ha for ash fertilisation and €155/ha for boron fertilisation.
- Forest roads: from 2026, generally 50% of improvement costs, or 65% where bridges are constructed or repaired.
- Prescribed burning: covers implementation costs and compensates the value of retained trees, subject to specified limits.

Commitment length. Most *METKA* measures involve a one-off payment following implementation and verification. The main exception is environmental aid, which entails a ten-year commitment to preserve the eligible forest site.

Monitoring and verification. Beneficiaries must submit implementation documents to the Finnish Forest Centre, which verifies eligibility, compliance with approved plans and completion of the supported work.

Implementation. *METKA* applications opened in March 2024. In 2025, the Finnish Forest Centre disbursed approximately €50.7 million, including €37.3 million for production-related forestry measures and €13.4 million for environmental and nature-management support. Demand exceeded available funding, and applications worth about €15 million were carried forward to 2026.

***METKA* result based pilot.** From 1 July 2026 to the end of 2029, Finland is piloting results-based support and competitive environmental auctions within the *METKA* framework. The pilot is being introduced gradually and covers peatland restoration, management of herb-rich forests, riparian buffer strips and the retention of a higher-than-standard proportion of broadleaved trees in young stands. The first auctions for peatland restoration and herb-rich forest management are expected in autumn 2026, while the other components are scheduled to begin in 2027. Unlike ordinary *METKA* support, payments are based partly on the implementation of prescribed measures and partly on the achievement of specified ecological results.

Forest Biodiversity Programme for Southern Finland - *METSO*

METSO is a national voluntary forest-conservation programme jointly coordinated by the Ministry of the Environment and the Ministry of Agriculture and Forestry. It operated from 2008 to 2025, and the Finnish Government began preparing a new programme period starting in 2026. *METSO* combines permanent protection, fixed-term conservation agreements and forest nature-management projects. The programme did not have a single fixed multiannual budget; funding was allocated annually through the State budget. In 2025, approximately €46 million was available, including about €22 million for permanent forest protection and €24 million for environmental-support agreements and nature-management measures.

Ecosystem service focus. *METSO* is explicitly focused on halting the decline of forest habitats and species and improving forest biodiversity in southern Finland. Ecological selection criteria target valuable habitats such as old-growth forests, wetlands, sites rich in deadwood and areas supporting threatened species.

Eligible applicants. Private forest owners can voluntarily propose ecologically valuable forest sites for permanent or temporary conservation. Regional environmental authorities and the Finnish Forest Centre assess whether sites meet the ecological selection criteria.

Payment mechanism and commitment lenght. Permanent protection may involve establishing a private nature reserve, selling the land to the State or exchanging land. Temporary protection may use ten- or twenty-year agreements. Compensation is based on the value of the timber, land or income foregone.

Payment depends on the conservation option:

- Permanent private nature reserve**:** full compensation based mainly on the timber value of the protected site; the land remains privately owned and permanently protected.
- Sale to the State**:** compensation includes both land and timber value.
- Temporary environmental forestry agreement**:** 10 years, with compensation generally based on timber income foregone.
- Temporary nature reserve**:** 20 years, compensating the financial loss caused by protection.

METSO payments are therefore based primarily on conservation agreements and income foregone, not on a fixed percentage of project costs or measured biodiversity outcomes.

Monitoring and verification. *METSO* implementation and ecological quality are monitored through annual progress reporting and programme evaluations. Monitoring examines protected area, site quality and progress towards conservation targets, but individual compensation is not result-based.

Implementation. By 2021, more than 80,000 ha had been added to the protected-area network and approximately 50,000 ha of commercially managed forest had been covered by environmental agreements or nature-management measures. Official annual figures indicate expenditure of approximately €43 million in 2021, €43 million in 2022, €47.5 million in 2023, €24.4 million in 2024 and €36.4 million in 2025, corresponding to a combined total of approximately €194.3 million over 2021–2025. A consolidated expenditure figure for the full 2008–2025 programme period was not identified.

References[11]

[11] European Commission. (2023). *State aid SA.106581 (2023/N)—Finland: Temporary incentive scheme for the forestry sector*. https://competition-cases.ec.europa.eu/cases/SA.106581
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4.2.8. France

Forest-renewal support - *France Nation Verte* (SA 109083 and SA.108156)

The *France Nation Verte* forest renewal scheme opened on 5 November 2024, succeeding the forest-renewal measures implemented under France Relance and France 2030. It supports silvicultural investments by public and private forest owners through two national State aid frameworks: SA.109083 for the prevention and repair of forest damage, applicable to damaged stands, and SA.108156 for forestry development and improvements in forest resilience and climate adaptation, applicable to vulnerable, declining and poor-quality stands. Both frameworks are authorised until 31 December 2029. SA.109083 has an authorised maximum budget of €720 million, but this amount covers the broader framework and should not be interpreted as the budget allocated exclusively to the France Nation Verte scheme.

Ecosystem service focus. The scheme supports the restoration of damaged forests, adaptation to climate change, recovery of the forest carbon sink, biodiversity conservation and the maintenance of broader forest ecosystem services. Its three components cover: the restoration of damaged stands; the adaptation of vulnerable or declining stands; and the improvement, enrichment or conversion of poor stands or stands subject to difficult operating conditions.

Eligible applicants. Eligible applicants include private forest owners, groups of forest owners, municipalities and other non-State public forest owners, as well as holders of relevant legal rights over the forest stands concerned. State-owned forests are supported through a separate arrangement with the National Forest.

Conditionality and payment mechanism. The scheme is action-based. Support is provided as an investment grant, calculated either using national standard costs or on the basis of invoices for non-standard operations. Eligible activities include site preparation, planting, enrichment planting, controlled natural regeneration, replacement planting, browsing protection, early tending, density reduction, pruning and project management costs. There is a bonus for forest certification holders. The aid rates are:

- Damaged stands: a base rate of 50%, with a 15-percentage-point bonus for forest certification and a further 15% bonus for participation in an eligible collective forest-sector organisation. A 20% increase may apply in designated bark-beetle and crisis-timber areas. The ordinary maximum is 80%, increasing to 100% where the crisis-area increase applies.
- Vulnerable, declining or poor stands: a base rate of 40%, with a 10% bonus for forest certification and a further 10% bonus for participation in an eligible collective organisation. The maximum rate is 60%.

The minimum public grant is generally €3,000 per project, reduced to €1,000 for replacement planting, while the maximum is €2 million per beneficiary[12].

Commitment length. Beneficiaries normally have three years from notification of the funding decision or agreement to complete the works, followed by an additional six months to submit the final payment claim. Planting and natural-regeneration operations must also achieve the prescribed establishment or density objectives at the five-year stage. The five-year requirement is therefore a durability and technical-performance obligation rather than a five-year annual payment commitment.

Monitoring and verification. Applications are assessed by the competent departmental or regional State authority. Verification covers beneficiary and stand eligibility, the approved operations, eligible expenditure and compliance with technical requirements. On-site inspections may be carried out on a sample basis. Planting and regeneration projects are subject to density and establishment targets assessed at completion and, where applicable, five years after planting. Ecological elements retained within planted areas must be mapped and incorporated into subsequent sustainable forest management documents.

Implementation. No consolidated national figures on applications, approved aid, hectares supported or actual expenditure under the France Nation Verte website have been identified. Under the predecessor forest-

[12] This ceiling is intended mainly to accommodate large-scale or multi-parcel projects and does not represent a standard grant amount.

renewal programmes implemented in 2021–2023, France reported 46,628 ha renewed, 58 million trees planted and €203.7 million in aid committed. Of this amount, approximately €143.7 million related to private and municipal forests and €60 million to State forests. The *France Nation Verte* applications were temporarily closed on 23 December 2025 because the value of applications exceeded the available 2025 budget, reopened on 25 February 2026, and was suspended again from 9 June 2026 because of high demand and budget constraints.

Sylv'ACCTES

Sylv'ACCTES is a non-profit, territorially organised forest-financing mechanism operating through locally approved *Projets Sylvicoles Territoriaux* (PST). It combines contributions from public authorities, foundations, companies and private donors to support silvicultural practices intended to improve forest resilience, biodiversity and climate adaptation. It is not a national State aid programme with a fixed public budget, but a blended public–private mechanism implemented in participating territories.

Ecosystem service focus. Supported silvicultural pathways promote continuous forest cover, natural regeneration, mixed and structurally diverse stands, soil and water protection, biodiversity conservation, landscape quality and climate resilience. The specific objectives and eligible operations vary between territories according to the relevant PST.

Eligible beneficiairies. Eligible applicants are private forest owners and non-State public forest owners located in a territory covered by an approved PST. Applicants must have, or be in the process of obtaining, an eligible sustainable forest management document and must participate in a recognised forest-certification scheme, such as PEFC or FSC. Applications must normally work on at least 2 ha, although several parcels or owners may be grouped in a single application.

Conditionality and payment mechanism. The mechanism provides action-based reimbursement of eligible silvicultural costs. *Sylv'ACCTES* reimburses 70% of eligible invoiced costs for private forest owners and 50% for public forest owners, up to a maximum of €10,000 per beneficiary per year. Payment is made after completion of the approved works and submission of paid invoices. Beneficiaries normally have two years from the funding decision to complete the works and request payment.

Commitment length. Beneficiaries must follow the approved silvicultural pathway and its associated biodiversity requirements for at least 10 years. The commitment is attached to the forest parcel and transfers to a new owner where the property is sold, transferred or inherited.

Monitoring and verification. Applications are initially checked for applicant eligibility, supporting documentation and consistency between the proposed works, the sustainable forest management document and the relevant PST. After payment, compliance may be checked through field inspections conducted from six months to ten years after completion of the works. Monitoring therefore focuses on implementation of the approved silvicultural pathway and continued compliance with the ten-year commitment.

Implementation. Over its first ten years of operation, *Sylv'ACCTES* reported supporting silvicultural interventions across more than 10,500 ha of forest and helping to mobilise nearly €7 million in forestry investments. The latter figure represents the total value of investments undertaken by forest owners with support from the mechanism, rather than necessarily the amount of grants disbursed by *Sylv'ACCTES*. Implementation varies considerably across territories. For example, approximately 396 ha and €570,307 in forestry investment were reported for the Mont-Blanc territory, while the Pays Terres de Lorraine reported approximately 1,289 ha and €519,954 in investment.

Label bas-carbone

The *Label bas-carbone* is France's State administered voluntary carbon-certification framework. It certifies projects that reduce greenhouse-gas emissions or generate additional carbon sequestration compared with an approved counterfactual baseline. Certified projects may receive financing from companies, public bodies, organisations or individuals in exchange for recognised carbon credits. The framework itself does not provide a public subsidy or programme budget.

Ecosystem service focus. Carbon mitigation is the primary quantified ecosystem service. For forest projects, approved methods include afforestation, restoration of severely degraded forest stands and continuous-stock forest management. Additional carbon sequestration or avoided emissions are calculated, documented and independently verified under the applicable method. Biodiversity, soil, water, landscape and socioeconomic co-benefits may also be documented and assessed, but they do not normally generate separate credits.

Eligible beneficiaries. Forest owners and project developers may submit projects that comply with an approved method. Eligibility conditions differ by method. Afforestation projects must involve land that has not been forested during the previous ten years, while continuous-stock forest projects apply to eligible existing forests with an approved sustainable forest management document.

Conditionality and payment mechanism. There is no predetermined public aid rate or standard percentage of eligible costs. Project developers obtain financing directly from buyers, generally through negotiated agreements based on the expected or verified quantity of carbon credits. Prices may vary according to the method, project costs, expected carbon effect, risk, location, co-benefits and market conditions. Payments are therefore primarily result-based, because the amount of finance is linked to tonnes of CO_2 equivalent calculated under an approved methodology. However, financing agreements may be concluded before final verification and may use projected credits. The final number of recognised credits depends on independent verification and the deductions applied for uncertainty, leakage, fire and other permanence risks. Public aid may be combined with financing under the label, subject to the additionality rules of the applicable method; under the current afforestation method, public support may not exceed 50% of forestry-work costs.

Commitment length. Project duration and permanence obligations vary by type of activity. Afforestation and restoration of degraded stands generally have a 30 year project period, with the project developer required to retain control over the land for the relevant duration. Continuous-stock forest management projects have a 20 year duration.

Monitoring and verification. Carbon benefits are calculated against a counterfactual baseline using the rules established by the relevant approved method. Project documentation specifies the baseline, eligible carbon pools, projected sequestration or emission reductions, risks and applicable deductions. An independent auditor verifies the project and its carbon effects. The competent State authority then validates the audit and formally recognises the verified credits. For afforestation and restoration projects, verification occurs approximately five years after project initiation, when both achieved and anticipated carbon effects may be recognised in accordance with the method. Continuous stock forest projects are verified entirely ex post through audits conducted every five years over the 20 year project period. Monitoring is therefore based primarily on quantified carbon performance, while compliance with biodiversity and other environmental safeguards is also checked where required by the applicable method.

Implementation. By August 2026, the *Label bas-carbone* reported 20 projects with a completed verification, generating 138,442 verified credits. Other 2,436 projects entered the process far enough to obtain the *Label bas-carbone* label, corresponding to about 8.95 million potential carbon credits. Forestry represents the majority of projects: around 1,990 forestry projects were recorded in May 2026. By 2025, forestry methods had supported more than 4,000 ha of afforestation and over 8,000 ha of degraded-forest restoration.

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French Ministry for Ecological Transition. (2025b, October 6). *Présentation des méthodes du Label bas-carbone* [Overview of the Low-Carbon Label methods]. https://label-bas-carbone.ecologie.gouv.fr/presentation-des-methodes-du-label-bas-carbone

4.2.9. Germany

Klimaangepasstes Waldmanagement - KWM

Klimaangepasstes Waldmanagement (Climate-adapted forest management, *KWM*) is Germany's principal federal scheme for supporting additional climate- and biodiversity-related forest management services. Introduced in 2022, it provides annual area-based grants to eligible managers of private and municipal forests who comply with management criteria that exceed statutory requirements and ordinary forest-certification standards. The scheme is administered by the Agency for Renewable Resources. Since 2024, *KWM* has been financed through the Federal Government's Action Programme for Natural Climate Protection. In 2025, the programme had an annual funding allocation of approximately €148 million.

Ecosystem service focus. *KWM* supports forest adaptation and resilience, carbon storage, biodiversity, soil protection and forest-water retention. Its 12 management criteria include: advance regeneration before harvesting; priority for suitable natural regeneration; diverse and predominantly site-adapted tree species; limits on clear-cutting; retention and diversification of deadwood; retention of at least five habitat trees or potential habitat trees per hectare; wider extraction-track spacing to reduce soil compaction; restrictions on fertilisers and plant-protection products; measures to improve forest-water retention; and the designation of part of the forest for natural development.

Eligible beneficiaries. Eligible beneficiaries are natural or legal persons that lawfully manage forest land in Germany and can document this through the relevant agricultural social-insurance records. In practice, the programme supports private and municipal forest managers; State forests are excluded. Christmas-tree and ornamental-branch plantations are not eligible.

Conditionality and payment mechanism. The measure is action-based. Payments reward verified implementation of management requirements. *KWM* provides an annual flat-rate, area-based grant, rather than reimbursing actual expenditure. The payment is differentiated according to the total eligible forest area and compliance with the natural-development criterion.

For holdings of up to 100 ha, compliance with criteria 1–11 generally attracts €85/ha/year. Where at least 5% of the eligible area is additionally designated for natural forest development under criterion 12, the payment may reach €100/ha/year. Criterion 12 is voluntary for holdings of up to 100 ha but compulsory for larger holdings. Payment rates decline progressively for larger areas. The final annual amount may also be reduced where the same activities or costs receive support from other public programmes.The grant is approved annually and remains subject to the availability of federal budget appropriations. Beneficiaries must confirm each year that the eligibility conditions continue to be met and must declare any changes.

Commitment length. Compliance with criteria 1–11 entails a 10 year commitment. Where criterion 12 on natural forest development applies, the commitment period is 20 years. For holdings above 100 ha, criterion 12 and the corresponding 20 year period are compulsory; for smaller holdings, they are voluntary. The natural-development area must normally cover at least 5% of the eligible forest area and remain spatially unchanged and unmanaged throughout the applicable period. Its sale, relocation or renewed commercial use may result in recovery of previously paid aid. However, the commitment is linked to the continued availability of federal

French Ministry for Ecological Transition. (2026, June 10). *Dispositif d'aide au renouvellement forestier* [Forest-renewal support scheme]. https://www.ecologie.gouv.fr/politiques-publiques/dispositif-daide-renouvellement-forestier
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Sylv'ACCTES. (n.d.). *Questions les plus fréquemment posées* [Frequently asked questions]. Retrieved August 8, 2026, from https://sylvacctes.org/faq/

funding. If no further budget appropriations are provided, the obligation may end after the final year for which aid was granted.

Monitoring and verification. Beneficiaries must provide annual evidence of compliance through a certificate issued under a recognised verification system. Accepted systems include dedicated modules operated by PEFC and FSC and, in Mecklenburg–Western Pomerania. A standard forest-certification certificate alone is not sufficient; the evidence must specifically cover compliance with the KWM criteria and the entire supported area.

A new certificate or verification document must be submitted for each annual funding decision. Failure to demonstrate continued compliance, changes to the eligible area or breaches of the natural-development obligation may result in payment reductions or partial or complete recovery of aid. Monitoring focuses on verified management practices and continued compliance rather than quantified environmental outcomes.

Implementation. By early 2026, approximately 8,700 private and municipal forest holdings participated in *KWM*, covering more than 1.7 million ha, equivalent to over 21% of Germany's private and municipal forest area. Around 60% of the supported area was municipal forest and 40% private forest. Approximately €146 million was disbursed in 2025. An additional €13 million made it possible to bring around 148,000 further hectares into the programme during that year.

References[14]

4.2.10. Hungary

Natura 2000 forest compensation - SA.113308

SA.113308 concerns compensation payments for Natura 2000 forest areas under intervention RD34 of Hungary's CAP Strategic Plan, until 31 December 2027. The approved State aid budget is HUF 61.93 billion, approximately €156 million. The national call, KAP-RD34-1-24, has an allocation of HUF 56.5 billion, financed jointly through the European Agricultural Fund for Rural Development (EAFRD) and the Hungarian State budget. The Commission decision was required because some payment rates exceed €200/ha/year, the standard ceiling applicable under Article 45(5) of Commission Regulation (EU) 2022/2472. The measure should therefore be understood as a CAP Strategic Plan intervention implemented within an approved State aid framework, rather than as a separate nationally financed scheme.

Ecosystem service focus. The measure compensates forest managers for additional costs and income foregone resulting from restrictions imposed in implementation of the Habitats and Birds Directives and

[14] Fachagentur Nachwachsende Rohstoffe e. V. (n.d.-a). *Allgemeine Fragen zur Antragstellung* [General questions on applications]. Retrieved August 8, 2026, from https://kwm.fnr.de/faq-b
Fachagentur Nachwachsende Rohstoffe e. V. (n.d.-b). *Fragen zu Bewilligung und Auszahlung der Zuwendung* [Questions on approval and payment of the grant]. Retrieved August 8, 2026, from https://kwm.fnr.de/faq-c
Fachagentur Nachwachsende Rohstoffe e. V. (n.d.-c). *Fragen zum Verwendungsnachweis/Nachweis des klimaangepassten Waldmanagements* [Questions on evidence of grant use and compliance with climate-adapted forest management]. Retrieved August 8, 2026, from https://kwm.fnr.de/faq-g
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Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety. (2024, December 23). *Förderrichtlinie Klimaangepasstes Waldmanagement PLUS* [Funding guideline for Climate-Adapted Forest Management PLUS]. Updated May 21, 2026. https://www.bundesumweltministerium.de/download/foerderrichtlinie-klimaangepasstes-waldmanagement-plus

Hungarian nature-conservation legislation. Its objectives include conserving forest habitats and species, halting biodiversity loss, maintaining ES and preserving protected landscapes.

Eligible beneficiaries. Applicants must be forest managers lawfully registered for the relevant forest compartment in the official register maintained by the forestry authority. The minimum total eligible area per application is 1 ha, while each individual forest compartment included in the application must cover at least 0.25 ha. Eligible land includes Natura 2000 forest areas and certain protected or strictly protected forests outside the Natura 2000 network where the applicable restrictions implement the objectives of the EU nature directives.

Conditionality and payment mechanism. Support is provided as an annual, area-based payment calculated using standard unit costs. It compensates up to 100% of the additional costs and income foregone arising from legally imposed conservation restrictions. It does not reimburse investments or require beneficiaries to undertake additional voluntary management operations. Payment rates range from €51 to €297/ha/year, depending on the forest tree-species group, stand age and naturalness category. Rates above €200/ha/year were specifically authorised by the Commission under SA.113308. The maximum amount payable to a single beneficiary is the HUF equivalent of €500,000 per year.

Commitment length. Applications are submitted annually through Hungary's CAP single-application procedure for each year from 2024 to 2027.

Monitoring and verification. Eligibility is checked against the National Forest Stand Database, the register of forest managers, Natura 2000 and protected-area spatial records, and the applicable forest management plan. Administrative controls verify the applicant's legal management rights, parcel boundaries, stand characteristics and the conservation category used to determine the payment rate. Payments may be reduced or refused where the beneficiary has breached forest-regeneration, stand-management, harvesting or nature-conservation requirements. On-site inspections may be used to verify compliance with the approved forest management plan and the statutory restrictions. Monitoring therefore focuses on continued eligibility and legal compliance rather than on quantified ES outcomes.

Implementation. Detailed data have not been retrieved.

References[15]

4.2.11. Ireland

Afforestation Scheme - SA.107220

Ireland's Afforestation Scheme forms part of the nationally funded Forestry Programme 2023–2027. On 2 August 2023, the European Commission approved SA.107220, a €308 million State aid scheme supporting afforestation on public and private land. The scheme is authorised until 31 December 2027. It forms part of the wider Forestry Programme 2023–2027, for which the Irish Government announced an overall allocation of €1.3 billion.

Ecosystem service focus. The scheme supports the expansion of diverse, multifunctional and climate-resilient forests. Its objectives include carbon sequestration, biodiversity conservation, water protection, landscape and recreational benefits, rural employment and sustainable timber production. Higher premium

[15] European Commission. (2024, April 19). *State aid SA.113308 (2024/N)—Hungary: Natura 2000 compensation payments to forest areas* (C(2024) 2587 final). https://ec.europa.eu/competition/state_aid/cases1/202420/SA_113308_31.pdf
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Ministry of Agriculture of Hungary. (2025, May 21). *Megkezdődött az erdészeti támogatások kifizetése* [Forestry-support payments have begun]. Government of Hungary. https://kormany.hu/hirek/megkezdodott-az-erdeszeti-tamogatasok-kifizetese

rates generally apply to forest types with strong environmental or social objectives, including native forests, forests for water protection and NeighbourWoods.

Eligible beneficiaries. Eligible applicants include private landowners, farmers, companies, local authorities and other public bodies that own, lease or lawfully manage eligible land. Applicants must hold the relevant personal or company registration details. All projects require prior technical approval and, where grant aid is sought, financial approval before planting begins. Projects are also subject to land-eligibility, environmental-assessment and forestry-licensing requirements.

Conditionality and payment mechanism. Support combines:

- establishment and maintenance grants covering up to 100% of eligible standard costs;
- annual area-based premiums of up to approximately €1,170/ha/year, depending on forest type; and
- additional grants for eligible fencing and other specified establishment costs.

Examples of annual premiums include €1,103/ha for Native Forests, €1,142/ha for Forests for Water and €912/ha for Continuous Cover Forestry.

The first grant is payable after planting has been completed. A second grant is normally paid four years after planting, subject to successful forest establishment and compliance with the required silvicultural standards. Annual premiums begin following establishment and depend on the continued eligibility and maintenance of the planted area.

Commitment length. Annual premium commitments normally last 20 years for farmers and 15 years for non-farmers, subject to the exceptions applying to particular forest types. However, the underlying land-use obligation is longer: afforested land must remain under forest cover and is subject to the statutory replanting obligation if the forest is subsequently felled. Afforestation therefore represents a generally permanent change in land use.

Monitoring and verification. Before approval, applications are assessed for land suitability, forest type, environmental constraints and compliance with forestry-licensing requirements. After planting, payment of the first grant is conditional on completion of the approved works. The second establishment grant depends on successful establishment and compliance with stocking, species-composition and silvicultural requirements. Continued premium payments require the forest to be properly maintained and managed in accordance with the approved forest type and sustainable forest management standards. Administrative and on-site checks may result in payment reductions, suspension or recovery where scheme requirements are not met.

Implementation. By 18 July 2025, the Department of Agriculture, Food and the Marine reported that payments had been made in respect of 1,566 ha planted during 2025, while a further almost 4,500 ha had received approval but had not yet been fully planted. Figures do not provide the monetary value of aid committed or disbursed specifically under SA.107220.

Sustainable Forest Management Scheme - SA.104922

SA.104922 is a national State aid scheme approved by the European Commission on 24 August 2023 to support the sustainable management of existing forests under Ireland's Forestry Programme 2023–2027. It has an authorised budget of €45 million and runs until 31 December 2027. The scheme acts as an umbrella framework for several interventions supporting forest restoration, continuous-cover management, recreational woodland, forest genetic resources and climate-resilient reforestation.

Ecosystem service focus. The scheme supports biodiversity conservation, soil and water protection, climate adaptation, carbon storage, landscape quality, recreation and the long-term resilience of existing forests. The relative emphasis differs between interventions: Native Woodland Conservation focuses primarily on biodiversity and ecological restoration; Continuous Cover Forestry supports structurally diverse forests and avoids clear-felling; NeighbourWood supports recreation and community access; and the Climate Resilient Reforestation Pilot supports alternative forest types with stronger climate, biodiversity and water benefits. Ireland explicitly uses the term Payment for Ecosystem Services for several annual premiums within SA.104922.

Eligible beneficiaries. Eligible applicants vary by intervention but generally include private forest owners, companies, local authorities and other public forest owners or managers. Applicants must own, lease or otherwise lawfully manage the forest area concerned and comply with the technical and environmental conditions of the relevant scheme. Some premiums are restricted to private applicants, even where public owners may receive grants for eligible works.

Conditionality and payment mechanism. Support is provided through direct grants covering up to 100% of eligible costs, together with annual Payments for Ecosystem Services under selected interventions on an action-based logic. The principal rates include:

- Native woodland conservation**:** restoration and enhancement grants of up to €6,000/ha for private forests and €3,000/ha for public forests. Eligible private applicants may also receive a PES premium of €500/ha/year for seven years.
- Continuous cover forestry**:** a fixed grant of €1,200/ha per intervention, with up to three interventions implemented under a 12-year transformation plan, together with a PES premium of €150/ha/year for seven years for eligible applicants.
- Seed stand management**:** a fixed grant of up to €1,200/ha, together with a PES premium of €500/ha/year for seven years.
- NeighbourWood**:** grants of up to €6,000/ha for woodland enhancement and €4,200/ha for recreational facilities. Eligible private applicants may also receive a PES premium of €90/ha/year for seven years.
- Climate Resilient Reforestation Pilot**:** establishment grants ranging from €1,800/ha to €4,000/ha, depending on the selected forest type, together with seven-year premiums of €150/ha for continuous-cover forestry, €350/ha for biodiversity-and-water forests, €500/ha for native forests, and €650/ha for native forests in high-priority ecological areas.

Payments are conditional on prior approval, implementation of the prescribed works, compliance with the approved management plan and continued maintenance of the supported forest. The grants reimburse or contribute to eligible management and establishment costs, while the PES premiums recognise the additional environmental and social services associated with the selected management system.

Commitment length. Continuous Cover Forestry requires implementation of a 12-year transformation management plan, with up to three supported interventions during that period. Other interventions require continued compliance with the approved management prescription and the maintenance of the supported forest after payment. PES premiums generally run for seven years. Durability obligations vary between the individual schemes.

Monitoring and verification. Before approval, projects are assessed for applicant and land eligibility, environmental constraints and consistency with the relevant management plan. Payments are linked to the completion of prescribed works and may require inspection, invoices, maps, professional reports or other evidence specified by the intervention. For Native Woodland Conservation, projects require assessment by a registered forester and an ecologist. Continuous Cover Forestry requires an existing forest management plan and a specific transformation management plan. Monitoring therefore focuses mainly on implementation of approved works, eligible area, forest condition and compliance with management prescriptions rather than on independently measured ES outcomes.

Implementation. The individual interventions were opened progressively. No consolidated official figures were identified for total applications, hectares supported, aid committed or expenditure across all interventions covered by SA.104922. Publicly available information mainly reports scheme launches, payment rates and individual project applications rather than aggregate financial uptake.

References[16]

[16] Department of Agriculture, Food and the Marine. (2023a, October 25). *Afforestation Scheme*. https://www.gov.ie/en/department-of-agriculture-food-and-the-marine/publications/afforestation-scheme/

4.2.12. Italy

Italy does not currently operate a single nationwide payment scheme specifically remunerating FES. Forest-environmental support is largely implemented through regional interventions under the CAP Strategic Plan, including annual silvo-environmental payments and Natura 2000 forest compensation. These CAP-cofinanced measures are not examined as the principal Italian case under the present selection criteria.

At national level, Article 70 of Law No. 221/2015 envisaged the introduction of a system of payments for ecosystem and environmental services, including forest carbon sequestration, water regulation, biodiversity and landscape values. However, the provision took the form of a legislative delegation and did not itself establish an operational nationwide payment programme.

The national Fund for the implementation of the National Forest Strategy has a total planned allocation of €420 million through 2032 and finances actions such as biodiversity enhancement, restoration of riparian, lowland and coastal forests, risk prevention and sustainable forest management. Nevertheless, it principally distributes resources to the regions and supports programmes and projects rather than providing a uniform payment directly to forest owners for verified ES delivery.

One of the most important example identified is the regional *BioClima*-Biodiversity and Climate programme implemented by Regione Lombardia.

***BioClima*—Biodiversity and Climate**

BioClima was a regional grant programme launched by Regione Lombardia in 2022 under the LIFE integrated project *GESTIRE 2020*. It financed projects for biodiversity conservation, climate-change adaptation and enhancement of the ecosystem services supplied by forests, protected areas and regional ecological networks. The programme was financed through the regional *Piano Lombardia* and had a public budget of €3.5 million. The official call classified the intervention as not constituting State aid.

BioClima was designed as a hybrid public–private forest ES financing mechanism. Regional funding covered up to 70% of eligible project costs, while applicants had to secure the remaining 30% through their own resources, other public resources or private contributions. Private actors did not purchase a standardised ES unit through the programme. Instead, they could contribute financially to individual public or protected-area projects through sponsorship or cofinancing agreements.

Ecosystem service focus. The programme supported conservation and restoration of habitats and species, expansion of ecological networks and green infrastructure, creation and improvement of forests, climate adaptation, carbon storage and increased provision and economic valorisation of ES. Projects were required to combine three components: principal forestry interventions; complementary biodiversity-conservation

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European Commission. (2023b, August 24). *State aid: Commission approves €45 million Irish scheme to promote sustainable forest management* [News article]. https://ireland.representation.ec.europa.eu/news-and-events/news/State aid-european-commission-approves-eu45-million-irish-scheme-promote-sustainable-forest-2023-08-24_en

interventions; and measures for the valorisation of ecosystem services. The call placed particular emphasis on measuring and certifying expected effects on biodiversity and carbon storage and on developing mechanisms capable of attracting private cofinancing. It therefore went beyond a conventional forestry investment grant, although the public payment itself remained linked to project expenditure rather than to the final quantity of ES delivered.

Eligible beneficiaries. Eligible applicants were: public managing bodies of Natura 2000 sites, excluding private managing bodies and ERSAF (the reginal body for agricultural and forests); managing bodies of protected areas established under Lombardy Regional Law No. 86/1983; and public administrations, including provinces, municipalities, mountain communities, municipal unions, the Metropolitan City and public-law consortia. Private forest owners and enterprises could not apply directly. The private sector participated primarily as a project cofinancier or sponsor, while the public or protected-area authority remained the formal beneficiary.

Conditionality and payment mechanism. Support was provided as a non-repayable capital grant, covering up to 70% of eligible expenditure. Applicants had to document financial coverage of the remaining 30% and, where relevant, submit a signed commitment from the private cofinancing organisation. Eligible projects had to include environmental forestry works together with biodiversity and ES components. Depending on the project, activities could include: creation of new lowland forests; improvement and diversification of existing forest stands; restoration or expansion of habitats; enhancement of ecological connectivity; establishment of green infrastructure; interventions improving carbon storage and climate resilience; and activities for measuring, verifying, certifying or economically valorising ecosystem services. Payment was linked to approved and documented project costs. It was not calculated as a uniform annual amount per hectare, compensation for standardised income foregone or a fixed price per tonne of carbon or biodiversity unit.

Commitment length. Beneficiaries had to maintain the availability of the land for at least 15 years.

Monitoring and verification. ERSAF provided technical support and was responsible for technical assessment and monitoring of project implementation. Applications had to include georeferenced spatial data, photographic documentation, a detailed work programme and separate financial information for the regional and cofinanced components.

Beneficiaries were required to document expenditure and implementation through progress and final reports. Verification focused on: conformity of the works with the approved project; eligible expenditure; delivery of the forestry, biodiversity and ES components; maintenance of the required cofinancing; geolocation and extent of the interventions; and measurement or certification arrangements for expected biodiversity and carbon effects.

Although environmental effects were to be quantified and verified, payment remained primarily dependent on implementation and expenditure compliance.

Implementation. The programme's original regional budget was €3.5 million. Regional projections indicated that public and private resources could support improvement of approximately 200 ha of existing forest, creation of more than 40 ha of new forest and planting of at least 60,000 trees. These figures were programme estimates rather than verified final outputs. No consolidated official final report was identified providing total expenditure and final private cofinancing.

National Register of Voluntary Forest Carbon Credits

Italy established the Public Register of voluntary carbon credits generated by the national agroforestry sector, through Article 45 of Decree-Law No. 13/2023, converted by Law No. 41/2023. The Register is managed by the Council for Agricultural Research and Economics (CREA) and is intended to improve the transparency, traceability and credibility of Italy's voluntary forest-carbon market.

The technical guidelines for the forestry section were adopted by the interministerial decree in October 2025. The guidelines establish the main criteria for the generation, quantification, certification and registration of voluntary forest carbon credits. The Register is not a public grant programme or a State aid scheme. Instead, it provides a national regulatory and accounting framework through which eligible forest projects may generate

certified carbon credits for sale in the voluntary market. The scheme is not yet in force, it is expected to start in late 2026.

Ecosystem service focus. The principal ecosystem service is climate-change mitigation through additional carbon removals or avoided emissions generated by forestry activities. Eligible activities may include: afforestation; reforestation; and additional sustainable forest management practices. Projects may also generate biodiversity, soil-protection, water-regulation, landscape and forest-resilience co-benefits, but the tradable unit is based on verified carbon benefits rather than on a bundle of ES indicators. Eligible activities must be additional to the management practices already required under European and national legislation.

Eligible beneficiaries. Forest owners or managers of eligible agroforestry areas may request the registration of certified credits generated by qualifying projects. The detailed administrative procedures for submitting projects and credits are to be established through the implementing rules and the dedicated digital platform within the National Agricultural Information System.

Conditionality and payment mechanism. Public authorities do not provide a fixed payment, grant or annual compensation to the forest owner. Revenue is expected to arise from the sale of verified credits to private buyers in the national voluntary carbon market. The amount received by the project developer will therefore depend on: the number of carbon credits generated and certified; the market price agreed with the buyer; certification, monitoring and transaction costs; and any contractual arrangements between the owner, project developer and purchaser. The mechanism is potentially results-based, because revenue is linked to quantified and independently certified carbon removals or emission reductions rather than simply to the implementation of an eligible forestry action.

Commitment length. Eligible forest carbon projects must have a minimum duration of 20 years. This permanence requirement is intended to ensure that the credited carbon benefit is maintained over a sufficiently long period. According to CREA's description of the guidelines, registered credits may be transferred only after the first five years of project implementation.

Monitoring and verification. Projects must quantify carbon removals or emission reductions using recognised methodologies consistent with the national guidelines and relevant IPCC principles. Monitoring is expected to cover: the eligible project area and baseline; implementation of the additional forest management activity; changes in relevant forest carbon pools; permanence of the credited carbon benefit; possible leakage or displacement effects; compliance with project and certification requirements; and registration, transfer and cancellation of credits. CREA is responsible for managing the Register, while the National Agricultural Information System platform is intended to support registration, updating, control and traceability of credits.

Implementation. Not yet in force.

References[17]

[17] Council for Agricultural Research and Economics. (2025, October 17). *Crediti di carbonio forestali: Al via il Registro nazionale affidato al CREA* [Forest carbon credits: Launch of the national register entrusted to CREA]. https://www.crea.gov.it/-/crediti-di-carbonio-forestali-al-via-il-registro-nazionale-affidato-al-crea
Council for Agricultural Research and Economics. (2026, January 18). *Verso il Registro pubblico dei crediti di carbonio forestali* [Towards the Public Register of Forest Carbon Credits]. https://www.crea.gov.it/web/politiche-e-bioeconomia/-/crediti-di-carbonio-forestale
Italian Republic. (2023, April 21). *Conversione in legge, con modificazioni, del decreto-legge 24 febbraio 2023, n. 13, recante disposizioni urgenti per l'attuazione del Piano nazionale di ripresa e resilienza e del Piano nazionale degli investimenti complementari al PNRR, nonché per l'attuazione delle politiche di coesione e della politica agricola comune* [Conversion into law, with amendments, of Decree-Law No. 13 of 24 February 2023] (Law No. 41/2023, Article 45). *Gazzetta Ufficiale della Repubblica Italiana, 94*. https://www.gazzettaufficiale.it/atto/serie_generale/caricaArticolo?art.codiceRedazionale=23A02522&art.dataPubblicazioneGazzetta=2023-05-05&art.idArticolo=45
Ministry of Agriculture, Food Sovereignty and Forests, & Ministry of the Environment and Energy Security. (2025, October 15). *Adozione delle linee guida volte a individuare i criteri per l'attuazione del registro pubblico dei crediti di carbonio generati su base volontaria dal settore agricolo e forestale nazionale—Sezione forestale* [Adoption of guidelines establishing the criteria for implementing the Public Register of voluntary carbon credits generated by the national agricultural and forestry sector: Forestry section]. *Gazzetta Ufficiale della Repubblica Italiana, 268*. https://www.gazzettaufficiale.it/eli/id/2025/11/18/25A06145/SG
Regione Lombardia. (2022a, February 3). *Apre il nuovo bando regionale "BioClima" da 3,5 milioni* [The new €3.5 million regional BioClima call opens]. https://sviluppositenibile.regione.lombardia.it/it/b/201/apre-il-nuovo-bando-regionale-bioclima-da-3-5-milioni

4.2.13. Latvia

Annual compensation for forestry restrictions outside EU-funded areas

Latvia provides annual compensation for restrictions on forestry activities in nationally or locally designated protected areas and in micro-reserves whose eligible area does not qualify for compensation from European Union funds. The scheme is governed by Cabinet Regulation No. 891 on compensation for restrictions on economic activity in protected areas and micro-reserves. Compensation for restrictions in protected areas of national significance is paid from the State budget and administered by the Nature Conservation Agency. Where the protected area was established by a municipality, compensation is paid from the relevant municipal budget and administered by the municipality or its authorised institution.

The scheme is therefore a national or municipal budget compensation mechanism implemented under the Agricultural Block Exemption Regulation.[18]

Ecosystem service focus. The scheme compensates statutory restrictions imposed to protect species, habitats and other biodiversity values in protected forests. Restrictions are: a prohibition on all forestry activity; a prohibition on both final felling and tending felling; a prohibition on final felling; or a prohibition on clear-felling. By compensating owners for maintaining forests under these restrictions, the mechanism supports biodiversity conservation, habitat continuity, natural forest structures and the wider ecological functions of protected forests.

Eligible beneficiaries. The applicant is the landowner whose forest property is situated: in a specially protected nature area outside the Natura 2000 payment scope; or in a micro-reserve whose eligible area does not qualify for EU-funded compensation. The application must be submitted to the Nature Conservation Agency for protected areas of national significance, or to the competent municipality where the protected area was created by a local authority. The eligible forest area must be at least 0.1 ha.

Conditionality and payment mechanism. Support is provided as an annual, non-repayable, area-based compensation payment. Current rates are:

- €196/ha/year where all forestry activity is prohibited;
- €196/ha/year where both final felling and tending felling are prohibited;
- €145/ha/year where final felling is prohibited; and
- €52/ha/year where clear-felling is prohibited.

For forest land, the relevant forest stand must have reached at least 20 years of age.

Commitment length. The owner applies for compensation for a specific calendar year, while eligibility depends on the statutory restriction remaining in force during that year.

Monitoring and verification. The Nature Conservation Agency or competent municipality verifies: ownership and the competent paying authority; the protected-area or micro-reserve designation; the type and extent of

Regione Lombardia. (2022b, March 14). *Bando BioClima: Interventi di conservazione della biodiversità, adattamento al cambiamento climatico e valorizzazione dei servizi ecosistemici delle foreste e aree protette lombarde, attraverso il coinvolgimento del settore privato* [BioClima call: Biodiversity conservation, climate-change adaptation and enhancement of ecosystem services in Lombardy's forests and protected areas through private-sector involvement] (Call RLT12022023783). https://www.bandi.regione.lombardia.it/servizi/servizio/bandi/dettaglio/ambiente-energia/parchi-aree-protette/bando-bioclima-RLT12022023783

Regione Lombardia. (2022c, April 22). *Biodiversità, aperto fino al 24/5 il bando per salvare animali ed ecosistemi* [Biodiversity: Call open until 24 May to protect species and ecosystems]. https://svilupposostenibile.regione.lombardia.it/it/news/news/5380/biodiversit-aperto-fino-al-24-5-il-bando-per-salvare-animali-ed-ecosis

Regione Lombardia. (2022d, August 22). *Decreto n. 11854 del 9 agosto 2022—Graduatoria Bando BioClima* [Decree No. 11854 of 9 August 2022: BioClima project ranking]. https://www.bandi.regione.lombardia.it/servizi/servizio/comunicazioni/dettaglio/decreto-11854-9-08-2022-graduatoria-bando-bioclima-1660120251285

[18] The mechanism must be distinguished from intervention LA12—Natura 2000 Payment for Forests, which is administered by the Rural Support Service and financed through EU rural-development resources and Latvian public cofinancing. The national scheme covers protected areas and micro-reserve land that falls outside, or does not qualify under, that EU-funded territorial scope.

the forestry restriction; eligible forest area; forest-stand age and inventory status; previous compensation and possible double funding; and compliance with the relevant State aid or de minimis conditions.

Implementation. In 2025, the Nature Conservation Agency received 41 applications concerning restrictions in protected areas and micro-reserves, of which 23 fell within the Agency's competence. It awarded €3,975 in annual support payments for 2025 and paid a further €526 relating to 2024. These published figures cover the Agency's compensation responsibilities as a whole and are not disaggregated exclusively for forest land, so they should be treated as an indication of the scheme's limited scale rather than as a precise forest-only expenditure total.

References[19]

4.2.14. Luxembourg

Klimabonus Bësch

Klimabonus Bësch is a nationally funded FES payment introduced in 2021 and revised in March 2025. It is administered by Luxembourg's Nature and Forest Agency and is available exclusively to private forest owners who manage eligible forests according to nature-based forestry principles.

Ecosystem service focus. The programme explicitly supports climate adaptation and forest resilience and rewards the continued provision of soil protection, water and air filtration, biodiversity, recreation and ecotourism, carbon capture and storage, and natural products such as timber.

Eligible beneficiaries. Eligible applicants are private forest owners in Luxembourg. Eligible forests must: contain protected forest biotopes or forest habitats of Community interest; include at least one contiguous eligible parcel of 0.3 ha; and have at least 50% of the basal area of each hectare composed of indigenous broadleaved trees.

Conditionality and payment mechanism. The programme provides an annual, action-based payment. The applicable rate is determined by the total eligible forest area of the holding:

- holdings of up to 50 ha: €150/ha/year, plus €100/ha/year for eligible land in Natura 2000 areas, nationally protected areas or drinking-water protection zones;
- holdings of more than 50 ha and up to 100 ha: €75/ha/year, plus €50/ha/year in the specified protected areas;
- holdings above 100 ha: €37.50/ha/year, plus €25/ha/year in the specified protected areas.

[19] Cabinet of Ministers of the Republic of Latvia. (2013, September 17). *Noteikumi par saimnieciskās darbības ierobežojumiem, par kuriem pienākas kompensācija, tās izmaksas nosacījumiem, kārtību un apmēru* [Regulations regarding restrictions on economic activity for which compensation is due and the conditions, procedures and amount of its payment] (Cabinet Regulation No. 891). Latvijas Vēstnesis. https://likumi.lv/ta/id/260422
Cabinet of Ministers of the Republic of Latvia. (2024, July 2). *Grozījumi Ministru kabineta 2013. gada 17. septembra noteikumos Nr. 891 "Noteikumi par saimnieciskās darbības ierobežojumiem, par kuriem pienākas kompensācija, tās izmaksas nosacījumiem, kārtību un apmēru"* [Amendments to Cabinet Regulation No. 891 of 17 September 2013 on restrictions on economic activity for which compensation is due and the conditions, procedures and amount of its payment] (Cabinet Regulation No. 426). Latvijas Vēstnesis. https://likumi.lv/ta/id/353325
Nature Conservation Agency. (n.d.). *Granting of compensation for restrictions on economic activity in specially protected nature areas and micro-reserves*. Government of Latvia. Retrieved August 9, 2026, from https://www.daba.gov.lv/en/services/granting-compensation-restrictions-economic-activity-specially-protected-nature-areas-and-micro-reserves
Nature Conservation Agency. (2026a, May 6). *Atgādinājums zemes īpašniekiem, kā pieteikt kompensācijas par saimnieciskās darbības ierobežojumiem īpaši aizsargājamās dabas teritorijās* [Reminder to landowners on how to apply for compensation for restrictions on economic activity in specially protected nature areas]. Government of Latvia. https://www.daba.gov.lv/lv/jaunums/atgadinajums-zemes-ipasniekiem-ka-pieteikt-kompensacijas-par-saimnieciskas-darbibas-ierobezojumiem-ipasi-aizsargajamas-dabas-teritorijas
Nature Conservation Agency. (2026b). *Pērn stiprināta dabas aizsardzības kapacitāte, zināšanu bāze un sabiedrības iesaiste* [Nature-conservation capacity, the knowledge base and public participation were strengthened during the previous year]. Government of Latvia. https://www.daba.gov.lv/lv/jaunums/pern-stiprinata-dabas-aizsardzibas-kapacitate-zinasanu-baze-un-sabiedribas-iesaiste
Rural Support Service. (2026, June 17). *Natura 2000 maksājums mežiem (NIM) 2026. gadā* [Natura 2000 payment for forests in 2026]. Government of Latvia. https://www.lad.gov.lv/lv/katalogs/natura-2000-maksajums-meziem-nim-2026-gada
Saeima of the Republic of Latvia. (2013, April 4). *Par kompensāciju par saimnieciskās darbības ierobežojumiem aizsargājamās teritorijās* [On compensation for restrictions on economic activities in protected territories]. Latvijas Vēstnesis. https://likumi.lv/ta/en/en/id/256138-on-compensation-for-restrictions-on-economic-activities-in-protected-territories

Beneficiaries must apply nature-based forestry principles, including: prioritising natural regeneration and indigenous mixed species; retaining specified habitat trees and standing or fallen deadwood; avoiding whole-tree harvesting and the shredding of harvesting residues; leaving fine woody residues below 7 cm in diameter on site; limiting machinery use outside designated extraction routes; minimising damage to forest soils and remaining trees; and using biodegradable machinery oils where technically possible.

Commitment length. Beneficiaries enter into a 10 year commitment, beginning on 1 January of the year following approval and ending on 31 December of the tenth year. If supported forest land is sold, the original beneficiary must repay the amounts received unless the buyer formally assumes the remaining obligations. In the event of inheritance, the commitment continues only if the heirs agree to assume it.

Monitoring and verification. Applications are assessed by the Nature and Forest Agency using cadastral documents, topographic maps, information submitted by the applicant and official georeferenced data. Verification focuses on continued land eligibility and compliance with the prescribed forestry conditions. Non-compliance may result in repayment of aid received for the affected land. Repeated non-compliance may lead to termination of the full commitment and exclusion from future support.

Implementation. By May 2025, more than 600 applications had been registered, and 6,526.30 ha were benefiting from the premium, including 3,687.19 ha located in protected areas. These figures demonstrate substantial uptake among private forest owners. However, no consolidated official figure for cumulative payments or annual expenditure was identified in the public sources reviewed.

Aid for freely evolving forests

Luxembourg's aid for freely evolving forests is a nationally funded measure established under the Grand-Ducal Regulation of 3 March 2022. It supports the long-term conservation of representative natural and semi-natural forests by allowing them to develop without commercial forest management. The measure is administered by the Nature and Forest Agency.

Ecosystem service focus. The measure primarily supports biodiversity conservation, natural forest dynamics, old-growth structures, deadwood habitats and long-term ecosystem resilience. It may also contribute to carbon storage, soil protection, water regulation and the conservation of Natura 2000 forest habitats.

Eligible beneficiaries. Any forest land owner may apply. Eligible forests must be natural or semi-natural broadleaved forests located in a nationally protected area or designated under a Natura 2000 management plan. At least 75% of the eligible area must consist of specified mature native broadleaved forest types. The proposed freely evolving forest must normally form a contiguous area of at least 50 ha, which may include land belonging to several owners. Smaller areas may exceptionally be accepted where they contain rare forest habitat types. Owners with more than 20 ha of forest must have an approved forest-planning document. The measure is limited to a maximum of 2,500 ha nationally.

Conditionality and payment mechanism. Support is provided through an area-based compensation payment calculated according to the dominant tree species, stand age and eligible area. The amount is determined using per hectare standard rates weighted according to the age classes of the forest stands. Beneficiaries must sign a management agreement with the responsible minister and: allow the forest ecosystem to develop naturally; cease silvicultural and commercial harvesting operations, except for interventions required for public safety or expressly authorised for conservation purposes; leave felled or fallen trees in the forest; refrain from establishing new infrastructure; and comply with the specific conservation conditions established in the agreement.

The supported area is not eligible for other forest aid during the commitment period.

Commitment length. Beneficiaries enter into a management agreement lasting at least 30 years. Support is paid through six five-year rates. The first rate is paid when the agreement is signed, while subsequents correspond to the successive five-year periods.

Monitoring and verification. Applications are assessed by the Nature and Forest Agency on the basis of cadastral information, topographic maps, forest characteristics and the management agreement. Verification

focuses on continued eligibility of the area and compliance with the non-intervention requirements. Unauthorised forestry operations, new infrastructure or other breaches of the agreement may result in recovery of the aid, including legal interest.

Implementation. The measure is capped at 2,500 ha at national level, but no consolidated public figures were identified on the area placed under agreement, the number of participating owners, aid committed or payments disbursed.

References[20]

4.2.15. The Netherlands

Nature and Landscape Subsidy System- *Subsidiestelsel Natuur en Landschap*

The *Subsidiestelsel Natuur en Landschap* (SNL) is the Netherlands' principal public framework for subsidising the management of nature areas and landscapes. It is nationally coordinated through common management classifications, standard-cost methodologies and certification requirements, but is implemented and financed by the twelve provinces through their own subsidy regulations, Nature Management Plans and annual opening decisions. SNL is not a forest-specific programme. It covers a wide range of nature and landscape management types within the National Nature Network, including several forest categories. Provincial SNL regulations are designed to comply with applicable EU State aid requirements, but no single State aid case number covers the entire system in all provinces and circumstances.

Ecosystem service focus. Forest management types under SNL support biodiversity, habitat quality, structural diversity, soil and water functions, landscape values, recreation and, for production-forest categories, sustainable timber production. The nationally harmonised *Index Natuur en Landschap* includes both primarily conservation-oriented forests and forests retaining a production function, such as N16.03 Dry forest with production and N16.04 Moist forest with production. Management quality may be assessed through characteristics such as tree-species and age diversity, forest structure, open areas, developed forest edges, large living trees and standing or lying deadwood. The exact ecological requirements differ by management type.

Eligible beneficiaries. Eligible applicants are owners, leaseholders or other lawful managers of nature areas included under an eligible management type in the relevant provincial Nature Management Plan. Depending on the province and application route, applicants may include nature-conservation organisations, private landowners, municipalities, other public bodies and certified nature-management collectives. The land must be mapped under an eligible management type in the provincial Nature Management Plan. Provinces may impose additional conditions concerning certification, minimum area, collective applications or applicant category through their provincial regulations and annual opening decisions. A single national minimum-area threshold does not apply uniformly to all applicants and provinces.

Conditionality and payment mechanism. SNL provides an annual, action-based payment. Payments are based on nationally calculated standard costs representing the average net cost of adequately maintaining each nature-management type. The general SNL nature-management rate is 84% of the applicable standard

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[20] Government of the Grand Duchy of Luxembourg. (2022a, June 13). *Aid for conservation of pockets of old-growth forest*. https://guichet.public.lu/en/entreprises/financement-aides/secteurs-activites/sylviculture/services-ecosystemiques-conservation-ilots-vieillissement.html
Government of the Grand Duchy of Luxembourg. (2022b, June 13). *Aid for freely evolving forests*. https://guichet.public.lu/en/entreprises/financement-aides/secteurs-activites/sylviculture/services-ecosystemiques-forets-libre-evolution.html
Government of the Grand Duchy of Luxembourg. (2022c, August 4). *Aid to preserve fallen, dead trees*. https://guichet.public.lu/en/entreprises/financement-aides/secteurs-activites/sylviculture/aide-preservation-arbres-morts-terre.html
Government of the Grand Duchy of Luxembourg. (2025, April 25). *Subsidy for the provision of forestry ecosystem services ("Klimabonus Bësch")*. https://guichet.public.lu/en/entreprises/financement-aides/secteurs-activites/sylviculture/prime-services-ecosystemiques-milieu-forestier.html
Ministry of the Environment, Climate and Biodiversity. (2025, May 12). *"Klimabonus Mouer a Wiss"—Un nouveau soutien financier pour les propriétaires privés engagés dans la préservation des écosystèmes* ["Klimabonus Mouer a Wiss"—New financial support for private landowners committed to ecosystem conservation] [Press release]. Government of the Grand Duchy of Luxembourg. https://mecb.gouvernement.lu/en/actualites.gouvernement2024%2Bfr%2Bactualites%2Btoutes_actualites%2Bcommuniques%2B2025%2B05-mai%2B12-klimabonus-mouer.html

cost, although provinces formally establish the annual rates and available budgets through their opening decisions. Standard costs and rates are updated periodically to reflect changes in labour, material and machinery costs. Beneficiaries must maintain the approved management type throughout the subsidy period. They generally retain discretion over the particular management operations used, provided that the defining characteristics and quality requirements of that type are maintained. Additional provincial contributions may be available for ecological monitoring, supervision, recreational facilities, shepherded grazing or areas accessible only by boat.

Commitment length. Nature-management subsidies are generally awarded for six consecutive years, subject to the conditions of the relevant provincial decision. Beneficiaries must maintain the approved management type throughout this period. Provincial rules may provide specific arrangements for collective applications, large institutional managers or the continuation and amendment of existing agreements.

Monitoring and verification. Applicants may be required to hold an SNL nature-management certificate or participate through a certified management organisation. Certification demonstrates that the manager has an adequate quality-assurance system for planning, implementing, evaluating and documenting nature management. Administrative controls verify the applicant, eligible area, mapped management type and possible overlap with other public subsidies. A national reference dataset records current SNL subsidy decisions and is used to help prevent double financing. Ecological monitoring assesses nature quality using indicators associated with the relevant management type, including species, vegetation, forest structure and environmental pressures. Monitoring costs may themselves receive a standard contribution. However, annual payments are not directly adjusted according to measured ecological results; verification focuses principally on maintaining the eligible management type and complying with the subsidy conditions.

Implementation. SNL operates throughout all twelve Dutch provinces, and a national spatial dataset records ongoing subsidy decisions. However, provinces determine their own annual subsidy ceilings, eligible management types, rates and opening periods. National datasets do not readily separate forest management from other nature and landscape categories or provide a consolidated national figure.

References[21]

4.2.16. Portugal

Floresta Ativa is a national forest management support programme launched in 2025 for mainland Portugal. It is financed through the Fundo Ambiental and implemented by the Institute for Nature Conservation and Forests, in cooperation with the Agency for Climate. The Environmental Fund's 2025 programming provided for up to €6 million for the programme. The first competitive call, No. 2025-0304-01, initially had a budget of €4 million, subsequently increased to €4,228,791.16. The programme is nationally financed and is separate from Portugal's CAP Strategic Plan.

Ecosystem service focus. The programme supports active management and maintenance of forest stands, improvement of existing stands and the use of natural regeneration. Its objectives include reducing wildfire hazard, increasing landscape resilience, controlling pests, diseases and invasive woody species, preserving biodiversity and supporting the sustainable production of forest goods and services.

Eligible beneficiaries. Eligible beneficiaries are forest producers and holders of eligible forest areas in mainland Portugal. Applications may be submitted individually or collectively. Collective applications receive a higher payment rate in order to encourage intervention at a broader territorial scale, particularly in areas characterised by fragmented smallholdings. Eligible land must be registered in the Portuguese cadastral or

[21] BIJ12. (n.d.). *Kwaliteitsimpuls: Investeringen en functieverandering* [Quality improvement for nature and landscape: Investments and land-use conversion]. Retrieved August 8, 2026, from https://www.bij12.nl/onderwerp/natuursubsidies/snl/inhoud/regeling-en-verordening/kwaliteitsimpuls-investeringen-en-functieverandering/
BIJ12. (2026a, June 26). *Subsidie voor natuur- en landschapsbeheer* [Subsidy for nature and landscape management]. https://www.bij12.nl/onderwerp/natuursubsidies/snl/inhoud/regeling-en-verordening/subsidie-natuur-landschapsbeheer/
BIJ12. (2026b, July 15). *N16.04 Vochtig bos met productie* [N16.04 Moist forest with production]. https://www.bij12.nl/onderwerp/natuursubsidies/index-natuur-en-landschap/natuurtypen/n16-bossen-met-productiefunctie/n16-04-vochtig-bos-met-productie/

georeferenced property systems specified by the call. Areas affected by wildfire during the previous three years are not eligible.

Conditionality and payment mechanism. Support is provided as a fixed, non-repayable, area-based grant:

- €650/ha for individual applications;
- €800/ha for collective applications.

Eligible operations include the improvement and tending of existing forest stands, vegetation and fuel management, and the promotion and management of natural regeneration. Applicants are not required to submit invoices for the completed operations; support is calculated according to the eligible area and the applicable standard rate. Applications are ranked according to the date and time of submission until the available budget is exhausted. Approved beneficiaries must accept the formal terms of support before implementation and comply with the technical conditions established in the call.

Commitment length. Beneficiaries must maintain the treated areas in adequate vegetative and phytosanitary condition for three years following completion of the intervention.

Monitoring and verification. Applications are submitted through an electronic application platform. Administrative controls verify the applicant, eligible area, land registration and proposed operations. After approval, verification may include documentary checks and field inspections to confirm that the prescribed management activities were completed and that the treated area is maintained during the three-year obligation. Withdrawal after formal acceptance or failure to comply with the conditions may require repayment of support received.

Implementation. No reliable, consolidated figure for aid actually paid to beneficiaries was identified.

References[22]

4.2.17. Romania

Compensation for forest-harvesting restrictions—SA.107567

SA.107567 (2023/N) is a nationally financed State aid scheme approved by the European Commission on 10 August 2023 and implemented through Government Decision No. 167/2024. It compensates forest owners for income foregone where legally prescribed protection functions restrict or prohibit timber harvesting. The

[22] Agência para o Clima, I. P. (2025a, November 17). *Pagamentos da Agência para o Clima, I. P.—1.ª quinzena de novembro de 2025* [Payments by the Climate Agency—First half of November 2025]. Fundo Ambiental. https://www.fundoambiental.pt/listagem-noticias/pagamentos-da-agencia-para-o-clima-ip-1-quinzena-de-novembro-de-2025.aspx
Agência para o Clima, I. P. (2025b, December 5). *Pagamentos da Agência para o Clima, I. P.—Novembro de 2025* [Payments by the Climate Agency—November 2025]. Fundo Ambiental. https://www.fundoambiental.pt/listagem-noticias/pagamentos-da-agencia-para-o-clima-ip-novembro-de-2025.aspx
Fundo Ambiental. (2025, May 15). *Fundo Ambiental apoia novo programa "Floresta Ativa" com 4 milhões de euros para gestão e prevenção de incêndios florestais* [Environmental Fund supports the new Floresta Ativa programme with €4 million for forest management and wildfire prevention]. https://www.fundoambiental.pt/listagem-noticias/fundo-ambiental-apoia-novo-programa-floresta-ativa-com-4-milhoes-de-euros-para-gestao-e-prevencao-de-incendios-florestais.aspx
Government of Portugal. (2025, June 12). *Governo cria programa de apoio à limpeza e gestão de terrenos florestais com seis milhões de euros* [Government creates a €6 million programme supporting the clearing and management of forest land]. https://portugal.gov.pt/gc25/comunicacao/noticias/governo-cria-programa-de-apoio-a-limpeza-e-gestao-de-terrenos-florestais-com-seis-milhoes-de-euros
Institute for Nature Conservation and Forests. (n.d.). *Apoios 2025: Floresta Ativa* [2025 support: Floresta Ativa]. Retrieved August 8, 2026, from https://www.icnf.pt/apoios/icnf/apoios2025
Ministry of Agriculture and Sea. (2026a, March 19). *Portaria n.º 121/2026/1: Promoção dos serviços de ecossistema* [Order No. 121/2026/1: Promotion of ecosystem services]. *Diário da República, 55/2026, Série I*. https://diariodarepublica.pt/dr/detalhe/portaria/121-2026-1074104067
Ministry of Agriculture and Sea. (2026b, June 29). *Portaria n.º 281-B/2026/1* [Order No. 281-B/2026/1]. *Diário da República, 123/2026, Suplemento, Série I*. https://diariodarepublica.pt/dr/detalhe/portaria/281-b-2026-1140260281
Ministry of Finance, & Ministry of Environment and Energy. (2026, July 15). *Portaria n.º 297-A/2026/2: Repartição dos encargos relativos ao programa "Floresta Ativa"* [Order No. 297-A/2026/2: Multiannual allocation of expenditure relating to the Floresta Ativa programme]. *Diário da República, 135/2026, Suplemento, Série II*. https://diariodarepublica.pt/dr/detalhe/portaria/297-a-2026-1148260339
PEPAC no Continente. (2026, July 17). *Mais tempo para submeter a sua candidatura: Apoio ao investimento na floresta* [More time to submit applications: Support for forest investment]. https://pepacc.pt/mais-tempo-para-submeter-a-sua-candidatura-apoio-ao-investimento-na-floresta/

scheme applies from 2024 to 2027 and has a maximum budget of RON 998 million, approximately €200 million, financed from the Romanian State budget through the Ministry of Environment, Waters and Forests.

Ecosystem service focus. The scheme supports forest areas in which harvesting restrictions contribute to implementation of the Habitats and Birds Directives. Eligible forests must be classified in a valid forest management plan under functional type T1 or T2:

- T1 forests are subject to a complete prohibition on timber harvesting because of their nature-conservation functions. They include forests in strict or integral protection zones, scientific and natural reserves, virgin and quasi-virgin forests, forests conserving important genetic resources and UNESCO natural heritage sites.
- T2 forests have special protection functions under which timber harvesting is substantially restricted to avoid damage to the forest ecosystem.

The scheme therefore supports biodiversity conservation, protected habitats, natural forest structures and wider protective forest functions.

Eligible beneficiaries. Eligible beneficiaries include individual and corporate forest owners, associations of forest owners, and territorial administrative units owning public or private forest land. Beneficiaries must qualify as micro, small or medium-sized enterprises, must not be undertakings in difficulty and must not be subject to an outstanding State aid recovery order. Applicants must hold valid ownership documents, have a forest-administration or forestry-services contract, and demonstrate that the eligible forest is classified as T1 or T2 under a forest management plan in force.

Conditionality and payment mechanism. Support is provided as an annual, non-repayable, area-based compensation payment covering 100% of standard income losses and eligible transaction costs. The annual compensation is calculated using:

- the eligible forest area;
- the average national standing-timber price for the application year and the two preceding years;
- a standard annual unharvested timber volume of 4.29 m³/ha for T1 forests or 1.97 m³/ha for T2 forests; and
- standard transaction costs of RON 41.79/ha/year.

The scheme therefore results in a per-hectare annual payment, but the amount varies over time with the average standing-timber price and differs between T1 and T2 forests. Applicants must also demonstrate that illegal harvesting in the eligible forests did not exceed an average of 1 m³/ha in the preceding year. Aid may not be combined with other national or EU support covering the same eligible costs.

Commitment length. The scheme does not require a separate multiannual voluntary management contract. Beneficiaries submit an application each year, normally by 30 June, for the period during which the relevant restrictions apply. Eligibility continues only while the forest management plan remains valid and the forest is classified under functional type T1 or T2. Payments may be made in the relevant year or in the following year if annual budget appropriations are insufficient.

Monitoring and verification. The Forest Guard verifies ownership, the forest-administration contract, the valid forest management plan, functional classification, eligible area and the absence of disqualifying illegal harvesting. The National Forest Guard then checks the consolidated documentation and requests the necessary budget appropriations. The Ministry of Environment, Waters and Forests monitors beneficiaries and payments and may conduct on-site inspections. Non-compliant aid may be recovered with interest.

Implementation. No reliable cumulative expenditure figure could be found.

References[23]

[23] European Commission. (2023, September 22). *Authorisation for State aid pursuant to Articles 107 and 108 of the Treaty on the Functioning of the European Union—Cases where the Commission raises no objections: SA.107567* (2023/C 336/06). *Official Journal of the European Union, C 336*, 7. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52023AS107567
European Commission. (n.d.). *Afforestation and reforestation national campaign, including urban forests*. Retrieved August 8, 2026, from https://commission.europa.eu/projects/afforestation-and-reforestation-national-campaign-including-urban-forests_en

4.2.18. Slovakia

Forest environmental and climate services - SA.108751

SA.108751 is the State aid framework for intervention 70.10, Forest-environmental and climate services and forest protection, under Slovakia's CAP Strategic Plan 2023–2027. The scheme entered into force on 29 June 2023 and remains valid until 31 December 2029. It is administered by the Agricultural Paying Agency and financed jointly by the European Agricultural Fund for Rural Development (EAFRD) and the Slovak State budget. SA.108751 supports voluntary forest-environmental commitments exceeding statutory requirements. SA.108751 was implemented under the agricultural block exemption established by Article 46 of Commission Regulation (EU) 2022/2472. The scheme has an authorised budget of €20.66 million, corresponding to an indicative annual allocation of approximately €4.13 million. The payments are financed at 64% from the EAFRD and 36% from the national budget in Slovakia's less-developed regions; in the Bratislava region, the shares are 43% and 57%, respectively.

Ecosystem service focus. The scheme supports biodiversity conservation, natural forest structures, climate mitigation and adaptation, and the protection of water and other forest ecosystem functions. It covers three operations:

- forest-environmental commitments in Special Protection Areas designated under the Birds Directive;
- forest-environmental commitments in Sites of Community Importance designated under the Habitats Directive; and
- specific forest management commitments for the protection of the western capercaillie.

The supported commitments exceed the mandatory requirements of Slovak forestry and nature-conservation legislation.

Eligible beneficiaries. Eligible beneficiaries are registered forest managers and legally constituted associations of forest managers. They may be individuals, self-employed persons or legal entities and may include micro, small, medium-sized or large enterprises. State forest enterprises are excluded. In the case of State-owned forest land, aid may be granted only where the land is managed by a private entity or a municipality. Applicants must manage at least 1 ha of eligible forest land and have an approved forest management programme.

Conditionality and payment mechanism. Support is provided as an annual, non-repayable, action-based compensation payment covering up to 100% of the additional costs and income foregone resulting from voluntary forest-environmental commitments. The applicable annual rates are:

- €123.75/ha/year for forest-environmental commitments in Special Protection Areas;
- €111.44/ha/year for commitments in Sites of Community Importance; and
- €147.40/ha/year for commitments specifically targeting western capercaillie habitat.

Eligible commitments vary between the three operations but may include retaining hollow-bearing and nesting trees; maintaining coarse deadwood; promoting natural regeneration; retaining pioneer and mixed tree species; restricting forestry operations during bird-breeding periods; using biodegradable chain oils; and

Government of Romania. (2024, February 28). *Hotărârea nr. 167/2024 pentru aprobarea normelor metodologice de acordare, utilizare și control al compensațiilor reprezentând contravaloarea produselor pe care proprietarii nu le recoltează din cauza funcțiilor de protecție stabilite prin amenajamente silvice care determină restricții în recoltarea de masă lemnoasă* [Government Decision No. 167/2024 approving the methodological rules for granting, using and controlling compensation for timber that owners cannot harvest because of protection functions established through forest management plans]. *Monitorul Oficial al României, 177*. https://legislatie.just.ro/public/DetaliiDocument/279593

Romanian Ministry of Environment, Waters and Forests. (2024, November 15). *Ajutor de stat SA.46150 (2016/N): Acordarea de compensații reprezentând contravaloarea produselor pe care proprietarii nu le recoltează, datorită funcțiilor de protecție stabilite prin amenajamente silvice care determină restricții în recoltarea de masă lemnoasă* [State aid SA.46150 (2016/N): Compensation for timber that owners cannot harvest because of protection functions established through forest management plans]. https://mmediu.ro/domenii/paduri/amenajarea-padurilor/ajutor-de-stat-sa-461502016-n-acordarea-de-compensatii-reprezentand-contravaloarea-produselor-pe-care-proprietarii-nu-le-recolteaza-datorita-functiilor-de-protectie-stabilite-prin-amenajamente-silv/

Romanian Ministry of Environment, Waters and Forests. (2025, May 20). *Ajutor de stat SA.107567 (2023/N)—România: Despăgubiri pentru silvicultură ca urmare a restricțiilor de recoltare* [State aid SA.107567 (2023/N)—Romania: Compensation for forestry resulting from harvesting restrictions]. https://mmediu.ro/fara-categorie/ajutor-de-stat-sa-107567-2023-n-romania-despagubiri-pentru-silvicultura-ca-urmare-a-restrictiilor-de-recoltare/

carrying out habitat-specific silvicultural measures for western capercaillie. Beneficiaries must undertake at least one relevant management activity annually and comply with the continuing restrictions throughout the commitment period. Failure to submit the annual application may terminate the commitment and require repayment of support received in previous years.

Commitment length. Beneficiaries enter into a 5 year commitment, beginning in the year in which the initial application is submitted. The duration may be extended where permitted by the applicable rules. A payment application must be submitted for each year of the commitment, and failure to apply may result in termination and recovery of previous payments.

Monitoring and verification. Applications are assessed by the Agricultural Paying Agency. Administrative checks verify the applicant's status, eligible forest area, forest management programme, Natura 2000 designation and the specific operation selected. Eligible parcels must be recorded in the forest land register and the national Forest Management Information System. Compliance may be checked through administrative and on-site controls. Verification focuses on whether the required forestry practices and restrictions have been implemented, including tree and deadwood retention, natural regeneration, seasonal restrictions and habitat-management activities. Breaches may lead to proportionate reductions based on their extent, severity, duration and recurrence, or to recovery of aid.

Implementation. No consolidated official figures were identified.

National de minimis aid for non-productive forest functions - DM-11/2024

DM-11/2024 is a nationally funded de minimis aid scheme supporting the non-productive functions of forests in Slovakia. It is financed by the Ministry of Agriculture and Rural Development and implemented by the Agricultural Paying Agency. The scheme entered into force on 19 March 2024 and remains valid until 31 December 2030. It operates under Commission Regulation (EU) 2023/2831 on de minimis aid and has an estimated total budget of €70 million, with an indicative annual budget of €10 million.

Ecosystem service focus. The scheme supports the ecological and social functions of forests that are not normally traded in markets. These include soil protection, water regulation, climate regulation, nature conservation, recreation, health, cultural and educational functions. Eligible management practices include tending young forest stands, removing invasive non-native trees and applying close-to-nature silvicultural systems that result in permanently multi-layered forest stands.

Eligible beneficiaries. Eligible beneficiaries are natural or legal persons carrying out forest management as an economic activity in Slovakia and formally registered as forest managers. Enterprises of all sizes may apply, but State organisations are excluded. Applicants must manage at least 5 ha of eligible forest stands. Eligible stands must normally have been covered by a forest management programme whose validity, or first half of validity, ended in the year preceding the application. The competent district forestry authority confirms that the applicant is the registered manager, that the relevant forest stands are eligible and that the required management practices were implemented. Applicants must also declare that the same activities are not supported through rural-development programmes or other public funding.

Conditionality and payment mechanism. Support is action-based, is provided as a non-repayable, flat-rate area grant. Payment is calculated by multiplying the eligible forest area by the standard rate applicable to the relevant forest-type group. The rate is increased by 50% for stands managed through qualifying close-to-nature silvicultural systems that result in permanently multi-layered forests.

The total de minimis aid granted to a single undertaking may not exceed €300,000 over any three-year period. Where eligible requests exceed the annual budget, all approved amounts may be reduced proportionally through a common adjustment coefficient.

Commitment length. The scheme does not establish a uniform multiannual environmental commitment. Aid is granted through individual annual calls and a separate grant agreement.

Monitoring and verification. Applications are assessed by the Agricultural Paying Agency in cooperation with the competent district land and forestry office. Verification covers the applicant's registration as forest manager,

eligible forest area, forest type classification, qualifying management practices, possible overlapping support and compliance with the de minimis ceiling. Aid is recorded in Slovakia's central State aid register, and records must be retained for ten years.

Implementation. No consolidated official figures were identified.

References[24]

4.2.19. Slovenia

Forest Fund - *Gozdni sklad*

Slovenia's Forest Fund (*Gozdni sklad*) is a national fund established in 2016 under the Act on the Management of Forests Owned by the Republic of Slovenia. It was created alongside the State forest management company *Slovenski državni gozdovi* and is administered by the Ministry of Agriculture, Forestry and Food. The Ministry prepares an annual expenditure programme, which is approved by the Slovenian Government. The Fund is financed principally through an annual payment by the State forest management company corresponding to 20% of revenue from timber sales in State forests. Other sources include revenue from transactions involving State forests, interest and funds carried forward from previous years. The Fund finances several statutory purposes, including forest acquisition, obligations associated with State-forest ownership, support to municipalities, promotion of forests and forest-based value chains, and environmental measures in private Natura 2000 forests.

Ecosystem service focus. The ecosystem service component finances measures intended to maintain or improve the conservation status of forest species and habitat types in privately owned Natura 2000 forests. Its principal objectives are biodiversity conservation, preservation of habitat structures, maintenance of natural forest dynamics and improvement of forest resilience. Supported measures include the creation of non-intervention ecocells (small, clearly delimited forest areas that are deliberately left unmanaged), retention of habitat trees and standing or fallen deadwood, establishment of quiet zones, habitat restoration, and targeted forest regeneration, tending and protection measures. These activities may also contribute to carbon storage, soil and water protection and wider forest ecosystem resilience.

Eligible beneficiaries. Private forest owners whose forests are located within Natura 2000 areas and where eligible conservation measures are identified through the Natura 2000 Management Programme, forest management plans and annual forest-investment programmes. Measures are normally proposed and planned by the locally competent district forester of the Slovenia Forest Service in consultation with the owner. Forest owners may also contact the district forester and propose potentially suitable measures. The mechanism is therefore not based on a conventional open competitive call submitted directly to the Ministry.

Conditionality and payment mechanism. Support is action-based, it is provided for specific conservation or forest management measures approved and prescribed by the Slovenia Forest Service. Depending on the measure, support may take the form of:

- co-financing of prescribed forest management works;
- the free provision of planting material or protective equipment;
- compensation for retaining habitat trees or deadwood; or

[24] Antimonopoly Office of the Slovak Republic. (2024, March 19). *DM-11/2024: Schéma minimálnej pomoci na plnenie mimoprodukčných funkcií lesov* [DM-11/2024: De minimis aid scheme for the provision of non-productive forest functions]. https://www.antimon.gov.sk/dm-112024/
Ministry of Agriculture and Rural Development of the Slovak Republic. (2023, June 7). *Schéma štátnej pomoci na podporu lesnícko-environmentálnych a klimatických služieb a ochrany lesov podľa Strategického plánu spoločnej poľnohospodárskej politiky 2023–2027* [State aid scheme supporting forest-environmental and climate services and forest protection under the CAP Strategic Plan 2023–2027] (SA.108751). https://www.mpsr.sk/schema-statnej-pomoci-na-podporu-lesnicko-environmentalnych-a-klimatickych-sluzieb-a-ochrany-lesov-podla-strategickeho-planu-spolocnej-polnohospodarskej-politiky-2023-2027/469---18767/
Ministry of Agriculture and Rural Development of the Slovak Republic. (2024, March 20). *Schéma minimálnej pomoci na plnenie mimoprodukčných funkcií lesov* [De minimis aid scheme for the provision of non-productive forest functions] (DM-11/2024). https://www.mpsr.sk/schema-minimalnej-pomoci-na-plnenie-mimoprodukcnych-funkcii-lesov/161---12175/

- compensation for income foregone where a forest area is withdrawn from management.

The owner receives an administrative decision specifying the location, type and scale of the operation, required materials and implementation deadline. After completion, the district forester inspects and formally accepts the work. Verification provides the basis for payment of the co-financed amount. For ecocells left to natural development, the designated forest area is withdrawn from management and the owner is compensated for the value of the allowable harvest foregone. For standing deadwood or habitat trees, selected trees are marked and retained until natural decay.

Commitment length. There is no single commitment period applying to all measures. Duration depends on the conservation operation prescribed in the decision or agreement. Areas designated as ecocells for natural development are generally withdrawn from forest management for 20 years. Habitat trees, standing deadwood and similar retained structures must normally remain in place until their natural decay. Other regeneration, tending or habitat-management measures have implementation and maintenance periods specified in the relevant decision.

Monitoring and verification. The Slovenia Forest Service identifies, plans and supervises the measures through forest management and silvicultural planning. Administrative verification covers ownership, location within Natura 2000, consistency with conservation objectives and inclusion in the relevant annual programme. After implementation, the responsible district forester checks the location, type, quantity and quality of the completed work before payment. Longer-term restrictions, such as non-intervention ecocells or retained habitat trees, are incorporated into forest management records and may be checked during subsequent planning and field supervision.

Implementation. For 2025, €3 million was allocated to Natura 2000 measures in private forests, of which an estimated €1,844,777.96 was spent, corresponding to approximately 61.5% of the annual allocation. A further €3 million was allocated for these measures in 2026.

References[25]

4.2.20. Spain

Non-productive forestry investments with environmental objectives-SA.114392

SA.114392 is the State aid framework associated with intervention 68814 non-productive forestry investments in other silvicultural actions with environmental objectives under Spain's CAP Strategic Plan 2023–2027. The intervention is cofinanced by the European Agricultural Fund for Rural Development (EAFRD) and national or regional public resources and is implemented through regulatory acts and calls adopted by the autonomous communities. SA.114392 was communicated as block-exempted State aid under Article 44 of Commission Regulation (EU) 2022/2472. The national framework establishes the common CAP and State aid basis, while the autonomous communities determine the specific eligible operations, beneficiaries, budgets, aid rates and application procedures.

Ecosystem service focus. Intervention 68814 supports non-productive forestry investments intended to fulfil environmental forest management commitments, provide FES, enhance the public-benefit functions of forests and increase their contribution to climate-change mitigation. Eligible investments may support biodiversity,

[25] Government of the Republic of Slovenia. (2026, February 10). *412. dopisna seja Vlade Republike Slovenije* [412th correspondence session of the Government of the Republic of Slovenia]. https://www.gov.si/novice/2026-02-10-412-dopisna-seja-vlade-republike-slovenije/
Ministry of Agriculture, Forestry and Food. (2022, October 18). *Operational programme for the implementation of the National Forest Programme in the 2022–2026 period*. Government of the Republic of Slovenia. https://www.gov.si/assets/ministrstva/MKGP/PODROCJA/GOZDARSTVO/NGP/OPNGP-2022_2026_EN.pdf
Ministry of Agriculture, Forestry and Food. (2026, July 21). *Gozdni sklad* [Forest Fund]. Government of the Republic of Slovenia. https://www.gov.si/teme/gozdni-sklad/
Ministry of Natural Resources and Spatial Planning. (2023). *Natura 2000 management programme for the period 2023–2028*. Natura 2000 Slovenia. https://natura2000.gov.si/fileadmin/user_upload/Dokumenti/LIFE_IP_NATURA_SI/Rezultati/PUN_2023-2028_sprejet/PUN_2023-2028_angl/Natura2000_ANG.pdf
Natura 2000 Slovenia. (2026, June 9). *Gozdni sklad* [Forest Fund]. https://natura2000.gov.si/na-terenu/dobre-prakse/gozdarstvo/gozdni-sklad/

habitat conservation, climate adaptation, carbon storage, soil and water protection, landscape quality, recreational use and forest resilience. Depending on the regional programme, supported activities may include restoration and improvement of broadleaved or mixed stands, assistance to natural regeneration, enrichment of conifer stands with ecologically valuable species, structural diversification, habitat enhancement and investments improving the environmental or public-use functions of forests. The exact activities must be established by the applicable regional rules; there is no single uniform national list.

Eligible beneficiaries. Eligible beneficiaries are defined by each autonomous community. Depending on the regional call, they may include private forest owners, municipalities and other public forest owners, forest managers, associations, communal forest organisations and other natural or legal persons holding eligible forest land. Applicants must demonstrate ownership or lawful management rights and submit an investment proposal that complies with the relevant regional call, the applicable forest management requirements and any environmental-assessment obligations.

Conditionality and payment mechanism. Support is action-based, it is provided as a non-repayable investment grant for approved non-productive forestry operations. Payments may be based on eligible expenditure, invoices, standard costs or other simplified-cost methods specified by the autonomous community. Aid may cover environmental silvicultural operations such as: restoration or diversification of forest stands; improvement of natural regeneration; conversion towards more mixed or site-adapted stands; restoration of degraded forest structure; creation or retention of habitat features; thinning and other treatments intended to improve ecological resilience; soil- and water-protection operations; and investments enhancing biodiversity, landscape quality or public use.

Aid intensity, minimum and maximum project amounts, eligible costs and selection criteria vary by autonomous community. There is therefore no single national payment rate or standard amount per hectare.

Commitment length. There is no uniform national commitment period. Implementation deadlines, durability requirements and post-payment maintenance obligations are established in the relevant regional regulation, call and grant decision. Beneficiaries must generally maintain the supported investment and its environmental purpose for the period specified by the regional managing authority.

Monitoring and verification. Regional managing authorities verify applicant and land eligibility, ownership or management rights, consistency with the approved project, eligible expenditure and completion of the supported operations. Controls may include administrative cross-checks, documentary evidence and on-site inspections. Beneficiaries must comply with anti-cumulation and double-funding rules, maintain the investment for the required period and repay aid where conditions are breached. Monitoring therefore focuses on implementation, expenditure and continued compliance.

Implementation. Because each autonomous community establishes its own budget and reports implementation separately, no consolidated national figures were identified for applications, beneficiaries, hectares supported, aid committed or expenditure under SA.114392. Uptake must therefore be assessed at regional level.

State Register of Forest Ecosystem Services. In 2025, the Spanish Ministry for the Ecological Transition and the Demographic Challenge opened a preliminary public consultation on a proposed royal decree establishing a State Register of Forest Ecosystem Services. The register is intended to provide robust and verifiable information on services such as carbon sequestration, biodiversity conservation, wildfire resilience and prevention of land degradation, and to create greater legal certainty for future public or private financing mechanisms. It is not yet an operational payment or certification scheme and should therefore be treated as a prospective policy development rather than as an implemented funding instrument.

References[26]

[26] Ministry of Agriculture, Fisheries and Food. (n.d.). *68814—Inversiones forestales no productivas en otras actuaciones selvícolas con objetivos ambientales* [68814—Non-productive forestry investments in other silvicultural actions with environmental objectives]. Government of Spain. Retrieved August 8, 2026, from https://www.mapa.gob.es/es/pac/ayudas-2023-2027/68814-forestales-no-productivas-actuaciones-silvicolas

4.2.21. Sweden

Rewetting agreements - *Återvätningsavtal*

Återvätningsavtal is a national Swedish programme through which forest landowners voluntarily enter into agreements with the Swedish Forest Agency to rewet previously drained forest peatlands. The programme has operated under a government assignment since 2021. The Swedish Forest Agency identifies and assesses suitable sites, plans the hydrological restoration, concludes the agreement with the landowner and procures contractors to block the drainage ditches. The Agency pays the landowner a one-off amount compensating for the reduction in land value and covers the full cost of planning and implementing the ditch-blocking works. Programme resources are drawn from the Swedish Environmental Protection Agency's appropriation for measures for valuable nature.

Ecosystem service focus. The principal objective is climate-change mitigation. Draining peat soils lowers the groundwater level and exposes peat to decomposition, producing greenhouse-gas emissions. Blocking the drainage ditches raises the water table, slows peat decomposition and substantially reduces net emissions on suitable fertile peatlands. The programme prioritises fertile drained peatlands, because these generally generate the highest greenhouse-gas emissions in their drained condition and therefore offer the greatest expected climate benefit. Rewetting also restores wet and swamp-forest habitats and may benefit birds, amphibians, game species and wider biological diversity.

Eligible beneficiaries. Landowners with previously drained forest peatland may submit an expression of interest to the Swedish Forest Agency. The Agency first evaluates whether the land contains sufficient peat, has an appropriate productivity class and can be rewetted without unacceptable effects on neighbouring properties, infrastructure, existing drainage associations or other protected interests. Where the site appears suitable, the Swedish Forest Agency and the relevant County Administrative Board assess whether regulatory, environmental or technical obstacles prevent the project. The Agency then prepares the rewetting plan in consultation with the landowner.

Conditionality and payment mechanism. The landowner receives a one-off, flat-rate compensation payment per hectare for the estimated reduction in land value caused by lower forest growth and reduced soil-bearing capacity following rewetting. The payment is differentiated according to geographical area and forest-site productivity. For agreements concluded under the 2026 rates, compensation ranges from: SEK 2,500/ha (€225/ha) for medium-productivity sites in Norrbotten and Västerbotten; to SEK 77,200/ha (€7,000/ha) for very high-productivity sites in Skåne, Halland and Blekinge.

The standard compensation represents approximately 48–54% of the estimated land value, calculated using the Swedish Mapping, Cadastral and Land Registration Authority's simplified forest-valuation model. The timber remains the owner's property. The Swedish Forest Agency separately bears the costs of: technical and hydrological planning; regulatory and site assessment; procurement and supervision of contractors; and physical ditch blocking and associated restoration works. The mechanism therefore combines a direct landowner payment with publicly funded in-kind implementation.

Commitment length. Each rewetting agreement lasts 50 years. During this period, the landowner must accept the hydrological effects of the intervention and may not restore or maintain drainage in a way that undermines the agreed rewetting.The agreement does not convert the land to another formal land-use category, and adapted forest use may remain possible where compatible with the rewetted conditions.

Monitoring and verification. Before an agreement is signed, the Swedish Forest Agency verifies peat characteristics, productivity, hydrological feasibility and possible effects on neighbouring land and other

Ministry for the Ecological Transition and the Demographic Challenge. (n.d.). *Servicios ecosistémicos forestales* [Forest ecosystem services]. Government of Spain. Retrieved August 8, 2026, from https://www.miteco.gob.es/es/biodiversidad/temas/valoracion-economica/vae-servicios-ecosistemicos.html

Ministry for the Ecological Transition and the Demographic Challenge. (2025). *Consulta pública previa sobre el proyecto de real decreto por el que se crea el Registro estatal de servicios ecosistémicos forestales y se regula su organización y funcionamiento* [Preliminary public consultation on the draft royal decree establishing the State Register of Forest Ecosystem Services and regulating its organisation and operation]. Government of Spain. https://www.miteco.gob.es/es/biodiversidad/participacion-publica/cpp-rd-serv-ecosist-forestales.html

interests. The rewetting plan forms part of the agreement and specifies how ditch blocking will be carried out. The Agency procures and supervises the ditch-blocking works and records the number of agreements, contracted area, completed restoration area and installed ditch plugs. Landowner compensation is paid when the agreement is signed, whereas physical implementation may occur later because timber harvesting, procurement and contractor availability can delay the works. The programme estimates its climate effects using peatland type, productivity class and area. Payments are not conditional on ex-post measurement of avoided greenhouse-gas emissions, biodiversity gains or changes in water quality.

Implementation. During 2025, the Swedish Forest Agency signed 105 rewetting agreements covering 391 ha. Ditch-blocking works were completed on 437 ha, involving 747 ditch plugs. The completed area exceeded the contracted area for that year because much of the physical work related to agreements signed in 2024.

From the programme's launch in 2021 through the end of 2025: agreements covered approximately 1,382 ha; and ditch blocking had been completed on approximately 763 ha. Cumulative expenditure over 2021–2025 was approximately SEK 185 million (€16.7 million). The Agency estimated that the contracted area could avoid slightly more than 10,000 tonnes of CO_2 equivalent emissions annually, although this is a modelled programme estimate rather than an outcome used to calculate individual payments.

Nature and cultural-environment measures - *Nokås*

Nokås - support for nature- and cultural-environmental measures in forests, is a national Swedish grant programme administered by the Swedish Forest Agency. It finances active measures that conserve or restore biodiversity, cultural environments, landscape values, recreation and other public benefit functions of forests. The programme is financed from the Swedish national budget. Support is treated as de minimis aid, and applicants must declare other de minimis aid received so that the applicable ceiling under Commission Regulation (EU) 2023/2831 is respected.

Ecosystem service focus. *Nokås* supports measures that contribute to Sweden's environmental quality objective *Living Forests* and that go beyond the minimum requirements of the Forestry Act. Measures must provide a public benefit and may be implemented on forest land, wooded land or in water environments associated with such land. Eligible activities may include: management or restoration of habitats with high biodiversity value; prescribed conservation burning; fencing or management of valuable broadleaved forest; creation of forest-edge habitats; pollarding restoration and forest grazing; creation of shallow wetlands; restoration of spawning habitats and removal of aquatic migration barriers; restoration and management of cultural remains and historic forest environments; trails, visibility clearing and recreational facilities; and removal of obsolete high wildlife fencing.

The programme may also support establishment of native broadleaved woodland on former agricultural land where this benefits biodiversity, landscape or cultural-environmental values.

Eligible providers. Forest owners may apply, as may another person or organisation holding the landowner's permission to apply for support and carry out the measure. Applicants may be natural or legal persons. Where a property has several owners, only one person or entity is formally designated as the applicant.

Conditionality and payment mechanism. Applicants must submit an application before beginning the supported work. For most measures, support amounts to 70% of the approved cost. Establishment of broadleaved forest on former agricultural land is generally supported at 50% of approved cost.

The Swedish Forest Agency uses reference costs and fixed rates for applicants' own labour, machinery use, purchased materials and contracted services. As of May 2026, expenditure ceilings include:

- up to SEK 13,000/ha (€1,200/ha) for area-based measures outside sites with documented very high conservation values;
- up to SEK 20,000/ha (€1,800/ha) for wetland creation;
- up to SEK 20,000/ha (€1,800/ha) for prescribed conservation burning; and
- up to SEK 40,000/ha (€3,650/ha) for establishing broadleaved woodland on former agricultural land.

Commitment length. Beneficiaries undertake not to carry out actions that undermine the purpose of the supported measure for ten years from the date on which the aid is paid. Additional conditions may apply to particular measures.

Monitoring and verification. The Swedish Forest Agency assesses whether the proposed measure exceeds legal requirements, serves a public interest, contributes to the *Living Forests* objective and is technically and environmentally appropriate. It also verifies the applicant's authority to undertake the work, approved costs and compliance with de minimis rules. After implementation, the beneficiary submits a payment request. Cases may be selected for a final field inspection through both risk-based and random selection. During the inspection, a Forest Agency officer verifies whether the measure has been completed in accordance with the grant decision. Payment may be reduced or refused where the activity is incomplete, differs from the approved operation or fails to meet the specified conditions. Aid may also be recovered if the beneficiary subsequently undertakes actions that undermine the measure during the 10 year durability period.

Implementation. The programme is experiencing high demand. No separate consolidated figure was identified for *Nokås* beneficiaries, as the annual report groups the two schemes together.

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5. Overview of the findings, discussion and policy implications

The two complementary analyses presented in this report provide a picture of both the scale and the design of public support for FES in the EU. The State aid database analysis presented in Section 4.1 provides a quantitative assessment of forestry related State aid measures, their authorised financial budget and their reported expenditure. The desk review presented in Section 4.2 complements this analysis by examining in greater detail how selected State aid and other national or regional public funding mechanisms operate in practice, including their ES objectives, beneficiaries, payment logic, commitment periods, monitoring arrangements and implementation.

Taken together, the findings indicate that the principal gap is not the absence of public funding potentially supporting FES. Rather, the main gaps concern the extent to which this funding is explicitly oriented towards ecosystem services, the connection between payments and environmental outcomes, the consistency and transparency of implementation, and the capacity of the existing policy framework to evolve towards more explicit ForestPES approaches.

5.1. Overview of the findings and discussion

FES are already substantially supported through State aid, but mostly implicitly

The quantitative State aid analysis shows that support relevant to FES already represents a significant component of the forestry State aid landscape. Of the 607 forestry-related EU-27 State aid cases identified for 2014–2026, **281 cases (46.3%) were classified as directly or indirectly relevant to FES. Their identifiable attributable authorised financial envelope amounted to approximately €13.81 billion**.

However, approximately **64% of the attributable budget was associated with measures classified as indirect ES, while only around 36% was associated with direct ES measures**. The same pattern was observed in implementation data: within the 2014–2024 expenditure dataset, approximately two thirds of attributable reported expenditure was associated with indirect ES measures.

The quantitative evidence therefore indicates that support for F**ES is already embedded at considerable scale within State aid expenditure, but is most commonly delivered through conventional forestry interventions** such as afforestation, restoration of forest potential, prevention and restoration of forest damage and improvements in forest resilience, rather than through instruments explicitly conceived as payments for ecosystem services.

The desk review reinforces this interpretation. Across the selected Member State cases, explicit PES or ES terminology was relatively uncommon. Some instruments, such as Luxembourg's *Klimabonus Bësch* or Germany's climate-adapted forest management support, make the public-good and ES rationale comparatively explicit. Also in the Irish Sustainable Forest Management Scheme, applicants receive a premium for providing ES. More commonly, however, comparable environmental benefits are framed in terms of biodiversity conservation, Natura 2000 restrictions, protective forest functions, climate resilience or multifunctionality.

The limited use of PES terminology should not be interpreted as an absence of PES-like economic logic. Many instruments already compensate forest owners or managers for additional management requirements, income foregone, restrictions on harvesting, conservation commitments or investments that maintain environmental public goods.

Explicit ES framing can clarify why public intervention is justified, make the environmental objective of expenditure more transparent, and facilitate the definition of conditionality and monitoring requirements. It may also make public programmes easier to connect in the future with complementary private finance. The opportunity is therefore not simply to create new programmes carrying a PES label, but to make the ES rationale of existing forest support more explicit.

Existing instruments remain predominantly action- and compensation-based

A second finding emerging particularly clearly from the desk review is the **dominance of action-based and compensation-based payment mechanisms**. Payments commonly depend on the implementation of prescribed activities, eligible investments, area enrolled, compliance with management requirements, additional costs or calculated income foregone. Compensation for statutory conservation restrictions is particularly common, including measures associated with Natura 2000 and other protected forest areas.

This pattern is consistent with the quantitative State aid analysis, where indirect ES measures account for most attributable allocations and expenditure. Together, the two analyses show that the current financial architecture primarily remunerates actions expected to support ES provision, rather than measured ES outcomes.

Action-based payments are comparatively simple to administer, provide greater predictability to beneficiaries and avoid transferring environmental risks that are outside the control of forest managers. Forest outcomes are influenced by climate, natural disturbances, ecological time lags and landscape-level processes, all of which can make strictly result-based remuneration difficult and costly to implement.

Nevertheless, the desk review found very few mechanisms in which the amount paid depends directly on verified ecological results. Emerging carbon mechanisms provide some of the clearest examples of movement towards quantified result-based approaches, while mechanisms focusing on other ES such as forest biodiversity remain much less developed.

The policy challenge is therefore not to replace action-based payments wholesale with result-based approaches. **A more feasible development pathway is likely to involve hybrid payment models, combining a stable payment for agreed actions, costs or income foregone with an additional component related to measured or verified environmental performance**. Such an approach could preserve income predictability for forest managers while strengthening the relationship between public expenditure and ecosystem service delivery.

Different instruments fulfil different environmental and economic functions

The desk review also shows that payments for forest ES should not be treated as a single homogeneous category. At least three distinct functions can be distinguished.

First, some schemes compensate forest owners for mandatory environmental restrictions, for example restrictions on harvesting in protected areas. These payments have an important distributional and acceptability function, ensuring that the private costs of public conservation objectives do not fall entirely on landowners. However, their purpose is primarily compensatory and they do not necessarily generate environmental additionality beyond the regulatory baseline.

Second, other instruments provide incentives for voluntary management or investments beyond minimum legal requirements. These have greater potential to generate additional ES benefits, provided that supported activities would not have occurred in the absence of the payment.

Third, a smaller group of emerging instruments links remuneration more explicitly to quantified or verified ES, particularly in relation to carbon.

These functions respond to different policy problems. Future ForestPES frameworks could therefore distinguish more clearly between compensation for mandatory restrictions, incentives for voluntary environmental action, and payments for demonstrably additional ES outcomes. Applying the same additionality, conditionality or performance criteria to all three may be conceptually inappropriate (Engel et al., 2008; Wunder, 2015).

Authorised financial resources do not automatically translate into implementation

The expenditure analysis in Section 4.1 introduces an additional dimension that cannot be observed from programme design alone. For the temporally aligned 2014–2024 dataset, approximately €3.46 billion of

attributable reported expenditure was identified. For the stricter subset of 249 cases for which allocation and expenditure were directly comparable, approximately €3.38 billion of reported expenditure was observed against €11.63 billion of authorised budget, **corresponding to an observed expenditure-to-authorised-budget ratio of 29.1%**.

This indicator cannot be interpreted as a final absorption rate, because authorised financial envelopes may extend beyond 2024 and schemes entering the database late in the period have had less time to generate expenditure. Nevertheless, the large variation between Member States and between individual schemes highlights an important distinction between financial capacity and actual implementation.

The desk review reaches a similar conclusion from a different perspective. Some schemes provide detailed information on applications, beneficiaries, hectares supported and payments made, while others report only programme budgets or formal eligibility provisions. In several cases, it is therefore difficult to determine whether a legally available measure has achieved substantial uptake.

Multi-purpose programmes make ecosystem service finance difficult to identify

Both analyses also reveal a significant problem of financial visibility. Many forestry programmes pursue several objectives simultaneously, combining environmental, protective, productive, research and socio-economic functions. In the quantitative analysis, cases were excluded from the attributable financial aggregation whenever the FES component could not be separated reliably from the wider programme budget. The resulting financial estimates are therefore deliberately conservative.

The desk review confirms that this appears to be a structural feature of national forest policy implementation. National forest funds and broader forestry programmes frequently finance biodiversity, resilience, restoration, productive investment and research under the same institutional umbrella.

The consequence is that the financial contribution to ES provision is frequently hidden inside conventional forestry expenditure. This makes comparisons across Member States difficult and prevents a clear assessment of whether funds formally associated with biodiversity or climate objectives actually reach the relevant beneficiaries and interventions.

Improved financial reporting should therefore allow expenditure to be distinguished by intervention type and environmental objective, even where individual schemes remain multi-purpose.

Environmental targeting and additionality remain uneven

The desk review provides more detailed evidence on another gap that cannot be derived directly from the expenditure database: environmental targeting varies considerably among schemes. Uniform area-based or cost-based payments are administratively straightforward but may remunerate sites with very different ecological potential at the same rate.

Similarly, additionality is often weakly demonstrated. Many programmes require compliance with conditions exceeding minimum legal obligations, but relatively few establish an explicit counterfactual showing what would have occurred without support. This matters because a nominally environmental subsidy does not necessarily generate the same environmental value in every context.

There could be also potential trade-offs among ES. Measures that support resilience, timber mobilisation, fire prevention or carbon accumulation may under some conditions negatively affect biodiversity, soil, water or habitat continuity. Environmental support should therefore be assessed in relation to its overall ecosystem consequences, rather than on the basis of a single stated objective (Sotirov, 2025).

A stronger ForestPES orientation would imply clearer specification of the ES targeted, spatial and ecological targeting of payments, explicit baselines where appropriate, and monitoring capable of demonstrating whether the supported management is likely to generate additional environmental benefits.

Contract duration often remains shorter than ecological processes

The desk review also reveals substantial variation in the duration of payments and commitments. Some schemes require annual applications even where the environmental restriction concerned is effectively permanent, whereas others establish agreements extending for ten, twenty, thirty or fifty years.

This exposes a potential mismatch between administrative funding cycles and ecological timeframes. Biodiversity conservation, habitat continuity, hydrological restoration, carbon sequestration and the development of old-growth structures frequently require management commitments extending over decades.

Future ForestPES design should therefore pay greater attention to the relationship between contract duration, payment schedules and ecological permanence. Long-term commitments may require adjusting payments over time, provisions for changes in ownership, force-majeure clauses and sufficient flexibility to adapt management to climatic and ecological change.

Collective and intermediary arrangements can support implementation

The desk review highlights the use of collective and intermediary arrangements in several schemes. Portugal's *Floresta Ativa* explicitly provides a higher payment rate for collective applications, with the aim of encouraging intervention at a broader territorial scale in areas characterised by fragmented smallholdings. Other reviewed instruments allow grouped applications, participation through certified management organisations, or require support from forestry professionals. These examples suggest that collective and intermediary arrangements can facilitate the implementation of FES measures, particularly where management needs to be coordinated across multiple holdings.

Several schemes rely on intermediaries, forest-owner associations, municipalities, registered professionals or collective applications to support programme delivery. Such arrangements may help coordinate implementation, provide technical support and facilitate participation where individual beneficiaries would otherwise have to manage relatively complex administrative or technical requirements.

From a policy perspective, this suggests that the development of ForestPES should consider not only payment levels and ecological criteria, but also the institutional arrangements through which schemes are delivered. Advisory services, standardised procedures, collective application mechanisms and qualified intermediaries may therefore represent important enabling elements, particularly for schemes operating across fragmented ownership structures or requiring coordinated management at landscape scale.

Private finance is complementary, but remains limited

The desk review identified some mechanisms capable of mobilising private contributions, including Ireland's Woodland Environmental Fund, Italy's BioClima programme and emerging carbon-credit or ES registers. However, public budgets remain the dominant source of demand in the cases examined (as logical, being the analysis focused on public instruments). This result must be interpreted in light of the scope of the assessment, which was deliberately centred on State aid and public funding. Nevertheless, the evidence suggests that private financing currently functions mainly as a complement to public support rather than as a substitute for it.

The potential role of State aid may therefore extend beyond directly financing ES. Public schemes can also establish standards, provide initial or baseline payments, finance monitoring infrastructure, reduce investment risk and create conditions under which complementary private payments can emerge. In this sense, State aid may serve as an enabling framework for blended ForestPES, provided that additionality, double funding and accounting rules are clearly defined.

5.2. Implications for integrating PES into the State aid financial framework

Taken together, the results indicate that the question is not whether the State aid framework *can* support FES. It already does so. The more relevant question is *how* existing State aid expenditure can progressively evolve towards more explicit, effective and measurable remuneration of ES provision.

The current legal architecture already provides important entry points. The ABER enables standardised support for forest-environment and climate commitments, environmental investments, compensation and related measures, while the State aid Guidelines provide greater flexibility for schemes that include incentive components, collective approaches or result-based remuneration (European Commission, 2022a, 2022b). The potential for ForestPES integration therefore appears to be constrained less by the absence of a legal basis than by programme design, administrative capacity, reporting and the limited use of the flexibility already available. Several policy directions emerge from the combined evidence.

First, make ES objectives explicit within existing forestry support. Where programmes already finance biodiversity, carbon sequestration, water regulation, soil protection, resilience or other public benefits, these objectives should be clearly identified in programme design and reporting. This would improve transparency without requiring every forestry measure to be transformed into a stand-alone PES scheme.

Second, progressively strengthen the link between payments and environmental performance. Action- and compensation-based payments will remain important, particularly where ecological outcomes are uncertain or costly to monitor. However, stronger targeting, ecological indicators and, where appropriate, result-related components could improve environmental accountability. The flexibility already available under the 2022 Guidelines could be used more actively where environmental additionality can be demonstrated. Hybrid mechanisms combining predictable action-based payments with result-based components appear particularly promising.

Third, distinguish clearly between compensation, incentives and payments for additional outcomes. Compensation for mandatory restrictions, voluntary environmental commitments and verified result-based payments fulfil different functions and should be designed and evaluated accordingly. Clear baselines and additionality requirements are particularly important where payments are intended to reward environmental improvements beyond existing legal obligations.

Fourth, improve implementation and financial reporting. State aid and national funding systems should report not only authorised budgets but also transparently detail applications, commitments, beneficiaries, hectares, payments and expenditure, ideally linked to environmental objectives and indicators.

Fifth, align payment duration with ecological objectives. FES often require commitments extending well beyond annual funding cycles. Programme design should therefore provide sufficient continuity and predictability, while including mechanisms to manage inflation, ownership changes, climate risks and force majeure.

Sixth, support collective and intermediary implementation. Several reviewed schemes use collective applications, certified management organisations, forestry professionals or other intermediary structures to support programme delivery. These arrangements can facilitate participation and coordination, particularly where forest ownership is fragmented or where ES provision depends on management across multiple holdings. Future ForestPES schemes should therefore consider appropriate advisory capacity, collective application mechanisms and qualified intermediaries as part of their institutional design.

Seventh, use State aid strategically to mobilise complementary private finance. Public finance is likely to remain essential forES provision. Nevertheless, State aid can provide the baseline conditions, monitoring systems and risk reduction necessary for complementary private payments. Blended approaches should therefore be facilitated where credible demand exists, while maintaining clear safeguards against double funding.

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Annex I Comparative overview of State aid measures with strong or moderate PES/PES-like characteristics in the EU-27, 2014–2026

SA case	Name of the State aid measure	Country	Year / legal frame work	Main ecosystem service(s)	Payment logic	Conditionality / payment basis	Why PES-like	PES orientation	Intervention category
SA.45683	Indemnités pour les zones forestières Natura 2000	Belgium	2016 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.106339	Forest Natura 2000 compensation: restrictions include senescence islands, retention of biologically valuable and dead trees, and habitat conservation.	Belgium	2023 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.40243	Aid for disadvantages related to Natura 2000 forest areas (Article 36)	Czechia	2014 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.44381	Forest environmental and climate services and forest conservation.	Czechia	2016 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.53954	Aid for conservation of genetic resources in forestry	Czechia	2019 – 2014 Guidelines	Forest genetic diversity; biodiversity	Action-/compensation-based	Conservation/management activities for forest genetic resources; support linked to eligible environmental actions.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services
SA.54137	Dotační rámec pro poskytování příspěvků na hospodaření v lesích	Czechia	2019 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services

SA.64360	Aid for specific forest actions and interventions with the primary objective to contribute to maintaining or to restoring forest ecosystem and biodiversity or the traditional landscape	Czechia	2022 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services
SA.42464	M15 - Aid for forest-environmental and climate services and forest conservation (Article 34 of Reg. 1305/2013)	Denmark	2015 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.47357	Aid for forest-environment and climate services and forest conservation	Denmark	2017 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.41246	Aid to private forest land situated in Natura 2000 areas (measure 12.2 in the Estonian RDP 2014-2020)	Estonia	2015 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.44095	Aid to private forest land situated in Natura 2000 areas	Estonia	2016 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.47248	Aid of Natura 2000 to private forest land	Estonia	2017 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.58652	Valtiontuki kestävän metsätalouden rahoittamiseen	Finland	2020 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services
SA.37636	Bavarian contract based programme for nature protection Forestry (VNP WaldR 2012)	Germany	2014 – 2014 Guidelines	Biodiversity; habitat and nature conservation	Action-/compensation-based	Contractual environmental-management commitments linked to nature-conservation objectives.	Explicit contractual nature-conservation payment linked to forest management commitments.	Strong	Other ES-relevant forestry measures

SA.40406	Bayern – Richtlinie über Zuwendungen nach dem Bayerischen Vertragsnaturschutzprogramm Wald (VNP Wald 2015)	Germany	2015 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.44762	Mecklenburg-Vorpommern: Aid for disadvantages related to Natura 2000 forest areas 2016-2021	Germany	2016 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.45001	Sachsen-Anhalt: Guidelines on aid for forest-environmental and climate services and forest conservation	Germany	2016 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.45294	Aid for forest-environment and climate services and forest conservation	Germany	2017 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.49852	Bayern – Richtlinie über Zuwendungen nach dem Bayerischen Vertragsnaturschutzprogramm Wald (VNP Wald 2015)	Germany	2018 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.55919	Schleswig-Holstein: Compensatory payments for nature conservation in Natura 2000 private forest areas in Schleswig-Holstein	Germany	2020 – 2014 Guidelines	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit contractual nature-conservation payment linked to forest management commitments.	Strong	Natura 2000 / restriction compensation
SA.59567	Bayern: Richtlinie über Zuwendungen nach dem Bayerischen Vertragsnaturschutzprogramm Wald (VNPWaldR 2021)	Germany	2021 – 2014 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services

SA.114173	Bayern: Richtlinie über Zuwendungen nach dem Bayerischen Vertragsnaturschutzprogramm Wald (VNPWaldR 2021)	Germany	2024 – 2022 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.116653	Richtlinie für Zuwendungen zu einem Klimaangepassten Waldmanagement PLUS (KWM PLUS)	Germany	2024 – 2022 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.118622	Lower Saxony: Voluntary agreements in drinking water abstraction areas in the forestry sector	Germany	2025 – 2022 Guidelines	Water quality/protection; forest management	Action-/compensation-based	Voluntary forest management agreements in drinking-water abstraction areas.	Voluntary environmental agreement linking support to management for a defined ecosystem service.	Strong	Other ES-relevant forestry measures
SA.113308	Natura 2000 compensation payments to forest areas	Hungary	2024 – 2022 Guidelines	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.39791	Forest Environment and Climate Services: Forest Genetic Reproductive Material	Ireland	2015 – 2014 Guidelines	Forest genetic diversity; biodiversity	Action-/compensation-based	Conservation/management activities for forest genetic resources; support linked to eligible environmental actions.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services
SA.44611	Payments for forest-environmental commitments and aid for conservation and development of genetic resources in forestry - Measure 15 of Campania's RDP for 2014/2020	Italy	2016 – ABER	Forest genetic diversity; biodiversity	Action-/compensation-based	Conservation/management activities for forest genetic resources; support linked to eligible environmental actions.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services
SA.45321	M12.02 Compensation pour les zones forestières Natura 2000. Conservation et réhabilitation de la biodiversité	Italy	2016 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation

SA.46567	Opération12.2 "Compensation de la perte de revenu et des coûts supplémentaires résultant des contraintes environnementales dans les zones forestières des sites Natura 2000".	Italy	2016 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.47967	Programme de développement rural 2014-2020 des Marche – Mesure 12, sous-mesure 12.2, Opération A) - indemnité compensatoire pour les zones forestières Natura 2000	Italy	2017 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.49536	Payments for forest-environmental commitments and aid for conservation and development of genetic resources in forestry - Measure 15 of Campania's RDP for 2014/2020. Amendment to SA.44611	Italy	2017 – ABER	Forest genetic diversity; biodiversity	Action-/compensation-based	Conservation/management activities for forest genetic resources; support linked to eligible environmental actions.	Contains an explicit forest-environment/climate-service component, but the State aid case is broader or the payment–service link is less direct.	Moderate	Forest-environment & climate services
SA.49931	Aid for forest - environmental and climate services and forest conservation (Article 37)	Italy	2017 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.50705	Opération 12.2 - Compensation de la perte de revenu et des coûts supplémentaires résultant des contraintes environnementales dans les zones forestières des sites Natura 2000.	Italy	2018 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation

SA.109467	Aid for forest-environment and climate services and forest conservation	Italy	2024 – 2022 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.111967	Aid for forest-environment and climate services and forest conservation	Italy	2024 – 2022 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.117255	PSP 2023 2027 Payment for forest-environment and climate commitments (SRA 27) (Reintroduction of scheme SA.109467)	Italy	2025 – 2022 Guidelines	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.41399	Atbalsts par ierobežojošiem apstākļiem ar Natura 2000 meža teritorijām	Latvia	2015 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.54088	Modification du régime d'aide no. SA.41399 "Aide liée aux restrictions applicables aux zones forestières Natura 2000"	Latvia	2019 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.61915	Modification du régime d'aide SA.54088 (2019/XA) "Aide liée aux restrictions applicables aux zones forestières Natura 2000"	Latvia	2021 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.45436	Mesure 12 "Paiements Natura 2000 dans les fôrets"	Portugal	2016 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.47468	Aid for forest - environmental and climate services and forest conservation (Article 37)	Portugal	2017 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services

SA.49486	Aid for forest - environmental and climate services and forest conservation (Article 37)	Portugal	2017 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.58810	Mesure 12. Paiements Natura 2000 dans les forêts	Portugal	2020 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.61243	Aid for forest - environmental and climate services and forest conservation (Article 37)	Portugal	2021 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.47012	Forest environmental services, climate services and forest conservation	Romania	2016 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.46150	Aid for disadvantages related to Natura 2000 forest areas	Romania	2017 – 2014 Guidelines	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.52220	Services forestiers, environnementaux et climatiques - conservation des forêts	Romania	2018 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.56548	Services sylvo-environnementaux, climatiques et pour la conservation des forêts	Romania	2020 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.58969	Aid for disadvantages related to Natura 2000 forest areas	Romania	2020 – 2014 Guidelines	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.107567	Compensation for forest protection functions restricting timber harvesting; objective:	Romania	2023 – 2022 Guidelines	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation

	disadvantages related to Natura 2000 forest areas.								
SA.42264	Natura 2000 disadvantages	Slovakia	2015 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.42265	Aid for forest-environmental and climate services and forest conservation	Slovakia	2015 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.47704	Natura 2000	Slovakia	2017 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.47831	Aid for forest environmental and climate services and forest conservation.	Slovakia	2017 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.60301	Aid for forest - environmental and climate services and forest conservation (Article 37)	Slovakia	2020 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services
SA.60302	Aid for disadvantages related to Natura 2000 forest areas (RDP measure no. 12.2) - amendment no 2	Slovakia	2020 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.43470	Compensatory payments for Natura 2000 forest areas	Spain	2015 – ABER	Biodiversity; habitat conservation; protected-forest functions	Compensation-based	Compensation for statutory environmental restrictions, additional costs and/or income foregone.	Explicit payment for conservation restrictions and associated costs/opportunity costs; PES-like but primarily compensatory.	Moderate	Natura 2000 / restriction compensation
SA.43481	Forest-environmental and climate services and forest conservation	Spain	2015 – ABER	Biodiversity; climate; forest conservation and other environmental functions	Action-/compensation-based	Voluntary forest-environment/climate or conservation commitments; support linked to eligible actions, additional costs and/or income foregone.	Explicit forest-environment/climate-service or forest-conservation measure linked to environmental commitments.	Strong	Forest-environment & climate services

Annex II: Comparative overview of selected forest cases relevant for FES in the EU Member States

Country	Instrument(s)	Legal / funding basis	Main ecosystem services	Eligible providers	Payment mechanism / rates	Design	Duration	Monitoring / verification	Implementation / budget	Private finance
Austria	National Forest Fund (Waldfonds); SA.59973	Federal budget; approved State aid scheme	Climate resilience, biodiversity, hazard prevention, carbon, water, recreation	Forest/agricultural holding managers, public authorities, research bodies and measure-specific applicants	Mainly one-off grants; commonly 60–100% of eligible costs; selected flat-rate compensation	Action-/investment-based	Usually project-based; 5-year durability (10 years for some assets)	Administrative and sample-based controls of eligibility and project delivery	€430m total; about €386m committed/paid by Oct. 2025; >26,700 approvals	No material private demand-side finance identified
Belgium	Wallonia: Forêt résiliente; Natura 2000 compensation SA.45683	Regional budget; SA.45683 under ABER 702/2014	Resilient mixed forests; biodiversity and Natura 2000 habitat conservation	Private forest owners; Natura 2000 owners/managers and forestry groups	Forêt résiliente: €500–3,000/ha grants; Natura 2000: annual area compensation (reported €40/ha/yr)	Action-based and compensation-based	10-year silvicultural commitment; annual Natura 2000 applications	Technical assessment, administrative and field checks	Forêt résiliente: 719 owners, 1,632 projects, 2,420 ha, €5.726m grants	Private involvement limited; regional schemes primarily publicly funded
Croatia	OKFŠ levy; RDP Sub-measure 8.5 / SA.51071	National parafiscal levy; EAFRD + national co-financing under State aid	Soil, water, climate, carbon, biodiversity, recreation, resilience	Private owners/associations, forest holders, public managers and eligible organisations	OKFŠ: activity/call-specific; SA.51071: up to 100% of eligible project costs	Action-based	OKFŠ varies; SA.51071 projects up to 36 months plus 5-year durability	Records, technical verification and ministry/implementing-body controls	No consolidated OKFŠ total; partial 2024 private-forest and firefighting figures; SA uptake unavailable	Compulsory business levy, not voluntary private PES demand
Czech Republic	Aid for adaptation of forests to climate change, SA.103979	Czech State budget; notified State aid	Climate adaptation, resilience, biodiversity, soils and deadwood habitats	Private, municipal and State forest owners/managers	Planned ca. CZK 1,540/ha/yr (€65), up to 100% of additional costs/income foregone	Action-/compensation-based	Five-year voluntary commitments	Forest management records and checks of prescribed practices	Maximum approved budget CZK 17.4bn (€742m); calls cancelled in July 2024; no expenditure	None identified

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Country	Instrument(s)	Legal / funding basis	Main ecosystem services	Eligible providers	Payment mechanism / rates	Design	Duration	Monitoring / verification	Implementation / budget	Private finance
Denmark	National afforestation SA.118866; Climate Forest Fund; voluntary land set-aside SA.119017	State budget; public fund with voluntary contributions; State aid approvals	Carbon, biodiversity, nitrogen reduction, drinking water, nature restoration	Public/private landowners and eligible organisations	Afforestation DKK 75,500/ha; DKK 90,500/ha for untouched forest; other schemes use project/compensation payments	Action-/investment- and compensation-based	Permanent forest conversion; 5-year maintenance; permanent untouched-forest restrictions	Eligibility, registration, project and permanence controls	Afforestation budget DKK 4.672bn (€626m); 298 applications/2,091 ha by end-2025	Climate Forest Fund accepts voluntary company, organisation and individual contributions
Estonia	SA.103786 compensation outside Natura 2000	National State aid scheme	Biodiversity, habitat continuity and ecological networks	Private forest owners; eligible parcel ≥0.3 ha	Annual direct grant up to €60/ha for statutory conservation restrictions	Compensation-based	Annual application while restriction remains applicable	Electronic applications; official spatial and eligibility verification	2023: 472 approved applications; €484,148 awarded	None identified
Finland	METKA SA.106581; planned result-based pilot; METSO	National budget and State aid framework	Biodiversity, climate, soils, water, peatlands and forest resilience	Private forest owners and measure-specific applicants	METKA uses measure-specific grants/standard costs; METSO uses temporary/permanent conservation compensation	Mostly action-/investment- and compensation-based; pilots may be hybrid/result-oriented	METSO commonly 10-year temporary agreements or permanent protection; METKA varies	Agency review, ecological eligibility assessment and implementation checks	METKA: €38.4m available and €34.9m paid in 2024; METSO constrained by funding	No significant private buyer role identified
France	France Nation Verte renewal aid; Sylv'ACCTES; Label bas-carbone	National State aid and public programmes; regional/intermediary and carbon-finance models	Climate adaptation, biodiversity, carbon, resilient regeneration	Forest owners, managers, municipalities and project developers	Project grants for renewal; Sylv'ACCTES co-finances management; carbon projects remunerated through verified credits	Mainly action-/investment-based; carbon component results-linked	Project-specific; carbon projects have multi-year monitoring/permanence rules	Technical approval, intermediary checks and carbon-method verification	National renewal envelopes substantial, but ES-specific expenditure/uptake not consistently separable	Private co-financing present in Sylv'ACCTES and voluntary carbon projects
Germany	Klimaangepasstes Waldmanagement (KWM)	Federal Climate and Transformation Fund; national support	Climate resilience, biodiversity, habitat trees, deadwood and natural regeneration	Private and municipal forest owners; eligible forest holdings	Annual area payment conditional on 11/12 management criteria; differentiated by holding size	Action-based with strong ecological conditionality	10- or 20-year commitments depending on option	Certification/documentary checks and compliance verification	Approx. €146m paid in 2025; around 1.7m ha supported	Publicly financed

Country	Instrument(s)	Legal / funding basis	Main ecosystem services	Eligible providers	Payment mechanism / rates	Design	Duration	Monitoring / verification	Implementation / budget	Private finance
Hungary	Natura 2000 forest compensation, SA.113308	CAP-linked / State aid framework	Compensation for Natura 2000 forestry restrictions and biodiversity protection	Eligible forest managers/holders in designated areas	Annual area-based compensation for income foregone and additional costs	Compensation-based	Multiannual CAP commitment/application framework	Paying-agency administrative and compliance checks	Relevant mechanism identified, but treated mainly as CAP-linked contextual case; consolidated figures not reported	None identified
Ireland	Afforestation Scheme SA.107220; Sustainable Forest Management Scheme SA.104922; Woodland Environmental Fund	National forestry programme / State aid, with private top-up mechanism	Woodland creation, biodiversity, water, climate, recreation and sustainable management	Landowners, forest owners, registered foresters and community/project partners	Establishment grants up to 100% of standard costs plus annual premiums; measure-specific management grants	Action-/investment- and compensation-based	Afforestation premiums and obligations are multiannual; durability/permanence requirements apply	Registered foresters, administrative checks and field inspections	Large national forestry allocations; uptake differs by intervention	Woodland Environmental Fund provides voluntary business contributions per hectare
Italy	Lombardy BioClima; Public Register of Voluntary Forest Carbon Credits	Regional public grant outside State aid; national regulatory market infrastructure	Biodiversity, climate adaptation, carbon, protected areas and forest ES	BioClima: public protected-area/Natura 2000 bodies and administrations; carbon projects: eligible agroforestry actors	BioClima: grant up to 70% with co-financing; carbon revenues tied to quantified and certified credits	BioClima action-/investment-based; carbon register potentially results-based	BioClima long-term durability; carbon projects minimum 20 years	Project controls and ES measurement; independent carbon certification envisaged	BioClima budget €3.5m; carbon register not yet fully operational at assessment date	BioClima requires private co-financing; carbon register intended to mobilise private demand
Latvia	Annual compensation for forestry restrictions outside EU-funded areas	State or municipal budget; ABER/de minimis route	Biodiversity, habitats, continuity and protected-forest functions	Owners in protected areas or micro-reserves outside EU-funded scope; minimum 0.1 ha	€196/ha/yr for strongest restrictions; €145 for no final felling; €52 for no clear-felling	Compensation-based	Annual applications while statutory restriction remains in force	Ownership, restriction, area, age, double-funding and aid-compliance checks	2025: 41 applications; €3,975 paid for 2025 plus €526 for 2024 (not forest-only disaggregated)	None identified
Luxembourg	Klimabonus Bësch; aid for freely evolving forests	National public funding	Explicit forest ES, resilience, biodiversity, carbon, soil, water and recreation	Private owners for Klimabonus; eligible owners of natural/semi-natural broadleaved forests for non-intervention aid	Klimabonus €37.50–150/ha/yr plus protected-area supplements; non-intervention compensation by stand/species/age	Action-based and long-term compensation-based	10 years; freely evolving forests at least 30 years with six instalments	Cadastral/geospatial assessment and compliance checks	Klimabonus: >600 applications and 6,526 ha by May 2025; non-intervention uptake unavailable	Publicly financed

Country	Instrument(s)	Legal / funding basis	Main ecosystem services	Eligible providers	Payment mechanism / rates	Design	Duration	Monitoring / verification	Implementation / budget	Private finance
Netherlands	Nature and Landscape Subsidy System (SNL)	Provincial/national public funding; CAP and State aid context	Biodiversity, habitat management, landscape and nature-network functions	Certified land managers, collectives, private and public owners depending on province	Annual management subsidies based on standard packages/costs; investment support may complement management	Action-/management-based	Usually six-year management agreements	Certification, provincial administration, spatial registration and management checks	Major established scheme, but forest ES-only budgets and uptake not isolated in the reviewed sources	Predominantly public finance
Portugal	Floresta Ativa; promotion of ecosystem services intervention	Environmental Fund and national/CAP-linked rules	Wildfire prevention, resilience, biodiversity, carbon, soil and water	Forest producers and holders; individual or collective applications	Floresta Ativa fixed grant €650/ha individual and €800/ha collective; no invoice-based reimbursement	Action-/area-based	Three-year post-intervention maintenance; other interventions may have longer commitments	Electronic application, area/eligibility checks and post-work verification	Initial public envelopes of €4–6m; no reliable consolidated payment total identified	Mainly public; collective applications incentivised rather than private buyers
Romania	Compensation for harvesting restrictions SA.107567; RRF afforestation context	Romanian State budget/State aid; separate RRF support	Biodiversity, habitat protection, carbon and climate mitigation	Owners/managers of forests subject to eligible restrictions; afforestation applicants under separate scheme	Annual compensation based on standard income-loss formula; afforestation includes annual premium	Compensation-based; afforestation action-/results-proxy based	Restriction payments annual; afforestation premium up to 20 years	Forest records, restriction categories and agency checks	SA.107567 budget RON 998m for 2024–2027; consolidated uptake not reported	Public finance
Slovakia	Forest environmental and climate services SA.108751; de minimis DM-11/2024	CAP-linked State aid and national de minimis	Natura 2000 biodiversity, capercaillie habitat, climate, water and non-productive functions	Registered non-State forest managers and associations; minimum 1 ha for SA.108751	Annual €111.44–147.40/ha under SA.108751; de minimis flat-rate area payments	Action-/compensation-based	Five-year commitments under SA.108751	Paying-agency checks using forest registers, management plans and spatial systems	SA.108751 budget €20.66m; no consolidated beneficiaries/hectares/payments; DM scheme estimated €70m total	None identified
Slovenia	Forest Fund (Gozdni sklad)	National budgetary fund, mainly financed from State-forest timber revenue	Natura 2000 biodiversity, habitat trees, deadwood and non-intervention	Private Natura 2000 forest owners with prescribed measures	Co-financing/in-kind materials or compensation for habitat trees, deadwood and income foregone	Action- and compensation-based	Measure-specific; non-intervention ecocells may last 20 years	Slovenia Forest Service planning, supervision and post-completion inspection	2025 Natura allocation €3m; estimated expenditure €1.845m (61.5%)	No voluntary private buyers; fund revenue linked to State forest timber sales

Country	Instrument(s)	Legal / funding basis	Main ecosystem services	Eligible providers	Payment mechanism / rates	Design	Duration	Monitoring / verification	Implementation / budget	Private finance
Spain	Non-productive forestry investments SA.114392; proposed State Register of Forest Ecosystem Services	Regional CAP/State aid implementation; national regulatory proposal	Biodiversity, climate, carbon, soil, water, landscape, recreation and resilience	Defined by autonomous communities: private/public owners, managers, associations and communal bodies	Non-repayable grants based on eligible costs, invoices or standard costs; rates vary regionally	Action-/investment-based	Regional implementation and durability periods; no uniform national term	Regional administrative/documentary and on-site checks	No consolidated national applications, hectares or expenditure; register not yet an operational payment scheme	Register may enable future private finance; current instruments mainly public
Sweden	Rewetting agreements; Nokås	National public funding; Nokås under de minimis	Peatland climate mitigation, wetlands, biodiversity, nature and cultural values	Owners of drained peatland; forest owners or authorised applicants for Nokås	Rewetting: one-off SEK 2,500–77,200/ha plus publicly funded works; Nokås generally 70% of costs	Compensation-/restoration-based and action-/investment-based	Rewetting 50 years; Nokås 10-year non-counteraction period	Agency feasibility, hydrology and project checks; completion and compliance monitoring	2025: 105 rewetting agreements, 391 ha; cumulative agreements 1,382 ha; Nokås demand high	Predominantly public finance

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