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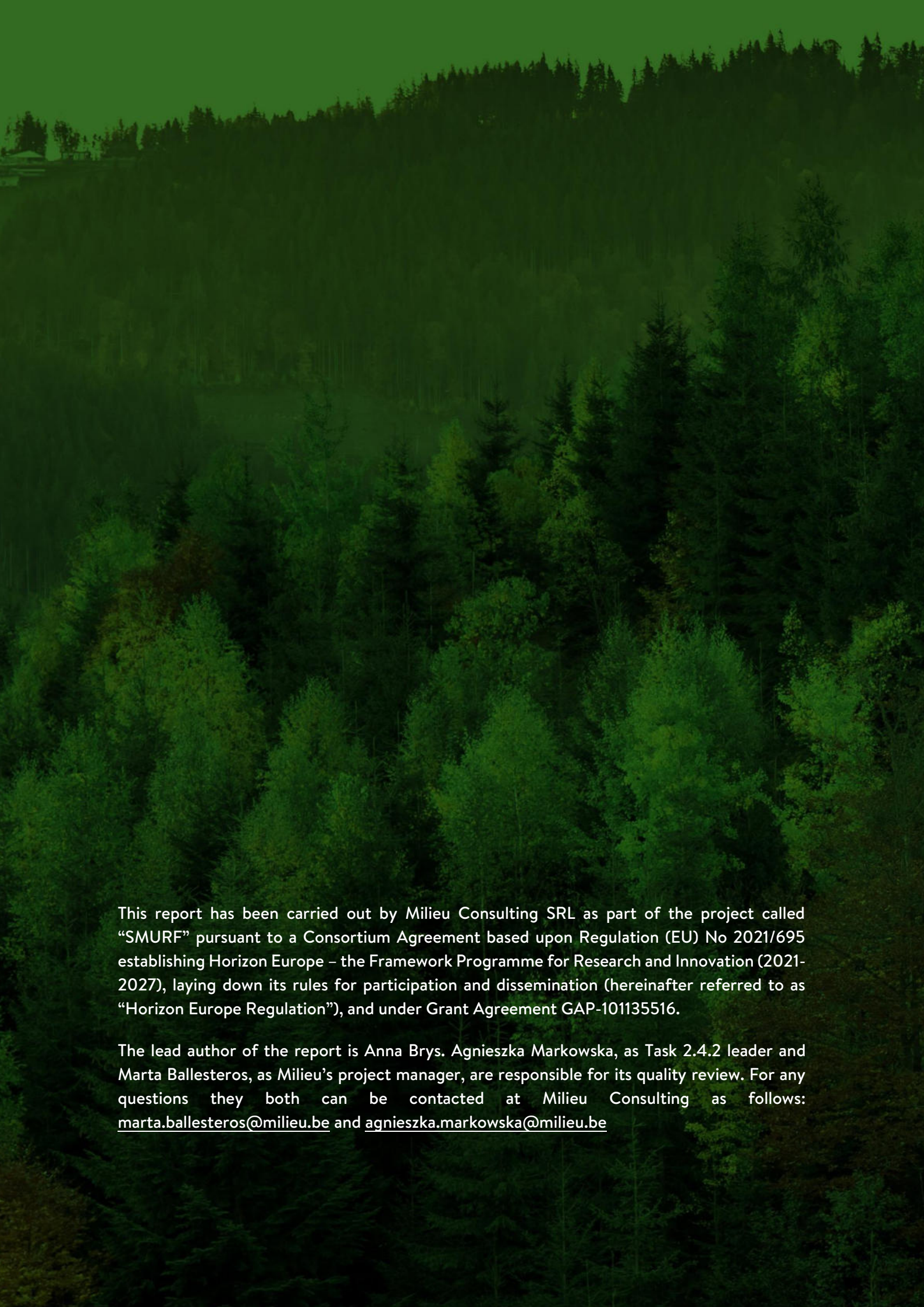
Financial incentives applicable to Small Forest Holdings and their impacts

Country Fact Sheet
Flandes / Austria

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Financial incentives applicable to Small Forest Holdings
WP2, Task 2.4.2

Executive Summary

The Flemish Region mostly provides financial incentives for forestry through regional subsidies. A broad set of subsidies can be obtained by forest owners, but the focus is on afforestation and reforestation, as well as the acquisition of forest land. This is due to the particular characteristics of Flanders' forests; there is not much forested land in Flanders, and the forests that do exist are very fragmented and mostly privately owned.

The Flemish Region also implemented a 'Forest Compensation Fund', through which persons or companies have to pay compensation in case they deforest an area of land. From this fund subsidies are provided for afforestation.

Other subsidies for forest management can be obtained through general nature management related subsidies, as forest management is integrated into nature management policy. This includes subsidies to set up nature management plans and execute the nature targets set out in these plans.

There are different tax exemptions provided for forests. Forest owners can receive (partial) exemptions from inheritance taxes, gift taxes, registration taxes when selling the forest and yearly property taxes.

Regarding financial incentives based on EU funding, under the Common Agricultural Policy some initiatives were found regarding agroforestry. No other incentives can be obtained for forestry under CAP. Forest management is not eligible for funding under the CAP (with the exception of agroforestry) as agriculture and forestry fall under separate government departments.

At local level some ad hoc funding initiatives were identified. Subsidies for forest associations were provided by the provinces of Antwerp and East Flanders.

Other diverse funding sources were identified. Forest Groups collect private and corporate donations, while Natuurpunt and partners support small-scale educational and tree-planting projects. BOS+ promotes crowdfunding and carbon-farming pilots co-funded by the EU.

1. Financial incentives based on EU funding

1.1. The European Regional Development Fund

Under the ERDF 2021-2027, Flanders' priorities focus on sustainable growth (which has three pillars: sustainable mobility, renewable energy and climate adaptation) and competitiveness of Flanders. For the sustainable growth projects, a total amount of 106,7 million EUR was made available for the period 2021-2027 (in comparison, the competitiveness aspect had a budget of 160 million EUR). The competent authority for the ERDF is the Innovation and Entrepreneurship Agency (Agentschap Innoveren en Ondernemen – VLAIO).

No projects related to forest management were identified[1]. The only project somewhat relates to forestry regards the development of an online platform that entails the 3D data of trees and paved land in the Limburg province. This platform would be available to citizens, companies and research facilities[2]. The website is regularly updated.

1.2. Common Agricultural Policy (CAP)

The application of the CAP in Belgium is a regional competence. Thus, the Flemish Region has its own policy (GLB, Gemeenschappelijk Landbouw Beleid). The current GLB strategic plan is applicable from 2023 until 2027[3]. In Flanders, agriculture and forest management are not under the same government domain (unlike in Wallonia and most European member states). Forests and nature are part of the Flemish Department Omgeving (Environment) and not part of the Flemish Department of Agriculture. Therefore, forest management is not eligible for funding under the GLB, with the limited exception of agroforestry.

Two forestry related support measures were identified under the CAP. Under pillar II of the CAP support is provided in Flanders for the **maintenance of the agroforestry system**. In this intervention, five-year commitments are made where farmers receive an annual payment per hectare (EUR 270/ha in 2025) of well-maintained agroforestry system. This requires the farmer to meet a number of conditions for maintaining the trees and surrounding area[4]. The estimated total allocated budget for this subsidy is 281.240,00 EUR for the period 2023-2027.

Secondly, a **planting subsidy for agroforestry systems** can be obtained by farmers, which can cover up to 75% of the planting costs[5]. To obtain this one-off subsidy the farmer must plant non-invasive trees at least on 0,5 ha (min 30 to max 200 trees per hectare) of land. The subsidy provides for 5.500 EUR per hectare. These trees must be kept for at least ten years and must be

[1] The overview of the projects can be found here.
[2] The project can be found in the overview: here.
[3] Flanders, n.d., Common agricultural policy (CAP) 2023-2027: general framework (*Gemeenschappelijk Landbouwbeleid (GLB) 2023-2027: algemeen kader*), https://lv.vlaanderen.be/beleid/landbouwbeleid-eu/gemeenschappelijk-landbouwbeleid-glb/2023-2027-algemeen-kader, accessed on 3 June 2025.
[4] European Commission, 2024, *Financing Guide: 3 billion additional trees by 2030*, https://www.milieu.be/wp-content/uploads/2024/10/Funding-Guide-Final.pdf, accessed on 27 May 2025, p. 48; Flanders, 17 July 2023, *Report Strategic Plan CAP 2021* (Verslag strategisch GBL-plan 2021), p. 145.
[5] European Commission, 2024, *Financing Guide: 3 billion additional trees by 2030*, https://www.milieu.be/wp-content/uploads/2024/10/Funding-Guide-Final.pdf, accessed on 27 May 2025, p. 48; Flanders, n.d., *Planting subsidy for agroforestry systems* (Aanplantsubsidie voor boslandbouwsystemen (agroforestry)), https://lv.vlaanderen.be/subsidies/perceel-en-dier/plant/aanplantsubsidie-voor-boslandbouwsystemen-agroforestry, accessed on 27 May 2025.

managed correctly[6]. This subsidy is provided under a more general measure that finances non-productive investments for environmental and climate purposes. The estimated budget for this overarching subsidy from 2023-2027 is 15.213.000 EUR.

Although the European Commission recommends supporting sustainable forest management and afforestation, Flanders addresses this mainly through Flemish funds outside the CAP. The reason for this being the high administrative burden of cofinancing under the CAP[7].

An overview of other subsidies that could be obtained by an agroforestry farmer in Flanders can be found here (these are more focused on sustainable agriculture than SFM).

1.3. LIFE and Horizon Europe

Projects relevant to SFH supported from LIFE, Interreg and Horizon Europe funding are analysed for the whole EU in a dedicated chapter and annex.

2. Financial incentives based on MS funding

2.1. State aid

No state aid by Flanders for the forestry sector was identified in the EC database on State Aid[8].

2.2. Taxes and tax exemptions, subsidies

The main way in which the Flemish Region provides financial incentives for forestry is via subsidies. A broad set of subsidies can be obtained by forestry owners. Furthermore, some tax exemptions for obtaining forests are provided. These incentives are mostly focused on obtaining forest grounds, afforestation and reforestation. This is due to certain characteristics of the forests in Flanders. Flanders does not have a lot of forested land. Moreover, forests are very fragmented and mostly in private ownership. There is no strong forestry-related economy in Flanders either[9].

Context: The Flemish Region is merging forest management policy with general nature management policy. As such, the Forest Decree is being integrated with the Nature Decree. The Forest Decree contains the definition of a 'forest'. Moreover, it sets out the rules regarding the protection of forests, deforestation, logging, ... Specific rules for private or public forests are also provided in this Decree. The Nature Decree provides the rules on nature management, and thus forest management as well. This includes the rules on management plans[10].

[6] For more specific details on the conditions, see: https://lv.vlaanderen.be/subsidies/perceel-en-dier/plant/aanplantsubsidie-voor-boslandbouwsystemen-agroforestry
[7] Flanders, 17 July 2023, *Report Strategic Plan CAP 2021* (Verslag strategisch GBL-plan 2021), p. 49.
[8] European Commission, State Aid Transparency Public Search.
[9] Houtinfobois, n.d., *the forest in Belgium* (het bos in België), https://www.houtinfobois.be/nl/het-bos-en-het-hout/bossen-in-de-wereld-en-in-belgie/het-bos-in-belgie/, accessed on 27 May 2025.
[10] Flanders, n.d., *nature management plans* (natuurbeheerplannen), https://natuurenbos.vlaanderen.be/natuurbeheerplannen, accessed on 27 May 2025.

Regarding nature management plans, it should be noted that four types can be defined based on their level of ambition, based on ecological goals in the form of so called 'nature targets'.

1. Type one: maintaining the nature quality present;
2. Type two: achieving a higher nature quality;
3. Type three: achieving the highest nature quality;
4. Type four: achieve the same nature quality of type three and recognition as nature reserve.

Consequently, subsidies or other measures for nature or nature management plans are also applicable to forests.

Subsidies:

The Nature and Forest Agency is a department of the Flemish Government, under the Minister of Environment. Its purpose is to manage, protect and further develop nature in Flanders. Not only does it manage public forests and nature domains, but it also executes all nature-related policy. Therefore, it is the Nature and Forest Agency that is responsible for providing subsidies for nature as well as forestry related projects[11].

An overview of the existing subsidies by the Nature and Forest Agency, is provided below. It should be noted that no general information on the budgets dedicated to these subsidies could be identified. However, for 2023, it was mentioned that there were more than 2500 subsidy requests and over 70 million EUR was spent on these subsidies[12]. A consulted forestry association mentioned that all nature targets related to forests are a lot lower than the ones related to open nature; as a consequence, the subsidies that private forest owners receive are usually very low[13].

Basic subsidies:

- **Subsidies for the acquisition of forest land**
    - **Acquisition of land with the purpose of afforestation, for local authorities**
        - Subsidies were provided for provinces, local communes and cities to acquire land to afforest. This subsidy has come to an end.
    - **Acquisition of land with the purpose to create a nature reserve**
        - Legal or natural persons that already manage a nature reserve can obtain this subsidy to obtain land with the purpose of adding this to the existing nature management plan type four.

[11] Nature and Forest Agency, n.d., Organisation (*Organisatie)*, https://www.natuurenbos.be/over-ons/organisatie#toc-wie-zijn-we-, accessed on 3 June 2025.
[12] DECISION of the Flemish Government on subsidising the planning, development and implementation of integrated nature management (BESLUIT van de Vlaamse Regering betreffende de subsidiëring van de planning, de ontwikkeling en de uitvoering van het geïntegreerd natuurbeheer), B.S. 18 October 2017, https://codex.vlaanderen.be/PrintDocument.ashx?id=1028677&geannoteerd=true
Flanders, n.d., *subsidies and project calls* (subsidies en projectoproepen), https://natuurenbos.vlaanderen.be/subsidies-en-projectoproepen, accessed on 27 May 2025; Flanders, n.d., Annual report 2023: Together for more and better nature (*Jaarrapport 2023: Samen voor meer en betere natuur*), https://publicaties.vlaanderen.be/view-file/68494, accessed on 3 June 2025.
[13] Consultations with forestry associations from Flanders took place in September 2025. Their input has been addressed and included within this report.

        - The subsidy varies depending on the price of the acquired land, going from 90% of subsidy percentage for land that costs less than 10.000 EUR/ha to 10% for land that costs up to 50.000 EUR/ha.
        - A consulted forestry association mentioned that, in practice, this subsidy mostly unreachable for private forest owners. In Flanders, only a small number of private owners own a nature reserve; these areas are mostly owned by the government or other organisations (eg. Natuurpunt).
    - **Acquisition of land with the purpose of afforestation - Forest Compensation Fund**
        - The Flemish Region implemented a 'Forest Compensation Fund', through which persons or companies have to pay compensation in case they deforest an area of land. The money in this fund is then used to subsidize afforesting new areas (It amounts to €5,75/m²)[14]. Since 2019, 726 hectares was afforested. However, the impact of this regulation is not always found to be positive, as more deforestation takes place than afforestation. Moreover, this leads to further fragmentation and rejuvenation of the forests in Flanders[15].
        - It is a one-off subsidy for acquisition of land to be forested through an annual project call with funds from the forest compensation fund. With this fund, subsidies are being paid for afforestation.
        - Within the available budget of the Fund, the intervention is 60% or 80% of the purchase amount in the area designation 'forest' and 'reserve and nature', including all costs with a maximum subsidy of €5,6 per m².
- **Subsidies for afforestation or reforestation**
    - **Subsidy afforestation**
        - A subsidy for planting a forest with native species, possibly combined with poplars. The subsidy applies to both planting and natural regeneration. The subsidy can be acquired by natural persons, private and public legal persons, excluding the federal state, the Brussels-Capital Region, the Walloon Region or the Flemish Region.
        - The afforestation[16] subsidy is €2.5/m2 for planting and €1.96/m2 for natural rejuvenation.

[14] The price per m² follows indexation. Flanders, n.d., Forest compensation (boscompensatie), https://natuurenbos.vlaanderen.be/bomen-en-bossen/bomen-kappen-bos/boscompensatie, accessed 27 May 2025.
[15] Greenpeace, 28 June 2023, *New research: Flemish forests are outlawed for logging* (Nieuw onderzoek: Vlaamse bossen zijn vogelvrij voor de kap), https://www.greenpeace.org/belgium/nl/stories/52948/nieuw-onderzoek-vlaamse-bossen-zijn-vogelvrij-voor-de-kap/, accessed 27 May 2025; Vilt, 26 December 2024, more than 220 hectares deforested in Flanders in 2023 (*Meer dan 220 hectare ontbost in Vlaanderen in 2023*), https://vilt.be/nl/nieuws/meer-dan-220-hectare-ontbost-in-vlaanderen-in-2023, accessed on 3 June 2025.
[16] According to a consulted forestry association, the subsidy for reforestation is very low, and limited with very strict conditions. This often makes it difficult for private owners to focus on wood production (e.g. with poplar).

    - **Subsidy reforestation**
        - If an existing forest was duly cleared in the past, you can obtain subsidies to reforest the same land. The subsidy can be acquired by natural persons, private and public legal persons, excluding the federal state, the Brussels-Capital Region, the Walloon Region or the Flemish Region.
        - The subsidy for reforestation is €3,000/ha.
- **Subsidies for establishing, protecting and maintaining nature**
    - **One-off subsidy for preparing and amending a nature management plan. A basic allocation of 100 EUR/ha is provided (coupled to the health index).**
    - **Annual subsidy to make and keep a nature site accessible**
        - This is an annual subsidy to make the terrain accessible to the public. This relates to the development of roads and bivouac, play and dog areas.
        - For the first year the subsidy amounts to 70 EUR/ha and the next years, the amount is set at 40 EUR/ha. For a play zone, bivouac zone, dog zone or free access zone: €120/ha annually is provided.
    - **Annual management subsidy to realise nature targets (only for nature management plans type 2 or higher)**
        - **Basic subsidy**
            - This is a yearly subsidy to obtain nature targets as stipulated in the nature management plans. The subsidy varies according to the nature and area of the nature targets.
        - **Subsidy to realise forest transformation target**
            - Additional to the basic subsidy, an annual subsidy can be obtained for the conversion of homogeneous non-native forest to a forest nature target.
            - An annual fee of €140 per hectare is provided. The amount is adjusted annually according to the health index.

Additional subsidies:

- An annual subsidy (of 140 EUR/ha, taking into consideration the health index) can be obtained for the conversion of homogeneous non-native forest into a forest nature target image.
- An annual subsidy can be obtained for the conservation and improvement of species. The exact amount of the subsidy depends on the type of species that are improved.
- An annual subsidy (of 20 EUR/ha, taking into consideration the health index) can be obtained for the follow-up of result indicators, as laid down in the nature management plan.
- Only sites with a type 4 nature management plan be granted an annual subsidy (of 175 EUR/ha or 325 EUR/ha for old forests, taking into consideration the health index) can be obtained for the achievement and pursuit of unmanaged climax vegetations.

Project subsidies:

- Project grants for accessible, resilient and biodiverse nature, including project calls for nature, species, accessibility and for residual funding LIFE and Interreg projects[17].

Other subsidies: including subsidies and other measures for wolf prevention; subsidies for creating accessible green space in the Flemish area around Brussels; protection of nests and young breeding birds; subsidies for unprofitable works in nature, forest, green spaces and landscapes; wildlife management subsidies; and Project call for prevention of wild boar damage.

Tax exemptions:

There are different tax exemptions provided for natural assets, including forests, which reach a certain level of ambition. Forest owners can receive (partial) exemptions from inheritance taxes, gift taxes, registration taxes when selling the forest and yearly property taxes. To receive these exemptions, nature management plans need to be in place for the forest concerned[18].

In the table below, an overview is made of the tax exemptions based on which level of ambition a nature management plan sets out, defined by their nature target.

EXEMPTIONS UNDER NATURE MANAGEMENT PLAN	Type 2	Type 3	Type 4
Inheritance tax	50%	75%	100%
Gift tax	75%	100%	100%
Registration tax			100%
Yearly property tax			100%

For forest owners to receive any type of tax exemptions, two conditions need to be fulfilled. Firstly, the forest owner or manager will have to create a nature management plan for its forest. Secondly, this nature management plan needs to strive for a certain ambition, falling under a type two, three or four nature management plan (see first question under chapter 4.2 for the explanation on the types of nature management plans). Exemptions are in place for inheritance taxes, gift taxes, registration taxes and yearly property taxes[19].

[17] Flanders, n.d., *residual LIFE and Interreg project financing* (restfinanciering LIFE-en Interreg-projecten), https://natuurenbos.vlaanderen.be/subsidies-en-projectoproepen/subsidiesprojectoproepen-inrichting-van-natuur/restfinanciering-life-en-interreg-projecten, accessed on 27 May 2025.
[18] It should be noted that these benefits only apply to the taxed part by the Flemish Region; provinces and municipalities still apply this tax for their share. Flanders, n.d., *Fiscal benefits nature management plan* (fiscale voordelen natuurbeheerplan), https://www.natuurenbos.be/sites/default/files/inserted-files/anb_kompasnaald_fiscale_voordelen_natuurbeheerplan.pdf , accessed 27 May 2025.
[19] DECREE of 22 December 2017 on tax concessions associated with nature management plans (*Decreet betreffende de fiscal gunstmaatregelen die verbonden zijn aan natuurbeheerplannen*).

2.3. Funding provided by regional and local authorities

Each of the 8 local Forest Groups are funded by the provinces in the Flemish Region. This is the basis subsidy for all work that is handled by the Forest Groups. The Forest Groups are non-profit organisations that are funded partially by the provinces and the Flemish government. Besides this, local governments, such as provinces, sometimes provide specific project funding for certain goals, like afforestation. Some examples are:

- In 2019, the provincial council of Antwerp approved subsidies worth €1,633,873 million EUR for the Regional Landscapes and forest groups in the province of Antwerp[20].
- The province of East Flanders also provides yearly subsidies to Durme vzw and Natuurpunt, two nature associations, to buy land to afforest or restore nature[21]. In 2024 the two associations received 300.000 EUR in total. The exact amount of the yearly subsidies is decided by the deputation of the province.

2.4. Funding provided by foundations, business associations, educational or other institutions

The Forest Groups have a platform where donations can be made by private people and businesses that are used for forest management. These donations are used to carry out forest management works with private and public owners[22].

Natuurpunt, a nature association, has an innovation fund which supports educational nature projects up to 2500 euros. An example of a 2024 project is the 'forest bakery', which tries to connect vulnerable families through nature[23].

Corporations and other private investors also support forest organisations. For example, the Jane Goodall Institute Belgium is a corporate partner of Luminus. They financed the planting of 24,825 trees in Deinze by the organisation[24].

2.5. Innovative funding sources

Alternative funding sources are stimulated by BOS+, which is an organisation that is committed to the conservation, sustainable management and expansion of forests and trees, both in Flanders and abroad. Several crowd funding initiatives have been taken by this organisation for afforestation, such as a general forest fund or the 'company forest' initiative[25].

[20] Provincie Antwerpen, 8 March 2019, *EUR 1.6 million for basic development of Antwerp Regional Landscapes and forest groups* (1,6 miljoen euro voor basiswerking Antwerpse Regionale Landschappen en bosgroepen), https://www.provincieantwerpen.be/leefomgeving/nieuws-over-leefmilieu.masterdetail.html/p_detail_url/nl/dlm/dienst-duurzaam-milieu--en-natuurbeleid/nieuws/natuur-en-landschap/samenwerkingsverbanden--rl--ankona--bosgroepen------/1-6-miljoen-euro-voor-basiswerking-antwerpse-regionale-landschap.html, accessed 27 May 2025.

[21] Provincie Oost-Vlaanderen, 20 September 2024, *Province invests €300,000 in nature reserve in East Flanders* (Provincie investeert 300.000EUR in natuurgebied in Oost-Vlaanderen), https://pers.oost-vlaanderen.be/provincie-investeert-300000-in-natuurgebied-in-oost-vlaanderen, accessed 27 May 2025.

[22] See: https://bosgroepen.be/vrienden-van-de-bosgroepen/

[23] Natuurpunt, n.d., *Innovation fund* (Innovatiefonds), https://www.natuurpunt.be/dit-is-natuurpunt/natuuracademie/open-netwerk-en-algemene-vergadering/innovatiefonds, accessed 27 May 2025.

[24] Jane Goodall Institute Belgium, *Nature restoration* (natuurherstel), https://janegoodall.be/nl/bomen , accessed 4 November 2025.

[25] BOS+, n.d., invest in the forest fund (investeren in het bosfonds), https://bosplus.be/ik-wil-bomen-planten/investeren-in-het-bosfonds/, accessed 4 June 2025.

Together with the province of East Flanders and other governmental organisations, BOS+ realised a project with five farmers to test carbon farming via agroforestry[26]. With this project, BOS+ wants to offer citizens and companies who want to offset some CO2 emissions the opportunity to do so in Flemish agroforestry projects. The project started on 1 January 2022 and ran until 30 June 2024 and received support from the European Agricultural Fund for Rural Development. It was communicated that the Minister of Agriculture also intends to invest 25 million EUR in carbon farming in Flanders[27].

2.6. Other funding sources

The **Feel Wood project** portfolio (Interreg) consists of four projects (Forêt Pro Bos, Trans Agro Forest, ProFilWood and FormaWood), coordinated by a pilot project. Its aim is to respond to the problems and expectations of the various links in the forestry-timber sector throughout the Franco-Belgian cross-border region[28].

- A consulted forestry association affirmed that most subsidies – apart from those for afforestation – such as support for forest management plans or land acquisition, primarily benefit organisations managing their own forests and larger landowners, rather than small private forest owners. Although small forest owners collectively hold a substantial share of the forests in Flanders, they are generally ineligible for subsidies due to the limited size of their individual holdings. To address this, joint nature management plans are sometimes developed, grouping hundreds of owners under a type 2 or higher management plan, which enables them to access some support for forest management. However, this approach entails a considerable administrative burden.

[26] BOS+, 17 May 2022, New project investigates how much carbon forest agriculture, or agroforestry, sequesters (nieuw project onderzoekt hoeveel koolstof boslandbouw oftewel agroforestry vastlegt), https://bosplus.be/nieuws/nieuw-project-onderzoekt-hoeveel-koolstof-boslandbouw-oftewel-agroforestry-vastlegt/, accessed 4 June 2025.
[27] VRTNWS, 8 April 2025, Storing carbon in Flemish fields for climate has (a lot of) potential, but how does it work? (Koolstof opslaan in de Vlaamse akkers voor het klimaat heeft (veel) potentieel, maar hoe werkt het?, https://www.vrt.be/vrtnws/nl/2025/03/18/carbon-farming-wat-is-het-opslag-in-de-bodem-door-landbouwers-we/, accessed 4 June 2025.
[28] https://ec.europa.eu/regional_policy/en/projects/Europe/enhancing-the-value-of-local-forestry-timber-activity-in-the-franco-belgian-cross-border-regions

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