

milieu
Law & Policy Consulting

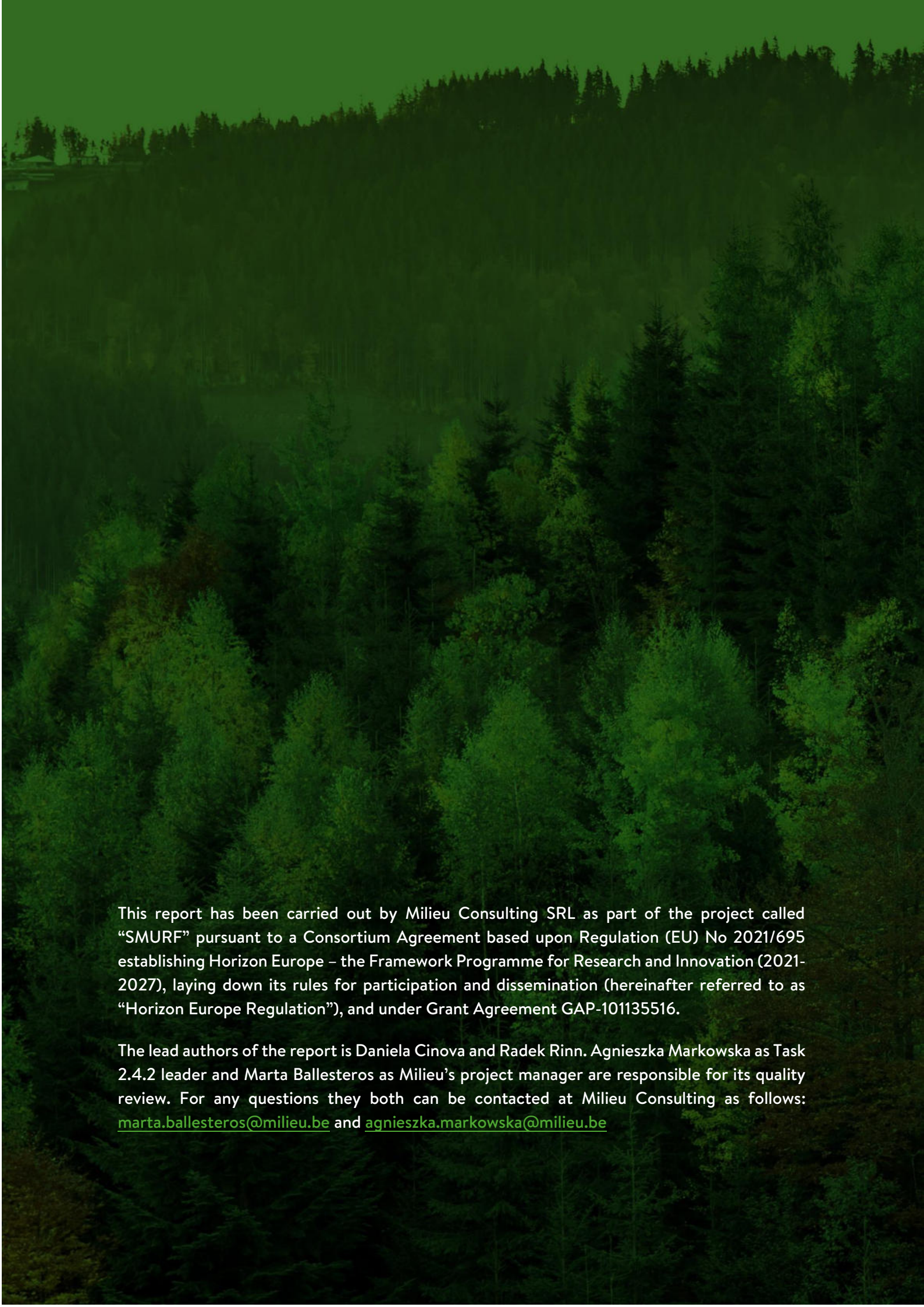
Financial incentives applicable to Small Forest Holdings and their impacts

Country Fact Sheet
Czechia

SMURF
THE FOREST OWNERS' PROJECT

Grant Agreement GAP-101135516.
June 2025

Funded by
the European Union



This report has been carried out by Milieu Consulting SRL as part of the project called "SMURF" pursuant to a Consortium Agreement based upon Regulation (EU) No 2021/695 establishing Horizon Europe – the Framework Programme for Research and Innovation (2021-2027), laying down its rules for participation and dissemination (hereinafter referred to as "Horizon Europe Regulation"), and under Grant Agreement GAP-101135516.

The lead authors of the report is Daniela Cinova and Radek Rinn. Agnieszka Markowska as Task 2.4.2 leader and Marta Ballesteros as Milieu's project manager are responsible for its quality review. For any questions they both can be contacted at Milieu Consulting as follows: marta.ballesteros@milieu.be and agnieszka.markowska@milieu.be

Table of Contents

Executive Summary 4

1. Financial incentives based on EU funding 6
   1.1. The European Regional Development Fund 6
   1.2. Common Agricultural Policy (CAP) 7
   1.3. International Funding 11
2. Financial incentives based on MS funding 12
   2.1. State aid 13
   2.2. Taxes and tax exemptions, subsidies 13
   2.3. Financial Contributions from the Ministry of Agriculture 13
   2.4. Support for Accredited Forestry Advisory Services (2021–2026) 20
   2.5. National Program for Forest Genetic Resources 21
   2.6. Agricultural and Forestry Guarantee Fund (PGRLF) Support 21
   2.7. Diesel Tax Refund for Forestry Operations 22
   2.8. Funding provided by regional and local authorities 22
      Karlovarský region 22
      Liberecký region 23
      Pardubický region 23
      Zlínský region 23
   2.9. Funding provided by foundations, business associations, educational or other institutions 23
   2.10. Innovative funding sources 23
   2.11. Other funding sources 24
3. Summary of financial support in Czechia: 25
      Evaluation of the system of financial support for SFHs 31
4. Financial incentives vs the objectives of the national/regional forestry strategies/plans ... 34
   4.1. Strategic objectives 34
   4.2. Alignment of the financial incentives with the strategic objectives 36
5. Summary and conclusions 41

Financial incentives applicable to Small Forest Holdings
WP2, Task 2.4.2

Executive Summary

Czechia offers a diverse array of financial incentives to support Small Forest Holdings (SFH) and other key stakeholders in the forestry value chain, funded through various sources. At the same time, it is important to note that in Czechia there are no special financial incentives intended only for SFHs, but that larger forest owners can also use them.

A significant portion of financial support for forestry-relevant activities in Czechia originates from EU funding. Since its EU accession in 2004, Czechia has been a major beneficiary of cohesion funding, with EUR 6.3 billion allocated for the 2021-2027 financial period, much of which targets a "greener, carbon-free Czechia". The European Regional Development Fund (ERDF) is a key mechanism, primarily implemented through national and regional operational programs (OPs). The OP Environment (€2.4 billion) for 2021-2027 is directly managed by the Ministry of Environment and support nature protection, afforestation, and natural risk prevention, primarily through grants. A notable example of direct support for SFH includes specific calls, such as the "Modification of Forest Stands" program, which aims to enhance ecological stability and biodiversity.

Similarly, the Common Agricultural Policy (CAP) Strategic Plan for 2023–2027 includes 11 forestry-related initiatives, designed to assist forest owners, Small Forest Holdings (SFH), and other stakeholders in the forestry value chain. The CAP is the most important source for forestry incentives from the EU funding. These interventions cover a wide range of activities, including reforestation, technological investments in forestry, forestry infrastructure, water management measures, non-productive forest investments, and the conversion of replacement tree stands. Before the implementation of the CAP Strategic Plan 2023-2027 (CAP), the foresters could use the Regional Development Programme (RDP) also funded from CAP.

In total, over EUR200 million is allocated to these forestry initiatives in the current financing period (2021-2027), with specific funding for projects ranging from forest stand modifications to biodiversity preservation in Natura 2000 areas and the conservation of forest genetic resources. These initiatives aim to enhance forest management, improve resilience to climate change, and support sustainable forestry practices across the country.

Regarding Member State (MS) funding, the Czech Ministry of Agriculture provides substantial financial contributions based on the Forest Law (Article 46), supporting a range of sustainable forest management practices. These include grants for ecological and nature-friendly technologies, such as timber extraction by cable or horse, wood chipping, and various forms of forest regeneration, tending, and protection for young stands. Funding is also available for approved digital Forest Management Plans and bark beetle wood sanitation efforts. These contributions are notably exempt from income tax for individuals.

Other national programs include financial support for accredited forestry advisory services (covering 80% of costs up to CZK 40,000/year or approximately EUR1,630), and the National Program for Forest Genetic Resources. The Agricultural and Forestry Guarantee Fund (PGRLF) plays a crucial role by offering financial products such as subsidized interest rates (up to 5% p.a.) on loans (up to CZK 10 million, or approximately EUR408,000) and insurance subsidies (up to 50% of premiums) for forest stand and nursery production insurance, with a total available funding of CZK 20 million (approximately €805,760). Additionally, forestry operations benefit from a diesel tax refund at a rate of CZK 3,380 per 1,000 litres (approximately EUR 138/1,000 litres).

Beyond national schemes, several regional authorities in Czechia offer specific forestry-related subsidies. As an example, some of them can be mentioned. The Karlovarský region supports incidental logging, individual forest protection against wildlife and insect damage, and wild boar population reduction. The Liberecký region provides subsidies for pest control, wildlife damage, forest road improvements, and African Swine Fever prevention. The Pardubický region offers subsidies for forest road repairs, bark beetle management, and support for hunting societies. The Zlínský region specifically supports water management and stabilization of forest roads, with an emphasis on water retention and quality improvement in drinking water reservoir areas. A certain weakness of these financial sources is their instability, linked to the fact that the regions do not have this source as a systemic one and determine it for each year ad hoc. At the same time, these are very marginal amounts compared to other financial sources.

As of the current reporting period, no relevant funding programs or financial support for forestry or related activities have been identified from foundations, business associations, educational institutions, or other similar organizations. Additionally, no innovative funding sources specific to the forestry sector were uncovered.

1. Financial incentives based on EU funding

1.1. The European Regional Development Fund

In Czechia, the European Regional Development Fund (ERDF), along with the Cohesion Fund, serves as a significant source of funding for initiatives related to the environment, climate, and biodiversity. Czechia has been a beneficiary of cohesion funding since its accession to the EU in 2004. These funds are implemented through national and regional operational programs (OPs). The overall management and coordination of the EU Cohesion Policy Funds in Czechia are under the direction of the National Coordination Authority, which is performed by the Ministry of Regional Development.

For the current 2021-2027 financial period, the Cohesion Policy in Czechia is implemented through nine Operational Programmes. A significant portion of the allocated EUR 6.3 billion for this period focuses on achieving a "greener, carbon free Czechia". The sources identify two main OPs relevant to biodiversity and climate:

- **OP Environment:** This program has a budget of EUR 2.4 billion for 2021-2027 and focuses, among other things, on nature protection, landscape conservation, and air quality.

- **OP Just Transition:** This program has a funding of €1.6 billion throughout 2021-2027 and is centered on the transition towards a climate-neutral economy.

Both the OP Environment and OP Just Transition are directly managed by the Ministry of Environment. The scope of support under ERDF and Cohesion Fund related to these OPs includes **Nature protection, afforestation, and natural risk prevention**. The financing is primarily provided through grants, although other financial instruments such as loans or loan guarantees are also possible.

Within the framework of the OP Environment and OP Just Transition, specific calls have been published which are relevant for small forest holders seeking support for sustainable forest management. One such example is the 83rd Call called “Modification of forest stands”, scheduled to open on 17 September 2025 and close on 31 March 2026. This call supports the adjustment of forest stands towards a more natural structure and species composition, with the objective of enhancing their ecological stability and biodiversity. The total allocation for this call is CZK 150 million (approximately 6 034 000€). Importantly, eligible applicants include churches and religious societies, voluntary associations of municipalities, non-business natural persons, business natural persons, regions, municipal districts of the capital city of Prague, foundations, endowment funds, institutes, associations and public benefit organisations, municipalities, commercial companies and cooperatives, state organisational units, contributory organisations, state enterprises, public law institutions, public research institutions, and universities, schools and educational establishments. The type of support provided under this call is a direct grant[1]. A similar initiative was also implemented under the 39th Call (open from 9 August 2023 to 31 July

[1] For more information about this call visit : https://opzp.cz/dotace/83-vyzva/

2024), which supported comparable forest stand adjustment activities and was likewise accessible to small forest holders[2].

A relevant example of a successfully implemented project is the initiative "*Velký bor u Strunkovic: Forest Improvement Works*", funded under the 2021–2027 programming period of the OP Environment. In this project, the beneficiary Jaroslav Kadlec — a private landowner in the South Bohemian Region — constructed new ponds, revitalised a riverbed, and carried out forest stand reconstruction on his land. The project was supported under Specific Objective 1.6, which focuses on strengthening the protection and conservation of nature, biodiversity, and green infrastructure, including in urban areas, and on reducing all forms of pollution. The project received an EU grant of CZK 3 714 695 (approximately 150 000€), which covered 100% of the eligible costs[3].

Regarding the previous financing period (2014-2020), the **Operational Program Environment (OPŽP) 2014-2020**, also managed by the Ministry of Environment (MŽP), was relevant for potential support. Under this program, owners of forest properties were explicitly indicated as potentially eligible for support. Priority Axis 4 of OPŽP 2014-2020 focused on the protection and care for nature and landscape, aiming to halt the decline of biodiversity, protect endangered species, ensure ecological stability, and support natural elements in settled areas. Supported areas included strengthening biodiversity and the natural functions of the landscape, with specific mention of **"care for forest communities"** as an eligible activity.

1.2. Common Agricultural Policy (CAP)

The Czech Republic's **CAP Strategic Plan for 2023–2027** includes various interventions aimed at supporting forest management, biodiversity, and climate change resilience. These measures are specifically designed to assist forest owners, small forest holders, and stakeholders in the forestry value chain through financial support and technical investments. During the implementation of the CAP, the examples of following areas are covered:

- Forestry infrastructure

Projects in this category aim to support the restoration and construction of forestry infrastructure with the aim of improving the quality and density of forest roads. The reconstruction, construction of forest roads and other facilities and technical equipment are supported. The main idea of the support is to make stands accessible for economic purposes, and secondarily for recreational or conservation purposes, increasing the retention capacity of the landscape, etc.

- Implementation of preventive measures in forests

The aim of this measure is to prevent damage caused by floods. Funds are provided for the construction and repair of stream dams, retention reservoirs, etc.

[2] For more information about this call visit : https://opzp.cz/dotace/39-vyzva/

[3] For more information about this project visit : https://opzp.cz/projekt/velky-bor-u-strunkovic-lesni-melioracni-upravy/

- Implementation of preventive measures in forests

The aim of this measure is to prevent damage caused by floods. Funds are provided for the construction and repair of stream dams, retention reservoirs, etc.

- Implementation of preventive measures in forests

The aim of this measure is to prevent damage caused by floods. Funds are provided for the construction and repair of stream dams, retention reservoirs, etc.

- Restoration of forest stands after disasters

The aim of this operation is to reduce damage caused by natural disasters (e.g. fires). The funds are intended for the removal of damaged forest stands (under 40 years old), for subsequent preparation for afforestation, etc.

- Flood damage repair

This operation again responds to the situation caused by natural disasters. Applicants received funds paid for project documentation, design and survey work, damage repair, etc.

- Investments in the protection of land reclamation and strengthening trees

Financial resources are provided for the planting and further provision of land reclamation and strengthening trees with the aim of ensuring greater resilience of stands and the fulfillment of non-productive functions of the forest.

- Non-productive investments in forests

The essence of this operation is to support the recreational functions of the forest. The funds can be used for the construction, reconstruction and maintenance of trails, project documentation, information boards (and other additional items), gazebos, footbridges, bridges, railings, etc.

- Conversion of stands of replacement trees

This operation is aimed at the reconstruction of stands of replacement trees located in pollution zones A or B (according to the relevant Decree No. 78/1996 Coll., on the determination of zones of forest threat due to pollution). The support includes preparation of areas before afforestation, reduction of stumpage for the purpose of underplanting (or removal of the original stand), artificial regeneration by planting, fertilization of trees during planting, subsequent protection of the stand, etc.

- Forestry machinery and technology

The aim of this operation is to support investments in the purchase of forestry machinery and the introduction of new work procedures that will help improve the economic value of forests by reducing damage to forest soil and stands. The funds can also be used to purchase machinery and technologies for forest cultivation and other purposes.

Table 1 below summarises the interventions, including details about eligibility, funding, and deadlines[4].

[4] For more detailed rules and guidelines, please visit the Ministry of Agriculture's official website: mze.gov.cz/spszp

Table 1: ***CAP Strategic Plan 2023-2027 - Forestry Interventions Summary:***

Intervention Name	Target Audience	Funding Type	Grant Amount	Total Allocated Budget	Indicators	Application Deadline	Additional Notes
Reforestation of agricultural land	Land owners, co-owners, farmers, land managers	Grants for reforestation and maintenance	For fir, pine, beech, oak, lime, and Douglas fir the grant amounts to EUR 3 879/ha. For other tree species it amounts to EUR 2 923/ha	EUR 902 830	13 051 ha	By 30 Nov 2025	Grant for forest establishment and maintenance
Technological investments in forestry – forest owners	Forest owners (min. 3 ha)	50% grants for technology investment	CZK 50,000 - 10,000,000 (EUR 2,000 - 400,000)	EUR 50 000 000 (jointly for technological investment in forestry - forest owners; forest nurseries and basic wood processing)	2106 investments / supported interventions (jointly with forest nurseries and basic wood processing investment)	29 Apr - 20 May 2025	For machines and equipment related to forest management
Forest nurseries investments	Forest nurseries	50% grants for nursery investments	CZK 50,000 - 5,000,000 (EUR 2,000 - 200,000)	EUR 50 000 000 (jointly for technological investment in forestry - forest owners; forest nurseries and basic wood processing)	2106 investments / supported interventions (jointly with forest nurseries and basic wood processing investment)	29 Apr - 20 May 2025	Supports machinery, equipment, and land acquisition for nurseries
Basic wood processing investments	Forest entrepreneurs	50% grants for wood processing investment	CZK 50,000 - 10,000,000 (EUR 2,000 - 400,000)	EUR 50 000 000 (jointly for technological investment in forestry - forest owners; forest nurseries and basic wood processing)	2106 investments / supported interventions (jointly with forest nurseries and basic wood processing investment)	29 Apr - 20 May 2025	For machinery and technologies related to wood processing
Investments in forestry infrastructure	Forest owners (min. 3 ha)	80% grants for forest infrastructure	CZK 500,000 - 12,000,000 (EUR 20,000 - 480,000)	EUR 80 000 000	800 investments / supported interventions	29 Apr - 20 May 2025	Supports construction and maintenance of forest roads
Water management measures in forests	Forest owners, land managers, experts	100% grants for water management	CZK 100,000 - 8,000,000 (EUR 4,000 - 320,000)	EUR 6 238 308	58 operations / supported interventions	29 Apr - 20 May 2025	Funding for water management and flood prevention in forests
Non-productive forest investments	Forest owners, land managers	100% grants for non-productive forest investments	CZK 100,000 - 3,000,000 (EUR 4,000 - 120,000)	EUR 7 807 098	203 operations / supported interventions	29 Apr - 20 May 2025	Supports recreational infrastructure and environmental improvements

Intervention Name	Target Audience	Funding Type	Grant Amount	Total Allocated Budget	Indicators	Application Deadline	Additional Notes
Conversion of replacement tree stands	Forest owners, land managers	100% grants for conversion of tree stands	CZK 100,000 - 40,000,000 (EUR 4,000 - 1,600,000)	EUR 15 216 390	45 operations / supported interventions	4th Quarter 2025	For restoration of tree stands after calamity
Preservation of forest stand type	Forest owners, tenants, user associations	EUR 195/ha/year for 5 years	EUR 195/ha/year (CZK 4,800/ha/year)	EUR 15 855 030	101 415 ha	15 May annually for 5 years	Specific for Natura 2000 areas
Genetic resources conservation	Forest owners, land managers, user associations	EUR 71/ha/year for 5 years	EUR 71/ha/year (CZK 1,800/ha/year)	EUR 2 679 000	37 500 ha	15 May annually for 5 years	Conservation of selected reproductive material in the forest genetic fund
Preservation of habitat trees	Forest owners, tenants, user associations	EUR 143/ha/year for 5 years	EUR 143/ha/year (CZK 3,600/ha/year)	EUR 15 855 030	101 415,00 ha (jointly with preservation of forest stand type)	15 May annually for 5 years	Conservation of trees with important habitats for biodiversity

1.3. International Funding

Projects relevant to SFHs 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

Financial contributions for forest management provided from the state budget are provided to persons with the rights and obligations of a forest owner. According to Government Regulation No. 30/2014 Coll., these contributions are authorized to be provided by the Ministry of Agriculture (MoA), the Ministry of Environment (MoE) and the Ministry of Defence (MoD). In the case of the MoE, these are contributions for forests in the territory of national parks and their protection zones. The MoD provides these contributions for management in military forests. From a financial point of view, this is a negligible amount for both of these ministries. At the same time the MoD is not relevant for SFHs. The MoA provides the highest financial share of these contributions, namely for management in other forests (if they are not owned by the state). In terms of the aim, the contributions of MoA, MoE and MoD are similar. Ecological and nature-friendly technologies in forest management are supported, as are contributions to the restoration, maintenance and protection of forest stands up to 40 years old, contributions to measures to restore forests damaged by air pollution and forests withering due to anthropogenic influences, contributions to the creation of forest management plans and contributions to forest protection.

As a residue of previous years, when financial contributions were paid mainly from the regional level, these regional contributions have been retained to a marginal extent. They are still provided from the regional level and their amount and focus depend on the priorities of the regional authorities. This is not a very systemic solution, but it is negligible from the point of view of the amount of contributions.

The so-called bark beetle contribution became very important in the years after the bark beetle disaster. A financial contribution to mitigate the impacts of the bark beetle disaster in forests was provided from the budget of the MoA to all forest owners outside the territory of national parks and their protection zones and outside the territory of military forests. This contribution responded to the unfavourable development of market prices of coniferous wood from random logging. These prices did not cover the costs related to the restoration after the bark beetle disaster in the Czech Republic and the subsequent restoration of the forest (including cultivation care). This financial support was approved by the Resolution of the Government of the Czech Republic of 30 July 2019 No. 548 and its provision was spread over three phases, in which applications were received. In the first phase (for the period from 1 October 2017 to 31 December 2018), the contribution was provided only to non-state forest owners. In the second phase (for 2019) and the third phase (for 2020), the beneficiaries of the contribution were expanded to include state forest owners.

The bark beetle contribution was provided in 2018–2021 (2022) with the aim of supporting activities related to the elimination of damage after the bark beetle calamity. The application process was closed in 2021 (although funds were also paid out in 2022). At the same time, a program to support forest adaptation to climate change was launched in 2022. It was intended for owners who prepare forests for the impacts of climate change, manage them in a way close

to nature, support natural forest regeneration, increase their species diversity and care for forest land. The program was intended for private and state forest owners until 2026. It contained very relevant measures for forest owners, but unfortunately it was cancelled in 2024 without compensation due to lack of funds. This fact greatly weakened the trust of applicants in the state financial support system.

2.1. State aid

According to the European Commission's State Aid Transparency database[5], a total of 84 aid projects have been reported by Czechia under NACE sector 02, which covers agriculture, forestry, and aquaculture. However, a detailed review of these projects shows that **none of them explicitly focus on forestry or forest management activities** relevant to small forest holders or forestry value chain stakeholders.

Most of the reported projects predominantly target agricultural activities such as swine-breeding revival programmes, fish farming, crop protection, and expert consultations related to agricultural production. Other projects support non-governmental organizations and research institutes primarily involved in agriculture, environmental protection, or related sectors, without direct linkage to forestry. Compensation schemes focus on damages caused by animal diseases or plant pests affecting crops rather than forest pests.

2.2. Taxes and tax exemptions, subsidies

Based on a handbook prepared by the Association of Owners of Municipal, Private and Ecclesiastical Forests in the Czech Republic, the following financial initiatives were identified in the category of 'taxes and tax exemptions, subsidies'.

2.3. Financial Contributions from the Ministry of Agriculture

The Ministry of Agriculture provides a range of financial contributions aimed at supporting sustainable forest management practices.

Legal basis: Forest Law – Article 46, Government Regulation No. 30/2014.

Eligible forests: Non-military forests outside national parks and their protective zones.

Beneficiaries: Forest owners or persons with ownership rights and obligations (e.g., leaseholders).

Application procedure: Notifications and applications submitted to regional authorities via eagri.cz/mpz, within 3 months after work completion.

Main types of financial contributions include:

- Ecological and nature-friendly technologies:
- Timber extraction by cable system: 200 CZK/m³ (~8.2 EUR/m³)
- Extraction by horse: 120 CZK/m³ (~4.9 EUR/m³)

[5] State Aid Transparency Public Search

- Extraction by forwarding machines (max axle load ≤ 6000 kg): 50 CZK/m³ (~2.0 EUR/m³)
- Wood chipping/crushing with spreading: 25 000 CZK/ha (~1020 EUR/ha)
- Extraction by "iron horse": 80 CZK/m³ (~3.3 EUR/m³)
- Forest regeneration, tending, and protection for stands ≤ 40 years:
- Natural regeneration: 20 000–30 000 CZK/ha (~820–1225 EUR/ha)
- Artificial regeneration by seeding: 20 000–30 000 CZK/ha (~820–1225 EUR/ha)
- Artificial regeneration by planting: seedlings 9–15 CZK/pc (~0.37–0.61 EUR/pc), saplings 30–50 CZK/pc (~1.22–2.04 EUR/pc)
- Stand tending and care, fencing, soil prep, logging residue storage, ranging 10 000–70 000 CZK/ha or km (~410–2857 EUR/ha or km)
- Approved digital Forest Management Plan: up to 400 CZK/ha (~16 EUR/ha)
- Sanitation of bark beetle wood by various methods: 75–350 CZK/m³ (~3–14 EUR/m³)
- Chipping damaged conifers: 28 000 CZK/ha (~1143 EUR/ha)
- Pheromone dispenser installation: 150 CZK/pc (~6.1 EUR/pc)

The financial contributions for forest management from the MoA were chosen for a more detailed analysis. This choice reflects the fact that, through the design of these contributions—their specific targeting and financial rates—the state effectively articulates its forestry priorities in response to current national challenges. A notable example is the bark beetle subsidy introduced during the recent calamity. The legal basis for providing such contributions is established in the Forestry Act, while their practical implementation is carried out through government regulations, which annually set binding rules for allocating financial support. A detailed overview of the forestry-related financial contributions administered by the Ministry of Agriculture is presented here. The contributions are granted under the following Titles:

TITLE	Financial contribution
TITLE I	Financial contribution to ecological and nature-friendly technologies in forest management
TITLE II	Financial contribution for restoration, securing, and management of forest stands up to 40 years of age
TITLE III	Financial contribution to increase the share of improvement and strengthening of trees
TITLE IV	Financial contribution to support the association of forest owners and to support management in joint forests of owners of small areas
TITLE V	Financial contribution to forest protection
	Bark beetle contribution

Each of these Titles further contains specific, concrete contributions, which are detailed below. From the methodological point of view is necessary to mention that contributions of Title II and Title III were put together. The contributions from title IV are not mentioned more because there were no applications and request for this money from the forest owners´ side.

To clarify the information presented there, it should be noted that Titles II and III refer to subsidies targeted at "improvement, melioration, and reinforcement species" — tree species that are more resistant to harmful environmental factors such as wind, snow, or heavy rainfall (e.g., oak, beech, lime). Support is also directed to "basic target and preparatory species," which are used in the initial phase of reforestation to occupy clearings and create suitable conditions for the subsequent establishment of target tree species (e.g., birch, aspen). For seedlings, categories further differentiate planting material by size and origin.

In response to the severe bark beetle outbreak that affected Czech forests, the MoA concluded in 2017 that support schemes for forest owners needed to be adapted to reflect the significant impact of the calamity. Major problems for forest owners became evident in 2017, and the acceptance of applications for a special bark beetle subsidy began during this period. In line with EU state-aid rules, the introduction of this measure required notification and approval by the European Commission. Authorization of the "Framework Programme for Addressing Risks and Crises in Agriculture – compensation for damage caused by forest pests" was granted in 2019.

The financial contribution to mitigate the bark beetle crisis was provided from the MoA budget to all forest owners outside national parks, their buffer zones, and military forests. The amount awarded was calculated by multiplying the volume of coniferous wood from incidental (salvage) felling by a rate representing the difference between the average market price of such wood in the relevant period and the price required to cover the costs of forest regeneration, subsequent tending, and professional forest management. The harvested volume had to be documented through logging records, transport documents, or wood sales contracts. Each year, applications were evaluated according to MoA guidelines (principles defining the conditions for receiving financial support to mitigate the bark beetle outbreak in state and non-state forests), and the scheme was terminated on 15 October 2021 as the outbreak subsided.

Financial rates for all contributions changed over the studied period. For the bark beetle subsidy specifically, three different financial levels were applied across successive application rounds. Finances were paid in CZK, but for comparability the amounts were converted to EUR. For the calculation, the exchange rate as of 30/6/2022 according to the CNB was chosen, which was 1 EUR = 24.74 CZK.

Financial contributions are a very important tool for forest owners (including SFHs) to help them implement state-supported forestry activities. In the first years of the monitoring period, we see a very significant impact of the bark beetle contribution, which essentially replaced the loss of foresters' profit due to the disaster. In the last two years, the key increase is in the area of reforestation with the aim of quickly reforesting disaster areas.

For each of the above-mentioned contributions, in addition to the financial amounts paid, the units of measure that were supported are also monitored annually. These are most often hectares or cubic meters. In rare cases, they are kilometers or pieces. Unfortunately, these indicators are not set in advance with the aim of fulfilling them, but they are reported after the contributions have been paid out based on successfully supported applications.

More detailed information about these contributions including their budget allocations in the years 2018-2023 is provided in the table below.

Table 2 Financial contributions from the Ministry of Agriculture

Category	Contribution identification including information about the type of support	Amount granted (EUR)						
		2018	2019	2020	2021	2022	2023	INDICATORS
Financial contribution to ecological and nature-friendly technologies in forest management (Section 3)	Gathering wood by cable logging in forests	350,600	256,376	406,229	532,612	254,648	1,604,689	m^3
	Gathering wood by horse in forests	1,216,621	1,755,603	2,587,597	2,066,942	1,224,737	3,399,353	m^3
	Gathering wood mechanically in forests	457,220	837,180	1,491,239	1,876,147	1,095,392	3,221,504	m^3
	Chipping or crushing of brash	254,357	881,850	2,302,832	2,816,600	1,996,766	5,036,378	ha
	Gathering wood with a forest crawler in forests	9,439	13,109	16,084	24,526	16,168	177,850	m^3
		2,288,238	3,744,118	6,803,982	7,316,827	4,587,711	13,439,774	
Financial contribution for the restoration, securing and management of forest stands up to 40 years of age (Section 4)	Natural renewal – meliorating and strengthening trees	158,117	403,469	392,372	1,609,217	3,354,891	4,163,298	ha
	Natural renewal – basic target and preparatory wood species	51,811	310,315	311,853	801,985	1,907,842	1,883,589	ha
	Artificial restoration by first planting – meliorating and strengthening trees – seedlings, saplings	6,888,831	16,343,999	22,780,146	30,565,142	48,375,101	53,088,116	ha
	Artificial restoration by first planting – basic target and preparatory trees – seedlings, saplings	1,044,966	1,324,249	1,694,885	3,140,629	6,515,764	9,304,770	ha
	Artificial restoration by repeated planting – meliorating and strengthening trees – seedlings, saplings	0	0	0	0	1,079,224	24,252	ha

Category	Contribution identification including information about the type of support	Amount granted (EUR)						
		2018	2019	2020	2021	2022	2023	INDICATORS
	Artificial restoration by repeated planting – basic target and preparatory trees – seedlings, saplings	0	0	0	0	153,597	4,042	ha
	Ensuring forest stands – meliorating and strengthening trees	1,289,879	2,000,471	2,055,987	3,286,107	4,248,181	5,537,591	ha
	Ensuring forest stands – basic target and preparatory trees	570,363	505,356	473,280	1,402,793	1,471,302	1,806,791	ha
	Follow-up care of planting – improvement and strengthening, basic target and basic preparatory trees	4,075	8,823	7,886	5,432,549	11,548,100	28,282,134	ha
	Transformations, reconstruction	46,579	73,085	57,143		4,042	28,294	ha
	Managing forest stands	1,522,191	1,598,048	2,066,700	3,393,358	8,375,101	15,759,903	ha
	Setting up fences	0	0	0	0	6,746,160	14,818,108	km
	Mechanical soil preparation	0	0	0	0	654,810	1,774,454	ha
	Cleaning brush piles/mounds	0	0	0	0	2,805,174	8,411,479	m^3
		11,576,813	22,567,814	29,840,252	55,354,277	97,239,289	144,886,821	
Financial contribution to forest protection (Section 35b)	Decontamination with an insecticidal net	0	241,533	1,226,174	455,838	198,060	80,841	m3
	Decontamination by insecticide spraying	0	375,303	2,174,782	2,880,606	2,433,306	1,584,479	m3
	Decontamination by debarking	0	78,869	340,096	1,202,164	1,216,653	1,984,640	m3
	Chipping of conifers	0	27,976	22,301	109,864	4,042	4,042	ha
	Decontamination with a combination of insecticide spray and non-woven fabric	0	0	0	53,270	24,252	8,084	m3
	Installation of pheromone vaporizers	0	0	0	0	0	48,504	pieces
			723,680	3,763,352	4,701,743	3,876,313	3,710,590	ha

Category	Contribution identification including information about the type of support	Amount granted (EUR)						
		2018	2019	2020	2021	2022	2023	INDICATORS
Bark beetle contribution (Section 35b)			39,611,964	283,751,011	133,346,807	64,672,595	0	

Contributions are exempt from income tax for individuals. Work quality must be confirmed by a professional forester. Same work not funded twice from public sources. The total amounts provided in the years 2018-2023 are summarised below:

Year	2018	2019	2020	2021	2022	2023
Total Budget	13 865 051	66 647 576	324 158 597	200 719 654	170 375 908	162 037 185

It is very difficult to formulate analyses of the development of supported projects, allocation of funds and predictions of further development. From the above table of total funds used, it is clear that the most funds were allocated for support in 2020, 2021 and 2022. These are the years in which the state financially responded to the consequences of the ongoing bark beetle disaster in the forests of Czechia. At that time, it was essential to support forest owners, as they were losing significant profits. In subsequent years, the funds have already started to decrease and it cannot be assumed that they will increase noticeably. Unfortunately, the total budget used depends primarily on political preferences in a given year and on how much the contributions respond to the current situation. Therefore, it is not possible to propose a prediction for the following years. Data for 2024 have not yet been statistically processed and published.

The application can be submitted via this portal: https://mze.gov.cz/public/app/MpZ/Gui

More information about this initiative can be found in the handbook prepared by the Association of Owners of Municipal, Private and Ecclesiastical Forests in the Czech Republic, and on the Website of the Ministry of Agriculture and prispevky@mze.gov.cz

2.4. Support for Accredited Forestry Advisory Services (2021–2026)

The Czech Ministry of Agriculture provides financial support to accredited forestry advisory services to enhance the expertise and decision-making of forest owners and managers.

Topics include forest protection, climate impacts, management, economics, law compliance, diversification, plant health, safety, and control mechanisms.

Support: 80% of costs, up to 40 000 CZK/year (~1630 EUR).

During the research, it was not possible to identify the total allocated budget for this intervention.

Application: To Forest Management Institute from 1 Jan; documentation due by 31 Oct.

For more information about this initiative visit :
https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/podpora-poradenstvi-v-lesnim

For more information about this initiative visit :
https://mze.gov.cz/public/portal/mze/lesy/dotace-v-lesnim-hospodarstvi-a-myslivosti/podpora-poradenstvi-v-lesnim

2.5. National Program for Forest Genetic Resources

This program supports the conservation and management of forest genetic resources in the Czech Republic.

This program provides support for:

Genetic seed bases: up to 200 CZK/ha/year (~8 EUR/ha/year)

Recognised reproductive sources: up to 1000 CZK/year (~41 EUR/year) per source

Seed orchards/clones: up to 80% of verified costs

During the research, it was not possible to identify the total allocated budget for this intervention.

Applications for funding are submitted annually to the Forest Management Institute in Brandýs nad Labem between January 1 and September 30.

For more information about this initiative visit : https://nli.gov.cz/portfolio/narodni-program-ochrany-a-reprodukce-genofondu/

2.6. Agricultural and Forestry Guarantee Fund (PGRLF) Support

The Agricultural and Forestry Guarantee Fund plays a crucial role in supporting forestry and agricultural enterprises in the Czech Republic by providing financial products designed to improve investment capacity and reduce operational risks. Through subsidised interest rates on loans, insurance premium support, and targeted credit programs, the PGRLF facilitates access to capital for investments in modern machinery, infrastructure, and insurance protection essential for sustainable forest and agricultural management.

The following types of support are provided:

- support for insurance of forest nursery production against unforeseen damages (up to 50 % of the insurance costs paid),
- support for insurance of forest stands against unforeseen damages caused by fires or abiotic factors (up to 50 % of the insurance costs paid),
- support in the form of a subsidy of part of the interest on investment loans (Forestry and Wood Processor programs),
- interest-bearing loans with the possibility of reducing the principal of the loan under the de minimis regime for the acquisition of investment assets (Forestry Investment Loans program).

Interest subsidies: up to 5% p.a. on loans

Loan amounts: 100 000 CZK to 10 million CZK (~4 080 to 408 000 EUR)

Supported machinery: forest tractors, harvesting machines, winches, chippers, soil preparation tools, wood storage investments.

Key programs:

- Forestry management (with a total funding of max. 20 million CZK (~805 760 EUR) per year based on annual funding renewal)
- Wood processing (no information on total funding available)
- Farmer program (forest nurseries included) (no information on total funding available)

Insurance subsidies: Up to 50% of premiums for forest stand and nursery production insurance.

Applications: via pgrlf.cz year-round.

2.7. Diesel Tax Refund for Forestry Operations

The Czech Republic provides a **refund of excise duty on diesel fuel** used specifically for forestry activities. This refund aims to reduce operational costs for forest managers and contractors engaged in essential forest management tasks.

Refund rate: 3 380 CZK per 1 000 litres diesel (~138 EUR/1 000 litres).

Eligible: Forestry operators, including service providers.

Claim: Quarterly, via customs office.

For more information about this initiative visit: Czech Customs – Green Diesel Refund

2.8. Funding provided by regional and local authorities

The research identified also funding coming from the regional and local authorities in Czechia. Below are some examples of them.

Karlovarský region[6]

- **Support for increased costs in processing incidental logging** in 2024, and for individual forest protection against wildlife damage (fencing, brush covering, mechanical terminal protection), and protection against insect pests (traps and snares).
- **Support for reducing the wild boar population** in the region with subsidies for each wild boar caught.
- **Application deadlines:**
    - *Logging-related activities*: July 1–14, 2025
    - *Wild boar hunting*: April 15–24, July 15–24, October 15–24, and January 16–26, 2026
    - Applications can be submitted via Karlovarský kraj's online portal.

[6] For more information about funding provided by Karlovarsky region visit https://www.kr-karlovarsky.cz/dotace/dotacni-programy-karlovarskeho-kraje/oblast-zivotniho-prostredi-zemedelstvi

Liberecký region[7]

- **Subsidies for pest control** (including trap installation and pest elimination), damage caused by wildlife (e.g., anti-gnawing treatments, mechanical protection), and forest road improvements (via de minimis funding).
- **Support for African Swine Fever prevention** by providing funding for refrigeration equipment to store harvested game.
- **Application deadlines**: Up to 3 months after the completion of activities, no later than December 31, 2025.

Pardubický region[8]

- **Subsidies for forest road repairs** (up to 500 hectares) and for managing bark beetle-infested trees (up to 50 hectares) with required sanitation post-harvest.
- **Support for district hunting societies** and for equipment to reduce wildlife mortality (e.g., fawns during mowing).
- **Application period**: February 1–28, 2025, for road repairs and hunting society support.

Zlínský region[9]

- **Support for water management and stabilization** of forest roads, ensuring water retention in forest paths and improving water quality in drinking water reservoir areas.
- **Application period**: January 27–February 21, 2025, with project implementation beginning on February 22, 2025, and completion by November 21, 2025.

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

Forestry activities and forestry research is strongly supported by national funding agencies. As the main one the NAZV (National Agency for Agriculture Research), led by the Ministry of Agriculture, must be mentioned. Another source are programmes and calls from Technological Agency of the Czech Republic (TACR). Both these agencies open calls for applied research so the majority of projects must include among partners (or even leaders) the business entity. This business entity can be even the SFH. The research component to these projects is usually complemented by universities (e.g. Czech University of Life Sciences Prague) or other relevant research institution.

2.10. Innovative funding sources

The research conducted for Czechia did not uncover any innovative funding sources specific to the forestry sector.

---

[7] For more information about funding provided by Liberecky region visit : https://dotace.kraj-lbc.cz/hospodareni-v-lesich

[8] For more information about funding provided by Pardubicky region visit : https://dotace.pardubickykraj.cz/grants

[9] For more information about funding provided by Zlinsky region visit : https://zlinskykraj.cz/aktualne-vyhlasene-vyzvy-dotacnich-programu-zlinskeho-kraje

2.11. Other funding sources

No other funding sources were identified.

3. Summary of financial support in Czechia:

Currently, the Czech Republic has a relatively robust system of financial support for forest owners, or for other entities. For the role of SFHs, it is necessary to note that Czech support providers do not generally distribute funds between small owners and owners of larger properties. For this reason, we will not find any funds provided in the overview that would be intended only for SFHs.
When analysing support for forest owners (with an emphasis on SFHs), it is also necessary to realize that it is not only about direct financial support directed to the owners, but that it can also be about financial support for a service that the owners can use (e.g. Support for Accredited Forestry Advisory Services (2021–2026)), or about reducing the owners' costs when carrying out forestry activities (e.g. Diesel Tax Refund for Forestry Operations).
In the field of forestry, it is possible to identify several financial support lines.

The system of recent years can be described as financial support coming from two main sources:
a) European funds within the Rural Development Programme 2014–2020 / CAP and the Operational Programme Environment 2014-2020 / 2021 - 2027; and
b) national resources based on the Forest Act (Act No. 289/1995 Coll., on Forests and on Amendments and Supplements to Certain Acts, as amended), or national resources paid from regional budgets.
A summary of financial incentives available for SFHs in Czechia is provided in the table below.

Table 3 Summary of financial incentives available to SFHs in Czechia

Types of activities funded	Total allocated budget (EUR)	Annual public expenditure (EUR)	Share of costs of activities covered	Number of applicants	Timeline	Geographical area covered	Eligible beneficiaries	Results and impacts	Planned number of projects or hectares (to 2029)	Comments
Forest stand modification, species diversification, ecological stability improvement	EUR 6 034 000		100%		17 September 2025 – 31 March 2026	Nationwide	Churches, religious societies, voluntary municipal associations, non- and business natural persons, regions, Prague municipal districts, foundations, endowment funds, institutes, associations, public benefit organisations, municipalities, companies, cooperatives, state institutions, public research bodies, universities, schools	Increased ecological stability, species diversity, and forest biodiversity		Also similar to the 39th Call (9 Aug 2023 – 31 Jul 2024)
Establishment and maintenance of forest cover on agricultural land	EUR 902 830	1 091 088	100%		By 30 Nov 2025	Nationwide	Land owners, co-owners, farmers, land managers	Supports biodiversity, soil protection, carbon sequestration	650 ha	
Technology purchases (tractors, winches, etc.) for forestry	EUR 50 000 000	12 815 332	50%	566	29 Apr – 20 May 2025	Nationwide	Forest owners (min. 3 ha)	Enhanced capacity for sustainable forest management	1501	
Machinery, land acquisition, nursery improvements	EUR 50 000 000	870480	50%	23	29 Apr – 20 May 2025	Nationwide	Forest nurseries	Improved capacity for resilient forest planting stock	(included in technological investments)	

Types of activities funded	Total allocated budget (EUR)	Annual public expenditure (EUR)	Share of costs of activities covered	Number of applicants	Timeline	Geographical area covered	Eligible beneficiaries	Results and impacts	Planned number of projects or hectares (to 2029)	Comments
Acquisition of machinery for processing wood	EUR 50 000 000	1112796	50%	20	29 Apr – 20 May 2025	Nationwide	Forest entrepreneurs	Increased local processing of timber resources	(included in technological investments)	
Construction and maintenance of forest infrastructure	EUR 80 000 000	24755382	80%	179	29 Apr – 20 May 2025	Nationwide	Forest owners (min. 3 ha)	Improved access and forest management capability	500	
Retention basins, channels, hydrological stability measures	EUR 6 238 308	824644	100%	5	29 Apr – 20 May 2025	Nationwide	Forest owners, land managers, experts	Reduced flood risks, enhanced ecosystem resilience	31	
Trails, shelters, habitat improvements, signage	EUR 7 807 098	3253642	100%	66	29 Apr – 20 May 2025	Nationwide	Forest owners, land managers	Improved public access and biodiversity visibility	136	
Tree stand restoration after disaster	EUR 15 216 390	3268866	100%	5	4th Quarter 2025	Nationwide	Forest owners, land managers	Post-calamity recovery and climate adaptation	25	
Stand type conservation in protected areas	EUR 15 855 030		100%		15 May annually (5 years)	Nationwide	Forest owners, tenants, user associations	Maintained habitat quality in Natura 2000 sites	61000 ha	
Support for seed sources and gene conservation	EUR 2 679 000	255271	100%		15 May annually (5 years)	Nationwide	Forest owners, land managers, user associations	Protected genetic diversity of forests	32000 ha	

Types of activities funded	Total allocated budget (EUR)	Annual public expenditure (EUR)	Share of costs of activities covered	Number of applicants	Timeline	Geographical area covered	Eligible beneficiaries	Results and impacts	Planned number of projects or hectares (to 2029)	Comments
Standing habitat tree retention	EUR 15 855 030		100%		15 May annually (5 years)	Nationwide	Forest owners, tenants, user associations	Support for biodiversity and species conservation	250 ha	
Ecological technologies, regeneration, FMPs, pest control, chipping, fencing		Varies (per unit) - 499341265			All non-military forests outside national parks	Forest operations and planning	Professional forester confirmation required			
Advisory on management, diversification, legal compliance, etc.		413369	80%		2021–2026	Nationwide	Accredited advisory services	Increased knowledge, compliance and adaptive capacity		
Genetic base maintenance and source protection		4278474	Up to 80%		Annual call (Jan–Sep)	Nationwide	Forest owners, user associations	Protects long-term forest biodiversity		
Loans, insurance support, machinery acquisition		4174617	Up to 5% interest subsidy, 50% insurance	820	Rolling scheme	Nationwide	Forest enterprises, farmers, nurseries	Improved liquidity and investment in modern tech		
Use of diesel in forest operations					Quarterly	Nationwide	Forestry operators, contractors	Reduced operational expenses in forestry		

Types of activities funded	Total allocated budget (EUR)	Annual public expenditure (EUR)	Share of costs of activities covered	Number of applicants	Timeline	Geographical area covered	Eligible beneficiaries	Results and impacts	Planned number of projects or hectares (to 2029)	Comments
Anti-gnawing, pest traps, road repairs, refrigeration for game storage			De minimis support		Until 31 Dec 2025 (3 months after activity)	Regional (Liberecký)	Forest owners, hunters	Improved access, pest control capacity		This is a very specific and not systematic support. These can be seen in a very minor financial amounts in the majority of Czech regions.
Bark beetle logging, road sanitation, fauna protection equipment			Not specified		1–28 Feb 2025	Regional (Pardubický)	Forest owners, hunters	Healthier stands, safer roads		This is a very specific and not systematic support. These can be seen in a very minor financial amounts in the majority of Czech regions.
Water retention, quality improvement in reservoir areas		209712	Not specified		27 Jan–21 Feb 2025 (implementation 22 Feb–21 Nov 2025)	Regional (Zlínský)	Forest managers	Increased resilience and water quality		This is a very specific and not systematic support. These can be seen in a very minor financial amounts in the majority of Czech regions.

3.1. Evaluation of the system of financial support for SFHs[10]

SFHs most often use financial contributions for forest management according to Government Regulation No. 30/2014 Coll. (or 456/2021 Coll.) distributed by the MoA, especially subsidy titles focused on forest renewal - planting material, planting, fencing, natural renewal or mechanical soil preparation including crushing of undergrowth. Support for the managing forest stands up to 40 years old is also significant. These contributions are the most used, especially because they cover a large part of routine forest care. In addition, SFHs participate to a certain extent in NATURA 2000 programs. Another important group consists of investment programs, mainly from the RDP / CAP, focused on the purchase of forestry equipment and technologies (logging, concentration, nursery work, wood transportation). For SFHs, the PGRLF is also of great importance, as it allows financing of equipment even without a minimum forest area, which opens the door to very small owners or service providers. It is also possible to supplement it with OP E and regional support for repairs of forest infrastructure.

However, it is typical for small owners that they usually do not submit applications themselves - the administration is often carried out through an accredited forest advisor (AFA). This significantly simplifies the process for them, but at the same time reveals problems: low awareness among some owners, different activity of AFA, or administrative barriers, due to which support for very small areas is often not worthwhile. Programs requiring larger investments or unproductive infrastructure are less accessible to small owners and are mainly used by larger entities or municipalities.

Strengths of the financial support for SFHs in Czechia

The strengths of financial support for SFHs lie primarily in the fact that they enable them to carry out work that would not be financially achievable without subsidies. For small owners, they often cover a significant part of routine forest care, which is crucial especially during periods of disasters or when restoring stands. Support as such is perceived as a crucial tool, because compared to farmers, forest owners generally have fewer options for accessing state or EU subsidies. The owners also appreciate the prospect of future payments for ecosystem services, which could bring a more stable and fairer compensation system. This system is now under legislative preparation and is in line with the forest strategy.

A significant advantage is also the relatively simple administration of financial contributions. These supports are directly accessible to owners and do not require complex project documentation. Regular updates, improvements to the Applicant Module (IS system), transparency of financial resources and information services such as training or e-mail news are perceived positively. The entire system is evolving towards greater user-friendliness.

[10] This part was prepared after the consultations with SFHs (Aleš Erber, Robin Ambrož), forest advisors (Tereza Červená and Jan Pohan) and representatives of state administration (Jiří Novák). The consultations took place from 5 of November to 14 of November 2025.

Another advantage is that there are programs that are available even for very small owners, such as the PGRLF without a minimum area, which allows financing of technology even for those who would otherwise have no chance. The PRV/ CAP then offers subsidies for technologies that a small owner would have difficulty purchasing on their own. The contributions thus make it possible to carry out interventions that would not be possible without financial assistance — thereby supporting active and long-term care of forest assets.

Weaknesses

The main weaknesses of financial support for SFHs include, in particular, delayed or reduced payments of subsidies, which in some cases are delayed by up to a year. This is a fundamental problem, especially in situations where the owner is hit by a disaster and needs to restore the forest without delay. System problems also include the fact that the contributions are not a mandatory expense — funds for them must be sought again in the state budget every year, which creates uncertainty and threatens the continuity of support. Some titles were even announced and subsequently cancelled without compensation, which the owners perceive as significantly demotivating. This is the case of the Financial Support for Forest Ecosystem Adaptation to Climate Change.

A major weakness is the administrative burden and complexity of applications, especially for RDP / CAP and OP E, where extensive project documentation, field surveys are needed, and the entire process takes a long time from submission to implementation. In the case of financial contributions, the obligation to notify before starting work is criticized, which is perceived as a formal and unnecessary administrative burden. The difficulty of the system is also increased by the lack of clarity of some programs, long approval periods, the requirement for minimum areas (e.g. 3 ha for RDP/CAP) or high interest rates for PGRLF if the bank offers disadvantageous conditions. For less experienced owners, the system is too complex for them to handle applications independently.

Another problem is the low awareness of owners about available support and the insufficient capacity or motivation of accredited forestry advisors. Some AFA even complicate the process or discourage owners, which reduces the number of applications submitted. There is also a lack of adequate financial support for advisory activities, which are crucial for small owners who find it difficult to navigate the subsidy system. Insufficient funding for analyses and consultations hinders the use of more demanding programs and ultimately reduces the owners' motivation to actively manage and draw on available funds.

Impact

The impact of financial support on SFHs is considered as mostly positive. The support allows active owners to carry out necessary interventions in the forest and at least partially compensates for the costs associated with the restoration of stands and subsequent care. In the context of forestry, they are considered a functional and effective tool that helps to maintain or improve the state of forest ecosystems. In times of calamities and increased pressure from wildlife, they

represent essential financial support for many small owners, without which they would often not be able to carry out care (which is required by the forestry law).

At the same time, however, it has been shown that negative impacts can arise as a result of delayed payment of subsidies. Late payments can delay forest restoration, lead to a reduced quality of work, increase the risk of seedlings being threatened by wildlife or complicate remedial interventions against bark beetles. For some owners, these unpredictable delays can also cause financial difficulties or affect decisions on the extent of interventions. Another risk for the future is the uncertainty regarding the amount of allocated funds or their possible inexhaustibility, which may limit the stability of the system.

Despite these weaknesses, subsidies are perceived as a tool that has a clear benefit for the state of forestry. They enable even small but active owners to cope with demanding tasks, such as restoration after disasters or managing extreme pressure from wildlife and contribute to the overall improvement of the state of forests. At the same time, subsidies create space for a higher level of interest in management and can strengthen the long-term motivation of owners to actively care for the forest.

Moreover, SFHs can identify good practices. Examples of good practice in the use of financial support by SFHs show that the greatest effect is achieved when subsidies are paid on time. Timely payments enable rapid and smooth forest restoration, the use of environmentally friendly technologies, and the implementation of timely remediation measures against harmful biotic factors. The subsidies thus fulfil their purpose and create motivation to care for the forest systematically and in connection with the needs of the stands.

Sharing equipment between smallholders can also be considered a very effective example of good practice. When owners agree to jointly purchase or use rented forests in such a way as to obtain support, they can subsequently share more expensive equipment that each could not afford separately. This informal method of cooperation is practical, economical and works well especially where the owners are close in space and have similar needs.

Another good practice is that applicants actually carry out the necessary work in the forest before submitting an application, which leads to an improvement in the health and quality of the stands. At the same time, it is shown that the association of smallholders also has potential, although it is currently operating to a limited extent in the Czech Republic. Although the subsidies have long included titles focused on the association of owners, in practice these activities are still weak. Examples from abroad (e.g. Germany and Austria) are inspiring, where services are provided by specialized associations providing expert service, joint applications and timber trade. If the amendment to the Forest Act strengthens the possibilities of such a model, it could be a significant step towards more efficient use of support. At the same time, it is fair to mention that some stakeholders are very sceptic to associating of SFHs.

4. Financial incentives vs the objectives of the national/regional forestry strategies/plans

4.1. Strategic objectives

In Czechia, the key strategic document in the field of forestry is the Concept of State Forestry Policy until 2035[11]. This strategy was subsequently supplemented in January 2021 by the so-called Application Document to the Concept of State Forestry Policy until 2035[12]. The Ministry of Agriculture of the Czech Republic is responsible for both documents. These are two key documents of the national level that affect forestry policy. Of course, in addition to these documents, it is possible to identify several legislative acts and relevant statutory decrees.

Other strategic documents include the Strategy of the Forests of the Czech Republic, s.p. 2025-2029[13]. This document is a strategic plan for the state enterprise the Forests of the Czech Republic, s. p. (LČR) for the period 2025–2029. The Strategy focuses on forest management, adaptation to climate change, species diversity, natural forest regeneration, and profitability of the enterprise while maintaining the ecological functions of the forest. In detail it supports reducing the volume of timber harvesting to the level before the bark beetle disaster and increasing the resilience of forests. Key elements include the timely elimination of pests, water retention in the landscape and a new business model for selling timber through comprehensive contracts and auctions. The aim is also to save costs for protecting stands from wildlife and to increase the value of the company in the long term. However, its intervention does not target the entire forestry sector in the country, but only the forests managed by this state enterprise (approximately 40% of the forest area).

For completeness, regional level documents can also be considered. In none of the regions of the Czech Republic can we find a strategic document that would be dedicated only to forestry. However, each region has issued its own development strategy, in which the majority of the emphasis is on topics such as landscape care, sustainable use of natural resources and rural areas. Thus, they also indirectly touch on the support of forestry. Examples include the Development Strategy of the Hradec Králové Region 2021 - 2027[14] and the Development Strategy of the Liberec Region 2021 - 2027[15].

Based on the above information, for the purposes of this document, we will further analyse 2 basic documents, i.e. The State Forestry Policy Concept until 2035 and The Application Document to the State Forestry Policy Concept.

---

[11] https://mze.gov.cz/public/portal/mze/-q321885---f1OQNPBk/koncepce-statni-lesnicke-politiky-do?_linka=a563502

[12] https://mze.gov.cz/public/portal/mze/-q321949---GqaUgNDi/aplikacni-dokument-ke-koncepci-statni?_linka=a235677

[13] https://lesycr.cz/wp-content/uploads/2025/03/STRATEGIE-rozvoje-LCR-2025-2029-ZVEREJNENA.pdf

[14] https://www.khk.cz/oblasti/regionalni-rozvoj/strategie-koncepce/strategie-rozvoje/strategie-rozvoje-kralovehradeckeho-kraje-2021-2027

[15] https://www.kraj-lbc.cz/urad/odbory/odbor-regionalniho-rozvoje-a-evropskych-projektu/oddeleni/oddeleni-rozvojovych-koncepci/rozvojove-dokumenty/strategie-rozvoje-libereckeho-kraje-2021-2027

The State Forestry Policy Concept (SFPC)

The State Forestry Policy Concept until 2035 is the Czech Republic's key strategic framework for sustainable forest management. It defines the long-term vision for maintaining the ecological, economic, and social functions of forests for future generations. The policy emphasizes a transition from purely production-oriented forestry toward an ecosystem-based approach that integrates climate change adaptation, biodiversity conservation, and resilience of forest stands. It aims to ensure the continuous provision of forest ecosystem services — such as timber production, carbon sequestration, soil protection, water retention, and recreation — while supporting rural livelihoods and competitiveness of the forestry sector. The SFPC recognizes forests as an essential part of the national bioeconomy and calls for stronger links between forest policy, nature conservation, and regional development. It aligns with the EU Forest Strategy for 2030 and national climate and biodiversity goals.

The SFPC contains the four long-term objectives:

A. Ensure the balanced and full-value fulfilment of all forest functions for future generations.

This objective emphasises that forests must continue to deliver their economic, ecological, protective and social/cultural roles sustainably.

B. In view of ongoing climate change, increase the biodiversity and ecological stability of forest ecosystems while maintaining their productive function.

The focus is on adapting forest management to changing conditions, enhancing species diversity, structural complexity, and ecosystem resilience, all while keeping forests productive.

C. Ensure the competitiveness of the forestry sector and associated industries, and their significance for regional development.

This addresses the economic and social dimension: forests and wood-based industries must remain viable, contribute to employment (including rural employment), innovation and regional economic fabric.

D. Strengthen the importance of advisory services, education, research and innovation in forestry.

The aim is to boost the knowledge base, extend lifelong learning, increase capacity for innovation and ensure forestry is equipped to deal with changing conditions (technological, ecological, social).

The Application Document to the State Forestry Policy Concept

The Application Document serves as a practical implementation plan for the 2035 State Forest Policy Concept. While the SFPC defines the strategic goals and vision, the Application Document translates them into specific measures, responsibilities, indicators, and timelines. It provides detailed tasks for ministries, the Forests of the Czech Republic, s.p., regional forest authorities, and research institutions.

The Application Document to the State Forestry Policy Concept identifies priority areas such as:

- forest restoration and reforestation with climate-resilient species,
- diversification of forest functions and ecosystem services,
- economic instruments for sustainable forest management,
- digital data collection, monitoring, and reporting tools, and
- public education and communication activities to improve understanding of multifunctional forestry.

In essence, the Application Document turns the strategic vision of the State Forestry Policy Concept into a concrete action plan, guiding public administration and stakeholders in how to achieve the objectives by 2035. It also sets measurable indicators to monitor progress – for instance, the share of natural regeneration, proportion of mixed forests, or levels of wood utilization – and outlines mechanisms for evaluation and updates of the strategy.

4.2. Alignment of the financial incentives with the strategic objectives

The aim of the analysis of available strategic objectives in the field of forestry policy and support for forest owners was to determine whether financial support is reflected in the objectives of forestry policy, or whether the achievement of the objectives of the policy is financially supported through the motivation of the owners. Unfortunately, the objectives of forestry policy are not supplemented by quantified indicators, i.e. there are no end values anywhere that would prove the achievement or non-achievement of the set objectives.

The table below provides a summary of the way the financial incentives identified in this study contribute to the strategic objectives for the forestry sector in Czechia.

Table 4 Financial incentives vs strategic objectives of forest policy in Czechia

Objective	Main Goal	Specific Sub-objective / Measure	Types of Financial Support matching the objectives
A	Ensure the balanced, full-value fulfilment of all forest functions for future generations	Develop sustainable forest management as part of landscape care and use.	83rd Call – Modification of forest stands (ERDF), Non-productive forest investments (CAP), Preservation of forest stand type (CAP)
		Improve the biological value of the landscape.	Preservation of habitat trees (CAP), Preservation of forest stand type (CAP), 83rd Call – Modification of forest stands (ERDF)
		Reforest degraded or agricultural lands and rehabilitate soils.	Reforestation of agricultural land (CAP)
		Support diverse species composition while maintaining timber production.	Reforestation of agricultural land (CAP), Conversion of replacement tree stands (CAP), Financial Contributions from the Ministry of Agriculture
		Adapt tree species composition to changing conditions and increase structural diversity.	Reforestation of agricultural land (CAP), Conversion of replacement tree stands (CAP), Financial Contributions from the Ministry of Agriculture
		Motivate and financially support forest owners for sustainable management.	83rd Call – Modification of forest stands (ERDF), Non-productive forest investments (CAP), Preservation of forest stand type (CAP)
		Enhance water retention and carbon storage in forest ecosystems.	Water management measures in forests (CAP),
		Adjust game population levels to maintain ecological balance.	In addition to traditional forestry financial support, the Ministry of Agriculture also provides financial support aimed at regulating forest game. These supports were not taken into account in this analysis, as their beneficiaries are not forest owners, but owners and operators of hunting grounds. This is a specific system of hunting management in the Czech Republic.
B	Increase biodiversity and ecological stability of forest ecosystems while maintaining production function	Increase species, age, and structural diversity of forests.	83rd Call – Modification of forest stands (ERDF), Non-productive forest investments (CAP), Preservation of forest stand type (CAP)
		Support biodiversity-oriented forest management.	Preservation of habitat trees (CAP), Preservation of forest stand type (CAP), 83rd Call – Modification of forest stands (ERDF)
		Implement adaptation measures, monitoring and demonstration plots.	
		Promote biodiversity-respecting forestry and maintain deadwood and habitat trees.	Preservation of habitat trees (CAP), Preservation of forest stand type (CAP), 83rd Call – Modification of forest stands (ERDF)

Objective	Main Goal	Specific Sub-objective / Measure	Types of Financial Support matching the objectives
C	Ensure competitiveness of the forestry sector and associated industries, and their significance for regional development	Simplify forest legislation and reduce administrative burden.	
		Reform forest administration and improve governance efficiency.	
		Consolidate forest ownership to improve management effectiveness.	
		Recognize and financially value ecosystem services provided by forests.	An applied research project is currently being implemented and designed to introduce a system for financing ecosystem services. Once approved, financial support is expected for forest owners who will implement such management interventions.
		Support the use of wood as a renewable raw material and strengthen wood-based value chains.	Technological investments in forestry (CAP), Forest nurseries investments (CAP), Basic wood processing investments (CAP)
		Harmonize financial and policy support systems and promote regional forestry significance.	
D	Strengthen the importance of advisory services, education, research and innovation in forestry	Improve the content and quality of forestry education and lifelong learning.	
		Develop and expand forestry advisory services.	Support for Accredited Forestry Advisory Services (2021–2026)
		Enhance research, development, and innovation in forestry and link it internationally.	

Intersections were identified for many objectives and instruments of financial support. Some financial support leads to the achievement of several at once, and at the same time, some objectives are achieved by several instruments. The specific group of financial contributions provided by the MoA is difficult to assess in the context of objectives, as it contains a large number of different contributions to different activities, which often respond to multiple forestry objectives.

To describe the consistency of financial support and the objectives of the Czechia's forestry policy, it is appropriate to consider 4 general policy objectives:

- Ensure the balanced, full-value fulfilment of all forest functions for future generations: Based on the table, it can be seen that this general objective is fulfilled by financial support from the state level. These are mainly the following supports aimed at forestry: Preservation of habitat trees (CAP), Preservation of forest stand type (CAP), 83rd Call – Modification of forest stands (ERDF), Reforestation of agricultural land (CAP), Conversion of replacement tree stands (CAP), Financial Contributions from the Ministry of Agriculture. In addition to these, it is possible to include specific supports for the support of hunting in the Czechia, which are not aimed at forest owners, but at persons and associations carrying out hunting activities.
- Increase biodiversity and ecological stability of forest ecosystems while maintaining production function: All the sub-objectives are also fulfilled by more financial incentives. Only one (Implement adaptation measures, monitoring and demonstration plots) can be considered as not fully covered by specific subsidies for SFHs. It can be assumed that this sub-objective will be achieved through two state-owned enterprises in the Czech Republic, which cover more than half of the forest area with their management.
- Ensure competitiveness of the forestry sector and associated industries, and their significance for regional development: This is an objective that rather targets the process and legislative setting of the forest management system. Therefore, only one sub-objective was identified (Support the use of wood as a renewable raw material and strengthen wood-based value chains), which is also fulfilled with the help of financial incentives. These are mainly those financed from the CAP: Technological investments in forestry, Forest nurseries investments, Basic wood processing investments. Other sub-objectives are associated with the need to change legislation and other regulations and cannot be fulfilled by SFHs.
- Strengthen the importance of advisory services, education, research and innovation in forestry: Again, this is an objective that is fulfilled rather by adjusting the entire educational system and research environment in the field of forestry. One financial support also targets advice for SFHs - Support for Accredited Forestry Advisory Services (2021–2026). Others in this area have not been identified.

Furthermore, there are several financial supports that cannot be assigned to specific objectives of forestry policy, as they lead to their achievement cross-sectionally. These are: Diesel Tax Investments in forestry infrastructure (CAP), Genetic fund conservation (CAP) and National Program for Forest Genetic Resources.

Conversely, we can identify objectives of forestry policy to the achievement of which economic instruments intended for forest owners do not contribute. These are goals that are often addressed and implemented by central forestry management.

5. Summary and conclusions

Discussions with stakeholders showed that financial support in forestry represents a key tool for SFHs, enabling them to carry out basic restoration and cultivation activities even in the challenging conditions of current forestry. The most frequently used mechanism is financial contributions to forest management according to the relevant government regulations, which cover a large part of routine care - from the restoration of stands to the upbringing of young forests to the preparation of soil and the remediation of harmful factors. Some investment programs are also used, in particular the PRV / CAP and PGRLF, which allow small owners to purchase equipment that is not available from their own resources. Other relevant titles include the OP Environment and regional support. In sum, the supports create a diverse, albeit administratively and conceptually uneven system that at least partially compensates small owners for the costs of forest care. The SFHs indicate that their existence and availability are the greatest strengths of the supports. Subsidies allow for interventions that would not be financially possible without assistance, especially in the context of disasters, extreme pressure from wildlife and generally low economic returns from small forest holdings. The relatively simple administration of financial contributions, the clarity of the process and the gradual improvement of the Applicant Module (IS system) are also positively assessed. In the case of the PRV / CAP and PGRLF, the strengths are investment opportunities that increase the technological self-sufficiency of small owners or municipalities. On the contrary, the main weaknesses relate to irregular financing, delays in payments (sometimes by up to a year), complex administration of investment titles and insufficient information for owners. Some AFA complicate the process or discourage owners, which reduces the level of drawdown. The uncertainty of the future allocation of funds also poses a risk, since contributions are not a mandatory expenditure.

As for the impacts, most respondents perceive the support as a clearly positive tool improving the condition of forests. They enable timely restoration and care, cope with the consequences of disasters and limit risks that would lead to further damage without support (e.g. delayed wood rehabilitation and the development of bark beetles). Negative impacts occur primarily where late payments delay work, increase the risk of damage to wildlife or lead to the choice of less environmentally friendly technologies. On the contrary, good practice shows that timely payment of support significantly improves the continuity of restoration and the sustainability of management. At the same time, it can be stated that, together with other systemic instruments (legislative amendments, etc.), financial incentives contribute to achieving the goals of the national forestry policy.

Overall, financial support has a significant positive impact on small forest owners, but its full potential is hampered by administrative burdens, unstable financing and low awareness among owners. Nevertheless, it is an indispensable tool that helps small forest owners cope with the challenging conditions of forest management and maintain their properties in a favourable long-term condition.

PARTNERS



Funded by
the European Union