milieu
Law & Policy Consulting

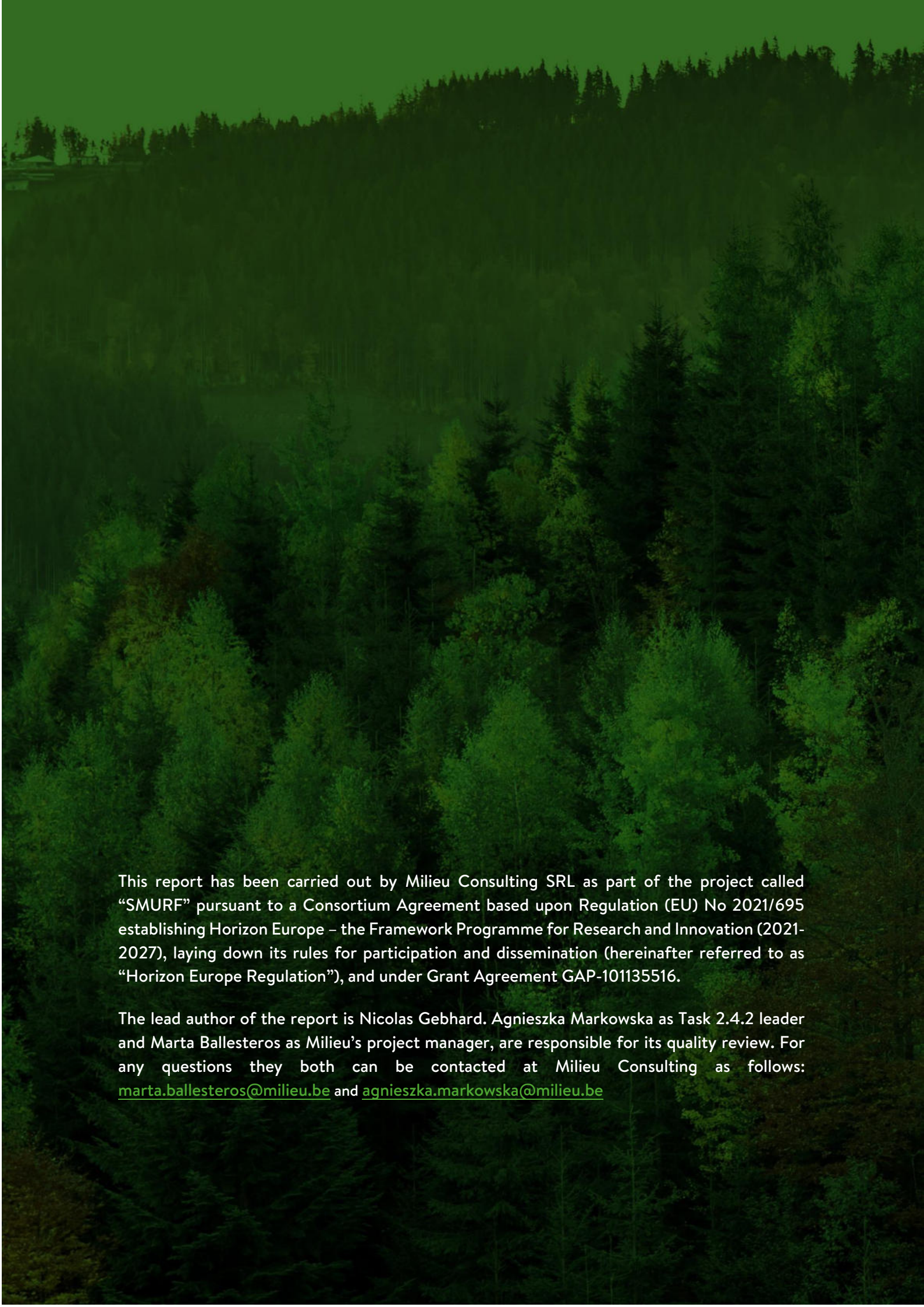
Financial incentives applicable to Small Forest Holdings and their impacts

Country Fact Sheet
Germany

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 author of the report is Nicolas Gebhard. 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. LIFE and Horizon Europe 9
2. Financial incentives based on MS funding 9
   - 2.1. State aid 9
   - 2.2. Taxes and tax exemptions, subsidies 9
   - 2.3. Funding provided by regional and local authorities 22
   - 2.4. Funding provided by foundations, business associations, educational or other institutions 22
   - 2.5. Innovative funding sources 23
   - 2.6. Financial incentives in focus 24
     - 2.6.1. GAK Framework Programme 24
     - 2.6.2. Support for forestry associations provided by the state government of North Rhine-Westfalia 28
   - 2.7. Other funding sources 31
3. Overview of the financial incentives 32
   - 3.1. EU Funding 32
   - 3.2. Member State funding (state level, regional level, foundations and associations) 33
   - 3.3. Innovative funding 40
4. Strategic objectives vs financial incentives 41
   - 4.1. Strategic objectives 41
   - 4.2. Alignment of the selected financial incentives with the strategic objectives: GAK Framework Plan 42
   - 4.3. Alignment of the selected financial incentives with the strategic objectives: Support for forestry associations in NRW 44
   - 4.4. Overall conclusions 46

Financial incentives applicable to Small Forest Holdings
WP2, Task 2.4.2

Executive Summary

This report provides an overview of the financial incentives available in Germany to support forestry and forest-related activities, with a particular focus on instruments that may be relevant to sustainable forest management (SFM) and small forest holdings (SFHs). Funding is available through a broad mix of EU programmes, national initiatives, and regional schemes. While none of the analysed programmes explicitly target SFHs, several instruments can provide indirect support.

Under EU funding, Germany benefits significantly from the European Regional Development Fund (ERDF), receiving nearly EUR 11 billion for the 2021–2027 period across 12 state-specific programmes. A detailed review of the ERDF Operational Programmes for Bavaria and Baden-Württemberg found no direct support for SFHs or forest ecosystem services. Nevertheless, both programmes prioritise environmental and climate goals through broader investments in bioeconomy and infrastructure resilience.

Germany's Common Agricultural Policy (CAP) Strategic Plan 2023–2027, funded by the European Agricultural Fund for Rural Development (EAFRD), allocates EUR 30 billion for sustainable, competitive, and climate-resilient rural development. Although the Strategic Plan does not explicitly mention SFHs, it includes several forestry-related measures.

National support is channelled through the GAK framework (Gemeinschaftsaufgabe "Verbesserung der Agrarstruktur und des Küstenschutzes"), which co-finances forestry measures between the federal government and the Länder. In 2024, EUR 1.71 billion were mobilised, including EUR 1.04 billion in federal funds. The GAK Framework Plan 2024–2027 outlines targeted forestry support across six areas: near-natural forest management, forestry infrastructure, forestry associations, initial afforestation, contractual nature conservation in forests, and climate resilience measures. SFHs are eligible for most schemes provided they meet ownership or association requirements.

Some federal states provide their own additional financial incentives. North Rhine-Westphalia and Bavaria offer targeted financial incentives for forestry associations, with the aim of strengthening sustainable forest management, supporting reforestation efforts, and enhancing biodiversity.

Fiscal incentives and innovative financing instruments are also in place to ease financial burdens for forest owners. Financial incentives include exemptions and special deductions under the German Income Tax Act for small-scale forestry, calamity-related tax reliefs, and income averaging provisions. Innovative financing instruments further diversify the support landscape. Germany operates a well-established eco-account system enabling biodiversity offsets for

development projects, as well as green bonds, regional lotteries, and selective crowdfunding efforts.

In summary, while Germany provides robust financial support for forestry, no current funding scheme is explicitly tailored to SFHs. However, various mechanisms—particularly the GAK framework and fiscal measures—offer indirect support and could be leveraged more strategically to address the specific needs of small forest owners.

1. Financial incentives based on EU funding

1.1. The European Regional Development Fund

Under the current ERDF programming period, Germany is receiving nearly EUR 11 billion[1]. A total of sixteen state-specific ERDF programmes are currently being implemented. The table below provides an overview of all current state-level programmes:

Baden-Württemberg	EFRF-Programme Baden-Württemberg 2021-2027
Bavaria	EFRF-Programme Bavaria 2021-2027
Brandenburg	EFRF-Programme Brandenburg 2021-2027
Berlin	EFRF-Programme Berlin 2021-2027
Bremen	EFRF-Programme Bremen 2021-2027
Hamburg	EFRF-Programme Hamburg 2021-2027
Hessen	EFRF-Programme Hessen 2021-2027
Lower Saxony	EFRF-Programme Lower Saxony 2021-2027
Mecklenburg–Western Pomerania	EFRF-Programme Mecklenburg–Western Pomerania 2021-2027
North Rhine-Westphalia	EFRF-Programme North Rhine-Westphalia 2021-2027
Rhineland-Pfalz	EFRF-Programme Rhineland-Pfalz 2021-2027
Saarland	EFRF-Programme Saarland 2021-2027
Saxony	EFRF-Programme Saxony 2021-2027
Saxony-Anhalt	EFRF-Programme Saxony-Anhalt 2021-2027
Schleswig-Holstein	EFRF-Programme Schleswig-Holstein 2021-2027
Thuringia	EFRF-Programme Thuringia 2021-2027

Source: Inforegio

Due to time constraints, the following analysis will focus exclusively on two operational programmes from two federal states: Bavaria and North Rhine-Westphalia. These have been selected as representative cases. Bavaria stands out for having the highest proportion of privately owned forests[2], while North-Rhine Westphalia showcases a more mixed ownership model, including for instance also municipal and church forests.

[1] Federal Ministry for Economic Affairs and Energy, 2023, ERDF and ESF. https://www.bmwk.de/Redaktion/EN/Artikel/Europe/erdf-and-esf.html (accessed: 20 May 2025).
[2] European Forest Institute, Forest Land Ownership Change in Germany – COST Action FP1201 FACESMAP Country Report (2020).

In both Bavaria and North-Rhine Westphalia, neither the current nor the previous ERDF programmes provide direct support to small forest holdings for sustainable forestry management or the enhancement of ecosystem services[3].

The North-Rhine Westphalia EFRF-Programme dedicates targeted funding to climate protection and climate adaptation through green infrastructure. The total budget of this Policy Objective amounts to EUR 50.2 million[4]. Also, the Bavarian ERDF-Programme dedicates targeted funding to environmental and climate objectives. Under its Policy Objective 2.4 investments are targeted at bioeconomy production facilities that should be aimed at replacing fossil resources with renewable raw materials such as wood, straw, and plant-based oils. Additional funding is directed towards protective infrastructure against climate-induced geohazards, such as protection forest against infestations, prolonged drought summer, heavy snowfall in winter and increasing wind damages. The total budget for this Policy Objective amounts to EUR 123.8 million[5].

1.2. Common Agricultural Policy (CAP)

Under the European Agricultural Fund for Rural Development (EAFRD), Germany has adopted a Strategic Plan for the CAP for the period 2023 to 2027[6].

Germany's current strategy combines national and regional measures to support sustainable, competitive, and climate-resilient farming, while also enhancing the quality of life in rural areas through investment, innovation, and knowledge transfer. Designed to ensure fair support across all federal states while accounting for the federal state's needs, the strategy is complemented by additional legislative and financial instruments at both federal and regional levels[7].

For the current period, a total of 30 billion have been allocated. Under the CAP, farmers and foresters are eligible for a range of support schemes – both at federal and Länder level – for voluntary practices that go beyond mandatory requirements and contribute to climate and environmental protection[8].

The Strategic Plan for CAP 2023-2027 does not include any specific reference to SFH. However, the Strategic Plan includes a section on commitments and investments in the forestry sector, including in the following[9]:

[3] It is important to mention that WWF published an in-depth analysis of funding opportunities for environmental protection and nature conservation under the German ERDF Operational Programmes for the 2014–2020 period. The analysis, organised by federal state, highlighted that in Berlin, ERDF funding was *inter alia* intended to support, forest conversion initiatives aimed at ensuring long-term, nature-based CO_2 sequestration within the city's green infrastructure.

[4] North-Rhine Westphalen, EFRE Programme North-Rhine Westphalen 2021 – 2027, (2021), p. 61 – 65.

[5] Bavaria, Operationelles Programm des EFRE im Ziel „Investitionen in Beschäftigung und Wachstum" Bayern 2021-2027, 2024, p. 46 – 60.

[6] Bundesministerium für Ernährung und Landwirtschaft, Den Wandel gestalten!, (2023).

[7] European Commission, At a glance: Germany's CAP Strategic Plan, (2022); EU CAP Network, Germany July 2024, (2024).

[8] European Commission, At a glance: Germany's CAP Strategic Plan, (2022); EU CAP Network, Germany July 2024, (2024).

[9] EU CAP Network, Germany July 2024, (2024).

Intervention	Planned total amount (EUR)[10]	Timeline[11]	Indicators
Biodiversity, ecosystems habitats, landscape	EUR 10.6 mln	2023-2027	a. % of Utilised Agricultural Area under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices. b. % of total Natura 200 area under supported commitments. c. % of Utilised Agricultural Area under supported commitments for managing landscape features, including hedgerows and trees.
Market orientation and competitiveness	EUR 1.6 mln	2023-2027	a. % of farms receiving support for investments in restructuring and modernisation, including improving resource efficiency. b. Total investments to increase the efficiency of the forestry sector (EUR).
Local development bioeconomy and forestry	EUR 3.3 mln	2023-2027	a. % of rural population covered by local development strategies. b. Number of rural businesses including bio-economy businesses, developed with CAP support. c. % of rural population benefitting from improved access to services and infrastructure through CAP support.

[10] Bundesministerium für Landwirtschaft, Ernährung und Heimat

[11]

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

The data reported by Germany in relation to the forestry and logging sector[12] indicates that state aid has predominantly been granted under broad federal frameworks, notably those introduced in response to the COVID-19 pandemic, such as the Federal Framework "Small amounts of aid 2020." While these frameworks were not specifically designed for the forestry sector, they permitted forestry-related enterprises to access support as part of a broader pool of eligible sectors. Most aid recipients appear to be small and medium-sized enterprises; in the database it is not possible to see to what extent SFH could have received the assistance. The disbursement of aid was largely channelled through the Bank for Reconstruction and Development (*Kreditanstalt für Wiederaufbau* – KfW), Germany's national development bank, reflecting a centralised mechanism for managing and allocating funds via financial intermediaries. Notably, the data does not point to the existence of any state aid scheme dedicated exclusively to the forestry sector.

2.2. Taxes and tax exemptions, subsidies

SFH are subject to the following **taxation** provisions:

- **Property tax** (*Grundsteuer*): Forest landowners are subject to property tax, which is levied on real estate, including forest land. The tax amount is determined based on the assessed value of the property by the local municipality. Property tax in Germany is categorized according to the land's purpose and use. Forest land typically falls under *Grundsteuer* A, which applies to agricultural and forestry enterprises[13].
- **Income tax:** Section 13 of the German Income Tax Act (*Einkommensteuergesetz* - EStG)[14] offers clear recognition of forestry as a distinct income category under tax law and provides **special treatment for small-scale forestry operations, including simplified accounting options, partial exemptions, and deferral arrangements**. These rules reduce administrative burdens and can lower tax liabilities, particularly for private or family-owned forest holdings.

[12] State Aid Transparency Public Search, https://webgate.ec.europa.eu/competition/transparency/public?lang=en

[13] Bundesfinanzministerium, Überblick zur Grundsteuerreform – Wie die Länder das neue Grundsteuerrecht umsetzen, November 2021.

[14] Income Tax Act of the 16 October 1934 (Einkommensteuergesetz vom 16 Oktober 1934).

With regards to **tax exemptions** the following provisions apply to SFH:

- The above-mentioned Income Tax Act under **Section 13 (3)** sets different tax exemptions thresholds. Small-scale income from agriculture and forestry benefits from a partial exemption: only the portion exceeding EUR 900 (or EUR 1,800 for jointly assessed spouses) is included in the total taxable income, provided the taxpayer's overall income remains below EUR 30,700 (or EUR 61,400 for spouses). No other tax exemptions have been identified by the analysis.
- Pursuant to **Section 13a EStG in conjunction with Section 51 of the Income Tax Implementing Regulation** (*Einkommensteuer-Durchführungsverordnung* - EStDV)[15], agricultural and forestry undertakings that are not required to keep books and possess less than 50 hectares of forest land may, upon application (on an annual basis), deduct a flat rate of 55% of gross timber sales revenue as operating expenses. In cases of standing timber sales, the deductible rate is 20%.
- Regardless of calamity-related harvests, bookkeeping forestry enterprises may at any time establish a tax-reducing reserve under **Section 3 of the Forest Damage Compensation Act** (*Forstschäden-Ausgleichsgesetz* - ForstSchAusgIG)[16]. This allows a reduction of taxable profits to account for anticipated forest damage.
- Pursuant to **Section 32c EStG**, bookkeeping agricultural and forestry undertakings may apply for a tax rate reduction based on income averaging over a three-year period (first applicable to 2014–2016). This enables smoothing of income fluctuations by offsetting higher income in good years against lower income in bad years, thereby mitigating the negative effects of tax progression.
- Where forest owners generate income from extraordinary (calamity-induced) timber harvests, **§ 34b EStG** offers special tax relief. From the first cubic metre, such sales qualify for a half tax rate. If the volume exceeds the enterprise's regular utilisation rate, the excess is taxed at a quarter rate. These benefits are conditional upon:
    - a quantitative distinction between ordinary and extraordinary timber use for each tax year, and
    - immediate notification of damage caused by force majeure to the relevant tax authority, including proof of volume post-processing.

  Forest owners are advised to consult their local tax office before commencing the processing of damaged timber, to allow for inspection by the forestry experts of the tax authority. Failure to do so may result in denial of the tax benefit.

When it comes to **subsidies**, the 'Improvement of Agricultural Structures and Coastal Protection' (*Gemeinschaftsaufgabe "Verbesserung der Agrarstruktur und des Küstenschutzes"* - GAK)[17] is Germany's national funding instrument for supporting agriculture and forestry, developing rural

[15] Einkommensteuer-Durchführungsgesetz vom 21 Dezember 1955.

[16] Forest Damage Compensation Act, Law on compensation for the effects of exceptional events in forestry of the 29th of August 1969 (Forstschäden-Ausgleichsgesetz vom 29 August 1969)

[17] Bundesministerium für Landwirtschaft, Ernährung, und Landwirtschaft, Gemeinschaftsaufgabe "Verbesserung der Agrarstruktur und des Küstenschutzes", March 2025.

areas, and enhancing coastal and flood protection. See a more detailed description of this instrument in section 2.6.1.

Based on the GAK Framework Plan 2023-2027, the funding area 'Förderbereich 5 – Forsten' outlines a range of financial incentives aimed at supporting small forest holdings and other actors within the forestry value chain[18]. The funding area is divided in the following groups of measures:

[18] Bundesministerium für Landwirtschaft, Ernährung, und Landwirtschaft, Forsten, March 2025.

a) **Near-natural forest management:**

Sub-measures	Aim	Rules	Impacts[19]	Funding for the two selected Federal States (2023 – 2027) (EUR)
Forest conversion	The aim of the funding is to develop stable, site-adapted forests, considering ecological and economic performance and climate change. The grants are awarded as subsidies.	The amount of the grant is - up to 75% of the proven expenses, - up to 85% of the proven expenses if exclusively native tree species are used. Unpaid, voluntary work performed by the recipients of the grants and their family members (own contribution) is eligible for up to 80% of the expenditure that would have been incurred if the work had been contracted out to contractors or if comparable work had been carried out in state forests. Contributions in kind from the recipients of the grants are eligible for up to 80% of the market value. Contributions in kind by the recipients of the grant are eligible for up to 80% of the market value. Proof of expenditure is not required if the federal states set the grant as a fixed amount based on calculated flat rates. Eligible beneficiaries include natural persons, legal entities under private or public law who own forest land, as well as recognised forestry associations and equivalent groupings under the Federal Forest Act (BWaldG).	Increasing forest stability and resilience	North-Rhine Westphalia: EUR 449.000 Bavaria: EUR 12 mln
Young stand maintenance	The aim of the funding is to create a stand of tree species that is appropriate for	The amount of the grant is up to 50% of the proven expenditure. Unpaid, voluntary work performed by the grant recipients and their family members (own contribution) is eligible for funding up to 80% of the expenditure that would have been incurred if the work had been contracted out to entrepreneurs or if comparable work had been carried out in state forests.	Increasing forest stability and resilience	North-Rhine Westphalia: N/A Bavaria: EUR 2.3 mln.

[19] The following GAK reporting 2023 provides all the necessary information on the expenditure in the various federal states.

Sub-measures	Aim	Rules	Impacts[19]	Funding for the two selected Federal States (2023 – 2027) (EUR)
	the location and climate, or to ensure the stability and vitality of existing stands. The grants are awarded as subsidies.	Proof of expenditure may be waived if the federal states set the grant as a fixed amount based on calculated flat rates. Eligible beneficiaries are owners of forest land—excluding the federal and state governments—as well as recognised forestry associations as defined above.		
Soil management	The aim of the funding is to maintain or restore soil functions, e.g. the habitat, filter, buffer storage and erosion control functions of forest soils, thereby securing the stability of the forest and adjacent ecosystems.	The amount of funding for soil protection liming is: - up to 90% of the proven expenditure. - Notwithstanding this, the grant for forest areas whose private owners do not own more than 30 hectares of forest in the liming area is up to 100%. In areas with intensive mixed cultivation, especially in areas subject to real division, forest areas that do not meet the requirements of the above sentence (municipalities, larger private forest owners) may also be considered in the interest of facilitating joint processing, provided that their share does not exceed 20% of the total forest liming area. The amount of the grant for special soil-conserving and environmentally compatible methods to reduce soil damage is up to 65% of the proven additional expenditure.	Increasing forest stability and resilience	North-Rhine Westphalia: EUR 36 000 Bavaria: N/A

Sub-measures	Aim	Rules	Impacts[19]	Funding for the two selected Federal States (2023 – 2027) (EUR)
	Funding is provided in the form of grants.	Proof of expenditure may be waived if the federal states set the subsidy as a fixed amount based on calculated flat rates. Eligible beneficiaries are forest landowners (excluding the federal and state governments) and recognised forestry associations as defined above.		

b) Forestry infrastructure:

Sub-measures	Aim	Rules	Impacts[20]	Funding for the two selected Federal States (2023)
Road construction	The aim is to improve the forestry infrastructure in order to make insufficiently developed forest areas accessible for sustainable management, for the prevention and management of harmful events and for the population seeking recreation.	Eligible costs include construction planning, building work, and project management, as well as related research and surveys. The standard grant covers up to 70% of eligible expenses, or up to 90% in structurally weak areas. For forest owners with more than 1,000 hectares in the respective state, the grant is limited to 60% of the standard rate. Voluntary labour by recipients and their families, as well as in-kind contributions, can be funded up to 80% of their estimated or market value. Eligible beneficiaries are forest landowners (excluding the federal and state governments) and recognised forestry associations as defined above.	Construction and improvement of forest infrastructure	North-Rhine Westphalia: EUR 8.2 mln. Bavaria: EUR 5.6 mln.

[20] The following GAK reporting 2023 provides all the necessary information on the expenditure in the various federal states.

Sub-measures	Aim	Rules	Impacts[20]	Funding for the two selected Federal States (2023)
	Grants are awarded as subsidies.			
Wood preservation facilities	The aim of the funding is to prevent damage caused by harmful organisms and to avoid the use of insecticides by facilities for preserving wood by means of wet storage (water storage). These must enable the processing, safe storage, preservation and transport of round timber, as forest-friendly storage and preservation prevent the spread of harmful organisms, in particular bark beetles. Grants are awarded as subsidies.	Grants are provided as subsidies covering up to 30% of eligible initial investment costs, including connections and equipment. Verified own or in-kind contributions may be recognised up to 15% of approved construction costs. Eligible beneficiaries are forest landowners (excluding the federal and state governments) and recognised forestry associations as defined above.	Forest resilience	North-Rhine Westphalia: N/A Bavaria: N/A
Forest fire prevention	The aim of the funding is to prevent forest fire events, which	Subsidies are provided as grants covering up to 65% of eligible costs, or up to 75% for small private forest owners (up to 20 hectares). Voluntary work by recipients or their families may be recognised up	Forest safety	North-Rhine Westphalia: N/A Bavaria: N/A

Sub-measures	Aim	Rules	Impacts[20]	Funding for the two selected Federal States (2023)
	contribute significantly to protecting forests from forest fires and to increasing the safety of the population living near forest fire-prone areas. Grants are awarded as subsidies.	to 65% of equivalent external costs. Proof of expenses may be waived if the grant is set as a flat rate by the federal states. Eligible beneficiaries include natural persons, legal entities under private or public law who own forest land, as well as recognised forestry associations and equivalent groupings under the Federal Forest Act (BWaldG). Not eligible are the federal and state governments, and legal entities with at least 25% state ownership. Projects on land owned by these entities are also excluded from funding.		

c) Forestry associations:

Sub-measures	Aim	Rules	Impacts[21]	Funding for the two selected Federal States (2023)
Project funding for forestry associations	The aim is to promote sustainable forest management that strengthens climate resilience, CO_2 storage, biodiversity, and soil protection. Funding supports the professionalisation of	Subsidies are awarded as grants, either as fixed contract funding (for forest management contracts, member activation, and timber coordination) or as partial funding (for professionalisation, training, and project management). Forest management contracts are supported with up to €130 per contract/year for areas up to 2 ha, and degressively from €65 to €8/ha for areas between 2 and 200 ha (no funding above 200 ha). Member activation is funded with up to €100 for new members in the first year and up to €20 annually for other members, based on	Strengthening cooperative structures	North-Rhine Westphalia: N/A Bavaria: EUR 907.000

[21] The following GAK reporting 2023 provides all the necessary information on the expenditure in the various federal states.

Sub-measures	Aim	Rules	Impacts[21]	Funding for the two selected Federal States (2023)
	forestry associations, especially involving small private forest owners, to overcome structural disadvantages such as fragmentation. It also aims to modernise production and marketing in response to growing market concentration. Grants are awarded as subsidies.	regional flat rates. Timber coordination is supported with up to €2/m³, or €0.20/m³ if based solely on framework contracts. Professionalisation can be funded up to 90% of eligible costs in the first year, with support decreasing annually and ending after five years. Training and project management are each funded up to 60% of eligible costs. Most measures are eligible for up to 10 years. Eligible beneficiaries are recognised forestry associations under the Federal Forest Act (BWaldG), which may also jointly apply for funding. For training and education measures under this measure the direct beneficiaries are the organisers of the training programmes, who must have qualified staff and offer regular sessions. The final beneficiaries of the aid are the forestry associations mentioned above.		

d) Initial afforestation:

Sub-measures	Aim	Rules	Impacts[22]	Funding for the two selected Federal States (2023)
Reforestation	The aim of the funding is to increase forest cover through reforestation of land that is being	Grants cover up to 100% of eligible expenses. Voluntary work by recipients or their families can be funded up to 80% of the equivalent contractor cost, and in-kind contributions up to 80% of market value. Proof of expenses may be waived if the grant is set as a flat-rate amount by the federal states.	Climate mitigation, carbon sequestration, and ecological restoration	North-Rhine Westphalia: EUR 10 000 Bavaria: EUR 900 000

[22] The following GAK reporting 2023 provides all the necessary information on the expenditure in the various federal states.

Sub-measures	Aim	Rules	Impacts[22]	Funding for the two selected Federal States (2023)
	taken out of agricultural use or is lying fallow, taking into account the interests of nature conservation and landscape management. Grants are awarded as subsidies.	Eligible beneficiaries include natural persons, legal entities under private or public law who own forest land, as well as recognised forestry associations and equivalent groupings under the Federal Forest Act (BWaldG). Not eligible are the federal and state governments, and legal entities with at least 25% state ownership. Projects on land owned by these entities are also excluded from funding.		

e) **Contractual nature conservation in forests:**

Sub-measures	Aim	Rules	Impacts[23]	Funding for the two selected Federal States (2023)
Contractual nature conservation in forests	The purpose of the grants here is to protect, preserve and restore	Grants are awarded as subsidies. Their amount is based on the income losses and additional costs resulting from nature conservation requirements, including any use restrictions, compared to previous or conservation-compliant management.	Biodiversity protection and compliance with EU conservation targets	North-Rhine Westphalia: N/A Bavaria: EUR 10.9 mln.

[23] The following GAK reporting 2023 provides all the necessary information on the expenditure in the various federal states.

Sub-measures	Aim	Rules	Impacts[23]	Funding for the two selected Federal States (2023)
	habitats and living spaces of wild animal and plant species in forests, as well as improve the biological diversity typical of forest ecosystems. Grants are awarded as subsidies.	Eligible beneficiaries include owners of forest enterprises and their associations (excluding the federal and state governments, and legal entities with at least 25% state ownership), as well as municipalities, municipal associations, and non-profit legal entities. Unless they are forestry associations under the Federal Forest Act (BWaldG), beneficiaries must either own the supported land or provide written consent from the owner.		

f) Promotion of measures to cope with the consequences of extreme weather events in forests:

Sub-measures	Aim	Rules	Impacts[24]	Funding for the two selected Federal States (2023)
Measures for the stock and	The aim of the funding is to deal with the	Grants cover up to 70% of eligible costs. Voluntary work and in-kind contributions by recipients can be funded up to 80% of their estimated or	Forest recovery	North-Rhine Westphalia: EUR 132

[24] The following GAK reporting 2023 provides all the necessary information on the expenditure in the various federal states.

Sub-measures	Aim	Rules	Impacts[24]	Funding for the two selected Federal States (2023)
damage-free clearing of calamity areas	consequences of extreme weather events in forests. These include forest protection measures and measures to secure or restore forest ecosystems. Grants are awarded as subsidies.	market value. Proof of costs may be waived if the grant is set as a flat rate by the federal states. Eligible beneficiaries include natural persons, legal entities under private or public law who own forest land, as well as recognised forestry associations and equivalent groupings under the Federal Forest Act (BWaldG). Excluded from funding are the federal and state governments, as well as legal entities with at least 25% of their capital held by these institutions. Projects on land owned by these excluded entities are not eligible for support.		000 Bavaria: N/A
Forest protection measures	The aim of the funding is to deal with the consequences of extreme weather events in forests. These include forest protection measures and measures to secure or restore forest ecosystems. Grants are	Grants are awarded as subsidies covering up to 80% of eligible costs, or up to 90% for small private forest owners (up to 20 ha) until 31 December 2025, excluding equipment under 2.2.2 b). Voluntary work and in-kind contributions are eligible up to 80% of their value. Proof of costs may be waived if flat rates are applied by the federal states. Eligible beneficiaries include natural persons, legal entities under private or public law who own forest land, as well as recognised forestry associations and equivalent groupings under the Federal Forest Act (BWaldG). Excluded from funding are the federal and state governments, as well as legal entities with at least 25% of their capital held by these institutions. Projects on land owned by these excluded entities are not eligible for support.	Climate resilience	North-Rhine Westphalia: N/A Bavaria: N/A

Sub-measures	Aim	Rules	Impacts[24]	Funding for the two selected Federal States (2023)
	awarded as subsidies.			
Restoration	The aim of the funding is to tackle the consequences of extreme weather events in forests. These include forest protection measures and measures to secure or restore forest ecosystems. The funding is intended to have positive effects on biodiversity and climate protection. Grants are awarded as subsidies.	Grants are provided as subsidies covering up to 80% of eligible costs, or up to 90% for small forest owners (up to 20 ha) and when only native tree species are used. Voluntary work and in-kind contributions are eligible up to 80% of their estimated or market value. Proof of expenses may be waived if the grant is set as a flat rate by the federal states. Eligible beneficiaries include natural persons, legal entities under private or public law who own forest land, as well as recognised forestry associations and equivalent groupings under the Federal Forest Act (BWaldG). Excluded from funding are the federal and state governments, as well as legal entities with at least 25% of their capital held by these institutions. Projects on land owned by these excluded entities are not eligible for support.	Forest recovery	North-Rhine Westphalia: EUR 8 mio. Bavaria: EUR 28 mln.

In relation to the forest value chain, the GAK funding supports key components including the planting and cultivation of trees and shrubs, forest and soil management, biodiversity enhancement, hazard prevention, and harvesting activities.

2.3. Funding provided by regional and local authorities

Under the GAK scheme, the federal government contributes 60% of the funding, with the remaining 40% provided by the individual federal states. In addition to co-financing GAK measures, several states also operate their own funding programmes[25]. Notable examples are North Rhine-Westphalia and Bavaria. See more information about the support of the state government of North-Rhine Westphalia in section 2.6.2. A similar initiative can also be found in the federal state of Bavaria[26].

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

In Germany, numerous environmental protection and restoration initiatives are financed through both private and public foundations. These foundations are often supported by donations from individuals, companies, or established by environmental NGOs to secure funding for their activities.

A notable example is the German Federal Environmental Foundation (Deutsche Bundesstiftung Umwelt – DBU), one of Europe's largest foundations, which focuses on supporting innovative and practical environmental projects, particularly those involving small and medium-sized enterprises[27]. It is important to mention that no relevant projects have been identified in relation to SFH.

Another example is the German pension bank (*Rentenbank*). In 2019, the bank launched dedicated a funding programme for the forestry sector with the explicit aim of improving the adaptive capacity of forests to ongoing climate change[28]. In 2024, forestry received approximately €6 million in new financing[29]. This programme complements existing support measures established by the federal government and the Länder and is available until 30 June 2030. It provides financing for a range of silvicultural and forest-related measures that enhance the resilience of forests, including afforestation, climate- and site-adapted forest restructuring, forest protection measures such as wildlife and fire prevention, and activities related to the clean-up, storage, and reforestation following extreme weather events or other damage. It also supports the joint acquisition of machinery by forestry enterprises and investments in commonly used forestry infrastructure, such as timber storage facilities, preservation systems, road repairs, and water management installations. In addition, the programme covers the purchase of forest land and other operational investments, including machinery. Eligible applicants include forest

[25] Interview of the 05/05/2025 with the Ministry of Agriculture and Consumer protection of the State of North Rhine-Westphalia.
[26] Waldbesitzer Portal Bayern, Finanzielle Förderung forstwirtschaftlicher Zusammenschlüsse (FORSTZUSR), August 2024.
[27] Deutsche Bundesstiftung Umwelt, https://www.dbu.de/projektdatenbank/35505-09/, 2024.
[28] Find the relevant link here.
[29] Rentenbank, Förderprogramme, 2024.

owners, forestry associations, forest cooperatives, and leaseholders of forest land, regardless of their legal form.

2.5. Innovative funding sources

Innovative funding comes primarily from the use of the **eco-account system**, which involves the pre-implementation of ecological compensation measures - commonly referred to as biodiversity offsets. These pre-implemented measures can later be credited against the environmental impact of future development projects. This approach is grounded in Germany's Federal Nature Conservation Act[30] and further elaborated in the federal state regulations. Eco-accounts are available to municipalities, private companies, and landowners. Germany's eco-account system has been progressively rolled out since 2002, following changes to the BNatSchG that introduced stricter requirements for ecological compensation.

The eco-account is part of a wider policy approach aimed at ensuring that damage to ecosystems is balanced by improvements elsewhere. Under this framework, negative impacts on biodiversity must be countered by restoring or creating habitats in other areas. Germany also uses a digital platform called the Compensation Market, which supports strategic planning by identifying the most valuable areas for restoration based on existing habitats and the potential to link ecosystems. This helps maximise ecological benefits and ensures that compensation efforts are not only effective but also strategically meaningful.

Additional innovative funding comes from **state-licensed lotteries** operating at national and regional levels. For example, the German Postcode Lottery[31], established in 2016, has channelled more than EUR 150 million into over 4,000 environmental and social initiatives, with 30% of ticket sales allocated to these projects. Another example is the regional lottery GENAU[32], which is publicly operated and awards EUR 5,000 to grassroots environmental projects submitted by associations, clubs, or private individuals.

Germany also supports **green financing instruments** at the national level. Since 2020, the federal government has issued green bonds to enhance the visibility and appeal of sustainable investments[33]. These are structured as "twin bonds," aligning with conventional bonds to facilitate comparability and market integration. It is important to mention that no relevant projects have been identified in relation to SFH.

Although less widespread, **crowdfunding** has occasionally been used to support environmental initiatives in Germany. One such example involved a reforestation project in the Harz Mountains,

[30] According to Section 16 (1) of the Federal Nature Conservation Act (BNatSchG), compensation and replacement measures can be specifically stockpiled since the amendment of the Federal Nature Conservation Act in 2010: "Nature conservation and landscape management measures that have been carried out with regard to anticipated interventions are to be recognized as compensation or replacement measures [...]" (§ 16 para. 1 BNatSchG). Certain requirements must be met for the use of eco-account measures as compensation and replacement measures under nature conservation law. Ecoaccounts are further are formulated in §16 No. 2 BNatSchG as follows: The stockpiling of early compensatory and replacement measures by means of eco-accounts, land pools or other measures, in particular the recording, valuation or booking of early compensatory and replacement measures in eco-accounts, their need for approval and tradability, and the transfer of responsibility under section 15(4) to third parties carrying out early compensatory and replacement measures, shall be governed by Land law. [...].

[31] Find here the link.

[32] Find here the link.

[33] Find here the link.

coordinated by Harzer Wandernadel GmbH in 2022[34].

2.6. Financial incentives in focus

2.6.1. GAK Framework Programme

- ***Historical background***

  The GAK is a financially significant instrument whose objectives and corresponding support measures largely overlap with the interventions offered under the CAP Strategic Plan. Within Germany's national rural development strategy, the GAK plays a central role. To implement it, the federal government and the Länder jointly establish a framework plan for a four-year financial planning period. This GAK Framework Plan sets out the measures to be funded, their objectives, the funding principles, eligible beneficiaries, funding conditions, and the type and level of support.

  The funding program was established in 1969. Forestry has been part of it from the outset. Its role expanded as the program adapted to structural changes in agriculture, including the decline of many small farms and growing land fragmentation. In response, reforms introduced measures for small forest consolidation and to increase forest productivity[35].

  Since the early 1990s, the federal government and the Länder have promoted close-to-nature forest management through the Joint Task Improvement of Agricultural Structure and Costal Protection (GAK). This program has driven the conversion of monocultures and unsuitable forest stands into more resilient mixed forests.

  For some time now, the central task of German forestry has been the transformation of forests intro climate-resilient mixed stands. This objective became particularly relevant during the dry years of 2018 and 2020, when storms and mass outbreaks of harmful insects further contributed to an unprecedented extent of damaged forest areas. In response to these developments, federal funding for climate adaptation was substantially increased[36].

- ***Legal and strategic background***

  The program is grounded in Article 91a of the German Basic Law and further supported by the Federal Forest Law[37]. Its operational details are embedded in the Act on the Joint Task for the Improvement of Agricultural Structures and Costal Protection (GAK Act –

[34] Find here the link.
[35] Interview on 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.
[36] Bundesministerium für Landwirtschaft, Ernährung und Heimat, Grünes Licht für bessere Förderung von forstwirtschaftlichen Zusammenschlüssen – EU-Kommission genehmigt GAK-Maßnahmen, 2022, https://www.bmleh.de/SharedDocs/Archiv/Pressemitteilungen/2022/175-gak-wald.html.
[37] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

GAKG)[38]. This Act defines the principles, objectives, and procedural rules governing measures to strengthen agriculture and forestry, improve rural infrastructure, and enhance coastal protection. It sets out the eligible measures, types of funding, and the responsibilities of both the federal government and the Länder.

Strategic guidance is provided through the GAK framework plan, which is adopted every four years by the Programme Committee for Agricultural Structures and Coastal Protection (PLANAK). This body, composed of the federal and Länder agriculture ministers together with the Federal Minister of Finance, ensures that funding principles, target groups, eligibility conditions, and support levels are aligned with national and EU policy priorities. The framework plan applies for the entire financial planning period, but it is reviewed annually and adapted to current developments.

On the 8th of February 2025, the PLANAK adopted the funding principles and the new framework plan for 2025-2028, thereby providing the legal and strategic basis for the continuation of support measures in forestry and related sectors[39].

- ***Budget of the incentive***

The financing of the GAK is shared, with 60% provided by federal funds and the remainder by the Länder. A comprehensive historical total budget is not available.

In 2024, GAK allocated approximately EUR 1.04 billion in federal funds. With the co-financing from the Länder, the total budget reached around EUR 1.71 billion. These resources are intended to support German forestry in preparing forests for the anticipated impacts of climate change and in mitigating the consequences of extreme weather events[40].

More specifically, under the Funding Area 5 which specifically relates to “Forestry”, a total of approximately EUR 175 million was allocated[41].

According to the draft of the 2025 federal budget, the German government has allocated EUR 907 million in federal funds to GAK, supplemented by an additional EUR 100 million from the Climate and Transformation Fund (KTF).

[38] Act on the Joint Task “Improvement of Agricultural Structures and Coastal Protection” (GAK Act – GAKG), in the version published on 21 July 1988 (Federal Law Gazette I, p. 1055), last amended by Article 1 of the Act of 11 October 2016 (Federal Law Gazette I, p. 2231), https://www.gesetze-im-internet.de/agrstruktg/BJNR015730969.html.

[39] Bundesministerium für Landwirtschaft, Ernährung und Heimat, Joint Task for the "Improvement of Agricultural Structures and Coastal Protection", https://www.bmleh.de/EN/topics/rural-regions/rural-development-support/gak.html.

[40] Fachagentur Nachwachsende Rohstoffe e.V., Förderoptionen für Privatwaldbesitzer, https://wald.fnr.de/foerderung/foerderoptionen-privatwaldbesitzer.

[41] Bundesministerium für Landwirtschaft, Ernährung und Heimat, Berichterstattung zum Vollzug der GAK 2024 – Förderbereich 5: Foresten, https://www.bmel-statistik.de/laendlicher-raum-foerderungen/gemeinschaftsaufgabe-zur-verbesserung-der-agrarstruktur-und-des-kuestenschutzes/gak-berichterstattung-2022-bis-2024.

- ***Type of activities covered***

  Activities are defined in the GAK framework plan and encompass a broad set of forestry-related measures under the Funding Area 5[42]. Under this Funding Area, a wide range of activities are covered. Each of these activities is linked to clear performance indicators[43]:

  - Close-to-nature forest management which includes activities such as studies, forest conversion, young stand tending, and soil care. These activities are measured in hectares that have been improved, the number of species mix achieved, and the soil condition indicators.
  - The funded activity of forestry infrastructure includes road construction, wet storage facilities, and wildfire prevention. The indicators are among others the kilometres of roads built, the cubic meters of timer stored, and the fire prevention capacity.
  - Forestry associations cover activities such as the management of contracts, member activation, timber marketing, professionalisation, training, and project management. Key indicators include the hectares under contract, the members growth, the volume marketed, and the staff capacity.
  - Afforestation covers the establishment of new forests on non-forestry land, and the indicator is the hectares afforested, its survival after 5 years, and the proportion of native species.
  - Contractual nature conservation supports habitat protection and biodiversity measures in forests through voluntary agreements. Key indicators include hectares under contract, habitat condition improvements, and measurable gains in species diversity.
  - Extreme weather response covers activities such as calamity clearance, forest protection, and post-damage reforestation. Key indicators include hectares restored, pest control effectiveness, and the resilience and diversity of re-established stands.

- ***Targeted beneficiaries***

  The primary general beneficiaries are the private forest owners as well as municipal forest owners. Particular emphasis is also placed on supporting forestry associations. In addition, associations, cooperatives, and equivalent organizations are eligible for support, provided they meet the requirements of the Federal Forest Act. Non-profit organizations and municipalities may also benefit in the context of measures related to biodiversity conservation, nature protection, or recreational functions. By contrast, the Federal

[42] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

[43] Bundesministerium für Landwirtschaft, Ernährung und Heimat, Forsten, https://www.bmleh.de/SharedDocs/Downloads/DE/_laendliche-Regionen/Foerderung-des-laendlichen-Raumes/GAK/Foerderbereich5-25.html#Download=1.

Government, the Länder, and entities with more than 25% public ownership are excluded from direct support[44].

- ***Effects and impacts of the incentive***

  The annual reporting tracks measures uptake over time, while long-term ecological and structural outcomes are assessed through forest monitoring and the ten-year national inventory.[45]

  The program monitoring shows that demand shifts with external conditions. During the drought years of 2018 to 2020, and to some extent also 2021, applications increased for measures related to forest conversion and adaptation and for regeneration following calamities, while demand for other activities fell[46].

  Within the Area F of the Funding Area 5, the subsidy uptake increased during these years in response to urgent needs. As recent summers have been less affected by calamities, application patterns appear to be stabilising again[47].

- ***Strengths and weaknesses of the incentive***

  A core strength of the financial incentive is its federal-Land co-design. This ensures that the program's activities reflect regional conditions and priorities. Another is its proportionate reporting requirements and adaptive annual updates, which generates usable evidence without excessive administrative burden and allows the program to adjust as needs evolve[48].

  These strengths come with weaknesses. Given that all changes must be agreed upon with all the Länder, the process can be relatively slow. In addition, the funding provided covers all funding areas without a dedicated allocation specifically for forestry. As a result, the extent to which forestry is emphasized depends largely on the priorities of each state. Furthermore, in some cases, certain measures—such as reforestation under the Climate Transition Plan—are funded directly by the Federal Republic rather than through GAK, which can create complexity in the funding structure[49].

[44] Bundesministerium für Landwirtschaft, Ernährung und Heimat, Forsten, https://www.bmleh.de/SharedDocs/Downloads/DE/_laendliche-Regionen/Foerderung-des-laendlichen-Raumes/GAK/Foerderbereich5-25.html#Download=1.

[45] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

[46] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

[47] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

[48] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

[49] Interview of the 16th of September 2025 with the Advisor for National Forest Policy at Federal Ministry of Agriculture, Food and Rural Affairs.

2.6.2. Support for forestry associations provided by the state government of North Rhine-Westfalia

- ***Historical background***

The state government of North Rhine-Westphalia supports forestry associations in the management of their members' forest areas. The financial incentive was introduced on 14th of March 2019[50].

Prior to this, an indirect subsidy system was in place: forest owners associations (*forstwirtschaftliche Zusammenschlüsse*) entered into contracts with the state enterprise *Wald und Holz NRW* for the management of their members' forests. For the services provided, the associations paid around 25% of the costs, while the remaining 75% were covered by the State of North Rhine-Westfalia (NRW). Private service providers were excluded from this arrangement, leaving them in a competitive disadvantage compared to the associations[51].

This indirect subsidy system had a structural weakness: in addition to disadvantaging private service providers, it relied on services priced below actual costs, which were deemed unauthorised state aid, making the model unsustainable. As a result, a new direct subsidy system was introduced. Under this new scheme, also private service providers were made eligible to receive funding for services provided to forest owners. The model reimburses up to 80% of eligible expenditures, with the remaining 20% covered through membership fees. Its rollout was accompanied by a one-year transition period, later extended once to accommodate adjustment challenges and the disruptions caused by the COVID-19 pandemic. Today, subsidy allocations are determined according to the membership numbers and structure of each association[52].

The state government of North Rhine-Westphalia supports forestry associations in the management of their members' forest areas. These associations, acting as key partners in sustainable forest management, may receive funding under the state's guideline on promoting sustainable forestry through associations[53]. Eligible activities include business planning, biological and technical production (such as reforestation and harvesting coordination), and biodiversity enhancement through conservation measures. Associations may contract forest services from qualified providers of their choice, selected independently based on cost-effectiveness rather than price alone. Contracts may last three to five years, with funding covering up to 80% of eligible costs, or up to 90% for associations established under the Community Forest Act. Applications must be submitted by the associations to the Forestry Office of Wald und Holz NRW[54]. Between 2019 and 2022, the policy supported 452 forestry associations, with €66.8 million total

[50] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[51] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[52] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[53] Umwelt wirtschaft, Förderung der nachhaltingen Waldbewirtschaftung in forstwirtschaftlichen Zusammenschlüssen.
[54] NRW. Bank, Nachhaltige Waldbewirtschaftung in forstwirtschaftluchen Zusammenschlüssen.

funding, including €24 million in 2022. A 2024 state decree updated the funding directive but did not specify the overall budget amounts[55].

- ***Legal and strategic background***

  The incentive is not embedded within a broader strategic plan but is anchored in the Guidelines on the granting of subsidies for the promotion of sustainable forest management in forestry associations[56]. These guidelines are complemented by supporting documents that assist applicants throughout the process[57].

  Section 1 of the Guideline establishes that the State of NRW provides subsidies to support independent forest management within forestry associations. These subsidies are granted on the basis of the Guideline itself and are legally anchored in the Administrative Regulations on the State Budgetary Law, the Federal Forest Act, and the State Forest Act of NRW. Its main objectives are to:

  - Promote inter-company cooperation within forestry associations as outlined in Section 13(4) of the NRW State Forest Act), helping to overcome structural disadvantages and strengthen the position of forest owners in the value chain.
  - Support private and municipal forest owners in implementing sustainable forest management practices.
  - Contribute to climate protection by increasing carbon sequestration in forests and fostering the use of renewable energy derived from sustainable forestry.
  - Enhance biodiversity conservation through sustainable development and efficient resource management.

- ***Budget of the incentive***

  Between 2019 and 2022, the policy supported 452 forestry associations, with EUR66.8 million total funding, including EUR 24 million in 2022. A 2024 state decree updated the funding directive but did not specify the overall budget amounts[58]. Each funding decision is valid for a period of three to four years, with an annual budget of around EUR 10 million[59].

- ***Type of activities covered***

  The funding primarily supports activities commonly carried out for the sustainable management of forest areas, with a strong focus on expert advice on economic planning,

[55] Landesbetrieb Wald und Holz Nordrhein-Westfalen, Alle Anträge zur Direkten Förderung bewilligt – 453 forstliche Zusammenschlüsse können Geld abrufen, (2023).
[56] Guideline on the granting of subsidies for the promotion of sustainable forest management in forestry associations. Circular Decree III-3-40-00.34, issued on 30 January 2019.
[57] Find here the link to the relevant supporting documents: https://www.waldbauernlotse.de/forstliche-dienstleistungen/dokumente.
[58] Landesbetrieb Wald und Holz Nordrhein-Westfalen, Alle Anträge zur Direkten Förderung bewilligt – 453 forstliche Zusammenschlüsse können Geld abrufen, (2023).
[59] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.

biological and technical production, and biodiversity promotion[60]. More in detail the following activities are covered by the program[61]:

- Occasional or event-specific technical and general information, recommendations, and insights covering forest management, timber harvesting, forestry support, forestry legislation, nature conservation services, and other consultancy services.
- Cross-ownership tasks, covering, among others, annual business planning, economic planning, collaborative economic measures, forests development, forestry support, and forest management planning.
- Other individual services, covering forestry services beyond timber harvesting, economic planning, forestry support, assistance with administrative processes, and visual tree inspection for safety compliance.

The activities outlined above do not have specific indicators in place to measure their results and impact[62].

- ***Targeted beneficiaries***

The main recipients of the funding are the forest management associations based in NRW, as defined under Section 15 of the Federal Forest Act and Section 13(4) of the State Forest Act. To be eligible, these associations must be recognised by the competent authority prior to the submission of their application, and their status must be approved[63]. In addition, at least 50% of the members within the forest management association must own less than 25 hectares of forest land to qualify for funding.[64]

These associations are responsible for applying for and administering the funds. However, the direct beneficiaries are the individual forest owners, as the measures are designed to impact their forests. The associations act as intermediaries, facilitating communication and coordination between the administration and the forest owners[65].

- ***Effects and impacts of the incentive***

With regards to the effects and impacts of the incentive the funding program reveals one of its weaknesses: the absence of quantitative indicators to objectively measure the success, beyond the number of hours worked and the total funding allocated. To date, no additional metrics have been put in place to assess the program's overall effectiveness. The collection of further indicators has been deliberately avoided to minimise

[60] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[61] Guideline on the granting of subsidies for the promotion of sustainable forest management in forestry associations, Circular Decree III-3-40-00.34, issued on 30 January 2019, Annex 1.
[62] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[63] Guideline on the granting of subsidies for the promotion of sustainable forest management in forestry associations, Circular Decree III-3-40-00.34, issued on 30 January 2019, Section 3.
[64] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[65] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.

administrative burdens and to focus on providing competitive support to small forest owners, in line with the previous funding program[66].

Moving forward, indicators such as the area of forestland that has been thinned or maintained are expected to be introduced[67].

- ***Strengths and weaknesses of the incentive***

The funding program demonstrates several **strengths** that enhance its effectiveness[68]:

- **Stronger forest owner associations:** the program has reinforced the role of forest owner associations, enabling them to support their members more effectively. This targeted approach allows small forest owners to receive active, hand-on guidance in managing their forests.
- **Reduced reporting requirements:** compared to other federal states (e.g. Bavaria), the level of detail required in reporting is lower. Associations view this as an advantage, as it reduces administrative burden and frees up resources for practical work.

At the same time, certain **weaknesses** limit the program's overall impact[69]:

- **High administrative burden:** despite simplified requirements, the documentation workload remains considerable, particularly when recording detailed activities and their locations. NRW is currently evaluating whether this level of data collection is necessary, as excessive documentation risks creating an excessive volume of data that cannot be reasonably processed.
- **Lack of clear metrics:** the program lacks a well-defined framework for measuring strategic success, making it harder to evaluate long-term impacts.
- Interviewed associations consider the reform directionally correct: it advances a market-based model that selects the most economical provider (state or private) and rectifies competition-law concerns present under the previous system. However, capacity constraints are significant—many associations are led by volunteer boards and lack the procurement, cash-flow, and audit systems needed under the new model. The transition has been particularly challenging in timber sales: after competition-law interventions curtailed centralised state sales, NRW associations had to develop private sales structures, revealing operational gaps and likely prompting sector consolidation as some associations struggle to adapt[70].

2.7. Other funding sources

N/A

[66] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[67] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[68] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[69] Interview of the 24th of July 2025 with the Ministry of Agriculture and Consumer Protection of NRW.
[70] Interview of the 10th of October 2025 with the Managing director Forstbetriebsgemeinschaft Voreifel.

3. Overview of the financial incentives

3.1. EU Funding

As noted earlier, the ERDF funding is implemented all the sixteen German Länder. Due to time constraints, the analysis covered only Bavarian and NRW, and neither provide direct ERDF support for small forest holdings. Accordingly, the table below does not mention the ERDF.

The table below presents the total CAP funding allocated in the years 2023-2027 to Bavaria and North-Rhine Westphalia.

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
Strategic Plan for CAP - Biodiversity, ecosystems, habitats, landscape	Support for ecosystem services	Eco-schemes	EUR 10.6 mln overall in Germany In Bavaria EUR 2.3 mln and in NRW EUR 0.749 mln	2023 - 2027	N/A
Strategic Plan for CAP - Market orientation and competitiveness	Improvement of the market for forestry products	Eco-schemes	EUR 1.6 mln overall in Germany In Bavaria EUR 0.198 mln and in NRW EUR 0.250 mln	2023 - 2027	N/A
Strategic Plan for CAP - Local development bioeconomy and forestry	Support for ecosystem services	Eco-schemes	EUR 3.3 mln overall in Germany In Bavaria EUR 0.250 mln and in NRW EUR 0.153 mln	2023 - 2027	N/A

3.2. Member State funding (state level, regional level, foundations and associations)

The table below provides a summary of funding from the GAK programme related to forests made available in Germany overall as well as in Bavaria and NRW.

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
Funding area 5: Forestry – funded through GAK Framework Plan	Forest conversion (Near-natural forest management)	Preparatory work supporting the transition to near-natural forest management, including analyses, site assessments, expert evaluations, and surveys. Development of cooperative ownership and management models.	Between 2022 and 2024, the total budget for the Near-natural forest management incentive amounted to EUR 145 mln. Of this total amount, EUR 40 mln have been used in Bavaria and EUR 2.1 mln in NRW.	2022-2024	N/A
Funding area 5: Forestry – funded through GAK Framework Plan	Young stance maintenance (Near-natural forest management)	Converting monocultures and climate-vulnerable stands into stable mixed forests using mainly native tree species.	Between 2022 and 2024, the total budget for the Near-natural forest management incentive amounted to EUR 145 mln. Of this total amount, EUR 40 mln have been used in Bavaria and EUR 2.1 mln in NRW.	2022-2024	N/A
Funding area 5: Forestry – funded through GAK Framework Plan	Soil management (Near-natural forest management)	Soil protection limiting to improve soil structure and resilience.	Between 2022 and 2024, the total budget for the Near-natural forest management incentive amounted to EUR 145 mln. Of this total amount, EUR 40 mln have been used in Bavaria and EUR 2.1 mln in NRW.	2022-2024	N/A
Funding area 5: Forestry – funded through GAK	Road construction (Forestry infrastructure)	Construction, reinforcement, and basic repair of forestry roads.	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 48.8 mln.	2022-2024	N/A

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
Framework Plan			Of this total amount, EUR 8.6 mln have been used in Bavaria and EUR 12.2 mln in NRW.		
Funding area 5: Forestry – funded through GAK Framework Plan	Wood preservation facilities (Forestry infrastructure)	Initial investments in water-based wood preservation facilities (e.g. sprinkling systems) to protect timber from fungi and insects.	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 48.8 mln. Of this total amount, EUR 8.6 mln have been used in Bavaria and EUR 12.2 mln in NRW.	2022-2024	N/A
Funding area 5: Forestry – funded through GAK Framework Plan	Forest fire prevention (Forestry infrastructure)	Wildfire prevention measures, including firebreaks with fire-resistant trees, clearance strips, and the installation or expansion of fire ponds and water access points. Preparatory and coordination costs.	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 48.8 mln. Of this total amount, EUR 8.6 mln have been used in Bavaria and EUR 12.2 mln in NRW.	2022-2024	N/A
Funding area 5: Forestry – funded through GAK Framework Plan	Project funding for forestry associations	Management of members' forest areas through forest management contracts, including planning, administration and advisory services Information, activation and recruitment of members through newsletters, media and information events.	Between 2022 and 2024, the total budget for the Forestry association incentive amounted to EUR 26 mln. Of this total amount, EUR 6 mln have been used in Bavaria and none in NRW.	2022-2024	N/A

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
		Joint bundling and marketing of members' timber across holdings Hiring of qualified forestry staff and development of business plans to professionalise forestry associations. Training and information events for employees and board members, including travel and subsistence. Organisation and coordination of time-limited projects to improve structures, forest management or to serve specific public interests.			
Funding area 5: Forestry – funded through GAK Framework Plan	Reforestation (Initial afforestation)	Establishment of new forest on previously non-forested land through sowing or planting, including site preparation, forest-edge design, protection (e.g. fencing) and maintenance such as watering and replacement planting in the first year. Replanting and restoration of young forest stands after major losses caused by natural events (e.g. frost, drought, flooding,	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 10.7 mln. Of this total amount, EUR 3.2 mln have been used in Bavaria and EUR 0.1 mln in NRW.	2022-2024	N/A

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
		pests, invasive species), combined with appropriate risk-management measures to reduce future damage.			
Funding area 5: Forestry – funded through GAK Framework Plan	Measures for the stock and damage-free clearing of calamity areas (Promotion of measures to cope with the consequences of extreme weather events in forests)	Silviculture- and soil-conserving clearance of calamity-affected forest stands including removal of damaged timber and associated costs for technical planning supervision contractors and own labour.	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 416 mln. Of this total amount, EUR 140 mln have been used in Bavaria and EUR 24.4 mln in NRW.	2022-2024	N/A
Funding area 5: Forestry – funded through GAK Framework Plan	Forest protection measures (Promotion of measures to cope with the consequences of extreme	Monitoring, prevention and control of forest pests using lures, traps and other integrated plant protection measures. Sanitary operations on infested or high-risk to reduce breeding material for pests, including	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 416 mln. Of this total amount, EUR 140 mln have been used in Bavaria and EUR 24.4 mln in NRW.	2022-2024	N/A

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
	weather events in forests)	materials, contractors and qualified own labour. Establishment and operation of temporary wet and dry timber storage sites for calamity wood, including land lease, construction and access, materials, operation and maintenance. Restoration of forest roads and associated structures damaged by heavy rainfall. Wildfire prevention and control measures. Preparatory, supervisory and coordination work related to these forest protection measures.			
Funding area 5: Forestry – funded through GAK Framework Plan	Restoration (Promotion of measures to cope with the consequences of extreme weather events in forests)	Reforestation, advance, supplementary and underplanting in stands damaged by extreme weather, including site preparation, sowing or planting and natural regeneration, plus protection and maintenance of young stands for up to five years	Between 2022 and 2024, the total budget for the Forestry infrastructure incentive amounted to EUR 416 mln. Of this total amount, EUR 140 mln have been used in Bavaria and EUR 24.4 mln in NRW.	2022-2024	N/A

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
		(materials, contractors and own labour).			
Sustainable forest management in forestry associations in NRW	Support for forest associations	Forest planning and operations management. Biological and technical forest production. Measures promoting biodiversity.	Since 2021, approved applications have amounted to around EUR 64 million in total.	Since 2021	N/A
Financial support for forestry associations in Bavaria	Support for forestry associations	Quality assurance for planting and seed material. Structural improvement projects Purchase of machinery and equipment. Construction of farm building and facilities. Acquisition of land for timber storage and processing sites. Investment in IT equipment and software. Forest management contracts.	N/A	Since 2021	N/A

3.3. Innovative funding

In the category of innovative funding, eco-account system is worth mentioning – it is applicable to the whole German territory.

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
Eco-account system	Support for ecosystem services	Negative impacts on biodiversity must be countered by restoring or creating habitats in other areas.	N/A	N/A	N/A

4. Strategic objectives vs financial incentives

4.1. Strategic objectives

Forest Strategy

The German Forest Strategy 2050[71] sets out the strategic direction of national forest policy and outlines the federal government's tasks in ten areas of action to preserve and develop forests in times of climate change. The key milestones to be achieved by 2030, relevant for SFH, are: "The forest, its sustainable management and the use of wood should continue to contribute to the achievement of the German government's climate protection goals". More specific objectives are as follows:

- Biological diversity in the forest should continue to improve. This includes close-to-nature forest management, consideration for habitat and living space structures, and the avoidance of nutrient-depleting or soil-damaging practices.
- Measures to adapt forests to climate change, manage them in a natural way and cope with the consequences of climate change caused by extreme weather events should be stepped up through support programmes.
- Small and corporate forest owners should continue to receive special support through the promotion of forestry associations and other forms of inter-company cooperation. The support should be aimed towards the development and long-term safeguarding of stable and efficient inter-company organisational structures.

It is important to clarify from the outset that these set objectives are of general nature and lack overall quantitative targets to track progress.

Federal Forest Act

Section 1 of the Federal Forest Act[72] provides the central legal framework for the Forest Strategy 2050. It recognises forests both for their economic function and for their protective and recreational functions. On this basis, the Act aims to promote:

(1) the conservation and sustainable management of forests,

(2) the promotion of forestry as an economic sector, and

(3) the balance between the public interest and the interest of forest owners.

It is important to clarify, as for the Forest Strategy 2050 above, that these set objectives are of general nature and lack overall quantitative targets to track progress.

See sub-sections below for an analysis of the alignment of the selected financial incentives with the strategic objectives set out in these two strategic documents.

[71] Federal Ministry of Agriculture, Food and Regional Identity, Forest Strategy 2050 – Sustainable Forest management – challenge and opportunities for people, nature and the climate, https://www.bmleh.de/DE/themen/wald/waldstrategie.html.

[72] Federal Forest Act of 2 May 1975, Act on the conservation and promotion of forests (Gesetz zur Erhaltung des Waldes und zur Förderung der Forstwirtschaft vom 2. Mai 1975).

4.2. Alignment of the selected financial incentives with the strategic objectives: GAK Framework Plan

Section 41(4) of the Federal Forest Act stipulates that the Federal Government participates in the financial support of forestry pursuant to the Act on the Joint Task for the Improvement of Agricultural Structures and Costal Protection (GAKG), whose strategic objective is laid down in its Section 2.

Firstly, the Plan should ensure a productive, future-oriented agriculture and forestry that can compete within the EU internal market. Secondly, the GAK aims to secure the sustainable functioning of rural areas, with environmentally and resource-efficient land and forest management as a central pillar. These two objectives must be pursued in conformity with spatial planning and land-use objectives and with the requirements of environmental, nature and landscape protection and animal welfare.

Overall, the GAK Framework Plan funded activities are well aligned with the strategic objectives in the GAKG. The Funding Area 5 operationalises the objectives of the GAKG by directing funding to high-impact measures, namely:

- **Close-to-nature forest management** which further breaks down into forest conversion, young stance maintenance, and soil management. This measure and its sub-measures pursue the overall aim to increase the stability, resilience and ecologic quality of forests through climate-adapted, site-appropriate management of stands and soils. The progress is tracked through general indicators such as hectares improved, achievement of target species mixes, and soil condition scores.
- **Forestry infrastructure** which further breaks down into road construction, wood preservation facilities, and forest fire prevention. This measure and its sub-measures pursue the overall aim to ensure that forests are safely and efficiently accessible and protected, enabling sustainable use, risk prevention, and recreation. The progress is tracked through general indicators such as kilometres of roads, cubic metre of timber stored, and the fire-prevention capacity.
- **Forestry associations** which aims to strengthen cooperative structures so that (especially small) forest owners can manage their forest sustainably, economically and in a climate-resilient way. The progress is tracked through general indicators such as hectares under contract, member's growth, volume marketed, and the staff capacity.
- **Initial afforestation** which aims to expand the forest cover for climate mitigation, carbon sequestration and ecological restoration on former agricultural land. The progress is tracked through general indicators such as hectares planted, five-year survival rates and the share of native species.
- **Contractual nature conservation** which aims to protect and enhance forest biodiversity by compensating forest owners for conservation-oriented management and use restrictions. The progress is tracked through general indicators such as hectares under contract, habitat condition, and species-diversity gains.

- **Promotion of measures to deal with the consequences of extreme weather events in forests** which further breaks down into clearing of calamity areas, forest protection measures, and restoration. This measure and its sub-measures pursue the overall aim to repair and stabilise forests after extreme weather, protect them against future damage and support their recovery as resilient ecosystems. The progress is tracked through general indicators such as hectares restored, pest-control effectiveness and stand resilience/diversity.

Alignment with the Forest Strategy 2050:

- The close-to-nature forest management measure directly supports the Strategy's goal of enhancing climate mitigation, improving biodiversity, and avoiding soil-damaging practices. By fostering structurally rich, site-appropriate and climate-resilient forests and tracking progress through indicators such as hectares improved, species-mix achievements and soil-condition scores, the funding measure operationalises the Forest Strategy's commitment to ecologically sound, sustainable management.
- Forestry infrastructure funding aligns with the Forestry Strategies emphasis on sustainable forest management and the need to step up measures to adapt forests to climate change and cope with extreme weather events.
- Forestry associations are a central implementation tool for the Forestry Strategies objective to continue providing support to small and corporate forest owners through associations and other forms of inter-company cooperation. By strengthening cooperative structures, professionalising management and marketing, and expanding staff capacity, this funding area helps achieve the objective set by the Strategy.
- Initial afforestation under the GAK Framework Plan is closely linked to the Forest Strategy's climate and biodiversity objectives. By expanding forest cover on former agricultural or fallow land, it directly supports the goal that forests, and wood use continue to contribute to the federal government's climate protection targets through increased carbon sequestration and ecological restoration.
- Contractual nature conservation is closely linked to the Forest Strategy's objective that biological diversity in forests should continue to improve. By compensating forest owners for conservation-oriented management and use restrictions, it addresses the Strategy's recognition that biodiversity-enhancing practices often entail income losses and additional costs.
- Promotion of measures to deal with the consequences of extreme weather events in forests directly implements the Forest Strategy's objective to intensify adaptation and damage-management measures in response to climate change.

Alignment with the Federal Forest Act:

- The funding for close-to-nature forest management, conversion to climate-resilient mixed stands, afforestation, biodiversity and habitat measures, and extreme-weather response directly supports the long-term productivity, protective and recreational functions of forests, and their sustainable management are aligned with the strategic objective 1 (the conservation and sustainable management of forests).
- The measures on forest consolidation, productivity, forestry infrastructure, and support for forestry associations strengthen the structural and economic viability of forestry are aligned with the strategic objective 2 (the promotion of forestry as an economic sector).
- The co-designed, co-financed framework plan aligns funding with public policy goals, while targeting mainly private and municipal forest owners and forestry associations through voluntary, conditional support, thereby seeking a fair balance between public objectives and forest owners' interests (alignment with the strategic objective 3).

Overall assessment:

It can be seen that the GAK Framework Plan addresses most strategic objectives of the Forest Strategy and the Forest Act. It strongly addresses close-to-nature, climate-resilient management, biodiversity improvement, climate mitigation and adaptation, and the structural economic strengthening of forest owners. The objectives that are covered more indirectly include the broader social and recreational function of forests and the long-term remuneration of ecosystem services, which appear less explicitly targeted within this funding area.

In addition, some financing gaps remain with reference to forestry associations. The available support is often degressive or capped and does not sustainably cover all the costs that an association might incur. In addition, there is no dedicated support for innovation and business development, for example the development of digital services, new advisory formats or modern member-facing tools that would be needed to professionalise and future-proof the work of forestry associations.

4.3. Alignment of the selected financial incentives with the strategic objectives: Support for forestry associations in NRW

The strategic objectives of this funding program are set out in the Guidelines[73] on the granting of subsidies to promote sustainable forest management in forestry associations[74]. It is important to note that, under Section 1 of the guideline, NRW grants subsidies on the legal basis of both the Federal Forest Act and the State Forest Act.

The funding serves to implement the objectives established in Section 1 of the Federal Forest Act and the Forest Strategy objective to foster inter-company cooperation within forestry associations. This cooperation helps to overcome structural disadvantages and strengthens the

[73] It is important to note that a guideline constitutes an administrative or implementation instruction issue by an authority, but it does not have the formal status of law.

[74] Guideline on the granting of subsidies for the promotion of sustainable forest management in forestry associations, Circular Decree III-3-40-00.34, issued on 30 January 2019.

position of forest owners within the value chain. In addition, the funding supports private and municipal forest owners in practicing sustainable forest management. This, in turn, contributes to halt and reverse biodiversity loss, enhance ecosystem services, and preserve habitats and landscapes.

By shifting from the former indirect subsidy system to a direct support model, NRW has created a mechanism that both strengthens forestry associations and opens access to private service providers, thereby ensuring fair competition and strengthening the sector as a whole. In addition, as highlighted above, this targeted approach further enhances the role of forestry associations, enabling them to provide more effective assistance to their members. The main beneficiaries of this system are small forest owners, who receive direct, hands-on guidance that empowers them to manage their forests sustainably and contribute to broader environmental objectives.

Alignment with the Forest Strategy 2050:

The NRW financial incentive mostly aligns with the strategic objectives laid down in the Forest Strategy 2050:

- By strengthening forestry associations, supporting sustainable forest management, and aiming to overcome structural disadvantages of small forest owners, the incentive closely aligns with the Strategies objective of providing special support to small and corporate forest owners.
- In addition, the incentives focus on sustainable management supports the Strategies objective that forest and wood use should continue to contribute to climate protection and biological diversity.

Alignment with the Federal Forest Act:

Overall, the support program aligns closely with the strategic objectives set out in the Federal Forest Act:

- The incentive explicitly aims at sustainable forest management, climate protection, and biodiversity conservation. The funded activities all support the long-term productive, protective and recreational function of forests.
- The incentive supports forestry as an economic sector by financing advisory, planning and coordination functions of the forestry associations. Therefore, the funding focuses on expert support to strengthen sustainable and economically sound forest management.
- The scheme appears designed to reconcile public interests in sustainable forest management, climate protection and biodiversity conservation with the legitimate interests of forest owners. In addition, the replacement of the previous indirect subsidy model with a more market-conform system, in which public and private service providers compete for contracts, also responds to competition-law and state-aid concerns while preserving owners' freedom of choice.

Overall assessment:

It can be seen that the NRW financial incentive addresses most strategic objectives of the Forest Strategy and the Forest Act, but some gaps remain.

Economic objectives are well covered. The financial incentive focuses primarily on advisory, planning and coordination services. By supporting collaborative management within forestry associations, the incentive helps private and municipal owners to overcome structural disadvantages such as small, fragmented holdings. The instrument does address the conservation and sustainable management objective in functional terms, but only indirectly and without specific measurable targets for carbon storage, biodiversity, or resilience. For the promotion of forestry as an economic sector, the support clearly strengthens organisational capacity and professional services, yet there is no dedicated funding line for innovation and business development (for example, new digital services or business models). In addition, the funding ceiling of up to 80% of eligible costs implies that forest owners might potentially bore it themselves, which may limit uptake among small or financially weak structures. Furthermore, the NRW programme's strategic contribution remains difficult to quantify because it lacks a robust set of outcome indicators beyond financial volumes and hours worked.

4.4. Overall conclusions

Taken together, the financial incentives examined above (GAK Framework Plan, the NRW support scheme for forestry associations, and the Bavarian financial support for forestry associations) demonstrate a consistent alignment with the strategic objectives set out both in the Forestry Strategy 2050 and the Federal Forest Act. The three instruments, although to a different extent, support sustainable forest management, climate protection, biodiversity enhancement, and the strengthening of forest owners.

The GAK Framework Plan demonstrates the strongest and most comprehensive alignment, covering the full range of strategic objectives, from climate-resilient silviculture and afforestation to biodiversity conservation and disaster recovery.

The NRW incentive aligns particularly well with the Strategy's and the Act's economic and structural goals, especially the promotion of inter-company cooperation and the reduction of fragmentation among small forest owners.

The Bavarian measures, in turn, strongly support the economic and organisational modernisation of forestry, offering a broader range of investment-oriented tools than those available in NRW.

Despite these areas of strong alignment, certain gaps are visible across all schemes. Conservation and climate objectives are addressed, but often indirectly or without clear ecological performance targets. Economic objectives are comparatively better covered, yet innovation, digitalisation and long-term organisational development remain underfunded. A weakness specific to NRW and the Bavarian instruments, and not found in the GAK, is the absence of outcome-oriented indicators.

PARTNERS



Funded by
the European Union