milieu
Law & Policy Consulting

Financial incentives applicable to Small Forest Holdings and their impacts

Country Fact Sheet
Finland

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 Miia-Mari Paavonaho. 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 5
1.1. The European Regional Development Fund 5
1.2. Common Agricultural Policy (CAP) 5
1.3. LIFE and Horizon Europe 6
2. Financial incentives based on MS funding 7
2.1. State aid 7
2.2. Taxes and tax exemptions, subsidies 8
2.3. Funding provided by regional and local authorities 9
2.4. Funding provided by foundations, business associations, educational or other institutions 11
2.5. Innovative funding sources 12
2.6. Other funding sources 13
2.7. Financial incentives in focus 13
3. Overview of the financial incentives 21
4. Strategic objectives vs financial incentives 22

Financial incentives applicable to Small Forest Holdings

WP2, Task 2.4.2

Executive Summary

In Finland, forest owners—particularly small forest holders—have access to a broad range of financial incentives and support schemes promoting sustainable forest management, biodiversity, and climate resilience. These are funded through both national instruments and European Union programmes, offering direct subsidies, tax advantages, and emerging market-based solutions.

The central national mechanism is the METKA scheme, a temporary but robust state-funded incentive available until 2029. Managed by the Finnish Forest Centre, METKA supports practical activities such as young forest care, fertilisation, and forest road construction. In 2023, EUR 42 million in grants were awarded, with subsidies available both before and after activity completion. Complementing this, the METSO Programme provides compensation for setting aside forests for conservation, offering either temporary or permanent protection contracts. In 2023, METSO agreements protected over 5,000 hectares, distributing EUR 12.7 million to private landowners.

Tax incentives further strengthen the financial viability of forestry. Forest income benefits from deductible expenses, a 5% entrepreneur deduction, and the significant forest deduction, which allows 60% of the purchase price of new forest land to be offset against taxable timber income. These measures aim to support both commercial sustainability and ecological responsibility.

Additionally, forest owners may access EU-backed funding streams such as the European Regional Development Fund and LIFE programme, often channelled through national authorities. While not all EU agricultural funding applies directly to forestry, collaboration and innovation within the forest value chain are encouraged.

New market-based platforms such as *Luontoarvot* offer further potential, enabling landowners to monetise biodiversity through voluntary ecosystem service contracts.

Together, these incentives form a comprehensive framework that empowers forest owners to manage their land in a way that is economically viable, ecologically sound, and aligned with Finland's long-term climate and biodiversity goals.

1. Financial incentives based on EU funding

There is a variety of funding sources available from national schemes to European Union sources such as the Cohesion policy, as well as Common Agricultural Policy, LIFE and Horizon programmes.

1.1. The European Regional Development Fund

The European Regional Development Fund is funding one of the main priority areas of Finland's Cohesion Policy during 2021-2027, mainly carbon neutrality promoting energy efficiency and circular economy.[1] The grant authorities for Cohesion Policy are the Centres for Economic Development, Transport and the Environment (ELY-centres).

The Innovation and Skills in Finland 2021-2027 programme[2] consists of both national and EU funding. There are measures from the ERDF, the Social Fund Plus and the Just Transition Fund. Support for forestry from the ERDF is under the priority area of Promoting energy efficiency and reducing greenhouse gas emissions. The funding from the ERDF is approximately EUR 837 million and with national public and private funding, the total comes to EUR 1.5 billion. Approximately 35 % of the funding is allocated to climate action. [3] The priority area 2 focuses on climate action and although it states carbon neutrality, reducing greenhouse gas emissions and natural resources as key points, no specific objects or support relate to forestry.

1.2. Common Agricultural Policy (CAP)

Finland's Strategic CAP plan 2023-2027 is funded by the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development as well as national financial contributions. The implementation of forestry measures is of central importance in Finland and required significant resources. The needs of forestry are mostly met by the national forest policy.

The Finnish CAP Strategic Plan provides financial incentives relevant to forest holders, particularly in the context of agroforestry and environmentally sustainable land use. Notably, the plan recognises *peltometsätalous* (agroforestry) as an eligible form of agricultural land under Article 4. This change allows agroforestry plots, under certain conditions, to benefit from direct income support such as the basic payment (*perustulotuki*), thereby encouraging integration of trees into farming systems. [4]

The section 6 in the Finnish CAP on cooperation to improve socioeconomical structures mentions forestry. Innovative and sustainable solutions are being sought in forestry. Forests and wood serve as the basis for, among other things, a diverse range of sustainably operating and innovative industries. Forests are also of great importance in combating climate change and in

[1] Financing Guide 3 Billion Trees, Financing sources in Finland, 2024, p. 120
[2] Structural funds, ERDF, https://rakennerahastot.fi/en/european-regional-development-fund-erdf-
[3] Rakennerahastot, funding, https://rakennerahastot.fi/en/european-regional-development-fund-erdf-#:~:text=in%20the%20north.-,Funding,Hidden
[4] Suomen CAP-suunnitelma, https://maaseutu.fi/wp-content/uploads/2024/10/Suomen-CAP-suunnitelma-09102024.pdf p. 185

the water cycle. The measure promotes the development of sustainable forestry solutions and fosters collaboration among stakeholders. Support is not given to standard business operations or existing supply chains. The success of these projects is assessed based on the number of collaborative partnerships, the introduction of innovative solutions, and improvements in market competitiveness and environmental impact. A one-time payment of EUR 5000 can be received. The total annual budget for all socio-economic cooperation activities (not only linked to forestry) is EUR 180, 000. [5]

In summary, while the Finnish CAP does not offer a standalone afforestation scheme within agricultural areas, it does support agroforestry and provides opportunities for forest holders to benefit from both direct payments and environmental funding linked to broader sustainability goals. These mechanisms collectively enhance the economic viability of sustainable forest management. [6]

1.3. LIFE and Horizon Europe

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

[5] Suomen CAP-suunnitelma, https://maaseutu.fi/wp-content/uploads/2024/10/Suomen-CAP-suunnitelma-09102024.pdf p. 1063-1069

[6] Suomen CAP-suunnitelma, https://maaseutu.fi/wp-content/uploads/2024/10/Suomen-CAP-suunnitelma-09102024.pdf p. 90

2. Financial incentives based on MS funding

2.1. State aid

Between 2020 and 2025, Finland has implemented state aid programs aimed at promoting sustainable forestry, biodiversity conservation, afforestation, and climate-friendly forest practices. These financial incentives are largely administered through the Finnish Forest Centre and are backed by legislation such as the Act on the Financing of Sustainable Forestry.

The reported state aid[7] shows that most projects are in the sector of logging and the main beneficiaries are SMEs, with the Treasury acting as the main granting authority. The aid instrument is a direct grant nearly always. The projects include *Finnish national framework scheme for state aid measures - Temporary crisis framework for state aid measures to support the economy following the aggression against Ukraine by Russia* and *Framework Scheme for State aid measures and state guarantees and subsidised interest rates for public loans for undertakings under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak* as remedies for disturbances in the economy. The state aid varies from EUR 31 million to EUR 1.2 billion. [8] The first project does not directly benefit the forestry sector but does support agriculture and agroforestry companies. The latter project excludes agricultural companies and leaves forestry sector eligible for support.

The two primary incentive schemes in terms of financial scale are: the temporary financial support for sustainable forestry (formerly KEMERA, now METKA) and the Southern Finland Forest Biodiversity Programme (METSO). Direct subsidies in recent years have ranged between €70 and €100 million annually, while indirect tax subsidies are estimated around €170 million per year. These figures, however, are approximate due to the complex nature of calculating tax-based support.[9]

Through these mechanisms, private landowners are encouraged to engage in sustainable forest management by receiving support for activities like forest regeneration, afforestation, forest road construction, and forest nature conservation. [10] These subsidies exclude commercial logging and activities that are considered standard obligations of forest owners. The emphasis is on measures that contribute to long-term forest growth, climate adaptation, biodiversity protection, and water conservation. [11]

A significant development occurred in 2023 with the transition from the KEMERA scheme to the METKA (Temporary Incentive Scheme for Forestry) program, enacted under the Act on the Temporary Incentive Scheme for Forestry (71/2023) [12]programme (Southern Finland Forest

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

[8] European Commission, Competition Policy, https://competition-cases.ec.europa.eu/cases/SA.103159

[9] Valtion Talouden Tarkastusvirasto, 2023, https://www.vtv.fi/julkaisut/yksityismetsatalouden-tuet-ja-korvaukset-puuntuotannon-edistaminen-ja-luonnon-monimuotoisuus/

[10] Maa- ja metsätalousministeriö, metsätalouden tuet, https://mmm.fi/metsatalouden-tuet

[11] Suomen sijoitusmetsät, https://sijoitusmetsat.fi/suomen-sijoitusmetsien-metsasijoituskoulu-osa-7-kuinka-paljon-metsa-tuottaa-hehtaaria-kohden/

[12] Laki metsätalouden määräaikaisesta kannustejärjestelmästä, https://finlex.fi/fi/lainsaadanto/2023/71

Biodiversity Programme)[13]. More information about both METKA and METSO can be found in section 2.7.[14]

The objective of the programme was to have 96, 000 hectares of forests as nature reserves (permanent or 20 years) as well as 82, 000 hectares of valuable forest habitats in commercially managed privately owned forests to be protected by fixed-term environmental subsidy agreements (10 years). The programme is set to run until 2025 (from 2014) and the main goal was achieved. A new term will start in 2026. [15]

2.2. Taxes and tax exemptions, subsidies

In Finland, the legal and regulatory framework provides both financial subsidies and significant tax incentives to support forest management, particularly for private forest owners. These mechanisms aim to promote biodiversity, improve forest infrastructure, and encourage long-term ecological management.

Beyond direct subsidies, incentives play a vital role in forest policy. In 2023, the Parliament decided on the Act on the Temporary Incentive System for Forestry (Laki metsätalouden määräaikaisesta kannustejärjestelmästä)[16] to promote sustainable forest management by giving subsidies. The Forest centre acts as the state aid authority in regard to subsidies which can only be granted to private forest owners.

Income from timber sales is taxable, but forest owners can deduct management expenses. If expenses exceed income, a forestry deficit is created and may be deducted from other capital or earned income. Additionally, 15% of forest income may be carried over to the following tax year. [17] Forest owners also benefit from a 5% entrepreneur deduction on capital income from forestry. [18]

One of the most significant tax benefits is the forest deduction, available when forest land is bought or exchanged. In such cases, 60% of the purchase price forms a deduction base, from which income from timber sales can be exempted from taxation. [19] VAT obligations apply if a forest owner's annual sales exceed €20,000 (as of 1 January 2025), although VAT paid on supplies and services can be reclaimed from the Tax Agency. [20] Forest management planning, while not mandatory, is tax-deductible and strongly recommended, especially for those applying for subsidies or engaged in commercial forestry.

---

[13] The aim of the METSO Forest Biodiversity Programme is to halt biodiversity decline in forests and ensure that favourable trends in forest biodiversity are established by 2025.

[14] Kansallinen metsästrategia, http://urn.fi/URN:ISBN:978-952-366-740-2

15 METSO, https://valtioneuvosto.fi/-/1410903/metso-ohjelman-vapaaehtoinen-metsien-suojelu-saavuttanut-tavoitteensa-etuajassa-jatkokautta-valmistellaan-alkavaksi-vuodesta-2026

[16]Laki metsätalouden määräaikaisesta kannustejärjestelmästä (19.1.2023/71) https://finlex.fi/fi/laki/ajantasa/2023/20230071

[17] Vero, metsänomistajan arvolisävero, https://www.vero.fi/henkiloasiakkaat/omaisuus/metsa/mets%C3%A4nomistajan-arvonlis%C3%A4veroilmoitus/

[18] Vero, https://www.vero.fi/henkiloasiakkaat/omaisuus/metsa/

[19]Stora Enso, https://www.storaensometsa.fi/21-tarkeinta-verovinkkia-metsanomistajalle/

[20] Vero, metsänomistajan arvolisävero, https://www.vero.fi/henkiloasiakkaat/omaisuus/metsa/mets%C3%A4nomistajan-arvonlis%C3%A4veroilmoitus/

Although forest management plans are not mandatory, preparing one is strongly recommended, especially for those applying for subsidies or involved in commercial forestry. Such plans help guide sustainable practices and are considered a deductible expense under forest taxation. Most private forests in Finland have a management plan, often developed with professional assistance. [21]

The Finnish tax system also supports generational transfers of forest properties. Nearly 90% of forests are inherited or transferred between relatives. The Inheritance and Gift Tax Act (Perintö- ja lahjaverolaki)[22] facilitates such transfers by offering reduced tax rates.

The Forest Centre also administers deer damage compensation under the Game Damage Act. This compensation, considered taxable forestry capital income, is available for forest owners to cover material purchases, forest development, or research aimed at damage prevention. [23]

Lastly, state subsidies and tax policy support forest infrastructure, particularly forest roads, which are critical for accessibility and timber transport. Forest roads often increase the value of land and timber. [24] Owners participating in road associations may receive subsidies for road construction and maintenance. Roads built with public support must generally remain accessible to others, with use restricted only for reasons of safety or environmental protection. [25]

2.3. Funding provided by regional and local authorities

County associations (Maakuntaliitto)[26] are responsible for regional development and land use planning. Each of Finland's 18 county associations includes all municipalities within its region and acts as a key representative for local interests. Their responsibilities include managing EU Structural Fund Programmes and contributing to environmental planning and eco-tourism development. While their direct involvement in forestry is limited, they offer regional input into national forest policy. In forest-rich regions such as Lapland (Lappi) and Kainuu, county associations place particular emphasis on managing Natura 2000 areas, maintaining forests as carbon sinks, and promoting recreational use.

The Centres for Economic development, transport and the environment (Elinkeino-, liikenne- ja ympäristökeskus, ELY) are the main governmental bodies implementing national policies at the regional level. There are 15 ELY Centres across Finland, and they oversee the implementation of forestry and environmental laws such as the Forest Act and the Nature Conservation Act. [27] They also approve forest management plans for protected areas, monitor environmental permit

[21] Metsäsuunnitelma, https://sijoitusmetsa.com/mika-on-metsasuunnitelma
[22] Perintö- ja lahjaverolaki, 12.7.1940/378 https://www.finlex.fi/fi/laki/ajantasa/1940/19400378
[23] Riistavahinkolaki, chapter 3, article 7 https://finlex.fi/fi/laki/ajantasa/2009/20090105
[24] Metsälehti, metsien omistus, https://www.metsalehti.fi/metsanomistus/uuden-metsanomistajan-tietopaketti/
[25] Laki metsätalouden määräaikaisesta kannustejärjestelmästä 19.1.2023/71
Chapter 6, article 40 https://finlex.fi/fi/laki/ajantasa/2023/20230071
[26] Maakuntien liitot, https://www.kuntaliitto.fi/kuntaliitto/tietoa-kunnista-ja-kuntayhtymista/maakuntien-liitot
[27] ELY-keskus, https://www.ely-keskus.fi/web/ely-en

compliance, and cooperate with county associations in matters related to land use and regional development. [28]

At the regional level, 14 Regional Forest Programmes (2021–2025) guide forestry development, combining traditional practices with innovative uses of forest resources. [29] Many different parties are needed to implement the forest program and the touch up on the entire forest value chain. Industry and companies are needed to process the forest products and provide jobs and livelihoods for the region. Professionals are needed to offer diverse services to forest owners. Schools are needed to train new experts in the field. Research institutes are needed to create new information and expertise. The media are needed to distribute diverse information about forests to citizens. Decision-makers and authorities are needed to create a framework for a profitable forest sector. Citizens and non-governmental organisations are needed to bring the consumer and citizen perspective to the sector. And for all this, forest owners are especially needed as they play a major role in the implementation of the forest programme. [30]

For example, the Central-Finland Forest Programme focuses on improving the skills of forest owners and forest professionals and utilizing best practices in forest harvesting and management, natural management of commercial forests, climate-resilient forest management, and water protection. [31]

The main funding source is the state budget but the specific budget is not known. These programmes support sustainable forest management and foster economic opportunities, particularly in sectors such as tourism, outdoor recreation, and bio-based products. Goals include increasing the use of wood in construction and reducing reliance on fossil-based materials. One goal is for example to increase wood construction and replace non-renewable oil-based products with wood.[32]

On the local level, municipalities also contribute to forestry governance. Under the Finnish law, municipalities are tasked not only with ensuring the well-being of residents but also with protecting the environment and landscape. Nearly all of Finland's 309 municipalities own forest land, often forming larger and more coherent forest units than those held by private individuals.[33] This allows municipalities to participate in conservation efforts more effectively. For example, under the METSO Programme, if a municipality protects a forest area, it receives state subsidies.

[28] ELY-keskus, metsien suojelu, https://www.ely-keskus.fi/-/metsien-suojelu-on-t%C3%A4rke%C3%A4-tapa-tukea-luonnon-monimuotoisuutta-ely-keskusten-asiantuntijat-auttavat-mets%C3%A4nomistajia-vapaaehtoisessa-metsien-suojelussa

[29] Metsäkeskus, alueelliset metsäohjelmat, https://www.metsakeskus.fi/fi/metsan-kaytto-ja-omistus/alueelliset-metsaohjelmat

[30] https://www.metsakeskus.fi/sites/default/files/document/alueellinen-metsaohjelma-keski-suomi-2021-2025.pdf p. 35

[31] https://www.metsakeskus.fi/sites/default/files/document/alueellinen-metsaohjelma-keski-suomi-2021-2025.pdf p. 41

[32] Alueelliset metsäohjelmat, https://www.metsakeskus.fi/sites/default/files/document/amo-esite.pdf

[33] Sahateollisuus, Metsät ovat arvokas osa kunnan omaisuutta, 2021, https://sahateollisuus.com/2021/04/09/metsat-ovat-arvokas-osa-kunnan-omaisuutta/

These funds can then be reinvested locally, while also preserving the forest for public recreational use.[34]

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

In Finland, alongside state and regional support, various associations and institutions play a complementary role in promoting sustainable forest management through advisory services, technical assistance, and indirect funding. One of the most significant contributors in this category are the Forest Management Associations (Metsänhoitoyhdistykset)[35].

These associations are non-profit interest organisations representing private forest owners, and their core purpose is to enhance the profitability and sustainability of forestry practices. [36] Legally defined under the Forest Management Association Act (Laki metsänhoitoyhdistyksistä) [37], their role is to promote economically, ecologically, and socially sustainable forest use. They also assist forest owners in reaching their individual forestry goals by providing access to professional guidance and operational support. Membership is open to any forest owner with forest holdings within the association's territory, provided they pay the forest management fee, which is determined locally by the association's council—elected from among the members themselves. This fee typically ranges from €20 to €150, depending on forest size. The associations collectively serve over 200,000 forest owners, employ 1,000 forestry experts, and are connected to 30 associated companies. [38]

Forest Management Associations do not offer direct subsidies, but they provide essential services that help landowners access state or EU funding, apply for subsidies such as METKA or METSO, and prepare necessary forest management plans, which are also tax-deductible. [39] Their involvement ensures that even small-scale forest owners can comply with regulations, access financial incentives, and engage in sustainable practices effectively.

In addition to these associations, educational and research institutions in Finland also contribute indirectly to forestry funding through knowledge-sharing, pilot projects, and development programmes. While these efforts may not always involve financial grants to forest owners, they support innovation in forestry, promote environmental education, and develop new solutions for sustainable forest management.

---

[34] WWF, näin vaikutat kuntien metsien käyttöön, https://wwf.fi/oppaat/vaikutametsiin/kuntien-metsat/#:~:text=METSO%2Dohjelmassa%20valtio%20maksaa%20arvokkaan,siin%C3%A4%20tapauksessa%20maksetaan%20t%C3%A4ysi%20korvaus.

[35] Metsänhoitoyhdistys, https://www.mhy.fi/

[36] Laki metsänhoitoyhdistyksistä (534/1998) section 2 and 6 https://www.finlex.fi/fi/laki/alkup/1998/19980534?search%5Btype%5D=pika&search%5Bpika%5D=Laki%20mets%C3%A4nhoitoyhdistyksist%C3%A4

[37] Laki metsänhoitoyhdistyksistä (534/1998) https://www.finlex.fi/fi/laki/alkup/1998/19980534

[38] Metsänhoitoyhdistys, https://www.mhy.fi/

[39] Metsänhoitoyhdistys, Metsien suojelu, https://www.mhy.fi/metsatietoa/metsien-suojelu

2.5. Innovative funding sources

Green bonds are not yet widespread in the forestry sector in Finland, but they represent a potential source of funding for projects related to sustainable forest management and climate mitigation. [40]

Payments for Ecosystem Services (PES) have been increasingly explored in Finland, though not all existing schemes fully align with the five standard PES principles—voluntary participation, well-defined ecosystem services, payment by beneficiaries, direct payments to service providers, and conditionality. Often, these programmes focus on incentivising sustainable forest management and compensating for income foregone from timber harvesting.

One noteworthy Finnish initiative related to PES is the Luontoarvot[41] ("nature values") platform, launched in 2022 by the Central Union of Agricultural Producers and Forest Owners (MTK). Though not a PES scheme itself, Luontoarvot operates as a digital marketplace where forest owners can offer parts of their forests—such as areas not used for timber production—for biodiversity protection. Buyers, in turn, can specify their preferences for conservation-related services. A wide range of ecological services can be offered, from protecting single habitat trees to large-scale restoration or conservation of forest ecosystems.

The Luontoarvot initiative provides additional income opportunities to forest owners, particularly for biodiversity actions that may not be covered under public schemes like METSO[42]. It operates independently from national or EU targets, reflecting bottom-up demand rather than top-down policy. MTK provides best practice guidelines but does not mediate contracts or set prices. Agreements are made independently between buyers and sellers, with conditions such as contract duration, compensation level, and management actions negotiated privately.

Despite its innovative nature, the platform faces several challenges, including a lack of blueprint models, the need for stable financing, and limited transparency over the outcomes of buyer-seller agreements. Nonetheless, the platform supports Finland's revised Nature Conservation Act, particularly regarding ecological compensation.

The Luontoarvot service is fully funded by MTK, with development costs reaching €100,000 initially[43], a monthly operating cost of €10,000, and additional support from SITRA, the Finnish Innovation Fund, during 2023–2025. A related pilot project in Lapland has also received support from the Centre for Economic Development, Transport and the Environment (ELY) in Lapland. [44]

Although still in development, Luontoarvot demonstrates a promising model for how forest

[40] Financing Guide 3 Billion Trees, Financing sources in Finland, 2024, p. 121

[41] https://www.luontoarvot.fi/

[42] The METSO programme does not cover all forests and there is not enough funding to support what some forest owners are willing to do for forest protection for biodiversity.

[43] Information on costs has been provided by the Forest Director of the MTK at the interview for this case study on 03 July 2024.

[44] In Finland, the Centres for Economic Development, Transport and the Environment (*Elinkeino-, liikenne- ja ympäristökeskukset*, ELY Centres) are responsible for the regional implementation and development tasks of the central government. Finland has 15 ELY centres, with ELY Lapland being one of them.

owners in Finland can monetise ecological values through voluntary, market-based approaches, helping to balance timber production with biodiversity conservation.

2.6. Other funding sources

No other distinct categories of financial incentives, funding sources or dedicated national trust funds were identified as relevant to SFH or the broader forestry value chain.

2.7. Financial incentives in focus

METKA Act (metsätalouden kannustejärjestelmä)

Historical background

Kemera support (Kestävän metsätalouden rahoituslaki) was valid until 31 December 2023. New Kemera support applications are no longer accepted, and the current support system has been replaced by Metka support (metsätalouden kannustejärjestelmä), which came into effect at the beginning of 2024. Kemera support was intended to support private landowners' forest management, and included, among other things, the management of saplings and young forests, health fertilisation (adding nutrients to soil), management of peat forests and the improvement of the forestry road network.
The new Metka support system includes the same forms of support, but it also has new elements, such as support for peat forest management plans and water protection measures, and the creation of river banks. The most obvious changes in Metka support compared to the previous Kemera support include the following:

- Metka support for seedling management and young forest management is applied after the work has been carried out. An application is not required before the work begins. Kemera support, on the other hand, required an application both before the work begins and after the work is completed. There is also no minimum size of seedling management pattern required.
- The Metka subsidy for health fertilisation is paid based on the area. In Kemera, health fertilisation subsidy was paid based on the actual costs.
- Forest owners can no longer apply for support in improving ditches in peatland forests.
- Regarding forest roads, support can also be granted to an individual farm for the basic improvement of the road, whereas previously a joint project was required.
- Burning is now supported. The condition is a regeneration area of at least two hectares with a certain number of conservation trees to be burned. The support is based on the number of hectares, and in addition, compensation is paid for the conservation trees left behind.
- More compensation can be received for environmental support for sites with abundant deciduous trees.[45]

[45] Metsäkeskus, Metka-tuet, https://www.metsakeskus.fi/fi/metsatalouden-tuet/metka-tuet

The main content is the same as in Kemera, but now there is less focus on timber production and sustainability and climate issues are taken into account more comprehensively than before. Maybe the biggest difference is in the name as it previously went by Kemera aid while now it is a Metka incentive. [46]

Legal/strategic background

The Act on the Fixed-Term Incentive System for Forestry (71/2023) (METKA Act) was issued in 2023. The purpose of the law is to encourage forest owners to adopt sustainable forestry measures. The legislation defines the principles for granting support, eligible measures and taxes. The law includes provisions on the life cycle of the support period and the processing and monitoring of applications.[47]

It provides financial support for measures such as nature conservation, biodiversity promotion and long-term forest management. It is a fixed-term support scheme for sustainable forestry, valid until the end of 2029, and is financed through annual allocations from the state budget. The Finnish Forest Centre is responsible for processing subsidy applications, making funding decisions, and monitoring the legal implementation of funded activities.[48]

Metka is in general a way to materialise the METSO programme.

Budget of the incentive

There are two categories of activities: wood production and forest conservation. Wood production is considerably bigger and had a budget of EUR 40 million in 2025 which covers seedling protection, health fertilisation, peat forests and forest roads. Forest conservation on the other hand has one fourth of the budget and includes burn-clearing and environmental support. The wood production category has had a decrease in budget along the years while the forest conservation category has either stayed stable or increased. This is connected to the priorities of the state and the Forest Strategy. [49]

The budget varies yearly as it is decided by the state. For example, in 2020 the Kemera support was EUR 55,9 million. [50] In 2024 EUR 38 million and in 2025 EUR 51 million. This dip in 2024 was mainly explained by the technical issues brought by the change in IT systems at the Forest Centre. The budget saved for 2024 was brought into year 2025. Currently negotiations are ongoing for the year 2026. [51]

[46] Interview with Metka representative, conducted on 07/08/2025

[47] Valtioneuvoston asetus metsätalouden määräaikaisesta kannustejärjestelmästä. https://www.finlex.fi/fi/lainsaadanto/2023/1021

[48] Metsäkeskus, https://www.metsakeskus.fi/fi/tietoa-meista/lait-tuet-ja-julkisen-vallan-kaytto

[49] Interview with Metka representative conducted on 07/08/2025.

[50] Valtioneuvosto, https://valtioneuvosto.fi/-/1410837/yksityisille-metsanomistajille-kemera-tukea-55-9-miljoonaa-euroa-vuodelle-2020

[51] Interview with Metka representative conducted on 07/08/2025.

Type of activities covered

The activities cover the whole country, and the criteria are set through the Metka Act. As the programme is administered by the state, the activities and funding are determined by the state budget. Two different types of activities are still under the two categories. There is active nature protection through water management, grove forest management, and raven forest rehabilitation as well as passive protection which covers the financial support where the forest is left as it is. The active scheme has a budget of EUR 1 million out of the approximately EUR 10-11 million annual budget. [52]

Metka support can be applied for forest and nature management work, forest roads and temporary forest protection. Support is sought for seedling care and young forest management after the work is completed. Fertilisation, preparation of management plans for peat forests, water protection measures and riverbanks in peat forests, maintenance of the forest road network, burning and environmental support for temporary protection and management of forest nature require a preliminary plan. Work can only begin after the Forest Centre has approved the plan.[53] For example, the subsidy for young forest care is €200 per hectare, or €300 per hectare if small wood is collected. Health fertilisation is supported at €270 per hectare for ash and €155 for boron fertilisation. Forest road work is also subsidised: 70% of the cost for improvements and 30% for the construction of new roads.

Targeted beneficiaries

Metka support is intended for private forest owners. The applicants can be natural persons, spouses together, a partnership, an estate, a joint forest, a limited liability company, a foundation, a holder of the right of possession, an association or a cooperative of shareholders in a common area. There are different conditions applicable to different applicants. [54]

There is no geographical focus, however as most of the forests in Southern Finland are denser, the use of the incentive system in this area is higher. The amount of support is calculated using the number of hectares, the number of trees, the amount of profit from three previous years, care work and preparation costs. Timber is more expensive in the south where the forests have greater amounts of trees, which leads to higher payments to forest owners in the south of the country. All in all, the Forest Centre receives approximately 60, 000 applications per year, while most is for the wood production category. Year 2023 was the best year so far for the forest support programme, with 1500 accepted applications. This is the maximum number of applications suitable for the budget of around EUR 10 million. The median landholding is 3.3 hectares, with an average support of EUR 3,400 per hectare. However, there are also smaller and much bigger holdings.[55]

---

[52] Interview with Metka representative conducted on 07/08/2025.

[53] Metsäkeskus, Metka-tuet, https://www.metsakeskus.fi/fi/metsatalouden-tuet/metka-tuet

[54] Metsäkeskus, Metka-tuet, https://www.metsakeskus.fi/fi/metsatalouden-tuet/metka-tuet

[55] Interview with Metka representative, conducted on 07/08/2025.

Effects and impacts of the incentive

The effects of the Metka subsidy are visible to forest owners and forestry in many ways. It encourages forest owners to carry out forest management measures, such as the care of saplings and young forests, health fertilisation, forest road improvement and peat forest management. The subsidy aims to increase forest growth, secure and increase forest biodiversity, improve water protection in forestry, mitigate climate change and maintain the forest road network.[56]

For the state and society, it has effects in the way of taxation, investments and employment. Metka subsidies are taxable income.[57] Forest owners make investments that improve the wellbeing and profitability of forests.

Strengths and weaknesses of the incentive

The predictability of the support is highlighted as a strength[58], as well as reliability and trustworthiness as it is a state programme, relatively light administrative burden and voluntary nature.[59] These are all attached to the possibility to try out forest protection without signing a full contract. Many end up protecting their forest for good. There is in general a higher acceptance rate of forest and biodiversity protection as there are incentives available. Otherwise, these important forests might be felled.[60] However, there are some weaknesses. The primary objective should be to ensure the functionality of the current Metka system to make sure that applications and implementation notifications get processed quicker and decisions regarding them can be made at the Forest Centre without delay.[61]

As the programme is a collaborative project between various state agencies such as the Ministry of Agriculture and Forestry, Forest Centre and the Ministry of Finance, there is too much individualisation and inside their own box thinking. The budget varies yearly making it more difficult to create long-term strategies. It also only covers private individual forest owners while leaving other interested parties outside the scope.[62]

METSO Programme (Metso-ohjelma)

Historical background

The Metso Programme is a voluntary action programme aimed at safeguarding the biodiversity of forests in Southern Finland. It was launched in 2008 after 10 years of preparation, and will continue until the end of 2025. Preparations for the new programming period are already underway, and it will start in 2026. The aim of the programme is to halt the decline of forest

[56] Puusta puuhun, https://puustapuuhun.fi/mika-on-metka-tuki/

[57] Metsäkeskus, https://www.metsakeskus.fi/fi/metsatalouden-tuet/usein-kysyttya-metsatalouden-tuista/usein-kysyttya-metka-tuesta

[58] Bioenergia, http://www.bioenergia.fi/wp-content/uploads/2025/04/20250404_Lausuntopyynto-metsatalouden-tulosperusteiset-tuet-tyoryhman-muistiosta.pdf

[59] Interview with Metka representative conducted on 07/08/2025.

[60] Interview with Metka representative conducted on 07/08/2025.

[61] MAA- JA METSÄTALOUSTUOTTAJAIN KESKUSLIITTO MTK R.Y., https://www.mtk.fi/-/lausuntometsatulosp0425

[62] Interview with Metka representative conducted on 07/08/2025.

habitats and forest species and to establish the favourable development of biodiversity.[63] The new programme will cover the years 2026-2040 and geographically more of Finland by focusing also on Northern Finland. The main reason for the focus on the south of Finland has been the historical ownership and protection of forests by the state in the North and consequential insufficient forest protection in the South. Also there is more variety in tree species in the South and there has been a bigger need to make more living space in the south which has led to more species being threatened by extinction.[64]

The history of the programme can be divided into two phases:

1. Pilot phase (2002-2007): The pilot phase of the programme began with a government decision in 2002 and lasted until 2007. The number of protected hectares totaled approximately 6,000, and the implementation of the protection costed EUR 25 million. The methods and results of the Metso program's pilot phase raised interest among forest owners.
2. Action programme: First Action Programme ran from 2008 to 2016. The second one is for 2014-2025. The Metso Programme was launched in 2008, with the aim of combining forest protection and economic use. The programme is based on the voluntary participation of landowners and offers means to protect forests permanently or temporarily.[65]

Legal/strategic background

This programme complements the National Forest Strategy and is implemented in Southern Finland. METSO provides forest owners with financial compensation for setting aside forest areas for conservation. This support can be temporary, through ten-year agreements, or permanent, through the establishment of private nature reserves or by selling forest land to the state. The programme is particularly significant for promoting biodiversity by restoring and preserving valuable habitats and protecting endangered species.

The National Forest Strategy (Kansallinen metsästrategia 2035) includes the most important goals of the forest sector. This strategy takes into account sustainable development and the importance of forests in mitigating and adapting to climate change much more than the previous strategies. The strategy sets the long-term forest policy by allowing forest owners to receive returns from the forest while forestry brings jobs and income to the entire country. Opportunities have been created for sustainable management, protection and recreational use of forests. This links the METSO programme to the National Forest Strategy, especially through

[63] UPMMetsä, Metso, https://www.upmmetsa.fi/tietoa-ja-tapahtumia/tietoartikkelit/metso/

[64] Interview with METSO representative conducted on 11/09/2025.

[65] Maa- ja metsätalousministeriö, https://mmm.fi/-/metso-metsiensuojeluohjelma-puolivalissa-suojelu-edennyt-aikataulussa

helping forest owners achieve their own goals, by improving forest biodiversity and basing their work on the Forest management recommendations (metsänhoidon suositukset[66]).[67]

The METKA Act works as a basis for all forestry incentives in Finland. Most of the activities of METSO would exist without the programme in the framework of Metka but METSO brings various incentives together. It is the go-to programme for forest owners. [68]

Budget of the incentive

METSO is a prime example of low-conditionality payments, where support is based on the adoption of sustainable practices rather than the direct provision of ecosystem services. In 2023, forest owners entered into 1,560 environmental support agreements, safeguarding around 5,100 hectares of forest. These agreements resulted in the distribution of €12.7 million in compensation.[69] In 2024, 3200 hectares were protected, thus a record high amount of EUR 24 million is available for environmental aid contracts and nature management in 2025, as unspent funds from 2024 were carried over. [70] Very little was spent on nature protection agreements in 2024 as the information system used for the collection was updated. All the unspent budget was transferred to 2025. In 2025 the overall budget for the programme is EUR 46 million.[71]

Type of activities covered

Many of the activities are the same as in the Metka Act as the METSO programme is based on it, with a special focus on forest protection. For example, passive forest protection as mentioned in Metka is also part of Metso. The same budget of around 10 million for forest protection is shared among Metka and Metso.[72] The Metso program offers the forest owner the following options: permanent protection, temporary protection, and forest nature management. Forest nature management can involve maintaining or enhancing natural values or restoring the forest to a more natural state. There are two options for permanent protection: establishing a private protected area or selling the area to the state for permanent protection.[73]

The compensation paid to the forest owner varies depending on the protection option. In the compensation calculation for permanent protection and 20-year fixed-term protection, the

---

[66] Metsänhoidon suositukset, https://metsanhoidonsuositukset.fi/fi

[67] Kansallinen metsäsuunnitelma, https://mmm.fi/kms

[68] Interview with METSO representative conducted on 11/09/2025.

[69] Yritysmaailma, metsätalouden tuet, 2024 https://yritma.fi/uutiset/maa-ja-metsatalous/metsatalouden-tukien-kaytto-kasvoi-edellisvuodesta-erityisesti-pienpuun-keruu-lisaantyi

70 METSO, https://metsonpolku.fi/en/-/voluntary-forest-protection-under-metso-programme-reached-its-target-ahead-of-time-next-period-starting-in-2026-prepared

[71] Valtioneuvosto, https://valtioneuvosto.fi/-/1410903/metso-ohjelman-vapaaehtoinen-metsien-suojelu-saavuttanut-tavoitteensa-etuajassa-jatkokautta-valmistellaan-alkavaksi-vuodesta-2026#:~:text=T%C3%A4n%C3%A4%20vuonna%20yhteens%C3%A4%20noin%2046%20miljoonaa%20euroa%20METSO%2Dohjelman%20toimenpiteisiin

[72] Interview with METSO representative, conducted on 11/09/2025

[73] Metsonpolku, https://metsonpolku.fi/pysyvan-suojelun-eri-vaihtoehdot#:~:text=Pohjois%2DSuomessa%20METSO%2Dohjelman%20alueelliset,lis%C3%A4tietoa%20alueellisesta%20tilanteessa%20ELY%2Dkeskuksesta.

forest of the fictitious site is a broadleaf forest with abundant decaying trees in accordance with METSO's selection criteria, with an average of 250 m3/ha of mixed trees. The trees of the five-hectare site are approximately 80 years old. Tax-free compensation for this would be provided in different options:

- 43,000 euros if the forest were sold to the state for protection through a real estate transaction
- 40,600 euros if the forest were permanently protected as a private conservation area and
- 15,000 euros for 20-year fixed-term protection.

In the compensation calculation for environmental support, the area of the fictitious site is 1.2 hectares. The site is a valuable streamside forest. With a ten-year environmental support agreement, compensation would be paid in the amount of 3,564 euros.[74]

Targeted beneficiaries

The program's tools can protect forest biodiversity not only by private landowners in both rural and urban areas, but also by municipalities, parishes, companies, hereditary municipalities, and various forest owner cooperation networks.[75]

The Metso programme focuses on Southern Finland due to the region's specific characteristics and biodiversity needs. Southern Finland has many commercial forests, which are important habitats for many species, but at the same time the forests are used more intensively than further north. The Metso programme aims to safeguard the natural values of these forests through voluntary means. In Northern Finland, the objectives of the METSO program have already been partially achieved through past programmes, and the focus has been shifted to other areas with more sites in need of protection.[76] Both the Forest Centre (Metsäkeskus) and the ELY Centres (Economic development, transport and environment) implement the METSO programme. The new METSO programme for 2026-2040 will cover the entire country and has even more ambitious plans. In the previous years the extension has happened mainly due to forest protection goals not having been met. This time although the goal was achieved, there is a consensus that the current goal of 10 % is not enough, and more forests need to be protected.[77]

Effects and impacts of the incentive

For example, in 2022, the Centres for Economic Development, Transport and the Environment (ELY Centres) implemented the METSO programme on a total area of 4,731 hectares. Of this,

---

[74] Metsonpolku, korvaukset, https://metsonpolku.fi/korvaukset#:~:text=40%20600%20euroa%2C%20jos%20mets%C3%A4,euroa%2020%20vuoden%20m%C3%A4%C3%A4r%C3%A4aikaisesta%20rauhoituksesta.

[75] Maa-ja metsätalousministeriö, https://mmm.fi/-/metso-metsiensuojeluohjelma-puolivalissa-suojelu-edennyt-aikataulussa

[76] Metsonpolku, https://metsonpolku.fi/pysyvan-suojelun-eri-vaihtoehdot#:~:text=Pohjois%2DSuomessa%20METSO%2Dohjelman%20alueelliset,lis%C3%A4tietoa%20alueellisesta%20tilanteessa%20ELY%2Dkeskuksesta.

[77] Interview with METSO representative, conducted on 11/09/2025

3,086 hectares were private nature reserves, 91 hectares were temporary conservation areas based on the Nature Conservation Act, and 1,554 hectares were areas acquired by the state for nature conservation.[78] A more comprehensive set of indicators for more beneficiaries is not available.

The goal was to protect a total of 96,000 hectares of forest by 2025. This goal was achieved in 2024.[79] In the years 2008–2022, the METSO programme expanded the protected area network by a total of 88,878 hectares.[80]

The Metso program is a significant part of Finnish forest protection efforts.[81]

Strengths and weaknesses of the incentive

A significant number of forests have been protected through the programme, and it has succeeded in increasing the social acceptability of forest protection. It has especially been valuable in giving resources to information exchange, marketing, outreach and awareness raising. This positive societal culture around forest protection has also led to many forest owners protecting forests on their own without applying incentives or state aid. Unfortunately, there are no statistics on forest owners protecting forest outside of the state programmes.[82]

Its voluntary and collaborative model has also been highlighted.[83] There are many METSO professionals working in various jobs around the country in advisory roles or timber sales who help forest owners with many challenges. Unfortunately, they do not always have enough time to prepare or teach the necessary legislative, regulatory or system updates. As they work in the field between administrative personnel and forest owners, this should be prioritised.[84] Additionally, the latest mapping of forests ended 20 years ago and has not been done since. Thus, not all forests of interest to be protected have necessarily been found yet.[85]

The programme for 2026-2040 will be more ambitious than previously, with nearly twice the number of protected areas. However, the current budget is not sufficient, and as all forestry programmes are dependent on state financing, the budget is still under consideration and is decided by the current government. There has been talk about performance-based subsidies which would increase performance, the number of protected forests and competitiveness, however nothing further has been decided.[86]

---

[78] LUKE, Metso-tilannekatsaus 2022, https://jukuri.luke.fi/items/5aabd624-c4b3-4b87-9137-bb540c45f555

[79] Valtioneuvosto, https://valtioneuvosto.fi/-/1410903/metso-ohjelman-vapaaehtoinen-metsien-suojelu-saavuttanut-tavoitteensa-etuajassa-jatkokautta-valmistellaan-alkavaksi-vuodesta-2026#:~:text=T%C3%A4n%C3%A4%20vuonna%20yhteens%C3%A4%20noin%2046%20miljoonaa%20euroa%20METSO%2Dohjelman%20toimenpiteisiin

[80] LUKE, Metso-tilannekatsaus 2022, https://jukuri.luke.fi/items/5aabd624-c4b3-4b87-9137-bb540c45f555

[81] Interview with METSO representative, conducted on 11/09/2025.

[82] Interview with METSO representative, conducted on 11/09/2025.

[83] Maaseudun tulevaisuus, https://www.maaseuduntulevaisuus.fi/metsa/9e9594e5-1711-4b14-8cea-71150ca5324a

[84] Interview with METSO representative, conducted on 11/09/2025

[85] Interview with METSO representative, conducted on 11/09/2025

[86] Interview with METSO representative, conducted on 11/09/2025

3. Overview of the financial incentives

EU FUNDING

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
CAP	Agroforestry and sustainable land use	Agroforestry plots can benefit from direct income support	EUR 180, 000 for all socio-economic cooperation activities (amount for forestry not known)	Until 2027	-

MEMBER STATE FUNDING (NATIONAL, REGIONAL, FOUNDATIONS, ASSOCIATIONS)

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
METSO	Reforestation or afforestation	forest conservation	EUR 12.7 million in compensation in 2023	Until 2040	Nearly 10,000 hectares of forest are protected annually through the METSO program through approximately 400 forest owners. This is divided into ten-year environmental support agreements of approximately 5,100 hectares and permanent protection of approximately 4,300 hectares.
METKA	Reforestation or afforestation	fertilisation, forest road construction, and water and nature protection measures, young forest care, peat forest management, forest roads, and health fertilisation	EUR 42 million in 2023, EUR 38 million in 2024 . 10 million for	until 2029	Year 2023 was the best year so far for the forest support programme with 1500 accepted applications. This is the maximum number of applications suitable for this budget of around EUR 10 million. The median landholding is 3.3 hectares, with an average support of EUR 3,400 per hectare.
deer damage compensation (riistavahinkokorvaus)	planning support	material purchases, forest development, research aimed at damage prevention. protecting young forests from damage ensures the sustainable use of forests, supporting long-term growth and regeneration of timber resources.	EUR 3.5 million for 2024	The Act has been in force since 2009 and will continue, however the budget might be cut depending on the state budget	A few hundred beneficiaries per year. Since different types of damage (dogs, crops, forest damage, reindeer, etc.) vary greatly in size and frequency, calculating an overall average is difficult.
Forest infrastructure (roads)	Infrastructure improvement (roads, buildings)	forest road construction and maintenance. Improved infrastructure facilitates the timber industry's	This is part of the Metka Act. It supports private roads in forests. Just under EUR 3 million is	until 2025 for new road construction, no end for upkeep	road municipality and its members, i.e. road users (tiekunta). Every year, approximately 2,000–3,000 forest owners receive Metka funding to repair their roads.

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
		long-term viability, thus strengthening the forest sector's competitiveness and sustainability.	available for 2025		

INNOVATIVE FUNDING

Financial incentive	Type of incentive	Types of activities funded	Total allocated budget	Timeline	Number of targeted beneficiaries
Luontoarvot	Support for ecosystem services	A wide range of ecological services can be offered, from protecting single habitat trees to large-scale restoration or conservation of forest ecosystems.		Service has existed since 2022	Potential to target 600 000 (mainly those who are members of MTK, the owner of Luontoarvot)

There is strong national support for forestry in Finland. METSO, METKA, damage compensation and forest road schemes focus on forest conservation, forest management and productivity and infrastructure and damage prevention. METSO is a long-term, big conservation scheme with clearly quantified area impact and moderate outreach. It is currently designed to continue until 2040, which suggests stability for this program. METKA on the other hand is a very active programme with high demand and has a capped budget. The median landholding of 3.3 ha and average support of EUR 3, 400/ha implies small-scale ownership and quite high per-hectare support. However, budget limitations quickly bind as there is a cap at 1, 500 applicants. The forest infrastructure, including roads, is part of METKA and finances construction and maintenance of forest roads to mobilise timber. The budget changes annually and it is difficult to determine expected future levels of support. Deer damage compensation is a risk-mitigation instrument and focuses on stabilising returns and resilience and proactive measures. The METKA budgets are annual and may fluctuate, thus long-term certainty is limited. CAP can support agroforestry and sustainable land use, but the exact forestry share of the budget is unclear. Innovative funding, such as Luontoarvot, is emerging and focuses on ecosystem services and although it has potentially large outreach, actual funding volume, participants or budget is not clear.

4. Strategic objectives vs financial incentives

The Finnish National Forest Strategy 2035 (Kansallinen metsästrategia 2035) outlines Finland's long-term forest policy, emphasizing sustainable development and the pivotal role of forests in climate change mitigation and adaptation. The strategy is structured around four strategic objectives, which are outlined below. For each objective, it is indicated in what way they are addressed by the selected financial incentives.

1. Finland is a competitive operating environment for a responsible forest sector that is capable of renewing itself.

- Metka Act: This program provides subsidies for forest management activities such as road construction, forest road maintenance, and swamp forest management. These activities enhance the infrastructure of forest operations, making them more efficient and sustainable. By improving the quality of forests and forest management practices, the Metka incentives help ensure that the forestry sector remains competitive.
- Forest Road Financial Incentives: Supporting the development of forest road networks under this incentive ensures better access to forests for sustainable management. Improved infrastructure facilitates the timber industry's long-term viability, thus strengthening the forest sector's competitiveness and sustainability.

2. Forests are in active, sustainable, and diverse use.

- METSO Programme: The METSO (Forest Biodiversity Programme for Southern Finland) encourages voluntary conservation by providing financial compensation for landowners who dedicate part of their forests to biodiversity conservation. This supports the diverse and sustainable use of forests by balancing ecological preservation with active management.
- Deer Damage Incentives: Financial incentives related to deer damage prevention support sustainable forest management by reducing the harm caused by overgrazing. Protecting young forests from damage ensures the sustainable use of forests, supporting long-term growth and regeneration of timber resources.
- Metka Act: The subsidies under Metka also contribute to sustainable forest management practices, such as early tending and forest vitality fertilization, ensuring that forest ecosystems are managed in a way that maintains long-term productivity and biodiversity.

3. We strengthen the vitality, diversity, and adaptability of forests.

- METSO Programme: This initiative directly addresses forest vitality and biodiversity. By compensating landowners for setting aside land for biodiversity conservation, METSO helps maintain forest ecosystems' health, resilience, and adaptability to climate change.
- Deer Damage Incentives: These incentives aim to reduce damage to young trees from deer, which can otherwise hinder forest regeneration. By protecting the forest from this type of damage, the incentives help maintain forest diversity and ensure that forests remain resilient and adaptable to changes in environmental conditions. Compensation for damage caused by game animals is provided for in the Game Damage Act 105/2009. Damage caused by a game animal is compensated if the total amount of damage referred to in this Act suffered by the applicant for compensation per calendar year is more than 170 euros.[87]

[87] Riistavahinkolaki, https://www.finlex.fi/fi/lainsaadanto/2009/105#chp_5__sec_34v20210562__heading

4. We strengthen knowledge-based management and competence in the forest sector.

- Metka Act: The Metka incentives encourage forest owners to apply scientifically informed management practices, such as fertility treatments and controlled burning, to enhance forest productivity. These practices contribute to the sector's knowledge base by encouraging evidence-based forest management.
- Forest Road Financial Incentives: These programs also help forest owners build a better understanding of efficient forest infrastructure development and maintenance. This knowledge fosters better decision-making within the forest sector, further advancing sustainable management.[88] However, as highlighted by a representative, there are two funding systems for financing bridge and basic improvement projects on private roads. The Ministry of Transport, Infrastructure and the Environment mainly supports projects on private roads in populated areas. This year, there is about EUR 5 million in funding for this. This is only enough to finance bridge projects (not all bridges can be financed). The other funding system is the Metka funding model of the Forestry Centre. It supports private roads in forests. This year, just under €3 million is available for this type of work, which is not nearly enough to approve all projects. So, in total, there is about €8 million in funding. The need would be at least €30 million.[89]

The Metka, METSO, and other forest-related financial incentive programs in Finland support the National Forest Strategy 2035 (NFS 2035) by promoting sustainable forest management, protecting biodiversity, and ensuring the economic vitality of the forest sector.

The Strategy, in addition to the main objectives as listed above, lists two quantitative goals, as indicated in the table below. These objectives are matched with the relevant financial incentives as identified in our research.

Objective in the strategy	Quantitative goals related to the objective	Financial incentives addressing the objective	Indicators related to the financial incentives	Remaining gap in the financing of the objective
Afforestation or reforestation	Increase from 11.6% (approx. 808,848ha) to 18% of forest cover (approx. 1,323,569 ha)	Afforestation Scheme 2023-2027 - FT1 (Native Forests)	Annual grant-aided afforestation area in 2023: 604 ha	There is no information available about the area covered in 2024. Due to the lack of adequate statistical data, it is impossible to estimate the remaining gap.
Afforestation or reforestation	Increase from 11.6% (approx. 808,848ha) to 18% of forest cover (approx. 1,323,569 ha)	Afforestation Scheme 2023-2027 - FT2 (Forests for Water)	Annual grant-aided afforestation area in 2023: 5 ha	

Finland has established a comprehensive and multi-layered support system that aligns with the goals of the previous and current National Forest Strategies. The strategic priorities of the forest sector competitiveness, sustainable forest use and forest vitality are relatively well covered by

[88] Maa- ja metsatalousministerio, https://mmm.fi/kms

[89] Written answers from a Forest Centre representative, received on 12/09/2025.

the existing instruments. The analysis reveals gaps in data availability and limitations in indicator frameworks as the Forest Strategy only outlines two goals quantitatively. There are also limitations related to financial incentives, which only partially cover the objectives set out in the Strategy. The Metka Act contributes to several objectives simultaneously through its broad spectrum of supported activities. The METSO programme addresses the objectives of sustainable and diverse forest use through the voluntary conservation model and deer damage compensation.

The first three objectives are relatively well covered but the fourth objective: strengthening knowledge-based management and competence is only indirectly supported by current incentives. There is no dedicated mechanism that systematically enhances knowledge dissemination, monitoring capacity or data-driven management. The interviews were helpful in providing additional information that could not be found though desk research and in shedding light on practical limitations, administrative bottlenecks and actual demand for incentives. For example, interviews highlighted that demand for road and bridge improvement support far exceeds available funding. Still in some cases, interviewees were not able to cover gaps especially in relation to financing or inadequate indicators. A further key limitation lies in the availability of meaningful data. The data is annual, narrow in scope and insufficient for assessing cumulative progress or the real effectiveness of incentives. Indicators related to incentivised activities do not have clear metrics on outcomes such as hectares restored, carbon benefits or biodiversity indicators. Budget breakdowns are also not always publicly available, not systematically collected or such data simply does not exist.

PARTNERS



Funded by
the European Union