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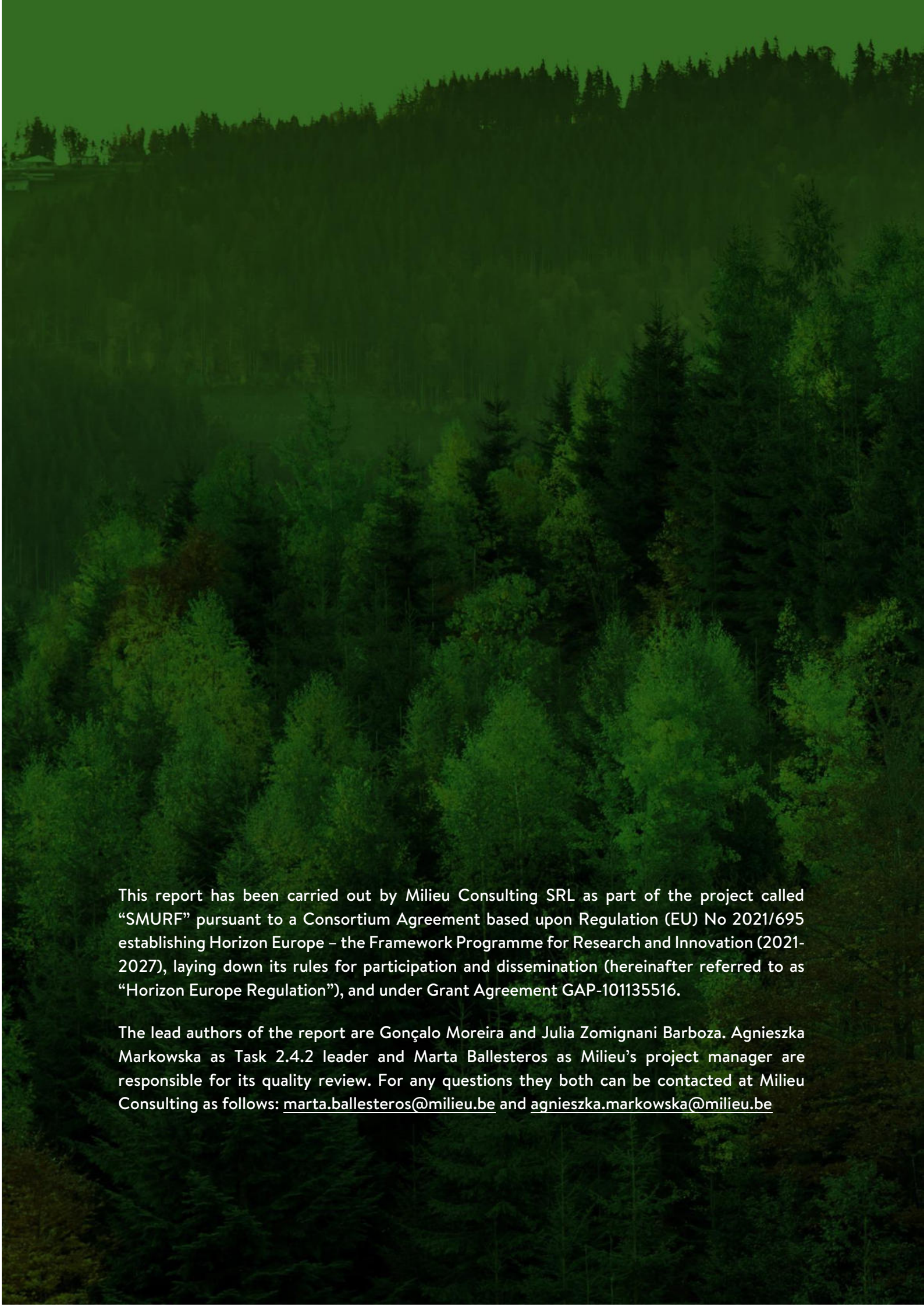
Financial incentives applicable to Small Forest Holdings and their impacts

Country Fact Sheet
Portugal

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WP2, Task 2.4.2

Executive Summary

A range of financial incentives is available in Portugal for forestry-relevant activities that can be implemented by small forest holders (SFH). For example, regarding Cohesion Policy Funding, Portugal's programming framework for the use of EU funds by Portugal between 2021 and 2027, includes seven regional programmes that are partially funded by the ERDF. While not directly targeting SFH, some of these programmes may provide funds that SFH can benefit from. In this regard, Portugal's North region funds actions in the areas of nature conservation, biodiversity and natural heritage. Portugal's centre region similarly funds actions that aim to strengthen the protection and preservation of nature and biodiversity in protected territories. The Algarve region, in turn, funds actions to protect and conserve nature and biodiversity; green infrastructure; as well as promotion, awareness-raising and communication actions. The Norh and Alentejo regions further provide funds to forest sappers fighting forest fire. Finally, the Madeira region mentions, in its regional operational programme, that the ERDF should be used, among others, to fund actions aiming to preserve natural heritage, integrated into forest areas or the Natura 2000 Network; enhance the landscape of forest areas, including intervention in infrastructures located in the area to be intervened; and diversify the range of visitors and leisure activities in forest areas.

Under Portugal's Common Agriculture Policy (CAP) Strategic Plan 2023-2027, funds have been allocated to the afforestation of non-agricultural lands and to the reforestation of areas affected by abiotic agents. The Plan more generally targets the sustainable development of farming, food security, forestry and rural areas.

SFH may also benefit from tax exemptions. For example, certain tax exemptions for "baldios" (communal lands) and forestry activities exist. Furthermore, the acquisition of land integrated in forestry intervention zones (ZIF) or contiguous (contíguas), under certain conditions, are exempted from municipal property tax and general stamp tax and so is the acquisition of land intended for forestry exploitation that are bordering land subject to a forest management plan.

Some national funds are also available in Portugal for forestry activities, such as the Environmental Fund, which may potentially support SFH. The aim of the Environmental Fund is to support environmental policies and climate action for the pursuit of sustainable development goals, contributing to the fulfilment of national and international goals and commitments including those related to biodiversity, nature conservation and forestry.

Regional authorities primarily act as managing bodies for EU-funded programmes, which constitute the main source of forestry-related financing at regional level. No significant regionally funded schemes were identified, while local support by municipalities appears limited and highly case-specific.

Finally, some examples of projects supporting forests and financed by innovative funding sources such as crowdfunding and payment for ecosystem services have been found, however, they are only indirectly relevant to SFH.

1. Financial incentives based on EU funding

1.1. The European Regional Development Fund

Portugal 2030, composed of 12 programmes, is Portugal's programming framework for the use of EU funds by Portugal between 2021 and 2027. The dedicated website 'Portugal 2030'[1] compiles information on all the EU-funded programmes and plans. Two national programmes of Portugal 2030 are to be funded by the European Regional Development Fund (ERDF): Compete 2030 and Technical Assistance 2030 (*Assistência Técnica 2030*). Compete 2030 is dedicated to Innovation and Digital Transition and aims to support innovation and competitiveness, energy transition and skills for competitiveness. It does not contain any reference to forestry activities. Technical Assistance 2030 aims to support the implementation of actions by entities involved in the coordination and management of funds, including the dimensions of monitoring, evaluation, communication, information systems and control, as well as the implementation of the roadmap for the empowerment of the European funds ecosystem. As such, it does not directly address forestry activities.

All seven regional programmes that compose Portugal 2030 are partially funded by the ERDF. Some of these programmes may provide funds to support small forest holders (SFH).

The regional operational programme of Portugal's North region (*Norte 2030*[2]) lists as one of its objectives achieving a greener North. One of the priorities of this objective is to strengthen the protection and preservation of nature, biodiversity and green infrastructure, and reduce all forms of pollution. To act on this priority and reach its greener North objective, **funding** (31 700 000 euro[3]) **is granted to actions in the areas of nature conservation, biodiversity and natural heritage.** The aim of the funds is to promote investments in the conservation and enhancement of protected natural values and in halting the loss of biodiversity in protected areas in the North region that are part of the National Network of Protected Areas. Different stakeholders can apply for funding, including central public administration entities; municipalities; associations of municipalities; State business sector entities; local business sector entities; public legal entities, including regional tourism entities; private entities with powers to intervene in these areas; and other non-profit public or associative entities. The notice for submission of application stipulates that measures for the protection and conservation of nature and the restoration of ecosystems directly associated with agricultural and forestry activities are not supported by the ERDF through regional programmes. However, according to the notice's FAQs[4], **actions for the protection, conservation and restoration of forest ecosystems are considered eligible as long as these actions do not constitute productive activities.** The regional programme[5] also aims to provide funds to forest sappers fighting forest fire, which may indirectly benefit SFH.

[1] See website https://portugal2030.pt/.
[2] Programme website https://www.norte2030.pt/.
[3] See the following "Notice for submission of applications" (Aviso para apresentação de candidaturas).
[4] Available at https://www.norte2030.pt/storage/app/media/2025/FAQs_Aviso_NORTE2030-2024-77.pdf.
[5] Available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2022/12/sfc2021-PRG-2021PT16FFPR003-1.2_PRNorte.pdf.

The regional operational programme of Portugal's central region (*Centro 2030*[6]) lists as one of its objectives achieving a greener central region. The specific objectives set under the greener centre goal, however, do not explicitly refer to forestry activities or biodiversity. **The region provides funding** (17 650 000 euro[7]) **for actions that aim to strengthen the protection and preservation of nature and biodiversity in territories present and belonging to the region's Fundamental Nature Conservation Network.** Municipalities and associations of municipalities can apply for funding. The region has also made public its intention to fund (with 3 000 000 EUR) contents and actions to promote, raise awareness and communicate the value of Portuguese natural heritage, included in the co-management plans of the protected areas in the region[8]. Municipalities that are members of the Co-Management Committees of protected areas will be able to apply for funding. The regional programme[9] also aims to provide funds to forest sappers fighting forest fire, which may indirectly benefit SFH.

The regional operational programme for Lisbon (*Lisboa 2030*[10]) does not refer directly to forests or forestry activities in relation to the use of the ERDF. The region provides funding (9 800 000 euro[11]) for actions that aim to promote the preservation, requalification and enhancement of the metropolitan ecological structure (species and habitats), support ecological restoration, increase ecological connectivity and the greening of urban spaces, provides services for climate mitigation, protects water resources, improves of air quality and promotes human well-being and health. No specific actions targeting forest areas, however, were identified.

The regional operational programme of Portugal's Alentejo region (*Alentejo 2030*[12]) lists as one of its objectives achieving a greener Alentejo. The specific objectives set under the greener Alentejo goal, however, do not explicitly refer to forestry activities or biodiversity. The regional programme[13] aims to provide funds to forest sappers fighting forest fire, which may indirectly benefit SFH.

The regional operational programme of Portugal's Algarve region (*Algarve 2030*[14]) lists sustainability and biodiversity as one of its priority areas. One of the objectives associated with such area is to strengthen the protection and preservation of nature, biodiversity and green infrastructure, and reduce pollution. To act on this objective, **multiple calls were launched to fund actions to protect and conserve nature and biodiversity; green infrastructure; as well as promotion, awareness-raising and communication actions**[15]. Different stakeholders can apply for funding, including central public administration entities; municipalities and associations of municipalities; State business sector entities; local business sector entities; public legal entities,

[6] Programme website https://centro2030.pt/.
[7] See the following "Notice for submission of applications" (Aviso para apresentação de candidaturas).
[8] See https://centro2030.pt/aviso-2024/acoes-imateriais-incluidas-em-planos-de-cogestao-de-areas-protegidas-regiao-centro/.
[9] Available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2022/12/sfc2021-PRG-2021PT16FFPR004-1.2_PR_Centro.pdf.
[10] Programme website https://lisboa.portugal2030.pt/. The programme is available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2022/12/sfc2021-PRG-2021PT16FFPR006-1.2_PR_Lisboa.pdf.
[11] See the following "Notice for submission of applications" (Aviso para apresentação de candidaturas).
[12] Programme website https://alentejo.portugal2030.pt/.
[13] Available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2022/12/sfc2021-PRG-2021PT16FFPR005-1.2_PR_Alentejo.pdf.
[14] Programme website https://algarve.portugal2030.pt/.
[15] See, for example, the following "Notice for submission of applications" (Aviso para apresentação de candidaturas): ALGARVE-2025-8; ALGARVE-2025-16; ALGARVE-2024-39; ALGARVE-2024-40.

including regional tourism entities; and other non-profit public or associative entities. These calls are in line with the programme's[16] aims to promote the environmental enhancement of public forest areas, as well as the protection of biodiversity associated with the multipurpose management of the Mediterranean forest that covers the Algarve and also the integration of the enhancement of biodiversity and resilience into the productive functions of the forest, which involve collective benefits of a public nature. Actions funded in this regard are expected to restore and enhance ecosystem services and promote the productive functions of the Mediterranean forest in the region. The programme further includes as objectives related to the use of ERDF to promote the creation of industrial units linked to the transformation of agricultural and forestry products and new products and services of high added value in the field of blue biotechnology and to support forest sappers fighting forest fires, which may indirectly benefit SFH.

The regional operational programme of the Azores (*Açores 2030*[17]) does not make any reference to forests of forestry activities. No calls to provide funding for SFH in the Açores were identified.

The regional operational programme of Madeira (*Madeira 2030*[18]) mentions that the ERDF should be used, among others, to fund actions aiming to preserve natural heritage, integrated into forest areas or the Natura 2000 Network; enhance the landscape of forest areas, including intervention in infrastructures located in the area to be intervened; and diversify the range of visitors and leisure activities in forest areas, such as viewpoints, picnic centres, areas for observing fauna and flora, as well as information and support structures.

The management authorities for the regional programmes are the relevant Commissions for Coordination and Regional Development (*Comissão de Coordenação e Desenvolvimento Regional*), in the Azores, the Regional Directorate for Planning and Structural Funds (*Direção Regional do Planeamento e Fundos Estruturais*), and in Madeira, the Institute of Regional Development (*Instituto de Desenvolvimento Regional*)[19].

In view of the above, it can be concluded that the regional operational programmes that compose Portugal 2030, while not directly targeting SFH, may provide funding that SFH can benefit from (e.g. funding of actions that aim to strengthen the protection and preservation of nature and biodiversity). The extent to which SFH use such finding in practice, however, is not clear. According to a consulted forestry association, the main beneficiaries of such funding are normally the collective entities and not the forest owners themselves[20].

[16] Available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2023/05/sfc2021-PRG-2021PT16FFPR007-1.2_PRAlgarve.pdf.
[17] Programme website https://acores.portugal2030.pt/. The programme is available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2022/12/sfc2021-PRG-2021PT16FFPR002-1.2_PR_Acores.pdf.
[18] Programme website https://madeira.portugal2030.pt/. The programme is available in its entirety at https://portugal2030.pt/wp-content/uploads/sites/3/2022/12/sfc2021-PRG-2021PT16FFPR001-1.2_PR_Madeira.pdf.
[19] European Commission, Three Billion Additional Trees by 2030 – Financing Guide, Publications Office of the European Union, 2024, pp. 292-293.
[20] Consultations with forestry associations from Portugal took place in September 2025. Their input has been addressed and included within this report.

1.2. Common Agricultural Policy (CAP)

Portugal's Common Agriculture Policy (CAP) Strategic Plan 2023-2027 targets the sustainable development of farming, food security, forestry and rural areas. It provides for more than 20 interventions related to forestry in Mainland, the Azores and Madeira supported with more than EUR 300 million euro[21]. An overview of these interventions is provided in the following table[22].

[21] European Commission, Three Billion Additional Trees by 2030 – Financing Guide, Publications Office of the European Union, 2024, p. 293.
[22] The interventions have been identified based on the different versions of the CAP for Portugal (original version, 1st amended version approved by the EC and 2nd amended version approved by the EC) available at: https://www.gpp.pt/index.php/pepac/pepac-documentos.

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
C.3.2.1 - Afforestation of agricultural and non-agricultural lands	53.110.000,00	39.560.040,16	2025-2029	The intervention will finance: ● The establishment of forest stands on agricultural land; ● The establishment of forest stands or other plant formations of interest for the conservation of natural values on non-agricultural land; ● The preparation of a Forest Management Plan or equivalent instrument.	Public, community or private holders and their associations of agricultural and non-agricultural land as well as Forest Producer Organisations and their associates in continental Portugal (land belonging to the State is only eligible if the holder is a private or municipal entity).	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
C.3.2.2 - Installation of agroforestry systems	3.360.000,00	2.502.762,86	2025-2029	The intervention aims to promote the creation of agroforestry systems that combine forestry with extensive land management practices, recognised for their importance in maintaining biodiversity, their adaptation to areas with high susceptibility to desertification and their relevance in ensuring the management of marginal areas.	Holders of private, community and municipal land (as long as they are in directly managed areas), and their respective associations as well as Forest Producer Organisations and their associates in continental Portugal.	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
C.3.2.3 - Forest protection against biotic and abiotic agents	45.650.000,00	32.592.497,47	2025-2029	The intervention aims to invest in preventing damage caused to forests by rural fires, natural disasters and catastrophic events. It also aims to provide support for the preparation of a Forest Management Plan or equivalent instrument.	Public, community or private holders and their associations of forest territories as well as Forest Producer Organisations and their associates in continental Portugal.	R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
C.3.2.4 - Restoration of forestry potential following natural disasters, adverse weather events or catastrophic events	59.160.000,00	44.066.502,99	2025-2029	The intervention aims to support the restoration, through rehabilitation or reforestation actions, of forest stands affected by biotic or abiotic agents and recovery of damaged protection and signaling infrastructures.	Public, community or private holders and their associations of forest territories as well as Forest Producer Organisations and their associates in continental Portugal.	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
C.3.2.5 - Promotion of ecosystem services	64.000.000,00	47.671.673,31	2025-2029	The intervention aims to support projects aiming to: ● Protect habitats and promote biodiversity; ● Adapt forests and other plant formations of interest for conservation to climate change; ● Increase ecosystem services and public amenities; ● Rehabilitate forest stands and other plant formations of interest for conservation; ● Rejuvenate of forest stands and other plant formations; ● Reconvert of forest stands established in ecologically unsuitable conditions.	Holders of public, community or private forest territories and their associations as well as Forest Producer Organisations and their associates in continental Portugal.	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas R. 32 Percentage of farms benefiting from CAP investment support that contributes to biodiversity

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
C.3.2.6 - Improving the economic value of forests	15.204.000,00	11.325.001,90	2025-2029	The intervention aims to support the following actions: ● Actions improving the economic value of the forest; ● Certification of sustainable forest management; ● Recovery of populations in clear underproduction.	Holders of private, community or municipal forest territories and their respective associations as well as Forest Producer Organisations and their associates in continental Portugal.	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
C.3.2.7 - Wildlife Management	2.800.000,00	1.999.101,72	2025-2029	The aim of the intervention is to support projects aimed at improving the management of wildlife resources in forest areas, through the preservation and improvement of habitats and infrastructures that promote the sustainable public use of these areas and the pursuit of the objectives of diversification and improvement of the quality of services provided in the area of leisure and tourism, particularly in Natura 2000 Network sites and Protected Areas connected with hunting activities.	Entities holding or managing tourist, associative or municipal or national hunting zones, or other wildlife management organisations recognised under applicable legislation in continental Portugal.	R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas R. 32 Percentage of farms benefiting from CAP investment support that contributes to biodiversity
E.5.2 - Forest infrastructures (paths)	3.710.163,14	3.153.638,69	2025-2029	The aim of the intervention is to improve forestry conditions in the Azores region by improving access.	Forest owners in the Azores.	R. 18 Total investment to improve the performance of the forestry sector

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
E.8.1 - Forestry investment	6.065.293,90	5.155.499,80	2025-2029	The intervention aims to: ● Promote, by increasing forest areas, the creation of wooded areas on agricultural land and non-agricultural land; ● Contribute to better efficiency in land use; ● Contribute to proper land use planning and increased biodiversity; ● Encourage forest area owners to apply methods of utilising areas of forest occupation that are compatible with the need to preserve the environment and natural landscapes; ● Improve production, technology, processing and marketing in the forestry sector.	Beneficiaries in the Azores region, variable according to the type of investment.	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
E.8.2 - Improving the Resilience and Environmental Value of Forest Ecosystems - NON-PRODUCTIVE	170.000,00	144.500,00	2025-2029	The intervention's objectives are: ● To support non-productive investments that help eradicate invasive wood species; ● To recover the loose stone walls that surround forest plots.	Public and private owners of forest areas and their associations in the Azores region.	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas R. 32 Percentage of farms benefiting from CAP investment support that contributes to biodiversity

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
F.2.1 - Investment in afforestation	2.500.000,00	2.125.000,00	2024-2029	The aim of this intervention is to support the afforestation of agricultural and non-agricultural land.	In the Madeira region: ● Owners or holders of private land, or those responsible, through a contract or equivalent instrument, for the management of private, municipal or community forestry and agroforestry areas and public bodies responsible for the management of forestry areas or wasteland (*baldios*); ● Companies and groups of forestry producers (associations, co-operatives).	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
F.2.2 - Investment in the Creation and Regeneration of Agroforestry Systems	300.000,00	255.000,00	2027-2029	The aim of this intervention is to promote the creation and regeneration of agroforestry systems, with the aim of consolidating the multifunctional nature of agriculture and forestry expressed in the form of agroforestry systems, in their environmental (resource and land management) and social (integration of activities and income) valences.	In the Madeira region: ● Owners or holders of private land, or those responsible, through a contract or equivalent instrument, for the management of private, municipal or community forestry and agroforestry areas and public bodies responsible for the management of forestry areas or wasteland (*baldios*); ● Companies and groups of forestry producers (associations, co-operatives).	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
F.2.3 - Preventing the forest from biotic and abiotic agents	8.000.000,00	6.800.000,00	2024-2029	This intervention aims to support the implementation of forest prevention actions against biotic and abiotic agents.	In the Madeira region: ● Owners or holders of private land, or those responsible, through a contract or equivalent instrument, for the management of private, municipal or community forestry and agroforestry areas and public bodies responsible for the management of forestry areas or wasteland (*baldios*); ● Companies and groups of forestry producers (associations, co-operatives).	R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
F.2.4 - Investment in forest restoration	2.500.000,00	2.125.000,00	2024-2029	The aim of this intervention is to support the implementation of actions aimed at restoring forests affected by biotic and abiotic agents or catastrophic events.	In the Madeira region: • Owners or holders of private land, or those responsible, through a contract or equivalent instrument, for the management of private, municipal or community forestry and agroforestry areas and public bodies responsible for the management of forestry areas or wasteland (*baldios*); • Companies and groups of forestry producers (associations, co-operatives).	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas
F.2.5 - Investment in improving the resilience and environmental value of forests	2.500.000,00	2.125.000,00	2024-2029	The aim of this intervention is to • Promote the public nature of forests, fostering the supply of goods and services provided by forest ecosystems; • Contribute to mitigating the effects of climate change, improving biodiversity, minimising the effects of soil erosion and protecting water resources; • Encourage the sustainable management of forests and agroforestry areas.	In the Madeira region: • Owners or holders of private land, or those responsible, through a contract or equivalent instrument, for the management of private, municipal or community forestry and agroforestry areas and public bodies responsible for the management of forestry areas or wasteland (*baldios*); • Companies and groups of forestry producers (associations, co-operatives).	R. 17 Areas supported for afforestation, agroforestry and restoration purposes, with respective distribution R. 18 Total investment to improve the performance of the forestry sector R. 27 Number of operations contributing to environmental sustainability and to achieving mitigation and adaptation to climate change in rural areas

Intervention	Total (EUR)	EU contribution	Timeline	Description	Eligible beneficiaries	Indicators
F.2.6 - Support for investments in forestry technologies and the processing and marketing of forestry products	3.600.000,00	3.060.000,00	2024-2029	The aim of this intervention is to consolidate and improve the multifunctionality of the forest, promoting its economic, environmental and social value, promoting the forestry sector by enhancing the value of forestry products and diversifying activities on farms, and fostering the modernisation and training of companies in the forestry sector.	In the Madeira region: ● Owners or holders of private land, or those responsible, through a contract or equivalent instrument, for the management of private, municipal or community forestry and agroforestry areas, and public bodies responsible for the management of forestry areas or wasteland (*baldios*); ● Forestry producer groups (associations, cooperatives); ● SMEs or micro-enterprises whose main economic activity is the provision of forestry services, the exploitation and/or processing of forestry products.	R.15 Supported investments in renewable energy production capacity, including bioenergy (in MW) R.18 Total investment to improve the performance of the forestry sector R.37 New jobs supported under CAP projects R.39 Number of rural businesses, including businesses in the bioeconomy sector, developed with CAP support

In the context of Portugal's CAP, a call for applications was opened between March and May 2025 to fund (up to 10 million euro) the afforestation of non-agricultural lands[23]. In the same period, between March and June 2025, another call for applications was opened to fund (up to 15 million euro) the reforestation of areas affected by abiotic agents, at the level of forestry and agroforestry farms[24].

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.

[23] See https://pepacc.pt/concursos/florestacao-de-terras-agricolas-e-nao-agricolas-florestacao-de-terras-nao-agricolas-1o-concurso/.
[24] See https://pepacc.pt/concursos/restabelecimento-do-potencial-silvicola-na-sequencia-de-catastrofes-naturais-de-fenomenos-climatericos-adversos-ou-de-acontecimentos-catastroficos-reflorestacao-de-areas-afetadas-por-agentes-abioti/.

2. Financial incentives based on MS funding

2.1. State aid

The European Commission Search Aid Award database[25] does not list any State aid regarding forestry in Portugal.

2.2. Taxes and tax exemptions, subsidies

Taxes and tax exemptions

Concerning tax exemptions, Decree-Law 215/89 of 1 July[26], as amended, provides certain **tax exemptions for "baldios"** (communal lands) and forestry activities. Namely, under its Article 59, they are exempt from income tax for earnings from the transfer of exploitation or lease, as well as income from the transfer of goods or the provision of services, when such income is allocated, in accordance with the approved use plan, with local customs or practices, or with the decisions of the competent bodies, to forestry investment. They are also exempt from municipal property tax, if they are registered and if they are not exploited by a third party for uses other than agriculture, forestry and grazing.

Under Article 59D of Decree-Law 215/89, the acquisition of land integrated in forestry intervention zones (ZIF) or contiguous (*contíguas*), on condition that the latter are covered by a ZIF within a period of three years counting from the date of acquisition, is exempted from **municipal property tax and general stamp tax**[27]. Similarly, the acquisition of land intended for forestry exploitation that are bordering land subject to a forest management plan, as long as the purchaser is the owner of the adjacent property, are also exempted from municipal property tax and general stamp tax.

In addition, land integrated in ZIF or subject to a forest management plan is exempted from municipal property tax. Finally, for the purposes of determining the taxable profit, the financial contributions of forestry owners and producers adhering to a ZIF allocated to the common fund constituted by the respective management entity are considered at 130% of the respective value, recorded as expenses for the year.

Subsidies

As for subsidies and financial support, the Portuguese **Environmental Fund**, created in 2017 by Decree-Law 42-A/2016 of 12 August[28], is worth mentioning. In 2021, the Environmental Fund incorporated other funds such as the Permanent Forest Fund. The purpose of the Environmental Fund is to support environmental policies and climate action for the pursuit of sustainable development goals, contributing to the fulfilment of national and international goals and commitments including those related to biodiversity, nature conservation and forestry. In

[25] State Aid Transparency Public Search
[26] Available at https://diariodarepublica.pt/dr/legislacao-consolidada/decreto-lei/1989-34554075.
[27] The law applies to the acquisition operation, without specifying the subjects involved in the operation.
[28] Available at https://diariodarepublica.pt/dr/legislacao-consolidada/decreto-lei/2016-105635148.

particular, the Environmental Fund serves to fund organisations, activities or projects concerning, among other things, sustainable forest management. The Fund supports the implementation of Portugal's Recovery and Resilience Plan[29]. Component 8 of the Plan concerns forests and provides for 615 000 000 euro in funding. The Environmental Fund supports the implementation of the Plan's landscape transformation activities[30] and MORE Forest (*MAIS Floresta*) programme[31], which aims to improve the fire prevention and fighting system. The annual plan of the Fund, defined by order of the Government member responsible for the environment and climate action, includes a program of notices for submitting applications for some or all types of support. The 2025 annual plan, approved by Order no. 5401/2025[32], provides for applications related to the National Forest Plan, to which forestry producers can apply. SFHs may be able to benefit from this, despite not being directly targeted. A consulted forestry association affirmed that SFHs may encounter challenges to benefit from the Fund: complex application processes, high competition, need for technical capacity to prepare projects.

The **Institute for Nature Conservation and Forests** (ICNF) also provides financial and material support in specific cases. For example, in the past years, it has provided support for forest sappers and resin workers[33].

Finally, in March 2025, the **Forest Intervention Plan 2025-2050** (*Plano de Intervenção para a Floresta 2025-2050*)[34] was announced. With an investment of 6.5 billion euro over 25 years, the plan aims to boost the sustainability of forests in Portugal, through mechanisms to support forest management and the preservation of natural resources[35]. 259 million euro are programmed for 2025[36]. The financial framework of the Forest Intervention Plan 2025–2050 builds on existing funding instruments such as the Environmental Fund, RESTORE, and the Recovery and Resilience Plan, while expanding to include new credit lines, loans, and financial instruments from both national and European sources to support long-term forest management and investment. It is not possible, however, to determine to which extent the Plan will support SFHs.

2.3. Funding provided by regional and local authorities

Regional authorities act as managing authorities in the programmes funded by EU funds, mentioned in section 1 above. These programmes represent the most significant source of funding channelled through regional structures. Beyond their role in managing these EU funds, this research did not identify additional, significant funding programmes financed exclusively from the regional authorities' own budgets. At the local level, municipalities may offer direct

[29] Available at https://recuperarportugal.gov.pt/wp-content/uploads/2021/10/PRR.pdf.
[30] See https://recuperarportugal.gov.pt/prr-resiliencia/florestas/re-c08-i01-transformacao-da-paisagem-dos-territorios-de-floresta-vulneraveis/.
[31] Programme website https://recuperarportugal.gov.pt/prr-resiliencia/florestas/re-c08-i05-programa-mais-floresta/.
[32] Available at https://diariodarepublica.pt/dr/detalhe/despacho/5401-2025-917582164.
[33] See https://www.icnf.pt/apoios/icnf.
[34] Available at https://www.portugal.gov.pt/download-ficheiros/ficheiro.aspx?v=%3d%3dBQAAAB%2bLCAAAAAAABAAzNDExswAAem1WpwUAAAA%3d.
[35] See Forestis, 22 March 2025, Forest Intervention Plan 2025-2050 was presented (*Plano de Intervenção para a Floresta 2025-2050 foi apresentado*): https://forestis.pt/noticias/247/plano-de-intervencao-para-a-floresta-2025-2050-foi-apresentado.
[36] See Jornal de Negocios, 21 March 2025, Government wants to invest 246 million per year to make forest profitable (*Governo quer investir 246 milhões por ano para rentabilizar floresta*): https://www.jornaldenegocios.pt/empresas/agricultura-e-pescas/detalhe/governo-quer-investir-246-milhoes-por-ano-para-rentabilizar-floresta.

support[37]; however, such schemes are highly specific to each municipality and were not comprehensively mapped in this report.

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

Little information regarding funding by foundations, business associations, educational or other institutions is publicly available in Portugal. The following examples were found during the research – however, their impact for SFHs or SFOs is only indirect.

- The Calouste Gulbenkian Foundation supports long-term capacity-building of environmental NGOs and organisations in Portugal by providing core funding (not just one-off project grants) to strengthen their institutional resilience, impact on biodiversity/ecosystem work and long-term sustainability. For example, between 2025-26 it selected eight Portuguese environmental organisations working on species monitoring, habitat restoration, re-wilding, native forest/reserve creation, etc[38].
- The Repsol Foundation in Portugal has launched the flagship initiative "Motor Verde + Floresta" (Green Engine + Forest) in partnership with the Portuguese government, aiming to reforest 100,000 hectares, plant more than 90 million native trees and absorb 25 million tonnes of CO_2. The programme also includes satellite monitoring for fire-prevention and forest growth tracking, local job creation in rural zones, and links to the voluntary carbon market[39].
- The Greentech II Fund is a Portuguese Article-9 ESG private equity fund focused specifically on sustainable forest-management companies in Portugal. It targets stakes of roughly €2-5 million per company, invests in companies managing or planting forest assets, and aims to generate certified CO_2 offsetting capacity as part of its business model[40].

In 2019, it was also announced that the Portuguese Forest Fund, which aimed to gather 100-million-euro investment in the Portuguese Forest had been approved[41]. This was a private initiative to set up a long-term investment fund in the forestry sector. No information about its development, however, could be found.

In 2025, it was reported that the ICNF visited areas that benefited from private investment in Funchal[42], yet the details of the funding were not made public.

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[37] This can include subsidies or reduced fees for machinery (e.g., soil preparation, planting); technical assistance from municipal forestry services; support for collective projects within a municipality (e.g., creating fuel management strips, building forest roads).
[38] See Calouste Gulbenkian Foundation, Nature and biodiversity protection: https://gulbenkian.pt/en/climate-and-ocean/nature-and-biodiversity-protection
[39] See Repsol Foundation, The Repsol Foundation and the Portuguese Ministry of Environment and Climate Action spearhead the largest reforestation program in the country: https://www.fundacionrepsol.com/content/repsol-fundacion/master/en/actualidad/noticias/2023/04/fundacion-repsol-el-ministerio-medio-ambiente-accion-climatica-impulsan-el-mayor-programa.html
[40] Iberis Capital, Greentech II Fund: https://iberiscapital.com/greentechii-fund/
[41] See Crowe, 31 October 2019, Portuguese forest fund has green light to move forward: https://www.crowe.com/pt/en-us/news/smart-forest-english-version. See also SAPO, 29 October 2019, Private fund aims to invest €100 million in Portuguese forests (*Fundo privado quer atingir 100 milhões de investimento na floresta portuguesa*): https://eco.sapo.pt/2019/10/29/fundo-privado-quer-atingir-100-milhoes-de-investimento-na-floresta-portuguesa/.
[42] See D Noticias, 21 March 2025, ICNF visited private forestry investments in Monte (*IFCN visitou investimentos florestais privados no Monte*): https://www.dnoticias.pt/2025/3/21/442573-ifcn-visitou-investimentos-florestais-privados-no-monte/.

2.5. Innovative funding sources

Green bonds remain exclusively for private companies in Portugal, as the country does not emit State green bonds. Some of the largest Portuguese companies, such as EDP (energy production)[43], Greenvolt (renewable energy)[44], Grupo Pestana (hotels)[45] and Caixa Geral de Depositos (banking sector)[46], have issued green bonds in the recent years, but these do not directly target forestry activities. While small forest holders cannot issue green bonds themselves, the growth of this market can stimulate investment in the broader forestry sector, potentially increasing demand for sustainable wood products or leading to new financing vehicles that trickle down to landowners through aggregators or cooperatives

In 2024, discussions were held between the United States Embassy, the ICNF and the Portuguese Agency for Integrated Rural Fire Management (AGIF) about the possibility to launch a Forest Resilience Bond in Portugal, but this has not yet been implemented[47].

Crowdfunding is often used for environment-related projects. The most popular Portuguese crowdfunding platform (ppl.pt) was used to fund many forest-related projects in the past. For example, in 2024, two afforestation projects were funded, although neither reached the amount of funding requested[48]. In 2019, however, a project to create a network of small nature reserves aiming to preserve nature, biodiversity, the native Portuguese forest and the identity of the landscape was successfully funded[49]. The reserves were designed as spaces to develop environmental education, involving the population, transmitting knowledge and teaching people how to manage land in favour of biodiversity and native forests, reducing the risk of forest fires and protecting water and soil.

Payment for ecosystem services (PES) is provided in the National Strategy for the Conservation of Nature and Biodiversity 2030 (*Estratégia Nacional de Conservação da Natureza e Biodiversidade 2030*), approved by Council of Ministers Resolution No. 55/2018 of 7 May[50]. The first phase of the remuneration programme for ecosystem services in rural areas was launched by Council of Ministers Resolution No. 121/2019 of 30 July[51]. Its objective is to remunerate owners for services provided by ecosystems, through the adoption of measures that allow restoration, valuation and protection of biodiversity in defined areas. The programme is to be implemented from 2019 to

[43] See EDP, Information on "Green Bonds" (*Informação sobre "Green Bonds"*): https://www.edp.com/pt/financiamento-sustentavel#; see also SAPO, 6 October 2022, EDP is responsible for 91% of green bond issued in Portugal (*EDP é responsável por 91% das emissões de obrigações verdes em Portugal*): https://eco.sapo.pt/2022/10/06/edp-e-responsavel-por-91-das-emissoes-de-obrigacoes-verdes-em-portugal/.
[44] See Greenvolt, Green Financing (*Financiamento Verde*): https://greenvolt.com/pt-pt/investidores/financiamento-verde/; see also Novo Banco, Issuance of Greenvolt Green Bonds 2024-2029 ("Greenvolt 2029 Green Bonds") (*Emissão de Obrigações Verdes Greenvolt 2024-2029 ("Obrigações Verdes Greenvolt 2029")*): https://www.novobanco.pt/particulares/investimento/obrigacoes/obrigacoes-greenvolt.
[45] See Grupo Pestana, Pestana is the first hotel group in the world to issue "green bonds" (*Pestana é o primeiro grupo hoteleiro mundial a emitir "obrigações verdes"*): https://www.pestanagroup.com/pt-pt/pestana-obrigacoes-verdes/.
[46] See Caixa Geral de Depositos, 9 December 2024, Green Emission (*As emissões verdes*): https://www.cgd.pt/Institucional/Pages/Emissoes-Verdes.aspx.
[47] Portuguese Agency for Integrated Rural Fire Management, 3 March 2025, Forest Resilience Bonds: https://www.agif.pt/pt/forest-resilience-bonds.
[48] The projects were Help Us Reforest Silveira! (*Ajuda-nos a Reflorestar a Silveira!*): https://ppl.pt/causas/silveira and Help Us Reforest a Eucalyptus Monoculture! (*Ajuda-nos a Reflorestar uma Monocultura de Eucaliptos!*): https://ppl.pt/causas/reflorestar.
[49] Help create the first MilVoz Natural Reserve (*Ajuda a criar a primeira Reserva Natural MilVoz*): https://ppl.pt/milvoz.
[50] Available at https://diariodarepublica.pt/dr/detalhe/resolucao-conselho-ministros/55-2018-115226936.
[51] Available at https://diariodarepublica.pt/dr/detalhe/resolucao-conselho-ministros/121-2019-123578709.

2038 in two protected areas – the Tejo Internacional Natural Park and the Serra do Açor Protected Landscape – and is funded by the Environmental Fund[52] up to a maximum of EUR 3,737,705. Beneficiaries in the Serra do Açor Protected Landscape include Forest Management Entities; Forest Producer Organisations; and land management organisations. Beneficiaries in the Tejo Internacional Natural Park include Forest Management Entities; Forest Producer Organisations; and natural or legal persons, regardless of their nature, whose annual turnover does not exceed 10 million euros.

In summary, while corporate green bonds are currently not a direct funding source for individual SFHs, they indicate growing market interest in green finance. Crowdfunding offers a direct but typically small-scale and unpredictable avenue for specific community-led projects. The PES pilot program represents the most structured and policy-driven innovative mechanism, though it is currently limited to specific geographic areas. The potential development of a Forest Resilience Bond could significantly expand this landscape in the future.

2.6. Other funding sources

No additional funding sources outside the categories defined in sections 2.1 to 2.5 were identified during the research for this report.

[52] See Environmental Fund, Ecosystem Services Remuneration Program - 1st Phase (*Programa de Remuneração dos Serviços dos Ecossistemas - 1ª Fase*): https://www.fundoambiental.pt/avisos-anteriores/avisos-2019/conservacao-da-natureza-e-biodiversidade/programa-de-remuneracao-dos-servicos-dos-ecossistemas-1-fase.aspx.

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