milieu
Law & Policy Consulting

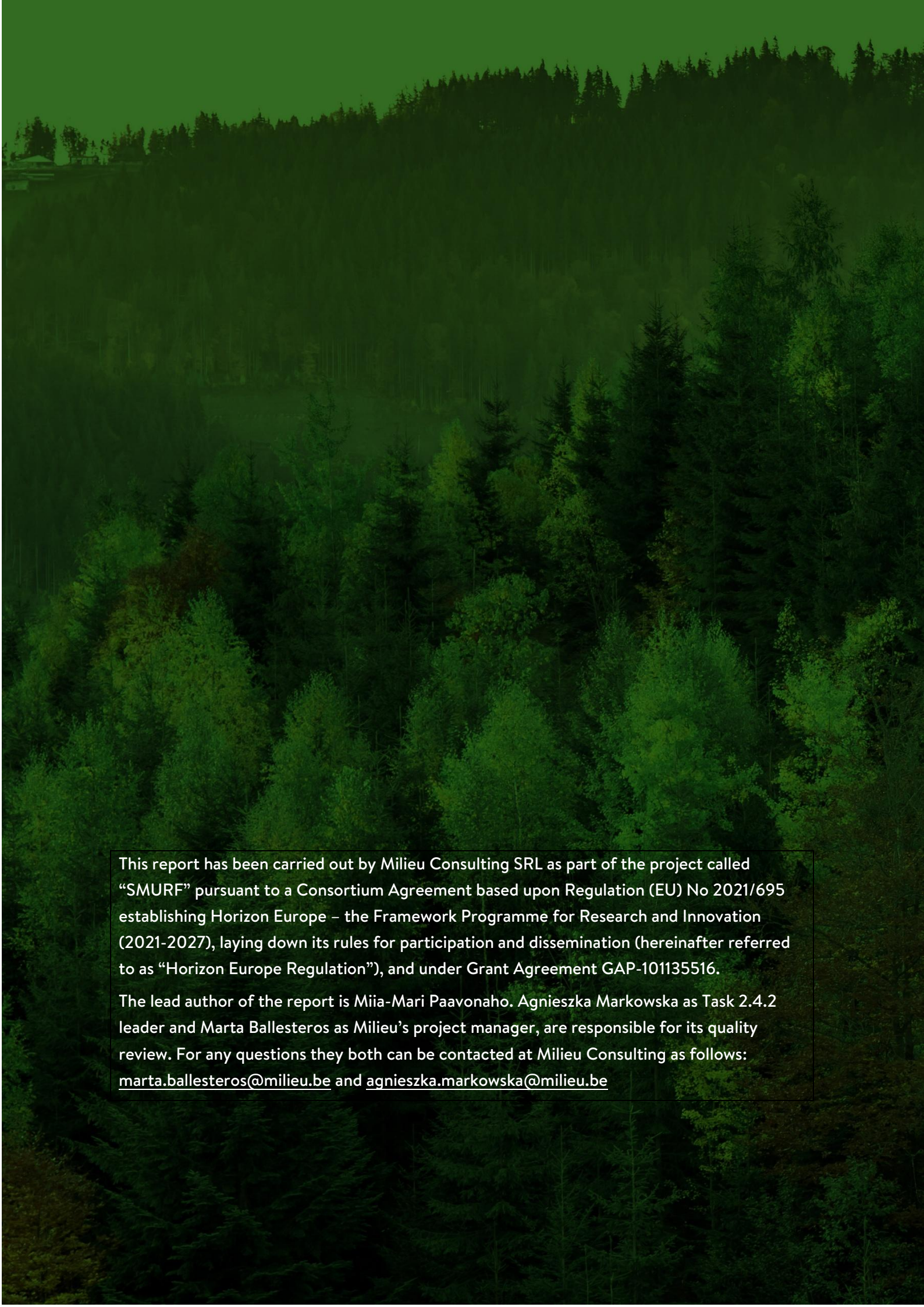
Financial incentives applicable to Small Forest Holdings and their impacts

Country Fact Sheet
Sweden

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 9

2.3. Funding provided by regional and local authorities 11

2.4. Funding provided by foundations, business associations, educational or other institutions 12

2.5. Innovative funding sources 13

2.6. Other funding sources 15

Financial incentives applicable to Small Forest Holdings

WP2, Task 2.4.2

Executive Summary

Sweden's forests cover around 70% of its land and are vital to both the environment and economy. The country offers a range of financial incentives to encourage sustainable forest management, focusing on balancing conservation with timber production.

National agencies, such as the Swedish Forest Agency and Environmental Protection Agency, administer various funding programmes, including EU-supported initiatives like the Common Agricultural Policy (CAP) and the Just Transition Fund. These programmes prioritise ecological forestry, climate adaptation, and biodiversity, but few directly target small forest holders (SFH).

Financial support comes through grants, tax deductions, and subsidies aimed primarily at conservation activities rather than increasing production. Key initiatives include compensation for managing protected Natura 2000 sites, rewetting drained peatlands to reduce greenhouse gases, and incentive schemes rewarding environmental stewardship.

Tax mechanisms help forest owners manage forestry's irregular income cycles. For example, the Forest Deduction and forest accounts allow tax deferral and deductions related to timber sales, and governmental grants support infrastructure like forest roads.

Forest associations, representing over 100,000 members, play a crucial role in advising and assisting SFH to access funding and technical support. Emerging financial tools such as green bonds, carbon credits, biodiversity credits, and crowdfunding offer new opportunities for forest owners to fund sustainable practices and benefit from ecosystem services.

Although municipal involvement is limited, local programmes like the Nokås fund and the Local Nature Conservation Programme provide additional, targeted funding for biodiversity and cultural heritage projects.

Overall, Sweden's incentives foster sustainable forest management by supporting conservation and climate goals while maintaining timber production. The combination of public funding, tax benefits, advisory services, and innovative market-based financing presents multiple avenues for SFH to sustain their forests and contribute to national environmental targets.

1. Financial incentives based on EU funding

1.1. The European Regional Development Fund

Under the Cohesion Policy, Sweden implements nine programmes through the European Regional Development Fund (ERDF): Övre Norrland, Mellersta Norrland, Norra Mellansverige, Östra Mellansverige, Stockholm, Västsverige, Småland och Öarna, Skåne-Blekinge, and the National Regional Development Fund. [1] These are managed by the Swedish Agency for Economic and Regional Growth (Tillväxtverket)[2], which supports sustainable growth and administers the climate transition fund, providing venture capital to SMEs aligned with Sweden's net-zero emissions target by 2045.[3]

The projects most linked to forestry are in relation to adaptation to climate change. Projects that support regions with long distances, harsh weather and limited backup systems with local resilience and actors such as municipalities or companies who strengthen society's preparedness can apply for funding in Övre Norrland. Indigenous practice of reindeer husbandry and natural resources are highlighted as being in risk in relation to climate stability, resilience and sustainability. [4] However, no projects specifically for forestry have been financed or proposed.

Additionally, €155 million from the Just Transition Fund (JTF) supports Sweden's transition into a greener and more competitive industry while maintaining employment and upskilling workers in the value chains in Northern Sweden.

The European Social Fund Plus (ESF+) promotes regional development and individual, organisational, and business growth—particularly in Upper and Mid Norrland—it does not directly target forestry. [5]

1.2. Common Agricultural Policy (CAP)

Under the 2023–2027 Strategic Plan for the new CAP, the Swedish Forest Agency (Skogsstyrelsen) manages project support for skills development in sustainable forestry. Eligible applicants include companies, government agencies, municipalities, regions, associations, and other organizations that can arrange training for forestry professionals, but not individual small forest holders. 6 The Swedish CAP Strategic Plan highlights the importance of integrating biodiversity into forestry practices. Effective management of forest ecosystems is essential for

[1] EU fonder, https://eufonder.se/eufonder/hittaeufinansiering/regionalfonden/regionalfondensprogram.6788.html
[2] Three Billion Trees, Country Annex for Sweden, 2023
[3] European Regional Development Fund in Sweden, https://pact-for-skills.ec.europa.eu/stakeholders-and-business/funding-opportunities/european-regional-development-fund-erdf-sweden-i_en
[4] Tillvaxtverket, https://tillvaxtverket.se/tillvaxtverket/sokfinansiering/utlysningar/utlysningar/klimatanpassningochrubustasamhalleniforandringenstid.9444.html
[5] European Social Fund Plus, https://www.esf.se/en/socialfondsprogrammet-esf-2021-2027/
[6] Skogsstyrelsen, https://www.skogsstyrelsen.se/aga-skog/stod-och-bidrag/stod-for-kompetensutveckling-2023-2027/

the preservation of species and habitats, which in turn supports the overall health of the environment. This requires not only sustainable forestry practices but also an increased understanding of how forestry can contribute positively to biodiversity. The emphasis is on ensuring that forestry operations are compatible with biodiversity goals, thus preventing the sector from becoming a source of ecological harm. The plan, with a total budget of EUR 5.3 billion, prioritises ecological production, carbon sequestration, wetland management, and broader project-based support for environmental measures and innovative solutions. However, no additional specific measures are highlighted. [7]

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.

The Swedish Environmental Protection Agency (Naturvårdsverket) provides advice and guidance to applicants for the environmental, nature conservation and climate action LIFE projects. In 2021, 14 applications were submitted from Sweden, with four approved—two of which received support for nature-related projects. One such project, *Life2Taiga*, aims to improve the conservation status of old-growth pine forests in Natura 2000 sites across Sweden and Finland, covering around 93% of the EU's Western Taiga. [8]

[7] Skogsstyrelsen, https://www.skogsstyrelsen.se/aga-skog/stod-och-bidrag/stod-for-kompetensutveckling-2023-2027/
[8] Three Billion Trees, Country Annex for Sweden, 2023

2. Financial incentives based on MS funding

2.1. State aid

Various state aid initiatives have been implemented to support environmental and sector-specific investments in Sweden, targeting both small and large businesses. The reported state aid includes project *Support for local climate investments – the climate step SA.101867* with support to SMEs and large companies with environmental studies, low emission road vehicles and local infrastructures. The aid instrument was direct grant and interest rate subsidy with the timeline of 2015-2023. The state aid reached EUR 164 million by 2022. [9] Project *Support for local climate investments - the climate step* SA.111803 also has SMEs and large companies as beneficiaries but instead helps with investments for environmental protection and aid for studies and consultancy services on environmental protection with direct grants and interest rate subsidy. It is still ongoing until 2026 with an annual budget of EUR 495 million. [10] The granting authority in both is the Environmental Protection Agency. The granting authority in the project *Support for skills development for forestry within the strategic plan for the implementation of the common agricultural policy in Sweden 2023-2027* instead is the Forest Agency with objectives of aid for knowledge exchange and information actions in the forestry sector as well as aid for advisory services in the forestry sector. The overall budget for the timeline 2023-2029 is EUR 6.5 million with direct grants and interest rate subsidies. [11] None of these projects are clearly targeted at SFH.

Historically, the Swedish government has used economic incentives to encourage forest owners to produce more wood at lower costs, ensuring a steady supply of raw materials to the expanding forest industry. State subsidies peaked in the 1980s, when regulations were the most extensive. [12]

Today, Sweden's forest policy aims to balance conservation with sustainable timber production, as outlined in its National Forest Strategy and the Forestry Act (Skogsvårdslag). This act sets minimum legal requirements but expects forest owners to go beyond them to meet environmental and production goals. Financial incentives—including government grants, tax deductions, and targeted subsidies—encourage closer-to-nature silviculture and conservation-focused practices.

Several national funding sources target different kinds of climate and environmental investments and are available to different kinds of actors. [13] Forest owners can receive compensation for environmental conservation efforts, such as preserving biodiversity,

[9] European Commission, Competition Policy, https://competition-cases.ec.europa.eu/cases/SA.101867
[10] European Commission, Competition Policy, https://competition-cases.ec.europa.eu/cases/SA.111803
[11] European Commisison, Competition Policy, https://competition-cases.ec.europa.eu/cases/SA.118162
[12] Lindahl K., Stens A., Sandstrom C. et al., The Swedish forestry model: More of everything? Forest Policy and Economics, 2017, https://doi.org/10.1016/j.forpol.2015.10.012
[13] Three Billion Trees, Country Annex for Sweden, 2023

managing natural habitats, and reforesting, including financial support for tending natural milieus or setting aside land. [14]

Specific initiatives include:

- Rewetting Drained Peatlands: In 2020, the government introduced a support scheme for rewetting wetlands, based on voluntary participation. Ditched peatlands emit a lot of greenhouse gases. Forest owners can contribute to fighting against climate change by filling the ditches. [15] In 2021, SEK 350 million (€34 million) was allocated, financed through government funds, NGOs, and EU programmes like LIFE and CAP. [16]
- Natura 2000 Management: Forest owners can receive compensation for managing sites under the Natura 2000 network. Sweden currently allocates approximately SEK 500 million annually for biodiversity conservation, but the Prioritised Action Framework estimates that SEK 3 billion is needed over the 2021–2027 period—indicating a significant funding gap. [17]
- Incentive-Based Instruments: Recent policy developments highlight the role of voluntary agreements, certification schemes, and incentive-based tools. These include economic compensation for meeting specific environmental targets, such as increasing the share of broadleaved trees or preserving cultural landscapes. [18]

Subsidies can also be received from the government for the fight against climate change, reindeer herding, and to create new job opportunities in rural areas. Reindeer husbandry receives government subsidies but is somewhat of an exception as it is a traditional occupation reserved for the Indigenous Sámi people. No subsides are allowed for measures aiming at increasing production. [19] The main objective for forest subsidies is the focus on nature conservation. Sweden is the world's third largest exporter of pulp, paper and sawn timber. Hence, the country's focus on subsidies for nature conservation, such as compensation for income loss due to set-aside land or tending natural and cultural heritage/milieus, can be interpreted as a way to achieve the forest policy objective of balancing environmental goals with production goals. [20]

---

[14] Lantmäteriet, Fastighetsprisregistret https://www.lantmateriet.se/sv/fastighet-och-mark/information-om-fastigheter/Fastighetsprisregistret/

[15] Skogsstyrelsen, Stöd och bidrag, återvätningsavtal, https://www.skogsstyrelsen.se/aga-skog/stod-och-bidrag/atervatningsavtal/

[16] Nordic Council of Ministers, Sweden, https://pub.norden.org/temanord2023-520/6-sweden.html

[17] Skogsstyrelsen, sustainable forests in depth evaluation 2023, https://www.skogsstyrelsen.se/globalassets/om-oss/rapporter/rapporter-20222021202020192018/rapport-2022-12-sustainable-forests-in-depth-evaluation-2023-english-summary.pdf

[18] Lindahl K., Stens A., Sandstrom C. et al., The Swedish forestry model: More of everything? Forest Policy and Economics, 2017, https://doi.org/10.1016/j.forpol.2015.10.012

[19] Skogsstyrelsen, sustainable forests in depth evaluation 2023, https://www.skogsstyrelsen.se/globalassets/om-oss/rapporter/rapporter-20222021202020192018/rapport-2022-12-sustainable-forests-in-depth-evaluation-2023-english-summary.pdf

[20] Haeler E., Bolte A., Buchacher R., et al., Forest subsidy distribution in five European countries, Forest Policy and Economics, 2023, https://doi.org/10.1016/j.forpol.2022.102882

Sweden's Innovation Agency (Vinnova) acts as the national contact point for Horizon Europe but gets most of its funding from the Swedish government. It offers support and funding opportunities for innovative projects and facilitates collaboration within the research and innovation programme. [21] Vinnova offers up to EUR 65 000 per project. However, private forest owners cannot directly receive funding from Vinnova as it primarily funds organisations, but they can participate as part of a collaboration between multiple entities. One example of a recent project is the *Electrified, autonomous and sustainable forestry.* The project lasted from July 2021 until February 2024 under a call of Upscaling for a sustainable industry. This project demonstrated a degree of automation that enabled competition with ground-based harvesting systems – in the long-term enabling a completely new way of managing the forest. [22]

2.2. Taxes and tax exemptions, subsidies

In addition to subsidies, forest owners can access tax reductions and exemptions. For example, energy taxes are waived on fuels used in industrial forestry processes, and tax incentives are available for environmental efforts through agreements with public agencies like the Swedish Forest Agency and the Environmental Protection Agency. From a tax point of view, it also matters if the forest is sold as timber or as felling rights. For example, a timber buyer pays for the actual volume of timber but costs for felling are deducted from the timber value. [23]

In Sweden, ownership of forest property is considered a taxable activity. Forest owners operate as individual businesses and must register with the Swedish Tax Agency, including for VAT. Most are classified as passive traders, as forestry is often a secondary income source. However, those meeting certain work thresholds—such as contributing at least one-third of their annual working time—may be classified as active traders, gaining access to more favourable tax deductions, especially within the first five years after acquiring forest land. [24] Active traders pay higher general taxes but benefit from deductions for pension savings and sickness benefits. Passive traders instead pay a special payroll tax and have limited deduction options. [25]

Forest owners can use several tax mechanisms to smooth the irregular income patterns associated with forestry's long cycles (often 80–100 years between planting and harvesting). Firstly, the Forest Deduction (Skogsavdrag): Forest proprietors may deduct up to 50% of the acquisition value of forest land over time. This deduction is capped annually based on the type of income:

- 50% of revenue from sold logging rights

[21] Vinnova, https://www.vinnova.se/
[22] Vinnova, https://www.vinnova.se/en/p/electrified-autonomous-and-sustainable-forestry/#:~:text=The%20project%20has%20been%20able,on%20both%20climate%20and%20environment.
[23] Skatteverket, https://www4.skatteverket.se/rattsligvagledning/edition/2025.1/331288.html
[24] Skogskunskap, Beskattning och deklaration https://www.skogskunskap.se/aga-skog/vara-skogsagare/beskattning-och-deklaration/
[25] Ludvig and Co, Att bli skogsägare är att vara företagare, https://ludvig.se/bransch/skog/bli-skogsagare/#in-page-anchor-skogsagare-foretagare

- 30% of revenue from sold forest products
- 30% of revenue from harvested timber

This deduction must be repaid when the property is sold and cannot be reversed earlier. [26]

Secondly, forest owners can open a Forest Account (Skogskonto). To manage uneven income, forest owners can defer taxation by depositing income into a forest account[27]:

- Up to 60% of revenue from sold logging rights
- Up to 40% of revenue from sold or harvested forest products

Deposited funds are tax-free until withdrawn, at which point they are taxed as business income. Interest earned is subject to a 15% withholding tax. [28]

In cases of significant damage (e.g. storms, snowstorms, and fires) forest owners can open a forest damage account.

- Over 33% of the forest must be felled prematurely due to damage
- At least 75% of that year's forest income must stem from such felling

The full amount deferred must be deposited into a forest damage account, and remains untaxed until withdrawal, at which point it must be declared as income. Deposits may only be made in one bank per income year. [29]

Financial support is also available for road maintenance. Forest owners can receive government grants to upkeep their roads, and they must keep them open to public traffic, if there is a public interest in using the road. If forest roads are originally built with the aid of government grant, a motorised vehicle traffic is regulated under the terms of that grant. [30] Forest owners can also receive targeted compensation for income losses associated with conservation. The Forest Agency and Tax Agency regulate eligibility and conditions for these incentives. [31]

Sweden offers incentives and measures to encourage sustainable forest management among forest owners. Forest owners can benefit from tax exemptions or deductions related to SFM practices such as investments in biodiversity, restoring ecosystems and other activities related to improving forest quality. [32] The Forest Agency and the Tax Agency set the regulations for the exact conditions and the types of activities that qualify for deductions.

---

[26] Skattverket, https://www.skatteverket.se/foretag/drivaforetag/foretagsformer/enskildnaringsverksamhet/jordochskogsbruksfastighet/
[27] Skattverket, https://www.skatteverket.se/foretag/drivaforetag/foretagsformer/enskildnaringsverksamhet/jordochskogsbruksfastighet/
[28] Skattverket, https://www.skatteverket.se/foretag/drivaforetag/foretagsformer/enskildnaringsverksamhet/jordochskogsbruksfastighet/
[29] Skanegardar, https://skanegardar.se/en/skatt-pa-skogen/
[30] Naturvårdsverket, Private roads, https://www.naturvardsverket.se/en/topics/the-right-of-public-access/activities-and-places/private-roads/
[31] Skogsstyrelsen, https://www.skogsstyrelsen.se/globalassets/lag-och-tillsyn/skogsvardslagen/skogsvardslagstiftningen---gallande-regler-1-april-2025.pdf
[32] Skogsstyrelsen, https://www.skogsstyrelsen.se/globalassets/lag-och-tillsyn/skogsvardslagen/Skogsvardslagstiftningen-gallande-fran-1-september-2022.pdf

2.3. Funding provided by regional and local authorities

In Sweden, regional and local funding for forestry is mainly distributed through national agencies, and regional authorities. While national programmes play the dominant role, regional actors—particularly forest owner associations and County Administrative Boards—serve as key intermediaries, helping private forest owners navigate support schemes and access funding. More specifically, forest owner associations do not distribute funds but provide advice on government funding programmes and fair timber business deals.[33] Members can also share in the profit from being joint-owners in industrial operations, where profits are shared and reinvested in future forest development.[34]

One key example is the Nokås fund, which supports projects that enhance biodiversity and protect cultural and natural forest environments. Forest landowners—or individuals authorised by them—can apply for up to 70% of project costs to be covered. Eligible measures include conservation burning, restoration efforts, and the protection of cultural and social values in forest areas. [35] The minimum amount of support granted is EUR 500 and the maximum EUR 3600 per hectare. [36] Nokås received an increase in funding to EUR 5 million in 2023 and the full allocation was not used so some was brought to the following year 2024. [37]

The Local Nature Conservation Programme (LONA) also supports local environmental projects, including those related to green infrastructure. Municipalities can have up to 50% of their costs reimbursed, and each County Administrative Board appoints a contact person to support implementation. The expected budget range of proposals is under EUR 100 000, however no total budget has been identified. [38]

The Swedish Forest Agency plays a significant advisory and coordinative role. Forest owners can receive individual counselling—remotely, in the office, or in the field—or participate in group forest meetings. Advice may cover topics such as financial support, management of broadleaf forests, conservation of cultural or recreational values, and clear-cutting practices. The availability and scope of advice can vary by region. [39] No data has been published on how much they spend on counselling.

In addition to public advisory services, independent organisations like Resource Husbandry (Hushållningssällskapet) [40] also support private forest owners, especially with qualified advice and services. They offer planning, investment advice, maintenance support, and assistance with

[33] Skogsstyrelsen, https://www.skogsstyrelsen.se/aga-skog/stod-och-bidrag/nokas/
[34] Södra, https://www.sodra.com/en/global/forestry-and-members/
[35] Skogssyrelsen, Stöd till natur- och kulturmiljövårdsåtgärder i skogen (Nokås), 2023
[36] Nokås, 2023, https://www.skogsstyrelsen.se/globalassets/bruka-skog/stod-och-bidrag/stod-diverse/informationsblad-nokas-2023.pdf
[37] Skogsstyrelsen, https://www.skogsstyrelsen.se/globalassets/om-oss/var-verksamhet/arsredovisning/arsredovisning-2024.pdf
[38] Naturvårdsverket, *https://climate-adapt.eea.europa.eu/en/mission/funding/opportunities/lona* (LONA), 2023
[39] Skogsstyrelsen, Individuell rådgivning, https://www.skogsstyrelsen.se/aga-skog/individuell-radgivning/#:~:text=R%C3%A5dgivningen%20kan%20ske%20i%20f%C3%A4lt,anpassar%20oss%20efter%20din%20kunskapsniv%C3%A5.
[40] Hushållnings sällskapet, Skog, https://hushallningssallskapet.se/tjanster/skog/

sales, and also serve clients such as municipalities and forestry companies. Their annual budget for forestry projects in 2024 was approximately EUR 1.7 million. Their projects are co-financed by the Forestry Agency, Horizon Europe, Swedish Agency for Economic and Regional Growth ad Formas. [41]

While municipal councils play a relatively limited role compared to national and regional authorities, they still engage in or support forestry-related initiatives through LONA and similar programmes.

Efforts to reach and support forest owners—especially absentee or inactive ones—are often led by forest associations, which assist with applications and provide continuous local engagement. However, new approaches may be needed to activate less-involved owners, possibly through targeted incentives or communication strategies. [42]

The County administrative boards are responsible for both nature conservation and deer damage. For example, if a wild animal has a hunting ban but they cause severe damage, a forest owner can apply for a grant for preventive measures. On the other hand, nature conservation is put in action by County administrative boards in exchange of forest owners managing protected nature areas and receiving financial compensation. The compensation is calculated based on the timber value, minus the felling costs and additionally a one-time payment of EUR 750 when signing the agreement. [43]

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

In Sweden, business associations, cooperatives, and educational institutions play an important role in supporting sustainable forest management, primarily through advisory services, training, and indirect funding mechanisms.

Roughly one-third of Swedish forest owners are members of one of the three major regional forest owner associations:

- Norra Skog (27,000 members)
- Mellanskog (28,000 members)
- Södra (52,000 members)

Together, they represent over 107,000 members across northern, central, and southern Sweden. These associations are member-owned cooperatives where each member has voting rights. They assist forest owners in selling timber, provide advisory services, and offer training

[41] Hushållningssällskapet, https://hushallningssallskapet.se/wp-content/uploads/2024/04/vp2024-1.pdf

[42] Haeler E., Bolte A., Buchacher R., et al., Forest subsidy distribution in five European countries, Forest Policy and Economics, 2023, https://doi.org/10.1016/j.forpol.2022.102882

[43] Länsstyrelsen, ttps://www.lansstyrelsen.se/english/nature-and-rural-areas/protected-nature.html#:~:text=The%20basis%20for%20the%20nature,other%20things%2C%20objective%20and%20time.

opportunities. Through these services, the associations indirectly facilitate financial and technical support to their members. [44]

Södra also supports forest research. They have eleven different projects that promote the development of forestry and forest industry. One major project focused on fossil-free forestry which explored various alternatives and pathways to support the efficient and sustainable transition of the forest value chain. The allocated budget is EUR 1.2 million for 2025. [45]

These associations operate under the national umbrella of the Federation of Swedish Farmers (LRF), specifically through its forest branch, LRF Skogsägarna. This cooperative organisation advocates for private forest owners, offering support, advice, and lobbying on their behalf. [46]

The Swedish University of Agricultural Sciences (SLU)[47], a state-owned university funded through the Ministry of Rural Affairs, also plays a key role in promoting sustainable forestry. While it does not provide direct funding to forest owners, SLU supports forestry innovation and environmental education through training and development programmes, research and pilot projects as well as disseminating on forest management and policy.

2.5. Innovative funding sources

Several innovative funding sources are emerging in Sweden, offering new opportunities for financing forestry-related projects. These sources include green bonds, carbon credits, biodiversity credits, payment for ecosystem services (PES), and crowdfunding.

In Sweden, green bonds are issued by both local governments and financial institutions to finance environmental and climate adaptation projects, including those focused on forestry. The Swedish local government funding agency Kommuninvest issues green bonds that support Payments for Ecosystem Services (PES) projects in municipalities. [48] These bonds must meet sustainability criteria, such as aligning with climate transition goals and national/regional environmental targets. [49]

Swedish banks, including Swedbank, Nordea, SEB, and Handelsbanken, also issue green bonds. These bonds support sustainable forest management, land restoration, and forestry projects that comply with environmental standards. [50] For example, to qualify for green loans for forest

---

[44] Skogskunskap, Skogsägarföreningar, https://www.skogskunskap.se/aga-skog/fakta-om-skogen/skogsagarforeningar/
45 Södra, https://www.sodra.com/en/global/about-sodra/press/press-releases-global/sodra-foundation-grants-sek-12.5-million-for-research/

[46] Lantbrukarnas Riksförbund, LRF Skogsägarna https://www.lrf.se/om-lrf/lrfs-branschavdelningar/lrf-skogsagarna/
[47] Swedish University of Agricultural Science, https://www.slu.se/en/
[48] Kommuninvest, *Gröna lån*, 2023, https://kommuninvest.se/for-kunder/vara-produkter/grona-lan-2/
[49] Kommuninvest, *Berättigade projekt och hållbarhetskriterier*, 2023, https://kommuninvest.se/for-kunder/vara-produkter/grona-lan-2/berattigade-projekt-och-hallbarhetskriterier/
[50] Nordea, *Nordea Green Funding Framework 2022*, 2022; SEB, *SEB's Green Bond Framework 2022*, 2022; Handelsbanken, *Handelsbanken Green Bond Framework 2022*, 2022; Swedbank, *Swedbank Sustainable Funding Framework 2022*, 2022

projects, the forest must be certified under international standards like FSC or PEFC if the forest exceeds 1,500 hectares. [51] [52]

Carbon credits offer an innovative way for forest owners to generate revenue by certifying that their forestry activities contribute to carbon sequestration. One example is Treebula, a digital marketplace for forest owners, which allows them to sell carbon credits. Through a partnership with Ecobase, Treebula provides forest owners access to a carbon credit certification system, ensuring that they meet industry standards, such as Verra certification. [53]

These carbon credits present a dual opportunity for forest owners: they can profit from climate-positive practices while supporting global climate goals. Carbon credits offer a significant avenue for financing additional climate mitigation efforts within the forestry sector. [54]

The Swedish Biocredit Alliance has introduced the Global Biocredit Standard, a framework to create biocredits for biodiversity-enhancing activities in production landscapes. The standard ensures that biocredit projects are transparent and verifiable through third-party certification. These credits aim to encourage biodiversity conservation, while also providing businesses with a tool to manage environmental risks, meet sustainability requirements, and strengthen their value proposition. The biocredit market is still developing, with the Swedish Biocredit Alliance working on further guidelines and certification requirements. [55] PES schemes, such as carbon and biodiversity credits, are examples of how forest owners can be compensated for providing ecosystem services.

Crowdfunding has gained popularity in Sweden as a way to fund environmental and climate projects, including forestry initiatives. Platforms support various models, such as gift-based or reward-based crowdfunding, to help forest owners access additional funding for their sustainability efforts and passionate individuals to protect old growth forests or forests with important biodiversity. [56] These initiatives are often motivated by both climate compensation and philanthropic goals, and they enable a broader public to participate in forest conservation and climate action. [57]

---

[51] Handelsbanken, grönt lån för skog, https://www.handelsbanken.se/sv/foretag/finansiera/hallbar-finansiering/grona-lan/skog#:~:text=Ett%20gr%C3%B6nt%20l%C3%A5n%20f%C3%B6r%20skog,ej%20%C3%B6verstiga%20v%C3%A4rdet%20av%20skogsmarken.

[53] Treebula, Swedish forest owners pave way for climate benefits through carbon credits, 2024, https://treebula.se/kunskapscentrum/nyheter/swedish-forest-owners-pave-way-for-climate-benefits-through-carbon-credits/

[54] Treebula, Swedish forest owners pave way for climate benefits through carbon credits, 2024, https://treebula.se/kunskapscentrum/nyheter/swedish-forest-owners-pave-way-for-climate-benefits-through-carbon-credits/

[55] Swedish biocredit alliance, https://swedishbiocreditalliance.se/en/biokrediter/

[56] WildSweden, Save the forest fund, https://www.wildsweden.com/donate

[57] Whydonate, crowdfunding in Sweden, https://whydonate.com/en/blog/top-platforms-crowdfunding-in-sweden/

2.6. Other funding sources

N/A

PARTNERS


cesefor


InnovaWood
connect share influence


UNIVERSITÀ
DEGLI STUDI
FIRENZE


blue biloba


Xylofutur


AIR
INSTITUTE


ipb
INSTITUTO POLITÉCNICO
DE BRAGANÇA


Preferred
by Nature™


milieu
Law & Policy Consulting


contactica



Funded by
the European Union