

Forest Policy Report

SFI/2025

# **Legal regulation of unaccounted forests and woody vegetation not included in the forest fund**

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## **About the Project “Sustainable Forestry Implementation” (SFI)**

The project “Technical Support to Forest Policy Development and National Forest Inventory Implementation” (SFI) is a project established in the framework of the Bilateral Cooperation Program (BCP) of the Federal Ministry of Food and Agriculture of Germany (BMEL) with the Ministry of Environment and Natural Resources of Ukraine (MENR). It is a continuation of activities started in the forest sector within the German-Ukrainian Agriculture Policy Dialogue (APD) forestry component.

The Project is implemented based on an agreement between GFA Group, the general authorized executor of BMEL, and the State Forest Resources Agency of Ukraine (SFRA) since October 2021. On behalf of GFA Group, the executing agencies - Unique land use GmbH and IAK Agrar Consulting GmbH - are in charge of the implementation jointly with SFRA.

The project aims to support sustainable forest management planning in Ukraine and has a working focus on the results in the Forest Policy and National Forest Inventory.

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### **Disclaimer**

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## **1. Summary off the NSTE report**

The report "Legal status of self-afforested lands" analyzes the legal situation of self-forested areas and unregistered forests in Ukraine. According to the report, about 1.9 million hectares of state and municipal lands showed natural reforestation, representing a great potential for expanding the forest fund. The current legislation (especially Law No. 2321/2022) defines "self-forested areas" for the first time and regulates their registration and use, but shows significant gaps: financial incentives for municipalities and private owners to transfer these areas into the forest fund are missing, while the destruction of such forests through agricultural use or clearing is not sufficiently prevented. Municipalities often show disinterest in recognizing these areas as forest because this leads to revenue losses and additional obligations. Jurisprudence often confirms the inactivity of municipalities, leading to lawsuits and financial liabilities.

In a European comparison, countries like Germany, Norway, Sweden, and Finland show that a combination of clear legislation, financial incentives and flexible administration promotes reforestation.

The report therefore recommends introducing financial support, clear legal regulations for inventory and use, and mitigation of municipal liability in Ukraine to enable sustainable integration of self-forested areas into the forest fund and thus better achieve ecological, climatic, and economic goals.

## 2. Summary

German forest law is governed by the Federal Forest Act (Bundeswaldgesetz (BWaldG)) as a framework law with supplementary state forest laws, such as the Bavarian Forest Act (Bayerisches Waldgesetz (BayWaldG)). Forests are legally defined by the actual vegetation cover with forest plants, not by cadastral entries. The BWaldG distinguishes between three types of forest ownership: state forest, municipal forest and private forest.

Germany has around 11.5 million hectares of forest, of which 48% are privately owned, 29% are state-owned and 20% are municipally owned. Privately owned forests are highly fragmented, with around two million owners. Bavaria has the largest forest area with 2.6 million hectares, and has a higher proportion of privately owned forests (55.7%). The state forests in Bavaria are mainly managed by the Bayerische Staatsforsten AÖR.

Land without owners arises in Germany through waiver of ownership. The number of forest areas where ownership is being waived is small. Ownership rights are then transferred to the state if it appropriates the land. Otherwise, it can waive the appropriation or sell the right of appropriation.

Natural reforestation of agricultural land legally leads to the creation of forest if the legal criteria are met, regardless of the cadastral registration. Clearing or landuse change requires official approval, which takes into account public interests such as climate and water protection.

Funding programmes at EU, federal and state level promote sustainable and climate-resilient forest management and reward ecological services. The EU finances afforestation and forest restoration through the European Agricultural Fund for Rural Development (EAFRD). Germany promotes close-to-nature forest management and biodiversity measures, and Bavaria has introduced a new digital support programme (WALDFÖPR 2025) in 2025, which is co-financed by federal funds.

The EU Deforestation Regulation (EUDR) prohibits trade in products from areas deforested after 2020 and imposes strict documentation requirements, which is relevant for Ukraine in terms of beef and soy exports. The regulation defines forests based on actual vegetation, not cadastral status.

Self-afforested areas offer great potential for expanding forest cover, which requires clear legal definitions, ownership regulations and financial incentives for owners. EU initiatives to reduce against deforestation and promote climate action present additional requirements and opportunities that should be taken into account in the further development of Ukrainian forest policy.

#### Forest ownership and forest law in Germany and Bavaria

This ISTE report builds on the NSTE report and thus also corrects parts of the description of the legal status of self-afforested areas in Germany. First, the forest law framework in Germany and for the state of Bavaria is presented. In addition to the legal status of the Federal Forest Act and the state forest laws, as well as the legal definition of forest, the legal obligations for the individual types of forest ownership are also listed.

Another chapter presents the distribution of forests by type of forest ownership in Germany and in the Free State of Bavaria. This is followed by explanations of land without owners and of the Bodenverwertungs- und -verwaltungs GmbH (Land Utilisation and Management Company), a special feature in eastern Germany.

The report then goes on to discuss the legal consequences when forests develop through natural succession, particularly on agricultural land. State funding programmes with a focus on forest preservation and expansion at EU, German and Bavarian level are also included.

Finally, the report refers to two EU initiatives, the EU Deforestation Regulation (EUDR) and the Carbon Removal Certification Framework (CRCF), which deserve further consideration in view of the Ukrainian report.

### **3. Forest law framework in the Federal Republic of Germany**

#### **a. Legal status of the Federal Forest Act and state forest laws**

The Federal Forest Act (Bundeswaldgesetz (BWaldG))<sup>1</sup> was enacted based on the concurrent legislative competence of the federal government according to Art. 74 Grundgesetz für die Bundesrepublik Deutschland (GG).

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<sup>1</sup> <https://www.gesetze-im-internet.de/bwaldg/index.html>

The federal states have the authority to legislate in the area of concurrent legislation as long as and to the extent that the federal government has not exercised its legislative competence by law (Art. 72 (1) GG).

The BWaldG is a framework law that establishes nationwide basic principles but grants the states leeway for their own regulations. The state forest laws can specify the federal provisions, set stricter regulations, regulate additional state-specific aspects and thus address regional particularities.

## **b. Legal definition of forest**

According to § 2 para. 1 BWaldG, any land area stocked with forest plants is forest. Forest also includes clear-cut or thinned areas, forest roads, forest openings and clearings, forest meadows, and other areas connected to and serving the forest. Areas with tree stands that simultaneously serve agricultural crop cultivation (agroforestry) are not forest according to § 2 para. 2 BWaldG. Smaller areas in the field with groups of trees, tree rows or hedges are also not forest.

The Bavarian Forest Act (BayWaldG)<sup>2</sup> also regulates in Art. 2 that all land areas stocked with forest trees are forest. Forest also includes forest roads, clearings and similar areas connected to and serving the forest. Areas not considered as forest under Art. 2 para. 4 BayWaldG include Christmas tree and decorative twig cultures, short rotation plantations, tree nurseries, areas with groups of trees, tree rows or hedges, forest tree-stocked areas in cemeteries and smaller areas with forest trees located in built-up areas.

In Germany, forest legally arises through the forest characteristic of an area and not through an administrative act such as registration in a land register.

## **c. Register entries and legal status**

Land register and cadastral maps are decisive for civil law ownership relations. An actual use as forest does not automatically lead to a change in cadastre entry. For forest status in the public law sense (BWaldG), the cadastre entry is not decisive but the actual condition of the area. An area can be recorded as "agricultural land" in the

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<sup>2</sup> <https://www.gesetze-bayern.de/Content/Document/BayWaldG>

cadastre but still be forest under federal or state law if it meets the forest definition. There is generally no obligation to change the cadastre entry.

Art. 8 BayWaldG provides for a forest register maintained by forestry authorities. However, the entry is declaratory, not constitutive. Forest status arises from actual conditions, not from registration.

For agricultural subsidies, registration in the Land Parcel Identification System (InVeKoS) is decisive. Conflicts may arise if an area is factually forest but still recorded as agricultural land for subsidy purposes. To clarify, § 2 para. 2 no. 3 BWaldG sets a cut-off date rule, according to which such areas are not forest as long as agricultural use continues.

#### d. Legal status of forest ownership types

The BWaldG distinguishes forests into three ownership types in § 3:

- **State forest** (§ 3 para. 1): forest solely owned by the federal government, a state, or a public law institution or foundation.
- **Municipal forest** (§ 3 para. 2): forest solely owned by municipalities, municipal associations, special-purpose associations, and other public law corporations.
- **Private forest** (§ 3 para. 3): forest that is neither state nor corporation forest (including church forest).

All forest ownership types are subject to fundamental obligations under BWaldG:

- **Preservation of the forest** (§ 9 BWaldG): conversion of forest into another use (e.g. agriculture) requires approval.
- **Forest management in accordance with the rules** (§ 11 BWaldG): forest shall be properly and sustainably managed. Clear-cut or thinned forest stands must be reforested within a reasonable period.
- **Right of access** (§ 14 BWaldG): forests may be entered for recreational purposes.

The states issue more specific provisions with their state forest laws. For example, the BayWaldG regulates in Art. 14 measures of appropriate forest management (cf. § 11 BWaldG), such as the choice of site-appropriate tree species for forest regeneration, preservation of biodiversity, and avoidance of clear-cutting. Art. 15 BayWaldG sets



the deadline for reforestation of clear-cut areas at three years (cf. § 11 BWaldG).

The BayWaldG also contains specific requirements for forest management for state and municipal forests beyond appropriate forest management. State and municipal forests serve the public welfare to a special extent and must be managed exemplarily. Their management aims (Art. 18 and Art. 19 BayWaldG) include:

- Securing and improving protective and recreational functions as well as biodiversity.
- Considering nature conservation, landscape management, climate protection, and water management.
- Increasing timber production.
- Protecting the forest from damage.

Management of state forests also serves to optimize the overall benefit of all forest functions.

If a forest owner does not fulfill their obligations, the lower forestry authority can order necessary measures under threat of enforcement. Management and protection measures may only be imposed on forest owners if they can be carried out under economically justifiable and reasonable conditions (Art. 41 BayWaldG).

## **4. Distribution of forest ownership types in Germany and Bavaria**

### **a. Results of the National Forest Inventory 2022**

The fourth National Forest Inventory<sup>3</sup> (conducted between 2021 and 2022) recorded the condition forests in Germany. Germany has 11.5 million hectares of forest area, about one-third of the total area of Germany.

The distribution of forest by ownership types is as follows:

<b>Type of ownership</b>	<b>Share of area</b>	<b>Area (hectares, approx.)</b>
Private forest	48 %	5 500 000

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<sup>3</sup> Bundesministerium für Landwirtschaft, Ernährung und Heimat (BMEL): Bundeswaldinventur 2022, <https://www.bundeswaldinventur.de>

State forest	29 %	3 335 000
Municipal forest	20 %	2 300 000
Federal forest	3 %	345 000
<b>Total</b>	<b>100 %</b>	<b>11 500 000</b>

Table 1: Forest ownership distribution Germany

Private forest is highly fragmented with nearly 2 million owners. The average size is 3 hectares.

<b>Size class</b>	<b>Share of owners</b>	<b>Share of area</b>
Up to 20 hectares (small private forest)	98 %	50 %
Over 1.000 hectares (large private forest)	< 0,1 %	13 %

Table 2: Size classes in private forest

About 2.3 million hectares or 20 percent are municipal forests, mostly owned by municipalities and cities with an average size of 38 hectares.

Bavaria is the forest-richest federal state in Germany with 2.6 million hectares<sup>4</sup>.

<b>Type of ownership</b>	<b>Share of area</b>	<b>Area (hectares, approx.)</b>
Private forest	55,7 %	1 458 000
State forest	29,8 %	780 000
Municipal forest	12,5 %	327 000

<sup>4</sup> Bayerisches Staatsministerium für Ernährung, Landwirtschaft, Forsten und Tourismus: Die Bundeswaldinventur 2022 für Bayern, <https://www.bundeswaldinventur.bayern.de/>

Federal forest	2 %	52 00
<b>Total</b>	<b>100 %</b>	<b>2 617 000</b>

Table 3: Forest ownership distribution Bavaria

Bavaria's forests are 55.7% privately owned, distributed among about 700,000 forest owners. The average size is about 2 hectares.

## **b. Distribution of state forest ownership in Germany and Bavaria**

Germany has 16 state forestry enterprises: one federal forestry division of the Bundesanstalt für Immobilienaufgaben<sup>5</sup> for federal forest ownership and 15 forestry enterprises of the federal states (all states except Bremen).

In Bavaria, state forests are structured as follows: The Bayerische Staatsforsten<sup>6</sup> manage most of the state forest in Bavaria as a public law institution (AöR) (total about 808 000 hectares, of which about 756 000 hectares are forest). Additionally, the National Park Bayerischer Wald and the National Park Berchtesgaden under the Bavarian State Ministry for Environment and Consumer Protection<sup>7</sup> cover about 36,000 hectares of forests. The water management administration oversees state waters and related properties, which may include forest areas. To a small extent, forests along state roads fall under the state road construction administration.

<sup>5</sup> <https://www.bundesimmobilien.de/bundesforst>

<sup>6</sup> [www.baysf.de](http://www.baysf.de)

<sup>7</sup> Bayerisches Staatsministerium für Umwelt und Verbraucherschutz: Nationalparke in Bayern, <https://www.stmuv.bayern.de>

## 5. Ownerless properties

In Germany, land can be ownerless if the previous owner relinquishes ownership rights according to § 928 of the German Civil Code (Bürgerliches Gesetzbuch (BGB)<sup>8</sup>). According to § 928 para. 1 BGB, ownership of a property can be relinquished by declaring the waiver to the land registry office and entering the waiver in the land register.

Common reasons for relinquishing ownership include:

- Severely dilapidated properties.
- Over-indebted inherited properties.
- High contamination or pollution.
- Economic unusability.

A complete nationwide register of ownerless properties does not exist because there is no central recording. Some federal states maintain lists (e.g., Saxony-Anhalt<sup>9</sup>). The extent varies regionally and mainly concerns eastern Germany.

According to § 928 para. 2 BGB, the right to appropriate the relinquished property belongs to the treasury of the state where the property is located. The state basically has three options:

### 1. **Appropriation**

The state appropriates the property if there is public interest (e.g., for infrastructure, nature conservation).

### 2. **Waiver of appropriation**

The state waives the right, allowing third parties to appropriate the property.

### 3. **Transfer of appropriation right**

The state can sell the right to third parties for a fee.

It is important that all registered encumbrances (debts, mortgages) remain. The new owner assumes all burdens and obligations including municipal charges and public burdens. Liability for traffic safety also transfers to the new owner.

Ownerless forest properties are rare since a forest usually has economic value. If forest properties become ownerless, it is often due to unclear inheritance, economically unprofitable small plots, over-

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<sup>8</sup> <https://www.gesetze-im-internet.de/bgb/>

<sup>9</sup> Landesbetrieb Bau- und Liegenschaftsmanagement Sachsen-Anhalt (BLSA): Liegenschaften – Grundstücksverkehr, <https://blsa.sachsen-anhalt.de/liegenschaften/portfoliomanagement/grundstuecksverkehr>

indebtedness due to contamination or forests in remote or difficult-to-access areas.

## **6. Bodenverwertungs- und -verwaltungs GmbH**

The Bodenverwertungs- und -verwaltungs GmbH (BVVG) is a state-owned company of Germany based in Berlin. Since 1992, it has fulfilled the legal mandate to privatize formerly expropriated, publicly owned agricultural and forestry land in the federal states of Brandenburg, Mecklenburg-Western Pomerania, Saxony, Saxony-Anhalt, and Thuringia<sup>10</sup>.

Since 1992, BVVG has sold about 598 000 hectares of forests, mostly to former owners or their descendants, local agricultural and forestry enterprises and private buyers through public tenders.

At the end of 2023, BVVG's land stock was about 93,200 hectares, including 89,000 hectares of agricultural and about 4,200 hectares of forestry land<sup>11</sup>.

Since its founding in 1992, BVVG has transferred a total of 105 000 hectares of nature conservation areas free of charge to the eastern German states or foundations, including 65 000 hectares of forest and agricultural land. Under the National Natural Heritage, 27 800 hectares have been transferred, and another 25,500 hectares are to be made available.

Since November 2022, privatization of remaining land has largely ended. Most remaining hectares are available for lease and should primarily be assigned to ecologically or sustainably managed enterprises. The "Principles for Land Management of Agricultural Land of BVVG 2024 (FMG 2024)", agreed in April 2024, regulate future leasing and (exceptionally) sales activities focusing on climate, species, and animal protection<sup>12</sup>.

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<sup>10</sup> BVVG Bodenverwertungs- und -verwaltungs GmbH: <https://www.bvvg.de>

<sup>11</sup> Bundesministerium für Landwirtschaft, Ernährung und Heimat (BMLEH): Verwaltung der ehemals volkseigenen land- und forstwirtschaftlichen Flächen in den ostdeutschen Bundesländern, <https://www.bmleh.de/DE/themen/landwirtschaft/flaechennutzung-und-bodenmarkt/verwaltung-flaechen-ostdeutschland.html>

<sup>12</sup> BVVG Bodenverwertungs- und -verwaltungs GmbH: Grundsätze für das Flächenmanagement 2024, <https://www.bvvg.de/Presse/Pressemitteilungen>

## **7. Handling self-afforested areas, especially on agricultural land**

### **a. Legal definitions**

The legal definition of forest has already been presented in Chapter 3.b. The decisive factor is that an area is stocked with forest plants.

There is no single, all-encompassing legal definition of agricultural land. Instead, the legal definition results from various laws (e.g. agricultural law, tax law, social law, nature conservation law) regulating different aspects. The definition depends on the context. For tax purposes, it is professional land cultivation, for statistics the minimum operational size (area/animals). In agricultural subsidy law, the recording of areas in a Land Parcel Identification System (InVeKoS) is stipulated, and EU law requires agricultural activity for direct payments under the Common Agricultural Policy (CAP). Generally, agricultural land includes areas used for cultivating agricultural products, including arable land, grassland, orchards, and vineyards.

### **b. Legal consequences of natural forest succession**

Natural reforestation of agricultural land generally leads to the creation of forest in the legal sense, if the forest definition of § 2 BWaldG is fulfilled. The law does not specify how large the area stocked with forest plants must be, although the term "land area" implies a certain size. Jurisdiction consider areas as small as 0.04 hectares to have forest status (e.g., Verwaltungsgericht Göttingen, Urf. v. 26.09.1996, Az.: 4 A 4350/94). A forestry use intention is not required for forest status.

If an area is legally forest, it may only be cleared and converted into another use (e.g. agricultural or building land) with official permission. According to BWaldG, the competent authority must assess whether the forest owner's interests outweigh the public interest in forest preservation (especially regarding climate, water, and recreation)<sup>13</sup>. State forest laws specify the conditions for clearance permission. Art. 9 BayWaldG regulates the legal claim to permission unless there are significant reasons against it (e.g. certain forest functions like protective forest or nature conservation concerns).

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<sup>13</sup> § 9 BWaldG

In summary, the legal creation of a forest by natural succession is relatively easy. Reversion is only possible after an official procedure. This also applies if forest status on the area is lost, e.g. by active tree removal, as reforestation obligations under state law then apply (see Chapter 3.c).

Excursus: Artificial afforestation (i.e. planting or sowing) of previously non-forested land requires permission (cf. § 10 BWaldG and Art. 16 BayWaldG).

## 8. Financial support for forest preservation and expansion

State funding programs for forests aim at establishing or converting to climate-resilient mixed forests and increasingly rewarding ecological services. The main programs at EU, federal, and Bavarian levels are summarized below:

### **European Union (EU)**

The EU primarily sets the framework through the Common Agricultural Policy (CAP). Forestry measures are almost exclusively financed through the "second pillar" of the CAP.

- **European Agricultural Fund for Rural Development (EAFRD)**

Funding source: EU agricultural budget (CAP funds). About 90% of forestry-specific EU funding flows through EAFRD into national strategic plans.

Content: Support for afforestation, restoration of damaged forests, investments in climate resilience and biodiversity and improvement of competitiveness and sustainable forest management.

Other programs usable by forestry include the LIFE program (environment and climate protection) and Horizon Europe (research funding).

### **Germany**

The federal government uses instruments such as participation in state programs and its own direct programs focusing on rewarding ecosystem services.

- **Gemeinschaftsaufgabe „Verbesserung der Agrarstruktur und des Küstenschutzes“**

Funding source: Federal budget and funds from the Climate and Transformation Fund (KTF).

Content: Financing of close-to-nature forest management including forest conversion, afforestation and reforestation, forestry infrastructure and forestry associations. Funding requires that the measures named in GAK are offered as funding measures by the respective state. The federal government usually covers 60% of costs, the state 40%.

- **"Climate-adapted forest management" funding program**

Funding source: Federal funds



Content: Area-based funding for forest owners who comply with strict ecological criteria over 10 to 20 years (e.g. natural forest development on 5% of area, no clear-cutting).

- **"Climate-adapted forest management PLUS" funding program**

Funding source: Federal budget

Content: Additional incentives for biodiversity services such as leaving deadwood or designating habitat trees.

### **Bavaria**

In Bavaria, a fundamentally renewed silvicultural funding program came into force on July 1, 2025.

- **Silvicultural funding program (WALDFÖPR 2025)**

Funding source: Bavarian state budget, supplemented by federal GAK funds.

Content: Financing of reforestation after calamities, forest conversion by planting or sowing, natural forest regeneration. The application procedure has been digitized since July 2025 (application only possible digitally).

Additionally, three other forestry funding programs exist to support forestry associations (FORSTZUSR), forest road construction (FORSTWEGR) and nature conservation measures in forests (VNPWald). For administrative reasons, EU funds are currently not used for Bavarian forest funding programs.

## 9. Notes on EU initiatives

### a. EU Deforestation Regulation

The NSTE report on page 36 gives an important note on the EU Deforestation Regulation (EUDR; Regulation (EU) 2023/1115) and possible consequences for the exportability of agricultural products. Considering current legislation and practice in Ukraine regarding self-forested areas, this requires separate consideration of EUDR regulations.

The EUDR aims to minimize the EU's contribution to global deforestation and forest degradation by prohibiting the sale and export of products produced on areas deforested after December 31, 2020. The Regulation lays down rules regarding placing and making available on the Union market as well as export from the Union of relevant products containing, fed with, or made using relevant commodities, namely cattle, cocoa, coffee, oil palm, rubber, soya, and wood.

To achieve deforestation-free supply chains, the EUDR relies on a system of strict due diligence and technical monitoring. This includes obligations for geolocation and traceability, multi-stage due diligence, and data entry into a digital tracing system. The EU Commission classifies production countries into three risk categories (low, standard, high). This classification determines the due diligence steps, market participants must undertake. It also sets state control quotas. Violations may result in severe penalties, including fines up to 4% of EU-wide annual turnover, seizure of goods and temporary trade bans.

Important in this context are the definitions in the EUDR (Art. 2 EUDR)<sup>14</sup>:

(3) 'deforestation' means the conversion of forest to agricultural use, whether human-induced or not;

(4) 'forest' means land spanning more than 0.5 hectares with trees higher than 5 meters and a canopy cover of more than 10%, or trees able to reach those thresholds in situ, excluding land predominantly under agricultural or urban land use;

(5) 'agricultural use' means the use of land for agriculture, including plantations and set-aside agricultural areas, and livestock rearing;

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<sup>14</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32023R1115>

(6) 'agricultural plantation' means land with tree stands in agricultural production systems, such as fruit tree plantations, oil palm plantations, olive orchards, and agroforestry systems where crops are grown under tree cover; it includes all plantations of relevant commodities other than wood; agricultural plantations are excluded from the definition of 'forest';

(7) 'forest degradation' means structural changes to forest cover, taking the form of conversion of:

(a) primary forests or naturally regenerating forests into plantation forests or other wooded land; or

(b) primary forests into planted forests;

(8) 'primary forest' means naturally regenerated forest of native tree species, with no clearly visible signs of human activities and ecological processes not significantly disturbed;

Responsibility for deforestation-free products lies with producers placing EUDR-covered raw materials and products on the market. Verification of deforestation-free should include the use of remote sensing data.

The EUDR's forest definition follows actual conditions, which can be verified by historical satellite images. The legal forest status in a cadastre is not relevant for assessing deforestation under EUDR-legislation. If the EUDR forest criteria are met on self-forested areas and the area is later used agriculturally again, placing agricultural raw materials and products subject to EUDR (in Ukraine cattle and soya) from these areas on the European market is excluded. Wood harvested by clearing may also not be placed on the European market.

Note: The EUDR implementation start has recently been postponed for the second time to December 30th 2026, and for micro and small enterprises to June 30th 2027.

## **b. Carbon Credits**

The NSTE report suggests as a possible measure the creation of a carbon credit mechanism. In this regard, the current status of such a system at the EU level is noted:

The European Union has made progress in establishing carbon farming (carbon-storing land management) and carbon credits as

pillars of European climate policy. The goal is to open new income sources for farmers and foresters for climate protection while preventing greenwashing in the certification market. In addition to the public sector, financial institutions, companies with climate targets that want to offset their unavoidable emissions, and investors in the voluntary carbon market are expected to participate as financiers.

The most important initiative is the Union framework for certification of CO<sub>2</sub> removals (Carbon Removal Certification Framework – CRCF). Regulation (EU) 2024/3012<sup>15</sup> was published in the Official Journal on December 6, 2024. In 2025, implementing regulations were adopted, including Commission Implementing Regulation (EU) 2025/2358 (December 2025)<sup>16</sup>, which sets minimum requirements for certification systems and their governance.

The CRCF is a voluntary framework defining EU-wide quality criteria (additionality, quantification, permanence, sustainability) for three areas:

- **Carbon farming:**  
measures such as humus buildup, rewetting of peatlands, or afforestation.
- **Permanent removals:**  
technological solutions like BECCS or DACCS.
- **Carbon storage in products:**  
e.g. wood-based building materials.

First certificates under the CRCF standard are expected in 2026 once technical assessment methods for specific activities are finalized.

## 10. Conclusion

The recommendations of the NSTE report are expressly endorsed. Self-afforested areas, which develop at a remarkably rapid pace, offer great potential for increasing a country's forest area. However, the sustainable preservation of these forests requires clear legal definitions and procedures, as well as clarified ownership structures and financial incentives for owners.

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<sup>15</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L\\_202403012](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202403012)

<sup>16</sup> [https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L\\_202502358](https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=OJ:L_202502358)

EU initiatives to reduce global deforestation and to protect the climate present additional requirements and opportunities that should be taken into account in the further development of Ukrainian forest policy.