

Church of Sweden's forestry inquiry

Summary

Assignment

The inquiry shall undertake a comprehensive review of the management of the revenue on donations made to the Church and from glebe (*prästlönetillgångar*) (hereafter referred to as the Revenue) and evaluate the provisions of the Church Ordinance to ensure that forestry management is conducted in a manner that is as ecologically, economically, socially, spiritually, and existentially sustainable as possible. This includes clarifying the importance of aspects such as human rights, biodiversity, and climate considerations, as well as determining the most appropriate means for their reporting. The inquiry shall:

- Lead to a revised position or action by the Church of Sweden to address the societal transition currently required,
- Contribute to addressing the challenges posed by the climate crisis and the threat to biological diversity,
- Take into account and balance the Church of Sweden's four dimensions of sustainability: ecological, economic, social, and spiritual and existential sustainability,
- Support the implementation of the Church of Sweden's Climate Roadmap (*Färdplan för klimatet*), particularly with regards to the common goals related to the management of the Revenue,
- Contribute to the process concerning the official apology to the Sámi people and the commitments made within the framework of that apology,
- Support efforts related to cultural heritage,
- Contribute to ensuring the long-term financial stability of the Church of Sweden,
- Observe national legislation and monitor developments within the European Union concerning forestry and land management, and
- Consider the perspective of children.

The outcome of the inquiry may result in an amendment to the Church Ordinance.

The Revenue was historically set aside for the livelihood of local clergy, and consists of forests, land for agriculture and financial assets with a current estimated value of SEK 43 billion (2023).

Conclusions of the Inquiry

The inquiry was tasked with identifying a new balance point in the management of the Revenue, where climate considerations, biodiversity, and the relationship with the Sámi people and reindeer husbandry carry greater weight within a comprehensive perspective. The proposals presented represent a new balance that takes into account the various interests involved.

Responsibility

The Church of Sweden, like many others, faces a range of challenges and choices — some more difficult than others. The Church must manage natural resources in line with the direction and objectives that the international community has determined are necessary to prevent the crossing of planetary boundaries. Assessments made by scientists, authorities, and, among others, the United Nations' expert bodies indicate that the climate emergency and the serious threat to biodiversity require decisive actions in the management of natural resources in Sweden. Immediate efforts are needed to contribute to the 2030

targets according to the Kunming-Montreal Framework, the EU's Restoration Regulation, and the EU's LULUCF Regulation. Failing to take a stance and act is not an option.

Climate scientists point out that the potential climate benefits of forests are underutilized, and substitution factors are problematic and often overestimated. Research shows that mature, growing forests sequester carbon for very long periods. According to climate scientists, the greatest climate benefit from forests in the coming decades is achieved through measures that enhance the forest's carbon sink, such as more moderate logging, less intensive thinning, extended rotation periods, protection and conservation of older forests, and adaptation of forestry methods to increase the forest's resilience to damage. These measures also contribute to preserving biodiversity. Harvested timber should increasingly be used for long-lasting products that store carbon. Therefore, further efforts are required in the Church of Sweden's forestry and land management to counteract climate change in both the short and long term.

Strong and decisive actions are required to better protect and promote biodiversity, and immediate measures are needed for the Church of Sweden to contribute to the international goals for 2030. The Church also needs to undertake several actions to adapt its forestry and agriculture to climate change and strengthen the resilience of the land, thus mitigating the negative consequences of climate change. Forest owners in Sweden operate under the principle of "freedom with responsibility," granting the Church of Sweden considerable freedom in designing its forestry practices. The Church also has no direct connection to the forestry industry, which further enhances its freedom regarding management. As a major land manager, the Church has a special responsibility and the capacity to make a difference for the climate and biodiversity. Waiting for other actors to act or merely complying with the statutory minimum requirements for environmental protection is not a solution, given both the seriousness of the situation and the Church's theological understanding of stewardship. The Church's management is based on a theological understanding of its role, its responsibility for creation, and stewardship. The Church of Sweden has been entrusted with managing substantial assets, the yield of which may be used for the Church's mission. Stewardship entails a responsibility to preserve these assets so they remain available over time and can continue to be used for this purpose in the long term. Those entrusted with management must also be held accountable and provide reporting, so that it is clear for everyone that the management does not damage or overexploit the assets. This responsibility is extensive. The Church of Sweden's message of accountability must be more clearly translated into concrete actions within the management of forests and land. Parishes and associations of parishes (*pastorat*) that own and manage forests and land themselves should also contribute to this effort. There is an internal church expectation for ecclesiastical leadership on sustainability issues related to forest management.

The natural resources managed by the dioceses have been and will continue to be an important source of income for the Church. The management has primarily focused on generating economic returns, which is the main result currently measured. The spiritual, ecological, and social values of the forest should, therefore, be given greater emphasis.

The inquiry's proposals for new objectives for the management of the Revenue aim to ensure that the Church of Sweden is regarded within a few years as a model for sustainable forest management. The proposals set a clear path forward for the Church's forestry practices, defining a different balance and a new equilibrium for the four dimensions of sustainability in management, representing proactive responsibility for the integrity of creation. The proposals specify more clearly what the Church of Sweden aims to achieve with its forestry practices and how this will be realized in the dioceses' continued work. This, combined with strengthened structures, increased transparency, and collaboration with other stakeholders, enhances the credibility of the Church of Sweden's forestry management.

The proposals also contribute to the Church of Sweden's work regarding the official apology to the Sámi people. This involves actions that protect and promote Sámi land use and their relationship to the land.

Action

The future management of the Church of Sweden's forestry should be achieved through the realization of multiple objectives within a comprehensive perspective. The Church's forestry should contribute to creating a varied and multifunctional landscape with a diversity of management methods, where multiple values can be delivered simultaneously, such as spiritual and existential values, economic returns, biodiversity, climate benefits, other ecosystem services, and social welfare. The proposals should contribute to build a unified Church that, through accountability and action, contributes to hope. The Church of Sweden needs to manage the forest more carefully and in a more nature-friendly manner, allowing biodiversity to recover, ensuring that habitats are not further weakened, and by improving habitat connectivity. This means protecting larger contiguous geographic areas, adopting more cautious management practices with more varied management methods and increased consideration, systematically working on species inventories, restoring and recreating habitats, and promoting the use of a landscape perspective in management.

Forest management in the Dioceses of Härnösand, Luleå, and Västerås should contribute to the Church of Sweden's commitments related to the apology to the Sámi people. The management of forests and land should respect the principles of indigenous rights. Parishes within Sápmi that own forests and land themselves should also work toward this goal. Consideration must be given to the long-term conditions of reindeer husbandry, taking into account its traditional and cultural significance. Forestry should be adapted to reindeer husbandry in areas where it is practiced. The cumulative effects of other land intrusions that already affect the conditions for reindeer husbandry should also be considered. Climate adaptation is also necessary to provide the flexibility required for reindeer husbandry and to safeguard access to grazing areas.

Forest management in the Diocese of Luleå should also ensure consultation and effective participation for the Tornedalians, Kvens, and Lantalaïset in managing forests and land that affect concession reindeer husbandry.

Forest management of the Church should further contribute to strengthening the social values of the forest and increasing public access to forests with recreational value. In forests near urban areas, social values should be given even greater consideration. Prioritizing the accessibility of nearby forests and nature, particularly for children and young people, should be a priority.

The task of managing the Revenue was delegated to the dioceses without detailed guidance, other than that management should generate economic returns for the Church's activities and that reasonable consideration should be given to nature conservation and cultural heritage interests.

The Administrations managing the Revenue (*egendomsförvaltningar*)(hereafter referred to as the Administrations) have done commendable work based on previous directives and the conditions that have applied, particularly concerning economic returns. The inquiry assesses that clearer guidance is now needed for managing the Revenue. There is a risk that management at a regional level may disregard national interests or fails to ensure consistent application. Ambitious environmental and climate objectives require collective considerations within the Church of Sweden, coordinated development efforts, and a greater degree of flexibility in making changes within the organization. Clear overarching objectives should be established at a national level within a framework of trust-based governance. Requirements for ecological, social, spiritual, and existential sustainability need to be clarified in the Church Ordinance and must be considered in assessments and decisions about the design and implementation of management actions. Each dimension of sustainability should be assessed independently and comprehensively, with spiritual sustainability permeating the other dimensions of sustainability.

It is detrimental to the Church of Sweden that there is currently a gap between the assignment of the Administrations and the Church's other activities. In some dioceses, the Administration's work is not integrated with other sustainability efforts but constitutes a separate track. The criticisms, distrust, and views from parishes, employees, and parish members regarding the management of the forest need to be taken seriously, and there need to be channels for dialogue. The opinions of children and young people should also be sought and considered within the management of natural resources.

Organizational learning within the Church of Sweden and collaboration within and between the Administrations need to be strengthened. Monitoring and oversight should help ensure that lessons learned benefit the entire Church. The Church needs to consider local conditions, local forest values, and promote local engagement in the ongoing development work. Working methods need to be developed so that expertise on species inventories and local engagement regarding the forest is utilized. Cooperation with civil society should be encouraged. Child impact assessments should be carried out more extensively in the management of forests, and the views of children and young people should be considered.

The Church of Sweden needs to increase transparency in its management of forests and in monitoring established objectives so that sustainability efforts can be scrutinized. Improved monitoring can contribute to developing and coordinating the work and to providing compensation to dioceses that take on significant responsibilities. Continuous improvements should be pursued. Clearer oversight contributes to ensuring the implementation of a transition and reallocating resources within the Church of Sweden.

The Church of Sweden should also use its collective knowledge and experience in its stewardship role to protect creation. Broader dialogue and better utilization of the entire Church's competence can contribute to a greater consensus within the Church of Sweden on land issues and reduce the level of conflict.

A clearer common direction for forestry, combined with strengthened structures, increased transparency, and cooperation with other stakeholders, enhances the credibility of the Church of Sweden's forestry management.

Hope

The Church of Sweden should contribute to giving people hope through active action and a clear commitment to increasing the climate benefits of forests and protecting biodiversity. A more careful ecclesiastical forestry practice and a clearer sustainability effort that promotes local dialogue can alleviate people's climate anxiety. The Church of Sweden needs to foster people's courage and spiritual and existential experiences related to being in forests and land.

Ensuring spiritual and existential sustainability affects assessments, decisions, and actions. The requirement for spiritual sustainability cannot be fulfilled by other parts of the Church that subsequently use the returns from the Revenue for ecclesiastical purposes. Consideration of spiritual sustainability leads to greater attention to so-called soft values, promoting a more cautious approach to management. Eight guiding principles are proposed for interpreting spiritual sustainability in forest management. These principles concern long-term planning, flexibility, respect and moderation, caution, humility and courage, dialogue and reconciliation, children's and young people's spirituality, and hope.

Proposals of the Inquiry

The Church of Sweden's forest management should be transformed into a more nature-oriented forestry approach, employing a variety of management methods to deliver multiple benefits simultaneously. This aligns with Sweden's international commitments, the EU's intentions, and the expectations within and outside the Church. The transformation should be comprehensive across the Church's entire forest

holdings. Through a closer-to-nature forestry, the Church of Sweden can contribute to increased biodiversity, climate benefits, and facilitate reindeer husbandry. Closer-to-nature forestry also promotes accessible and diverse forests with social, spiritual, and existential values. In the long term, a value-creating management approach is established. The inquiry proposes the following:

A clarified governance of the management of the Revenue is proposed. The Church of Sweden Central Board shall decide on overarching goals and directions for management.

Spiritual, ecological, economic, and social sustainability shall be ensured in the management of the Revenue. The Revenue shall be managed effectively and efficiently. Protection of biodiversity shall be strengthened. Protection of cultural heritage conservation shall also be strengthened. Protective measures, restrictions, and precautions necessary to prevent harm to natural and cultural heritage conservation should be implemented.

Strengthened influence of parishes. Parishes' influence is to be strengthened. A parish should be informed of measures that the Administration's plan within their geographic area. When overarching planning occurs, the parish should be solicited and their views taken into account. This creates conditions to capture local needs and mitigate conflicts.

Enhanced oversight by the Church Board. The Church Board's oversight of management is to be developed. Governance and oversight are interconnected and reinforce each other. The Church Board should be able to demand that actions be taken. Annual follow-ups should be conducted with the dioceses. The Church Board should annually report observations and measures regarding the oversight of management to the Church of Sweden General Synod.

Collective Church responsibility for sustainable forestry. A collective church responsibility for sustainable forestry is introduced. Parishes and associations of parishes with shares in the Revenue should be compensated during a transition of the Church of Sweden's forestry practices. The aim is to safeguard the economic conditions of parishes and associations of parishes that might receive less funding from the Revenue due to the transition. Parishes and associations of parishes in dioceses that take significant responsibility for transitioning their forestry practices according to the direction decided by the Church Board should also receive special compensation. The purpose is to reward accountability. The cost of compensation shall be borne collectively within the Church of Sweden. To enable such a model, it is proposed that a sustainability fee be introduced for all parishes in the Church of Sweden, and the possibility of reducing the share of net profit from the management of the Revenue that dioceses must pay to the national level. The model represents a long-term economically sustainable system that enables maintaining the levels of diocesan contributions from the national level, as well as retaining distributions to parishes and associations of parishes with shares in the Revenue.

Changes to the Church Ordinance are proposed to take effect on January 1, 2026.

Proposed objective for forest management. The goal of forest management is proposed to be: The Church of Sweden's forestry should contribute to creating a varied and multifunctional landscape with a diversity of management methods where multiple values can be delivered simultaneously, such as spiritual and existential values, economic returns, biodiversity, climate benefits, other ecosystem services, and social welfare.

Categorization of productive forest land. Productive forest land is divided into three categories. The categories are specified in percentages to provide a clear direction and facilitate follow-up. The

percentages are to apply nationally. Through a process between the dioceses, the percentages are allocated to dioceses based on natural conditions and other regional differences, where the dioceses' collective objectives should align with the national goal.

1. Areas for biodiversity and climate (carbon sequestration): 20% of productive forest land should be set aside for the protection of biodiversity and climate measures (carbon sequestration). The target should be achieved by 2030. Upon reaching this level, newly voluntarily set-aside areas can be exchanged for other previously set-aside areas with lower nature conservation quality (maximum of 1%). Types of forests of priority for this purpose are large, contiguous natural forests, remaining continuity forests, unmanaged forests within reindeer husbandry areas, deciduous forests, calcareous coniferous forests, forests for species conservation in accordance with the species protection ordinance, and certain restoration areas. These areas should be identified within a two-year period.

2. Areas for adapted clear-cutting forestry: Adapted clear-cutting forestry is to be conducted on 47% of the area. The rotation period will be extended in half of this area to 20% above the minimum final felling age for carbon binding in the forest (increased carbon sink) and later better substitution. All lodgepole pine stands will be phased out within a 10-year period and replaced with Swedish pine. General consideration is strengthened and will henceforth include 15% of consideration area and timber volume. The size of clear-cuts is limited, target images for general consideration are fully applied, and extra focus is placed on consideration-demanding biotopes, water environments, ancient monuments, and damage during soil preparation. The proportion of deciduous trees should be increased in general, and a conversion from spruce to pine should occur (site and climate adaptation).

3. Areas for closer-to-nature forestry: 33% of the forest holdings. Closer-to-nature forestry refers to a multifunctional landscape, mainly on production-classified land, with gentle, small-scale varied forestry with combined objectives. Areas with nature-oriented forestry are subdivided into:

a. Adaptation to reindeer husbandry needs (8%): The target refers to poor pine forests in reindeer husbandry areas, and these areas will be adapted to reindeer husbandry through, among other things, heavier clearing and thinning and minimal or very gentle soil preparation.

b. Continuous cover forestry (10%): As the areas are insufficient to immediately transition to continuous cover forestry, planning will also take place for areas with incoming continuous cover forests where the transition from single-layered to multi-layered or fully-layered forests is assumed to be carried out systematically in the affected stands during the establishment, clearing, and thinning phases.

c. Other clear-cut-free areas: (gaps, regulator shelterwood methods 15%).

In areas with nature-oriented forestry, social considerations should be given, among other things, to outdoor recreation, cultural heritage conservation, recreation, and health, with a particular focus on forests near urban areas; consideration of reindeer husbandry; a greater proportion of deciduous trees where possible; a high proportion of natural regeneration; elements of restoration measures, including an increase in areas with ground lichen; no fertilization; no ditching; no non-native tree species; ecologically functional edge zones along lakes and watercourses; consideration of landslides and erosion; climate considerations through rewetting, primarily on ditched nutrient-rich peatlands.

The principle of free, prior, and informed consent, as stipulated in indigenous rights, is introduced into the Church Ordinance. Forestry in the northern dioceses should be adapted to the needs of reindeer husbandry. Agreements should enable organizations associated with the Sámi people to use the Church's

forest to collect materials for handicrafts. Sacred places for the Sámi people should be completely excluded from forestry activities, and these places should be jointly managed by the Sámi and the Church. A strategic-level dialogue is to be established between representatives of national Sámi organizations and the Church of Sweden. Compensation will be provided for participation in consultations.

Priority measures in agricultural property management. The prioritized measures in managing agricultural properties should be to maintain the land's productive capacity and structure and its ability to sequester carbon through reduced soil disturbance, building wetlands/ponds to prevent eutrophication, ensuring access to water for irrigation, restoring and managing natural pastures, continuing energy measures at and on properties (farm leases), and maintaining the area of arable land.

Amendments to consolidation rules. Amendments to the consolidation rules (relating to financial assets that are part of the Revenue) are proposed. The standard tax deduction in the consolidation cap's property component is to be removed. A stepwise increase in the maximum consolidation rate in the fund part of the cap with high allocation toward the fund is proposed. Dioceses allocated to more than 50 percent of the fund will have a maximum allowable consolidation rate in the fund of 150 percent, while dioceses allocated to more than 75 percent of the fund will have a maximum allowable consolidation rate in the fund of 160 percent. Other dioceses retain the current maximum allowable consolidation rate of 140 percent. When fund capital is temporarily reduced due to real estate transactions over a year-end, deviations from the consolidation rules can be made for the relevant diocese. To expedite the decision, it is proposed that the Church Board delegate decision-making authority in this regard to the Secretary-General.

Measures proposed to strengthen the transition implementation:

- The Church Board is proposed to **establish a Council for Land Management** from January 1, 2026. The main task of the Council will be to provide expertise on ecology and biodiversity, climate issues, forestry and agriculture, reindeer husbandry, the child perspective, and theology related to spiritual sustainability. The Council will assist the Church Board in proposing a distribution of the national direction for forestry, after proposals from the dioceses. The Council will continuously monitor the work in the transition and implementation process and assist the Church Board with assessments as part of the follow-up.
- **Special transition funds are allocated** to facilitate the transition. The distribution and classification of forest stands, as well as supplementary inventories and training, are proposed to be carried out primarily within two years and in cooperation with the parishes and in dialogue between the dioceses and the Church Board. To ensure that this work can be conducted with full force, it is proposed that special transition funds be made available to the dioceses.
- **Extensive training efforts** are to be made in the field of nature-oriented forestry, including around clear-cut-free methods, carbon sinks, and multi-use, as well as training for contracted entrepreneurs.
- **A new follow-up program for general consideration** is to be implemented to monitor nature conservation considerations, including water and cultural heritage considerations, to be taken within all areas intended for production. Soil damage and deviations should also be monitored.
- A position with high **forest ecological competence** is to be established.
- **Cooperation with the surrounding society** is to be developed to work with a landscape perspective.
- **The Church of Sweden's website is to be developed** to improve communication about the management of the Revenue, contributing to increased credibility and transparency.

Consequences of the proposals

The proposals contribute to a developed forest management where all dimensions of sustainable development are treated equally, integrating the climate crisis, the biodiversity crisis, and the apology to the Sámi people. The proposals suggest downplaying the current primary focus on economic returns from management of the Revenue.

The proposals strengthen the spiritual and existential, ecological, and social dimensions in the management of the forest and also enhance the Church of Sweden's reputation as a responsible steward. The dioceses will play a crucial role in ensuring that the Church's developed forest and land management is effectively implemented in practice by enforcing national objectives, including the distribution among the dioceses and increased interaction with the parishes. The distribution and classification of forest stands are proposed to be carried out mainly within two years, in cooperation with the parishes and the Church Board.

The proposed measures are expected to create conditions that better align the work within the Church of Sweden, utilizing the Church's collective knowledge and strength in managing the Revenue, and reduce areas of conflict both within the Church and in relation to other stakeholders. The Church of Sweden can also actively contribute to a less polarized forestry debate by demonstrating leadership and providing concrete experiences of the transition process.

The proposals are expected to create conditions for a more equal relationship with the Sámi people, in line with the intentions of the apology. The proposals strengthen participation and the conditions for reindeer husbandry.

Consequences for children and youth: The intergenerational perspective is strengthened. The needs of children and youth should be considered to a greater extent in management of the Revenue, including access to nature and social values in nearby forests. The influence and participation of children and youth are strengthened; for instance, in dialogues with parishes the child perspective should be taken into account. Efforts for the climate and biodiversity strengthen the courage and spirit of life among children and youth.

Economic consequences: Economic sustainability is defined as a balanced use of resources so that they can be beneficial both in the short and long term without jeopardizing future generations' ability to meet their needs. It also means using and managing resources in a way that creates new values over time. In evaluating the economic effects, the inquiry has attempted to maintain a perspective of long-term economic sustainability while also describing the short- and medium-term consequences.

The economic effects of the proposals are difficult to assess, particularly in the longer term. There is no status quo in society. Ongoing climate change can affect profitability. Management of the Revenue is also influenced by other societal events, such as new legislation, changes in market conditions, and external events. Changing values can affect public trust and, ultimately, the interest in being a member of the Church.

Lower income during a transition period: Net income is estimated to decrease by approximately one-fourth of the current income from forest management (just over SEK 100 million per year). This reduction represents about 0.7% of the 2023 church fee or 0.4% of the Church's total income.

The price levels for forest products are an important variable in assessing how the proposals will practically affect the Church's activities. If compensation for measures that increase the carbon sink is introduced for forest owners shortly, the forecast will quickly turn more positive. A slightly higher age and a higher proportion of timber and timber harvesting will result in higher income from the forest in the long term. The revenues are deferred over time. The trend is developing slowly but should have an effect within 5-10 years.

The development of carbon and bio credits may, in the long term, provide significant income opportunities for a large forest manager such as the Church of Sweden, especially in implementing the new objectives for nature protection proposed in the investigation.

Compensation is proposed for dioceses and parishes. The portion of the net profit from the Revenue paid to the national level may be reduced by the Church Board, and a special sustainability fee is introduced from 2027, which is transferred to the dioceses via the diocesan grant. All of the difference that arises from reducing the national share of the return on the Revenue is proposed to be distributed according to share numbers to parishes and associations of parishes. The Church Board will submit a proposal to the Church General Synod regarding the necessary fee level (estimated indicatively at 0.4–0.8 öre). Fully implemented, the fee could generate approximately SEK 60–120 million based on the figures from 2023.

To enable a swift implementation, it is proposed that the dioceses be allocated a temporary grant in the coming years through funding from the national level's capital. Year 1 and 2 are proposed to receive SEK 30 million, and Year 3 (2028) SEK 10 million.

Other consequences: It is assessed that the proposals overall will have marginal employment effects for employees and contractors. At least initially, lower quantities of timber will be delivered to the industry. In the long term, good conditions will be created to increase the delivery of high-quality timber.

Closer-to-nature forestry may also, in the long term, contribute to enhancing the quality aspects of forestry and increasing choice. In the long term, income can be increased, and the activities may contribute to increased employment in rural and remote areas, which overall leads to long-term value-creating forest management.