



Afforestation: How Ecobase Turned Fragmented Forests into a Carbon Asset Class

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Most of the world's largest forest carbon projects were designed for a particular kind of geography: vast, consolidated tracts of land under a single owner, typical of large landholdings in Latin America, Africa, or Southeast Asia. Certified carbon standards like Verra come with significant fixed costs for project design, validation, and verification – costs that make sense when spread across hundreds of thousands of contiguous hectares under a single owner, but which are prohibitive for an individual farmer or forest manager managing just a few hundred hectares.

Europe's forest ownership looks nothing like this. Forests across the continent are held by municipalities, regional agencies, family estates, cooperatives and individual landowners, which as Ecobase itself puts it, means that 'even when motivated to act, these landowners often face high costs, complex rules, and limited support'. For a forest owner in countries like Estonia or Latvia with several hundred or a few thousand hectares, certified carbon finance was, until recently, mostly out of reach because there was limited access to a cost-effective way of certifying it.

Building the project. Ecobase was founded in 2021 by Jaan Sepping, with the explicit goal of solving this aggregation problem. Rather than developing one large single-owner forest project, the company built a grouped project structure under Verra's VCS – a single registered project umbrella that many independent landowners across different countries could join, with Ecobase handling all the technical and administrative complexity of certification on their behalf. Constructing a Verra-registered project from scratch is a multi-year process: methodology selection, project design documentation, validation by an independent auditor, and registration, before any credits can be issued.

The result, registered as VCS Project 3677, is the first pan-European Afforestation, Reforestation and Revegetation (ARR) project to be registered and issue credits under Verra, spanning land across 24 European countries and using methodology VM0047, and the only ARR methodology to receive Core Carbon Principles (CCP) approval from the ICVCM as of October 2025. Ecobase has since raised over €5 million to fund this work across Europe and now manages more than 7 million hectares, with a target of afforesting 500,000 hectares of degraded land. The structure is designed so that landowners bear no financial risk. Ecobase enrolls landowners into the registered programme, manages validation and verification of each newly enrolled area, conducts ongoing monitoring, oversees third-party audits, and handles credit issuance and sale, whereas the landowner retains control over their land throughout.

The case of Valga Puu

Valga Puu, part of the FOREKO Group, is one of Ecobase's earliest partners and provides the clearest illustration of how the model works in practice. Founded in 1999, the company manages the full lifecycle of more than 18,000 hectares of commercial forest land in Estonia, guided by what it describes as a knowledge-driven approach rooted in close cooperation with the Estonian University of Life Sciences.

When Ecobase launched its first projects, Valga Puu joined immediately, becoming one of the first companies to enroll over 250 hectares in the ARR project, and committing its entire commercial forest portfolio to Ecobase's parallel Improved Forest Management (IFM) project as soon as it became available. Albert Rüütel, Head of Quality Management at Valga Puu, described the moment of deciding to join: *"Before I heard about Ecobase, I had been waiting for a project like this for two or three years... When Ecobase presented it, the lightbulb went on immediately."* He added: *"We are the first in Estonia to have successfully sold our sequestered carbon, and likely one of the first in Europe".*

Valga Puu's experience was not isolated. Vestman Group, another Estonian forestry business managing a 22,000-hectare portfolio since 1995, followed the same path: first joining Ecobase's afforestation project, then enrolling its entire 14,000-hectare commercial timberland into the IFM project as a parallel revenue stream alongside its existing timber business (that is not part of carbon credits generation).

The Outcome. In early 2025, Ecobase completed the sale of its first Verra-certified afforestation credits, purchased by Rubicon Carbon, a global carbon credit portfolio manager, marking the result of over two years of work building the registered project. Rubicon Carbon's own announcement notes that its broader client base includes Microsoft, indicating the institutional buyer chain now connected to these Baltic landowners' forests.

Demand following this first issuance was, in Ecobase's own account, immediate and substantial: the company received offers totalling more than \$100 million from corporate buyers seeking nature-based carbon removals with long-term impact and full traceability. Independent market analysis lists the indicative credit price for the project at €25-60 per tonne. In late 2025, the project received a Carbon Project Rating of 'A' from MSCI Carbon Markets, an independent rating service covering more than 4,000 carbon projects globally, providing further third-party validation of project design and delivery.

Ecobase has since registered a second, complementary grouped project, covering Improved Forest Management across Sweden, Finland, Estonia, and Latvia, with first credit issuance expected by the end of 2026. The overall ARR project is now projected to remove more than 300 million tonnes of CO₂ over its 100-year lifespan once fully scaled.

Why this matters for Ukraine:

The structural problem Ecobase set out to solve, which relates to smallholder-dominated forest landscapes typical of post-Soviet Europe, is, in essence, Ukraine's problem too. Estonia and Latvia inherited a similarly dispersed pattern of private and cooperative forest ownership after independence. Ukraine's land privatisation distributed around 27 million hectares among approximately 6.9 million private owners, producing an average plot size of roughly 3.6 hectares per certificate holder derived from the collective farm dissolution. A single Verra ARR project at a 3.6-hectare plot is economically absurd: the fixed costs of project design, independent validation, and ongoing verification would exceed any carbon revenue by many times.

At the same time, Ukraine has set a strategic objective of increasing forest cover to 20% of its territory, which would need converting approximately 3 million hectares of degraded agricultural land into forests and grasslands. The land base is there. Ukraine's agricultural land totals around 41.5 million hectares, of which around 7 million hectares of formerly productive farmland have been abandoned as a direct consequence of the full-scale Russian invasion. Much of this abandoned land, and the lower-productivity land that preceded it, is exactly the category that afforestation and reforestation projects are designed to target: marginal pasture, degraded hayfields, low-yield arable on poor soils, and land that has undergone abandonment with no prospect of recovery to productive agriculture.

Beyond war-related abandonment, Ukraine has specific categories of severely degraded land that represent particularly clear candidates for ARR carbon projects. The most striking is land destroyed by illegal amber mining in Northern Ukraine. Since the mid-2010s, illegal industrial-scale extraction using high-pressure water pumps has caused an environmental disaster across thousands of hectares of Polissya forest and land: the hydromechanical method strips topsoil to depths of up to ten metres, killing forest vegetation, destroying soil structure, and leaving a cratered, waterlogged landscape where neither

farming nor natural regeneration is viable without active intervention. President Zelensky himself described illegal amber mining as an ecological disaster that has turned thousands of hectares of land into wasteland. This category of land, legally damaged, ecologically devastated, with no competing agricultural use, provides some of the strongest possible additionality for an ARR carbon project, because the baseline without the project is bare, eroded wasteland, not viable farmland.

Ecobase's answer of one registered project umbrella, one developer managing all certification complexity across 24 countries and many thousands of hectares from many different owners is directly transferable to this context. Ukraine's degraded amber-mining sites, marginal pastures, and war-abandoned farmland do not need to be consolidated under single ownership to become a viable ARR carbon project. They need to be aggregated under a single grouped project structure where the developer absorbs the fixed certification cost and scales it across the combined area. At the yield rates Ecobase has demonstrated (based on VM0047 methodology across comparable northern European forest types), even a few thousand hectares of previously barren, amber-mined land in Northern Ukraine, grouped and professionally managed, could generate a significant, annually verified stream of forest carbon credits, turning one of Ukraine's most visible environmental liabilities into a long-term recovery asset.

Key sources:

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