



Food and Agriculture Organization  
of the United Nations



# Private forest ownership - Policy instruments and legislation -

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FORESTS



**Seminar on  
State of Forest Ownership in the UNECE Region  
trends – opportunities – challenges**

**14 December 2018  
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# The multi-level governance system addressing forest ownership

## FORESTS



- **Policies** – direct forest owners’ management actions towards specific policy objectives
- **Regulations** - formal legal requirements (e.g., command and control instruments) = forest-specific

*“The EU Forest Strategy should build on existing legislation and international initiatives, consider the special situation of small forest owners, and address market-based private-sector tools such as forest certification” (EU, 2013)*

- **Financial and informational instruments**
- **Market-driven governance structures** – different patterns of implementing certification schemes in private forests

POLICY GOALS

GOVERNMENTAL COERCION

Alternative POLICY INSTRUMENTS

VOLUNTARY REGULATIONS

# Policies that support the creation of new forest owners

## FORESTS



### Afforestation subsidies:

- **EU Common Agriculture Policy via RDPs: e.g. Spain, Italy, Portugal, Ireland and UK + Czech Republic, Hungary, Poland**
- **National subsidy schemes: e.g. Iceland, Germany, USA**
- **No measures: e.g. Sweden** (subsidies considered to affect competitiveness), **Switzerland** (natural conversion of abandoned agricultural land)
- **Developing voluntary market based approaches: UK**

# Policies that support the creation of new forest owners

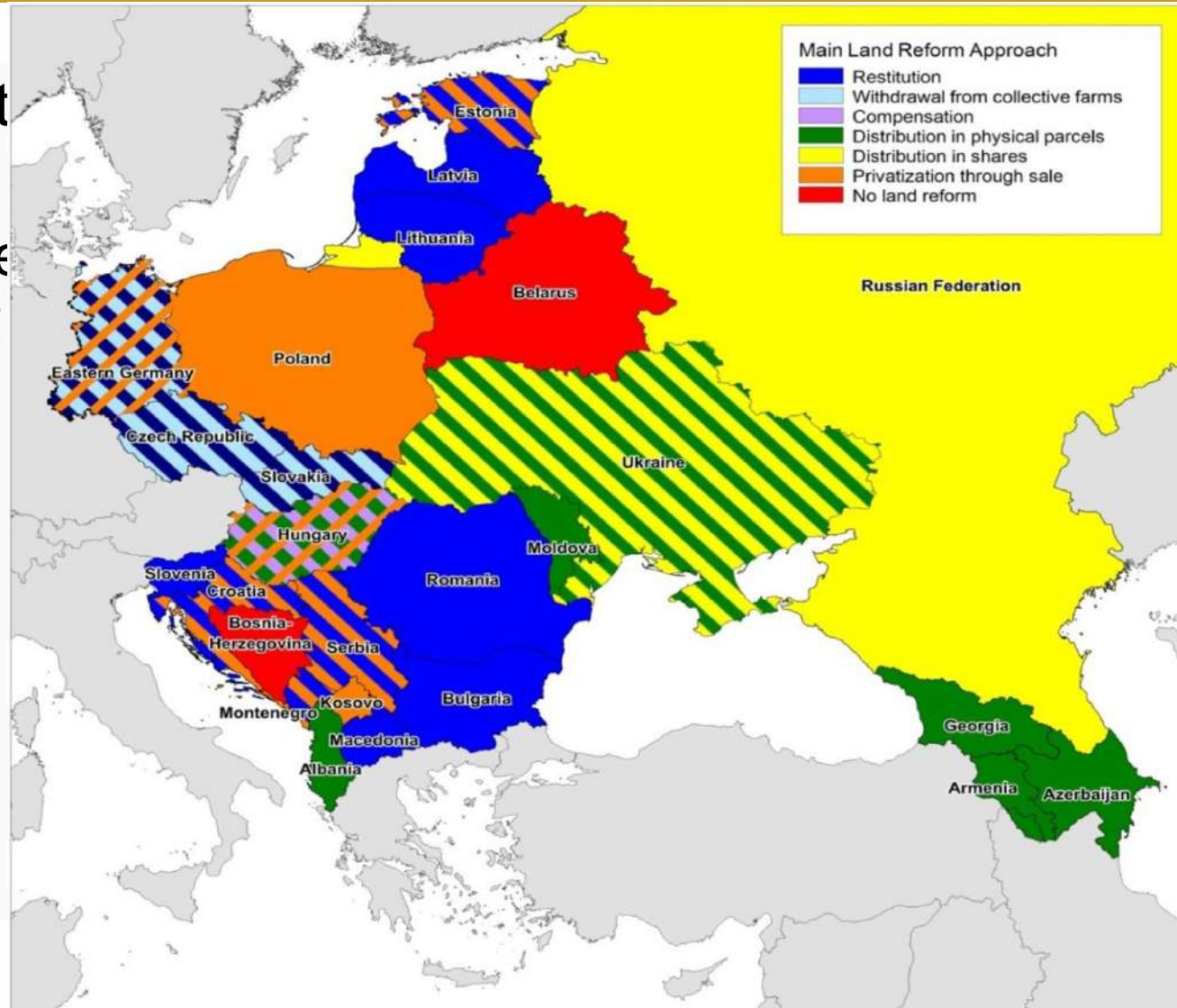
## FORESTS



### Restitution and privatization

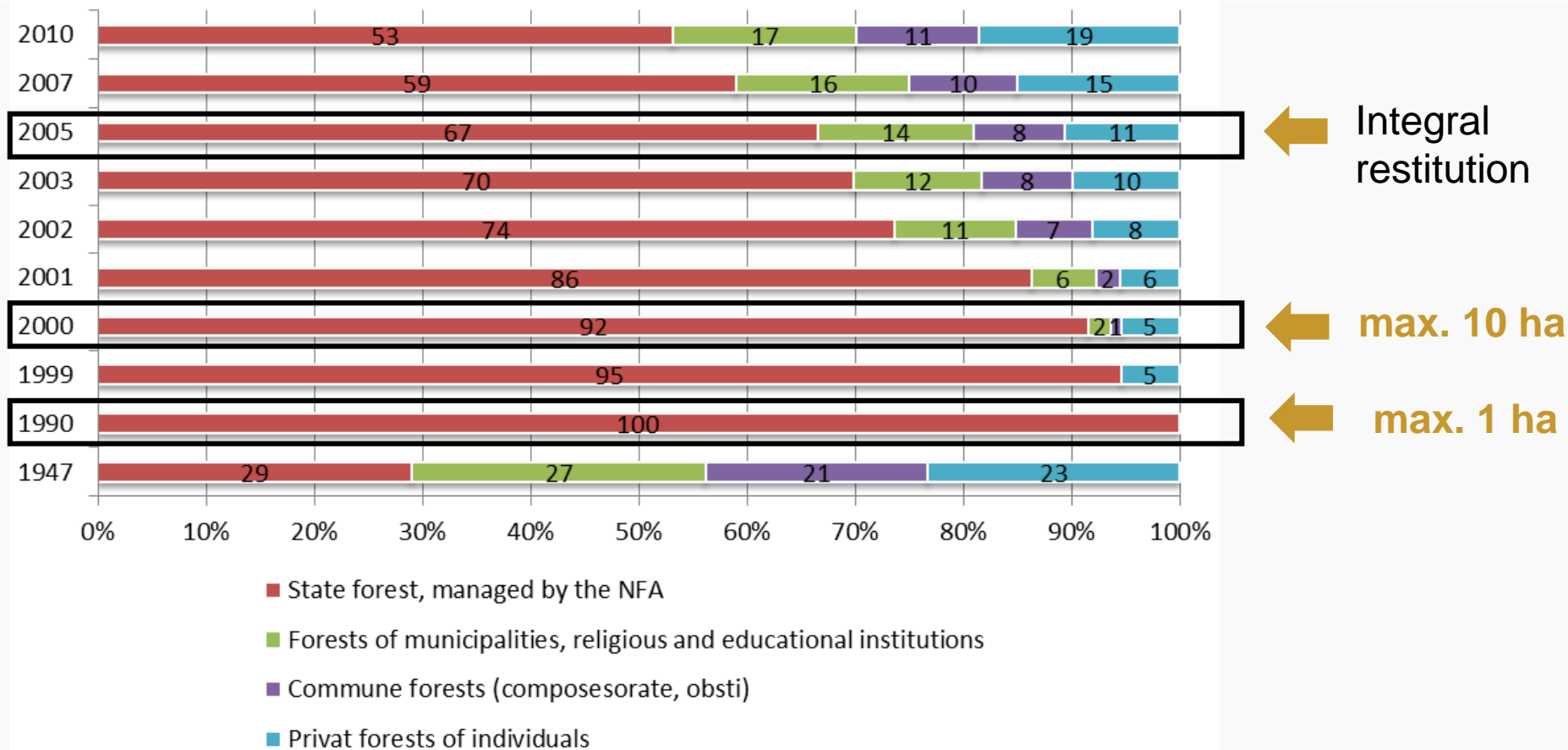
- Significant changes in former socialist countries

Source: Hartvigsen, M., 2014, Land reform and land fragmentation in Central and Eastern Europe, Land Use Policy 36 (2014) 330– 341



# Fragmentation of forest ownership e.g. Romania - 3 restitution laws – 1991, 2000, 2005

## FORESTS

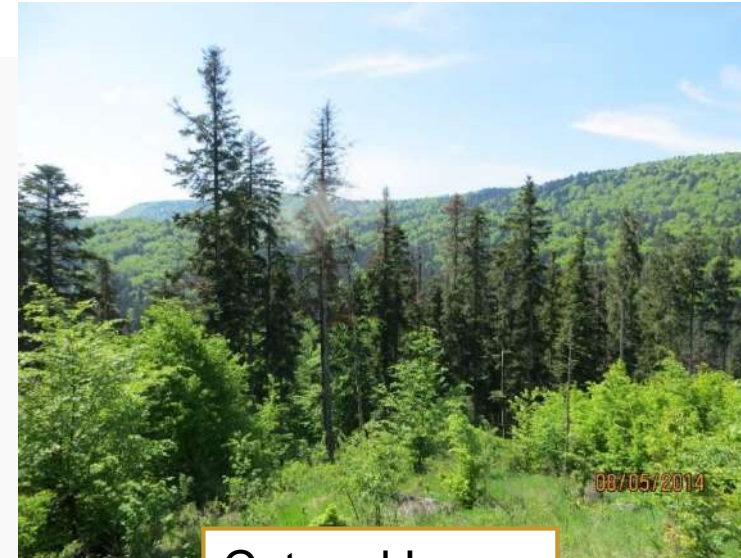
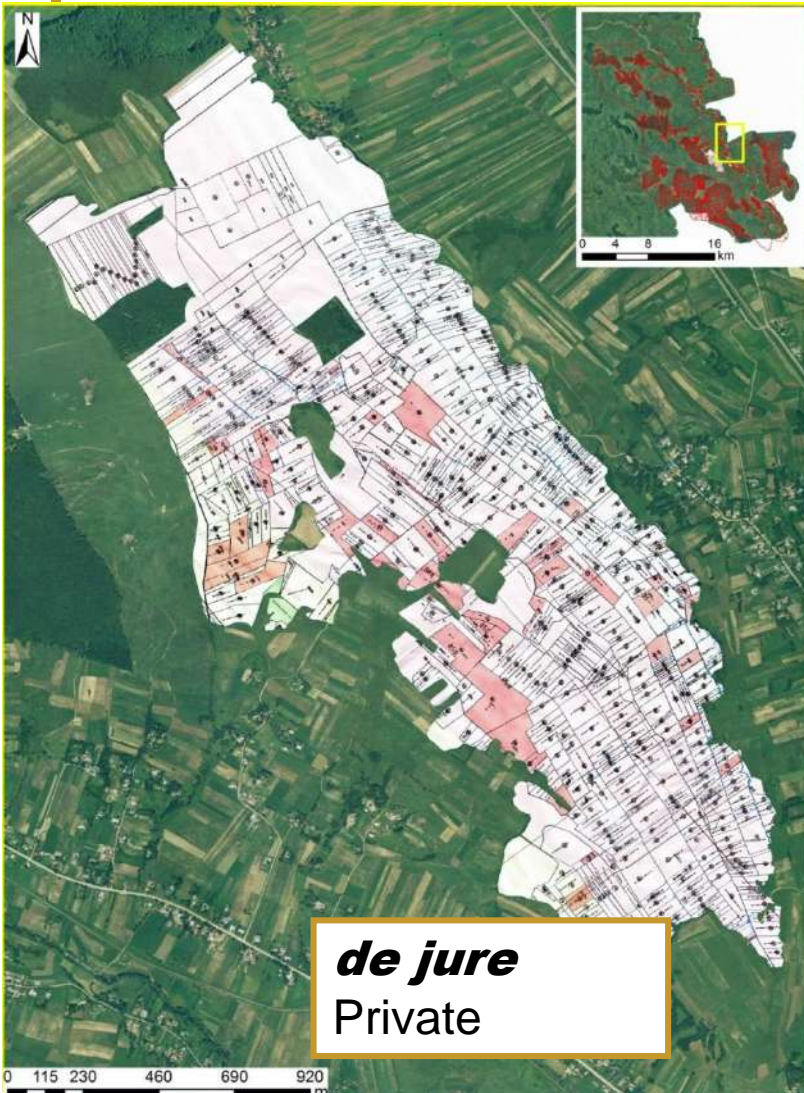


# Fragmentation of land use

## Case study: NE Romania

### 217 HA - 650 PRIVATE OWNERS

#### FORESTS



Cut and Leave



*de facto*  
community open access



# Policies that aim to maintain current holding structure

## FORESTS



- **Inheritance laws:** e.g. **Austria** (traditional farm holdings must be passed as a whole to only one heir), **Slovakia:** the heir needs to pay a fee relative to the value of the land (e.g., 20% for parcels that are under 1 ha) or **Sweden** (regulations that prevent properties from being subdivided below 50 ha)
- **Defragmentation policies** (as part of land selling): Lithuania and Slovenia (the forest law does not permit forest holdings to be divided into parcels smaller than 5 ha)
- **Land consolidation programs** (spatially reorganize the parcels to more unified entities): examples described mainly for agricultural lands

# Setting land selling restrictions

## FORESTS



- A pre-emption right *always* is applied: **AT, IT, DE-BW, FR, GR, ES, BA, BG, HU, LT, RO, RS, SI** (the owner has to inform the authority/neighbours about the intention to sell)
  - *Fragmentation of ownership involves high transactions costs in the acquisition of forest properties*
  - *Despite the pre-emption right, the Romanian state did not use it– most transactions of private forest lands were done by the foreign investors (IKEA, Schweighofer, Greengold, Tornator) and NGOs (Conservation Charpatia)*
  - *Land grabbing issues in mass-media*





# Empower decision of forest owners vs. command and control instruments?

## FORESTS



Relevant indicators and alternatives	Jurisdictions (Countries / Regions)	Total	
		#	(%)
<b>Freedom of owners to decide the amount of timber to be harvested from the property:</b>			
the owner is allowed to decide the amount, some restrictions being impose in exceptional cases	<b>FI, NL</b>	2	(6)
the owner can solely decide the amount in a framework of general silvicultural restrictions	<b>AT, BE-WAL, DE-BW, DE-BY, DK, IE, LV, NO, PT, ES-CT, SE</b>	11	(36)
the owner can decide the amount up to [size of the forest / quantity] provided in the legislation	<b>FR:</b> [4 ha, maximum 50% of the standing timber] <b>IT-34:</b> [2.5 ha in coppice / < 100 m <sup>3</sup> /yr in high forests]; <b>EE:</b> [20 m <sup>3</sup> /yr], <b>GB-SCT:</b> [5 m <sup>3</sup> /quarter] <b>BG, CH-AG:</b> [10 m <sup>3</sup> /yr] <b>CZ, LT, RO:</b> [3 m <sup>3</sup> /yr]	9	(29)
the amount to be harvested is entirely the result of forest management planning	<b>BA, HR, GR, MK, HU, PL, RS, SK, SI</b>	9	(29)

# Main stick: Forest management plans

## FORESTS

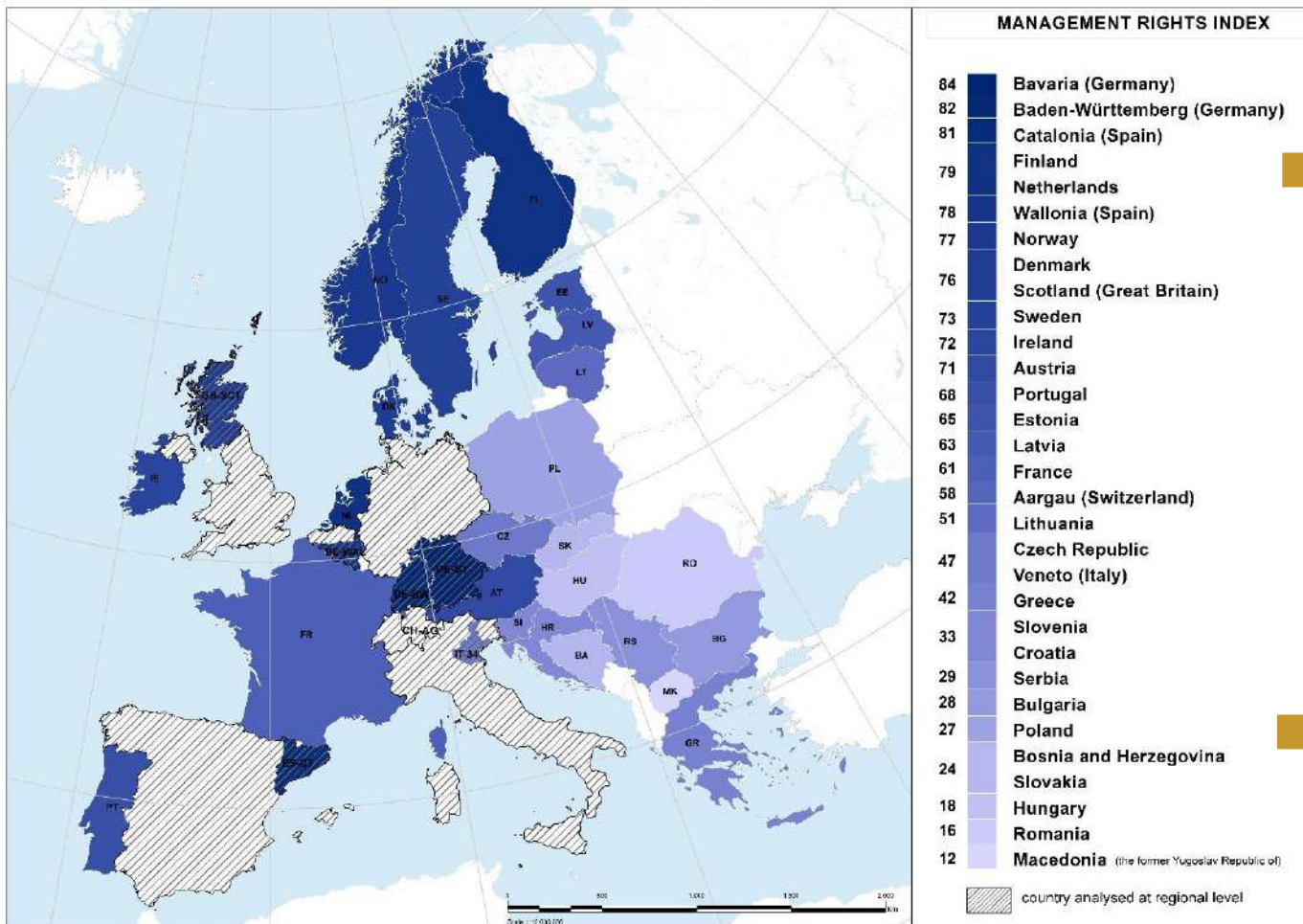


### Obligation to have a FMP

no form of FMP is legally required in any case, including subsidies (except the voluntary requirements brought by certification)	<b>DE-BW, DE-BY, FI, NO, SE</b>	5	FMP used in case of subsidies or required by forest certification standards
FMP is required only is special conditions (e.g. if the forest owner wants to access financial support) otherwise no form of FMP is needed	<b>AT, BE-WAL, DK, GR, IE, NL, ES-CT, GB-SCT</b>	8	
FMP is not required but forest inventory data are requested for all forest	<b>EE, IT-34, LV</b>	3	
FMP is required only if the owner wants to perform final feeling	<b>LT</b>	1	FMP is mandatory
FMP is always mandatory for forests above [a certain area]	<b>BG, CZ:</b> [50ha] <b>FR, PT:</b> [25ha] <b>CH-AG:</b> [20ha] <b>RO, PL:</b> [10ha]	7	
FMP is always required regardless the forestry works intended by the owner and the state supports the costs	<b>BA, HR, HU, RS, SK, SI</b>	6	

# Setting management goals and implementing management operations

## FORESTS



“Freedom with responsibilities”

Prescriptive forest management goals

# Financial instruments in support of FMP

## FORESTS



- EU RDP (2014-2020) support to small forest holders to draw up FMP (Measure 16): **Austria, Germany, Spain, France, Italy and UK**
- **Financial support** for co-operation between private owners: **Austria, Switzerland, the Czech Republic, Portugal, and Slovenia**
- In **France**, since 2014 a **new type of association** included in the forest law: *more than 20 forest owners that bring together more than 300 ha under a shared and concerted FMP get financial incentives*
- The **state pays the costs** when FMP is mandatory (**Bosnia-Herzegovina, Croatia, Hungary, Serbia, Slovakia, Slovenia, Macedonia**): *small parcels are integrated in management plans of state forests or FMP are designed for all small scale private forests at the administrative level*

# Financial instruments in support of the implementation of the regulatory framework

## FORESTS



- **Romania:** the State subsidise the costs of monitoring forests against illegal logging for parcels that are smaller than 30 ha
- **Serbia:** indirect support is provided through State owned forest enterprises to PFO, mainly in terms of providing seedlings for afforestation, marking trees for cutting
- **Czech Republic:** the State provides free services such as aerial liming and fertilisation, aerial fire control services, large-scale protection measures in forests
- **Lithuania:** financial incentives are used to encourage private forest owners to engage in environmentally sound forestry

# Taxation policies

## FORESTS



### Green Taxation in Croatia

- the current tax for forest ecosystem services corresponds to 0,0265% of annual turnover for all registered companies, regardless of their business domain
- 20% are annually used in private forest management

### The Portuguese Forest Fund

- Funded in 2004 by a tax on fuel consumption
- Use to implement SFM, increase the size and concentration of forest holdings and carry out actions to prevent forest fires
- Available in form of grants to public, private and common forests



**Romania:** forest owners that adhere to specific certification schemes are exempt from paying property taxes

# Policies addressing new forest owners

## FORESTS



### Media campaign for new forest owners in Austria

#### Quizfrage für Waldbesitzer:

Wer sollte sich um den Zustand Ihres Waldes kümmern?



#### Der Borkenkäfer

- Vernichtet den Wert Ihres Waldes und ruiniert ihn nachhaltig
- Ein vernachlässigter Wald setzt große Mengen CO<sub>2</sub> frei
- Kostet Sie bares Geld
- Kommt unangemeldet, ob Sie wollen oder nicht



#### Der Forstberater

- Erhöht den Wert Ihres Waldes und schützt ihn nachhaltig
- Ein bewirtschafteter Wald ist effizienter Klimaschutz
- Ihr Wald kann für Sie bares Geld verdienen
- Kontaktieren Sie noch heute Ihren Forstberater



Info unter:  
T +43/1/53441-8596  
www.waldverband.at  
**WV** waldverband  
österreich

### Land Bank information system in Portugal:

- centralise and disseminate information on available land
- promotes access to agricultural, forest and agroforestry land
- The land is made available for lease, sale or other transfer models by the State, local councils or other public or private entities



#### O que é?

Extinção da Bolsa de Terras

O modelo de gestão da Bolsa de Terras prevê a articulação entre:

- DGADR, como entidade gestora da Bolsa de Terras, e as
- GEOPT, como entidades autorizadas para a prática de atos de gestão operacional.

#### Bolsa Nacional de Terras

A Bolsa Nacional de Terras, adiante designada «Bolsa de Terras», é um instrumento criado pela Lei n.º 22/2012, de 19 de Dezembro.

A entidade gestora da Bolsa de Terras é o Ministério da Agricultura, Florestas e Desenvolvimento Rural através da Direção-Geral de Agricultura e Desenvolvimento Rural (DGADR).

A DGADR, através de suas funções nos termos do regulamento de gestão da bolsa nacional de terras, aprovada pela DGADR, de 20/10/2012.

A Bolsa de Terras tem como objetivo facilitar o acesso à terra através da disponibilização de terras, designadamente quando as mesmas não sejam utilizadas, e, bem assim, através de uma melhor identificação e promoção da sua oferta.

A Bolsa de terras disponibiliza para arrendamento, venda ou para outros tipos de cedência as terras com aptidão agrícola, florestal e silvopastoral de domínio privado do Estado, das autarquias locais e de quaisquer outras entidades públicas, ou particulares e entidades privadas.

A Bolsa de terras encontra-se sob a autoridade da autoridade nacional e da autoridade local.

#### Entidades autorizadas, GEOPT

Podem ser autorizadas a praticar atos de gestão operacional da Bolsa de terras, em áreas territorialmente delimitadas:

- Entidades consideradas úteis, nomeadamente associações de agricultores ou de produtores florestais, cooperativas agrícolas e outras entidades que administrem recursos naturais essenciais para a produção agrícola, florestal ou silvopastoral, tendo por finalidade o desenvolvimento sustentável em áreas territorialmente delimitadas;
- As Direções Regionais de Agricultura e Pesca, localmente ou em articulação com as autarquias locais, quando não existam entidades consideradas úteis, nos termos do ponto anterior, intervenientes no gesto operacional da Bolsa de terras.

#### Atos de gestão operacional autorizados

As GEOPT podem ser autorizadas a praticar os seguintes atos de gestão operacional:

#### Atribuições da DGADR

- Coordenar a Bolsa de terras, praticando todos os atos necessários ao seu bom funcionamento;
- Definir e executar a estratégia de identificação e de divulgação da Bolsa de terras;
- Acompanhar o procedimento de autorização para a prática de atos de gestão operacional da Bolsa de terras;
- Assesorar a articulação com as entidades autorizadas para a prática de atos de gestão operacional (GEOPT);
- Coordenar, controlar e gerir o SIOT;
- Elaborar, manter atualizado e divulgar o Registo de Utilização do SIOT;
- Celebrar os contratos de disponibilização, na Bolsa de terras, de práticas para utilização agrícola, florestal e silvopastoral;
- Aplicar a legislação em matéria de arrendamento e venda.

# Policy instruments that address private forests in protected areas

## FORESTS

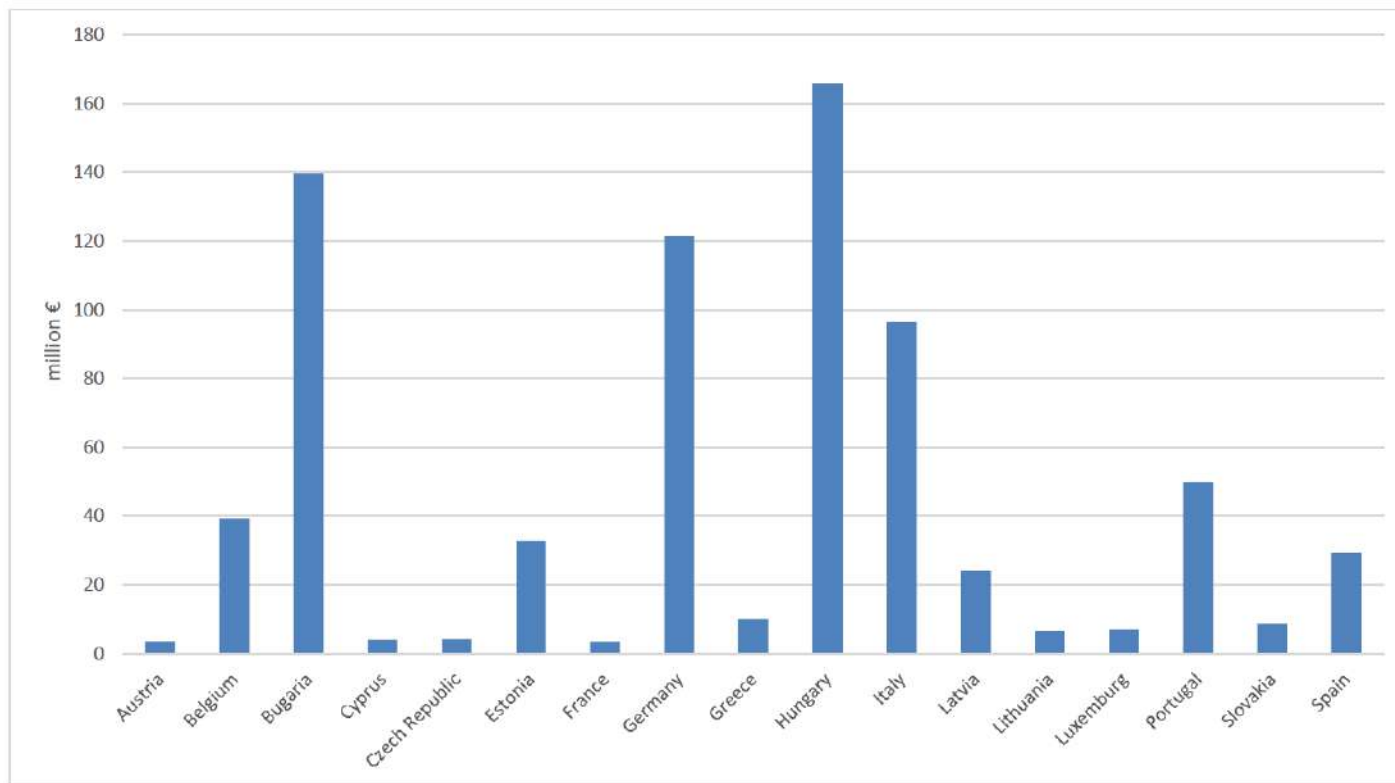


Figure 3: Indicative public support for Natura 2000 specific payment (M12) in RDP 2014-2020 (EC 2017)

**Latvia** (state forest), in protected areas outside Natura 2000

**Austria, Hungary, and Slovakia**

**Portuguese** with PFO included in Natura 2000 sites were

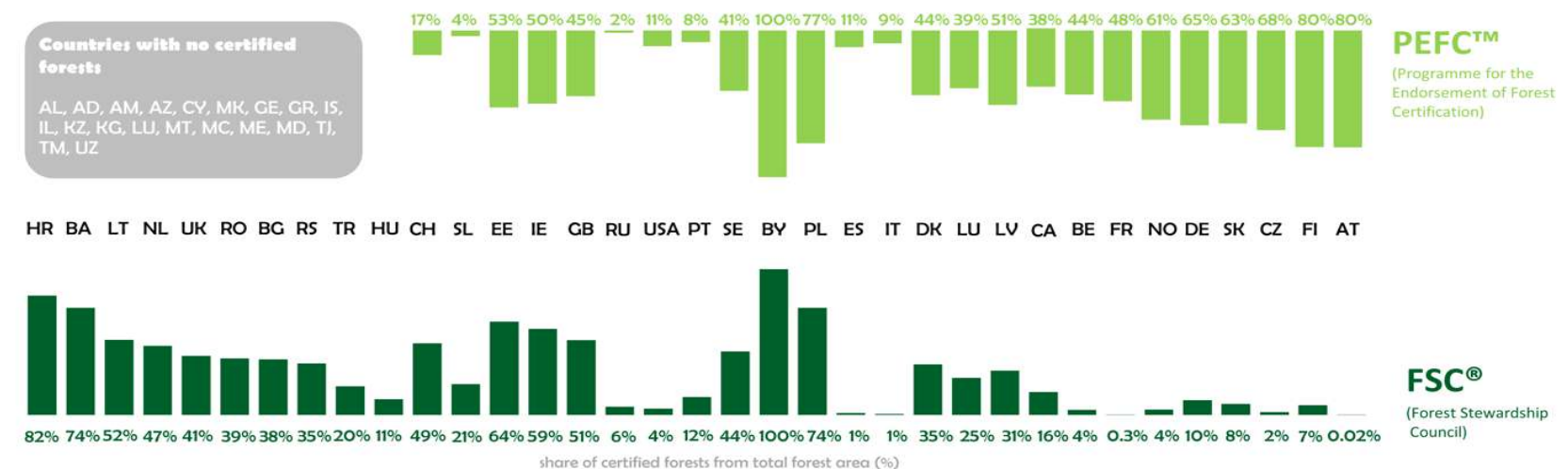


# Market-driven forest certification schemes

## FORESTS



- **FSC certification** is more prevalent in countries that have a higher share of State-owned forests (e.g., **Croatia, Bosnia and Herzegovina, Lithuania, Ukraine, Romania, Bulgaria, Serbia and Hungary**)
- **PEFC certification** is more prevalent in countries where the share of privately-owned forests is higher (e.g., **Denmark, Luxembourg, Latvia, Belgium, France, Norway, Germany, Slovakia, Czech Republic, Finland and Austria**)
- **Double certification** occurs in some of the countries: more than 90 per cent of the **FSC** certified forests in **Belarus, Czech Republic, Denmark, Finland, Norway and Poland** are also **PEFC** certified

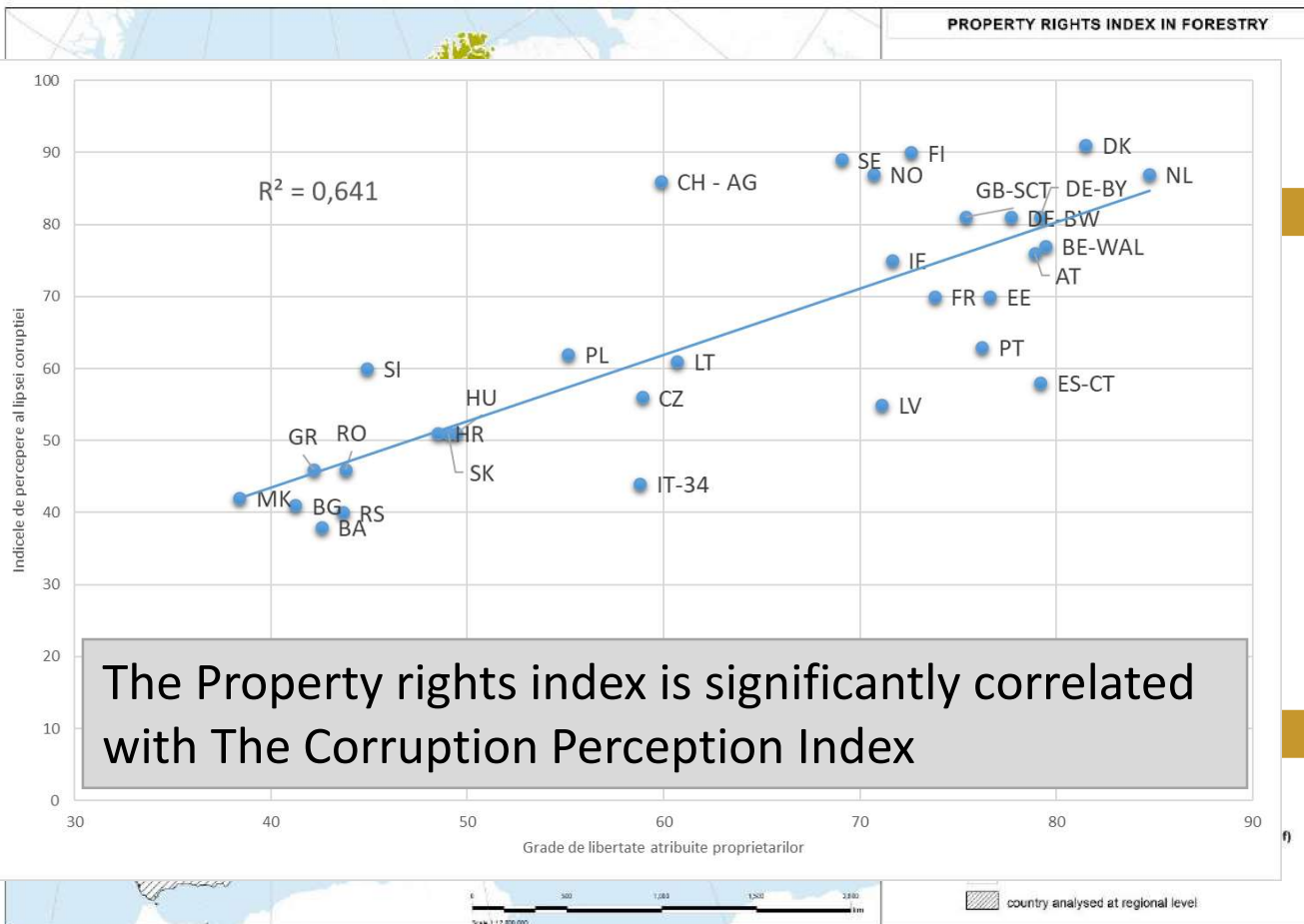


# Regulatory patterns

## FORESTS



Important differences between the rules existing across European countries



The Property rights index is significantly correlated with The Corruption Perception Index

Higher emphasis on financial and market based policy instruments in forest management

Strong adherence to governmental norms and regulations in forest management

# Regulatory enforcement

## FORESTS



Different levels of risk associated with lack of law enforcement and illegal logging:

- Countries report that illegal logging constitute a “negligible risks”: Belgium, Canada, Finland, France, Germany, Iceland, Ireland, Israel, Luxembourg, Netherlands, Norway, Sweden, Switzerland, Turkey, UK and USA.
- Countries report some cases of illegal logging in private forests: Bulgaria, Croatia, Czech Republic, Lithuania, Serbia, Slovakia and Slovenia.
- Countries report that illegal logging is a problem in both public and private forests: Cyprus, Georgia and Romania.

EU Timber Regulation

Concerned about imports of timber

Measures to address national risks

# Conclusions

## FORESTS



Regulations, subsidies and information tools are used in different combinations to respond to **different policy goals** e.g. “passive” or “negligent” landowners vs. short term profit seeking landowners

- **Former socialist countries** still rely strongly on command and control instruments, yet **enforcement problems** are often reported
- Soft policy approaches are found in the **Nordic and Western European** countries where **steering towards some specific policy objectives becomes more complex**

The forest-based sector is increasingly being shaped by policy instruments outside the forest

- new challenges for PFOs - nature protection, climate change mitigation and adaptation policies and bioeconomy



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# Thank you!



FORESTS



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