

# A: Overall Policies, Institutions and Instruments for Sustainable Forest Management

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Data sources **All data reported in national reports on qualitative indicators**

## Key findings by indicator

### A1. National forest programmes (NFP) or similar and related forest policies

All 37 reporting countries stated that they have a NFP or a similar process in place, with 27 of these countries saying that these were formal NFPs or processes guided explicitly by NFP principles. Compared to 2007, NFP principles such as participation were more commonly applied in 2010. About half (17) of the main forest policy documents in FOREST EUROPE countries were developed in NFP processes. "National forest programme", "forest policy", or "forest strategy" documents existed in 33 countries and were on average around five years of age. Countries of the FOREST EUROPE region have strengthened significantly their mechanisms for participatory policy development over the past decade, and formal policies were comparatively well up-to-date.

### A2. Institutional frameworks

Almost two-thirds (23) of reporting countries stated that significant changes were made in their institutional frameworks since 2007. This mainly took the form of merging previously separate bodies with forest competencies or integrating them into other existing bodies. The second most frequent change was measures to establish forest services and/or private forest owner associations, particularly in South-East Europe. Some 31 countries reported a total of around 350 000 public administration staff, of which around 71 percent were employed to manage public forests. Staffing levels hardly changed since 2007, except in the Russian Federation.

### A3. Legal/regulatory frameworks and international commitments

Close to 80 percent (29 out of 37) of countries changed their legal/regulatory framework since 2007, with most affecting silvicultural practice (often related to

regeneration/tending, biodiversity provisions), enshrining institutional reorganization, and reorganizing financing arrangements. The most directly relevant international commitments for many FOREST EUROPE countries were the European Union (EU) Regulations and Directives on forests, which have heavily influenced a range of national regulations in EU Member States.

### A4. Financial instruments and economic policy

Around two-thirds of FOREST EUROPE countries changed economic policies since 2007, and even more their financial instruments, mainly stimulated by the EU Rural Development programme 2007-2013. Total government spending on forest-related activities, as reported by 24 countries, was EUR 4 346 billion in the last reporting year available. This amounted to an annual average of roughly EUR 18.4 of public spending per hectare of forest and other wooded land. Financial support for sustainable forest management across the FOREST EUROPE region appeared to have been fairly stable, with any increases occurring mainly in those Eastern European countries that became EU members since 2007.

### A5. Informational means

Improvements in information provision - ranging across data collection systems, easier access to data and providing targeted information to different groups - were reported by 24 out of 35 countries. The most frequently reported significant changes were the introduction of communication strategies, improved public participation and consultation, and the integration of communication as part of a NFP or similar policy process. Close to one-third of countries had a written (governmental) forest-related outreach and communication strategy. It was clear that communication was gaining in importance and political relevance across all countries, especially in Eastern Europe.

## Indicator A1. National forest programmes (NFP) or similar and related forest policies

### Introduction

National forest programmes are a participatory process of policy planning, implementation, monitoring and evaluation at the national and/or sub-national level geared at further improving sustainable forest management and its contribution to sustainable development. Annex 1 of the Vienna Resolution 1 on NFPs, adopted in 2003, specifies the "MCPFE<sup>1</sup> Approach to National Forest Programmes in Europe". This Resolution emphasizes the fact that NFPs and NFP processes are key in order to strengthen coherence and synergies among policies that support sustainable forest management and other relevant policies, programmes and strategies. The UN "Non-legally Binding Instrument on All Types of Forests" adopted in 2007 specifies NFPs as a key means to achieve the purpose of this so-called "Forest Instrument".

### Status

#### **All reporting countries stated that an NFP or similar process existed, half of which were "formal NFP processes".**

NFP or similar processes existed in all 37 countries that reported with just under half (17) recording that a "formal NFP process" existed, i.e. the process was explicitly acknowledged and referred to as a "NFP process". Among the other 20 countries, half reported that their NFP process was "explicitly guided by NFP principles" and half that a "similar process" was in use. "Similar processes" tended to be featured most in South and South-East Europe, but have also been reported by Belgium, Germany, Sweden and the United Kingdom. Several countries in East and South-East Europe made specific efforts to establish and run formal processes or processes explicitly guided by NFP principles over the last decade. In just over two-thirds of the countries (25), the ministry with responsibility for forestry was the main formal decision-making body in the process. Nine countries reported that bodies with members other than the ministry responsible for forestry had the main formal decision in the NFP process. In a small number of cases, the formal body was at a high political level, e.g. the Parliament in both Latvia and Slovenia, and the Council of Ministers in Portugal.

With regard to the implementation of core principles of the NFP approach:

- **Stakeholder participation:** in practically all countries, forest owners, environmental and social groups, the forest industry as well as education and research bodies took part in the process to differing extents, along with the administration responsible for forestry, as shown in Figure 1. Involvement was formal in about two-thirds of cases and rather more informal in the remaining third, mostly in East and South-East Europe. Typically, the most common form of involvement was through NFP workshops, followed by consultation.
- **Iterative process:** rather more than half of the countries (20) reported a commitment to an iterative process with a further quarter reporting that they were "partly committed". In a few cases, the commitment to an iterative process was either unclear or not stated. This indicates that the process of iterative planning and policy making, as promoted by NFPs, had become more mainstream. Iterative processes took different forms, often comprising the joint development of longer-term visions or goals and subsequent related periodic work or action plans.
- **Holistic and inter-sectoral approach:** in around 90 percent of NFP processes, representatives from other sectors were reported to have been involved in different forms and to different degrees (see Figure 85). In about half of the responding countries, the main sectors to have actively participated were environment, agriculture, energy, followed by tourism. Links between national development policies/strategies and international commitments were reported to be fully taken into account in just over half of countries (20), and partly in the remaining ones (15). Apart from EU Policies, countries mostly referred to UN Convention on Biological Diversity (UNCBD) and United Nations Framework Convention on Climate Change (UNFCCC) as key international commitments.

#### Denmark

The Danish NFP of 2002 stimulated informed discussions on important forest policy issues, with a broad involvement of stakeholders. It generated a positive momentum and raised awareness of forest policy issues at many levels, including the political level. It formed the basis for a major change in the Danish Forest Act in 2004. It also ensured that forest policy aspects of other sector policies, such as energy, climate change and biodiversity were taken into account. This positive momentum has, however, faded a bit over the years, in part due to new or changed political priorities.

#### Czech Republic

During preparation of NFP II, it became clear that most of key actions from NFP I had not been implemented. The first NFP was more formal in its process. NFP II was based on a "bottom up" approach with all relevant institutions, including non-governmental organizations. Based on more general NFP specifications, groups of experts for every key action have proposed relevant solutions. Both responsible ministries established the NFP Coordination Board as their advisory body, which made final recommendations to every key action for policy makers.

The majority of countries stated that they monitor the implementation of NFPs periodically. In the case of 17 countries, the period was specified, whereas in another 16 countries, while there is a commitment to undertake periodic monitoring, the period was not pre-determined. Very few countries did not specify what monitoring should take place. Practically all countries that conduct monitoring reported that they use the pan-European Criteria and Indicators (C&I) for Sustainable Forest Management (SFM). Close to two-thirds (25 countries) used them “partly”. However, from the reports received, it seemed that few countries had developed specific, solid and participatory monitoring or review mechanisms in the context of NFP processes.

**A forest policy document existed in 90 percent of FOREST EUROPE countries, and about half were under three years old.**

Of the 37 reporting countries, 33 (including the EU Commission) stated that a forest policy document (other than law) existed. Twelve countries reported their

main forest policy document to be a (national forest) “Programme”, with a similar number reporting their document to be a “Policy” or a “Strategy”. A very few countries reported that their main forest policy was contained in their forest law. More than 80 percent of responding countries provided an internet link, giving the public easy access to information about the written forest policy of the country. Rather less than half (17) of the main forest policy document had been developed as part of a formal NFP process or process explicitly guided by NFP principles. In most cases, the ministry responsible for forests endorsed forest policy documents (Table 57). In five countries, the document was endorsed at the level of the Council of Ministers, and in four by the Parliament, i.e. at a higher level with wider legitimacy than the ministry responsible for forestry. With some exceptions, higher political level endorsement was more often secured in Northern and Eastern European countries. Eight countries reported the existence of formally endorsed sub-national forest policy documents (Belgium, Switzerland, Germany, Spain, Italy, Norway, Russian Federation and United Kingdom).

Figure 85: Degree of participation by main stakeholder groups in NFP processes (% of 37 reporting countries)

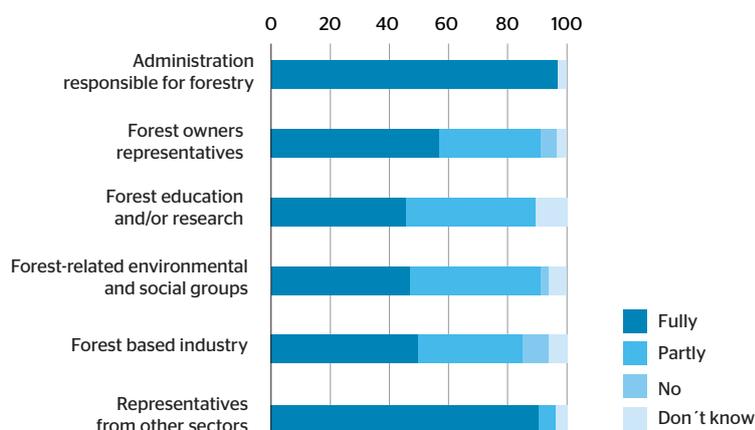


Table 57: Endorsing bodies for main forest policy documents in FOREST EUROPE countries

Endorsed by	Country
Parliament	Estonia, Norway, Sweden, Slovenia
Council of Ministers	Cyprus, Latvia, Poland, Portugal, Slovakia
“The government”(unspecified)	Belgium, Belarus, Czech Republic, Spain, Finland, Croatia, Hungary, Montenegro, Ukraine
Ministry responsible for forests	Austria, France, Germany, Denmark, Lithuania, the former Yugoslav Republic of Macedonia, Netherlands, Romania, Russian Federation
Forest Department or similar	Albania, Switzerland, Greece, Ireland, Turkey, United Kingdom

<sup>1</sup>The Ministerial Conference on the Protection of Forests in Europe has changed its brand name from MCPFE to FOREST EUROPE.

The main forest policy documents of most countries in Europe were reasonably up-to-date. On average, the main forest policy documents in effect were endorsed more than 5 years ago, though almost half of all documents were less than 3 years old. Eight countries updated their policy documents in 2008, the year after the 5th Ministerial Conference in 2007. There were only six countries, mainly in East and South-East Europe, where the main forest policy documents were more than 10 years old (Belarus Greece, Ireland, Poland, Latvia and Romania) in 2010 (see Figure 86).

According to the national reports, the FOREST EUROPE definition of SFM was taken into account fully or partly in the main forest policy documents of 31 reporting countries (86 percent) and was "fully taken into account" by two-thirds. A large percentage (80 percent) of countries

also took pan-European C&I for SFM into account in their forest policy. The definition and operational concept of SFM has thus been among the most successful and lasting political impacts of the FOREST EUROPE process: no other single FOREST EUROPE instrument has achieved this level of uptake (Figure 87).

Forest and forest industry policies are not one of the common EU policy areas defined by the EU's underlying treaties. Many EU policies have relevance for forestry or may affect forests. With this in mind, the European Council adopted an EU Forestry Strategy in 1998. Subsequently, in 2006, the EU Commission proposed an EU Forest Action Plan that contained 18 key actions to be implemented jointly with Member States over a period of five years (2007-2011). Implementation is on-going.

Figure 86: Year of endorsement of main forest policy document (number of countries)

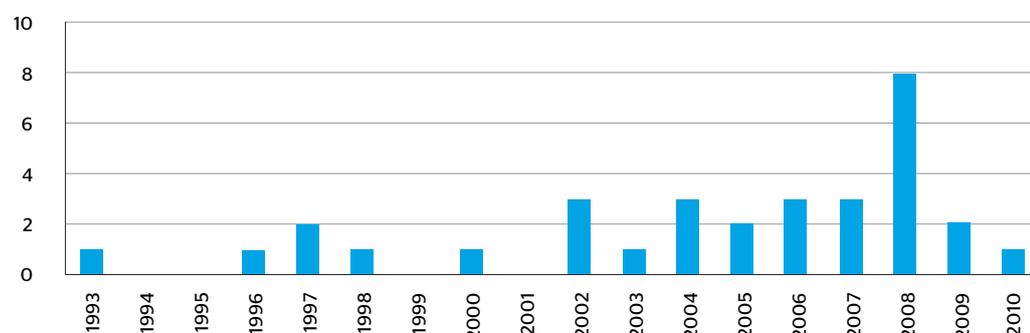
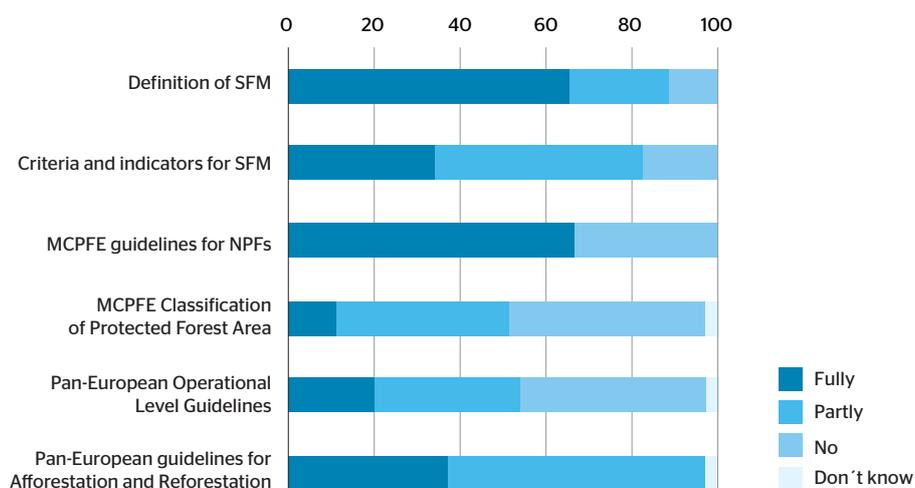


Figure 87: Explicit reference to/uptake of FOREST EUROPE instruments in forest policy documents (percent of 36 reporting countries)<sup>2</sup>



## Trends and explanations

**A “formal NFP process” existed in substantially more countries in 2010 than in 2007. More attention was placed on issues of effective implementation.**

All 37 reporting countries reported that they had a NFP or similar process in place in 2010, up from around two-thirds of countries in 2007. There were substantially more countries with a “formal NFP process” in place in 2010 (17 countries) than in 2007, when only seven reported having a formal NFP process.

Some 27 of the 37 reporting entities (countries including the EU Commission) reported significant changes in NFP processes since 2007. The most common change was the further development of policy and legal frameworks, mentioned by 11 countries. This mainly included the initiation, conclusion or on-going process of revisions of policies, strategies and programmes, as well as alignment with forest legislation. Next in prominence

were changes in participation arrangements (reported by nine countries): taking the form of an expanded process including more actors and, in addition, strengthening participation in the implementation of policies and strategies. Similarly, many countries had initiated or were working towards revised institutional arrangements, especially in Eastern and Southern European countries. This included establishing national coordination boards (Czech Republic, Italy) or structures for the representation of private forest owners. Many countries recognized the need for a stronger focus on implementation or had already reinforced implementation of planned policies and strategies. They approached this issue through fewer, simpler and clearer actions, clearer responsibilities and stronger alignment of actions with available budgets. Monitoring and evaluation, including reference to on-going evaluations or reviews of past programmes, were also frequently mentioned.

### Finland

[The] Forestry sector is currently in the middle of structural changes, which is why new actors have been involved in the NFP-process, e.g. environmental researchers, forestry students, and actors outside the forest sector, like the Parliament, pharmaceutical and food industry, technology organizations and Finnpro (association of Finnish companies promoting growth & competitiveness through internationalization supported by the government). The structural changes and the worldwide economic crisis activated the Government to develop public forest organizations.

### Italy

A new national forest programme, called “Framework Program for the Forest Sector” (PQSF) has been prepared to coordinate and streamline the local implementation of the international agreements related to forests. This programme, shaped mainly around the EU Forest Action Plan, was officially agreed on December 2008, launched on 1 January 2009 and will last ten years until end 2018. The first activity was the establishment of a National Coordination Board – Tavolo di Coordinamento Forestale (TCF) – similar to the EU Standing Forestry Committee.

### Montenegro

Montenegro: From 2007, the NFP development process is ongoing, based on internationally recognized principles and with international technical assistance. A first result of the NFP process is a new National Forest and Land Administration Policy (adopted by Government in 2008), which is also the main NFP document.

### Cyprus

There is a need for more intensive monitoring of the implementation of the Programme, on an annual basis. The use of the national C&I and the reporting tool of the Annual Departmental Report are the best available means to this end. This approach has been taken into consideration for the preparation of the new NFP.

### Switzerland

Findings in the mid-term review 2009: a) NFP is useful tool at national level for overall coordination and strategic guidance; b) political willingness for changing the legislation at national level (coherent with NFP goals) was lacking; c) financial support for implementing the NFP was less than expected due to reduction of national forest budget. Revision for a NFPplus is in progress. It will include new topics as e.g. climate change, biodiversity, wood mobilization.

### Slovenia

The goals, content and procedure for adopting the NFP are laid down in the Law on Forests. The first national forest programme was adopted in 1996. The second NFP from 2007 is based on a broad participation process of stakeholders, while the first was not so widely discussed.

### Turkey

The [NFP] implementation process will be monitored regularly. Reporting on implementation of forest policies in the NFP for Turkey has been recently established by the ministry via a dedicated monitoring unit.

<sup>2</sup> The Ministerial Conference on the Protection of Forests in Europe has changed its brand name from MCPFE to FOREST EUROPE

**While continuing to strengthen principles of NFPs, many countries also explored ways to adapt the NFP process to better fit needs and be efficient and responsive.**

Many countries made good progress in further strengthening principles of NFPs by involving many more actors than before and engaging them more in implementation of policies, strategies and programmes. Even so, in many countries the range of stakeholders still was largely limited to forestry professional associations.

Among the major lessons that countries reported were the importance of realistic planning and timetables and of having adequate financing arrangements in place, and the need for sound monitoring. If NFP processes are to be successful, they need to be dynamic, flexible and able to respond quickly to emerging needs and issues. This also requires efficient ways of organizing participation. Some countries observed that, for the NFP process to remain relevant and strong, maintaining and strengthening the commitment of key actors is important. Surprisingly few countries explicitly mentioned progress in or issues arising from the need for inter-sectoral co-ordination or integration. Further challenges mentioned were:

- keeping momentum and political commitment for this type of planning.
- developing operational planning routines that are consistent with the agreed longer-term visions and goals in shorter term, politics-driven operating environments.
- further improving ways to implement policies and programmes jointly under shared responsibilities among different stakeholders, including the private sector.
- keeping the policy and strategy processes open and flexible enough to be responsive to new opportunities and challenges.

#### Denmark

The Danish NFP of 2002 as such has remained unchanged. However, three new policy documents in related sectors have emerged. These are: 1. "Green Growth" of 2009 - a government plan that aims to ensure better conditions for the country's nature and environment while allowing agriculture to develop. The plan includes increased funding for afforestation and for the protection of forests in NATURA 2000 areas. 2. Action Plan on Renewable Energy, 2010. 3. Action plans for forest protection in NATURA 2000 areas.

**Compared to 2007, more countries had a forest policy document that was discussed with stakeholders and formally adopted.**

Some 24 out of 32 reporting entities (countries and the EU Commission) reported significant changes in their main forest policy document since 2007. The most common change was the review and/or revision of the forest policy document, in particular the uptake of new issues such as bio-energy and climate change. Some countries were preparing for accession to the EU or further integrated EU policies into their existing policies (e.g. Cyprus, Latvia, the former Yugoslav Republic of Macedonia and Slovenia). The next most reported change was in improvements to specifications of operational implementation and follow-up of the specified policies.

Compared to 2007, more FOREST EUROPE countries had a forest policy document that was formally adopted, following discussions and negotiations with stakeholders. While a majority of these policies were adopted at the level of the ministry responsible for forestry, in about a quarter of countries, higher level bodies endorsed or adopted the forest policy, raising the political profile of the policy. There were indications that many countries focused work on ways to strengthen implementation and follow-up monitoring - evidently in an effort to increase relevance, added value and effectiveness of agreed policies/strategies and programmes.

#### Finland

The new NFP accentuates three aspects: 1) new competitive products and services, 2) increment in the use of domestic wood, and 3) forest biodiversity. The programme is based on appreciation of nature in all actions, recognition of customer-orientation as a key precondition for profitable and competitive operations, high-standard and diverse expertise and collaboration that is based on transparency and trust between the various actors. The Forest Biodiversity Programme METSO 2008-2016 was drawn up to complement NFP in the conservation of forest biodiversity. The Strategic Programme for the Forest Sector, prepared by the Ministry of Employment and the Economy in 2009, supports the implementation of the NFP.

## Indicator A2. Institutional frameworks

### Introduction

The “institutional framework” refers to the organizational and administrative set-up of forest policy and its implementation in a country. It determines responsibilities and competences of different bodies, public and private, at various levels. Institutional frameworks provide the structure for national, regional and local politics and for developing forest-related public policies and their implementation. The prevailing institutional framework shows how countries organize the protection and sustainable use of forests. Changes in these frameworks indicate changes in political goals and culture.

### Status

**Administering forest policy implementation and legislative enforcement was usually part of a ministry's responsibility.**

**Public forest management and general support for forest management were often carried out by another body.**

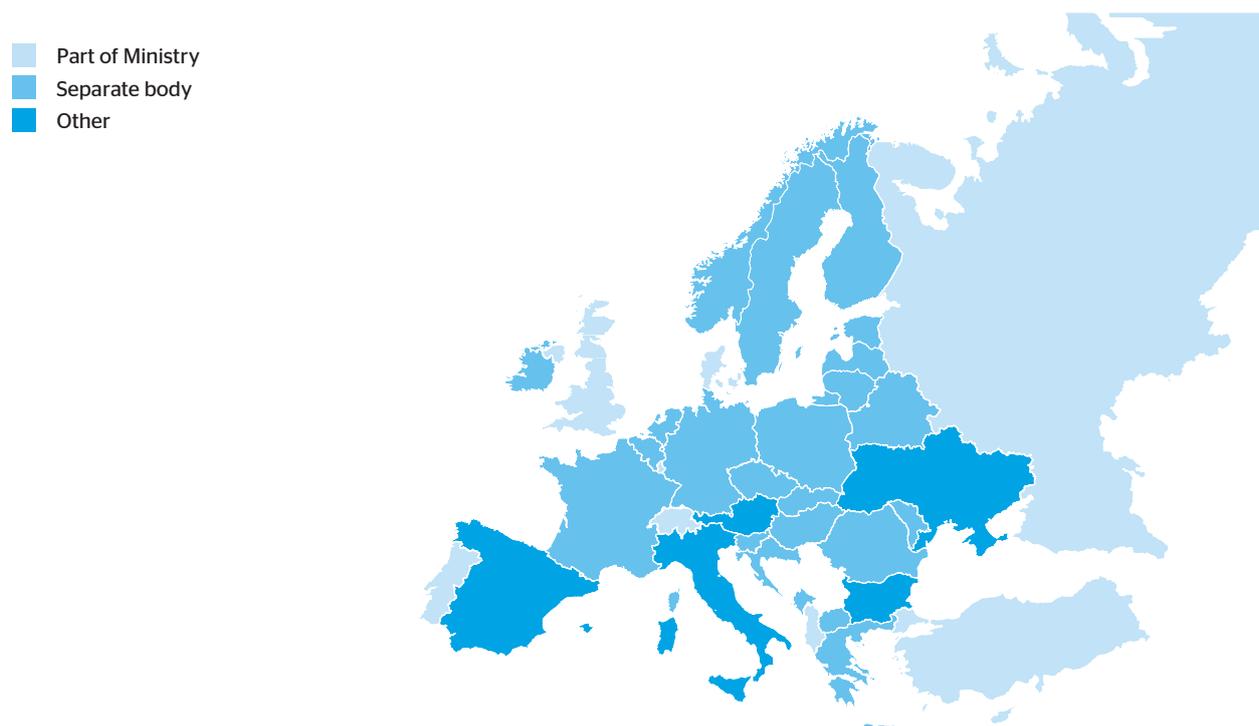
Administering the development and implementation of forest policy was the responsibility of a ministry in 31 of the 37 reporting countries. In six countries, forest policy administration was partly or fully within the competence of a separate entity (Bulgaria, Republic of Moldova, Netherlands, Sweden, Slovenia, Ukraine), while in some it was split between the ministry and other bodies. In 28 countries, the responsibility for administration of forest policy rested with central government. In five countries, responsibility was divided between national and sub-national levels (Switzerland, Italy, Spain, Russian Federation, United Kingdom), and in three countries, responsibility lay at the sub-national level (Belgium, Germany, Netherlands).

*Legislative supervision and enforcement* was part of a ministry at central government level in 27 countries. In nine countries (Bulgaria, Estonia, Finland, Greece, Latvia, Portugal, Russian Federation, Sweden, Ukraine) these functions were the sole responsibility of a separate body, while in six countries the ministry shared responsibility with a separate body. In three countries competence was shared between central and sub-national levels (Spain, France, Russian Federation), and in six countries it rested at the sub-national level (Austria, Belgium, Switzerland, Germany, Lithuania, Netherlands).

*General support for forest management* was provided by separate bodies, such as forest extension services, in about half of all reporting countries. The other countries provided support as part of the responsibility of the ministry. In two-thirds of countries (24), the main responsibility for providing support lay at central government level, while in the other third (12) it was at the sub-national government level.

*Management of public forests* was in the hands of a separate body, such as publicly-owned forest enterprises, in 23 of 36 reporting countries (Figure 88). In ten countries, the management of public forests was fully or partly the responsibility of the ministry (Albania, Belgium, Cyprus, Denmark, Luxembourg, Montenegro, Portugal, Russian Federation, Turkey, United Kingdom). In 16 countries, responsibility lay with central government, in 11 countries at sub-national level, with different arrangements in the remaining countries.

Figure 88: Institutional set-up for management of public forests in Europe (percent of 37 countries reporting)



**“Traditional” forestry associations were seen as by far the most relevant private sector organizations in forest policy development.**

Forest owners’ associations and other forestry associations, such as societies of professional foresters, were seen as relevant for forest policy development in a large majority of the 36 countries that reported on the main private sector stakeholder organizations: interest groups, associations and non-governmental organizations (NGOs) etc. Environmental NGOs as well as forest industry and trade organizations were reported as important by only half of reporting countries. While they might be involved in the NFP process, it seemed that they were not seen as ranking as highly in importance as were stakeholders from traditional forestry associations. Five countries (Denmark, Finland, Hungary, Ireland, Sweden) regarded recreational or cultural heritage organizations as important stakeholders. Almost half of all countries (17) reported only one or two private sector organizations - usually forestry or forest owners’ associations - as being highly relevant for forest policy (see Figure 89). Five countries, all from Eastern Europe (Belarus, Croatia, Poland, Russian Federation, Turkey), viewed only one type of private body as relevant. Only six countries reported that five or more different private sector stakeholder organizations were relevant (Switzerland, Finland, Hungary, Norway, Portugal, Sweden).

**Around 350 000 people worked in forest-related public organizations in Europe, mostly in public forest management.**

Some 31 countries reported a total of around 350 000 forest-related staff directly employed in public organizations related to forests (all figures are full-time equivalent, FTE, 2008 estimates). The Russian Federation employed the largest number (93 000), followed by Ukraine (59 797), Turkey, Poland, and Romania. The largest employer in Western Europe was France (11 350) (Figure 90).

Public forest management staff was by far the largest group of public staff (71 percent of total estimate). Where a significant amount of forests was under state forest management, around 80 - 95 percent of all staff was reported to work in managing the public forests. More than half of all public forest-related staff in the FOREST EUROPE region were working to manage forests. There was, on average, one person per 430 ha of public forests (equivalent to 2.3 staff per 1 000 ha). However, the figure varied widely across Europe, from 20 767 ha/staff member (0.05 staff per 1 000 ha of public forests) in Slovenia, to less than 200 ha/staff (more than 5 staff per 1 000 ha) in Croatia, Cyprus, Luxembourg, Romania and Slovakia (there were no specific figures for the Russian Federation). Higher numbers of public staff per hectare tended to be employed in countries where citizens expected high levels of social and environmental services, particularly recreation, and in the former planned economy countries of Eastern Europe (Figure 91).

Figure 89: Number of non-governmental organization categories reported to be of main relevance in forest policy (percent of 36 countries reporting)

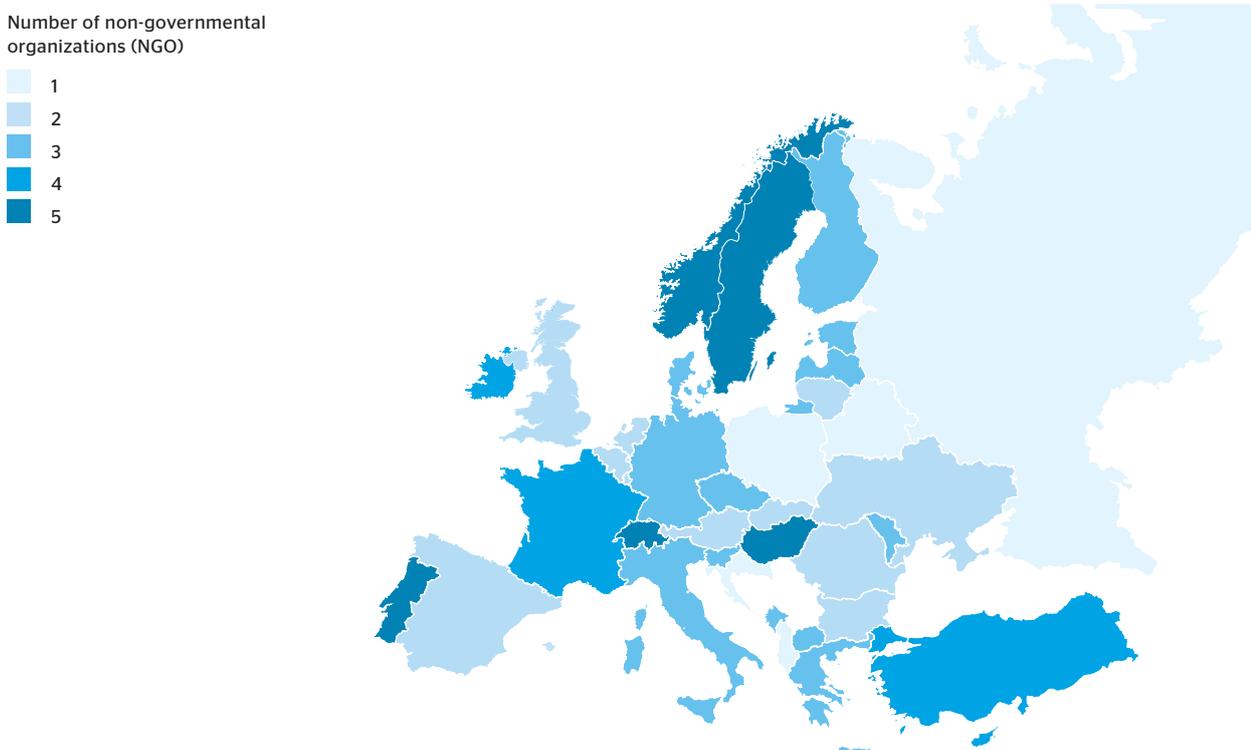


Figure 90: Total forest-related staff 2008 full-time equivalent (1 000, reported by 32 countries)

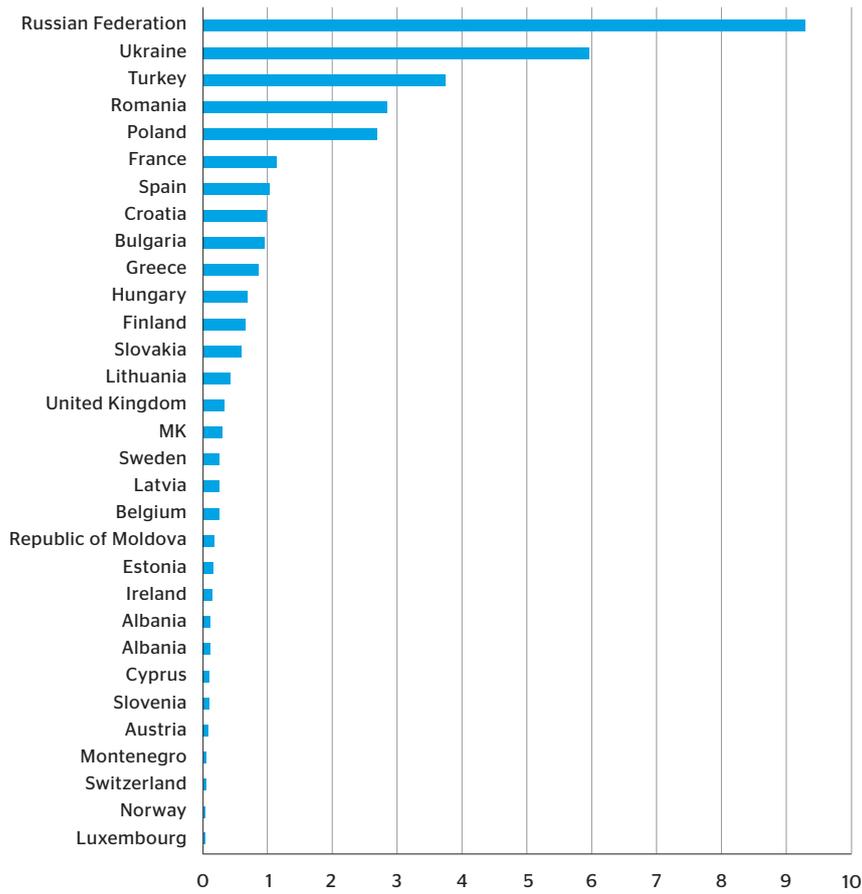
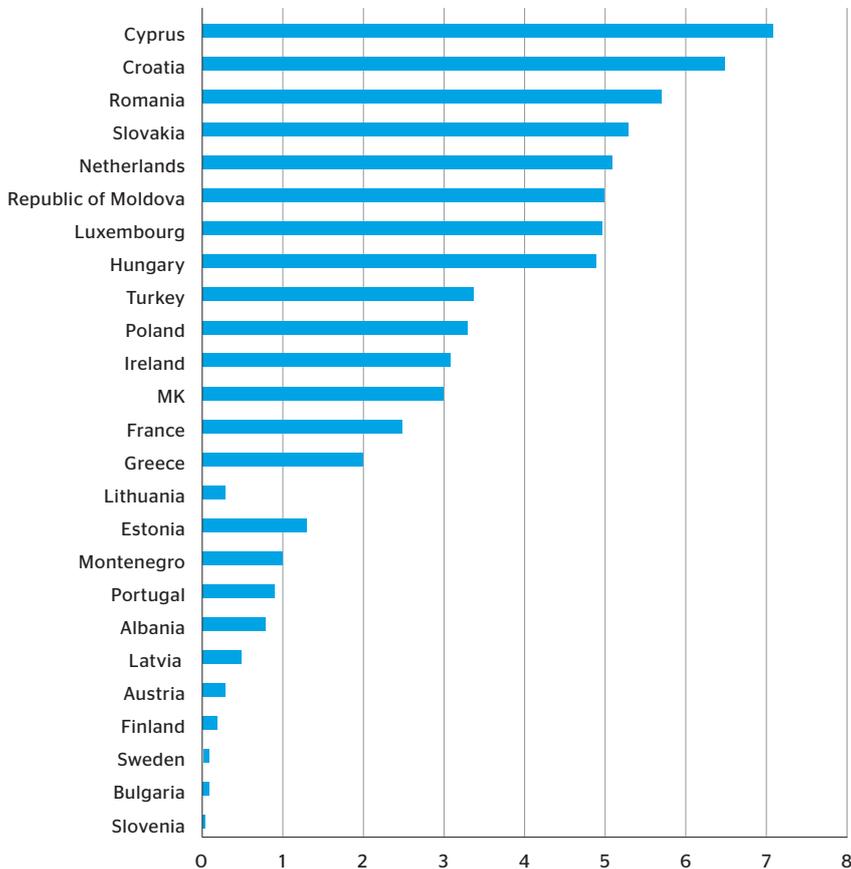


Figure 91: Public forest management staff (full-time equivalent) per 1 000 ha of public forests



*Public forest administration staff* totalled around 32 080, as reported by 30 countries that represented 75 percent of Europe's forest and other wooded land area, without the Russian Federation. On average, one person administered some 5 700 ha, in the countries that reported (without the Russian Federation). This average varied widely, from 0.7 staff per 100 000 ha in public administration in Norway to more than 100 staff per 100 000 ha in Belgium, Bulgaria and Republic of Moldova. This variation could be explained by many factors, including the balance between public and privately-owned forests, the public services that forests and/or the public entity provided, different strategies on outsourcing work to other than strictly public bodies and differing degrees of service efficiency.

*Public research, education and training institution staff* related to forests was reported to be 17 366 (reported by 29 countries, representing 82 percent of Europe's forest and other wooded land area, without the Russian Federation). Six countries employed 1 000 or more people in these professions, led by Finland, where 3 972 staff were employed in this area. This was followed by Greece (2 457 staff), Ukraine (1 861 staff), Spain (1 152 staff), and Romania (1 000 staff). On average there was one reported staff employed in research, education and training per 11 883 hectares of forests or other wooded land in FOREST EUROPE (without the Russian Federation, where one staff was employed per 1 482 874 ha). Data from countries such as Montenegro, Norway, Sweden and Turkey showed that they employed considerably fewer staff in research, education and training than the FOREST EUROPE average per ha (without the Russia Federation).

### **Trends and explanations**

#### ***Many countries aimed at higher efficiency by merging previously separate bodies and separating administrative from management functions.***

Since 2007, significant changes were reported in 23 of 35 countries related to institutional frameworks. The change reported most often was reorganization of administrative structures: either by merging previously separate bodies or separating administrative and management functions. This suggests there has been a focus on improving the efficiency of forest governance. Several countries shifted competence for forest matters to parent bodies, which

were more environmentally focused. In some cases there was a shift in the opposite direction, to more agriculture or industry focused bodies, suggesting a desire to search for a balance between nature protection and wood production. By comparison, in 2007, the most often reported change was in the arrangements for forest research.

The second most frequently reported change was in measures to improve representation and participation of specific interest groups in policy processes. Private forest associations were formed or improved in South-East Europe (Croatia, the former Yugoslav Republic Macedonia, and Montenegro) and Belgium, with a view to improving the coordination of fragmented forest management, and representation in policy contexts. Three countries in Eastern Europe (Bulgaria, Estonia, and the Russian Federation) reported changed arrangement in State forest management. Comparing the relevance of private sector stakeholders with data reported in 2007 shows that the range of stakeholders considered being of main relevance in forest policy remained usually quite restricted to professional forestry as well as forest owner associations.

#### ***The number of forest-related public staff remained about the same between 2007 and 2010.***

Three countries reported that the most significant change was a decrease in staff (Czech Republic, Estonia, Greece). The total size of the public workforce remained about the same between 2007 and 2010, if comparing FTE staff reported by countries for both years. However, the Russian Federation reported a decrease of staffing levels by some 50 percent, probably due to decentralization of authority to regional levels. While some countries reduced staff, about the same number increased personnel. The number of staff in public forest management changed by roughly 5 percent or less over the period. In comparison, data reported to FAO FRA 2010 indicated a decline of 5.6 percent in total human resources within public forest institutions in reporting countries over the period 2000-2008. There were indications that more staff were employed in research, education and training in 2010 as compared to 2007, although data reported were not always directly comparable between these two years.

### Croatia

Forest Extension Service, founded in 2006, started work in 2007. It is a public institution for improving management of forests and other wooded lands in private forests. The Croatian Union of Private Forest Owners, founded in 2008, promotes and protects the interest of private forest owners, and stimulates forest management through modern methods with a view to increase competitiveness in wood production.

### Lithuania

Since 2010 four public forest agencies (State Forest Survey Service, Service of Sanitary Forest Protection, Forest Genetic Resources Seed and Plant Service and part of State Environment Protection Inspection) were merged into one public institution called "State Forest Service". The aim of consolidation is to optimize and improve the country's state forest management system.

### Denmark

Responsibility for Climate change mitigation and adaptation was moved from the Ministry of the Environment to a new Ministry, Ministry for Climate and Energy, in 2008. Responsibility for sustainable use and conservation of biodiversity was moved to a separate Agency under the Ministry of the Environment in 2008 (formerly under the Forest and Nature Agency). In 2011, the two agencies merged into one, The Nature Agency, so that biodiversity and forests will again be dealt with by one agency.

### Bulgaria

In 2007 the National Forestry Board (NFB) at the Ministry of Agriculture and Forests was transferred into a State Forestry Agency (SFA) directly under the Council of Ministers. In 2008, the state forestry units were transformed into State Forest Enterprises (SFE), and the state hunting areas into State Hunting Enterprises (SHE), enterprises according to the Trade Law. In 2009 the SFA was transformed into the Executive Forest Agency (EFA) at the Ministry of Agriculture and Food.

### Italy

The new [NFP?] programme started with the establishment of a National Coordination Board (Tavolo di Coordinamento Forestale, TCF) in 2010. The TCF will coordinate forest policies and activities carried out by the interested Ministries (mainly Agriculture and Environment) and the 20 Regions.

### Estonia

In 2009 County Environmental Departments and State Nature Conservation Centre were merged and the number of regional forest officers decreased. The structure and operating principles of State Forest Management Centre (RMK) were reorganized and 17 forest districts were established instead of 62 before. A Forest Council, comprising representatives of forestry institutions and NGOs, was established to facilitate implementation of Forestry Development Plan.

### Netherlands

Since 2010 the Ministry of Agriculture, Nature and Food Quality, which has the primary responsibility for forest policy, has been merged with the Ministry of Economic Affairs. The new Ministry is now Ministry of Economic Affairs, Agriculture and Innovation.

### **Indicator A3. Legal/regulatory frameworks and international commitments**

#### **Introduction**

At the core of the legal/regulatory framework of a country related to forests is the forest-related legislation including the forest law and its complementary regulations, nature or forest protection regulations, hunting and wildlife management legislation as well as land use and related planning acts and, in some cases, the constitution. Increasingly, over recent decades, forest laws have expanded in scope so that they cover more consistently the incremental social, economic and political aspects of sustainable forest management, as understood and defined by FOREST EUROPE. Forestry-related international legal instruments adopted, in particular during and after the United Nations Conference on Environment and Development (UNCED) in 1992, have led to a substantial expansion of international conventions and multilateral agreements. Together with regional conventions and agreements pertaining to forests, these directly influence or determine national forest-related legislation. In addition, a range of EU regulations and directives address forest matters and are legally binding for EU Member States.

#### **Status**

##### ***Forest laws in force in 2010 were usually less than five years old.***

Legal authority over the main forest matters was laid down in legislation enacted by Parliament in 36 out of 38 reporting countries and in some cases by the EU. In 14 of these countries, forest matters were also covered in the constitution. In 31 countries, the authority on main forest matters was at the central government level. In several countries (e.g. Austria, Switzerland, Germany, Spain, Italy, Netherlands) the competence was shared between central and sub-national levels (federal, provincial, autonomous region, cantonal level). In the United Kingdom, administration was devolved. In Belgium, the formal authority lay at the level of the regions.

The main forest -and SFM- related legal/regulatory acts with national scope (e.g. forest law, act or code) were on average some 15 years old (32 countries reported). The oldest principal legislation still in force in the FOREST EUROPE region was reported by Ireland, whose main forest law was enacted in 1946, followed by Turkey (1956), the Netherlands (1962), the United Kingdom and Cyprus, whose main legislation had been in force since 1967. Apart from six countries (Belarus, Montenegro, Netherlands, Portugal, Turkey) all the forest laws reported to be in force in 2010 in the FOREST EUROPE region were less than five years old or had been amended in the previous five years. On average, around two countries enacted a new forest law every year in the last years. In all, 24 countries reported on amendments of the main law that took place within the last four years. Every year on average since 2007, around five to six countries amended their forest legislation (Table 58).

Forestry-related international legal instruments, adopted in particular during and after the United Nations Conference on Environment and Development (UNCED) in 1992, have led to a substantial expansion of international conventions and multilateral agreements that influence national forest policies. European states have made international commitments in the context of the United Nations Forum on Forests (UNFF); the UN Convention on Biological Diversity (UNCBD) and its Cartagena Protocols on Bio-safety; the UN Framework Convention on Climate Change (UNFCCC) and the related Kyoto Protocol; the UN Convention to Combat Desertification (UNCCD); as well as many other topical or regional conventions and agreements related to forests, particularly the International Tropical Timber Agreement (ITTA); the Convention in International Trade in Endangered Species of Wild Fauna and Flora (CITES); the Convention on Wetlands of International Importance especially the Waterfowl Habitat (Ramsar Convention); and the World Heritage Convention.

In Europe, FOREST EUROPE has adopted a total of two Ministerial Declarations and 19 Resolutions in five Ministerial Conferences since 1990. A majority of countries participating in FOREST EUROPE are also EU Member States and must comply with a number of Regulations and Directives related to forests. A number of further conventions and political processes relating to forests address specific topics or regions within Europe, for example, the "Environment for Europe" process; the Convention on Long-Range Transboundary Air Pollution; the Alpine Convention; the Carpathian Convention; and the European Landscape Convention.

##### ***EU instruments address a wide range of forest-related topics.***

Forest and forest industry policy does not constitute a common EU policy area as defined by the EU treaties. It remains an explicit Member State competence. Yet the EU has legal competence in a range of areas that are forest-related (Table 59).

While no specific data were available on whether or not and to what degree FOREST EUROPE Resolutions were integrated into national forest legislative frameworks, several countries explicitly stated that legislative amendments were made to better include the definition and/or principles of sustainable forest management and/or made reference to the criteria and indicators for sustainable forest management in their reports to the Ministerial Conferences in 2003, 2007 and 2011. Submission of implementation reports is one proxy indicator of international commitment implementation. FOREST EUROPE requested national reports on the implementation of individual commitments at the Ministerial Conferences of 2003, 2007 and 2011. Only slightly more than half of all countries submitted reports in both 2003 and 2007, while for 2011, 32 of 38 countries reporting on qualitative indicators also reported on national implementation of FOREST EUROPE commitments since 2007.

### Trends and explanations

Eighty percent of countries amended legal and regulatory frameworks between 2007 and 2010. Changes mainly concerned silvicultural practices and administrative re-arrangements.

Significant change in legal/regulatory frameworks occurred in 29 out of 37 countries since 2007. Eight countries reported no change (Belarus, Germany, Italy, Latvia, Netherlands, Sweden, Turkey, United Kingdom) and four only minor changes (Austria, Denmark, Montenegro, Poland). Seven countries reported that such legislative review and revisions were currently on-going (Cyprus, Finland, Ireland, Latvia, Montenegro, the former Yugoslav Republic of Macedonia, Portugal).

The most frequently reported change in legal/regulatory frameworks concerned changes in silvicultural practice prescriptions, including on regeneration/tending (Cyprus, Spain, Ukraine), biodiversity/close to nature forestry provisions (Spain, Hungary, Lithuania, Romania, Slovenia, Ukraine) and cutting of timber (Lithuania, Ukraine). Amendments in legislation to enshrine institutional reorganizations were reported by some eight countries (Austria, Bulgaria, Switzerland, Croatia, Hungary, Luxembourg, Slovenia, Russian Federation) - see chapter on institutional frameworks. Equally frequent changes were reported on the reorganization of financing aspects, including the revision of income tax provision, fees, or state taxes (e.g. in France, Hungary, Lithuania), changes in arrangements to finance environmental services provision (e.g. in Republic of Moldova, Montenegro, Romania, Slovenia), or co-finance arrangements between different entities (Switzerland, Slovenia). Some seven countries reported on legal changes related to reorganization of forest management administration (Albania, France, Greece, the former Yugoslav Republic of Macedonia, Portugal, Russian Federation, Ukraine). These

included licensing arrangements for forest-related activities and forest management planning requirements.

A range of other changes were reported, including amending legislation to re-define "forests" (e.g. Greece, Slovenia), including better the concept of SFM and its principles in legislation (e.g. Belgium, Luxembourg, Romania), reorganizing data and information systems, including cadastres (e.g. Germany, Spain, Romania, Ukraine), or including better FOREST EUROPE commitments (e.g. Belgium, Croatia, the former Yugoslav Republic of Macedonia, Norway).

### Few changes were reported on international commitments.

Significant changes in implementation of international commitments related to forests were reported by 23 of 34 reporting countries. Some 11 countries reported no or minor changes. The most frequently reported change concerned climate-change-related commitments under UNFCCC/Kyoto Protocol (Albania, Belgium, Finland) or the Convention on Biological Diversity (Belgium, Finland, Italy). Several countries referred to the signing of FOREST EUROPE Resolutions in 2007 and the consideration of these commitments in forest legislation or policy. Many countries indicated that no significant changes had occurred after the State of Europe's Forests report 2007 as the UN Conventions more closely related to forestry (UNFCCC, UNCBD and UNCCD) had been ratified before 2007. Two countries reported on the ratification of the new ITTA (Finland, Ireland), making progress in the ratification of the EFI Convention (Switzerland, Ireland), action related to the ENA-FLEG/FLEGT initiative (Montenegro, EU), or the OECD scheme of the Control of Forest Reproductive Material (Germany, Croatia). Few countries made reference to the UNFF Non-legally binding instrument on forests, adopted in 2007.

Table 58: Year of enactment of forest legislation in force and latest amendments since 2000

Year	Countries - date of <i>enactment of forest legislation in force</i>	Countries - date of <i>latest amendments of forest legislation in force</i>
2000	Belarus, Latvia, Montenegro	
2001	Italy	
2002		
2003	Greece, Spain	
2004	Denmark	
2005	Croatia, Slovakia	
2006	Norway, Ukraine	Spain, United Kingdom
2007	Estonia, Russian Federation	Albania, Slovakia, Slovenia,
2008	Belgium, France, Romania	Croatia, Estonia, Latvia, Switzerland
2009	Hungary, Luxembourg, the former Yugoslav Republic of Macedonia	Bulgaria, Czech Republic, Finland, Lithuania, Luxembourg, Romania, Sweden, Ukraine
2010		Austria, Cyprus, Georgia, Greece, Republic of Moldova, Poland, Russian Federation

Table 59: Areas of EU activities related to forests, respective legal and regulatory and key non-legally binding instruments

Area of EU activity related to forests	Legal / regulatory instruments of the EU and further non-legally binding instruments used
<b>EU Forestry strategy and EU Forest Action Plan</b>	Council Resolution of 15 December 1998 on a Forestry Strategy for the European Union (non-legally binding) Communication from the Commission to the Council and the European Parliament on an EU Forest Action Plan, COM(2006) 302 final; (non-legally binding)
<b>Forestry in rural development</b>	Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) (legally binding) Commission Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products and amending Regulation (EC) No 70/2001 (legally binding)
<b>Forest-based and related industries</b>	Communication from the Commission to the Council and the European Parliament on innovative and sustainable forest-based industries in the EU: A contribution to the EU's Growth and Jobs Strategy; COM(2008) 113 final (non-legally binding)
<b>EU forest monitoring and protecting measures</b>	Regulation (EC) No 2152/2003 of the European Parliament and of the Council of 17 November 2003 concerning monitoring of forests and environmental interactions in the Community (Forest Focus) (legally binding) Regulation (EC) No 614/2007 of the European Parliament and of the Council of 23 May 2007 concerning the Financial Instrument for the Environment (LIFE+) (legally binding)
<b>Forests and energy</b>	Communication from the Commission of 7 December 2005 - Biomass Action Plan [COM(2005) 628 final] (non-legally binding) Communication from the Commission - 20 20 by 2020 - Europe's climate change opportunity [COM(2008) 30 final] (non-legally binding) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (legally binding) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - Energy 2020 A strategy for competitive, sustainable and secure energy [COM/2010/0639 final] (non-legally binding)
<b>Forest fire</b>	Regulation (EEC) No 2158/92 of 23 July 1992 on protection of the Community's forests against fire (legally binding) Regulation (EC) No 2152/2003 of 17 November 2003 on the monitoring of forests and environmental interactions in the European Union (Forest Focus) (legally binding) Commission Communication (COM(2008)130 final) on reinforcing the Union's disaster response capacity (non-legally binding) Regulation (EC) No. 614/2007 on the Financial Instrument for the Environment (LIFE+) (legally binding)
<b>Forests and biodiversity</b>	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (legally binding) Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (legally binding) Communication from the Commission to the Council and the European Parliament of 4 February 1998 on a European Community biodiversity strategy [COM(1998) 42] (non-legally binding) Commission Communication of 27 March 2001 on Biodiversity Action Plans in the areas of Conservation of Natural Resources, Agriculture, Fisheries, and Development and Economic Cooperation [COM(2001) 142 final] (non-legally binding)
<b>Forest Plant Health and Forest Reproductive Material</b>	Council Directive of 15 July 1991 concerning the placing of plant protection products on the market (91/414/EEC) (legally binding) Council Directive 2000/29/EC of 8 May 2000 on protective measures against the introduction into the Community of organisms harmful to plants or plant products and against their spread within the Community (legally binding) Council Directive 1999/105/EC of 22 December 1999 on the marketing of forest reproductive material (legally binding)
<b>Forest and water policy</b>	Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy (legally binding)
<b>Forest law enforcement and trade</b>	Regulation (EC) No 2173/2005 of 20 December 2005 on the establishment of a FLEGT licensing scheme for imports of timber into the European Community. (legally binding) Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (legally binding)
<b>Forestry within the EU research policy</b>	Regulation (EC) No 1906/2006 of the European Parliament and of the Council of 18 December 2006 laying down the rules for the participation of undertakings, research centres and universities in actions under the Seventh Framework Programme and for the dissemination of research results (2007-2013) (legally binding)
<b>Green public procurement</b>	Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (legally binding)

## Ireland

A review of the Forestry Act 1946 was completed in 2007 and a new Forestry Act is currently being prepared to replace the Act of 1946. The new Act will, inter alia, update the legislative framework to take account of current policy objectives, in order to ensure the future development of the forestry sector in line with the principles of sustainable forest management.

## Russian Federation

The main innovations of the new Code [of 2007] are: decentralization of forest management system, civil legal base of forest use, expansion of the allowed forms of forest use, responsibility of forest businesses for their activities, elimination of unreasonable limitations on forest use and formation of forest infrastructure, providing access to forest resources on the base of investment contracts related to large projects of high-level processing of wood connected with forest infrastructure development.

## The former Yugoslav Republic of Macedonia

In 2007, the former Yugoslav Republic of Macedonia is signatory to the 5th Ministerial Conference for Protection of Forests (FOREST EUROPE) and its Declaration and Resolutions are incorporated at national level in the Law on forests.

## Belgium

Sustainable and multifunctional forest management is included in the forest law, as a general principle. In Wallonia, a new Forest law has been voted by the regional parliament [in 2008]. Some pan-European guidelines are included as mandatory in the Walloon forest law, both for public and private owners.

## Indicator A4. Financial instruments and economic policy

### Introduction

The indicator "Financial instruments/economic policy" addresses two distinct areas. Financial instruments are applied to pursue a diversity of public goals by providing financial incentives or disincentives for the target group. Private forest holdings are subject to tax regimes and receive financial incentives, e.g. in the form of grants, loans or compensation. In the case of state forest agencies, funding is distributed through budget allocation as per legislation. "Economic policy" addresses the economic dimension of sustainable forest management more broadly. The following section will first address the broader aspect of "economic policy", and then deal with the more specific financial instruments.

### Status

#### ***Sustainable forest management and multiple-use forestry remained the bases of economic policy.***

Economic policy objectives and instruments on forests were focused on sustainable forest management. Many of the reported policies aimed at a balanced implementation of multiple-use forestry. The most frequently reported policy objectives were strengthening the competitiveness of the forest sector, including forest management, and improving the economic viability of forestry, including reducing the inefficiencies resulting from fragmented forest management. Four countries (Spain, Lithuania, Montenegro, Sweden) aimed to achieve forest sectors that can be self-sustaining. Only one country, France, had an objective of making forestry a source of economic growth and employment. Countries usually employed a complex of instruments and measures to achieve their aims. Overall, many countries reported that they focused on direct, supply-side support for economic activities, e.g. through R&D (e.g. Finland, Portugal, Slovakia); information provision; support to maintain or enhance the resource base and wood supply (e.g. Austria, Cyprus, Finland, Ireland); investment support; or support for infrastructure maintenance. No country indicated direct support for human resource development as a main approach. A few countries reported direct measures on the demand side, including wood use promotion (Belgium, Switzerland, France). Many countries reported measures that support economic viability and competitiveness through supporting or compensating for the provision of environmental and social services, i.e. biodiversity protection, ecosystem management, protective functions and forest health.

#### ***Many state forest management bodies were expected to be financially self-sufficient. In many, if not most, they received compensation for providing different services.***

The financial arrangements related to public forests and their management were diverse. In the majority of FOREST EUROPE countries, public forests were managed by a separate body. In some countries, these bodies were asked to contribute financially to state budgets, and some countries reported that they did so (Finland,

Latvia, Lithuania). Several other countries expected the state forest management to operate as a commercial enterprise and to be financially self-supporting (e.g. Estonia, Hungary, Norway). Several countries (e.g. Austria, France, Croatia, Luxembourg, Norway, Poland, Portugal, Romania, Slovakia) reported having financial mechanisms in place to compensate the state forest management body for environmental and social services or for services they provided to other forest owners, such as private owners, communities and municipalities. Some countries (Montenegro, Slovenia) used concession systems to manage state forests, collecting concession fees.

In countries where state forest management was undertaken as part of the government responsibility (e.g. Belarus, Cyprus, Russian Federation, Romania, United Kingdom, Turkey), different budget allocation and revenue collection arrangements were in place to ensure funding from and distribution of revenues between central government and regional government budgets. In some cases, grants were given to regional public authorities for forest management. Where public forests were owned by communities or municipalities, these were often managed independently, and arrangements were made about taxes or fees to pay.

***In privately managed forests, subsidies were frequently used for promoting afforestation, tending young stands, enhancing biodiversity, or improving management efficiency.***

Governments employed a variety of financial instruments to direct and influence private forest owners and their forest management. A mix of financial instruments was commonly used to promote specific aims. Incentives or subsidies were financial instruments employed most frequently by a large majority of countries with private forests in the FOREST EUROPE region. These often supported afforestation (e.g. Denmark, Poland, United Kingdom); tending young stands; measures to enhance biodiversity; or the development of individual or group forest management plans (e.g. Bulgaria). Many countries (e.g. Finland, Montenegro, Romania) offered different forms of compensation to private forest owners to encourage provision of environmental and social services. The respective national Rural Development Programmes, co-financed by the EU, were most frequently cited as the framework for support to private forest management through subsidies and incentives.

A range of countries used tax measures to influence private forest owner behaviour, including reducing taxes or offering tax breaks for specific measures, such as afforestation (e.g. Republic of Moldova, Poland), or encouraging active management (e.g. Belgium, Netherlands) or other kinds of investment (e.g. Norway). Several countries (e.g. Croatia, Hungary) provided public extension services to private forest owners, which were supported and financed from public funds. Some countries (e.g. Estonia, Finland, Norway) provided investment support, loans or trust funds, or the financing of extension services provision to private forest owners.

***Total public expenditure by government on all forest related activities was around EUR 18.4 per hectare and year.***

*Total public expenditure*<sup>3</sup> by government on all forest related activities was EUR 4 346 billion in the last reporting year available, as reported by 24 countries (representing 74.2 percent of forest and other wooded land area in the FOREST EUROPE region, without the Russian Federation). Some 91 percent of spending came from domestic funding and only EUR 261 million/year from external sources. Some countries reported domestic expenditures as including EU funds. Considerably more in-depth studies would be required to provide a more substantive result. Based on data provided, on average, this total sum would amount to around EUR 18.4/ha of total public expenditures on forest and other wooded land per year (without the Russian Federation). According to these figures, the Netherlands spent around EUR 283.8/ha per year, followed by Ireland (EUR 148/ha/year), Italy (EUR 103/ha/year) and the United Kingdom (EUR 93/ha/year) (Figure 92). Nordic countries tended to spend about EUR 10/ha year, or less. Depending on the size of public forest estate and arrangements for their management, the shares of expenditure tended to vary significantly. Where state forest management was undertaken by a separate body, total public expenditure for the forest administration tended to have a share of some 40-60 percent of all spending, with an allocation of between 5 percent and 20 percent for public forest research, education and training institutions, followed by support for different types of forest associations. Where state forest management was part of government expenditure, the share tended to be higher than 50 percent of total spending.

**Lithuania**

In 2009 the Lithuanian Parliament has arranged additional taxes for State Forest Enterprises to support general state budget needs. The State Forest Enterprises are charged 5% on the sale of round wood and standing forest.

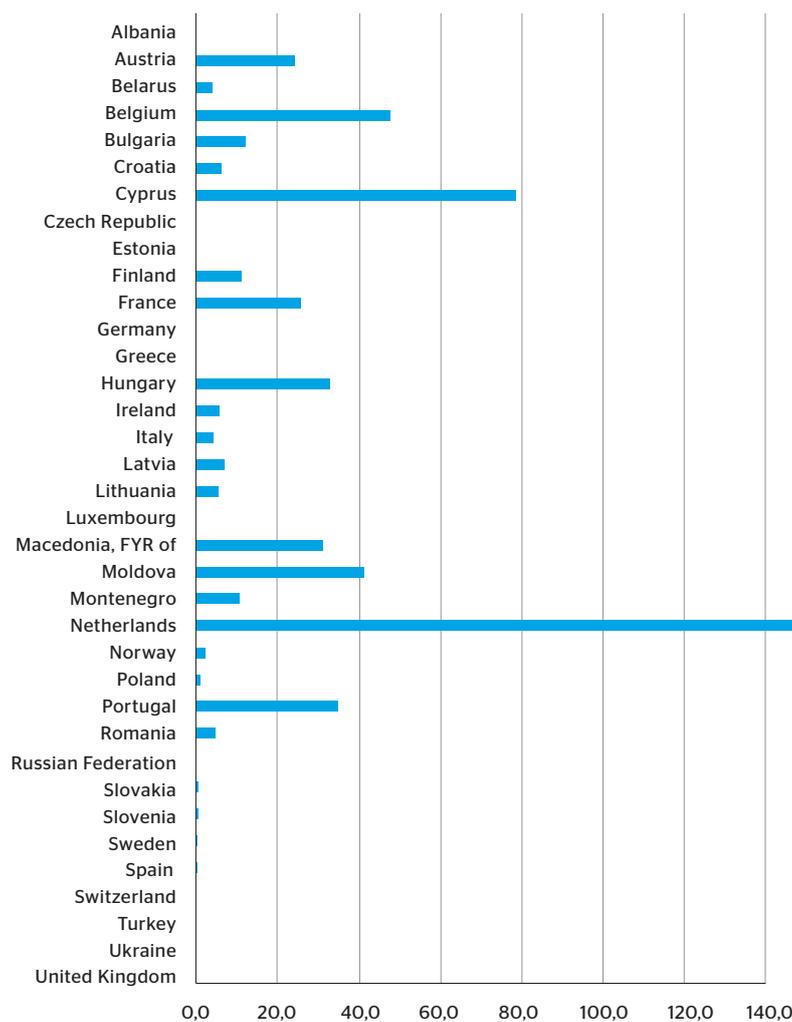
**Finland**

Metsähallitus is a governmental enterprise that manages, uses and protects natural resources and other State land property. It must be efficient in its work and follow the principles of sustainability. Metsähallitus contributes 50-90 million EUR annually as to the State budget.

**Spain**

Communal forests pay no taxes if the incomes are reinvested in the forest or in communal services. They are managed by Forest Services and receive public investments.

Figure 92: Total public expenditure per year per ha forest and other wooded land (EUR/year/hectare)



#### EU Commission

The total amount of financial resources allocated to the eight forestry measures of the EU Rural Development Regulation (with separate budget) during the period 2007-2013 is EUR 12 billion. This constitutes about 7% of overall intended European Agricultural Fund for Rural Development (EAFRD) spending. The one forestry-specific measure ("Improvement of the economic value of forests") under Axis 1, "Improving the competitiveness of the agricultural and forestry sector" has an intended total expenditure of EUR 2 billion. The total amount of intended spending for forestry measures under Axis 2, "Improving the environment and the countryside" is around EUR 10 billion. In addition to the forestry-specific measures, substantial funding is directed to forestry through those Axis 1 measures, which can cover both agricultural and forestry activities. Based on indications in the programmes and experience from the previous programming period, it can be estimated that the financial resources available from the EAFRD to forestry activities are around EUR 8 billion for the period 2007-2013.

#### Norway

Some 4%-40% of the gross value of timber sold has to be placed in the forest property's National Trust Fund. The money is to be used for investments. Using the fund results in tax advantages. State budget-supported schemes for value creation: The Wood-based Innovation scheme has an annual budget of around EUR 4.2 million (2010) to increase the use of wood and value creation in the entire value chain. The Bioenergy Scheme has an annual budget of around EUR 7 million.

#### Croatia

All legal and physical persons who conduct economic activity in the Republic of Croatia pay a fee for utilization of forest functions of general benefit ("green tax") in the amount of 0.07% of the total income. The funds are placed directly into a special "Hrvatske šume" Ltd. account for the purposes of regeneration of forests, forest protection, management of karst forests, recovery and rehabilitation of stands endangered by desiccation and other hazards, construction of forest roads, demining of forest etc. "Hrvatske šume" Ltd revenues from wood trading are invested in forest biological reproduction.

<sup>3</sup> Figures may differ from those reported for criteria 6.4 owing to different expenditure classification.

Total operating expenditure, i.e. government spending on public institutions solely engaged in the forest sector, was reported by 24 countries as close to EUR 3 billion (EUR 2.935 million) per year. Some 97.3 percent of this spending was reported to come from domestic funding, with only EUR 132 million per year from external sources. On average, this amounted to around EUR 11.5/ha of forest and other wooded land per year on operational expenditures.

*Transfer payments* (support to private forest management) were EUR 1 697 billion (29 countries reported), averaging EUR 16.6/ha per year of payments to private forest management. Based on the reported data, Ireland supported private forest management to the extent of EUR 295/ha/year, followed by the Netherlands (EUR 105/ha/year), the Czech Republic (EUR 80/ha/year), and Italy (EUR 78/ha/year). In comparison, Latvia reported only EUR 2.6/ha/year. Figures in Sweden, Estonia and Finland were somewhat higher. For the FOREST EUROPE region as a whole, around 92.4 percent of spending was reported as funded from domestic sources, with only 7.6 percent from external sources. In those countries that reported EU Rural Development Programme funds as "external", this support was usually of a magnitude between 30 and 60 percent. Transfer payments to support private forest management targeted a wide range of relevant issues. In many countries these were related to protective services (e.g. Austria, Bulgaria, Denmark, Ireland, the former Yugoslav Republic of Macedonia); biodiversity protection/NATURA 2000 (e.g. Austria, Estonia, Hungary, Sweden); afforestation and regeneration (e.g. Austria, Bulgaria, Denmark, Estonia, Ireland, the former Yugoslav Republic of Macedonia); infrastructure maintenance and improvement (Austria, Estonia, France, Ireland); individual and group forest management planning (Bulgaria, Ireland, Estonia); as well as other specific measures.

## Trends and explanations

***The EU Rural Development Programme 2007-2013 was the most frequent driver of change in economic policies as well as in changes in financial instruments.***

Since 2007, economic policies have been changed in 21 of 34 reporting entities (countries and the EU Commission). The most frequently reported change was in amendments to economic policy introduced following accession to the EU or changes made as a result of new EU Rural Development Programme support 2007-2013. Many changes in economic policies were effected through changes in financial instruments, such as reductions in taxes (Denmark, France, Hungary, Latvia), increases in tax (Lithuania, Latvia), increases in financial support for specific measures (Denmark, the former Yugoslav Republic of Macedonia, Malta), or decreases (Belgium). Some countries (Czech Republic, Finland, Norway) have reported shifts in objectives or support as a consequence of the world economic crisis, climate change or storm damage. Increasing domestic wood use and supporting forest and bioenergy sector development were explicit objectives in a number of countries (e.g. Finland, France, Malta, United Kingdom).

Financing arrangement changes since 2007 were reported by 24 of 33 countries. Many reported on the national Rural Development Programme 2007-2013 as the main change in financial instruments. Eight countries reported an increase in *financial support* compared with seven that reported a reduction in support. Some countries reported that more funds were raised due to better access to EU co-financing mechanisms (Cyprus, Estonia, Spain, Latvia, Portugal, Sweden, Slovenia, Slovakia, United Kingdom), or improved support from domestic sources (e.g. France). One country reported on new external funding through a Carbon Fund project (Moldova). A range of countries reported on decreasing funds overall (e.g. Switzerland, Latvia, Slovakia), decreases in taxes (e.g. Belgium, Finland), or subsidies provided (Belgium, Czech Republic, Greece). Three countries (Czech Republic, Netherlands, Russian Federation) reported that economic and/or financial competence shifted from central to sub-national levels.

### Montenegro

Supportive economic policy adopted for the development of domestic wood processing industry - through preferred granting of state forestry concessions to vertically integrated forestry and wood industry companies, partly subsidizing their concession prices, and introducing prohibition of round wood export from state forests. Introduction of public financial support to private forest owners.

### United Kingdom

The overall effect [of changes in economic policy since 2007] is that forestry's contribution to United Kingdom gross value-added industry is increased, and commitments made to reduce greenhouse gas emissions are met whilst also seeking to stimulate growth by shifting to a lower-carbon economy.

### Finland

The operating environment of forest industry has changed rapidly since 2008. The demand for domestic wood is expected to increase, so the volume of annual fellings should be increased sustainably. The production conditions of forests will improve, as should the profitability of private forestry. There is demand for competent forest workers, and for lateral thinking in entrepreneurship. Education must respond to the demand, creating new kinds of know-how and ensure high level expertise. The main objectives of economic policy will be reevaluated and, if necessary, updated.

### Hungary

EU financial means were introduced into the forestry-related financial system as a main source of subsidies for specified measures. The tax-like, compulsory forest maintenance fee, calculated from the harvested timber volume, as main source of forestry finances got abolished in 2008. Afforestation is now the financial and legal responsibility of the forest management unit and a EU co-financed activity.

### France

The political process «Grenelle de l'environnement» has defined a target of increasing annual wood harvests to 21 Million m<sup>3</sup> per year by 2020. Forest tax policy has been changed. "DEFI forêt" specifies an income tax reduction that encourages the owners to actively manage their forest. With the "Loi de Finance Initiale" (2009) "DEFI" is further strengthened. "DEFI contract" is established to encourage owners to establish contracts with forest managers as well as with timber industry.

## Indicator A5. Informational means

### Introduction

Informational means comprise a wide range of tools and approaches. These include research and development; education and training; advisory and extension services; and regular monitoring and assessment systems that provide information about the state of forests and the effectiveness and efficiency of sustainable forest management practices. Informational means are an essential aid to informing the public and to establishing a dialogue on forest-related issues and priorities. They also contribute to increasing the transparency of forest policy and to holding forest policy-makers accountable.

### Status

#### *Improving data collection, access to and dissemination of information is pursued in many countries.*

Close to one-third (11) of the 35 reporting countries stated that they had a written (governmental) forest-related outreach and communication strategy (Figure 93).

In constructing forest policy, the overwhelming need is for good quality information. Many countries (e.g. Austria, Belgium, Czech Republic, Germany, Greece, Poland, Russian Federation, Switzerland) put emphasis on reports, either annual or periodic, on the status of forests and sustainable forest management. A number of countries used the pan-European C&I for SFM as the basis for such reports. Several countries and the EU Commission underlined the fundamental role of their data collection systems / national forest inventories (e.g. Estonia, Finland, Hungary) and well-functioning information systems (Austria, Finland, Hungary, Slovakia) or information centres (e.g. Finland, Luxembourg, Norway, Portugal, Slovenia). A range of countries in Eastern Europe reported work on improving access to information through legislative or technical means and improving communication overall (e.g. Bulgaria, Montenegro, Romania, Russian Federation, Ukraine). Several countries have undertaken new inventories or set up new monitoring systems (e.g. Montenegro, Slovakia, United Kingdom).

Many countries put emphasis on working with schools to reach the young (e.g. Austria, Cyprus, Czech Republic, France, Latvia, Netherlands, Portugal), running public relations campaigns (Austria, Romania, Ukraine, Switzerland) organizing specific events to communicate to a wider interested public (e.g. Belgium, Czech Republic, Ireland, Latvia, Portugal, United Kingdom), or having better integrated communication as a key part of policy processes (Finland, Czech Republic, Austria).

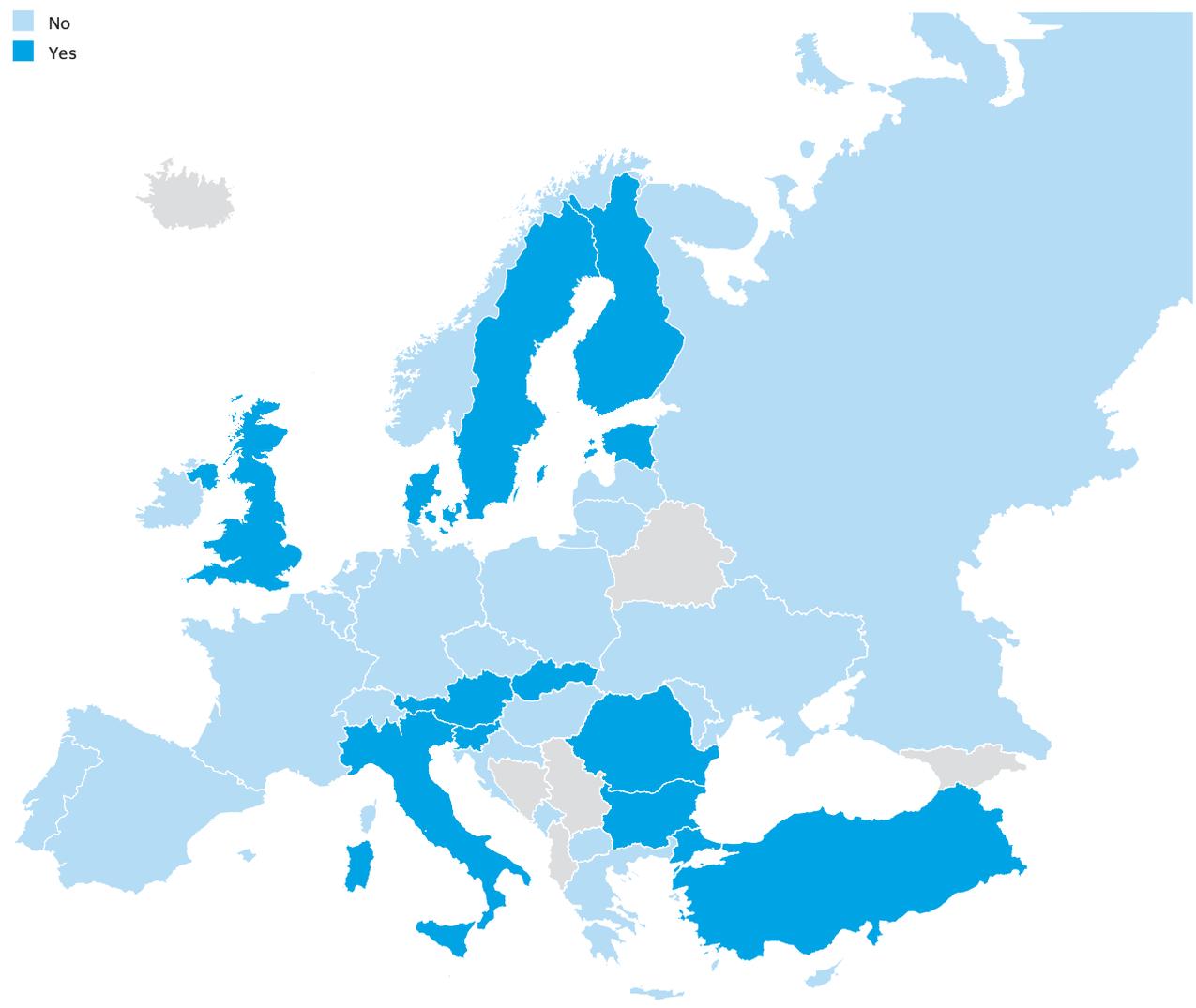
### Trends and explanations

#### **Many countries strengthened forest communication.**

In all, 24 of 35 countries reported significant changes in informational means or forest-related communication since 2007, while 11 countries reported none. The most frequently reported significant change was the introduction of a communication strategy (Bulgaria, Czech Republic, the former Yugoslav Republic of Macedonia, Sweden, Slovakia, EU), improvements in public participation and consultation (Montenegro, Slovenia, Ukraine), and the integration of

communication as part of a NFP or similar policy process (Austria, Czech Republic, Finland). The existence of a written (governmental) forest-related outreach and communication strategy in 11 countries indicates a considerably higher sensitivity to communication than in 2007, when considerably fewer strategies existed. Many reporting entities (countries and EU) also reported on upgrading their communication systems, particularly by improving internet and e-service function and media presence (Belgium, Estonia, Hungary, Montenegro, Romania, Turkey, United Kingdom, EU).

Figure 93: Existence of a written (governmental) forest-related outreach and communication strategy



**EU Commission**

Establishment of a European Forest Data Centre (EFDAC) has been initiated by the JRC. The EFDAC site includes data on forest fires from the European Forest Fire Information System (EFFIS); forest extent; forest fragmentation; and forest condition (from the Forest Focus database), the Global Monitoring for Environment & Security (GMES) Land and Climate Change components. The Green Paper on Forest Protection and Information in EU gave indications on directions for a possible update of EU forest information systems.

**Austria**

Main goals are ensuring transparency and openness in activities of the State Forestry Committee and its branches; involving general public to decision making, providing consultations with the public in identifying priorities in forest management, and ensuring public access to reliable information concerning forests and forest management. Another priority remains increasing public confidence in forest management activities. Forestry campaign: "The future forest is in your hand", round tables, open house days, pre-conferences, etc.

**Czech Republic**

New NFP II has 4 key actions in the communication pillar: a) To improve the weak position of forestry within public administration; b) To enhance public awareness about the actual condition of forests and forestry needs (including forest pedagogy); c) To resolve the institutional relation of the state to forests and forestry; d) State forests. "Forest pedagogy" is increasing also thanks to the activity of the Czech Forestry Society.

**Latvia**

Ministry of Agriculture coordinates forest sector internal and external communication. Communication within the sector going on in Forest Advisory Board discussions and through joint events like conferences, seminars. Forest sector has special event each year - Golden Cone Awards Ceremony. Forest sector external communication: Forest Days; competitions for youth and school children; promotion of Wood and Sustainable Building „Zaļās mājas” <http://zalasmajas.lv/par-mums/>.

**Ukraine**

The Federal Ministry of Agriculture, Forestry, Environment and Water Management hosts the Austrian Platform for Forest Communications, which helps to generate coherence in forest communication by coordinating strategies, programs and activities of public and private sector players at different level. Waldzeit: (Forest Times), a broad forest communication campaign in the context of rural development policies ([www.waldzeit.at](http://www.waldzeit.at))

**Bulgaria**

A Communication strategy of EFA/2010-2013 has been adopted in order to secure transparency and information provided to the citizens and business. The aim of this Strategy is to support EFA in establishing and maintaining scrupulosity, mutual understanding and cooperation between the organization and the interested parties in its activity, media, societal groups and people. The main communication tool is the Annual Media Plan.

**EU Commission**

A study: "Shaping Forest Communication in the European Union: public perceptions of forests and forestry" was finalized in 2009. Ad hoc SFC working group was established with the aim to develop a communication strategy, expected by 2011.

**United Kingdom**

The Government now uses much more multimedia such as video in communications and is beginning to embrace social media in depth.

**Sweden**

The 2009 Communication Strategy is new and seeks to specify the Agency's target group oriented communication goals and methods.

**Estonia**

During recent years a number of public web-services have been developed and implemented (e-forest notification, public forest register, GIS platform for regional forest officers etc)

**Denmark**

More focus on hands on experience, attracting people to use the forest for several purposes; slightly less on paper, folders etc.

