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# Towards an Action Plan for Sustainable Forest Management

FERN submission  
October 2005

## Setting the Scene

*In a special report, “Forestry Measures within Rural Development Policy”, the European Court of Auditors<sup>1</sup> criticised the European Commission and Member States for spending billions of Euro on forestry measures without adequate quality controls or documentation<sup>2</sup>. The report concludes that a large part of the funding could not be properly traced, had been misspent or could have been spent more effectively. FERN believes that the Court’s findings must be clearly reflected in the proposed Action Plan for Sustainable Forest Management.*

*Equally important, the Action Plan should reflect the changing position of Europe’s forestry industry in the world. European forestry practices will find it increasingly difficult to compete with forestry industry in the South where trees grow faster and labour is cheaper. It is already the case that in many, possibly most, European countries the forestry industry can only survive because of large subsidies from Member States or the EU. Hence, despite ‘free trade’ rhetoric, the sector is by and large dependent on subsidies. Where these subsidies have been used to finance ‘business as usual’ practices, which have a demonstrably negative impact on environment and biodiversity in Europe, serious questions should be posed as to the appropriateness of use of these public funds.*

*In the race to remain competitive the forestry industry in Europe has, in the last ten years, shed jobs in the order of 400,000, whilst increasing output. This has had a detrimental ecological and social impact on forests and forest communities. The EU Action Plan for Sustainable Forest Management should therefore be seen in the wider political and economic context of a forestry industry moving to cheaper pastures South and East, investing less in Europe, increasing output and shedding jobs, with, at best, a mixed record on ecological sustainability. Keeping alive the industrial forestry industry in Europe, in many cases by state and EU subsidies, will be increasingly challenged by a more informed Northern public which would like to know if a forest industry with a mixed ecological and social record is worth such subsidies. It is likely that competitors will further challenge the lack of honest competition.*

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<sup>1</sup> The Court of Auditors is an independent body, auditing the collection and spending of European Union funds, in order to assess the way in which European Institutions disburse funds. Its aim is to improve the financial management of European Union funds to ensure maximum value for money for EU citizens

<sup>2</sup> European Court of Auditors: Special Report No 9/2004 *Forestry Measures within Rural Development Policy*. Available at: [www.eca.int/audit\\_reports/special\\_reports/docs/2004/rs09\\_04en.pdf](http://www.eca.int/audit_reports/special_reports/docs/2004/rs09_04en.pdf)

## **An Action Plan focused on sound environmental values**

The Court of Auditors found that the current Forestry Strategy assumes that its main objectives, economic, environmental and social, are complementary but concludes that it is very difficult to obtain an appropriate balance between these objectives<sup>3</sup>. In at least one Member State, the EU Forestry Strategy was highly criticised as being overly focused on economic aspects without due regard to the need to maintain biodiversity. In fact Europe's forests are in dire straits; in most European countries current forestry practices have led to loss of biodiversity. A study by Plantlife<sup>4</sup> in Central and Eastern Europe has demonstrated that poor forest management is seen as the biggest threat to the wild plants of Central and Eastern Europe today. Despite statements from the forestry industry, that the 'forest area' is growing, it is clear that the environmental quality and health of Europe's forests is declining. As there is less scope for designating new sites for biodiversity conservation, due to growing and conflicting pressures on available land, all sectoral policies, specifically forestry, have to integrate biodiversity concerns to halt further biodiversity loss in Europe<sup>5</sup>. If Europe's forestry sector is to contribute to biodiversity conservation<sup>6</sup> some serious changes in the forestry sector are required because current forestry practises contribute to biodiversity loss.

- The EU Action Plan must clearly spell out the changes needed in the forestry sector in order to meet biodiversity demands indicating how the EU intends to ensure the identification, protection and enhancement of biodiversity in the forests within the EU. Current forestry practices, such as planting of large areas as tree monocultures, often increase natural or man made disasters such as storms and forest fires which have a negative impact not only on the plantations but also on Natura 2000 areas<sup>7</sup>. **The Action Plan should include clear timelines and goals to demonstrate how the forestry sector can minimise its negative impact on biodiversity and detail the forestry measures needed to diminish the impact of natural disasters. The Action Plan should also indicate the necessary measures to strengthen forest resilience in the light of climate change.**
- The Action Plan should include clear timelines and goals to demonstrate how to create a network of protected forests as demanded in the EU Biodiversity Action Plan for Natural Resources<sup>8</sup>. Forests are a key natural ecosystem covering 35% of the land area in the EU. Fifty-nine forest habitat types, grouped in six forest habitat categories of European conservation interest, are listed in Annex I of the Habitats Directive because they are rare

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<sup>3</sup> European Court of Auditors: Special Report No 9/2004 *Forestry Measures within Rural Development Policy*. Available at: [www.eca.int/audit\\_reports/special\\_reports/docs/2004/rs09\\_04en.pdf](http://www.eca.int/audit_reports/special_reports/docs/2004/rs09_04en.pdf)

<sup>4</sup> Plantlife International (2005): *Important plant areas in Central and Eastern Europe – Priority Sites for Plant Conservation*. Available at: <http://www.plantlife.org.uk/IPAReport.htm>

<sup>5</sup> European Environmental Agency; *Signals 2004*; Copenhagen 2004

<sup>6</sup> The EU has committed to:

- halt the loss of biodiversity by 2010 at the EU Summit in Gothenburg in 2001;
- halt loss of biodiversity by 2010 in the Sixth Environment Action Programme (July 2002);
- recommend priorities towards meeting the 2010 commitments, in the form of a "Message from Malahide" in 2005;
- halt loss of biodiversity under the Convention on biological Diversity (CBD), and at the UN World Summit on Sustainable Development in September 2002 in Johannesburg.

<sup>7</sup> Fred Pearce (2005): *Drought bumps up global thermostat*. New Scientist 6 August 2005. Pg. 16

<sup>8</sup> EU Biodiversity Action Plan for Natural Resources; COM/2001/0162final

or residual and/or hosting species of Community interest. The most significant reason for species becoming endangered is the loss of the most naturally diverse stands of forests, such as old grown spruce forests in Northern Europe.<sup>9</sup> At the moment only an average of 1.6% of forests in Europe are strictly protected. **The Action Plan should detail how to reach the objective, laid down in the EU Biodiversity Action Plan for Natural Resources, of ensuring that Natura 2000 includes a coherent network of forest areas that can maintain biodiversity at all scales in the long term.**

### **An Action Plan focused on sound social values**

Current forestry practices are leading to serious job losses. Employment in the forestry sector in Europe has declined from 4.3 million in 1990 to 3.9 million people<sup>10</sup> in 2000.<sup>11</sup> The forestry sector is rapidly losing its status as a large employer, and the trend is set to continue. It is expected that by 2010 only 3.5 million people will be working in the forestry sector. This shedding of jobs has occurred along with increased logging volumes. In Slovakia, for example, 25,536 workers cut 5 276 000 m<sup>3</sup> in 1990 whilst in 2004 7 268 000 m<sup>3</sup> were cut by only 9 523 workers<sup>12</sup>; similar trends are discernible across the EU.

There are also many other social values from forests such as recreation and the social value of non timber forest products (see below). In Northern Europe forests provide livelihood to Europe's last indigenous peoples, the Saami. The Action Plan should clearly detail the rights of these peoples, to own or use the forest resources for reindeer herding, as laid down in several international Conventions and agreements such as ILO Convention 169, the Covenant of Civil and Political Rights, which all EU Member States have ratified, and also the Pan European Operational Level Guidelines.

- **The Action Plan should highlight the social and socio-economic values of forests and present a clear analysis of those values and the benefits of forests to society as a whole;**
- **The Action Plan should analyse the downward trends in job creation and how to reverse the trend or minimise its negative social impacts;**
- **The Action Plan should clearly state that recognition of local communities and indigenous peoples' rights is part of international commitments both the EU and the Member States have signed up to.**

### **An Action Plan focused on sound economic values**

It will be unsustainable, in the long term, to subsidise 'business as usual' practices as is currently the case in many Member States. Northern taxpayers will demand that public funds are spent

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<sup>9</sup> Ilkka Hanski & Marcus Walsh (2004); *How Much, How To? – Practical tools for forest conservation*. Birdlife International,

<sup>10</sup> 3.9 million people working in the forestry sector means 3.9 million fulltime jobs

<sup>11</sup> UNECE (2005); *European Forest Sector Outlook Study 1960-2000-2020*. Main Report, Geneva

<sup>12</sup> Statistical Yearbook of the Ministry of Land Management /Ministerstvo pôdohospodárstva

appropriately. The Commission's Action Plan on Sustainable Forest Management must take account of changing public opinion and that, as the Court points out, the emphasis of Rural Development funding of forest related activities should now be on sustainable environmental benefits. Subsidies will be more acceptable if they support non-productive and non-timber forest functions, if they support forest restoration rather than contribute to biodiversity loss and ecosystem degradation. With changing public opinion, citizens will increasingly accept that timber output is the by-product. Ecosystem health and forest resilience are the most important forest functions even if these may appear as uneconomical practices in the short term. This may well be the way Europe's forests need to go. Furthermore the economic and social value of non-timber forest products should not be underestimated. Natural or semi-natural forests contain mushrooms, cork, berries and nuts, latex, tannins, resins and many other products. The economic value of these non-timber forest products in Europe, including CIS countries, was at least nearly 5 billion Euro, in 2000, or 24% of the value of timber in these countries in 2000<sup>13</sup>.

- **The Action Plan should include a section dealing specifically with the economic value of non-timber forest products;**
- **The Action Plan should include an overview of subsidies received by EU forestry industry to date;**
- **The Action Plan should develop ideas on how to create revenues for forest owners who want to use more environmentally friendly forest management methods or restore degraded forests<sup>14</sup>.**

### **An Action Plan that clearly spells out the need for monitoring and co-ordination**

The Court found that neither the Commission or Member States have assumed responsibility for assessing whether a project contributed to the implementation of the EU Forestry Strategy. Therefore no adequate monitoring of projects or their impacts has been carried out. This was further compounded by the fact that monitoring systems were inexistent or failed to uncover questionable self-assessments provided by fund recipients. Applications exceeded the funds available but there were many weaknesses in the project selection procedures such as lack of clear criteria or the use of unverifiable criteria. The Court points out that this may have led to fraud with applicants claiming to have previously grown crops allowing the highest compensation rate (wheat) without checks existing to establish if this was the case. Or, applicants asking for the highest compensation, by claiming to be a farmer, whilst not always being required to prove this information. Lastly no assessments were made on whether funded measures adequately reflected the three pillars of multifunctionality, economic, social and environmental.

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<sup>13</sup> UNECE (2005); *European Forest Sector Outlook Study 1960-2000-2020, Main Report*, Geneva. These values may be even higher as much of the trade in non-timber forest products may not be captured in these statistics.

<sup>14</sup> Currently in many countries, specifically in Finland, the Finnish standing sale system is promoting destructive methods of forestry. This system gives forestry companies a monopoly on buying and harvesting timber, making it impossible for more environmentally friendly entrepreneurs to enter the market. As a result, there are no independent entrepreneurs and no free competition in timber trade, logging or silvicultural services. Source: The Union of Ecoforestry : ekometsa AT sci.fi

- **The EU Action Plan should clearly detail how procedures could be put in place that would remove the vacuum of responsibility between the Commission and the Member States so that it can be guaranteed that EU funds will contribute to the objectives of the EU Action Plan.** This would also strengthen effective management and maximise the impact of EU funding on forests.

### **An upcoming issue: biomass**

The demand for wood based biomass for energy production in the EU is likely to rise substantially over the next 10 years. This will be the result of the EU and Member States' action to achieve their renewable energy and Kyoto targets. There are as yet no 'environmental targets' for biomass production.

- **The Action Plan should declare how future biomass targets are in line with EU environmental commitments and policies such as national biodiversity action plans, Habitat Directive and Natura 2000.**
- The Action Plan should indicate the need for a thorough assessment of how much land would be needed to fulfil EU biomass and biofuel targets. Where such land is likely to be found should be an integral part of the Action Plan. Early assessments indicate that fulfilling the biofuel demand of the UK car fleet would require using approximately 25.9 million ha of arable land whilst in the UK only 5.7 million ha of arable land exists<sup>15</sup>. **It is crucial, when considering the expansion of biomass and biofuel use, that the Action Plan clearly identifies the area of land that will be needed to fulfil specific targets for biomass and biofuel energy and outlines a set of considerations aimed at preventing an exacerbation of existing land use conflicts.**

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<sup>15</sup> Department for Environment, Food and Rural Affairs, 2004. Agriculture in the UK 2003.