

# Preserving forests, jobs, and local economy: EUSTAFOR's call for balanced and sound land protection approaches <sup>(1)</sup>

To fulfil the targets on land protection set by recent EU climate and nature legislation, stateowned forests are often considered to be the most obvious solution. European State Forest Management organizations (SFMOs), now and in the past, have proven to follow the highest sustainability standards in forest management, including the preservation of valuable habitats and species<sup>2</sup>. Out of 55.5 million hectares of state forests managed by EUSTAFOR members, more than 17 million hectares are protected by national nature conservation laws, almost 11 million hectares are serving as protective forests, and another 11 million hectares have been designated as Natura 2000 sites<sup>3</sup>. However, additional setting aside of public forests only to meet the ambitious land conservation targets cannot be the approach nor can reaching these targets be the primary role of state forests.

State forests have many other roles to fulfil, including a sustainable supply of timber for the wood-processing sector, which in return secures jobs in rural areas that have been destabilized in previous decades. Economic impact of forestry and wood industry in Europe accounts for 1,114 billion euro of total gross value added (nearly exactly the national value of Spain for 2019) and 17.5 million jobs within the value chain (population of the Netherlands in 2021)<sup>4</sup>. Additionally, public forests are open to the public and play an important role in welcoming visitors as part of their multifunctional management. State forests also often help governments and institutions in financing their activities, including those related to climate mitigation and adaptation as well as nature conservation and restoration.

EUSTAFOR members wish to underline that the best way to reach the broadest range of societal goals is to manage forests actively and responsibly, balancing conservation, protection and production goals. In many forest ecosystems in Europe active management is essential to maintain valuable habitats that are a direct result of centuries of interaction between humans and nature. Such habitats would disappear should human intervention decline due to the diminishing viability of rural livelihoods. Wildfires in the Mediterranean are probably one of the most representative examples where non-management can result in disaster and loss of natural values.

Nature protection strategies cannot merely focus on accumulating hectares of land to reach the protection targets. Instead, to preserve biodiversity, the focus should be on improving the state of degraded land with low environmental performance. Land protection, especially strict protection must be scientifically based, with clear conservation objectives, considering qualitative representation of the rich biodiversity, and should be socially functional and economically feasible. Ultimately, strict protection should not result in the loss of the values it is intended to improve and preserve.

Therefore, EUSTAFOR strongly urges relevant decision makers to reconsider their strategies of setting aside public forests as an easy way of reaching the overall land protection



<sup>&</sup>lt;sup>1</sup> Any statement in this document is to be considered as a reflection of the best available professional expertise and does not necessarily reflect the political commitments of individual member organizations. <sup>2</sup> EUSTAFOR booklet: <u>NATURA 2000 management in European State Forests</u>

<sup>&</sup>lt;sup>3</sup> EUSTAFOR database

<sup>&</sup>lt;sup>4</sup> The Economic Impact of the Forestry and Wood Industry in Europe in terms of the Bioeconomy



targets. EUSTAFOR and its members stress that the responsible and sustainable forest management done by state forest organizations for decades has resulted in high nature values with positive impacts on rural communities, social welfare, and local economies.

## What is at stake?

State owned forests are sustainably managed by skilled professional organizations under a model that allows governments to directly influence and verify the applied management practices through binding and non-binding instruments. Furthermore, even if this is not mandatory, state forests are covered by third-party certification schemes, often double certified, serving as credible sustainability frontrunners<sup>5</sup>. Under such circumstances, alongside the social and environmental benefits, sustainable wood and non-wood products are offered from 30% of European forest land<sup>6</sup>, ensuring economic output while preserving nature.

State forests are the cornerstone of the principle of self-financing of the forest management and thus greatly contribute to the economic efficiency of the entire forestry sector and related industries. They stand at the beginning of the process of creating added value and any further unjustified restrictions will jeopardize this principle, impacting multifunctionality and economic viability of the entire value chain<sup>7</sup>. Setting aside public forests to solely serve as nature protection areas will inevitably have financial consequences, increasing the costs for governments, taxpayers and workers, which could ultimately be detrimental to local communities and the environment.

EUSTAFOR identifies the following potential negative impacts that should be avoided:

### 1. Collapse of self-sustained forest management:

- SFMOs employ well-trained and experienced professionals who ensure sustainable practices. Their activities are based on up-to-date scientific results and precise verified data used for long-term forest management plans followed by scrutiny audits. Great majority of these organizations cover their own operations and reinvest their income in maintaining the forest resources, thus effectively removing this burden from the state finances<sup>8</sup>.
- Progressing climate change makes significant impact, not only in the condition of species and habitats, but also on other features of ecosystems. European forests require active and expert management to maintain their health and resilience.
- Without carefully planned future forest management strategies secured by stable financing necessary for applying of high-quality know-how, forest vulnerability will intensify<sup>9</sup>, leading to long-term environmental and economic damage.

## 2. Environmental, economic and social losses:

• While successfully reinvesting in managed forestry assets, most of European SFMOs contribute significantly to state budgets and fund additional social,

<sup>7</sup> Economic Evaluation of Different Implementation Variants and Categories of the EU Biodiversity Strategy 2030 Using Forestry in Germany as a Case Study

<sup>8</sup> State of Europe's Forests 2020 (p 211 and 213)



 $<sup>^5</sup>$  EUSTAFOR database: Certified forest area ~ 54 million ha (PEFC ~ 31 million ha, FSC ~ 22.5 million ha, Other certifications ~ 741 000 ha)

<sup>&</sup>lt;sup>6</sup> State Forest Management Organizations are in charge of ~ 30% of European forests.

<sup>&</sup>lt;sup>9</sup> "<u>Science for Environment Policy</u>": European Commission DG Environment News Alert Service, edited by the Science Communication Unit, The University of the West of England, Bristol



economic and environmental benefits (including the management of protected areas, disaster prevention, preparedness and protection, forest inventory, etc.). Any significant additional land protection burden on state forests will reduce their financial capacities, decrease provision of multiple services and income into state budgets while increasing state financial obligations.

• Jobs and livelihoods will be lost due to lack of competitiveness that will aggravate further rural abandonment tendencies, strongly affecting communities that rely on these opportunities in rural areas.

## 3. Double burden on state budgets:

- With a decrease in revenues, SFMOs will require financial support from the state, creating a long-term drain on public resources.
- The absence of state forest organizations contributions to state budgets will force the state to find alternative sources of revenue, further straining budgets. European taxpayers must be fully aware that policy objectives, including those at EU level, which promote further set aside and segregation of forest functions rather than multifunctional approaches, will undoubtedly cause economically viable state forests to depend on public resources, ultimately resulting in higher taxes in the long run.

## A fairer and more sustainable nature conservation path

Instead of putting more pressure on already thoroughly supervised European SFMOs with a proven track record of success, the governments should pursue a more balanced approach. One should remember that the application of advanced sustainable forest management in state forests has in fact created nature values that are now intended for strict protection. Instead of focusing only on area-based protection regimes, it would be more effective to prioritize and scale up proven management approaches that deliver successful nature conservation. It has been shown that lack of management comes at the expense of health and resilience of protected ecosystems<sup>10</sup>. By supporting state forest organizations, we safeguard not only forests but also the jobs, communities, and future revenue streams they support. Dismantling these well-functioning systems and turning towards a segregated approach in which some forests are strictly protected while others will have to be intensively managed for wood production will undermine decades of efforts in implementing sustainable forest management, resulting in loss of the knowledge, while eroding the condition of many forests and disrupting critical funding streams. This is not just a matter of economics — it's about protecting the existing well-functioning systems that keep 30% of European forests a thriving resource.

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<sup>&</sup>lt;sup>10</sup> Fire in Protected Areas -the Effect of Protection and Importance of Fire Management