



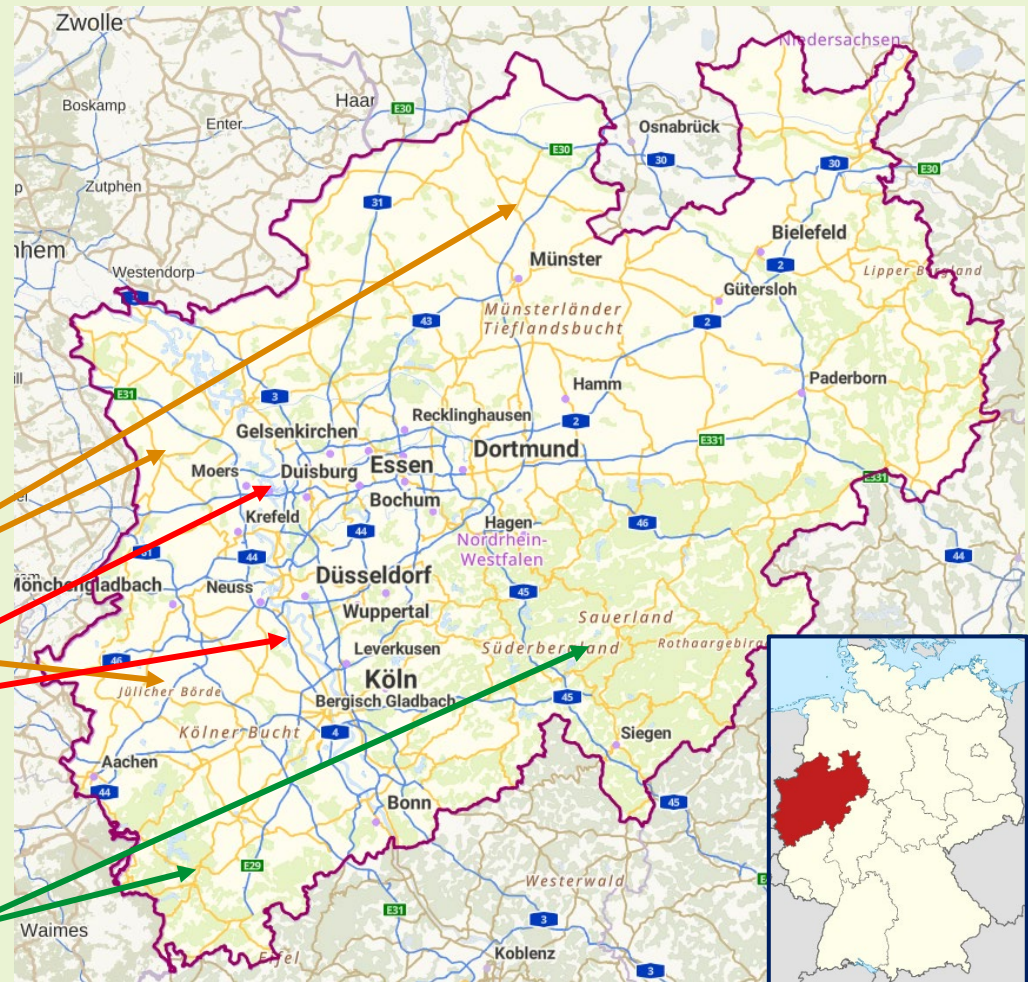
# **Case study: Economical and financial elements from Germany**

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## 1. Facts and figures about... NRW...

- Population of ~ 18 Mio.
- Pop. density: 532 persons/Km<sup>2</sup>
  - Germany: 236 persons/Km<sup>2</sup>
  - Italy: 93 persons/Km<sup>2</sup>
  - Spain: 202 persons/Km<sup>2</sup>
  - EU: 106 persons/Km<sup>2</sup>
- Agricultural lowlands
- Metropolitan areas on the rivers Rhine and Ruhr
- Densely forested low mountain ranges

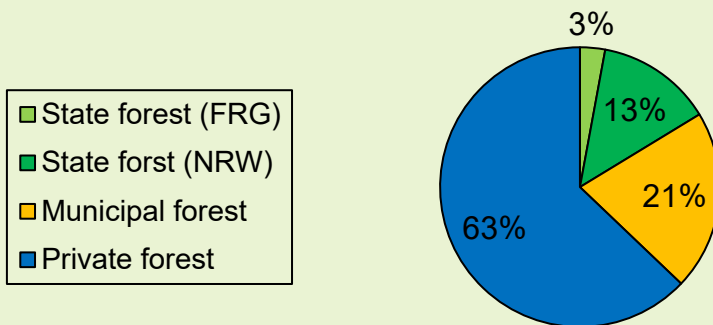




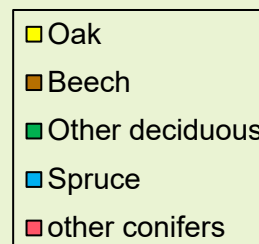
## 1. Facts and figures about NRW, its forests...

- Forest area of 935.000 ha ( = 27 % of state surface)
  - France: 31,4 %
  - Spain: 37,5 %
  - Italy: 32,2 %
- Unrestricted right to enter the forest for the purpose of recreation at own risk

Distribution of ownership



Distribution of tree species





## 1. Facts and figures about NRW, its forests and forest owners

- 152.000 private forest owners
  - 80% owners each own less than 2 ha
  - 0,25% owners each own more than 200 ha and 496.000 ha in total
- Challenges in the management of private owned forests:
  - Small property areas
  - fragmented ownership
  - Little knowledge of forest management
  - Little interest due to low profit expectations
- To overcome these challenges the federal forest act and the state forest act provide the necessary legal framework to support small-scale forest owners
  - Legal definition of forest management associations (FMA)
  - Subsidy programs with a focus on (FMA)
  - Free basic advice towards forest owners from the state forestry administration



## 1. Facts and figures about NRW, its forests and forest owners

NRW offers subsidy programs for the following measures:



- Supportlevel ~ 80%
- Joint programs with the federal government
- Granted as relative proportion of the costs **or** fixed amount (e.g. per ha)



## 2. Forest management associations

### Organization of FMA in NRW

- Voluntarily organized board of directors
- (Marginally) employed managing director or managed by a service provider
- Very few FMA have professionally defined organizational structures and processes

### Structure of FMA in NRW

- 28 % of the private forest owners which make up 54% of the privately owned forest area are members of a FMA
- 263 FMA with a mean size of 1200 ha, ranging from 72 ha up to 8.500 ha.

Main purpose of FMA in NRW is to provide forestry services to their members like:

- Consulting
- planning and monitoring of timber harvesting measures
- planning and monitoring reforestation measures
- forest pest monitoring
- Information and field-trips





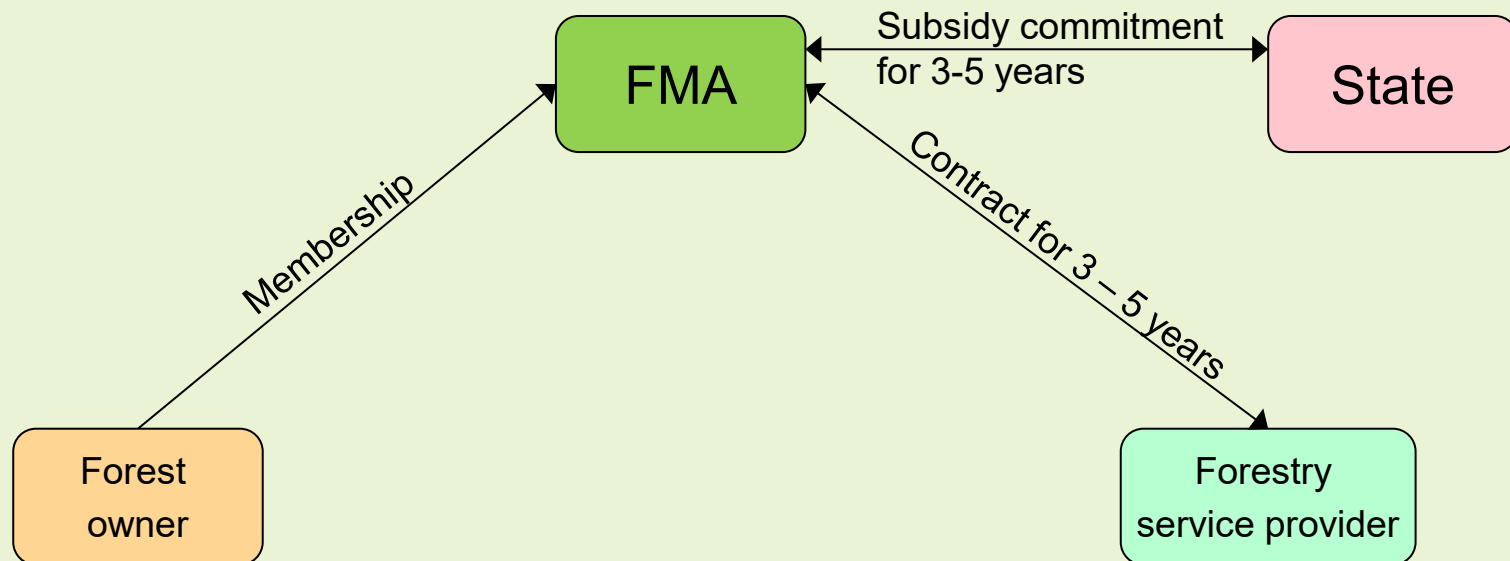
### 3. Supporting of FMA

The provision of the forementioned services by the FMA to its members is financially supported by the federal state of NRW.

- FMA hires a forestry service provider or employ a forester for a period of 3 to 5 years.
- Subsidy is granted for this period.
- The amount of the subsidies is calculated on the basis of:
  - the hourly rate,
  - the estimated hours per year that are necessary to take the planed measures with a maximum value of 0,75 hours per hectar of the FMA area
  - Subsidy rate of 80 %
- Example:
  - Size of the FMA: 1000 ha equals a maximum amount of subsidized hours of 750
  - The FMA estimates a demand of only 600 hours
  - The rate of the forestry service provider is 120 € per hour
  - The granted subsidy per year is:  $600 * 120 * 80\% = 57.600 \text{ €}$



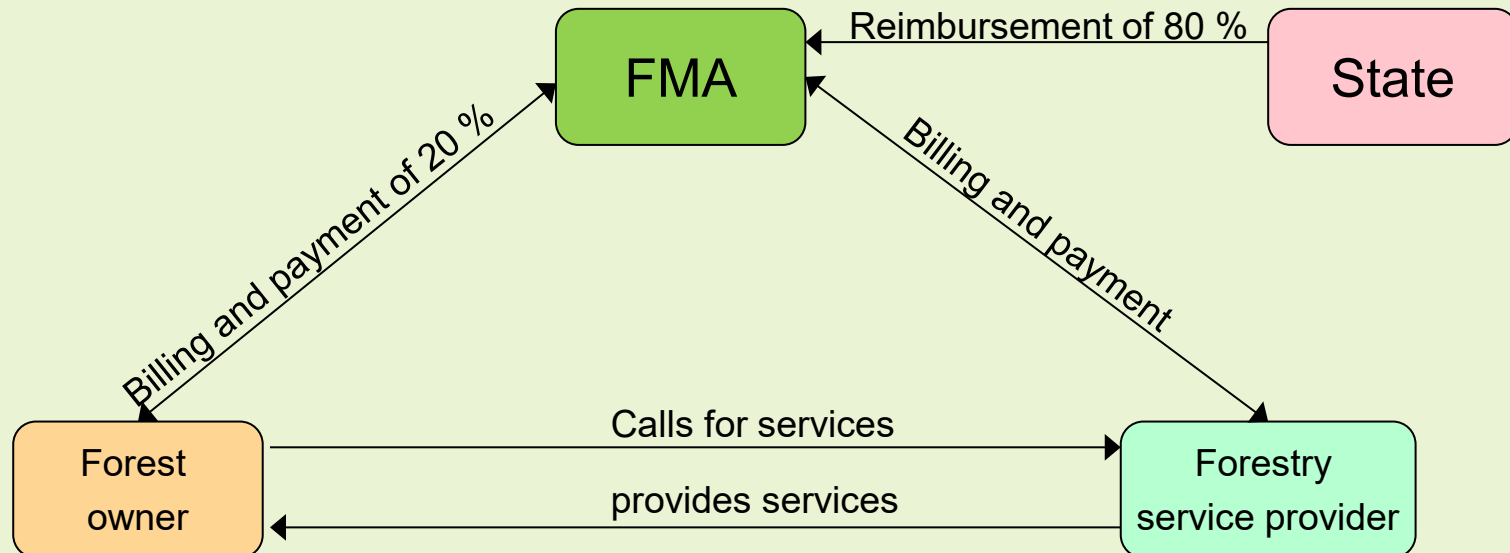
### 3. Supporting of FMA - How it works in the long term







### 3. Supporting of FMA - How it works in the short term





### 3. Supporting of FMA

In 2024 the 263 FMA received a total subsidy of 10,5 Mio. €, which equals:

- 40.000 € per FMA or
- 238 € per member or
- 32 € per hectares of the forest plots within a FMA

#### Challenges

- Apart from the hours worked by the forest service provider we have no information about the effects of the subsidy
- The existing bureaucratic hurdles are a real challenge for the less professionalized FMA
- Many FMA are too small to handle the risks associated with the subsidies (possible reclaims by the government, tax matters, liability)



## Conclusions

- For the given structures in NRW, FMA are an important actor to support sustainable forest management in private owned forests.
- Due to the low motivation of the owners, subsidy programs must be financially attractive and easily accessible. Matching the legal framework with the expectations of the applicants is a major challenge.
- To face today's challenges and the challenges to come, FMA must establish professional organizational structures.