

Focus on North Rhine-Westphalia (NRW, Germany)

Background

NRW is located in the western central part of Germany. With 18 million inhabitants, it is the most densely populated federal state. About 915 000 ha (27%) of the territory is covered by forest, with an equal balance of coniferous (52%) and broadleaved tree species (48%), dominated by spruce (36%), beech (18%) and oak (16%). Some 67% are privately owned forest, belonging to a total of 150 000 owners. The role of income from forests is diminishing and many properties are managed only irregularly or not at all.

Land fragmentation of private forest owners

The increasing fragmentation of privately-owned forest land represents one of the main challenges for wood mobilisation. Today the largest unused potential of wood resources is found in small-scale private forest, which is defined as a property of less than 20 ha per owner.

There are an estimated 16 million private forest owners in Europe, and 2 million in Germany. Private forests in Germany account for 4.8 million ha or 47% of the total forest area. Out of these, 2.8 million ha belong to owners with less than 20 ha. The average size of private forest properties is 2.5 ha, which means that a majority of owners hold only around 1 ha of land or even less.

The historical origin of today's fragmented private forests is linked to the conversion of proprietary systems of the Commons (in German: Allmende) at the end of the 19th century, when forests owned by communities were divided among private citizens. Over the generations, these small land parcels were further divided e.g. under the traditional practice of partible inheritance (in German: Realteilung), which demanded the property to be divided as equal shares among the heirs.



An example of a fragmented private forest area in Germany. The red lines show the boundaries of the small land parcels (Source: Wipfel et al. 2007.)

Fragmentation of private forest property has many disadvantages for forest management. Because of the small size of the property, often with unfavourable shape and unclear borders, and sometimes complicated ownership forms (such as communities of heirs), these forests can barely be managed productively. Small, dispersed forest properties with difficult access results in high costs for timber harvesting per hectare.

The rather small amount of harvestable timber represents a low source of income for individual owners. In turn, small amounts of bundled timber, e.g. from group thinning, result in lower prices for the sold timber. The harvesting planning requires an increased effort of communication and coordination between the high number of owners, which often face neighbourhood problems e.g. boundary disputes.

This eventually also leads to silvicultural problems, because the backlog of harvesting also has a negative impact on productivity and stability of forest stands in the longer term.

Pilot project “Forest land consolidation of community forests in NRW”

The pilot project investigates the effectiveness of two combined solutions.

Forest land consolidation (FLC) is a land development instrument implemented by a regional planning authority. Through a regulated land consolidation in close cooperation with the local forestry actors, fragmentation of forest properties is dissolved through realignment of land parcels into larger blocks, along with an official update of the land cadastre.

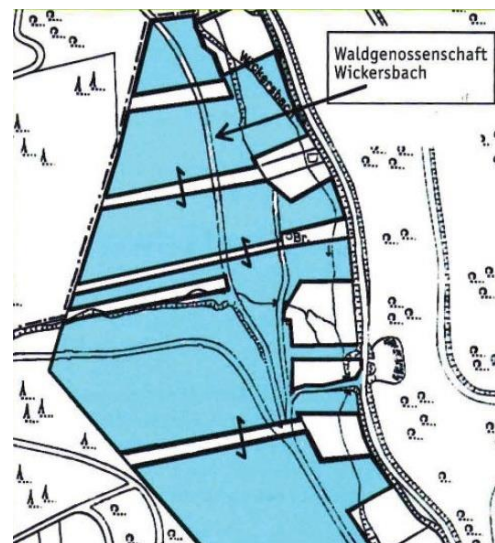
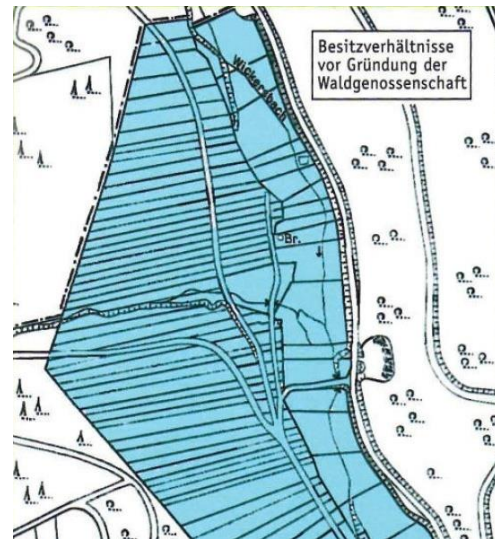
A forest cooperative society (FCS) is a form of community forest owned under a shareholder principle. Their main characteristic is that the members do not own a particular land parcel of a forest area, but hold ideal shares of the whole community forest property. The advantage of FCS is that small individual land parcels do not need to be taken into account for planning and harvesting; thus FCS can enable viable management of small-scale forest properties.

The ‘NRW Community Forest Act’ provides a unique legal framework in Germany (GWG Gemeinschaftswaldgesetz 1975; Community Forest Act). The GWG permits transfer of private forest properties into FCS and merging of several FCS into one larger FCS as part of an official FLC.

The bottleneck for wider acceptance and implementation of FLC and FCS is the widespread reluctance of private forest owners to join and commit to cooperative initiatives. The purpose of the pilot project is to evaluate the state of knowledge of this complex, but clearly effective integrated wood mobilisation solution, and make it more accessible to the target group.

The NRW pilot project evaluates five successful best practice cases, which provide convincing, tangible evidence on the benefits of FLC and FCS for individual owners and wider impacts for SFM. One of these cases is described here.

FCS Wickersbach: Transferring private forest property into a community forest



FLC Wickersbach. Situation before and after the forest land consolidation. (a) Highly fragmented original property of 9.15 ha of 67 owners. (b) New FCS of 8.5 ha founded by 57 private owners. A few non-consolidated private parcels remain within the FLC (Source: Büdenbender & Ahlborn 2010).

The area is located close to the city of Siegen in the county of Siegen-Wittgenstein in NRW, Germany. The area showed a high degree of fragmentation as a result of the continued division of property over the decades.

The total 9.15 ha were divided into 93 land parcels with an average size of 984 m² and a typical parcel shape of 120 × 8 m. The area belonged to 65 private owners including 8 communities of heirs with 22 heirs in total.

Because of these difficult conditions, thinning and harvesting had occurred only sporadically, and the forest was poorly tended and showed unproductive growth. Transferring this area into a forest owner association to improve the situation did not make sense, which is why the idea emerged to convert the area into a new FCS. The main driver of this initiative was the local office of the state forest service.

Establishing a new FCS from private land means that the private owners have to give up their real property and convert it into ideal shares of a community. Unsurprisingly, owners were reluctant when the idea was first proposed to them. Various different interests and concerns had to be considered. The main arguments against the idea were:

- Owners were concerned, that the conversion of the real property into ideal shares of the FCS would in fact result in value losses and a restricted disposition of the property.
- Owners preferred to continue the management of their real property on their own.
- Owners had private reasons, e.g. remembrance of family members, family heritage, nostalgic views of past agricultural work of the land, etc.
- Owners feared that the state forest office intended to dispose of the land and that private ownership rights would be undermined.

A long series of individual consultation meetings was needed to dispel these doubts and convince the private owners of the greater benefit of the FCS.

The conversion had to be planned well in advance by the forestry office. The owners needed to be well informed about the valuation of the land

parcels, the compensation of differences in value, the determination of the value of shares in the FCS and the future perspectives for improved forestry, before they considered the idea positively. With this critical information at hand, finally 57 out of the total 65 private owners, representing 90% of the area, agreed to it and filed the official request for the consolidation.

Following the legal procedure according to the NRW Community Forest Act GWG § 39 ff., the forestry office drafted in close cooperation with the land registry the statute and a stock book, which contains the compilation of land parcels and the distribution of ideal shares according to the contributed properties per owner. These were approved during the founding assembly of the new FCS by a majority of its members. The board of the FCS was elected. After approval of the statute by the Higher Forest Authority, the foundation of the FCS was completed and the legal property was transferred to the community of joint owners.

Evaluation in view of wood mobilisation

The main outcomes of the initiative are:

- A new FCS was founded by 57 private owners who transferred their property into the FCS.
- 75 parcels of land were consolidated to form an area of 8.5 ha.
- The administration has been simplified as there is only one board and accounting for the FCS.
- The forest harvesting has been reactivated and is significantly more effective in the FCS.

However, from the economic point of view, the FCS is still too small to be managed continuously. The area's shape is also not ideal, because several non-consolidated parcels have remained within the FCS area. A further consolidation with a larger adjacent FCS would be an optimal solution.

Conclusions

Community forests in NRW comprise around 42 000 ha or 4.5% of all forests. Today, there are around 270 FCS with 17 500 owners, mainly located in south NRW. The regional planning and forestry authorities have a long experience with land consolidation of FCS to improve structural defects of small-scale private forests.

NRW is the only German federal state with a modern Community Forest Act (GWG) ensuring FCS as a legal body. Other states lack a comparable legal basis, so consolidations into FCS are not possible. NRW's legal instruments for FCS to improve structural defects in forests comprise:

- **New foundation** of FCS per GWG § 39 ff.
- **Consolidation** of FCS per GWG § 26 ff.
- **Consolidation** of forest land through the Land Consolidation Act BGBI I 546
- **Transfer of private land parcels** into adjacent FCS and conversion into ideal shares
- **Purchase of private land parcels** by adjacent FCS following a forest valuation

The new foundation of the FCS Wickersbach could be accomplished, because community forests are rather well known in the Siegerland. In regions of NRW where they are less known, private owners remain suspicious about the cooperative character of FCS.

However, other best practice cases show how private owners could be reactivated by joining an existing FCS as part of a FLC proceeding. These cases are also explored by the NRW pilot project.

The concept of ideal shares in FCS represents a solution to overcome structural deficits for forest management and timber marketing in small-scale private forests. The lessons learnt from FCS in NRW are also of relevance to other European countries facing similar issues of land and ownership fragmentation.

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