



PROTECTION OF LITHUANIAN FORESTRY RESOURCES

31 May 2022

No VAE-3

SUMMARY

Relevance of the Audit

The forest is one of the main natural assets of Lithuania, meeting the ecological, economic and social needs of the public. It protects the stability of the landscape, prevents soil erosion, absorbs carbon dioxide and purifies the air, protects groundwater and surface waters, provides the public with the necessary products, and is used as a place of rest.

Forests, with their unique natural system and their biodiversity, constitute habitats for many different land-based plants and animals. In order to preserve these habitats and their biodiversity for future generations, a coherent Natura 2000 network of European protected areas has been set up. It includes protected, endangered, vulnerable, rare or unique plant and animal species and habitats specific to the European region.

Forest land in Lithuania covers 2,202.2 thousand hectares or 33.7 % of the country's area. Between 2016 and 2020, the forest cover increased by 15.4 thousand hectares or 0.2 %. Forest land per capita is 0.8 ha.

In Lithuania, 434.9 thousand ha of habitats of European Community importance have been inventoried, or 6.7% of the country's territory¹. Forest habitats account for 61.3 % (266.7 thousand ha out of 434.9 thousand hectares) and 12.6 % of all forests. To combat climate change and conserve the habitats of forest fauna and flora, forest cover is to be increased

¹ Nature Research Centre's 2015 Report No VPS-2014-188-ES Establishment of Criteria for the Favourable Conservation Status of Natural Habitats of EC Importance and Development of a Methodological Framework for a Monitoring System, Part I. Analysis of Inventory Data of Habitats of EC Importance and Establishment of Criteria for Favourable Conservation Status under the contract with the Ministry of the Environment of the Republic of Lithuania of 28/11/2014.

to 35 %², and at least 138.5 thousand hectares of forest habitats are to be designated as areas important for habitats conservation.

Between 2016 and 2020, EUR 941.4 million³ were allocated to the forest sector, of which 768.3 million were operating costs of the State Forest Enterprise, 60 million from the Programme for the Financing of General Forestry Needs, 37 million from the operational costs of the State Service for Protected Areas and 76.1 million from EU funds.

In order to assess whether forests are protected and the natural values of the European Community's interest thereof, we carried out a public performance audit.

Objective and Scope of the Audit

The objective of the audit is to assess whether the conservation of forests and their forest habitats of the European Community interest is ensured.

Key audit questions:

- whether the areas of forests in Lithuania are known and their groups are established;
- whether forests are protected against pests, diseases and other adverse factors;
- whether the planning of inspections provides preconditions for effective State control of forests;
- whether natural values of natural forest habitats of European Community interest are protected.

Audited entities:

- Ministry of Environment formulates state policy in the fields of forestry and biodiversity protection; organises the inventory of all forests in the country, organises the preparation of projects for forest cover increase, landscape and biodiversity conservation, use of forest resources, and coordinates the implementation of these programmes; forms a system of protected areas; organises the selection of areas for the European ecological network Natura 2000;
- State Forest Service performs state forest inventory and forest accounting, monitors their condition, sequences, predicts disease and pest violations, coordinates the application of forest sanitary protection measures; advises forest managers and users on forest use, restoration, maintenance and protection matters;
- State Service for Protected Areas organises the preparation of protected areas planning documents, manages the records of protected areas, compiles and systematises data on protected areas, organises the protection and

² National Environmental Protection Strategy, p. 21.

³ Excluding private forest owners' funding for forest maintenance.

management of protected areas established by the State, coordinates the monitoring measures of the State Environmental Monitoring Programme.

- State Forest Enterprise manages, maintains, protects, plants, uses and restores state forests.

The audited period - 2016–2020. In order to assess developments and compare data on some issues, data from the past and 2021 was also assessed.

The audit has been performed in accordance with the International Standards of Supreme Audit Institutions. The scope and methods of the audit are described in greater detail in Annex 2, Audit Scope and Methods (p. 37).

Key Results of the Audit:

Forests and their natural values are not adequately protected: the forestry objectives set out in the strategic planning documents have not been met; the number of trees damaged by animals, insects, diseases or other factors increases; the process of control of economic activity in forests needs improvement; designation of areas important for the conservation of the habitat is delayed.

1. Forest cover increase is insufficient, not all forest areas are assigned to forest groups

- The Environmental Protection Strategy⁴ envisaged that the country's forest cover would reach 34.2% (2,233.3 thousand hectares) in 2020 and 35.0% (2,285.5 thousand hectares) in 2030, but over the period from 2016 to 2020, the forest cover increased at an average annual rate of 0.04% (3.1 thousand hectares), and by 2020 it was 33.7% (2,202.2 thousand hectares). If forest cover continues to increase at this rate, the set target will be reached only in 2047. Insufficient forest cover increase results in ecological imbalance, with forests absorbing less carbon dioxide (Section 1.1, p. 13).
- An area of non-forest land overgrown with wild trees is considered to be a forest when the average age of the wild trees is at least 20 years. In order for a self-created forest to obtain legal protection, it must be identified, accounted for and included in the Forest State Register. According to the data of the State Forest Service, in 2016–2020, 1,505.3 ha of non-forest land covered with wild trees with an average age of at least 20 years was included in this register. Only 36.3% (545.7 ha out of 1,505.3 ha) had an average stand age between 20 and 30 years, while 63.7% (959.6 ha out of 1,505.3 ha) had an average stand age above 30 years. More than a tenth, i.e. 10.7 % (161.2 ha out of 1,505.3 ha), had an average stand age of 100 years or more. According to preliminary estimates of the State Forest Service, around 15.5 thousand ha of non-forest land covered with wild trees have not been inventoried and included in the register. Due to the failure to inventory and include the areas of land covered with wild trees in the Forest State Register in a timely manner, the protection of self-created forests is not ensured and there is no obligation for the forest manager to

⁴ National Environmental Protection Strategy, p. 21.

monitor the condition of the forest and to cultivate and maintain the growing stand. There are also no restrictions on the clearing of such forests and no requirement to restore the forest area cleared (Section 1.2, p. 15).

- Forests must be grouped according to the purposes of farming. We found that as of 1 December 2021, 28.4 thousand ha of forest area (1.3%) registered in the Forest State Register were not classified into forest groups. Neither have the management schemes necessary to classify a forest area into a specific forest group been prepared. About one fifth (6.0 thousand ha out of 28.4 thousand ha, i.e. 21.2%) of such forest areas were included in the register 9 or more years ago. If the forest group has not been identified for a long time, the forests may not be properly maintained and may be subject to economic activities that should be restricted for forests of 1-3 groups (Section 1.3, page 17).

2. The forest monitoring system has room for improvement

When the State Forest Service receives information about a large-scale forest violation caused by insects, diseases or other factors, it should identify the cause of the violation, assess the risk of the formation of hotspots of mass spread, recommend preventive or destructive measures and monitor the effectiveness of the applied measures. In a random statistical sample of 41 cases, we found that only 1 case (2.4%) was followed up by the Service. The National Forestry Sector Development Programme for 2012-2020 set the objective of preserving and increasing the area of Lithuania's forests and their resources. The target was to keep the number of damaged trees below 16% in 2020⁵, but between 2016 and 2020 this figure increased by 6.4 p.p. to 23.1%. In order to protect forests and their biodiversity, it is important to detect violations in time, correctly identify their causes and prevent the emergence or spread of disease or pest outbreaks as early as possible. Due to the failure to identify the causes of the violation, to assess the risk of mass spread of diseases or pests, and to recommend preventive or destructive measures the opportunity to take timely measures to stop the spread of diseases and pests is missed (Section 2.1, p. 19).

- The actions of the monitoring institutions must be directed first towards eliminating the highest risk cases. Risk assessment should be carried out according to defined criteria and inspection plans should be drawn up based on the results. The State Forest Service had established criteria for the selection of economic entities to be inspected⁶, however, they were not attributed with weights for the purpose of ranking the economic entities and identifying the riskiest ones. The assessment process and its results are not documented, therefore we could not ascertain whether the riskiest economic entities were included in the inspection plans. On average, the State Forest Service carried out around 38% of planned inspections in private forests each year between 2016 and 2020, while it is recommended to carry out at least 50% of the total number of such inspections. The absence of a well-functioning risk assessment

⁵ Number of affected trees based on forest monitoring data (average of the previous 5 years) in percent.

⁶ The rules of scheduled and unscheduled inspections of the State Forest Service in the course of the state control over the condition, use, restoration, plant and protection of forests approved by the Order No 87-12-V of the Director of the State Forest Service of 19 April 2012; the methodology for planning inspections of private forest land plots or sawmills approved by the Order No 78-13-V of 12 April 2013.

system in place to identify the riskiest economic entities results in the failure to ensure that inspection plans are drawn up in an objective and impartial manner and the loss of the opportunity to include in the plan and inspect the economic entities whose activities pose the greatest risk to the environment (Section 2.2, p. 22).

- In order to objectively assess the riskiness of economic entities, it is recommended that monitoring institutions separate the functions of planning and carrying out inspections⁷. The employees proposing the selection of economic entities should not have a direct reporting relationship with the persons directly organising and carrying out inspections. The State Forest Service did not adequately separate the functions of selecting and conducting inspections. Inspection officers were also involved in the process of assessing the risk of economic entities and drawing up inspection plans. This did not ensure an impartial risk assessment of the economic entities included in the plan (Section 2.2, p. 22).

3. Adequate conditions for the protection of rare, endangered or vulnerable habitats, plants and animals in forests are not ensured

- In order to protect the natural values of forest habitats, countries are obliged to include at least 60% of priority forest habitats and 20% of non-priority forest habitats of each type in the Natura 2000 network⁸; in total, this would amount to 138.5 thousand ha in Lithuania. Lithuania proposed to the European Commission to include only 81.8 thousand hectares of the 138.5 thousand ha (59.0%) of the planned area by 01/10/2021, but only 36.0 thousand ha of the 138.5 thousand ha (26.0%) of the planned area have been actually included. Once the European Commission has confirmed that a site proposed by a country meets the requirements for Natura 2000 areas, Member States must designate it as a site important for habitats conservation (i.e. to include in the Natura 2000 network) as soon as possible, but no later than within 6 years⁹. Between April 2009 and October 2021, 210 (62.1%) of the 338 sites of Community importance approved by the European Commission have been identified as important for habitat conservation. Of these, 167 (79.5%) have taken more than 6 years to be designated and 128¹⁰ (37.9%) are still not designated. The European Commission has launched an infringement procedure against Lithuania for failing to provide the European Commission with an adequate list of sites and for failing to designate a site as an important site for habitat conservation within the deadlines set. Failure to designate sites important for habitat conservation in a timely manner prevents the protection of endangered, rare animal, bird or plant species (Section 3.1, p. 25).

⁷ Guidelines for risk-based monitoring of economic entities approved by Order No 4-432/1R-169 of the Minister of Economy and the Minister of Justice of 3 July 2015, points 34.2-34.4.

⁸ By the Decision of the Habitats Committee Hab. 97/2 rev. 4 18/11/97, Internet access: https://www.eionet.europa.eu/etcs/etc-bd/activities/hab_97_2_criter_en.pdf.

⁹ Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, Article 4.

¹⁰ 26 sites are still within the 6-year deadline.

- The protection of sites important for habitat conservation must be carried out in the context of defined conservation objectives, which must be specific, clear, measurable and capable of being monitored¹¹. The conservation objectives set by the Ministry of the Environment for these sites are very abstract and do not define the desired conservation status for each of the protected habitats and species for which the site was designated. The Ministry of the Environment has only started to establish conservation objectives in a new format, with criteria for good conservation status for habitats and plant and animal species, as of 7 September 2021. By 10/05/2022, objectives are set to only 6.2% (13 out of 210) of forest habitats. Monitoring of sites important for habitat conservation is needed to assess the achievement of the objectives. Monitoring of habitats in forests should be carried out at least every 3 years¹². The first 61 sites important for habitat conservation were identified in 2018 but were not monitored until 31/12/2021. Failure to set specific conservation objectives for habitat conservation and failure to monitor the condition may result in the loss of rare, endangered or vulnerable bird, animal, plant or habitat species (Section 3.2, p. 28).

Recommendations

To the Ministry of Environment

1. Measures to accelerate the increase of forest cover to ensure ecological stability and combat climate change must be established (1 key audit result).
2. In order to ensure the protection of self-created forests, all non-forest land forests with an average age of at least 20 years must be inventoried and included in the Forest State Register within a maximum of 5 years (1 key audit result).
3. In order to identify key economic requirements and protect forests, a forest group no later than 3 years after inclusion in the Forest State Register must be set (1 key audit result).
4. In order to guarantee effective control of state forests, ensure that the Environmental Protection Department separates the planning and conducting of inspections and introduces a system of risk assessment of economic entities in the context of state control over the condition, use, restoration, plant and protection of the country's forests under all forms of ownership (2 key audit result).
5. In order to protect rare animals, birds and plants from extinction, ensure that sites of European Community importance are designated for the protection of habitats within the deadlines set by the European Community (3 key audit result).

¹¹ European Commission Communication on the setting of targets for the protection of Natura 2000 sites (European Commission, Doc. Hab.12-04/06, November 2012).

¹² Monitoring programme for habitats and sites important for the conservation of birds approved by Order No 695 of the Minister of the Environment of 31 December 2002, Table 1.

6. In order to protect endangered and rare animals, birds and plants, ensure that at least 60% of priority forest habitats and 20% of non-priority forest habitats for each species are included in the Natura 2000 network (3 key audit result).
7. In order to provide the right preconditions for the effective conservation of rare, endangered or vulnerable bird, animal, plant or habitat species, review and revise the objectives set for the protection of sites important for habitat conservation to be in line with EU requirements (3 key audit result).
8. In order to assess the condition of sites important for the conservation of habitats in forests, establish criteria for the assessment of good condition (3 key audit result).

To the State Forest Service

9. In order to prevent the formation emergence or spread of disease or pest outbreaks, in case of large-scale violations in forests, to identify the causes of the violation, assess the risk of the formation of hotspots of mass spread, recommend the most appropriate preventive or destructive measures, and monitor the effectiveness of the measures taken (2 key audit result).

To the State Service for Protected Areas

10. In order to assess changes in these sites, periodic monitoring of forests in sites of importance for habitat conservation needs to be performed (3 key audit result).

Measures and deadlines for the implementation of the recommendations, the expected impact of the audit and indicators for measuring change are set out in the Recommendations Implementation Plan section of the Report (p. 30). Up-to-date information on the status of implementation of the recommendations, results and developments is published as open data on the National Audit Office's website <https://www.valstybeskontrole.lt/LT/AtviriDuomenys>.