

Empowering small forest owners to achieve EU Forest Strategy goals



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Forests provide a wide range of vital ecosystem services, including biodiversity conservation, carbon storage, water regulation and recreational opportunities. Multifunctional forest management aims to safeguard these services while allowing for sustainable economic use, such as timber production. However, achieving this balance is becoming increasingly difficult due to pressures from climate change, land-use change, economic fragmentation and complex regulatory environments. Small forest owners are particularly exposed to these challenges, often lacking the resources and support needed to manage their land effectively. The Small4Good (S4G) project addresses these risks by developing practical, incentive-based solutions. By promoting regionally adapted strategies, developing digital and AI tools and supporting innovative funding mechanisms like Payments for Ecosystem Services (PES), S4G helps smallholders contribute to the objectives of the EU Forest Strategy through sustainable, multifunctional forest management.

Small4Good: Sustainable multifunctional management by small forest owners

Small4Good aims to empower small forest owners to protect biodiversity and enhance ecosystem services through multifunctional, locally adapted forest management approaches. These models are financially supported by Payments for Ecosystem Services (PES) schemes, such as biodiversity offsetting and carbon sequestration, and are further strengthened by the use of digital and AI-based tools to boost management capacity and encourage active engagement among smallholders.

Firstly, the project analyses the broader context in which small forest owners operate, identifying their motivations as well as the barriers they face. Based on these insights, Small4Good develops stakeholder-driven and attractive business models that promote multifunctional forest use while supporting the goals of the EU Forestry Strategy. These models are tested in real-world conditions through Living Labs, established in four European regions: North (Norway), East (Romania), Central (Germany and Switzerland) and South (Spain). This implementation is supported by regionally tailored silvicultural and operational solutions. Digital tools and artificial intelligence are also explored for their potential to support the practical application of these models and to better engage forest owners.

The ambition of the EU Forest Strategy regarding multifunctional forests and Payment for Ecosystem Services

Launched in 2023 by the European Commission, the EU Forest Strategy aims to achieve the biodiversity and climate neutrality goals outlined in the European Green Deal and the EU Biodiversity Strategy for 2030. This strategy seeks to enhance both the quantity and quality of multifunctional forests in the European Union. It also aims to develop financial incentives for forest owners and managers to adopt environmentally friendly practices through Payment for Ecosystem Services. However, the forests' ability to provide ecosystem services is threatened by various challenges, such as urbanisation, climate change and the growing demand for wood.

The central role of forest owners

Around 60% of Europe's forests are privately owned by approximately 16 million owners, many of whom are smallholders. These owners play a central role in the provision of biodiversity and ecosystem services (BES). Yet, many forest owners remain inactive due to limited knowledge, fragmented ownership, low profitability, complex regulations and a lack of financial support. The success of the EU Forest Strategy depends on transforming these forest owners into active managers and stewards of Europe's forest ecosystems. Before imposing obligations or penalties, it is essential to provide forest owners with supportive funds, policy and a legislative framework. To address these challenges, ELO plays a pivotal role in representing forest owners, promotes sustainable forest management and advocates for enabling conditions that support multifunctional forestry. Through its active participation in EU-funded projects like Small4Good (S4G), ELO is helping to turn strategy into action.



How is ELO involved?

ELO leads the activities related to the dissemination, communication and exploitation of the project. This includes managing communication efforts, producing targeted materials for EU policymakers and forest owners, organising events and increasing the visibility of the Living Labs as examples of innovation and success. For example, our Forestry Project Team recently developed a dedicated section of the Small4Good website that presents in detail each Living Lab. This section explains how each Lab operates, the specific challenges it tackles, and the types of innovations it introduces to forest management, aiming to inform and inspire a wide audience, including landowners, policymakers and other stakeholders.

Finally, in addition to its role in communication, our team will also soon contribute to the analysis of various institutional settings, constraints and new business models (including PES) across the European Union.

More info at www.small4good.eu

1 - COM(2021) 572 final

2 - SWD(2023) 285 final

3 - European Parliament resolution of 13 September 2022 on a new Forest Strategy for 2030 - Sustainable Forest Management in Europe (2022/2016(INI))