

OECD
Forestry and
Rural Development
Initiative

LATVIA

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4th VIRTUAL DIALOGUE - 16 July



Lessons from Latvia

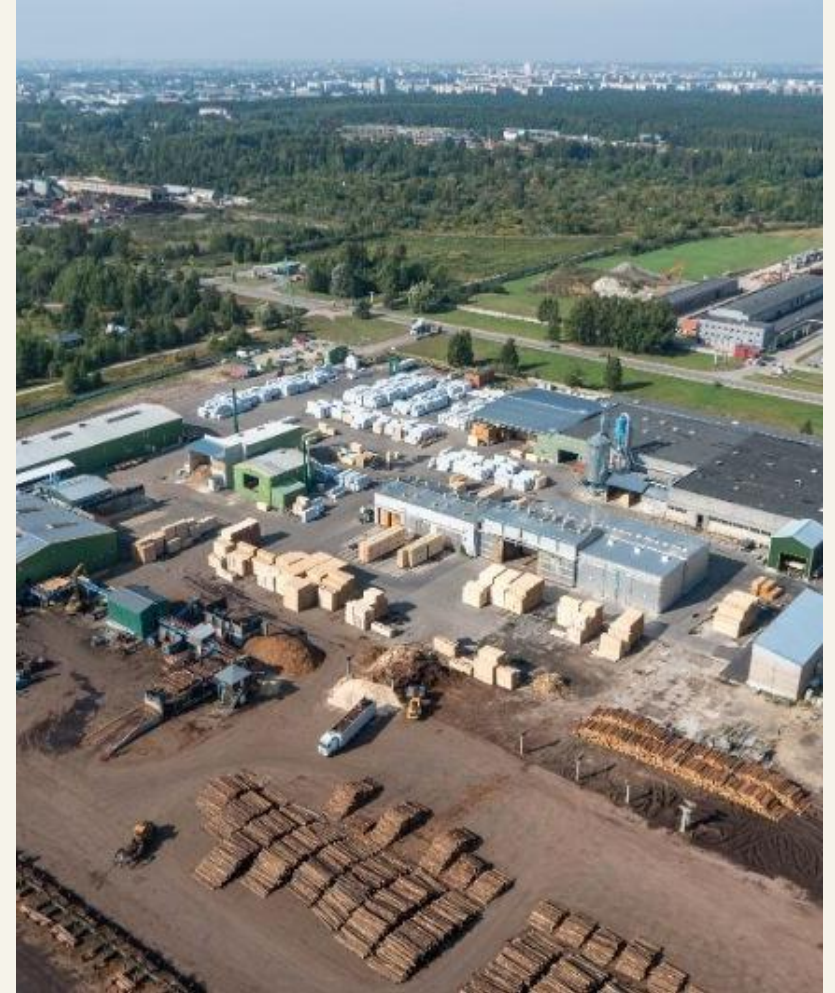
Economic and biodiversity trade-offs in the forest sector

Arvīds Ozols • OECD 4th Forest Dialogue • 16 July 2026

The trade-off is real because forests carry several mandates

- > half of Latvia is forested / forest land
- ~1/5 of national exports linked to timber industry
- €3.3bn+ forest industry value, exported to 107 countries in 2024

This makes forest policy a question of rural livelihoods, industrial strategy, biodiversity, climate, water and landscapes — at the same time.



Four pressures are converging at the same time

Bioeconomy & supply

stable raw material flows, value-added wood products, supply chains closer to markets

Biodiversity & restoration

strict protection, deadwood, old forests, habitat quality and connectivity

Climate & resilience

LULUCF trajectory, organic soils, ageing stands, disturbance risks

Legal certainty & trust

post-2024 Constitutional Court: stronger assessment, participation, proportionality

Latvia's policy challenge is not choosing one mandate. It is designing where, how and under what safeguards each mandate dominates.

One indicator never carries the full decision

Economic viability

- output and exports
- value added per m³, person, ha
- rural employment
- processing depth

Biodiversity condition

- habitat quality
- deadwood
- old forests
- species trends

Climate & resilience

- LULUCF net balance ???
- organic soils
- disturbance risk
- wood substitution

Triangulate: national forest monitoring + VMD data + DAP data + Silava modelling + LU ecological evidence + KPMG socioeconomic analysis + stakeholder knowledge

best available evidence ≠ perfect certainty

“Doing everything everywhere” has reached its limits

A place-based forest policy should ask:

- 1 Where is production most resilient and lowest-conflict?
- 2 Where does strict protection deliver the highest biodiversity return?
- 3 Where does restoration also reduce climate or water risks?
- 4 Where do recreation and landscape values dominate?

Spatial specialisation is not fragmentation of policy. It is the discipline of matching the management objective to the site.



Nature protection must become more dynamic



**Static maps are not enough
in a changing climate.**

A dynamic approach combines:

habitat quality	not only area percentages
connectivity	not isolated reserves
climate adaptation	species and provenance flexibility where justified
technology	remote sensing, acoustic/video AI, citizen science plus professional monitoring

**Nature Restoration Regulation indicators
should strengthen, not replace, national
monitoring and local ecological judgement.**

Legal certainty requires a stronger policy process

For sensitive measures — such as final felling age/diameter rules — Latvia now needs a policy sequence that is explicit and auditable:

- 1 Define the problem** resource supply, climate, biodiversity, owner rights, rural economy
- 2 Compare alternatives** including “no change”, spatial variants and compensation options
- 3 Assess impacts** SEA-quality evidence, cumulative effects and uncertainty
- 4 Set safeguards** strict protection, retention, water/soil rules, adaptive triggers
- 5 Monitor and correct** transparent indicators and review points

The issue is not whether Latvia can change rules. It is whether it can justify changes with evidence, proportionality and credible safeguards.

Wrap-up: three OECD takeaways from Latvia

1

Make choices spatially explicit

avoid hiding trade-offs behind generic “balance” language

2

Use evidence as a learning system

triangulate indicators and accept uncertainty with monitoring

3

Move from static protection to adaptive safeguards

protect what matters most, and update as climate and evidence change

Latvia is not a case of forestry versus biodiversity. It is a case for making trade-offs visible, place-based and correctable.