

Briefing Note

# 01

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## Is the rural development policy supporting good forest management and biodiversity conservation?



Violet ground beetle (*Carabus violaceus*), Forêt de Compiègne, France  
Image: Bernard Van Elegem

The European Union's (EU) Common Agricultural Policy (CAP) is the largest EU source of support for forest practices.

This money sits under the Rural Development pillar of the CAP and the policy which guides this funding is the Rural Development Regulation (RDR). This briefing note considers whether the RDR is contributing to good forest management and biodiversity conservation by looking at both afforestation measures and Natura 2000 (forest) payments of six countries.<sup>1</sup>

## 1. The Rural Development Regulation

In 2000, a process called Agenda 2000 CAP reform<sup>2</sup> split funding for agriculture into two pillars: pillar one covering 'market and income support measures' and pillar two 'rural development'. As direct EU funding for forests is nonexistent because of the lack of a specific legal basis, financing for forests in the EU comes mainly from the rural development pillar of the CAP. The current RDR was adopted in 2005 and applies to the period 2007-2013. One of its aims was to regroup and streamline forestry measures in order to promote better integration of forestry in rural development.

The Regulation includes over 40 possible measures, grouped in the following four axes:

- (1) Improving the competitiveness of agriculture and forestry by supporting restructuring, development and innovation;
  - (2) Improving the environment and countryside by supporting land management;
  - (3) Improving the quality of life in urban areas and encouraging diversification of economic activity;
  - (4) The leader community initiative, providing funds contributing to three objectives for local action groups.
- All Member States have developed national strategy plans in which they have outlined the national priorities for rural development in line with the community priorities, laid down in the Community Strategic Guidelines.<sup>3</sup>

In addition to this, Member States also developed rural development programmes, (RDPs) to implement the national strategies through a set of measures, grouped together in accordance with the four axes of the RDR. The RDPs need to be in line with national strategy plans, the implementation rules<sup>4</sup> developed by the

European Commission, and the State Aid Guidelines.<sup>5</sup> It was up to the Member States to choose which measures to put forward for EU funding. Mandatory elements were:

1. At least ten per cent of requested funds need to be spent under axes one and three, at least 20 per cent of requested funds under axis two, and at least five per cent under axis four;
2. Member States must consult relevant stakeholders (including NGOs) in the development of national programmes;
3. Member States must match EU funds with their own funds.

## 2. The forestry measures

The RDR includes in total over 40 measures, of which 20 have direct or indirect relevance to forestry. In advance of any modifications resulting from the Health Check<sup>6</sup> of the CAP and the European Economic Recovery Plan<sup>7</sup> (EERP), €16 billion has been allocated for the forestry measures during the period 2007 – 2013. This is equal to seven-eight per cent of the total financing made available to rural development programmes during the programming period 2007 – 2013.<sup>8</sup>

### 2.1. Afforestation measures

The afforestation measures<sup>9</sup> under the current regulation are among the most important measures affecting forestry. The European Commission's (EC) analysis on the forestry measures shows that a large proportion – roughly a third – of money for forestry measures is being allocated to afforestation. The national and regional programmes aim to afforest more than 650,000 hectares of agricultural land (in 22 Member States), and 240,000 hectares of non-agricultural land (in 13 Member States).<sup>10</sup>

As indicated in a FERN report, where the national RDPs of six countries were being studied, a large proportion of funding allocated to afforestation goes to plantations of non-native or 'alien' and sometimes invasive species.<sup>11</sup> The European Environment Agency (EEA) is very clear about the negative impact of alien species. Biological invasion by alien species is one of the greatest threats to the ecological and economic well-being of the planet. Alien species can act as vectors for new diseases, alter ecosystem processes, change biodiversity, disrupt cultural landscapes, reduce the value of land and water for human activities, and cause other socio-economic consequences for humans. The latest assessment from the EEA-led project on streamlining European biodiversity indicators reveals that the number of invasive species in Europe continues to increase rapidly, with more and more negative economic and ecological consequences.<sup>12</sup>

If we look at the RDR, the implementation guidelines of the RDR and the state aid guidelines, it is clear that protection of the environment is an important criterion for afforestation. Recital 38 of the RDR makes it clear that 'in order to *contribute to the protection of the environment*, the prevention of natural hazards

and fires, as well as to mitigate climate change, forest resources should be extended and improved by first afforestation of agricultural land and any other than agricultural land'. The state aid guidelines stipulate that 'no aid should be accepted for commercially viable felling or restocking after felling or establishing and maintaining any plantation with no demonstrated environmental or recreational benefit'.

Another reference can be found in the implementation guidelines: 'Care should be taken to avoid afforestation harmful to biodiversity or causing environmental damage.' The RDR does not, however, exclude support for fast-growing species.

Some people argue that preventing erosion and increasing carbon sink capacity are indeed environmental benefits, and that therefore planting alien species may not be in contradiction of these stipulations. However, there are clear indications that alien species can have a negative environmental impact and harm biodiversity.

The overall objectives on afforestation seem generally clear in the rural development policy. But there is no comprehensive set of rules stipulating that support for forestry is conditional on not harming the environment.

### BOX 1: Examples of afforestation harmful to biodiversity or causing environmental damage

#### Hungary<sup>13</sup>

In Hungary, even though extra points are given for afforestation with native species in the evaluation of the applications, it is disturbing that 45 per cent of all funds spent under this measure during 2007 – 2009 went to afforestation (of agricultural land) with mainly non-indigenous species. Foremost among these is black locust (*Robinia pseudoacacia*), which is classified by the EEA as one of the hundred worst invasive species. This aggressively spreading species from North America makes it difficult to restore natural habitats after harvesting, due to its capacity for vigorous regeneration.

#### Bulgaria<sup>14</sup>

In Bulgaria, the places chosen for afforestation are sometimes controversial. Over the last few years, Birdlife Bulgaria (BSPB) has encountered several projects for afforestation of valuable natural and semi-natural grasslands within Natura 2000 sites. Most of them were funded by the former state fund called 'Bulgarian Forest'. One afforestation project in the Sakar Mountain region was planned on valuable semi-natural grasslands near the nesting ground of the globally endangered imperial eagle. The soil preparation process destroyed the habitat and also caused disturbance to the eagle. Fortunately, pressure from BSPB resulted in the process being stopped.

## 2.2. Natura 2000 forest payments

Natura 2000 is the EU-wide network of nature protection areas established under the 1992 Habitats Directive,<sup>15</sup> which aims to safeguard the long-term survival of Europe's most valuable and threatened species and habitats. It is composed of Special Areas of Conservation (SAC) designated by Member States under the Habitats Directive, and also incorporates Special Protection Areas (SPA) designated under the 1979 Birds Directive.<sup>16</sup>

There are three stages in the selection of SACs under the Habitats Directive:

- (1) Member States propose sites after making comprehensive assessments of each of the habitat types and species on the territory.
- (2) On the basis of the proposed national lists, the Commission, in agreement with the Member States, adopts Sites of Community Importance (SCIs).
- (3) Once the lists of SCIs have been adopted, Member States designate all sites as SACs as soon as possible (within six years at most). During this period, Member States should establish management or restoration measures for the sites which will ensure their favourable conservation status.

Forest habitat types designated as Natura 2000 sites cover over 14 million hectares, constituting almost 20 per cent of the whole terrestrial Natura 2000 network.<sup>17</sup> Of the forest habitats that have so far been integrated into the Natura 2000 network, 35 per cent have the 'unfavourable to bad' conservation status, and 28 per cent 'unfavourable to inadequate'.<sup>18</sup>

The mid-term evaluation of the Biodiversity Action Plan<sup>19</sup> states that in order to safeguard the EU's most important habitats and species, the challenge is increasingly becoming one of effectively managing and restoring sites within the Natura 2000 network. The action plan further states that for many countries, axis two of the rural development policy appears to be the most important EU funding source for

Natura 2000 and biodiversity (agriculture and forests). The report also admits that in many policy areas, it is difficult to obtain reliable figures for the amount of money actually spent on biodiversity. One of the recommendations is to develop better mechanisms to determine how much EU funding has been used by Member States for nature, and whether this is sufficient to support the management and restoration of Natura 2000 and wider biodiversity needs.<sup>20</sup>

The European Commission's analysis of the forestry measures shows that the Natura 2000 measure (for forests) has the lowest uptake in the programmes from all the forest-specific measures (i.e. those measures that have their own separate budget). It has been taken up in only fifteen national or regional RDPs,<sup>21</sup> and even these have very low budgets. The budget available will provide support for more than 60,000 private forest owners, with 400,000 hectares of forest land and an average area of 6.8 hectares per beneficiary.

Some Member States included support for Natura 2000 in other forestry measures such as the forest-environment payments.



Logging in the forest of Kytjä-Usmi, Natura 2000 site  
Image: FANC archives

## BOX 2: Examples of destructive or unsatisfactory implementation of the Natura 2000 measure

### Bulgaria<sup>22</sup>

In Bulgaria, Natura 2000 payments are the only example of pure forest protection in the RDP. The launch of Natura 2000 compensation payments for forest owners will however probably not happen within this programming period. This could prevent the RDP from making a direct contribution to forest species and habitat conservation. In Bulgaria, the protection status of the majority of Natura 2000 sites is unclear, due to the lack of management plans and the absence of clear, rigorous and adequate restrictions in their designation orders. Therefore the protection and sustainable use of forests within Natura 2000 remains an issue of concern.

### Finland<sup>23</sup>

The forest of Kytäjä-Usmin is recognised as a Natura 2000 site, and covers 2,266 hectares. It was a large unfragmented forest area in southern Finland, some 60 kilometres north from Helsinki, but the integrity of this large forest has since been lost. The national conservation tool that was used for this site was not the Nature Conservation Act, but the Land Use and Building Act, which is aimed at regulating building of houses, but is not an efficient tool against logging.

The vast majority of the area was owned by Kytäjä manor, which planned major clearcuts. When logging started in 2006, the company failed to provide a proper inventory, and the logging plan was inadequate. This resulted in the logging of important areas for western taiga and flying squirrels (*Pteromys volans*, strictly protected species in annex IV of the Habitats Directive). After the Finnish Association for Nature Conservation (FANC) filed a complaint to the Uusimaa regional environmental centre, the forest and environment authorities conducted more fieldwork in 2007-2008. FANC also made more inventories in the area. This resulted in a new management plan, and the state bought 300 hectares of the area. Even though the Uusimaa environment centre celebrated this as the biggest private nature conservation area in the whole county, currently only 15 per cent of the whole Natura 2000 area is strictly protected and 85 per cent can still be logged.

If there was more rural development money allocated for forest biodiversity, it is likely that the authorities could have financed better inventories and management plans or bought the whole area before FANC filed the complaint.

## 3. Conclusions

NGO reports in the last few years have demonstrated that there are currently not enough incentives or safeguards in place to ensure that the rural development policy effectively contributes to good forest management and biodiversity conservation. This problematic situation is well demonstrated by looking in detail at afforestation measures and Natura 2000 payments.

Despite the rural development policy being clear that the priority of afforestation should be to protect the environment, afforestation that harms biodiversity or causes environmental damage is currently still being financed by the rural development fund. There is therefore a need for clearer guidelines for afforestation which ensure that public money is not spent on planting alien and - definitely not invasive - species.

The EC's own analysis of the forestry measures under the RDR gave rise to concern with regards to the Natura 2000 forest payments. Only 15 of the 88 national and regional RDPs allocated funds to this specific measure. Some countries have allocated funds for Natura 2000 using other measures, but we have yet to see how that will transfer into reality on the ground. The implementation of this measure is seriously lagging behind in some countries. Case studies also show that some practices are having a destructive impact on Natura 2000 sites.

Member States who have not made plans to support Natura 2000 should reconsider this. All possible steps should be taken to implement the Natura 2000 forest payment measure. In the next rural development programming period, Member States should be obliged to integrate the Natura 2000 forest payment measure into their rural development strategy and programme.



## Endnotes

1. Bulgaria, Czech Republic, Finland, Hungary, Portugal and Romania.
2. The second pillar of the CAP was only formally created under the Agenda 2000 reforms. Some of the measures which make up the current rural development policy of the CAP were already introduced in the years before.
3. The strategic guidelines set the strategic priorities for rural development for this programming period with a view to implementing each of the axes laid down in the RDR. Council Decision of 20 February 2006 on Community Strategic Guidelines for rural development (programming period 2007 to 2013). 2006/144/EC.
4. The implementing rules are detailed rules for the implementation of the RDR. They cover amongst others the conditions governing the rural development measures. Commission Regulation N° 1974/2006 of 15 December 2006 laying down detailed rules for the application of Council Regulation N° 1698/2005 on support for rural development by the EAFRD.
5. Community guidelines for state aid in the agricultural and forestry sector 2007 to 2013 (2006/C 319/01).
6. In November 2008, the EU's agriculture ministers reached agreement over the Health Check, designed to modernise, simplify and streamline the CAP. Under one of its measures, it was decided that extra money would be shifted from direct aid (pillar 1) to rural development (pillar 2). The funding may be used by Member States to respond to new challenges and opportunities faced by European agriculture, in the field of among others climate change, renewable energy, water and biodiversity.
7. The European Council approved the EERP in December 2008. It applies to all Member States, and its aim is to provide a coordinated response to the global economic crisis. The EERP is based on an effort equivalent in total to around 1.5 per cent of the EU's gross domestic product, or around 200 billion Euro. Of that amount, 1020 million Euro has been made available to all Member States via the EAFRD with a view to 1) developing broadband internet in rural areas and 2) strengthening the operations related to the new challenges identified in the Health Check.
8. European Commission (2009). Report on implementation of forestry measures under the rural development regulation 1698/2005 for the period 2007-2013.
9. There are 2 possible afforestation measures under the Rural Development Regulation: first afforestation of agricultural land (measure 221) and first afforestation of non-agricultural land (measure 223).
10. European Commission (2009). Report on implementation of forestry measures under the rural development regulation 1698/2005 for the period 2007-2013.
11. The six countries are Bulgaria, Czech Republic, Finland, Hungary, Portugal and Romania. FERN (2008). Funding forests into the future? How the European Fund for Rural Development affects Europe's forests. <http://www.fern.org/sites/fern.org/files/What%20changes%20are%20needed.pdf>
12. DAISIE European Invasive Alien Species Gateway [www.europe-aliens.org](http://www.europe-aliens.org)
13. FERN (2010). What changes are needed? The implementation of EU's Rural Development Policy. <http://www.fern.org/sites/fern.org/files/What%20changes%20are%20needed.pdf>
14. Ibid.
15. Directive N° 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, designated Special Areas of Conservation (SAC).
16. Directive N° 79/409/EEC on the conservation of wild birds, designated Special Protection Areas (SPAs).
17. Green paper on forest protection and information in the EU: preparing forests for climate change. COM(2010)66.
18. Report from the Commission to the European Parliament: composite report on the conservation status of habitat types and species as required under article 17 of the Habitats Directive, COM(2009)358.
19. Communication on the mid-term assessment of implementing the EC Biodiversity Action Plan. COM(2008)864.
20. Ibid.
21. European Commission (2009). Report on implementation of forestry measures under the rural development regulation 1698/2005 for the period 2007-2013.
22. FERN (2010). What changes are needed? The implementation of EU's Rural Development Policy. <http://www.fern.org/sites/fern.org/files/What%20changes%20are%20needed.pdf>
23. Ibid.



Finnish forest in winter  
Image: Harri Hölttä

**Published by FERN, the campaigning NGO for greater environmental and social justice, with a focus on forests and forest people's rights in the policies and practices of the EU.**

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FERN is grateful to the following for providing the information and case studies from the individual countries: Veronika Ferdinandova and Vanya Ratarova (BSPB, Birdlife Bulgaria), Gabor Figeczky (WWF Hungary), Domingos Leitao (SPEA, Portugal), Monia Martini (WWF DCP Romania), Zdenek Postulka (Hnuti Duha, Czech Republic) and Tapani Veistola (FANC, Finland)

This briefing note was prepared with the financial assistance of the Dutch Ministry of Environmental and Spatial Planning (VROM) and the European Commission. The views expressed do not however imply the expression of any opinion on the part of any of the donors. VROM and the European Commission are not responsible for any use of the information contained within this briefing note.