



ENHANCING FOREST PROTECTION IS KEY IN FUTURE CAP

September 2010

1. Introduction

Human activities such as forest management practices have altered both the composition and structure of forests in the European Union (EU), leading to a serious decline in biodiversity. Climate change already affects forest ecosystems and will have an increasing impact on forests in the future. Growing demands for wood – pushed by policies such as the EU bioenergy policy – will increase the depletion of our forest carbon storage capacity and have negative impacts on biodiversity.

If forests in the EU are to be helped to adapt to and play a role in mitigating climate change, both forest protection and management practices across Europe need to be improved.

Rural Development, the second pillar of the Common Agricultural Policy (CAP), is the EU policy through which most support is offered for forest practices. In the context of climate change and declining biodiversity, this support should only remain in place, if funds are used to contribute to improved forest management practices and enhanced forest protection. This is presently not the case.

2. Is the CAP contributing to implementation of EU environmental commitments?

The EU is signatory to several environmental commitments that should be supported by EU policies such as the Rural Development Policy. The current Rural Development Policy - and more specifically the Community Strategic Guidelines¹ - makes clear that measures available under Axis two of the Rural Development Policy should be used to integrate these environmental objectives and contribute to the implementation of:

- The Natura 2000 network;
- The Göteborg commitments to reverse biodiversity decline by 2010;
- The objectives laid down in Directive 2000/60/EC of 23 October 2000 establishing a framework for Community Action in the Field of Water Policy and;
- The Kyoto Protocol targets for climate change mitigation.

The Rural Development Regulation includes in total over 40 measures of which 20 have direct or indirect relevance to forestry. From the eight forest-specific measures (measures that have their own budget), seven are part of Axis two. Of the money from the European Agricultural Fund for

¹ Council Decision of 20 February 2006 on Community Strategic Guidelines for rural development (programming period 2007 to 2013) (2006/144/EC). The guidelines set the priorities for rural development for this programming period with a view to achieving the goals of each of the axes laid down in the RDR.

Rural Development (EAFRD) budget allocated to forests, most has been allocated to these seven forest-specific measures under Axis two.

NGO reports from 2008 and 2010 concluded that when looking at national rural development programmes (RDP) in six countries, there is a clear lack of coherence between EU environmental policies and these RDPs. In other words, the CAP is not contributing to implementation of EU environmental commitments.

2.1. CAP contribution to reverse decline of biodiversity

The EU has failed to halt the loss of biological diversity within its own territory and missed the target of halting biodiversity loss by 2010. The principal reasons for this failure are well known: incomplete implementation of legal instruments for biodiversity protection, poor integration of biodiversity conservation into sectoral policies, and insufficient funding are among the main stumbling blocks for missing the 2010 target.²

So even though specific actions in the EU Biodiversity Action Plan were focusing on the support of nature and biodiversity in the RDPs, implementation of these actions can be considered as disappointing. By looking at support for forestry measures in the current national RDPs, it can be concluded that there were not sufficient incentives or safeguards in place to ensure that the current Rural Development Policy effectively contributes to enhanced forest biodiversity. Afforestation with alien and sometimes invasive species or insufficient support for Natura 2000 in forest areas are clear examples (for more details, see box 1).

In March 2010, the Environment Council agreed on a new target to halt the loss of biodiversity and the degradation of ecosystem services in the EU by 2020 and to restore them in so far as feasible, while stepping up the EU contribution to averting global biodiversity loss. The Council Conclusions stipulated that biodiversity-supportive financial means should be considered through the reform, elimination and reorientation of those subsidies harmful to biodiversity.³ Rural Development is the EU policy which offers most support for forest practices and therefore plays a key role in enhancing forest biodiversity in the EU; but this support has so far been harmful for the environment and therefore needs to be changed.

The revision of the CAP offers possibilities to discuss how safeguards can be put in place to ensure that the CAP contributes effectively to reversing biodiversity loss. The new CAP should support and not undermine any future EU Biodiversity Strategy.

² Council conclusions on biodiversity post-2010. EU and global vision and targets and international access and burden sharing regime. Environment Council Conclusions 15 March 2010.

³ Council conclusions on biodiversity post-2010. EU and global vision and targets and international access and burden sharing regime. Environment Council Conclusions 15 March 2010.

BOX 1: the CAP's contribution to reversing biodiversity decline has been counterproductive

Afforestation measures⁴ under the current Rural Development Regulation (RDR)⁵ are among the most important measures affecting forestry. More than one third of the EAFRD⁶ budget for forest-specific⁷ measures has been allocated to afforestation.⁸ The current Rural Development Policy⁹ stipulates that protection of the environment is an important criterion for afforestation and that care should be taken to avoid afforestation which is harmful to biodiversity or causes environmental damage. Practice shows however that the current policy lacks clear guidelines for afforestation. As indicated in a FERN report¹⁰ that looked at the National RDPs of six countries,¹¹ a large proportion of funding allocated to afforestation goes to plantations of non-native or 'alien' and sometimes invasive species. There are clear indications that alien species have a negative environmental impact and harm biodiversity. Therefore CAP funding has been negatively impacting biodiversity, rather than contributing to halting its decline.

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.¹² 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'.¹³ When looking more closely to the RDPs, the Natura 2000 measure has the lowest uptake in the RDPs from all the forest-specific measures. It has been taken up in only 15 national or regional RDPs,¹⁴ and even these have very low budgets. Even though some Member States have also included support for Natura 2000 in other measures, the Member States have not used the potential to allocate sufficient financial support needed for Natura 2000.

2.2. CAP and forest policy

There is no forest policy in the EU as there is a lack of legal basis and mandate in the Treaties. There have been efforts to come with various soft policy instruments to enhance coherence and coordination between national forest policies and different forest related EU policies such as the EU Forestry Strategy. However, development and implementation of these soft instruments have left much to be desired. The EU Forestry Strategy is governed by two guiding principles: forests play a multifunctional role and forest management should be sustainable. Even the Court of Auditors observed that concepts of sustainable forest management and multifunctionalism are very vague. In a report from 2005 on the forestry measures, they made it clear that the preponderance of such fuzzy concepts in the EU Forestry Strategy makes it difficult to assess the

⁴ 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)

⁵ Council Regulation (EC) No 1698/2005 on support for rural development by the EAFRD.

⁶ EAFRD is the European Agricultural Fund for Rural Development

⁷ The forest-specific measures are the measures which have their own specific budget and are located in Axis 1 and 2. They are: (122) Improving the economic value of forests, (221) First afforestation of agricultural land, (222) First establishment of agroforestry systems, (223) First afforestation of non-agricultural land, (224) Natura 2000 payments, (225) Forest environment payments, (226) Restoring forestry potential +prevention action, (227) support for non-productive investments.

⁸ 'Rural Development – forestry measures and the future of the policy', Krzysztof Sulima, DG Agri, Presentation during Forestry & Cork Advisory Group meeting, 8 July 2010.

⁹ This means, Rural development regulation, implementation guidelines and state aid guidelines

¹⁰ FERN (2008). Funding forests into the future? How the European Fund for Rural Development affects Europe's forests.

¹¹ The six countries are: Bulgaria, Czech Republic, Finland, Hungary, Portugal and Romania.

¹² Green paper on forest protection and information in the EU: preparing forests for climate change. COM(2010)66

¹³ 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

¹⁴ European Commission (2009). Report on implementation of forestry measures under the rural development regulation 1698/2005 for the period 2007-2013.

added value of EU support and has facilitated a bias towards economic interests and the forestry industry.¹⁵

EU forest policies such as the EU Forestry Strategy identified National Forest Programmes (NFPs) as one of the elements through which international commitments, principles of sustainable forest management and recommendations should be implemented. The CAP makes reference to these plans as well and states that the forest measures to be financed should be based on the NFPs. There are though serious questions as to what extent the NFPs have really informed the forest measures, how consistent they are and how effective they have been. The Court of Auditors concluded that there is vagueness in their formulation and that their implementation is fragmented.¹⁶ More recently, the mid-term evaluation of the EU Forest Action Plan, another soft forest policy¹⁷ confirmed again the very different approaches of the Member States with regards to the NFPs.

By stating that the forestry measures should contribute to the EU Forestry Strategy or should be based on the NFPs, the CAP is on dangerous ground as it is not possible to measure implementation if concepts are fuzzy. Projects impacting negatively on the environment should be denied access to EU funds, but they will not even be disadvantaged. The future CAP needs a much stronger backbone than the current EU Forestry Strategy or the NFPs and therefore clear guidelines should be developed that guarantee that only improved forestry practices that have notable and measurable positive environmental and climate benefits are eligible for any future support.

2.3. CAP and renewable energy

The Renewable Energy Directive incentivises the production of biomass towards achieving the EU's target of 20 per cent renewable energy by 2020. The projection in the Renewable Energy Roadmap suggests that the use of biomass can be expected to more than double so that it contributes to about half of the 20 per cent target.¹⁸

The Commission's Biomass Report proposes only recommendations for Member States that wish to introduce biomass criteria into their own national schemes. As binding criteria are lacking, a lot of damage can be done to European forests and forests globally. Bioenergy strategies based on increasing harvesting levels for bioenergy might lead to a depletion of the forest carbon storage capacity and counteract climate change objectives. The current EU bioenergy policy also increases the risk of unsustainable forestry practices, thereby undermining EU policies on reducing deforestation and halting biodiversity loss.

The CAP is currently one of the EU instruments supporting bioenergy production. As there are no binding EU criteria for the support of biomass production, CAP money is available for any kind of biomass production even if this is linked with destructive forestry practices or counteracting climate change objectives. The CAP should therefore include binding criteria for financing biomass production that ensure that this production will not have negative climate, environmental or social impacts. Furthermore the CAP should reference the need for reduction of energy consumption to ensure that biomass will be used where it is most efficient.

3. What changes are needed?

Any kind of support under the future CAP should explicitly be linked to contributing to the EU's environmental commitments. The CAP has a lot of potential to contribute to reversing

¹⁵ European Court of Auditors Special Report N°9/2004 on Forestry Measures within Rural Development Policy.

¹⁶ European Court of Auditors Special Report N°9/2004 on Forestry Measures within Rural Development Policy.

¹⁷ Pelli, P. et al. (2009). Mid-term evaluation of the implementation of the EU Forest Action Plan. A study for DG Agriculture and Rural Development (AGRI-2008-EVAL-07).

¹⁸ Renewable Energy roadmap (2006). COM (2006) 848

biodiversity loss and to achieving climate change objectives by giving support to forests, but then it needs to include different incentives as well as clear environmental and social safeguards. In comparison with the current CAP, the following changes are required:

1. The future CAP should integrate and actively support the new EU Biodiversity Strategy.
2. The future CAP should be fully coherent with environmental, biodiversity, energy reduction and efficiency EU policies. Member States should be obliged to specify in their future Rural Development Strategy and RDPs, how they will ensure coherence with other national programmes or action plans such as those for biodiversity and renewable energy.
3. Sufficient financial support should be foreseen for support of environmental measures and Natura 2000. This could be done by making the integration of forest environment and Natura 2000 forest payment measures into national strategies and programmes obligatory. There should be clearer minimum criteria in terms of budget allocated and selection criteria.
4. A standard for good forestry practices should be established and form the baseline for support for all forest measures.
5. There should be clear guidelines to ensure that afforestation protects the environment and does not harm biodiversity. Financial support for planting alien and invasive species should be stopped.
6. An ambitious common standard for biomass production at EU level should be developed through a fully inclusive consultation process to ensure that biomass production reduces greenhouse gas emissions and does not have a negative impact, socially or environmentally.
7. The participation principle in the CAP should not remain idle words. The participation of environmental NGOs in the elaboration and implementation of the Rural Development Strategy and programmes should be strengthened to create a fully participatory process in line with the participatory processes instigated by the EU as part of the EU FLEGT Programme.

4. Conclusions

In the context of continued biodiversity decline and climate change, the CAP has an important role to play as one of the most important funding mechanisms for good forestry practices. However, the current Rural Development Policy clearly doesn't pass the test of contributing to the implementation of the EU environmental commitments: it contributes to further biodiversity loss, is potentially counterproductive to achieving climate change objectives, and is based on forest policies that include fuzzy concepts that are not measurable.

The future CAP should therefore prioritise enhanced forest protection and only support improved forestry practices that have notable and measurable positive environmental and climate benefits. In order to achieve this, parts of its funding should be ringfenced for biodiversity protection (such as Natura 2000) and climate change mitigation measures (such as forestry restoration projects) as well as improved forestry management practices. The remaining funding for forestry should include safeguards to ensure that funding does not finance business as usual practices, which have had a proven negative impact on biodiversity. The new CAP should therefore be fully aligned with the future EU Biodiversity Strategy.

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