



Funding Europe's Forests

How to use EU funds for sustainable forest management and nature protection

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December 2005

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Foreword

Europe's forests are in bad shape. The changes that European forests have undergone over the last few centuries have brought a great number of forest species to the verge of extinction. One of the most promising ways to improve Europe's forest management is by redirecting public funds to sustainable forest management practices and forest protection. This Guide will help European environmental and social NGOs to do that.

Forestry practices in most European countries are subsidised by European or national funds, i.e. by public money. From 2000–2006, nearly 5 billion Euro of EU public funds were spent on forestry measures. However in most cases these funds were neither spent in a transparent manner, nor did they lead to an improvement of forest management practices. Indeed, this spending was severely criticised by the European Court of Auditors.

With a new budget, new EU legislation and the Court's critique, there is now a clear opportunity for European NGOs to ensure EU funds are redirected to truly sustainable practices and forest protection. This Guide will help European NGOs get involved in national and regional processes deciding how future EU funds will be spent.

Public funds should be spent for the public good, not just to sustain the practice of business as usual. We therefore urge you to engage in this debate at national level. Step in as soon as possible: plans detailing how funds will be spent in the coming years are being drawn up as you read this sentence.

December 2005
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Cinereomyces lenis. Living on very old dead pine trees in old-growth forests. Classified Vulnerable (VU).
Photo: The Finnish Nature League / Olli Manninen

What it is all about

- The Rural Development Regulation¹, forms the legal base for the Rural Development Fund².
- Under this fund 13 billion Euro per year³ is proposed for the period 2007–2013. This amount of EU funds needs to be matched by a similar amount of funds from Member States.
- This money will be spent on measures to 1) improve competitiveness of farming and forestry; 2) improve environment and countryside; and 3) improve the quality of life in rural areas and diversification of the rural economy.
- It is up to Member States to develop Rural Development Programmes specifying which measures require funding. They can ask for funds to implement Natura 2000 and to implement forest conservation measures, but also to support ‘business as usual’ practices. They are not obliged to ask for funds for forests.
- It is up to the European Commission to approve Member States’ Rural Development Programmes.
- Consultation with stakeholders, like environmental NGOs, in the development of these National or Regional Programmes is required. If adequate consultation is not attained and evident, the Commission is, in theory, able to reject the plans and hence deny funding.
- If NGOs develop a united position on National or Regional Programmes they can influence funding so that it contributes to forest conservation and sustainable forest management.
- Public funds should be for public goods, not to fund ‘business as usual’ practices.
- Parts I and II of this Guide provide background information on the Rural Development Regulation and the process in which Member States and the Commission decide on National Strategy Plans and National or Regional Rural Development Programmes.
- Part III of this Guide details steps to take to get involved and get most out of your efforts.
- Don’t hesitate! Get involved and improve the future of Europe’s forests!

1 Council regulation (EC) No 1698/2005 of September 2005 on support for rural development by the European Agriculture Funds for Rural Development (EAFRD)

2 Its official name for the period 2007-2013 is the European Agricultural Fund for Rural Development; for the period 2000-2006 European Agriculture Guidance and Guarantee Fund

3 At moment of writing the exact figure was not yet known as the EU’s budget for the period 2007-2013 had not yet been agreed by the Member States. Look on our website, www.fern.org, for an updated version of this Guide which will include the figure as soon as it is known.

Section I

The relevance of rural development policies for Europe's forests



Kamchatka brown bear (*Ursus arctos beringianus*), Blue Lake Nature Reserve, Kamchatka, Russia.
Photo: Hartmus Jungis WWF/Canon database



Introduction

The largest flow of EU funds to the forestry sector comes from the Rural Development Fund⁴. In the period 2000 - 2006, 4.8 billion Euro of the current Rural Development Fund will be spent on forestry measures⁵. Other potential sources of EU funding for forests are the Structural Funds⁶, Forest Focus⁷, and LIFE⁸, but they do not compare to the funds available from the Rural Development Fund.

In a special report “Forestry Measures within Rural Development Policy”⁹, the European Court of Auditors criticised the European Commission and the Member States for spending billions of Euros on forestry measures from the Rural Development Fund without adequate quality controls or documentation. Despite the fact that Member States are required to base their forest measures on existing National Forest Programmes, NFP's did not always exist, and if they did they varied widely in quality. The report concludes that a large part of the money could not be properly traced, had been misspent, or could have been spent in a more effective manner. This was due to a lack of clear policies in the Member States, lack of funding guidelines and procedures, as well as a lack of monitoring and an unclear division of responsibilities between the Commission and the Member States. A summary of the findings of the Court is attached as Annex I.

In September 2005, a new Rural Development Regulation was adopted and a new fund created to support rural development measures. This part of the Guide will explain the content of the new Regulation as well as the forestry measures, which can be supported by the new fund.

4 The current Rural Development Fund, for the period 2000-2006 is the European Agriculture Guarantee and Guidance Fund.

5 Communication from the Commission to the Council and the European Parliament; Reporting on the implementation of the EU Forestry Strategy.

6 Structural funds: exist to help areas of Europe which, for one reason or another, are suffering difficulties.

7 Forest Focus: Regulation, (EC) No 2152/2003, of the European Parliament and of the Council that concerns the monitoring of forests and environmental interactions within the Community, adopted on 17 November 2003

8 LIFE: LIFE co-finances environmental initiatives in the European Union and certain third countries bordering on the Mediterranean and the Baltic Sea, and in those EU candidate countries that have decided to participate. More information on:
<http://europa.eu.int/comm/environment/life/life/index.htm>

9 European Court of Auditors: Special Report No 9/2004 Forestry Measures within Rural Development Policy. Available at: www.eca.int/audit_reports/special_reports/docs/2004/rs09_04en.pdf

1.1 What is the Rural Development Regulation?

More than half of the population in the EU lives in rural areas. These areas cover 90% of the EU¹⁰. Since 1999, the EU has had a Rural Development Policy¹¹. This policy was introduced in Agenda 2000, and established a framework for the future of rural areas throughout the EU as an element (pillar 2) of the Common Agriculture Policy (CAP). The reform of the Common Agriculture Policy in 2003 acknowledged the importance of rural development in the EU: the aim of the reform was to further strengthen rural development by transferring funds from the first pillar of the CAP (i.e. market and income support) to the second pillar of the CAP (i.e. rural development). Concretely, this meant reducing direct payments for bigger farms and transferring these funds to rural development measures¹². Currently 15% of the CAP is spent on rural development measures (pillar 2).

1.2 A new Rural Development Regulation and Fund

In June 2005, the EU Agriculture Council¹³ reached political agreement on a new Rural Development Regulation, *Regulation on rural development support through the European Agriculture Fund for Rural Development*, for the next financial period (2007-2013)¹⁴. The programmes and financial instruments are brought under one framework (the Regulation), with one funding and programming instrument, the European Agriculture Fund for Rural Development (EAFRD) or simply called the Rural Development Fund. The budget for this fund is as yet unclear; in 2004, the Commission proposed a total of 13 billion a year. It is highly likely that the Council will lower this amount substantially once they have reached agreement on the total EU budget¹⁵.

The three main objectives of the new Rural Development Policy are:

1. Improving the competitiveness of the farm and forestry sector through support for restructuring, development, and innovation;

10 European Commission MEMO/04/180, 15/07/2004, available at: <http://europa.eu.int/rapid/pressReleasesAction.do?reference=MEMO/04/180&format=HTML&aged=0&language=EN &guiLanguage=fr>

11 Policy described, and adopted by the Berlin European Council under Agenda 2000.

12 European Commission: The Common Agriculture Policy explained, available at: http://europa.eu.int/comm/agriculture/publi/capexplained/cap_en.pdf

13 The Council is the main legislative and decision-making institution of the EU. The Agriculture Council meets monthly in Brussels.

14 Council Regulation (EC) No 1698/2005 of September 2005.

15 Please check FERN website for update, once the budget has been agreed upon.

2. Improving the environment and countryside through support for land management;
3. Improving the quality of life in rural areas and encouraging diversification of economic activities.

Financial support to reach these objectives comes under four different axes in the Rural Development Regulation:

Axis 1: Improving competitiveness of farming and forestry;

Axis 2: Improving environment and countryside;

Axis 3: Improving the quality of life in rural areas and diversification of the rural economy;

Axis 4: Leader.

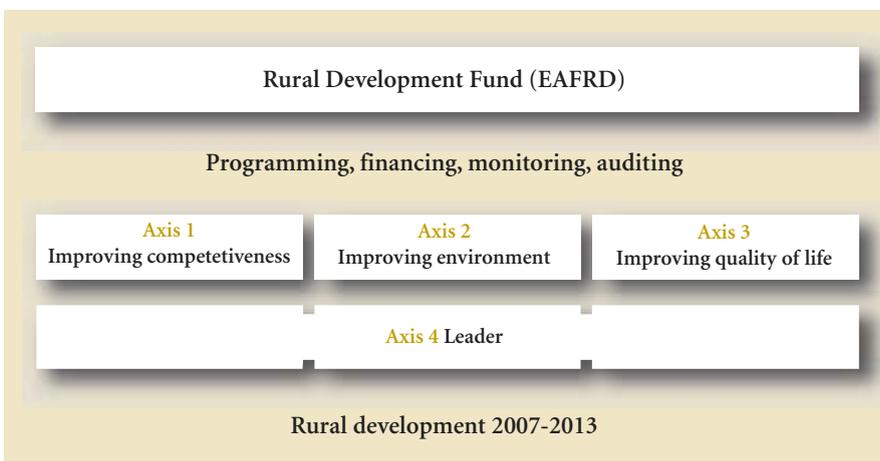
The fourth axis, Leader, is designed to help rural actors consider the long-term potential of their local region.¹⁶ Each rural development programme must have a Leader element for the implementation of bottom-up local development strategies by local organisations and people (including local action groups).

For a complete picture of the Rural Development Policy see Box 1.

The new Regulation consists of some new elements, which are important for forest biodiversity. The new Regulation:

- has a more bottom-up approach;

Box 1: Overall framework rural development policy¹⁷



16 http://www.europa.eu.int/comm/agriculture/rur/leaderplus/index_en.htm

17 Power Point DG AGRI, Unit F1: Environment and Forestry, 8 July 2005.

- requires consultation in the development of National Strategies and (sub)National Rural Development Programmes;
- allows for financing of the Natura 2000 network.

These new elements form the basis for getting money out of the Rural Development Fund for good forestry practices and for protecting biodiversity.

1.3 How will the policy be implemented in the Member States?

There are a few steps the Member States must take to receive money for rural development out of the EAFRD. Firstly, Member States must draft a *National Strategy Plan for Rural Development*. This plan will outline the national rural development strategy for 2007-2013 and will translate the EU priorities into the Member State situation. The EU priorities for 2007-2013 are set out in the *Community Strategic Guidelines for Rural Development*¹⁸. These guidelines will help the Member states to:

- identify and agree the areas where the use of EU funds for rural development adds the most value;
- make the link with the main EU priorities (Lisbon¹⁹ and Gothenburg²⁰) and translate them into rural development policy;
- ensure consistency with other EU priorities (in particular, cohesion and environment);
- accompany the implementation of the new market-oriented CAP and the necessary restructuring it will entail in the old and new Member States.

Secondly, Member States must draft National or Regional *Rural Development Programmes* for the period 2007-2013. These programmes implement the National Strategy for Rural Development through a set of measures grouped together in accordance with the four axes of the Rural Development Regulation. The Rural Development Programmes need to be in line with the *Guidelines for implementation* (or Implementation Rules), currently being developed by the European Commission²¹.

18 Community strategic guidelines for Rural Development, available at: http://europa.eu.int/comm/agriculture/capreform/rdguidelines/index_en.htm

19 EU priorities Lisbon, available at:

http://europa.eu.int/growthandjobs/pdf/thematic_lisbon_conclusions_0604_en.pdf

21 EU priorities Gothenburg; available at: http://ue.eu.int/ueDocs/cms_Data/docs/pressData/en/ec/00200-r1.en1.pdf

22 Check FERN website for updates when the Guidelines have been made available.

It is up to Member States to choose which rural development measures to put forward for EU funding, as long as these measures are in line with the Community Strategic Guidelines, the National Strategy and the Regulation. All forest measures in the Rural Development Programmes must be in line with national forest programmes. The only mandatory elements are:

- 1 At least 10% of requested funds needs to be spent under axis 1 and 3; at least 25% of requested funds under axis 2 and at least 5% under axis 4;
- 2 Member States must consult relevant stakeholders (including NGOs) in the development of National Strategy Plans and National or Regional Rural Development Programmes. See section II, box 4.

1.4 Funding for Forest out of the EAFRD?

What does this mean for funding of forests initiatives? Forest funding can be placed under all four axes. It should, however, be noted that:

- 1 There is no guarantee that any funding will go to forests at all, as a Member State can decide there is no need for forest funding. They need only spend the right percentages under the different axes;
- 2 There is no guarantee that any forest funding goes to sustainable forest management or forest protection. Member States can decide, for example, that all funding needs to go to business as usual practices and nothing to Natura 2000 networks;
- 3 Most of other funds are only available for private forest owners.

To ensure that there is funding for forests and that these funds are used for improving forest management and biodiversity protection rather than business as usual practices, NGOs need to become active. The new Rural Development Regulation requires consultation; NGOs should take full advantage of this opportunity. If a government does not include comments from well-organised civil society groups, there is a chance that the Commission will have to reject the programmes. See Part III for steps to take.

What sort of measures could be funded? The sort of measures that could be funded under the EAFRD and hence could be put forward in the National Strategy Plans and National and Regional Programmes include:

- Measures towards getting Forest Stewardship Council certification, including standard developing and implementation processes;

- Reforestation and forest restoration projects;
- Training of forest owners and their associations on sustainable forest management;
- Natura 2000, including compensation for costs from restrictions on forest management and payments to forest owners for ensuring the maintenance of existing forest habitats;
- Public participation processes;
- Tourism and local awareness-raising projects;
- Support for the development and implementation of local development management plans covering Natura 2000 and other areas of high natural value.

In Annex II you will find more eligible measures.

1.5 Good and bad examples of financing forest measures through the Rural Development Fund

As clearly stated by the Court of Auditors²², a large percentage of the money spent under the current Rural Development Regulation has been misspent or has strengthened current destructive forestry practices rather than promoting truly sustainable forest management and forest protection. It is essential that funds spent under the new Rural Development Regulation do not worsen the state of Europe's forests. Below in Box 2 is an example of how a measure funded by the Rural Development Fund has reduced the integrity of forests in Estonia, and, in Box 3, an example from the Netherlands showing how the Rural Development Fund can improve the environment. As spelled out above and in Annex II, a number of good measures could be funded by the Rural Development Fund. But keep in mind: such measures may not happen without your dedication.

1.6 Summary

The largest EU fund for European forests is the European Agricultural Fund for Rural Development (EAFRD), or Rural Development Fund. The legal basis for this fund is the Rural Development Regulation. The Regulation requires that Member States draft National Strategy Plans and National or Regional Rural Development Programmes, indicating for which measures they would like to use the funds. The Rural Development Programmes need to be approved by the European

*Box 2: A negative example***Integrated Land Improvement in Estonia²³**

With funds from the current Rural Development Fund the EU is contributing to the decrease of Europe's natural heritage by financing the drainage of Estonia's forests. 550,000 ha of forests have already been drained in Estonia. Hence, irreparable damage has been done to 44% of bog forest (106,000 ha) and 44% of swamp forest (43,000 ha).

A 'Measure of Integrated Land Improvement' was adopted by the Estonian Government on 15 January 2004 and approved by the European Commission on 18 June 2004. EU funding, since September 2005, is providing for:

- construction, reconstruction and renovation of land improvement systems (facilities required for drainage or irrigation or double water regime regulation) in arable and private forestland and of service roads on land improvement systems;
- road construction and reconstruction for access to agricultural land.

The target of this measure is to increase the area of constructed, reconstructed and renovated land improvement systems by 37,000 ha. Under the pretext of giving trees better growing conditions, providing forest machinery a hard base to operate on, and more money to forest owners, Europe is supporting the loss of important forest habitats.

Commission. The Regulation also requires that NGOs are consulted in the developing of these plans and programmes, allowing NGOs to demand the inclusion of measures that deliver truly sustainable forest management and conservation of forest biodiversity. If no NGO demands have been taken on, or no NGOs have been consulted, there is a basis to request that the Commission reject the plans and programmes.

23 Source: Estonian Green Movement, personal communication, 2 December 2005.

*Box 3: A positive example***Combining measures to achieve social and environmental outcomes in the Krimpenerwaard (the Netherlands)²⁴**

The Krimpenerwaard is a typical rural area in the middle of the Netherlands, under pressure from urbanisation and agricultural intensification. The area is widely recognised for its landscape and its importance for biodiversity (threatened species such as the black-tailed godwit use the area). Parts of the area are designated within the National Ecological Network. The main environmental problem is that the groundwater levels are kept low to safeguard agricultural productivity. However, the groundwater level is already a few meters below sea-level and, due to soil shrinkage, is still falling. In the longer term, the costs of protecting these areas from flooding will be far too expensive; a higher groundwater level is therefore essential. However, this would decrease the competitiveness of local (mainly dairy) farmers who are already facing reduced incomes as a result of the recent CAP reform. The objective is therefore to support extensive dairy farming in these areas whilst simultaneously promoting higher groundwater levels in the interests of biodiversity. The suggested solution involves a combination of instruments: financial support, advisory schemes, and targeted spatial planning. The Rural Development Fund can support these. Less-Favoured Area payments (axis II, art. 37) could support farmers producing in areas with higher water levels. Agri-environment schemes (axis II, art. 39) could fund the implementation of various land management operations such as those favouring breeding meadow birds or the planting of willows, which could be managed as pollards (a characteristic landscape feature). A local milk brand could be developed, emphasising local landscape values (axis I, art. 32). Advisory services (axis I, arts. 21 & 24) could provide advice to individual farmers on the incentive schemes available, alternative water management practices, etc. Spatial planning could help with issues such as land re-parcelling and provision of cattle housing at appropriate locations, facilitating grazing for longer periods of the year whilst protecting nearby areas from desiccation and eutrophication. The whole process could be supported by developing landscape plans for the area (axis III, art. 57).

24 Source: WWF, Stichting Natuur en Milieu, Land Use Policy Group (2005) *Rural Development Environmental Programming Guidelines – A Manual based on the findings of the Europe's Living Countryside (ELCo) project.*

Section II

The role of the Commission and Member States in developing national and sub-national rural development plans and programmes





Siberian Jay (*Perisoreus infaustus*). An extremely endangered species in southern Finland where these pictures were taken. In whole Finland Siberian Jay is classified as a near-threatened species. In EU-countries Siberian Jay lives only in Finland and Sweden. Photo: Peter Uppstu / The Finnish Nature League

Introduction

This section provides relevant background information about the role of the European Commission and the Member States in the different stages of the development and implementation of the National Strategy Plans for Rural Development and National or Regional Rural Development Programmes.

2.1 Requirement for consultation

Article 6 (see Box 4) of the Rural Development Regulation clearly states that Rural Development Programmes should be implemented through consultation with non-governmental organisations (NGOs), including environmental organisations. This participation is required during the preparation as well as monitoring of the implementation of National Strategy Plans for Rural Development and during the preparation, implementation, monitoring, and evaluation of National or Regional Rural Development Programmes.

As described in section I and in Annex II, various positive measures could be funded by the Rural Development Fund (European Agricultural Fund for Rural Development (EAFRD)). However, without strong input from environmental

Box 4

Article 6 Rural Development Regulation: Partnerships

EAFRD assistance shall be implemented through close consultations (partnerships), between the Commission and the Member States and with the authorities and bodies designated by the Member State under national rules and practices, including [...] any other appropriate body representing civil society, non-governmental organisations, including environmental organisations and bodies responsible for promoting equality between men and women.

The Member State shall designate the most representative partners [...] in the economic, social and environmental sphere. It shall create the conditions for a broad and effective involvement of all appropriate bodies [...] taking into account [...] sustainable development through integration of environmental protection and improvement requirements. [...]

The partnership shall be involved in the preparation and monitoring of the national strategy plan and in preparation, implementation, monitoring and evaluation of the rural development programmes. [...]

NGOs it is likely that many EU Member States will use the EAFRD to fund business as usual practices: the budget is tight and there will be a strong push by farmers and the forestry industry. Unless environmental NGOs push for funding for Natura 2000 and more sustainable forestry practices, the fund could go to supporting the forestry industry, as it has in previous years, rather than supporting sustainable forest management and forest conservation.

2.2 The role of the European Commission and Member States in drafting strategy plans and rural development programmes

The European Commission and the Member States have different responsibilities in the process of developing and adopting National Strategy Plans and National or Regional Rural Development Programmes, but they work in close consultation. Box 5 explains the different responsibilities and timelines. As described above, close consultation is also required between Member States and authorities and stakeholders.

Member States will use both the Community Strategic Guidelines developed by the Commission and their national priorities to develop a National Strategy Plan. They will submit these plans to the European Commission. The Commission will comment on the National Strategy Plans, but does not need to officially approve them. The National Strategy Plans will function as a reference tool for the preparation of National and Regional (sub-national) Rural Development Programmes. These Rural Development Programmes, however, need to be approved by the Commission. The Commission expects up to 100 National and Regional Programmes from the 25 Member States.

The Commission will assess the draft programmes on:

- Their consistency with the EC Strategic Guidelines for Rural Development;
- Their consistency with the National Strategy Plan;
- Their consistency with the Regulation (which requires in article 6 close consultation with NGOs).

If the Commission concludes that the National or Regional Rural Development Programme is not consistent with above-mentioned issues, it will request the Member State to revise it.

Box 5

Time and follow-up schedule of Rural Development Programmes



2.3 Role of the European Commission and the Member States in implementation and monitoring programmes

When the Commission has adopted the National or Regional Development Programmes, Member States can start to implement them.

Implementation arrangements

Rural Development Programmes not only describe rural development measures, they also need to include arrangements to implement these measures. The Member States must designate, for every Rural Development Programme, a Managing Authority²⁶, which will be responsible for managing and implementing the programme in an efficient and correct way. The programme must also describe the monitoring and evaluation systems, as well as the composition of the Monitoring Committee²⁷, which will monitor the effectiveness of the implementation of the programme. This Monitoring Committee needs to be set up in the first three months after the approval of the programme. If Member States have different regional programmes they can also establish a National Monitoring Committee to coordinate their implementation in relation to the National Strategy. Member States are required to include partners named in article 6 (see Box 4) in the Monitoring Committee; this includes environmental NGOs. Commission representatives can, at their own initiative, participate in the Monitoring Committee.

For each Rural Development Programme, the EAFRD can finance the preparation, management, monitoring, evaluation, information, and control activities of programme assistance. Member States can use up to 4% of the total amount of funds received for each Rural Development Programme for these sorts of activities.

It should be noted that Member States must co-finance the Rural Development Programmes. In most of the regions the EAFRD will finance only up to 50% of the required measures. Member States must in most cases provide the additional 50%.²⁸

Strategic monitoring

Every two years, Member States need to submit a summary report to the European Commission, setting out the progress made in implementing the National Strategy Plan and its contributions to the achievements of the Community Strategic Guidelines. The Commission needs to draft reports detailing the main develop-

26 For more information about the task of the Managing Authority, see article 75 of the Council Regulation (EC) no 1698/2005.

27 More about the responsibilities of the Monitoring Committee can be found in article 78 of the Council Regulation (EC) no 1698/2005.

28 See for more detailed information article 70 of the Council Regulation (EC) no 1698/2005.

ments, trends and challenges relating to the implementation of the National Strategy Plans and the Community Strategic Guidelines. This report will be based on the Commission's analysis and the Member States' reports and will be presented to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions.

Review

The National and Regional Rural Development Programmes will be re-examined and, if appropriate, adapted for the remaining period by the Member State following approval by the Monitoring Committee. The revisions need to take into account the evaluations and the Commission's reports, mentioned in the paragraph above, particularly with a view to strengthening or adapting the way in which Community priorities are taken into account. The Commission re-approval is required when Member States ask to revise their programmes.

2.4 Summary

Member states draw up a National Strategy Plan for Rural Development, which forms the basis for National or Regional Rural Development Programmes. The EU 25 are expected to draft together 25 National or Regional Programmes. National or Regional Programmes need to be approved by the European Commission. Participation of civil society groups in the preparation of these plans and programmes is required. Once adopted, programmes are implemented, monitored and reviewed by Management Authorities, Monitoring Committees, including representatives of civil society groups, and the European Commission.

Section III

A steps-wise approach for Europe's forests



These Swedish Sami-people depend on their reindeer herd and the vast forests of Northern Europe.
Photo: Huub Ruijgrok



Junghuhnia collabens: Rare OGF species living on dead Spruce trunks. Classified Vulnerable
Photo: The Finnish Nature League / Olli Manninen

Introduction

This section provides you with concrete steps on how to redirect EU funds to finance sustainable forest management practices. It explains how to participate in the process, who is who, how to present your comments and suggestions, and what to do if Governments prove inflexible.

3.1 The role of NGOs in drafting plans and programmes

Step 1. Make contact. Find out who the contact person is in your Member State. In every Member State there must be a contact person for the development of the National Strategy Plan and for the Regional Development Programmes. Example: in the Netherlands there is a website with information about the Rural Development Programme (<http://www.rb-pop.nl/>). On the government website you should be able to find the contact persons for different topics related to the rural development policy. If you can't find the right person, please contact FERN.

Step 2. Join forces. It is essential to work together as much as possible with other NGOs, industry, unions, etc. If there are strong divisions among NGOs it is unlikely that NGO demands will have an impact on the plans and programmes. If there is agreement between NGOs and parts of the industry and unions, then there is a good possibility that your demands will be taken on. It is therefore essential to find out which other NGOs are already involved in the process and, if none, to encourage others to get involved and build a coalition. As larger countries will present several Regional Rural Development Programmes, regional coalitions will be needed. In Annex II you will find a (incomplete) list of NGOs already involved in different Member States. If there are allies in other sectors, build alliances with them.

Step 3. Become part of the partnership. Contact the government and ask to become part of the partnership, described in section 2.1. Make sure you document your requests and any responses you get. This can be valuable evidence at a later stage if things go wrong. Furthermore insist that the consultation process and the partnership is transparent and that all documents will be freely available to all. Keep copies of all correspondence.

Step 4. Let FERN know. Contact FERN if you want to get involved in this process, so we can add your name/organisation to the list in Annex III. We will then also make sure you get all relevant updates.

Once these steps have been completed there are several scenarios possible:

Scenario 1: The Government does not allow your participation. If the Government does not allow your NGO to participate, ask for the reasons and file a complaint with the European Commission as well as the person responsible for drafting the

strategy and the programmes in your country. For the Commission, the complaint should be sent to Deputy General for Rural Development in DG AGRI, Mr Dirk Ahner; to the person in the European Commission working on the programme in your country (see Annex IV); and to relevant people in DG ENV. Please send a copy to FERN. In case of doubt, please contact FERN for names and details of Commission Officials.

Scenario 2: The Government allows your participation. Once you are part of the process, ensure that you are well prepared and know what to demand and why. If all goes well, there will be open and interesting discussions at Member State or regional level and some compromises will be reached. Be aware and prepared that you would need to work towards compromises.

During the development of the programmes:

1. Ensure that you are well aware of all possibilities for funding. You will find some examples in Annex II as well as in sections 1.4 and 1.5. For more information see the manual of WWF, Stichting Natuur en Milieu and Land Use Policy Group: *Rural Development Environmental Programming Guidelines* available online at <http://assets.panda.org/downloads/elcomanualfinal.pdf>.
2. Please note that 25% of funds has to be spent on axis 2: improving the environment and the countryside. There are lots of possibilities for financing positive activities under this heading;
3. Send FERN a list of your demands so we can keep a database of different demands put to different Member States;
4. If you are part of the process and your demands are not taken on board, please draft a short fact sheet detailing your demands, the relevance of your demands, and the reasons given for exclusion of your demands, as well as a list of organisations supporting these demands. Send the fact sheet to the head Deputy General for Rural Development in DG AGRI, Mr Dirk Ahner; to the person in the European Commission working on the programme in your country; and cc the fact sheet to relevant people in DG ENV and FERN. If in doubt who to contact please ask FERN.

During the implementation period:

1. If it turns out, during the programming period, that measures in the *approved* rural development programme are destroying biodiversity/forests, let your government know. If they do not react, explain in a fact sheet the measure, what went wrong, what it did to the forest/biodiversity and what can be done (recom-

mendations). The Commission can require Member States to revise their programme during the programming period. Let FERN know if you are involved in this so we can update our database;

2. Interested in monitoring? Getting involved in the National or Regional Rural Development Programmes is a good step to take if you want to monitor your forest (and get funding for it), as there is money allocated to monitoring activities. When the Commission approves the programmes, Member States need to set up a Monitoring Committee. If you are interested in monitoring the Rural Development Programmes, including monitoring the forests (if measures influencing forests are included), let your government know. Point out that article 77 of the Regulation says that partners named in article 6 need to be included in the Monitoring Committee.

Useful background information and how to get it

Rural Development Regulation: Council Regulation (EC) No 1698/2005 of 20 September 2005 on support for rural development by the European Agriculture Fund for Rural development.

This regulation can be found on the following websites:

En: http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/oj/2005/l_277/l_27720051021en00010040.pdf

CZ: http://europa.eu.int/eur-lex/lex/LexUriServ/site/cs/oj/2005/l_277/l_27720051021cs00010040.pdf

ET: http://europa.eu.int/eur-lex/lex/LexUriServ/site/et/oj/2005/l_277/l_27720051021et00010040.pdf

LV: http://europa.eu.int/eur-lex/lex/LexUriServ/site/lv/oj/2005/l_277/l_27720051021lv00010040.pdf

IT: http://europa.eu.int/eur-lex/lex/LexUriServ/site/it/oj/2005/l_277/l_27720051021lt00010040.pdf

HU: http://europa.eu.int/eur-lex/lex/LexUriServ/site/hu/oj/2005/l_277/l_27720051021hu00010040.pdf

PL: http://europa.eu.int/eur-lex/lex/LexUriServ/site/pl/oj/2005/l_277/l_27720051021pl00010040.pdf

SK: http://europa.eu.int/eur-lex/lex/LexUriServ/site/sk/oj/2005/l_277/l_27720051021sk00010040.pdf

SL: http://europa.eu.int/eur-lex/lex/LexUriServ/site/sl/oj/2005/l_277/l_27720051021sl00010040.pdf

Strategic Guidelines for Rural Development: Proposal for a Council decision on Community Strategic Guidelines for Rural Development. (2005/0129 (CNS))

The proposal for the guidelines is available at the following website:

http://europa.eu.int/comm/agriculture/capreform/rdguidelines/index_en.htm

Implementation Guidelines for national or sub-national rural development programmes will be available as of the middle of January on the following website: http://europa.eu.int/comm/agriculture/rur/index_en.htm

How to get info from EU: This is described in the FERN/ TRN publication: "The EU's impact on forests; A practical guide to campaigning". The guide is available at: <http://www.fern.org/pubs/reports/EU-guide.pdf> or you can send an email to

info@fern.org for a hard copy of this publication.

Leader: more information about Leader and local action groups can be found at the following website:

http://www.europa.eu.int/comm/agriculture/rur/leaderplus/index_en.htm

National Biodiversity Strategy requirements:

<http://www.biodiv.org/reports/nbsap.aspx>

EU Biodiversity Strategy:

<http://europa.eu.int/comm/environment/docum/9842sm.htm>

Rural Development Policy: More about the Rural Development policy can be found in Agenda 2000 at:

http://europa.eu.int/comm/agenda2000/index_en.htm

Annexes

- I. Findings of the Court of Auditors report; A FERN/ TRN briefing
- II. Table of measures with a potential use for the environment
- III. NGOs working on the Rural Development Regulation
- IV. Contact people in the European Commission, DG Agriculture



Lynx pardinus, Iberian lynx. Morena, the oldest female -13 year old-of the captive breeding program of the Iberian Lynx (Dòana National Park) Spain. Photo: WWF/Canon database

Annex I

Findings of the Court of Auditors report; A FERN/ TRN briefing

Court of Auditors' Report: Forestry Measures within the Rural Development Policy

In a special report about forestry measures in the rural development policy, the European Court of Auditors criticises the European Commission and Member States for spending billions of Euro on forestry measures from Rural Development Funds without adequate quality controls or documentation. The report concludes that a large part of the funds could not be properly traced, had been misspent or could have been spent in a more effective manner. The report exposes crucial shortcomings that must be addressed before decisions on the future funding of forestry measures under the new rural development framework can be made. The Court's findings also need to be reflected in the proposed Action Plan for Sustainable Forest Management by DG Agriculture. This briefing note summarises the Court of Auditors' findings and presents recommendations to rectify the current situation.

1. Introduction

On 15 March 2005 the European Court of Auditors²⁹ published a special report entitled "Forestry Measures within Rural Development Policy"³⁰. The report assessed whether forestry measures financed through Rural Development Funds complied with relevant national policies, whether they were based on national forest programmes and how the measures were implemented and their impact assessed .

In 1998 the Council adopted the EU Forestry Strategy, a framework for forestry actions, based on the principles that forest management should be sustainable and

29 The Court of Auditors is an independent body, auditing the collection and spending of European Union funds, in order to assess the way in which European Institutions disburse funds. Its aim is to improve the financial management of European Union funds to ensure maximum value for money for EU citizens

30 European Court of Auditors: Special Report No 9/2004 Forestry Measures within Rural Development Policy. Available at:

www.eca.int/audit_reports/special_reports/docs/2004/rs09_04en.pdf

that forests should play a multifunctional³¹ role. Since 2000, forestry measures have been funded to a large extent by Rural Development Funds. These measures need to be in line with the objectives of the EU Forestry Strategy to qualify for funding. For the period 2000 to 2006, 4.7 billion Euro has been allocated for forestry measures from Rural Development Funds. Also, after a recent review of the Strategy, the Commission proposed in a Communication³² (March 2005) to develop an EU Action Plan for Sustainable Forest Management to be in place by the end of 2006.

2. Findings of the Court

- *The objectives of the EU Forestry Strategy are often contradictory.* The Strategy assumes that its main objectives – economic, environmental and social – are complementary, but it is very difficult to obtain an appropriate balance between these objectives. The different parties involved there fore have different interpretations of the objectives of the EU Forestry Strategy. In at least one Member State, the EU Forestry Strategy was highly criticised as being overly-focused on economic aspects without due regard to the need to maintain biodiversity.
- *Neither Commission nor Member States have assumed responsibility for assessing whether a project contributed to the implementation of the EU Forestry Strategy.* Therefore, no adequate monitoring of projects or their impacts has been carried out.
- *National Forest Programmes (NFP) do not always exist even though Member States are required to base their forest measures on these programmes.* A study co-financed by the Commission in 2001³³ highlighted that developing NFPs is a slow and difficult process. But, a common approach for defining the principles of NFPs was not adopted by the EU before 2003. In the absence of a NFP, Rural Development Plans (RDP) and Operational Plans (OP) were accepted as a precondition for forestry support from the Commission. However, RDPs and OPs do not generally focus on forests. This makes it impossible to take account of forestry policy objectives in a coherent manner.
- *Grant aid funding to afforestation projects aimed at increasing woodland area is very expensive and not cost-effective.* Afforestation support includes an annual

31 Multifunctional forests (under the EU Forestry Strategy) means a mixture of ecological, environmental, economical, social and cultural functions in a forest

32 Communication from the Commission to the Council and the European Parliament: Reporting on the implementation of the EU Forestry strategy. Available at: http://europa.eu.int/eur-lex/lex/LexUriServ/site/en/com/2005/com2005_0084en_01.pdf

33 National forest programmes in European countries: an initial overview based on a quick survey in countries participating in the COST E-19 Action. Available at: <http://www.metla.fi/eu/cost/e19/part-1.pdf>

premium per hectare to cover the income-losses to farmers for a period of 20 years. The Court judges this measure not to be cost-effective and this measure may have led to fraud. See below.

- *Monitoring systems were inexistent or failed to uncover questionable self-assessments provided by fund recipients.* Applications exceeded the funds available, but there were many weaknesses in the project selection procedures, such as lack of clear criteria or the use of unverifiable criteria. The Court points out that this may have led to fraud, with applicants claiming to have previously grown crops allowing the highest compensation rate (wheat) without there being checks to establish if this was the case or not. Or, applicants asking for the highest compensation (by claiming to be a farmer), while not always being required to prove this information. Lastly, no assessments were made on whether funded measures reflected the three pillars of multifunctionality – economic, social and environmental – adequately.

As a result of a lack of clear policies, funding guidelines and procedures, as well as a lack of monitoring and an unclear division of responsibilities between Commission and Member States, the spending of a large part of funds is not consistent with EU Forestry Strategy objectives or, as pointed out by the Court, the emphasis on environmental objectives in the legislation of the Community.

3. Recommendations

The Court of Auditors' report has been published at a crucial time as the framework for future funding of forestry measures under Rural Development Funds will be decided when the Council votes on the proposed Rural Development Regulation in June. The Commission also intends to develop an EU Action Plan for Sustainable Forest Management by 2006. FERN and TRN urge EU decision makers to ensure the shortcomings exposed in the Court of Auditors' report are addressed before final decisions regarding future funding for forestry measures are taken and during implementation of the new Rural Development Regulation over the coming years. Significant changes to the implementation of forestry measures by Rural Development Funds are required to ensure lessons clearly spelt out in the Court of Auditors' report are learnt. This includes:

1. The Commission's Action Plan on Sustainable Forest Management needs to take into account changing public needs and that, as the Court points out, the emphasis should now be on sustainable environmental benefits.

2. An Action Plan that pays lip-service to environmental and social values of forests while pursuing mainly economic objectives will not improve the situation.
3. Only ecologically sound forestry measures should be subsidised, not business as usual practices, as is currently the case in many countries.

The current situation is also in clear violation of the Council Conclusions on the Forestry Strategy.

The Commission needs to ensure it knows in detail where the funds go and what their impact is. This means that:

- Effective monitoring and verification systems must be in place. This assumes an effective co-operation between DG Environment with its improved Forest Focus programme and forestry expertise, DG Agriculture and Member States.
- Improved guidelines need to be developed and adopted, in a fully participatory manner for spending of Rural Development Funds.
- Only countries with an operational national forest programme, developed in a fully participatory process as required by the IPF³⁴, should be eligible for funding.

Procedures must be put in place to remove the vacuum of responsibility between Commission and Member States with regard to assessing whether a funded project contributes to the objectives of the EU Forestry Strategy.

FERN/TRN briefing: *Court of Auditors' Report: Forestry Measures within the Rural Development Policy*. Available at www.fern.org and www.taigaescue.org

34 IPF Proposals for Action number 17, available at: <http://www.un.org/esa/forests/pdf/ipf-iff-proposalsforaction.pdf>

Annex II

Measures with potential use for the environment

Axis 1: Improving competitiveness

Table 1: Measures aiming at promoting knowledge and improving human potential, forests related examples.

<i>EAFRD Measure</i>	<i>Explanatory note</i>	<i>EAFRD Ref.</i>
Vocational training and information actions for persons engaging in the forestry sectors	Training and capacity building: Support for training and dissemination of information to land managers, foresters and others involved in managing forests. Includes dissemination of scientific knowledge and innovative management practices.	Art. 21
Use by forest holders of advisory services to improve performance	Capacity building: To help forest holders to meet the cost of advisory services for improving the management of their forests, including conservation management.	Art. 24
Setting up forestry advisory services	Capacity building: In some countries, advisory services for forest owners are even weaker than those for farmers. Establishing effective advisory services is essential for achieving a move to more sustainable forest management.	Art. 25

Source: WWF, Stichting Natuur en Milieu, Land Use Policy Group (2005) *Rural Development Environmental Programming Guidelines – A Manual based on the findings of the Europe's Living Countryside (ELCo) project.*

Table 2: Measures aiming at restructuring physical potential and promoting innovation, forest related examples.

<i>EAFRD Measure</i>	<i>Explanatory note</i>	<i>EAFRD Ref.</i>
Improving the economic value of forests	Sustainable forest management: Can be used to support sustainable forest management operations where these will not result in environmental damage and will generate environmental benefits. Forest Stewardship Council measures and certification should be eligible for funding	Art. 27
Adding value to primary agricultural and forestry production	Improving the viability of sustainable forest management: by supporting developments in processing and marketing of forestry products produced from sustainable forest management and related co-operation where this will provide clear benefits and there is market failure. Forest Stewardship Council measures and certification should be eligible for funding.	Art 28 and 29
Improving and developing infrastructure related to the development and adaptation of agriculture and forestry	Sustainable forest management: For the development and adaptation of forest holdings where these will not result in environmental damage and will generate environmental benefits.	Art 30

Source: WWF, Stichting Natuur en Milieu, Land Use Policy Group (2005) *Rural Development Environmental Programming Guidelines – A Manual based on the findings of the Europe's Living Countryside (ELCo) project.*

Axis 2: Environment and land management

Table 3: Forestry land. Source

EAFRD Measure	Explanatory note	EAFRD Ref.
First afforestation of agriculture and non agriculture land	Sustainable forest management: For woodland expansion, which can be of native species. Applies to both agricultural and non agricultural land. On agricultural land payments for loss of income is available, as well as establishment costs.	Art. 43, 44 and 45
First establishment of agro-forestry systems on agriculture land	Afforestation should not be an end in itself. It should be targeted on specific sites with clear environmental needs, e.g. restoring particular habitat types that are eroded/fragmented Special care should be taken to prevent afforestation from contributing to the depopulation and decline of marginal farmland areas of high nature and landscape value, or with a high fire risk. For the establishment of agro-forestry systems (trees associated with agricultural management	
Natura 2000 areas	Targeting environmental management: Compensates for costs resulting from restrictions on management of forests due to designation under the Birds or Habitats Directives (Natura 2000 sites).	Art. 46
Forest-environment	Conservation management: payments to forest owners for undertaking management that produces environmental benefits, including the maintenance of existing forest habitats.	Art. 47
Restoring forestry potential and introducing prevention actions	Sustainable forest management: For the restoration of productive potential in forests damaged by natural disasters and fire, and for undertaking preventative actions where these will not result in environmental damage and will generate environmental benefits. FSC measures should be eligible for funding.	Art. 48
Support for non-productive investments	Conservation management: Can support investments necessary for the conservation management of forests.	Art. 49

Source: WWF, Stichting Natuur en Milieu, Land Use Policy Group (2005) *Rural Development Environmental Programming Guidelines – A Manual based on the findings of the Europe's Living Countryside (ELCo) project.*

Axis 3: Diversification of the rural economy, quality of life

Table 4

EAFRD Measure	Explanatory note	EAFRD Ref.
Encouragement of tourism activities	<p>Environment as a basis for rural tourism and as a marketing asset: capacity building to improve the understanding of local biodiversity, freshwater and landscape heritage, to reduce the impacts of tourism actions and to integrate the environmental heritage into rural land management and development.</p> <p>For small-scale infrastructure, e.g. information centers, sign-posting, small capacity accommodation and recreational infrastructure, access to areas of high natural value, development and marketing of green tourism activities.</p>	Art 55
Conservation and upgrading of the rural heritage	<p>Skills acquisition, animation and implementation</p> <p>Support for the development and implementation of forestry protection and management plans covering Natura 2000 and other areas of high natural value.</p>	Art 57 & 59
Training and capacity building	<p>Capacity building: of staff involved in developing and implementing local development strategies, to improve their understanding of high conservation value forestry and sustainable forest management. It can help people to understand the specific objectives and how to achieve them. This can help reduce the impacts of actions and integrate environmental issues into rural land management and rural development.</p>	Art 58

Source: WWF, Stichting Natuur en Milieu, Land Use Policy Group (2005) *Rural Development Environmental Programming Guidelines – A Manual based on the findings of the Europe's Living Countryside (ELCo) project.*

Axis 4: Leader

Table 5

EAFRD Measure	Explanatory note	EAFRD Ref.
Leader	<p>Targeted action based on Leader local development strategies could be a very suitable basis for co-ordinating forest related action at the landscape or natural area scale in Leader areas. Action also includes trans-national co-operation projects between Leader territories in several Member states and with territories in third countries.</p> <p>Public participation: in the development and implementation of local development strategies.</p> <p>Capacity building: Funding for axis III related actions can support training of leaders, information measures, training staff involved with local development strategies, studies and promotional events.</p>	Leader and art. 68

Source: WWF, Stichting Natuur en Milieu, Land Use Policy Group (2005) *Rural Development Environmental Programming Guidelines – A Manual based on the findings of the Europe's Living Countryside (ELCo) project*.

ANNEX III

People active in rural development and forests at national level

Birdlife

Birdlife is active in rural development issues at national level. Contact Veronika Ferdinandova (email: veronika.ferdinandova@bspb.org) from the Birdlife forest taskforce, who will try to locate the Birdlife person working in your country on rural development.

FANC (Finland)

Contact Tapani Veistola (email: tapani.veistola@sll.fi)

FERN

As part of its Forests and Biodiversity campaign, FERN is working on Rural Development at EU level. FERN also has an overview what is going on in most of the Member States. Contact Leontien Krul (tel: +32-2-7330814, email: leontien@fern.org)

WWF

WWF is actively working on rural development in a number of countries around the EU. Contact Elizabeth Guttstein (tel +32 2 740 0924, email eguttstein@wwfepo.org)

Annex IV

Contact people in the European Commission, DG Agriculture

Director AGRI E1 (rural development programmes 1): Jose Manuel Sousa Uva

- Head of unit rural development programmes Belgium, France, Luxembourg, Netherlands: Pedro Tarno
- Head of unit rural development programmes Cyprus, Greece, Ireland, United Kingdom: Mr Rob Peeters
- Head of unit rural development programmes Denmark, Lithuania, Poland: Mr John Lougheed
- Head of unit rural development programmes Hungary, Italia, Malta: Markus Holzer

Director AGRI E2 (rural development programmes 2): Antonis Constantinou

- Head of unit rural development programmes Czech Republic, Portugal, Slovakia, Spain: Mr Jean-Francois Hulot
- Head of unit rural development programmes Estonia, Finland, Latvia, Sweden: Ms Josefine Loriz-Hoffmann
- Head of unit rural development programmes Austria, Germany, Slovenia: Ms Kristine Liljeberg

If you want to send an email to a specific person in the Commission, use the following email address format: `firstname.lastname@cec.eu.int`

For telephone numbers and addresses contact FERN or use the general telephone number for the European Commission: 32-2-2991111 and the general address: European Commission; 200 Rue de la Loi; 1049 Brussels; Belgium.