

# The case of Ireland

## Funding forests into the future?

How the European Fund for Rural Development affects Europe's forests



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A report produced by FERN, June 2008



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This paper was funded by the European Community, Directorate-General for Agriculture and Rural Development and the Dutch Ministry of Environment and Spatial Planning.

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*June 2008*

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## Acronyms

CAP	Common Agriculture Policy
DG	Directorate General
EENGO	Environmental Ecological Non Governmental Organisations
EU	European Union
FSC	Forest Stewardship Council
FAP	EU Forest Action Plan
FEPS	Forestry Environmental Payments Scheme
FLEGT	Forest Law Enforcement Governance and Trade
NDP	National Development Programme
NGO	Non Governmental Organisation
NPWS	National Parks and Wildlife Service
NRDS	National Rural Development Strategy
RDF	Rural Development Fund
RDP	Rural Development Programme
SEA	Strategic Environmental Assessment
SFM	Sustainable Forest Management
TD	Irish Elected Public Representative in the Parliament

## 1 Introduction

This paper examines the Irish Rural Development Programme (RDP) and the measures that Ireland has proposed to improve the social, environmental and economic impacts of forestry related activities.

Ireland has approximately 710,000 hectares of forest, about 10 per cent of its total land (RDP 2007). This is the lowest percentage of forested area in the EU. Most of this national forest estate is public land, managed by the state forestry company Coillte. The 2003 Coillte Teoranta, Social and Environmental Report showed that they managed approximately 1.1 million acres, 77 per cent of which was covered by exotic conifer, 18 per cent by broadleaf (a small percentage of which were native), and 4.2 per cent by mixed species.<sup>1</sup>

The majority of Ireland's forest estate is made up of monoculture plantations of exotic species, which were planted on marginal lands, including valuable peatland habitats, only 10 per cent of Irish forests are deciduous.<sup>2</sup> Ireland lost the majority of its native woodlands between 1500 and 1700, as a result of colonisation, leaving the land denuded and the people impoverished. Before this, knowledge of forests and trees was integrated into daily life. For example, the Gaelic alphabet was based on the first letter of different native tree species and the indigenous Brehon law system (the second oldest written law system in the world after Sanskrit), protected trees from wilful damage and gave every person rights to the forests.

This paper examines to what extent EU funds are being used to rebuild native woodlands in Ireland and improve forest management across the board.

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1 Figures 2006, taken from the Minister for Agriculture's response to TD Trevor Sargeant's parliamentary question.  
2 [www.heritagecouncil.ie/publications/archforest/new5.html](http://www.heritagecouncil.ie/publications/archforest/new5.html)

## 2 Rural Development Funding for forest related activities

The Irish Rural Development Programme is worth €4.5 billion, and Table 1 shows how the money is broken down by Axis. It reveals that none of the money is directly allocated to forest related activities.

Ireland's draft RDP did include a comprehensive afforestation programme, but it did not appear in the final RDP submitted to the EU. Instead afforestation was moved and will now be funded directly by the National Development Plan (NDP). The Woodland league met with DG Agriculture in November 2007 to discuss why forestry did not form part of the RDP. Three possible reasons were put forward:

1. The Irish government did not want to have to comply with the EU's yearly independent environmental monitoring guidelines, especially of watercourses.
2. The EU RDF can only give 80 per cent grant aid to afforestation whereas the government had already promised 100 per cent funding to the farmers.
3. The Irish government did not want to comply with the EU demand that from 2008 onwards all grant beneficiaries would be placed in the public domain.

On top of these suggestions, it is also possible that the Irish government did not want to have to comply with the EU RDF's requirement to have a forest standard with independent verification. By omitting forestry from its RDP, the Irish State has been able to ensure that its Strategic Forest Management (SFM) credentials have not come under increased scrutiny. One of the issues that they may not want to have had investigated is that despite having had Forest Stewardship Council (FSC) certification for nine years, they have no forest standard in place.<sup>3</sup>

Although no money is specifically directed to sustainable forest practices, the RDP does include €465 m for Natura 2000 sites. The objective of this measure is "To contribute to positive environmental management of farmed Natura 2000 sites and river catchments."

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<sup>3</sup> FSC criteria state that if there is no forest standard in place when they issue certification, one must be put in place within seven years of certification.

**Table 1: Breakdown by Axis<sup>4</sup>**

<b>Table 1: Indicative breakdown by Rural Development Measure (in EURO, total period)</b>			
Measure / Axis	Public Expenditure	Private Expenditure	Total Cost
(111) Vocational training and information actions	14,000,000	-	14,000,000
(112) Setting up of young farmers	58,000,000	-	58,000,000
(113) Early retirement of farmers and farm workers	360,000,000	-	360,000,000
(121) Farm modernisation	50,000,000	78,000,000	128,000,000
<b>Total Axis 1</b>	<b>482,000,000</b>	<b>78,000,000</b>	<b>560,000,000</b>
(212) Payments to farmers in areas with handicaps, other than mountain areas	895,000,000	-	895,000,000
(213) Natura 2000 payments and payments linked to Directive 2000/60/EC (WFD)	401,000,000	-	401,000,000
(214) Agri-environmental payments	2,089,298,800	-	2,089,298,800
<b>Total Axis 2</b>	<b>3,385,298,800</b>	<b>-</b>	<b>3,385,298,800</b>
Axis 3 Implemented under Axis 4	-	-	-
<b>Total Axis 3</b>	<b>-</b>	<b>-</b>	<b>-</b>
(41) Local development strategies of which:			
(413) Quality of life/diversification	425,455,000	139,000,000	564,455,000
<b>Total Axis 4</b>	<b>425,455,000</b>	<b>139,000,000</b>	<b>564,455,000</b>
<b>Total Axes 1, 2, 3 and 4</b>	<b>4,292,753,800</b>	<b>217,000,000</b>	<b>4,509,753,800</b>
511 Technical Assistance	6,000,000		6,000,000
Of which amount for the national rural network (where relevant):	3,000,000		3,000,000
(a) Running costs	750,000		750,000
(b) Action plan	2,250,000		2,250,000
<b>Grand Total</b>	<b>4,298,753,800</b>	<b>217,000,000</b>	<b>4,515,753,800</b>

4 Taken from the RDP page 171

### 3 Rural development plans and programmes

#### 3.1 The National Rural Development Strategy and the National Biodiversity Action Plan

Neither Ireland's National Rural Development Strategy nor its National Biodiversity Action Plan are readily available for access and so comparisons are difficult. However Ireland's Rural Development National Strategy Plan 2007-2013 is available and it does begin to shed light on the government's stated reasons for not including forests in the RDP. The following is taken from page 7:

*Forestry will not be supported under the Rural Development Programme but will receive complementary assistance through exchequer funding under the National Development Plan (NDP). Forestry will be financed outside the Programme as a higher level of funding will be possible under this approach and it is considered that this will enhance the likelihood of achieving the current target set for increasing the land area under forestry. While there will be assistance for increased competitiveness the focus will be on the environmental contribution of afforestation.*

*Ireland's forestry sector comprises not only an expanding growing sector but also a vibrant forest industry. Over 90% of all new planting is now undertaken by farmers, which is significantly changing the structure of forest-ownership in Ireland, with some 16,000 private plantations now established.*

The word 'plantations' used above is the type of forestry that will continue under the NDP. These plantations are largely Sitka Spruce (56 per cent of trees planted 1997-2002),<sup>5</sup> and have a hugely negative effect on biodiversity, soil and water. Sitka Spruce grown close together make a very dense canopy. It is difficult for sunlight to find its way through to the woodland floor so few plants can grow underneath them.<sup>6</sup> They are then clear-felled, which leaves acid, nutrient deficient land open to landslides and soil erosion.

Ireland's National Parks and Wildlife Service website<sup>7</sup> does give some information about the previous National Biodiversity Plan:

*Ireland's National Biodiversity Plan was launched in April 2002. The plan sets out the framework through which Ireland will provide for the conservation and sustainable use of biodiversity over a five-year period. Under fifteen themes and sectors, it details actions that will be pursued to achieve this objective.*

So while this information is for a five-year period ending 2007, it is worthwhile considering what the three main objectives were:

- minimise adverse impacts on biodiversity;
- eliminate significant adverse impacts; and
- encourage and promote beneficial effects on biodiversity.

Considering these three objectives alone, we would suggest that as it stands, Ireland's Rural Development Strategy is not in line with what we know of the National Biodiversity Action Plan.

5 Forestry: A Growth Industry in Ireland, June 2003, Peter Bacon and associates (p.10)

6 [www.forestry.gov.uk/forestry/infd-5nlej6](http://www.forestry.gov.uk/forestry/infd-5nlej6)

7 [www.npws.ie/en](http://www.npws.ie/en)

### 3.2 The National Rural Development Strategy and the National Forest Programme

Again, in the Irish context, there is no specific National Forest Programme and so comparisons with other strategies such as the National Rural Development Strategy (NRDS) cannot be applied. There is mention of an Afforestation Programme in the NRDS (page 43), but the author was unable to find any more information about this:

*In addition, NPWS [National Parks and Wildlife Service] advises the Forest Service of the Department of Agriculture and Food in relation to the wildlife environmental conditions attaching to its afforestation programme. All applications meeting the grant conditions will be eligible for the grant. Compensation will not be payable in respect of applications failing to meet the conditions.*

### 3.3 The Rural Development Programme and the National Rural Development Strategy

Both the RDP and the NRDS conclude that forestry will not be funded under the RDP. Page 7 of the NRDS states:

*Forestry will not be supported under the Rural Development Programme but will receive complementary assistance through exchequer funding under the National Development Plan (NDP).*

Where the RDP and the NRDS differ however is that even though the final RDP excluded forestry measures, they were part of the original draft. This was not the case for the draft NRDS.

### 3.4 The Rural Development Programme and Target 2010

Ireland has designated a comprehensive range of priority habitat sites to help stop biodiversity loss. The RDP shows that Natura 2000 sites alone will receive €465 m. On top of this, there are the farming environment measures which will also help to relieve pressure from habitats. Unfortunately any good that these two measures will do towards halting biodiversity loss will be negated by the continued increase of industrial plantation forestry, with no independent monitoring.

There is also a Forest Environmental Protection Scheme (FEPS), which is targeted at establishing forests on farms. This could be a very successful scheme if done well, but instead the highest grants are awarded to planting of Beech (non-native broadleaf) and Oak (with no stipulation that the Oak be a native strain.) This is despite the fact that the 1993 Convention on Biological Diversity recognised native Oak as having the most biodiversity value. Again, any enhancement of biodiversity that comes from the scheme will be outweighed if (as is shown on the Coillte website below)<sup>8</sup> clear felling of the plantations continues. This will destroy any biodiversity built up during the scheme.

*You retain full ownership of your plantation, you will receive tax free forest premiums for up to 20 years and you will benefit from all timber revenues from thinnings and clearfell.*

Let us then look again at the €465 m devoted to Natura 2000. Page 43 of the NRDS states:

*650,000 hectares of the whole territory, and 15% of agricultural land, is designated under Natura 2000. Of this, 20,000 hectares relates to Forestry. These are the designation of areas of importance for wildlife and natural habitats, and schemes of payments for environmentally friendly farming/ good environmental practice.*

Whilst this would appear to be positive, the author has been unable to find out who will be receiving the funding and so it is not possible to make a conclusion of its value.

8 [www.coillte.ie/businesses/forestry/coillte\\_farm\\_forestry\\_services/afforestation\\_services/](http://www.coillte.ie/businesses/forestry/coillte_farm_forestry_services/afforestation_services/)

### 3.5 The Rural Development Programme and other related EU policies

**EU Forest Action Plan:** The social and environmental aspects of the EU Forest Action Plan (FAP) are not reflected in the RDP. Nor is the requirement that forests should play a multifunctional role, meaning a mixture of ecological, environmental, economic, social and cultural functions. We feel that these aspects of the FAP are of great importance and that as Ireland has not included them in the RDP and does not have a National Forestry Plan, they will not be achieved.

**Forests Law Enforcement, Governance and Trade (FLEGT):** Ireland's RDP does not mention or include measures to halt the use of illegally logged timber. Nor are there measures to improve the land access and tenure rights problems experienced by marginalized indigenous people. For example, despite widespread local objection, the multinational company Shell have been sold public forest land in County Mayo to build a Gas refinery.<sup>9</sup>

There continues to be no effective participation or consultation with regards to national forest issues, and no dispute resolution mechanism in place. This means that anyone wishing to challenge decisions must resort to the expensive and time consuming court system. This is totally unsustainable and in conflict with the core element of FLEGT. This is another area where Ireland's lack of a National Forest Standard causes real problems as it means there is no benchmark against which to monitor or regulate.

Most of Ireland's forestry Acts have been under review since 1997, which means there is also no effective legislation to support Sustainable Forest Management (SFM) and the objectives of FLEGT. The present forestry acts were not designed to deliver the social and environmental objectives, which underpin the EU Rural Development Funding programme. However, the main 1988 forestry Act is not included in the review despite the fact that it was this Act which established the State forestry company Coillte, who manage 1.1 million acres of public land, with a predominantly commercial mandate. Ignoring this Act in the review makes the whole assessment questionable as it means that Ireland's dominant forestry player is not being called to account for its social and environmental responsibilities.

**The Biomass Action Plan:** The RDP includes very few measures towards biomass production, and those figures which do appear seem to contradict each other. For example the first quote is from page 24 "analysis of the situation," and the second from page 138, "agri-environmental payments":

*"production of biofuels and biomass. Approximately 2,000 hectares was claimed under this in 2006."*  
*"Biomass Crops, baseline not indicated, Target 1,000 hectares."*

On top of this, the Department of Agriculture website states:

*"A new bioenergy scheme has been introduced to provide establishment grants to farmers for up to 5 per cent of costs associated with Willow and Miscanthus. A pilot scheme was set up in 2007 - it is envisaged that up to 1400 ha (hectares) of Willow and Miscanthus will be grant-aided - 8 million Euro is being allocated to this scheme over period 2007- 2009."*

We believe that not enough research has been conducted into how invasive the Miscanthus is. The manner and scale of the Willow and Miscanthus management and harvesting will determine how beneficial or not this Biomass scheme will be.

Although there is no specific biomass programme, as well as the Willow and Miscanthus pilot scheme, there is another pilot in operation called the Co. Clare Wood Energy Project.<sup>10</sup> In none of the information about Ireland's biomass projects was there a focus on either environment measures or biodiversity enhancement.

<sup>9</sup> Forestry In Ireland: From A Citizens Perspective. Available from [www.woodlandleague.org](http://www.woodlandleague.org)  
<sup>10</sup> [www.rdd.ie](http://www.rdd.ie)

## 4 The process of developing the Programme

Despite hopes and expectations that the Rural Development Strategy would include consultation with stakeholders, the strategy includes neither mention of who the stakeholders would be or who was responsible for developing the strategy.

Larger NGOs (An Taisce and Voice) did participate in the development of the draft RDP, but the State's decision to remove forestry from the final RDP involved no consultation.

Despite forestry being left out, the RDP does mention the consultation on page 50:

*A number of issues relating specifically to forestry were raised as part of the SEA consultation process, i.e. water-quality, species selection, use of fertilisers and herbicides, reforestation and soils definitions.*

The following is taken from the draft RDP on the Strategic Environmental Assessment (SEA):

### **Scoping of the SEA Report**

*The Report was prepared in late 2006 and was based on information contained in the Draft RDP, meetings with staff of the Department and information gathered from a range of other technical sources. Relevant staff from various Government Departments and Agencies, including the Department of the Environment, Heritage and Local Government (DoEHLG), the Department of Communications, Marine and Natural Resources (DCMNR) and the Environmental Protection Agency (EPA) were advised of the Draft RDP and their views sought. In the case of the DoEHLG a number of issues were raised and are addressed in this Report. Some highly detailed ones, however, were considered to be more appropriate to the implementation stage rather than to the strategic overview stage as applies in SEA. In addition, organisations/groups such as the Irish Farmers Association, Comhar, Tipperary*

*Institute, County Councils and various local voluntary bodies were consulted. In all over 70 such organisations/bodies responded with comments. The scope of the Report was also guided by the identified Environmental Protection Objectives of the draft RDP.*

As can be seen, public participation is described as “various local voluntary bodies,” with no details of who they were. It mentions the IFA (Irish Farmers Association), whose members will gain most from the RDP, the State body, Comhar (National Sustainable Development Council), Tipperary Institute (a State funded education body) and the County Councils (agents of the State) as representing civil society in the consultation process. None of these have enough independence from the State to be representing the public. It is also important to remember that the SEA was conducted on the draft RDP, not the final version.

There is no mention of consultation whatsoever in the ex-ante evaluation of the draft RDP and there appears to be no provision for NGOs to participate in the steering and monitoring committees. It is likely that Comhar and other State bodies will again be expected to represent the public on these committees. If this is the case, one can only imagine that once more there will be very little important information moving into the public domain.

The problems inherent in not having NGOs invited to take part in the RDP process is made all the worse by the fact that the strict criteria surrounding the funding of NGOs in Ireland means that they are also unable to do research of their own volition. The lack of funding for investigating issues such as the RDP acts as a barrier for small, volunteer based NGOs to participate in these processes. NGOs such as Centre for Environmental Living and Training (CELT), the Woodland League and Forest Friends have been

directing their resources instead towards creating a Forest standard compatible with SFM. This means that the mainstream NGOs are the sole representatives of the public. These include The Woodlands of Ireland group (a State NGO), An Taisce and Voice.

There is no provision for bottom up partnerships in Ireland. What passes as public participation or consultation is communications between State bodies and a few large NGOs. In other words, Article 6, which should form an integral part of the RDP and allow for participation by a broad based section of civil society has been breached.

## 5 Problems and Opportunities

So far we have looked at the problems that Ireland's RDP faces when compared to other European policies and strategies and the difficulties it has had in ensuring input from and consultation with the public. Below we look at the issues that need to be dealt with as well as positive opportunities to move forward:

### Problems

1. The lack of public awareness and information around forestry issues, and the lack of knowledge in the industry itself is a major obstacle to Ireland achieving SFM. From SEA of Draft RDP:

*As already noted, the forestry sector in Ireland is still immature in terms of knowledge and experience of those involved and also there is inadequate cash flow to support activities (e.g. thinnings) which are easily funded from timber sales in countries with more mature resources.*

2. The manager of the public forestry estate, Coillte hold a monopoly position in the Industry and undue influence over the regulator of forestry in Ireland, The Forest Service. From EENGO submission for the National Sustainable Development Strategy (NSDS):

*The commercial remit of Coillte has led it to short-term profit seeking at the expense of the environment and of social capital in local areas. It should never have given the powers to alienate its resource (sell land). Coillte's compliance with Forest Stewardship Certification (FSC) Principal 6 of the FSC code has come under question by concerned citizens and groups. High impact operations (e.g. clear fell, inappropriate reforestation in acid sensitive areas, road building and drainage, fertilization) do not comply with this FSC principle. The environmental damage to clear fell sites has been severe particularly to fragile peat soils, in a number of cases.*

3. With the emergence of a new forest estate based on plantations there has been an explosion in the deer population. With no management, the deer are hampering efforts to restore native woodlands.
4. There is no established market for thinnings in Ireland.

### Opportunities

The main opportunity is also the key to creating a sustainable forest ethos in Ireland - education:

1. Rural Development funds should be used to create training modules based on managing the 700,000 miles of hedgerows that are currently looked after in a piecemeal fashion, usually with flails and large saws attached to tractors. Community teams could take on the management of these abused resources, which contain many of our native tree species, wildlife and an important part of the gene-pool from our ancient forests. Training should be in SFM and include coppicing, grading, selective felling and the creation of biomass, firewood, craftwood, etc. as local sustainable resources.
2. Rural Development funds should initiate a programme of native tree planting for farmers for environmental reasons. NGOs should be involved in fulfilling this objective.
3. Rural Development funds should be used to create centres of excellence in SFM with outside expert advice to help steer current forest policy in the right direction. These centres would help train young people in rural areas for the long term management aims of continuous cover SFM. The Woodland league have established connections with international forestry experts in SFM,

who are willing to assist in turning Ireland's forestry model around. We must not lose sight of the fact that Ireland's climate is westerly, seaboard, and temperate, with mild winters and lots of rain. These are the perfect conditions for growing trees.

4. Rural Development funds should be used to create community native woodland models which conserve, enhance and raise awareness of biodiversity, as well as act as an outdoor classroom for local schools through the monitoring and study of these woodlands through the seasons.

## 6 Conclusion

The Irish State's current forestry model needs to be overhauled. If nothing is done to change the present industrial model and its dependency on 100 per cent grants, then Ireland will never have a sustainable forestry model. Action must be taken now to ensure that future generations have a model that delivers a better quality of life and reaps the benefits of Sustainable Forest Management such as:

- Biodiversity enrichment.
- Water, air & soil protection.
- Community based local economies.
- Carbon sequestration.
- Quality hardwood market.
- Non-timber products.

Failure to address the issues outlined in this paper will leave the Irish public burdened with paying into the future for the costs of polluted water and soil, loss of biodiversity, landslides, lack of rural economies and a dependence on fossil fuels.

## Annex 1: Economics of Irish Forestry

Following are extracts From *Economics of Irish Forestry* by professor Peter Clinch, 1997. This is the only cost benefit analysis carried out on the Irish forest industry which includes social and environmental values.

*The strategic goal of the Irish Forestry plan is to develop forestry to a scale and in a manner which maximises it's contribution to national well-being on a sustainable basis and which is compatible with the protection of the environment. Quote from Dept. of Agriculture, food and forestry 1996.*

*There is a serious question mark over the ability of the forest service to insure that afforestation is carried out in the most socially efficient manner. This results from the poor quality of information provided by the forest service. The lack of an effective monitoring procedure of the location and extent of the afforestation, then the lack of statutory backing for the forestry guidelines, and the lack of any ex post evaluation to ascertain the effectiveness of the guidelines.*

*While the forestry act of 1988 (that established Coillte as the main forestry company with a monopoly) does include as one of the company's statutory general duties the rather vague duty of having "due regard to the environmental and amenity consequences of it's operations", the four statutory objectives make it clear that Coillte is to be run as a commercial company.*

### **The effects of a plantation**

*Plantation forests disturb the existing eco-system. In the case of commercial plantations, existing vegetation is eliminated and ploughing breaks up pans. On blanket bogs the existing eco-system is irreversibly destroyed (Hickey, 1990). Improved drainage disturbs the path of small natural streams and soils become dryer. On coarse textured poorly buffered soils, conifer plantations may promote soil acidification and slow decomposition leads to deep accumulation of humus in which nitrogen is trapped (Peterken 1996)*

*The strategic plan for the forestry sector published by the Irish government in June 1996, commits over 3 billion pounds in subsidies to promote the doubling of the forest estate in the next 35 years. There has been considerable controversy regarding the external (environmental) effects of the massive land use change that will ensue. Prior to this study, no assessment of the magnitude of the externalities of afforestation had been undertaken and, therefore, the social efficiency of such land use change had not been assessed.*

*To conclude on the issue of whether or not the strategy will be good for society as a whole, on the basis of this study, it is reasonable to state that: if the EU funds that are committed to afforestation as part of the strategy could be made available for an alternative use, the strategy would fail at cost benefit analysis and, therefore, it would be predicted that it's implementation would reduce the welfare of Irish society as a whole.*

*However, if the EU funds would not be available for an alternative use, the strategy would pass a cost benefit analysis and, therefore, it would be predicted that it's implementation would improve the welfare of Irish society as a whole.*

### **Water forest relationships**

*The knowledge of the interaction of forests with the water supply is very limited. The majority of research in this area has focused on the acidification of water by forests " scavenging". A research project is required to assess the extent of pollution other than acidification by afforestation and the*

*costs which this imposes. A study is also required to assess the impact of alternative land uses on hydrology and the associated costs.*

*If the strategic plan for the forestry sector is to be justified, a number of issues will need to be clarified:*

- Are EU funds restricted to this project and if so, is there an opportunity cost of using them.*
- Is forestry a more viable prospect than an alternative land use.*
- Will forestry subsidies merely replace agricultural subsidies, such that there is no net increase in the use of public funds.*
- Are subsidies to forestry designed purely to provide income support to farmers and, if so should Coillte and non-farmers be excluded from the scheme.*
- Is funding forestry the best way of transferring income to farmers.*
- Would such a plan take the long term unemployed off the dole queue.*

*The strategy document does not provide convincing answers to any of these questions. With certain answers to these questions, forestry could be shown to be a wise investment of public funds, particularly in comparison to other land uses. However, without such answers, public financing of the strategic plan for the development of the forestry sector in Ireland is questionable.*