Opinion of the Standing Forestry Committee  
on forestry measures in Rural Development  
22 July 2009

Introduction

The EU Forest Action Plan 2007–2011 states that the Commission will seek to strengthen the active involvement of the Standing Forestry Committee in its advisory role in policy formulation process. It also indicates that the European Agricultural and Rural Development Fund is one of the main community instruments for providing funds for forest related activities in rural areas.

The Standing Forestry Committee appreciates the positive impacts of the policy decision to integrate forests and forestry related measures into the legal framework for Rural Development for the period 2007-2013 which may be summed up as follows:

- around € 8 billion will be spent from the Community budget for forests and forestry-related measures (EAFRD),
- more than 88 000 forest owners or forest holdings will improve the economic value of their forests,
- approximately 890 000 ha of new forests will be established, 400 000 hectares of Natura 2000 forest areas and 2 million hectares of forests through forest-environment payments will be supported.

However, it also sees a need to further improve the coherence of the forestry related aspects of rural development as well as review certain measures in order to improve their effectiveness and applicability. The specific long-term nature of forestry processes, organisational aspects of the forest sector in different Member States as well as the multiple economic, environmental and social benefits that forests can deliver to rural areas could be better reflected in the legal framework of the policy.

The Commission prepared in February 2009 a report describing the uptake and application of forestry measures in the Rural Development programmes for the period 2007-2013. The report and the consequent discussions of the Committee revealed certain difficulties in the implementation of some forestry related measures and the need to consider possibilities to further simplify and clarify the regulatory framework. The Committee therefore decided to address the issues in a formal opinion.

The Committee wishes to present this opinion as a contribution to the preparation of the regulatory framework for the next programming period as well as the preparation of the review of Common Agricultural Policy post-2013. It also wishes to propose for consideration a number of possible improvements of the regulatory framework already during the current programming period. The opinion could also contribute to the mid-term evaluations of the Rural Development programmes carried out in the Member States. The EU Forest Action Plan 2007–2011 is currently being evaluated, and its continuation soon needs to be prepared. At the same time, up-dating the EU Forestry Strategy should be considered.

1 "Sweden is at this stage not prepared to offer specific comments on the Rural Development Program post 2013. As a general comment, however, Sweden wants to stress that it is important that economic support for forestry measures within rural development should be focused on capacity building and environmental measures, not on production measures. As a guiding principle, economic subsidies should not be offered in a way that creates market distortions."
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Taking into account that

- Forest is a major land use category in Europe covering more than 155 million hectares - almost the same as the agricultural area - with more than 16 million public and private owners, which delivers multiple economic, social and environmental benefits to the society,

- Forests and sustainable forest management are key contributors to the economic, social and environmental viability, prosperity and development of many rural, urban and mountainous areas, as well as for the prevention of natural disasters,

- Forests have crucial role in fulfilling Community commitments on climate change mitigation and its objectives for renewable energy as well as in preserving biodiversity and combating desertification,

- Forests are multifunctional and environmental, economic and social objectives are intertwined in sustainable forest management,

- Biological and management processes in forestry have a long life cycle which influences the planning of investments in and revenues from forestry; therefore there needs to be continuity between the measures supported in progressive Regulations,

- From an economic point of view, most of the social and environmental values of forests represent positive externalities that are increasingly demanded but not reflected on the markets,

- There is a need to encourage additional sustainable mobilisation of wood and forest biomass for renewable energy and environmentally friendly products through further developing technologies and better organizing forest owners as well as silvicultural work,

- The importance of afforestation and cultivation of fast-growing species for energy generation is increasing because of its contribution to climate change mitigation, while the reduction of support rates causes difficulties related to the application of the support system,

- According to the results of climate change and forestry-related studies the risk of outbreaks of harmful biotic agents has increased and is expected to increase further, while prevention measures against exceptional insects, pests or diseases are not eligible for support;

(1) the Standing Forestry Committee urges the Commission to consider the possibility to amend the current regulatory framework and its application with regard to forestry related measures, in particular:

a) in order to facilitate capacity building in forest related activities, to contribute to the sustainable mobilisation of unused forest potential, including from forests with fragmented ownership structures, and the implementation of Community objectives for renewable energy

   - provide the same possibilities for forestry actors for setting up of management, relief and advisory services as is provided for farmers,
   - reintroduce the support for the establishment of forest owner associations or producer groups,
- widen the eligibility for support to investments in the improvement of the economic value of forests to cover the most relevant operators, including contractors,
- widen the eligibility for support to investments for adding value to forestry products to small as well as micro-enterprises;

b) in order not to unnecessarily limit uptake of relevant measures, simplify and clarify the eligibility criteria for support to forest management and for processing and developing forestry products, including assessing the need of the public bodies to be eligible target groups,

c) where appropriate, further simplify the application of forestry measures by the use of standard costs or area based as an alternative to the invoice based system, and give Member States the choice to apply the best suitable system when supporting improvement of the economic value of forests (e.g. thinning, pruning); furthermore, introduce easier notification procedures of forest measures, which makes the aid delivery quicker and flexible,

d) to avoid confusion and possible duplication of funding possibilities, define clear criteria for Short Rotation Coppice and fast growing tree species for short term rotation,

e) in order to encourage afforestation,
- streamline the eligibility criteria for beneficiaries and support rates for the different aspects of afforestation measures (establishment, maintenance costs and payment for loss of income) and include support for maintenance costs to all type of first afforestation,
- consider allowing supplementary payments to cover additional expenses in cases of natural disasters such as droughts, in order to reduce the risk of loosing the initial investment;
- as foreseen in article 175 of the Community Guidelines for State Aid in the Agriculture and Forestry Sector, revise the support rates for the establishment costs and allow the possibility of combining these with state aid up to 100 %, as was the case in the previous programming period,
- to avoid the possibility of contradictory interpretations, clarify the requirements for designating areas for afforestation;
- include municipalities and semi public bodies to eligible target groups (e.g. by making them eligible for support to cover maintenance costs);

f) in order to facilitate the protection of high nature value forests, provide more flexibility in the application of forest environmental and Natura 2000 measures as regards both the upper and lower ceiling of the support and the length of the commitment period, taking into account the specific nature of the long term processes in multifunctional forests, and consider making public forests under certain conditions eligible for support to environmental actions,

g) taking into account the scale of the damage caused by harmful biotic agents and forest fires and that the frequency and intensity of droughts is likely to increase in several regions of Europe, revise the eligibility conditions for prevention and corrective measures, considering drought and exceptional outbreaks of biotic agents as eligible basis for prevention and restoration actions,

(2) the Standing Forestry Committee requests the Commission to ensure that it will be consulted as regards forestry measures in the context of the preparation of the next
programming period and revision of the Common Agricultural Policy for post 2013, and urges the Commission to consider:

h) that the EU Forest Action Plan 2007–2011 is currently under evaluation, and preparations for a new action plan and possible revision of EU Forestry Strategy should commence when the evaluation results are available, providing a good basis for determining the role of forestry measures in rural development,

i) where appropriate, to clearly separate forestry from agricultural production in the definition of certain measures, taking into account the different characteristics of agricultural and forestry activities,

j) to simplify, consider combining the measure “improvement of the economic value of forests” with the measure “adding value to forestry products”,

k) to introduce more concise and more efficient implementation procedures for forestry measures as regards control, monitoring and evaluation, better adapted to the specific conditions prevailing in forestry and taking into account the small financial scope of forestry measures relative to other measures;

l) in providing support for additional costs or income foregone due to implementation of Natura 2000 related legislation, take into account the need for well-harmonised efforts in larger areas, and consider the eligibility of wider type of ownership categories, e.g. semi-public bodies and municipalities,

m) to acknowledge that the non-wood forest goods and services provide an important contribution to rural development and to examine possibilities for combining support to actions primarily aiming at environmental or recreational services with a possibility for providing economic benefits in the long term,

n) considering the special conditions, create specific and more effective measures for supporting forestry in mountainous areas securing the environmental, economic, risk prevention and social functions of mountain forests, including opening the possibility for support to agroforestry systems,

o) to introduce a new measure „in situ and ex situ-conservation and promotion of forest genetic resources“ considering the climate change challenge,

p) to examine how the legal framework could better encourage innovative approaches to sustainable forest management and provision of forest services, avoiding to hold back those Member States which want to do more to address future challenges,

q) to ensure that forestry related measures in rural development support the principles of the EU Forestry Strategy and carefully examine the need for public support for forestry related economic activities,

(3) The Standing Forestry Committee considers it necessary to review the content and position of forestry related provisions in the Community Guidelines for State Aid in the Agriculture and Forestry Sector, in order to provide a more enabling and result-oriented framework for the implementation forestry related measures, considering in particular that
it should be possible to pay state aid funding alongside EAFRD co-financing to the maximum of 100% where the objectives and outcomes of the measures meet the objectives as determined by the Rural Development Regulation and determined by the Guidelines,

all forestry related measures should be part of the Guidelines and in particular those related to axis 1 and not only those concerning environmental, recreational and protection aspects, and that

there should be a possibility to include other important services into the support framework as well as possibilities to integrate innovative forms of support mechanisms;

(4) The Standing Forestry Committee encourages the Member States to

a) take into account issues raised in this opinion in the Mid-Term Evaluation of their rural development programmes, as well as the uptake and effectiveness of current opportunities;

b) take the measures regarding the sustainable mobilisation of wood as well as provision of non-wood forest goods and services, identified in the opinions of the Standing Forestry Committee, that are relevant in the context of rural development policy,

c) further integrate forestry into land use decision making, allowing land managers to focus on delivering products and public benefits required by the society;

d) support sustainable forest management as an adaptive approach, helping to ensure forests can respond to changing economic and environmental conditions and meet the needs of society in the future, taking into account that this requires forest monitoring programmes that inform decision making by assessing the full range of forest multi-functionality, providing policy makers with timely and accurate evidence.