

Rural Development Regulation (RDR) - Forest Measures

Summary

- The Rural Development Regulation (RDR), also known as Pillar II of the CAP, has considerable potential to address some of the EU's environmental and climate challenges by supporting forest ecosystems and multifunctional forest management (Sustainable Forest Management/ SFM) as long as it is well targeted, implemented and monitored.
- There is a lack of coherence between the CAP and other EU policies (e.g. EU Biodiversity Strategy, national forest programmes, national renewable energy action plans, new EU Forest Strategy, etc.) which should be resolved before RDR implementation.
- As the proposed RDR budget line is 8% less than the previous funding period, the right balance between CAP priorities will be key to ensure sufficient spending for (forest) environment measures.
- A Forest Management Plan or its equivalent should include biodiversity aspects. This plan should be a prerequisite for forests that receive subsidies under the RD programme. Guidelines for forest management should be developed for a better support of forest services.
- Forest measures should promote the principle of interventions that mimic nature processes that protect and enhance habitats' and species' status, as it has been proven to be the most cost- effective management, particularly for forest damages.
- Several RDR measures are pointing in the direction of increased biomass production for bioenergy purposes. BirdLife Europe urges however that first sustainability criteria are put in place before these measures are widely promoted.

Forests are important ecosystems for both human beings and biodiversity. Their multifunctional role and future value has been emphasized in several EU policies, most notably the EU Biodiversity Strategy. Forests are fragile ecosystems and vulnerable to exploitation, Birdlife Europe would therefore recommend that all forest related issues are to be addressed with caution and appropriate planning. Moreover, there is currently no real coherence among different EU policies (eg. Renewable Energy Action Plan, Biodiversity Strategy, etc.), because no common forest policy exists and the EU forest strategy and EU forest action plan are following a volunteer approach. Consequently, available funds for forests are rarely combined with specific targets and specific rules. Due to this setup, the EU and MS are facing difficulties in achieving forest sustainability. In many cases this results in negative effects on forest biodiversity^{1,2} and other ecosystem's services provided by forests².

In the European Parliament's report on the "Commission Green Paper on forest protection and information in the EU: preparing forests for climate change", the following has been stated: *There is a need to increased levels of funding for EU forest protection measures, through the rural development pillar of the Common Agriculture Policy (CAP); pointing out that the new challenges entailed in climate change make it plain that forest protection requires greater funding and that new forms of assistance may be required³*.

The proposed RDR is trying to address all of these challenges, although forests and forestry remain a low priority in the proposed text. Furthermore, there are no budget assurances in the proposed RDR nor for forests in the RDR nor for environmental measures. Hence, attention must be paid so that the forest related measures are well funded, well designed with specific obligations for all the relevant stakeholders. Only then could the CAP tackle the current challenges facing forest biodiversity - protection and climate change.

¹ Council conclusions of 15 March 2010 on biodiversity post-2010

² Forest Europe 2011. State of Europe's Forests 2011: Status and Trends in Sustainable Forest Management in Europe. Ministerial Conference on the Protection of Forests in Europe. Oslo 14-16 June 2011

³ COM(2010)66

1. GENERAL ISSUES

- **Environment as the basis for forest measures in rural development**

For BirdLife Europe, Rural Development should be one of the key policy tools to improve the sustainability and resilience of our European Forests. Therefore, we need to move away from placing mainly production and afforestation type measures in the heart of this policy to focus on the environmental, climatic and long term resilience of our forests.

- **Coherence**

Although the RDR is referring to the main threats and challenges of European forests, its scope and measures are not adequately supporting coherence between rural development and other EU policies. BirdLife is not convinced that this coherence will be ensured at a national level, meaning, it remains unclear how the rural development programmes, national renewable energy action plans, national forest programmes, would be integrated.

It is also unclear how the RDR will link with the EU Forest Strategy, which is still under development and is expected to include general principles and not specific targets and tasks. Neither is the EU Biodiversity Strategy that has already been finalized and is in the stage of implementation clearly linked to RDR.

- **Forest Management Plans**

RDR wants Forest Management Plans (FMP) to be in line with Sustainable Forest Management (SFM). However this is not well defined by all Member States and thus would be difficult to properly implement. Currently, in most cases forest management is concerned with only certain aspects of forests (e.g. wood production) and does not integrate other forest functions, in several cases it does not even follow a long-term planning. Therefore forest management in the EU cannot be considered as SFM.

BirdLife asks SFM to be clearly determined on a EU & national level, including adequate biodiversity measures, as it is stated in action 12 of the EU Biodiversity Strategy and Aichi Biodiversity Targets of the Convention on Biological Diversity. A proposal would be to develop a framework for forest management similar to Good Agricultural and Environmental Conditions (GAEC) for forests under RDR.

Moreover, this SFM should be implemented through FMP to all forests, reinsuring in this way that a long-term multifunctional forest management is applied. This is why it is important for all forests under the RDR to have a requirement on FMP or its equivalent following SFM.

- **Deeply inadequate funding**

The proposed EU Budget, if approved, will allocate the EU Rural Development Regulation with roughly 8% less funding than what it currently receives. At a time of ongoing challenges, e.g. biodiversity decline, water pollution, climate change and forest degradation, there should be more investment in the EU environment. A recent report⁴ estimates that the costs of meeting the environmental needs of agricultural and forest land in the EU would be €34 billion/year, almost triple the circa €13 billion currently proposed. The same conclusions are derived by the recent common NGO report⁵.

- **Balancing of programmes unclear**

The proposed RDR has three overarching objectives: *competitiveness, sustainable management of natural resources, and balanced regional development*. These will be achieved through a system of six priorities, which will also have to contribute to the cross-cutting objectives of *innovation, environment and climate change mitigation & adaptation*.

⁴ Hart et al (2011) Costing the Environmental needs of Rural Land Management. Report Prepared for DG Environment

⁵ Daly E. and M. Pieterse 2011. Evaluating the Potential for Green Jobs in the next Multi-annual Financial Framework.
http://www.birdlife.org/eu/pdfs/Green_Jobs.pdf

Having the experience from the previous RDR, there is a serious possibility for MS to shift funds from one objective to the other, e.g. from natural resources protection to competitive enhancement. These shifts are not helpful.

The CAP proposals would allow MS to transfer up to 10% of Pillar I funds to the Rural Development pillar. Given the real-term cut to the Rural Development Budget this transfer should be compulsory for MS and there should be an option to increase the amount 'modulated' if a MS wishes to significantly increase its RDR spending. Perversely, as part of the EU Budget negotiations, twelve MS (those who receive less than 90% of the EU average in direct payments) will be allowed to transfer up to 10% of their Rural Development funds into Pillar I ('reverse modulation'). This is a fundamental backwards step for the CAP and must be prevented.

- **Co-financing**

RDR funds are match funded or 'co-financed' by MS to various degrees. This encourages MS to design their schemes well and use funds efficiently. The maximum EAFRD contribution rate for RD measures has been set at 85% for less developed regions and 50% for all other regions. However, in the current economic climate, co-financing may be unaffordable for certain MS and could make voluntary modulation from Pillar I into Pillar II unattractive. Reduced co-financing rates (or even no co-financing at all) should be allowed for modulated funds. Certain measures receive a higher co-financing rate than others: knowledge transfer, producer groups, cooperation, young farmers and Leader. It is extremely disappointing that there is no mention of a higher co-financing rate for environmental measures; this could make some of the non-compulsory measures (e.g. Natura 2000) less attractive for MS to implement. BirdLife asks that this would be corrected.

- **Lack of partnership principle**

Under RDR, participation and consultation for the relevant stakeholders is missing. Stakeholders, such as Forest owners, forest associations and NGOs, should be present in all the stages; from preparation and implementation to monitoring and evaluation. There should be a detailed procedure for the Member States on how to include stakeholders for support and active participation.

- **Sustainability criteria for bioenergy**

There are several measures under the proposed RDR that concern bioenergy from its production to its transfer (articles 18, 20, 21, 22, 23 and 36). Currently, there are no mandatory sustainability criteria in place for woody biomass and hence the massive stimulation of this type of renewable becomes questionable. BirdLife finds it necessary that a set of clearly defined criteria for bioenergy from forests must be developed in order for it to be a sustainable product. These criteria should address questions such as the origins and amounts of wood used for bioenergy, biodiversity criteria and a methodology for calculating the GHG over the lifecycle.

2.MEASURES

a. Afforestation and creation of woodlands (article 23 RDR)

BirdLife is particularly worried about afforestation and the potentially harmful effects that this measure can have on the environment and the climate in two aspects.

First, afforestation can be carried out on valuable areas, for example, on a biodiversity rich grassland would be detrimental to the habitat. Experience from the previous CAP period showed that afforestation could harm biodiversity if there is no surface limitation or specifications on the designated area for the future afforestation. As a result, in several areas, more homogenous landscapes have been developed and there are some cases where afforestation occurred on environmentally valuable land. These habitat limitations

should be followed by RDR under a monitoring scheme of afforested area per MS. This monitoring could also be connected to monitoring on an ad hoc basis for achieving favorable conservation status of species.

Second, the plantation can occur with the wrong type of tree species regarding local conditions and general characteristics. It should be avoided at all cost to be allowed to plant tree species outside its bioclimatic region with rural development money. Current wording “*Species planted shall be adapted to the environmental and climatic conditions of the area and answer to minimum environmental requirements*” is not enough. Planted trees should also protect and enhance ecosystem services as a priority and should therefore be clearly mentioned. The 2005 regulation mentioned that initial afforestation should be compatible with the environment and enhance biodiversity (recital 38 of 2005 Rural Development Regulation). The implementing guidelines linked to the 2005 Regulation were even more explicit; recital 30 stipulated that care should be taken to avoid afforestation harmful to biodiversity or causing other environmental damage. Tree or shrub species should be directly connected to biodiversity enhancement; as the EU biodiversity strategy demands and is being highlighted by the European Parliament⁶. This is why only indigenous species of every bioclimatic zone should be permitted.

b. Prevention & restoration of forest fires and other damages (article 25 RDR)

This measure is addressing current and future climate change. However, it should focus more on efficient precautionary interventions so as to mitigate forest fires and other harmful impacts. The measure should go beyond constructing road networks, water tanks or afforestation (as in the previous CAP period) since they were proven to be inadequate.

The measure refers to the obligation of a “*Forest Protection Plan*”. Forests should not be managed by several types of Plans. There should be a single plan per forest and that should be the FMP or an equivalent. otherwise this will cause confusion and conflicts during management. The Forest Protection Plan could be a mandatory part of every FMP. Moreover, the part of FMP that refers to protection should contain assumptions on the medium or high risks of forests fires or other damages. These assumptions can be derived after examining specific criteria like the bioclimatic zones, habitat distribution and frequency of past incidents. Under such processes, ad hoc balanced measures could be developed that would protect and restore forests.

Traditional prevention practices, like implementation of animal husbandry in Mediterranean forests in order to control dense canopy and reduce forest fire risk or restoration practices such as no interventions after forest fires so as to enhance natural regeneration, should also be included and financed.

Natural regeneration after forest damages should be a priority in order to restore the forest to its previous principal vegetation. The more we imitate natural procedures the better nature reacts after disastrous events. Artificial regeneration should be eligible only if natural regeneration has been indisputably proven impossible as an alternative, in this case, artificial regeneration should be allowed only under specific ecological criteria (e.g. indigenous to the bioclimatic zone, etc.).

c. Natura 2000 (article 31 RDR)

This measure, which has priority areas important for biodiversity is currently not compulsory and is not included in the 25% minimum spending requirement. The approach to Natura 2000 remains negative because it is based on compensation for a disadvantage rather than the public goods that management of this land can provide. There is still no link to Forest Management Plans or any specific management prescriptions. Maximum payments have been set to €500 for the first 5 years and €200 EUR after that, which is well below what is needed in order to undertake a meaningful and effective management. There is no reason to

⁶ 2010/2106(INI)

reduce this amount after 5 years, it should be maintained at the same level. Clarification is needed on whether there is capacity to spend Pillar II 'project' money on Natura 2000 sites.

d. Bioenergy

BirdLife is very concerned about the unsustainable stimulation of bioenergy through the rural development programmes. Therefore, it should be made clear that this stimulation will not take place without an environmental and climatic evaluation of the action or measures. Measures related to wood mobilization, investment in physical assets including bioenergy production, investments in new forestry technologies and in processing and marketing of forest products should have these safeguards as a minimum. Moreover, we do not see that there should be any derogation under the measure that seeks to stimulate bioenergy in village renewable for larger-scale infrastructures.

e. Producer Groups

Producer groups should only be allowed to be funded under the RDR if they are required to set up forest management plans that include environmental aspects such as biodiversity and ecosystem services delivery.

The above list of measures and suggestions are not dealing with all forest related measures under the RDR. The list relates to the measures that BirdLife views as priority.