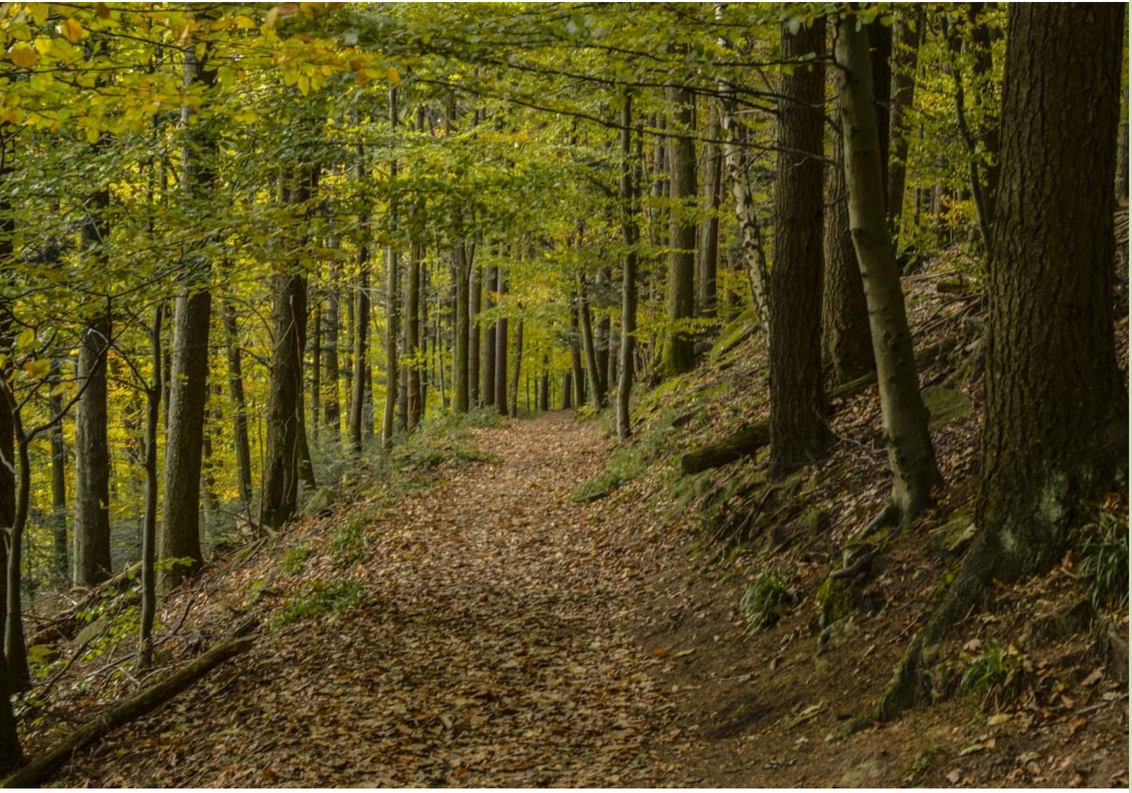

# EVALUATION OF THE CAP FOREST MEASURES

## What are the CAP forest measures?

The Rural Development Funds (Pillar 2 of the CAP) have long been the main source of EU funding to support the sustainable management of forests and other wooded land, and to implement the EU Forest Strategy.

The European Agricultural Fund for Rural Development (EAFRD) offers Member States a choice of more than 60 different co-financed measures for their 2014-20 Rural Development Programmes (RDPs). Eight are specifically for forests and agroforestry, most of them similar to those available for the 2007-13 period.

- afforestation or creation of woodland;
- establishing new agroforestry systems (where trees and agricultural crops or pastures occupy the same land);
- preventing forest damage caused by fires, natural disasters or catastrophic events, and restoring damaged forests;
- improved climate resilience and environmental value of forest ecosystems;
- investing in forest technologies and in mobilising, processing and marketing of forest products;
- land management contracts for forest-environment-climate services and forest conservation; and
- conservation and promotion of forest genetic resources.

Several 'horizontal' RDP measures, can be used to support implementation of the forest measures, including those for knowledge transfer, advisory services, infrastructure investment, cooperation and Natura 2000.

The EAFRD provides a high degree of subsidiarity in programming the 100 RDPs in mainland EU-28, to meet local and EU-level priorities. Inclusion of the forest measures is entirely at the discretion of the national or regional RDP Managing Authorities, and implementation is based on voluntary applications for support.

European Commission

*Evaluation carried out by:*

-Alliance Environnement-
European Economic Interest Grouping

*Alliance Environnement is formed Oréade-Brèche and IEEP*

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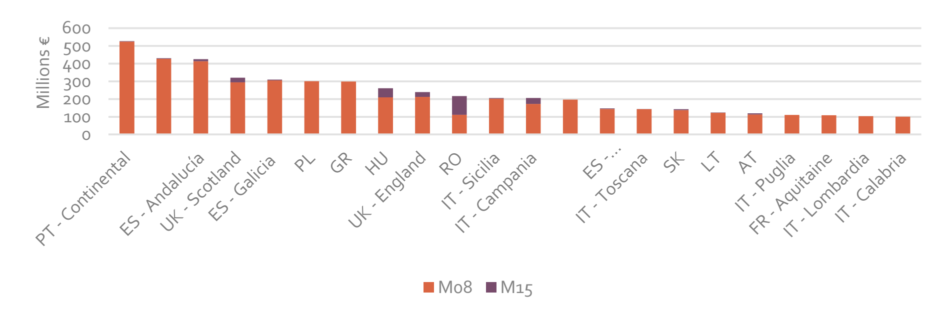
## Evaluation Study

In 2017, independent consultants, Alliance Environnement with the support of the European Forest Institute carried out an evaluation of the forest measures under the EAFRD, for the European Commission (DG AGRI). The study identified the drivers underlying the choice and implementation of the forest measures, their effects on the productivity and competitiveness, and their effectiveness in relation to environmental and climate objectives. It also assessed their efficiency, coherence with other EU Funds, relevance to current and future needs, and the EU added-value compared to Member States acting alone.

Forestry demands long-term thinking. Timber cropping rotations are long and the full impact of management decisions and projects implemented today will not be achieved for many decades. The evaluation considers the effect of the RDP forest measures implemented since 2007, building on the similarity between the two programming periods. The study team undertook detailed case studies of 14 RDPs in 12 Member States, interviewing key actors including the RDP Managing Authorities, representatives of forest holders and of the forest-based sector, researchers and environmental NGOs. An online survey drew responses from 61 of the 100 Managing Authorities in continental EU-28, providing information on the drivers of implementation, administrative burden, and EU added-value of the measures. The assessment also built on relevant literature, particularly to identify the potential effects on biodiversity, water, soils, forest health, climate and balanced territorial development.

## Facts and figures

- For 2014-2020 period, 92 of the 100 RDPs programmed at least one of the forest measures. At EU-28 level the share of the RDP budget for the forest measures was €7 050 million, 4.9 % of the total public expenditure on RDPs (EAFRD + national/regional co-financing).
- The objectives and budget allocations for the implemented forest measures vary significantly between RDPs. Only 22 RDPs allocated more than €100 million to the forest measures:




- **Afforestation** of agricultural and other land represents 31% of the EU-28 forest measure budget. The creation of 287 490 ha of new woodland was supported in 2007-13 and the target for 2020 is another 565 277 ha.
- **Establishing new agroforestry systems** support is available in 25 RDPs, with a 2% share of the 2014-20 forest measure budget and a target of 71 906 ha.
- **Prevention and restoration of forest damage** takes 31 % of the EU-28 forest measure budget. In 2007-2013 these **two measures** supported 557 000 ha of restoration, and also improved protective infrastructure and systems.
- **Productive investments** in forestry technologies have been allocated 11% of the EU-28 forest measure budget, mostly for SMEs operating in rural areas.
- **Ecosystem investments** are programmed in more than two thirds of the RDPs and represent 20% of the EU-28 forest measure budget.
- **Payments for environment and climate services are available in** 25 RDPs, with 1% of the EU-28 forest measure budget.
- **Conservation and promotion of forest genetic resources** is supported in 14 RDPs and allocated 1% of the EU-28 forest measure budget.

## RECOMMENDATION FOR FUTURE POLICY DESIGN

1. **Design RDP support for forests on a timescale adapted to forest cycles**, maintaining the FM and limiting changes in their design and implementation procedure

2. **Ensure the budget allocated to forest priorities in the RDPs is coherent**, with the EU commitments requiring their implementation, and **balanced** to foster the multifunctionality and sustainable management of forests.

3. **Increase of the uptake of measures**, increasing the incentive on M8.1, 8.2 and 15.1 and controlling that the RDPs targets will be achieved by 2023.

4. **Improve the contribution of FM and related measures to EU biodiversity targets,** clarifying the link between the objectives for the FM as a whole and Member States' Priority Action Frameworks to meet their obligations under the Habitats and Birds Directives,
.prioritising between production, climate and biodiversity objectives
. fostering the establishment of agroforestry systems through RD funded Farm Advisory Services

5. **Improve the resilience of forest to climate change, and their contribution to the EU's long-term climate commitments**
**.** by ensuring FM support actions contributing a) to the adaptation of forests to climate change and b) the long-term management of forests as a carbon sink, particularly in relation to supporting Member State actions under the LULUCF Decision.
. and by reporting on the contribution to climate commitments made by their implementation of the FM, in order to support and complement reporting under the EU's climate accounting framework.

## KEY FINDINGS FROM THE STUDY

The study found that the forest measures available to Managing Authorities under Pillar 2 of the CAP provide a coherent set of measures capable of covering the needs of the forest sector and fostering sustainable forest management in rural areas. The flexibility of the Rural Development Programmes enables the Managing Authorities to adapt the measures to local needs and peculiarities, and to provide highly targeted support. However, the effectiveness of the forest measures remains highly dependent on the detail of the measure design at RDP level, and where, when and for how long it is implemented by the beneficiaries.

**Support for afforestation** proved to be a key measure affecting land use change. The afforestation supported by RDP funding was mainly in Spain, the UK, Poland, Hungary and Lithuania, and corresponds to one third of the 924 000 ha increase in total EU forest area between 2007 and 2013. At EU level the average size of farmland afforestation projects was about one hectare, but around 10% of the afforestation projects were more than 20ha. Half the area afforested was broadleaved, slightly less than a quarter was coniferous and a quarter was mixed. The study showed that M8.1 can provide the society with significant public goods in addition to wood production.

**Support for the establishment of agroforestry systems** has been implemented in few Member States so far, perhaps due to a lack of familiarity with modern versions of these systems, although they have long existed in Europe. This measure could be an important tool to foster the adoption of management practices that can diversify farm incomes and improve agricultural adaptation to climate change. Its significance may rise in the coming years.

**Support for the prevention and restoration of damages to forests** helped investment in improved forest surveillance systems and enabled major restoration campaigns, mainly after significant storms. Where these measures were implemented they contributed to maintaining wood production capacity for the forest based sector and environmental and climate ecosystem services and also helped to adapt productive forests to the effects of climate change. The wider societal benefits, include improving the fire resilience of settlements in rural areas.

**Support to productive investment** has played an important and positive role in stimulating investment in forestry technologies and the processing, mobilising and marketing of forest products. In most RDPs support is targeted at SMEs with little means to buy such costly equipment. In consequence, it also played an important role in maintaining jobs in rural areas, foresting forest production in disadvantaged areas. This measure also contributed to silvicultural practices with reduced environmental impact, particularly on soils.

**6. Increase EU Added value**, improving networking and exchange of best practices across and within Member States and improving the coherence between EU regulations having effects on forests

**7. Improve the coherence of the FM and the horizontal measures, and of their implementation rules**

. encouraging Managing Authorities to support simultaneously the economical, social and environmental functions of forests.
. fostering the use of digitalisation and centralised databases, and the provision of technical support in the application phase.
. ensuring the inclusion of small holders and private holders in RD schemes, through better support from advisers and/or a bonus in premiums for small holdings and limitation of the administrative burden.
. At RDP level, restricting the use of calls for proposals/projects and competitive procedures to significant projects, and making it easier to apply for projects with clear environmental objectives, to be implemented in the most appropriate locations.
. removing irrelevant annual controls and replace them with requirements and procedures designed to ensure the durability of the afforested or restored stands.
.setting up a geographical identification of plots afforested or converted to agroforestry
. improving monitoring/evaluation systems to provide better information a) on the use of RDP horizontal measures in forests and b)the impact of the implementation of the FM on EU RD priorities
. requiring Member States to demonstrate the coherence of their definition of Pillar 1 rules for direct payments with their programming of RDP measures to foster the establishment and long-term maintenance of forests and agroforestry systems.

**8. Improve the global impacts** by thinking that any decision at EU level can have consequences elsewhere in the world where food or wood imported in the EU is produced

**Investment in the resilience and environmental value of forest ecosystems and management for environment, climate and forest conservation.** The whole suite of forest measures has potential to safeguard and improve forest biodiversity and climate resilience through appropriate design and targeting of measures at identified local needs. These two measures are key sources of EU funding to support Member States to meet their legal obligations for the Natura 2000 habitats and species associated with forests and traditional agroforestry systems. Yet only 15 % of these habitats are in favorable conservation status and trends are poor. The RDP budgets and targets for management contracts under this measure fall far short of the scale of implementation needed, and the potential to use it with the Natura 2000 measure is hampered by problems in defining the payment baseline.

**Conservation and promotion of forest genetic resources:** was first introduced in 2014 and has had limited uptake so far, reflecting the short implementation period and the tendency of Managing Authorities to give priority to measures implemented previously. This limited the assessment of the effects of this measure, but there are growing needs for conservation of genetic resources in the context of forest improvement and climate resilience. This measure seems highly relevant and its importance may increase in coming years.

**The whole set of Forestry Measures** provides Managing Authorities and beneficiaries with instruments allowing them to set up activities or operations for multifunctional forests and sustainable forest management, delivering economic, environmental and social benefits in rural area.

**Drivers influencing the implementation choices:** successful implementation of similar forest measures in the past and the continuation of well-established RDP support appear to be key drivers at Managing Authority and beneficiary level. The case studies indicated that the budget allocation to the forest measures in the RDPs often suffered from “competition” with agriculture and rural development measures. The availability of technical advice and other ‘soft’ measures featured in the decisions of potential beneficiaries, particularly in the case of small forest holders, and ‘upfront’ costs were also an issue for this group.

**Efficiency:** the study found that the RDP support was decisive in beneficiaries’ decisions to invest and/or to change their management practices, and also that premiums should reflect the real costs of operations. The efficiency of delivering support is influenced firstly by how the measures are designed and targeted for their objectives, taking into account multifunctionality but also the need to prioritise specific objectives for optimal impact. Secondly, beneficiaries’ and managing authorities’ administration must be efficient at achieving the intended impact of the measures. The reinforced EC requirements on transparency and traceability resulted in additional workload for 2014-20 that was mostly transferred to the beneficiaries, and this burden is especially high for small forest holders with little capacity to handle very complex files and procedures.

**Coherence, relevance and EU added value:** The forest measure objectives are coherent with those of other relevant CAP measures and EU policies, although there was potential incoherence in implementing CAP support for traditional agroforestry systems. The forest measures are highly relevant to addressing EU priorities for rural development but it is not clear that the available budgets will cover all future needs, particularly in terms of carbon and biodiversity, plus wood and other forest products normally supplied by the market. Although there is room for improvement, it is fundamentally clear that the Rural Development Funds for the forest measures have been important in supporting beneficial actions that would either not have been funded to the same extent, or not implemented at all, in the absence of RDP support.

## Want to know more?

For more information about the evaluation study, including an executive summary and the full report, visit DG AGRI’s evaluation site at:
https://ec.europa.eu/agriculture/evaluation_en