



Confédération Européenne des Propriétaires Forestiers
Confederation of European Forest Owners
Zentralverband der Europäischen Waldbesitzer

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Forest owners' position in the CAP post 2013 debate

The Confederation of European Forest Owners welcomes the public debate of the CAP reform and wishes to participate on behalf of its **27 European member organisations** in an adequate way.

After the June 3rd Advisory Group meeting, we present our refined policy paper on the CAP post 2013.

Why do we need a European Common Agricultural Policy?

European forest owners acknowledge that the CAP is the oldest EU integrated policy and know to appreciate its long history and the efforts made to constantly reform it. In fact, the CAP reforms made it also possible that direct forestry measures are allocated in it as part of its second CAP pillar: **Rural Development**.

Further, it also must be welcomed that the CAP has contributed substantially to food security and high quality food products and production in Europe which is undoubtedly crucial to every European citizen.

As Europe has excellent growing conditions for agricultural products and has a long history of agricultural production respectively owns sophisticated production chains, it is very natural that this policy has emerged and gained such a prominent role in the Community. It is clear for the forest owners, that the modern Europe needs further policy intervention in the agricultural market and production to maintain the values and results of the policy. The CAP should harmonize and coordinate raw material and resource production of the Member States in order to achieve a more sustainable and balanced market. Therefore the CAP should address surplus outputs as well.

The CEPF and forest owners in Europe want to advocate the importance of the CAP for agriculture. However, it is also of crucial importance to emphasise rural development therein and its forestry part. The facts are that 90% of European land is rural, 54% of European population live in rural areas and 42% of European GDP depends on rural production (EC 2006). These add to the importance of the CAP in which all rural products, both agricultural and forestry ones must be included.

Further, the CAP should also help and support the new Member States' agriculture among the EU-27 in order to mitigate the negative developments there, after accession.

In sum, forest owners feel that the CAP must remain a top priority of EU policies due to the effects on economic, social and environmental development. We also want to state however, that Europe needs a smart and more conscious agricultural sector and its guiding policy needs to be reformed once more again.



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What are society's objectives for agriculture and its diversity?

To go further the CAP beyond 2013 needs to address society's needs, which are obviously undergoing some changes. Europe needs to go further to adapt to these changes and should not fear them. **Neither farmers nor forest owners need not fear the changes coming, if the CAP is reformed in a good way!**

Society in the 21st century apparently wants more than it has achieved earlier and its agents are considerably conscious of this. Particularly civil society organisations are recognizing and articulating these new needs, even if the average consumer of today in many cases are still price driven.

Today it is clear, that policies must address the concerned activities in a more complex way, and extend themselves; consider their impacts and other surrounding issues. When it comes to land use we have to see that societal groups claim for recognition of its links to sustainable and ecologically sound resource management, health and environmental aspects apart from the direct goals of food or timber production, even be at a high, technical level.

However, on the other hand societal groups also need to recognize that farmers and forest owners are representing a large share of European society, which want to see their needs adequately addressed too.

Forest owners therefore want to maintain the high profile of the CAP as one of the most important European policies ever.

For forest owners directly matter however the rural development measures maybe the most, as:

- a) Forest owners dominantly live in rural areas or are having their forest land in rural areas,
- b) RD policy and its regulation is the most important instrument to implement at community level among the forestry related regulations, such as the EU Forestry Strategy and the EU Forest Action Plan,
- c) Forest owners believe that a further diversification of the CAP in general and of the RD part in particular, is the right policy direction what the Community needs to go in its efforts to reform the CAP.

It is our opinion that the new CAP's Rural Development Policy needs to clearly aim at increasing the activities in, and the development of, the rural areas and not to be predominantly focused on single agricultural farm payments. Increased activities and an increased number of people that are able to live in the rural areas are two goals that should be developed and supported by more measures of the new RD regulation as it is the case today.

Forests and other wooded land cover more than 40 % of the EU's surface area and 60 % of the forests are in the private ownership of some 16 million European citizens, which most of them are family forests. **This gives a great, and so far under-recognised importance of the land use of forests as only some 1-1.5% of the CAP funding is spent on forestry measures or only 7-9% of the RD EU funding is allocated to forestry measures (DG Agri 2009).** As forests are prevailingly present in rural areas, the role of forests and forest owners should be substantially increased in the post 2013 CAP RD part.



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Why should we reform the CAP and how can we make it meet society's expectations?

The most obvious reasons as to why a reform of the CAP is needed, were delivered by its own health check in 2008. In connection with the **health check of the CAP** the European Commission indicated some major challenges in European agricultural and rural development policy, such as;

- Climate Change Mitigation
- Renewable Energies
- Water and Wetland Management
- Biodiversity.

These challenges also state that the CAP and all European policies need to address in a different way their target issues. Society also expects this. The reality of the environmental and energy threats needs action also in the primary production sectors, such as agriculture and forestry. Here the role of renewable energies and biomass is crucial to offer locally produced substitutes to imported fossil fuels and workable solutions to issues, like climate change mitigation or petrol dependence in Europe. In our opinion the primary production sectors gain rather new options, as they can contribute a lot to address the above mentioned challenges at the Community level by e.g. continue to deliver locally produced substitutes of imported resources and public goods or can enhance their performance, if financial and regulatory frameworks enable them doing so. Here, again we point to a much higher level role of rural development in general and forestry in particular in the new CAP as it has played so far, especially in delivering answers to those new challenges and the public goods needed.

It is necessary to address these issues that there is structured and targeted support – both from EU and national support schemes – and that the support is flexible so as to make it possible for public administration at the national level to adapt to those additional tasks deriving from the above.

In connection with that it needs to be addressed that in several Member States multiple public authorities are involved in the management of the CAP implementation and experiences have shown that this often causes over-complicated procedures and thus fewer uptakes of the measures. The overcomplicated procedures and administrative requirements limit the efficiency of public administration and cause a lack of transparency as well as extra administrative burdens for the land and forest owners. This needs to be reformed to provide transparency and efficiency on tax money use.



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What tools do we need for tomorrow's CAP?

In general we claim that **forestry measures are specific and in all cases separated from agricultural measures**. They must also reflect the long production period of forestry, but not distort competition and market conditions. In this way CAP measures would recognise that forestry in itself substantially contributes to rural development and integrates it yet into the agricultural production sector under a single policy. This is imperative in light of the results from the CAP health check with its challenges identified.

Further, living in rural areas must be financially feasible and socially practicable. A way to achieve this is to **mobilise more of the wood resources from the forests**, which has to go via improved voluntary cooperation between forest owners. **Increased public funding and improved support for the establishment- and start up phase of forest owners' joint management organisations is needed in a new CAP and RD policy**. Co-financing of advisory services has been successful to some extent, but there is still a large potential for improvement of the support measures for cooperation between forest owners. **Rural development capacity building measures have contributed to diffuse knowledge to forest owners. To use CAP funding for vocational training is necessary also in the future. Additionally, it is of great importance that forest owners are recognised as persons running a business as "private enterprises" and as such are eligible to seek funding for Small and Medium sized Enterprises (SME's).**

As concerning measures on the "future's major challenges" forest owners welcome in general the idea **to intensify aid rates in the existing regulations for operations dealing with these, above mentioned, issues**.

Forestry measures aimed at mitigating climate change can take a variety of forms. There are several ways in which forestry can contribute to this, and which could be financed by RD support schemes. These measures include, inter alia, 1) expanding existing Carbon sinks through sustainable forest management, 2) creating new Carbon sinks through expansion of forested area, 3) substituting fossil fuels with renewable wood-based fuels, and 4) Stimulating the use of wood by local woodworking businesses to substitute non-renewable energy intensive materials. **We need in the CAP post 2013 concrete support measures to address climate change mitigation by sustainable forest management and the use of biomass as renewable energy source.**

Water management comprises many different facets. Not only freshwater and wetland restoration but also active groundwater management must be a policy goal. The quality and quantity of water and its ecosystem services are linked to the type of land use and surface vegetation cover. Forests and sustainable forest management in particular, have positive effects on water quality, aquatic and wetland habitats and help to prevent floods and landslides.

We therefore propose that a scheme of "payments for environmental services" (PES) is applied in the case of water related regulations.



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The existing regulation on support of rural development leaves opportunities for the national governments to support forest owners when engaging into environmental services including biodiversity measures. The main difficulty with the regulation is that the basic approach is compensation-based. A new financial scheme is needed which provides a parallel alternative to adequate income expectation from the management of the forest. By doing so, the EU and the CAP will endorse the production of nature and environmental service as a credible product that forest owners and farmers can rely on as part of their day-to-day activities.

As a tool we propose that the financing level should be raised for Natura2000 payments, agri- and forest-environment payments, first afforestation and the restoration of forest productive potential, especially when it increases biodiversity. Further, new measures should be developed for “payments for environmental services” (PES) addressing biodiversity.

After the experiences in the current CAP and its RD programs it is evident that more efficient administration is required to take the CAP and the RD policy to a higher level of implementation and efficiency. ***The implementation needs to be simplified and streamlined programming at national level should be guaranteed.***