



Towards an EU policy framework for forest ecosystem services

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The EU policy framework

Common Agricultural Policy

EU Forest Strategy

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FORESTS IN THE NEW CAP

CAP Objectives

Commission political priorities
Sustainable Development Goals
Paris climate agreement

Art. 39 TFEU

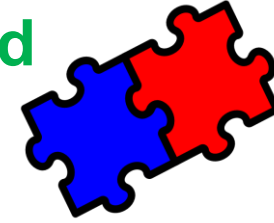
General Objectives	<ul style="list-style-type: none">▪ Foster a smart, resilient and diversified agricultural sector ensuring food security;▪ Bolster environmental care and climate action and to contribute to the environmental- and climate-related objectives of the Union;▪ Strengthen the socio-economic fabric of rural areas		
Specific Objectives	<div>Economic<ul style="list-style-type: none">▪ Support viable farm income and resilience across the Union to enhance food security▪ Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation▪ Improve the farmers' position in the value chain</div>	<div>Environment & Climate<ul style="list-style-type: none">▪ Contribute to climate change mitigation and adaptation, as well as sustainable energy▪ Foster sustainable development and efficient management of natural resources e.g. water/soil/air▪ Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes</div>	<div>Social<ul style="list-style-type: none">▪ Attract young farmers and facilitate business development in rural areas;▪ Promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;▪ Improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare</div>
Cross-Cutting Objectives	<div><div>Sustainability</div><div>Simplification</div><div>Modernisation</div><ul style="list-style-type: none">▪ Further improve sustainable development of farming, food and rural areas▪ Ensure simplification and performance of CAP support▪ Foster and share knowledge, innovation, digitalisation in agriculture and rural areas and encourage uptake</div>		



European
Commission

Increases the consistency between CAP and environmental and climate policies

The new delivery model



Objective of **contributing** to the **environmental-and climate-related objectives**



Based on **results**



Requires that **environmental** and climate **authorities** are **effectively involved**



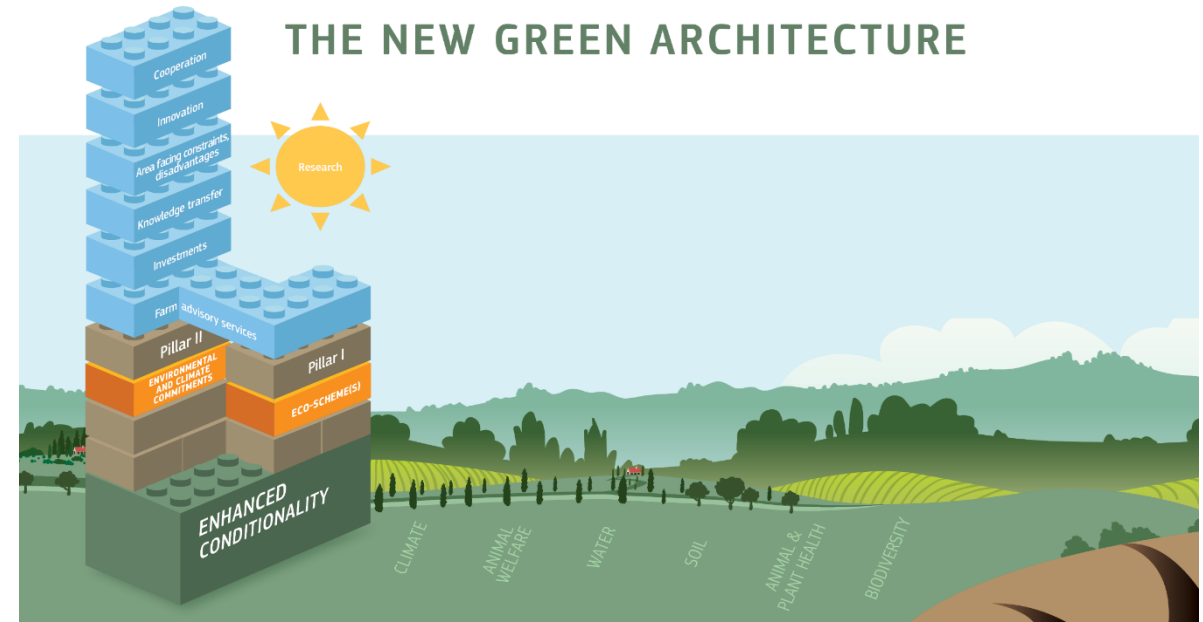
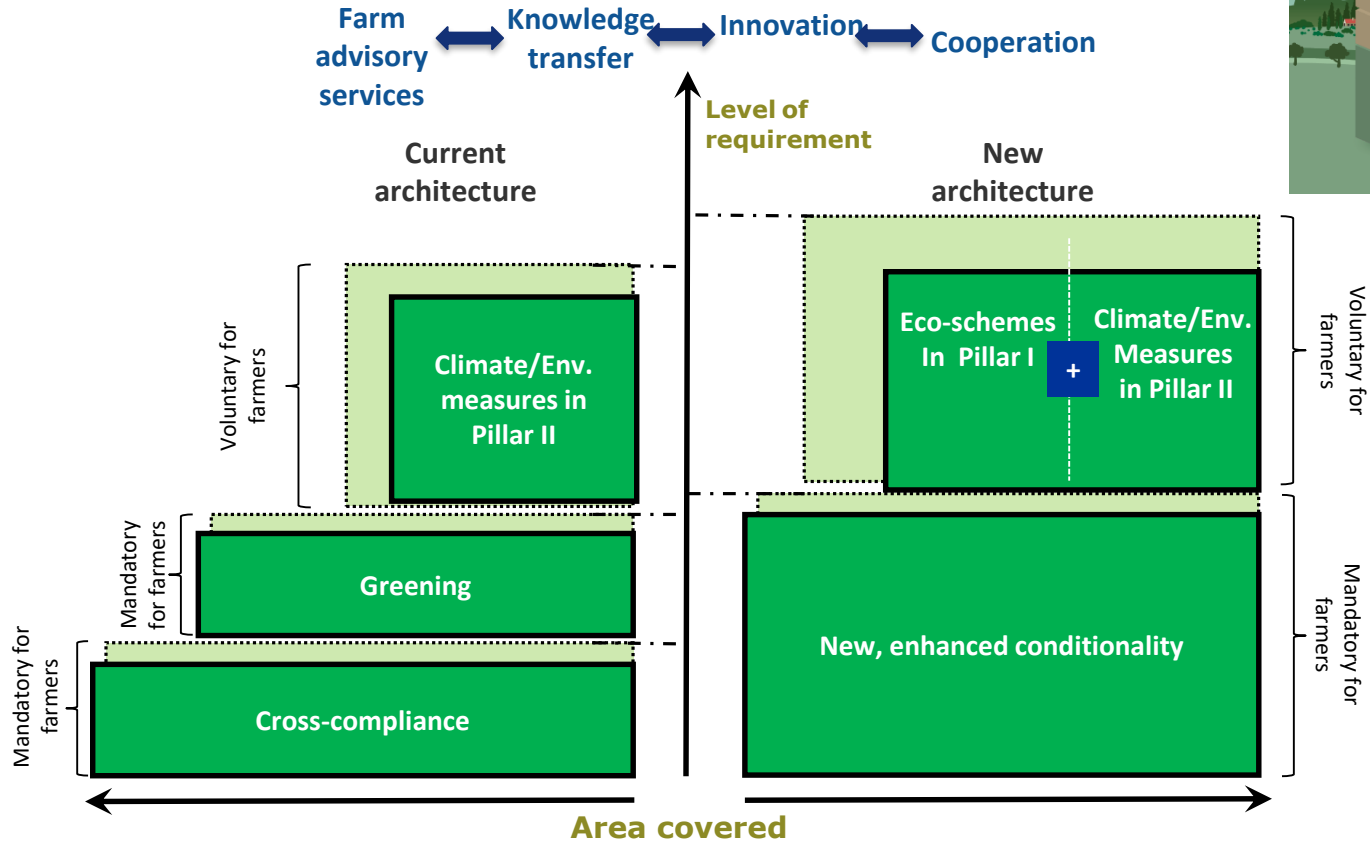
Allows flexibility to better target the **local and national** environmental **needs**



FORESTS IN THE NEW CAP

CAP Architecture

CURRENT VS NEW GREEN ARCHITECTURE



FORESTS IN THE NEW CAP - Rural development

(art. 65) Environmental, climate and other management commitments

- Where support under this type of interventions is granted to **forest environmental and climate services**, Member States shall establish a payment per hectare.
- Member States shall compensate beneficiaries for costs incurred and income foregone resulting from the commitments made. Where necessary, they may also cover transaction costs. **In duly justified cases, Member States may grant support as a flat-rate or as a one-off payment per unit.**
- Payments shall be granted annually
- Commitments shall be undertaken for a period of five to seven years. However, **MS may determine a longer period for particular types of commitments.**
- Possibility for MS to promote collective schemes

(art. 68) Investments

- MS may grant support under this type of interventions for tangible and/or intangible investments, which contribute to the CAP specific objectives. **Support to the forestry sector shall be based on a forest management plan or equivalent instrument.**
- MS to establish a list of ineligible investments, including:
 - investments in afforestation which are not consistent with climate and environmental objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.
- Rate of support: maximum rate of 75% of the eligible costs. It may be increased for:
 - Afforestation and non-productive investments linked to the specific environmental- and climate-related objectives of the CAP
 - Investments in the restoration of forestry potential following natural disasters or catastrophic events and investments in appropriate preventive actions in forests and in the rural environment.

(art. 67) Area-specific disadvantages resulting from certain mandatory requirements;

- MS may grant payments for area-specific disadvantages imposed by requirements resulting from the implementation of Habitats and Birds Directives, and the Water Framework Directive
- May be granted to farmers, **forest holders** and other land managers
- Member States may include the following areas:
 - (a) Natura 2000 **forest areas** designated pursuant to the Directives;
 - (b) other delimited nature protection areas with environmental restrictions applicable to farming or **forests** which contribute to the implementation of Article 10 of the Habitats Directive (network coherence)
- MS may grant payments to compensate for all or part of the additional costs and income foregone related to area-specific disadvantages
- Payments shall be granted annually per hectare

(art. 69) installation of young farmers and rural business start-up

- MS may grant support to help the start-up of rural business linked to agriculture and **forestry** or farm household income diversification;

(art. 71) cooperation

(art 72) knowledge exchange and information

- MS may grant support for agricultural, **forestry** and rural business knowledge exchange and information

Article 114. European Innovation Partnership.

- EIP Operational Groups shall draw up a plan for innovative projects to be developed, tested, adapted or implemented under key principles:
 - (a) developing innovative solutions focusing on farmers' or **foresters' needs** while also tackling the interactions across the supply chain where useful





THE NEW CAP – ECO-SCHEMES

Commission non-paper - list of potential eco-schemes as announced in the Farm to Fork Strategy, 10/2020

Agroforestry:

- On land with pasture: combining woody with forage and animal production
- On agricultural crop : widely spaced woody vegetation inter-cropped with annual or perennial crops

It results in:

- ✓ Increasing carbon sequestration and soil carbon content
- ✓ Increasing resilience to climate change both in crop and animal systems (e.g. extended grazing season)
- ✓ Reducing emission of N₂O from dried soils
- ✓ Increasing soil nutrient, reducing erosion
- ✓ Improving water retention and water penetration, increasing drought resilience
- ✓ Enhancing biodiversity: birdlife, pollinators, earthworms

Possible practice for an eco-scheme:

- List of the region(s) concerned (depending on the needs)
- Minimum density of trees (x1 trees per ha for certain crops, x2 trees per ha for pastures)
- Management rules for the trees to maximise the benefit for biodiversity, e.g. no cutting during nesting period (to be defined region per region), no use of fertilizers and pesticides

Agroforestry can contribute to the following F2F targets:

*Pesticide reduction

*Nutrient management

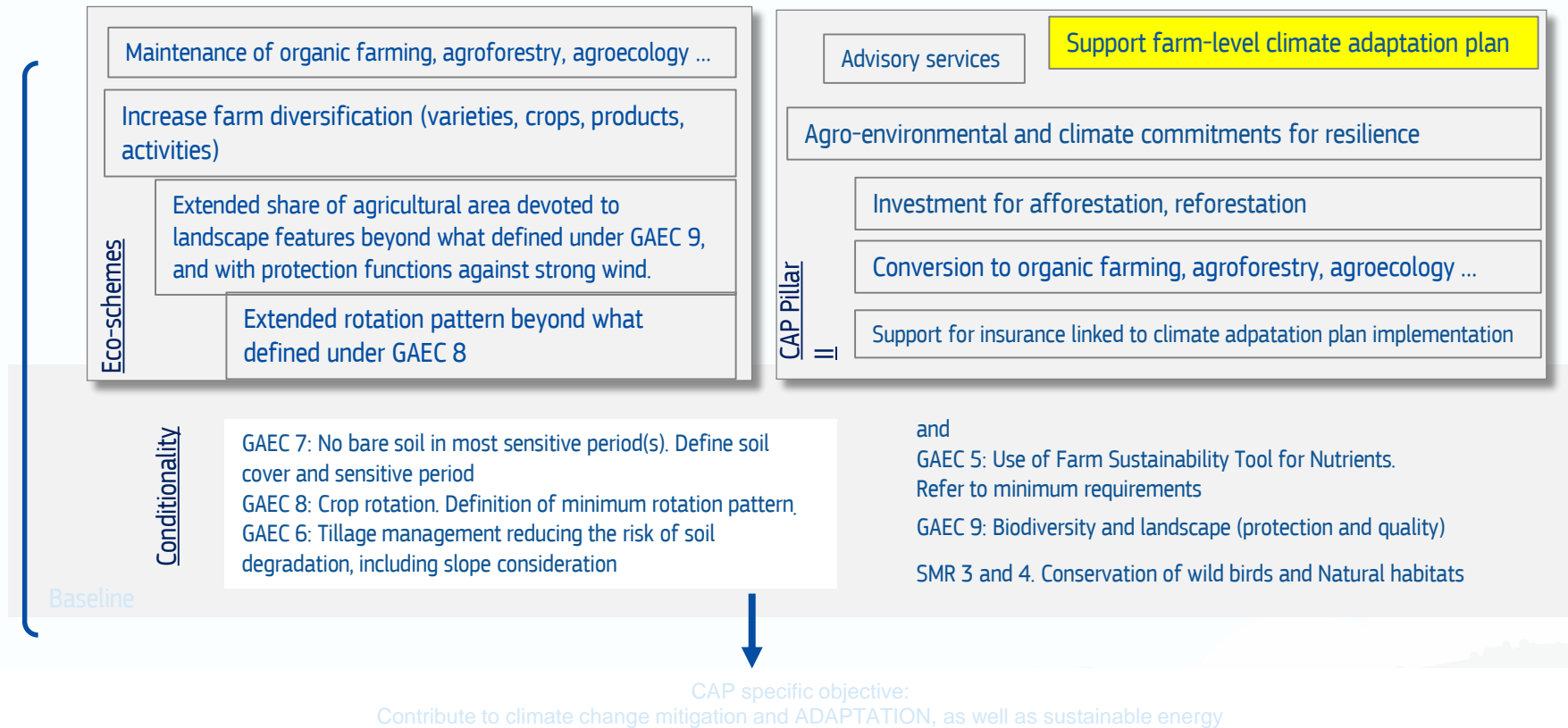
*Landscape features

*Reduce GHG emissions

THE NEW CAP – Potential of Green Architecture

Green architecture for improving the resilience to climate change of farming systems

Specifically designed to increase resilience to climate change through natural-based solutions, including the conversion to and maintenance of land under organic, agroforestry, agro-ecological types of farming practices, with risk management elements.



EU Forest Strategy Roadmap: Areas for action

- Enhance **forest protection and restoration** to meet the EU biodiversity and climate objectives
- Preserve stocks and increase the **EU carbon sinks** in forests, their soils and harvested wood products
- Enhance **prevention** of disaster risk events and of damages, and **resilience** to natural hazards
- Secure **forest health** with a view to changing climatic conditions and environmental degradation
- Support **restoration** of damaged areas and degraded ecosystems
- Ensure the **sustainable management of all EU forests**, maximising the provision of their multiple functions while enhancing their productive capacity
- A roadmap for **planting** at least three billion additional trees by 2030
- **Adaptation** of forests to climate change strengthening resilience
- New **training, skills and jobs**
- **Rural development**, including local enterprises and value chains
- Innovative forest-based services and products replacing carbon-intensive counterparts
- A strong research and innovation agenda, including for the bioeconomy
- Stronger **coordination** between national forest policies and the European Green Deal
- Improve and harmonise **monitoring** to demonstrate the contribution to EU objectives
- Secure **financing**, including for research, ensuring a consistent approach of funding instruments
- **Innovative financial incentives**, including payments for ecosystem services and result-based schemes
- Improve **communication** on forests and their roles, considering the rural/urban interface
- **Consistency with international commitments**, reinforcing EU's international leadership.



Roadmap for a new EU Forest Strategy

Context

- the Commission will prepare a new EU Forest Strategy covering the whole forest cycle and promoting the many services that forests provide.

Problem to tackle

- Securing the health and the resilience of existing and new forests is crucial for their effective support to all these environmental, social and economic functions and services.

What does the initiative aim to achieve and how

- **Innovative forest-based** services and products with low environmental impact, replacing carbon-intensive counterparts.
- Improve and harmonise the monitoring of forests to demonstrate the effective contribution of sustainably managed forests to the EU objectives, and **of the supply and demand of forest services**.
- Foster innovative financial incentives, including **payments for ecosystem services and result-based schemes** ('carbon farming') for forest managers that provide public goods such as carbon sequestration or biodiversity benefits, including through protecting and restoring forests.

Thank you



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Ecoschemes (Pillar I) and Management commitments (Pillar II)

<i>ECO-SCHEMES</i>	<i>ENVIRONMENT, CLIMATE AND OTHER MANAGEMENT COMMITMENTS</i>
<ul style="list-style-type: none">• Funded by Pillar I (annual, not co-funded)• Compulsory for Member States, voluntary for farmers• Payments to genuine farmers• Payment per hectares eligible to direct payment• Annual (or possibly multiannual) and non-contractual commitments• Calculation of the premia:<ul style="list-style-type: none">– Compensation for cost incurred/income foregone, or– Incentive payment: top-up of basic income support	<ul style="list-style-type: none">• Funded by Pillar II (multiannual, co-funded)• Compulsory for Member States (ringfenced budget), voluntary for farmers• Payments to farmers and other beneficiaries (including NGOs, forest managers, public administrations etc.)• Payment per hectares (not necessarily eligible to direct payments)• Multiannual (5 to 7 years or more) and contractual commitments• Calculation of the premia:<ul style="list-style-type: none">– Compensation for cost incurred/income foregone
<ul style="list-style-type: none">• Baseline: conditionality + national legislation + area management• Part of CAP Strategic Plans• Eco-schemes and management commitments need to be "different" in term of commitments and "consistent" between each other	

