Common Agricultural Policy (CAP) 2023-2027 Forestry support in CAP Strategic Plans

Spanish National Congress on Forest Ownership, 18 October 2022



Objectives of the new CAP 2023-2027





Forests in the new CAP

Specific Objective 8 to promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and <u>sustainable forestry</u>



Green architecture elements of the new CAP (2023-2027)



European Commission

Environmental, climate-related and other management commitments (Art 70)

- Voluntary commitments go beyond the relevant statutory or other relevant management requirements, (5-7 years, with the possibility for longer period)
- Payments based on costs incurred / income forgone, taking into account the targets set
- 24 month derogation for new requirements stemming from national law going beyond the baseline
- ▶ No baseline for commitments for maintenance of agroforestry and afforestation
- open for forest-environment-climate commitments
- Payments as lump sum possible (if duly justified)
- Revision clause included

Natura 2000/WFD (Art 72)

- Payments granted to farmers, forest holders and their associations as well as other land managers
- Full or partial compensation of costs incurred / income foregone, including transaction costs, related to the area-specific disadvantages in the area concerned
- Payments shall be granted annually per hectare of area.
- (Water Framework Directive only for agricultural areas)

Investments (Art 73)

List of ineligible investments:

- Production rights
- Payment entitlements
- Purchase of land > 10%
- Purchase of animals and plants, other than: restoration, livestock protection, machinery replacement in forestry, endangered breeds and genetic resources

Interest rates

- Large-scale infrastructure, other than: broadband and flood/coastal protection
- investments in afforestation which are not consistent with environmental and climate-related objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.

Investments (Art 73)

Maximum support rates:

65% - normal support rate, which may be increased:

- ▶ 80% -green investments, young farmers, outermost areas and animal welfare
- ▶ 85% -small farms
- ▶ 100%
 - afforestation, agro-forestry, land consolidation in forestry and green non-productive investments linked to one or more of the specific objective
 - investments in basic services in rural areas and infrastructure in agriculture and forestry
 - restoration and preventive actions, maintaining the health of forests
 - Non-productive investments by LEADER and EIP groups
- Investments for meeting new EU standards for a period of 24 months

Forests and forestry in the CAP Strategy Plans

- There are 28 National CAP Strategy Plans, from which 5 did not plan forestry specific interventions in their draft plans. However, they indicated that forestry will be supported out of the CAP, e.g. through State aids, national forest funds, etc. (FI, IE, LU, NL, SE)
- The Commission services examined the submitted plans and sent Observation Letters to MS indicating the main missing elements or explanations and requesting additional information, changes, which may also cover forestry aspects.

9 CAP Strategic Plans approved by the Commission (6 October 2022).

Main forestry interventions, operations

- As it is set in the Regulation there two big groups of interventions; management commitments and investments.
- Afforestation and agroforestry maintenance support and payments for income loss are under the management commitments interventions (Article 70) together with the "forest-environment payments".
- The "establishment" parts of the afforestation and agroforestry systems are under the investment interventions (Art 73).
- The investment interventions cover among others, prevention and restoration operations and other non-productive or productive investments.

Main forestry interventions, operations

Groupings of interventions;

- In several cases the prevention and restoration interventions are planned under one single intervention.
- Also the non-productive investments are grouped together with prevention and/or/both restoration interventions. This will create a challenge for comparing the implementations with the previous period.
- The productive investments follow the existing patterns and may cover investments in forest stands, forest machinery and also investments in processing of forest products (except industrial processing – State aid rules)

Other horizontal interventions, e.g. knowledge transfer, cooperation (including EIP) are also well planned and represent multifunctionality of forests and forestry.

Payments for ecosystem services

- Based on the legal basis; CAP SP and State Aid rules, the <u>payments for specific</u> <u>management commitments</u> (Article 70) based on costs incurred / income forgone, taking into account the targets set, and may also cover transaction costs.
- Payments for investments related to provision of ecosystem services, e.g. "nonproductive" investments connecting specific management commitments may also receive 100% of the real costs of the investments.
- However, no type of payment based on the real value of the services.
- The new State aids Guidelines, after adoption, may provide certain flexibility for specific biodiversity and climate related management commitments going beyond the current support level.

Thank you for your attention

More information: https://agriculture.ec.europa.eu/common-agricultural-policy/cap-overview/new-cap-2023-27_en



© Union européenne 2020

Sauf mention contraire, la réutilisation de cette présentation est autorisée en vertu de la licence <u>CC BY 4.0</u>. Pour toute utilisation ou reproduction d'éléments qui ne sont pas la propriété de l'UE, l'autorisation peut devoir être obtenue directement auprès des titulaires de droits respectifs.

