FINAL MINUTES

CIVIL DIALOGUE GROUP ON FORESTRY AND CORK

24th June 2015

1. Approval of the agenda and minutes of the meeting of the CDG on 17th December 2014

The Chair asked the members to approve both the minutes of previous meeting and the agenda. Both documents were approved with no additional comments.

The Chair then gave the floor to DG AGRI's new head of unit in charge of forestry, Mr Mauro Poinelli, to briefly introduce himself.

2. Adoption of the CDG on Forestry and Cork's strategic agenda

The Chairmanship had prepared the strategic agenda of the CDG for 2015-2020 according to comments received.

The Chair highlighted that this was a guidance document for the work of the CDG and that any additional important issues for the group could be included in the future. The strategic agenda was a flexible document.

The Chair asked the members to approve the strategic agenda.

3. Adoption of the rules of procedure

The Commission presented the latest version of the rules of procedure to be adopted by the members of the CDG.

The Commission explained that these rules would foster better collaboration. The document had been amended by the Commission according to comments received from various CDGs. The rules of procedure should remain unchanged for seven years. The Commission mentioned that they were always open to accept changes if the rules were untenable.

The Commission asked the members whether they had comments and stressed that they were open to answer any questions by e-mail.

The members of the group had no comments and the rules of procedure were adopted.

4. Introduction to ESCO

This new point had been added to the agenda at the request of the Commission. The presentation is available on CIRCABC.

CEPI mentioned that there are three forest-related sectors (woodworking, paper and printing), which actively participated in the debate on social dialogue and which could be consulted.

5. Implementation of the new EU Forest Strategy

- SFM criteria – draft conclusions of the working group and the next steps

The Commission gave a presentation, which is available on CIRCABC.

Questions:

Birdlife commented that the presentation merely detailed the framework. The task of the group was to warrant and demonstrate. Birdlife had data on a list of issues, which were interesting and useful, yet this would not show whether forest management was sustainable. Without targets and thresholds, is was impossible to prove SFM.

Eustafor mentioned that they had different reporting systems based on the existing criteria and indicators, which were presented in the State of Europe's Forests report. The area and capacity per area unit of the EU's forests was good. Eustafor mentioned their expectations vis-à-vis the content and conclusions of the report, and the next steps.

CEPF stressed the need to take the revenue of small holders into account and to ensure that those managing forests had the right support.

Copa also underscored that there were sufficient facts and figures at EU level to prove SFM. Criteria and indicators could help monitor and demonstrate the work carried out on SFM. Copa asked which specific results would come from the group and mentioned the certification system.

CEPF mentioned that the group's task was difficult. France's proposal was good, and the SFC and CDG on Forestry played an important role in the whole process. The chapter on recommendations and the next steps should be a solid one. CEPF asked about the Forest Europe process and how the WG would take these results into account. They stressed the need to ensure synergies between the two.

CEETTAR reacted to Birdlife's comment, stating the differences between SFM and fair trade, which are two interesting concepts, and asked whether the mandate of the group was on these two concepts. It stressed also the interest to know better the implementation of forest management: working conditions for operators, qualification, security and safety rules...

CEPI stressed the need to take the level of the management unit and the land use system into account, and that the hectarage was the starting point.

Birdlife mentioned that targets were needed.

ELO stressed that the report was a good report on progress made thus far, but that there remained a significant amount of work to be done, such as setting criteria. The sector ought to demonstrate its work and how good a job it did. One more meeting would not be enough to reach good results, rather than quick results.

Answers from the Commission:

Regarding the next steps, the SFC would present the final report at the next meeting and would also publish an opinion and develop future activities. The process had not come to an end.

The Commission stressed that the EU had long-term commitments. Evidence was available. The group did not discuss targets.

The report would not contain any legislative proposals. The Commission said that the report would be solid and the recommendations would be discussed in the last meeting of the WG.

The report provided good ideas on which avenue to pursue.

The Chair stressed that the stakeholders were key players in the SFM process and that they needed to be recognised, with their opinions taken into account.

- <u>Update on the multi-annual implementation plan</u>

The Commission gave a short presentation on the state of play, as this point had been presented at the previous CDG. The Commission said that the plan was still being discussed internally and that they took the Parliament's and Council's comments into account. The EP asked to strengthen the role of the SFC and the CDG, and to improve cooperation between different DGs.

The Commission mentioned that the prioritisation of the points in the plan had no political orientation and that communication and coordination were crucial.

The plan would be published after the summer as a staff working document. The SFC would work on the annual work programme to support the multi-annual implementation plan.

Questions:

EURAF stressed that the implementation plan should also cover agroforestry.

Copa stated that the work programme should be further developed and should be a live document for the coming years, which could be amended.

ELO said that the strategy dealt with the entire forest sector and that it should focus on a prosperous sector.

CEPF asked how the plan would take the new Commission's priorities into account.

Answers from the Commission:

The Commission said that agroforestry was perhaps one of the priority areas. A staff working document was not a living document, but there was room for manoeuvre. Other DGs did work on forestry and there was a link with DG GROWTH's work and their action plan.

The action plan was fully in line with the general direction set by the Commission.

Comments:

ViaCampesina asked what was the meaning of the forest action plan, as subsidiarity was a crucial issue for the sector.

EEB stated that the priorities should cover all issues and possibly link into other strategies, such as the Water Framework Directive, the Energy Strategy and Natura 2000.

The Chair concluded that the sector needed the possibility to express their opinions and play an active role in the implementation plan.

- CDG's resolution on the multi-annual implementation plan

The Chair presented the resolution and its importance, then asked the members for their approval.

ELO stressed that it was important to have this resolution, which sent a strong signal out to those working in forests.

The members of the group approved the resolution.

6. LULUCF – exchange of views on the challenges and opportunities of the different options

The Commission gave a presentation on this point, which is available on CIRCABC.

Questions:

EURAF stated that forestry projects needed to be included in the emissions trading system and that afforestation was an important measure.

CEPI highlighted that counting and reporting was a good initiative to recognise their benefits. The main worry on the first option was that it could move away from the multifunctional role of forests towards carbon forestry, which would have an impact on the quantity of the available biomass.

FERN stressed that forestry was a complex sector. The problem was that option 1 was not really the status quo and that LULUCF could involve different targets and different rules. They mentioned the need to recognise that there were emissions, e.g. grassland and bioenergy.

Copa stressed that forest management was crucial and that the forest sector differed from other sectors, which should be kept in mind for the future.

Answers from the Commission:

The Commission explained that the Council's mandate stated that forestry was not an ETS sector. The potential to create incentives at MS level was the same under both the ETS and ESD.

The Commission said that FERN was right that option 1 was not the status quo, but the results would contribute to EU targets. The debate on SFM was also relevant in this context. The results would be presented at a meeting with the stakeholders in the autumn.

The Chair stressed that a resolution on LULUCF could perhaps be prepared by the CDG after the presentation of the results. The Chairmanship would work on this. The Chair also suggested sharing the group's opinions on LULUCF and sending these to the Chairmanship's secretariat.

7. Refit: Birds and Habitats Directive – presentation of the public consultation and the next steps

The Commission gave a presentation, which is available on CIRCABC.

Questions:

CEPF asked how the Commission would deal with the enormous number of answers from NGOs and how they would focus on gathering evidence. Another question referred to the MS visits organised by the Commission and how various stakeholders were involved in these visits.

ELO advocated that the Commission should be careful when assessing the answers. There were too many questions to be answered.

Copa highlighted the importance for the Commission to carefully analyse who had participated in the MS visits and who had responded to this public consultation.

FECOF mentioned that they had been invited to a half-day event on the consultation organised by the Commission in 10 MS, but they had not received any answers on the criteria to select the 10 countries. They asked the Commission to present the input they had received from the stakeholders who had participated in the consultation.

Birdlife stressed that European citizens considered this a matter of high priority, which should not come as a surprise. They would like to see nature legislation enforced, but were against opening up the directive. The implementation could be improved.

ELO mentioned that the Commission should take note of how the EU had developed over the last 20 years and the current situation in the MS. New species were protected. ELO wondered how the Commission would take all of this into account and whether any changes would be made to the Annex.

Non-management was an issue for this legislation and some owners were criminalised when simply trying to do their best.

Answers from the Commission:

The public consultation was only one part of the stakeholder consultation. Research and advice would be analysed and thus was only one section of the evidence used for the fitness check.

Other organisations, not only NGOs, had also campaigned.

The MS were responsible for organising a meeting with the four groups of stakeholders for the country visits.

MS feedback was also part of the evidence gathering process. Efforts were made to choose the right MS, based on their geographical location, and selecting both new and old MS.

The main issues were resources; implementing the plan, which varied considerably from one MS to the next; protected species; Article 6 of the Habitats Directive; and clarity and flexibility.

The Commission would organise a conference on 24th October, with conclusions, a summary, the next steps and webstreaming.

The Commission would prepare a staff working paper with recommendations for the first quarter of 2016.

The Chair concluded and asked the members to be active in the consultation, as it was an important issue for the sector. The Chair also mentioned that this point would be on the agenda of the meeting in December.

8. Rural development policy

- Forestry related measures under the new rural development programmes

The Commission gave a presentation, which is available on CIRCABC.

Questions:

CEPF stated that rural development measures were crucial for the forestry sector and that the measures did not focus too much on investments. They asked what clear choices had been made to ensure that the EU Forest Strategy was well implemented in RD programmes. The budget allocated to the measure on producer groups by the MS was not very high.

Cogeca commented that spending for 2007-2013 in the forestry sector was decreasing and that this was a clear trend. More information on spending in the previous programmes and for the future was needed.

Copa stated that the cooperation measure was very important and should be promoted for the forestry sector.

EURAF mentioned that the measure on agroforestry was only included in five programmes in 2007-2013. It was vital to have a clear view of the layout of measures and priorities.

FECOF stressed that RD was the main fund to support the sector, as highlighted in the EU's Forest Strategy. It was essential to evaluate other funding opportunities for the sector. Expectations were low for Natura 2000. Article 35 excluded municipal forests.

EFFAT asked about the total amount of activities possible with the money from the funding dedicated to forests.

ELO stressed the need to improve the uptake with funding to facilitate getting contractors to commit to measures to improve forest productivity. Discussions in the CDG had helped to prepare the RD programmes. How to implement these measures was important. ELO asked whether Article 24 covered all forest areas.

Cogeca asked how many programmes from those approved were now being implemented. PT was cited, where programmes were approved in December 2014 but only one measure on forestry was being implemented in 2015. A yearly update on the implementation of the measures would be very useful.

Answers from the Commission:

The Commission did not yet have any definitive information concerning forestry measures for 2007-2013. There was a lack of knowledge at different levels. The Commission encouraged the stakeholders and MS to organise forest caravans and information events for the actual people who would implement the programmes nearer the time of implementation, to discuss what was possible and increase the absorption capacity. The MS' main priority was to use EU funds as much as possible. The ENRD was a good tool and the NRN, advisory services and cooperation were important. The Commission stressed the need to learn from what had not worked.

There were various strategies and a considerable part of RD programmes dealt with the strategic approach on the Forest Strategy, biodiversity etc.

The investment measure included different aspects of SFM, such as mobilising wood for the biobased economy. The Commission and EIB were working on proposing financial instruments that would support an increased uptake of the investment measures.

Nature 2000 was also supported via LIFE+ programmes. The measure on producer groups was new for the forestry sector and time would tell how it would be implemented.

The ENRD would analyse the RD programmes and prepare a study on forestry measures.

Cooperation would be a very useful measure for production and environmental aspects.

It did not seem that the municipalities were excluded from the programmes under Article 35 (Co-operation). The programmes could also be modified.

The Commission could not provide information on countries where implementation had started. The programmes were being adopted at national level.

The Chair concluded that this was an important issue for the sector.

9. Update on the implementation of the EU Timber Regulation and assessments from the CDG members

The Commission gave a brief presentation on this point.

The Commission explained that they had pushed the MS to fully implement the regulation. Three MS were involved in an infringement procedure. The Commission would continue dialogue with two MS, which could result in an infringement procedure as well.

The Commission would produce a report by the end of the year. The EUTR would follow the new rules on better regulation.

The Commission was obliged to review the situation two years after implementation. They had to consider the products included in the Annex – Chapter 49 depending on the assessment of the sector's competitiveness. The points below formed part of the report:

Effectiveness – due diligence, factors that help to achieve the objectives.

Efficiency – cost-benefit, monitoring, compliance, administrative consequences.

Coherence – well integrated with other EU policies.

Relevance – whether the objectives were met, contribution to meeting international obligations.

EU added value – whether objectives at national level were achieved.

Evidence based – from the MS reports, which were obliged to report by April this year. The quality of the information was mainly an issue for the MS that had not made progress with the implementation.

The public consultation was a second source of information for the report.

Spontaneous input was also welcome and there was no specific format.

A stakeholder questionnaire would be prepared by the consultant for those who were less active in Brussels.

The staff working document would be finalised by November.

This report would look at the first two years of application and would not propose changes to the regulation. An impact assessment would also be carried out.

Questions:

ELO asked whether a cost-benefit analysis of the EUTR had been prepared.

CEPI stated that the industry did not need to undertake considerable efforts to comply with the regulation as they already applied strict rules. Educating staff was important. The situation varied from one MS to another. Companies expected that certification would play a more important role. In the product category, printed products should be included in the Annex, which needed to therefore be reviewed. In the EU, there was a high amount of printed products from China.

CEPF asked which MS had issues with implementation.

Cogeca stated that the implementation was running smoothly, but as a company, believed that the biggest challenge was the different requirements from the different MS.

CEETTAR asked whether this regulation also covers the verification of the legality of logging contractors.

- <u>CEPF gave a presentation on the results of their internal consultation on the implementation of the EUTR. The presentation is available on CIRCABC.</u>

Copa said that we had a clear overview on what was going on at MS level, but had little information on illegal wood.

EEB asked about the sampling used in the questionnaire and how this would be made available.

ELO said that a best practices guidance document would be an important tool.

Answers from the Commission:

The cost-benefit analysis would cover a broader scope. The administrative burden would also be analysed.

The report would provide figures.

DG GROWTH would carry out a cumulative cost assessment, including the EUTR as part of the EU Forest Strategy.

The list under Chapter 49 would be extended, as various stakeholders had expressed their concerns.

ES, HU and EL were involved in an infringement procedure due to issues on checking operators and monitoring.

There were differences between the MS concerning implementation and two years was not enough to fully understand these differences. It was a learning period for all of us.

The matter of illegal wood fell to the countries that had no rules.

MS must address the complete list of legislation concerning logging, not only the sale activity.

Raising awareness was also an important tool to ensure a better implementation of the EUTR.

A guidance document was produced in 2012 and the objective was to explain different parts of the information. The document had not yet been adopted by the Commission, but some changes could be introduced.

Comments from the members:

CEPF stated that trade with China was a problem. Certification was a voluntary scheme that was also accepted by China.

PEFC mentioned trade.

10. ENRD and EIP

CEPF gave a presentation, with the support of Copa-Cogeca. The members had no comments or questions.

11. The European Environment - State and Outlook 2015

The Commission gave a presentation on the State and Outlook Report (http://www.eea.europa.eu/soer), which is available on CIRCABC.

EEB stated that everything was in order at national level. This kind of report was very useful for the sector and a debate could be held on reporting and the methodology.

USSE commented that the report should have a more objective approach, as evidence pointed to an increase in biodiversity, for example in France.

Copa had found contradictions in the presentation, e.g. the increase in wooded land, and no mention of climate change. Forest owners managed their forest sustainably on a daily basis. It was unfair to say that everybody was guilty and to paint such a negative picture.

CEPF strongly question the figures and the way how they have been calculated; the report does not reflect at all the developments and contributions made towards sustainable forest management, including a strong biodiversity component; also no recognition on the work done in nature conservation; a lot of investments have been made and this is not reflected.

ELO asked how the benefits from the protected areas were calculated. Restrictions had an impact on the management of bird species. A loss of biodiversity was not caused by active forest management. It was rather related to management restrictions.

Copa had doubts about the reporting under Article 17 and the Commission's interpretation. The geographical diversity in AT led to many habitats being threatened, which would not change in the future. Forestry and forest management had been blamed, which was not fair. Climate change had a significant role to play.

EEB stated that the results needed to be taken into account and that these results were recognised at MS level.

Copa said that the inventory in SE painted positive results, with 25% out of production. It was therefore not possible to say that 100% had an unfavourable status.

CEPF stressed that the EC report painted a different picture than forest reports presented in the UN meeting.

Answers from the Commission:

The Commission explained that the in May 2015 European Environment Agency published another report on the State of Nature in the EU (http://www.eea.europa.eu/publications/state-of-nature-in-the-eu) also highlighting that 80% of forest habitat assessments covered by the EU nature legislation still have unfavourable conservation status which shows no significant signs of improvement¹. Habitat loss from intensive forest management is one of the lead causes of this situation². The Commission considered that the report was neutral and objective, as figures came from the MS.

12. Circular economy – state of play and thoughts on the opportunities for the forestry sector

The Commission gave a presentation, which is available on CIRCABC.

13. Guidance document on Natura 2000 and Forests

 $^{^{1}\,\}underline{\text{http://www.eea.europa.eu/publications/state-of-nature-in-the-eu}}$

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The Commission stated that the guidance document had been sent to interservice consultation and would be published in July.

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