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Strategic issues and policy goals of CEPF for the post 2013 CAP RD Policy

General considerations

In our opinion the new CAP's Rural Development Policy has to clearly aim at increasing the activities in and the development of the rural areas and not be focused on single agricultural farm payments any longer (even though the national implementation is MS competence). 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 any possible measures of the new RD regulation of the EU.

Forests and other wooded land cover more than 40 % of the EU's surface area. 60 % of the forests are in the private ownership of some 16 million European citizens. This gives a great, and so far under-recognised, importance of the land use of forests. As forests prevailingly are present in rural areas, the role of forests and forest owners should be increased in the post 2013 CAP RD Policy.

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 the regulation would recognise that forestry in itself substantially contributes to rural development. This is imperative in light of the results from the CAP Health Check.

Improved support for forest owner cooperation

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 from the new RD regulation. 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).

> ***Policy goal: Improved funding options for forest owner associations and other forest owner groupings with SME status, as well as the training of forest owners in various forms, must be possible in the new regulation.***

Improved administration is needed post 2013

In several Member States multiple public authorities are involved in the management of the Rural Development Program and experiences have shown that this often causes over-complicated procedures and thus fewer

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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 forest owners. After the experiences in the current RD program it is evident that more efficient administration is required to take the RD policy to a higher level of implementation and efficiency.

Policy goal: Streamlined overall set-up of the rural development programs at the national level should be guaranteed.

Improved funding for rural development's forestry measures in connection with the "future's major challenges"

In connection with the Health Check of the Common Agricultural Policy (CAP) in 2008 the European Commission indicated some major challenges in European rural development policy;

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

In general, forest owners welcome the idea to intensify aid rates in the existing rural development regulations for operations dealing with these, above mentioned, issues. It is necessary that structured and targeted support – both from EU and national support schemes - 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.

Climate Change Mitigation and Renewable Energies

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.

Policy goal: Concrete support measures in the new regulation should address climate change mitigation by sustainable forest management and the use of biomass as renewable energy source.

Water Management

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

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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.

Policy goal: To introduce the funding for active contribution to water management by forest owners under the Rural Development scheme by means of PES.

Biodiversity

The existing regulation on support of rural development leaves opportunities for the national governments to support forest owners when engaging into environmental services. 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 will endorse the production of nature and environmental service as a credible product that forest owners can rely on as part of their day-to-day activities.

Policy goal: The financing level should be raised for Natura2000 payments, 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.