

"The Role of Bioeconomy in Controlling Forest Fires: Policy Implications"

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The Role of CAP in Forest Fire Prevention

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Mr Chairman, Director-General, ladies and gentlemen, dear colleagues,

It is a great pleasure to be here today representing the Directorate-General for Agriculture and Rural Development, and I should like to thank *ThinkForest* and the *Ministerio de Agricultura* for inviting us to this conference. I would also like to congratulate them for the initiative to organise this event.

After the devastating effects of the forest fires in the European Union last year, it is most appropriate to come here together to discuss and reflect on how to improve our forest fire prevention and restoration strategies, actions and measures. The problem is not new though, forest fires affect severely the European Union. On average about 500 000 hectares are burnt annually in the EU, predominately in Southern Europe. Due to an increase in extreme weather events over the last years, forest fires appear to be more intense and extensive, bringing about huge human, social, economic and environmental damages.

Forest protection has always been an area of concern at EU level. Since the 1980s the EU has supported the Member States in their efforts to protect forests against fire.

The EU rural development policy acknowledges the importance of the problem for the rural areas of the EU. May I recall that since the adoption of the Agenda 2000 CAP reform in 1999, forestry forms an integral element of the rural development policy, reflecting the socio-economic and environmental importance of the forest sector for the sustainable development of rural areas. Forests and other wooded land in the EU represent about 180 million ha (about 40% of the total land area), and there are about 16 million forest owners in the European Union. In socio-economic terms, the forest sector provides employment for about 3.5 million people, many located in rural areas. In addition, forests provide multiple environmental, climate and social benefits and services to society.

The EU's rural development policy under Agenda 2000 sought to establish a coherent and sustainable framework for the future of rural areas based on the following main principles:

- The sustainability of agriculture and forestry;
- A multisectoral and integrated approach to the rural economy, in order to diversify activities, create new sources of income and employment, and protect the rural heritage;
- Subsidiarity for Member States to draw up their rural development programmes according to their specific needs.

The rural development policy has evolved since then. Under the current programming period 2014-2020, a variety of previous forestry measures have been grouped under one single measure allowing beneficiaries to design and realise integrated projects with increased added value. This measure includes support for:

- Afforestation and creation of agroforestry systems;
- Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events;
- Investments improving the resilience and environmental value of forest ecosystems;
- Investments in forestry technologies, in processing, mobilising and marketing forest products.

In addition, the European Agricultural Fund for Rural Development (EAFRD) provides also support for forest-environmental and climate services and forest conservation as well as for advisory services, training for forest owners and innovation in the forest sector. The overall objective is to promote sustainable forest management and the competitiveness of the EU forest sector, and the forestry measures should be based on the national or sub-national forest programmes of the Member States and contribute to the implementation of the EU Forest Strategy.

A total amount of approximately 8.2 billion EUR of public expenditure has been allocated to the forestry measures under the 2014-2020 Rural Development Programmes. Out of this budget, some 2.2 billion EUR have been programmed for afforestation and agroforestry systems, about 1.7 billion EUR for prevention of damage to forests, 780 million EUR for restoration of damages from forest fires and natural disasters, 1.5 billion EUR for investments enhancing the resilience and environmental value of forests, and more than 700 million EUR for investments in improving forest technologies.

Concerning aspects related to forest fire prevention and restoration, the measures have to be consistent with the national or regional forest protection plans. These actions are complemented with the activities and measures included under other EU instruments and initiatives, such as cohesion policy, the civil protection mechanism and the European Forest Fire Information System.

The EU has also been funding research in the field of forest fires over the last two decades through the Research Framework Programmes. More than 50 research projects, from large scale integrated projects to more traditional projects, received a total EU contribution of about 103 million EUR.

As to the results of these efforts, the Commission has very recently completed an external ex-post evaluation of the forestry measures under rural development programmes implemented during the periods 2007-2013 and 2014-2020. The evaluation report is publicly available in the Europa website. The results of the assessment highlight the relevance and added value of the forestry measures. Concerning prevention and restoration of damages, the report indicates that these measures have the most significant effect as they concern huge areas of forest and also bring wider societal benefits, for example by improving the fire resilience of rural areas. The analysis showed that they are of central importance to the forest sector and also support the continuity of forest ecosystem services. In the 2007-2013 period, they have supported large scale

implementation of prevention systems (8,6 million ha were concerned by actions of prevention from forest fire, and about 1 million ha from natural disasters, which is about 5% of the EU forest area).

Coming back to the problem of forest fires, I would like to underline that rural development provides support for a coherent set of measures in support of the protection and sustainable management of forests.

The analysis of the causes of forest fires in the EU indicates that the majority of them are human-related, either negligence or arson. Experience and knowledge also show that the abandonment of forest management means multiplying the risk of fire considerably by increasing the combustibility of the forest and generating fuel models of greater difficulty for extinction.

Well managed forests are necessary to face climate change and to prevent fire. On the other side, well managed forests bring a substantial support to EU climate policy by contributing to our mitigation goals, and by replacing fossil-based products through more sustainable innovative products.

In this respect, we should remember that the economic viability of forestry remains a key pillar of sustainable forest management. Economic viability is of crucial importance for maintaining the multiple benefits that forests provide to society, and especially for providing a living for rural populations.

The development of the bioeconomy is indeed important for the forest sector as it can offer significant opportunities to increase and diversify income and to create jobs in rural areas, through the creation of added value products and new market outlets for forest products, and at the same time contribute to decarbonisation of our economy.

The EU rural development policy promotes the supply and use of renewable sources of energy, of by-products, wastes and residues and of other non-food raw material, for the purposes of the bio-economy.

A combination of measures can be used by managing authorities, such as: i) Investments in forestry technology; ii) Business development for supporting the development novel products (eg. Biocosmetics, bioplastics) and iii) knowledge transfer. The mix of measures varies from one RDP to another depending on the needs of the territory, as bio-economy production chains are very much influenced by the local context. Member States can use the EAFRD funds to tackle identified markets gap or sub-optimal situations. For instance, MS have programmed an amount of more than EUR 800 million, which is planned to generate among others a total investment of EUR 2.7 billion for renewable energy production.

The implementation on the ground of new products requires focusing on Innovation. Operational Groups under the European innovation partnership for agricultural productivity and sustainability are also financed to bring together all the stakeholders concerned by innovation, in order to test, and possibly adapt, new technologies in real conditions. Some RD Programmes have already launched operational groups in domains such as sustainable mobilisation of forest biomass or short rotation coppice.

DG AGRI contributes to R&I in bioeconomy through the areas of Horizon 2020 under its responsibility (broadly half of Societal Challenge 2), focussing on those aspects of the bioeconomy that are most relevant for the farming and forestry sectors: sustainable biomass production & logistics, and making the bioeconomy contribute to rural development.

Looking to the future, all efforts for further boosting the bioeconomy should address the broad policy challenges to ensure the coherence between all the policy needs and initiatives (e.g. environment, forestry strategy, R&I, circular economy, the EU 2030 climate and energy framework) to enhance the contribution of the agricultural and forest sectors to the bioeconomy.

We also need to take better into account the potential of new technologies, ICT, robotics, artificial intelligence, for the transformation of biomass in products, but also to achieve a sustainable intensification of primary production, which is a key factor in providing sufficient biomass to an increasing demand, and by this, broaden the bioeconomy in terms of jobs and growth. But it is fundamental that forest owners are involved in the process as an active stakeholder in the whole supply chain, and not only as passive supplier of wood and forest biomass. It will probably require new organization schemes and aggregation systems.

As to the future CAP for the period 2021-2027, the Commission presented in November 2017 the Communication on the Future of Food and Farming, which outlines the modifications proposed for the modernisation and simplification of the CAP. On 2 May 2018, the Commission has adopted the proposal for the EU budget for the period 2021-2027, and today (29th May), the Commission plans to adopt the new legal proposals for the CAP post-2020.

The CAP post-2020 will have a budget of 365 billion EUR (5% reduction in relation to the current financial framework) and continue to be built around two pillars: direct payments to farmers and rural development. In addition, an amount of 10 billion EUR in Horizon Europe will support research and innovation in agriculture, forestry, rural development and the bioeconomy.

The future CAP will provide a new delivery model bringing the operations together under a single programming instrument, the CAP Strategic Plan. It will move from an approach based on compliance to a more result-oriented policy. Based on common objectives set at EU level, Member States will have more room to match their specific needs with intervention schemes that they will set out in their national strategic plan.

Concerning forestry, the proposal acknowledges that forestry represents a key sector in the transition towards a low carbon and climate friendly economy, and support for forestry will continue to be provided under rural development. Greater subsidiarity will provide more flexibility for better addressing regional and local needs and priorities. The future CAP will also support the development of the bioeconomy and new business models, which will benefit farmers and forest owners whilst creating new jobs in rural areas.

Thank you very much for your attention.