



COMMISSION OF THE EUROPEAN COMMUNITIES

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REPORT FROM THE COMMISSION TO THE COUNCIL
AND THE EUROPEAN PARLIAMENT
on the application of
**Regulation (EEC) No 2080/92 instituting a Community aid scheme
for forestry measures in agriculture**

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I. INTRODUCTION

Flanking measures were adopted in 1992 to accompany the CAP reform. These authorised aid for the environment, early retirement and forestry. As part of one of the main areas of reform - temporary set-aside or reallocating farmland to afforestation or non-food production - Council Regulation (EEC) No 2080/92 of 30 June 1992⁽¹⁾ instituted a Community aid scheme for forestry measures in agriculture. The aid is part-financed by the Guarantee Section of the European Agricultural Guidance and Guarantee Fund (EAGGF) to promote afforestation as an alternative use of agricultural land and the development of forestry activities on farms, in order to:

- accompany the changes to be introduced under the market organisation rules,
- contribute towards an eventual improvement in forest resources,
- contribute towards forms of countryside management more compatible with environmental balance,
- combat the greenhouse effect and absorb carbon dioxide.

The Community provides 75% part-financing in Objective 1 regions and 50% in other regions under the EAGGF Guarantee Section. The aid scheme comprises aid for afforestation costs, a premium to cover maintenance of afforested areas, a premium to cover losses of income resulting from afforestation of agricultural land and investment aid for the improvement of woodlands belonging to farmers. The characteristics of the aid scheme are summarised in Table 1 overleaf.

II. TECHNICAL AND FINANCIAL MONITORING

Commission Regulation (EC) No 1054/94⁽²⁾ laying down detailed rules for the financial monitoring of programmes approved under Council Regulation (EEC) No 2080/92 was adopted on 5 May 1994. Its purpose is to establish a reliable system for the financial monitoring of the application of Regulation (EEC) No 2080/92 permitting reactions in the framework of the early warning system for budget discipline and estimates of the trend in expenditure affecting future budgets as a result of the multiannual nature of certain commitments entered into under approved programmes, resulting in expenditure to be charged to the Community budget over several years. Under this Regulation the Member States forward information on progress in implementing the aid scheme every six months and expenditure forecasts every quarter.

(1) OJ No L 215, 30.7.1992, p. 96.

(2) OJ No L 115, 6.5.1994, p. 6.

Table 1. Aid scheme (summary)

	Amounts (amounts in brackets are those in initial Regulation)	Beneficiaries according to the species planted		
		Christmas trees	Fast-growing species	Other species
Aid for afforestation costs	eucalyptus : 2 415.0 ECU / ha (2 000)		competent public authorities of the Member States	
	softwood : 3 623.0 ECU / ha (3 000)			farmers practising farming as a main occupation (deriving at least 25% of their income from agriculture)
Annual premium per hectare afforested to cover maintenance costs in the first five years	broadleaves and mixed plantations : 4 830.0 ECU / ha (4 000)			
	softwoods years 1-2 : 301.9 ECU / ha / year (250) afterwards : 181.1 ECU / ha / year (150)			
Annual premium per hectare to cover losses of income resulting from afforestation of agricultural land	broadleaves / mixed years 1-2 : 603.8 ECU / ha / year (500) afterwards : 362.3 ECU / ha / year (300)			
	afforestation undertaken by: farmer : 724.5 ECU / ha / year (600) other beneficiary : 181.1 ECU / ha / year (150)			
aid for the improvement of woodlands	shelterbelts : 845.3 ECU / ha (700)			
	firebreaks : 181.1 ECU / ha (150)			
	waterpoints : 181.1 ECU / ha (150)			
	forest roads : 21 735.0 ECU / km (18 000)			
	improvement of cork oak stands : 1 691.0 ECU / ha (1 400)			
	others : 845.3 ECU / ha (700)			

As well as the information provided under Regulation (EC) No 1054/94, the Member States also forward additional technical information to the Commission each year on the basis of a questionnaire.

III. ADOPTED PROGRAMMES

1. Decisions and amounts of funding

Table 2 overleaf shows the 43 programmes that have been adopted so far in the Member States. The EAGGF contribution shows the amount initially forecast by the Member State compared to that actually allocated under the Decision (for programmes adopted at the beginning of 1994 some Member States had initially forecast an EAGGF contribution in excess of available budget funds). The afforestation forecasts also show an initial value, corresponding to the EAGGF contribution initially hoped for by the Member State, and a value adjusted to the amount actually awarded.

2. Aid and application

There is a wide variation in the rates of aid awarded to the various programmes and even between the various regions in a Member State. There are several reasons for this, not simply reflecting whether or not the Member State wishes to promote or discourage afforestation of agricultural land. Aid for afforestation and maintenance costs is based on actual costs, which depend among other things on:

- geographical, topographical, physical and climatic diversity (mountain forests, lowland forests, natural habitats, nature of the soil, etc.);
- diverse economic and social factors (workforce, investment in forestry, pluriactivity, etc.);
- the way in which various aids are calculated (e.g. whether or not they include certain parameters such as reforestation, mortality rate, etc.).

The annual premium covering losses of farmers' or landowners' income normally reflects financial losses resulting from afforestation of their agricultural land and subsequently from the loss of annual income previously obtained from agriculture. The attractiveness of this premium may depend on the amount paid compared to:

- actual income from agricultural production;
- other aid, such as aid to set aside arable land.

The Member State programmes lay down conditions regulating afforestation. Afforestation applications are studied individually at local or regional level, taking into account technical aspects connected to afforestation and in principle eligibility with respect to regional planning or environmental protection provisions. A few programmes include a zoning framework defining areas in which afforestation is authorised, prohibited or regulated.

Table 2. Decisions and funding

MEMBER STATE Region		Decision		Community contribution 93-97 (Mio ECU)		Implementa- tion 93-96 (Mio ECU)	Afforestation forecast (ha)	
		Date	Number	Forecast	Agreed		Initial	Adjusted
B	Belgium			14.0	8.65		12 500	6 300
	Flanders	27.04.1994	C(94)953/1		6.5	-		
	Wallonia	27.04.1994	C(94)953/2		2.15	-		
DK	Denmark	26.04.1994	C(94)972	16.9	10.3 (*)	6.5	9 500	7 400
D	Germany	27.04.1994	C(94)953/3	222.0	91.7 (*)	53.5	72 000	57 750
EL	Greece	27.04.1994	C(94)953/5	48.0	43.5	25.7	15 000	15 000
E	Spain	27.04.1994	C(94)953/11	580.0	430.0	164.4	550 000	305 750
	Navarre	27.04.1994	C(94)953/12					
	Basque Country	27.04.1994	C(94)953/13					
F	France	27.04.1994	C(94)953/4	32.0	27.4	4.1	95 360	48 000
	Ile-de-France	27.02.1996	C(94)448					
	Midi-Pyrénées	27.02.1996	C(94)448					
	Loire Region	27.02.1996	C(94)448					
IRL	Ireland	27.04.1994	C(94)953/8	161.0	145.0 (*)	94.2	120 000	105 000
I	Italy	27.04.1994	C(94)953/10	400.0	300.0	35.7	170 000	80 000
	Abruzzi	20.05.1994	C(94)1315/1		13.65			
	Basilicata	28.12.1994	C(94)3950		15.13			
	Bolzano	20.05.1994	C(94)1315/2		7.533			
	Calabria	20.05.1994	C(94)1315/3		19.33			
	Campania	20.05.1994	C(94)1315/4		17.1			
	Emilia Romagna	20.05.1994	C(94)1315/5		8.625			
	Friuli V. Giulia	20.05.1994	C(94)1315/6		8.93			
	Lazio	20.05.1994	C(94)1315/7		3.689			
	Liguria	20.05.1994	C(94)1315/8		6.89			
	Lombardy	20.05.1994	C(94)1315/9		15.275			
	Marche	20.05.1994	C(94)1315/10		9.015			
	Molise	20.05.1994	C(94)1315/11		5.135			
	Piedmont	20.05.1994	C(94)1315/12		18.41			
	Apulia	20.05.1994	C(94)1315/13		21.05			
	Sardinia	20.05.1994	C(94)1315/14		38.34			
	Sicily	20.05.1994	C(94)1315/15		29.73			
	Tuscany	20.05.1994	C(94)1315/16		27.848			
	Umbria	20.05.1994	C(94)1315/17		12.9			
Valle d'Aosta	20.05.1994	C(94)1315/18		0.77				
Veneto	20.05.1994	C(94)1315/19		20.65				
L	Luxembourg	27.04.1994	C(94)953/6	0.3	0.3	0.0	500	400
NL	Netherlands	27.04.1994	C(94)953/7	15.5	10.2 (*)	5.9	9 200	9 200
A	Austria	20.07.1995	C(95)1860	23.2	23.2	5.8	4 600	4 600
P	Portugal	27.04.1994	C(94)953/9	120.7	96.0	40.5	128 000	94 000
	Azores	27.04.1994	C(94)953/15					
	Madeira	27.04.1994	C(94)953/14					
FIN	Finland	20.07.1995	C(95)1859	33.0	18.76	5.4	38 500	38 500
S	Sweden	21.01.1997	C(97)100		0.6			-
UK	United Kingdom	15.06.1994	C(94)1533	61.6	61.6	39.2	100 000	100 000
TOTAL EC				1 728.2	1 267.21	480.9	1 325 160	871 900

(*) The amount shown here is the amount agreed under the latest amendment to the programme

IV. ACHIEVEMENTS 1993-96

The following figures, based on the latest information forwarded by the Member States to the Commission, show what had been achieved under the programmes by 30.4.1996. Three Member States are not included in these figures:

- Belgium and Luxembourg, since schemes implemented up until that point were relatively insignificant,
- Sweden, which only adopted its programme in 1996.

Afforestation

Figure 1 below shows the area of agricultural land afforested under the Regulation in each Member State, and the distribution of this land between public and private ownership. These areas are later compared to the utilised agricultural area (Figure 3) and the forest area (Figure 4) in each Member State.

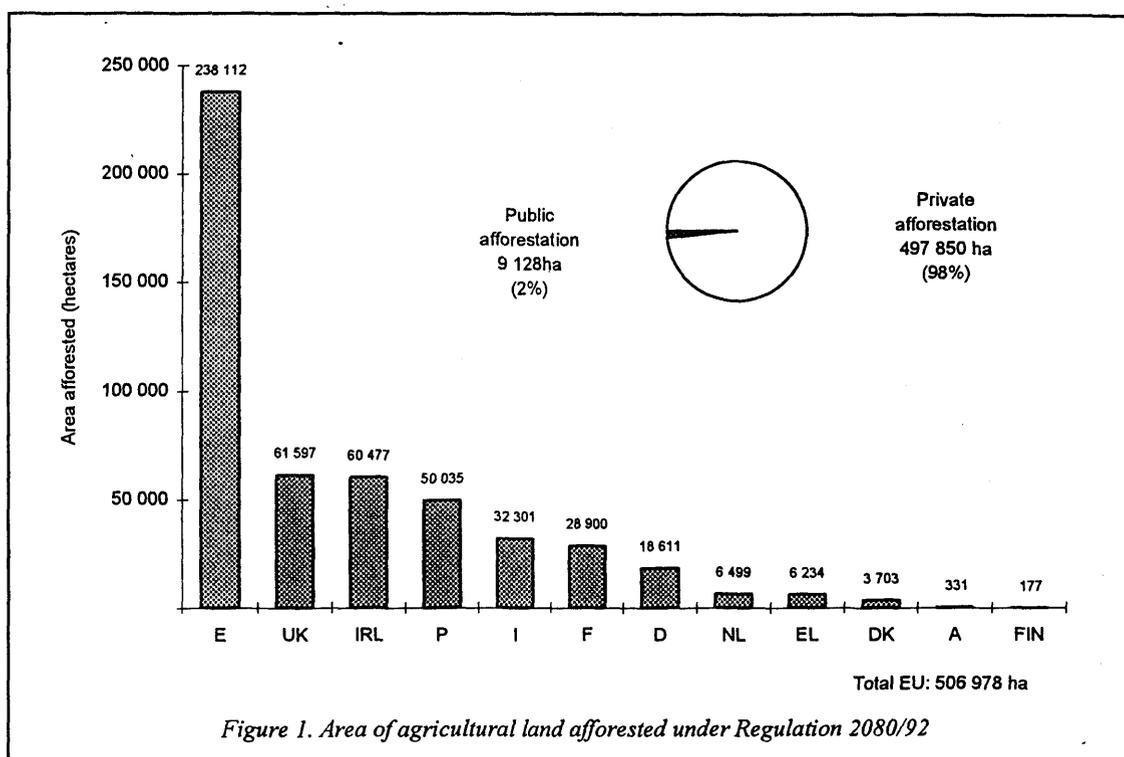
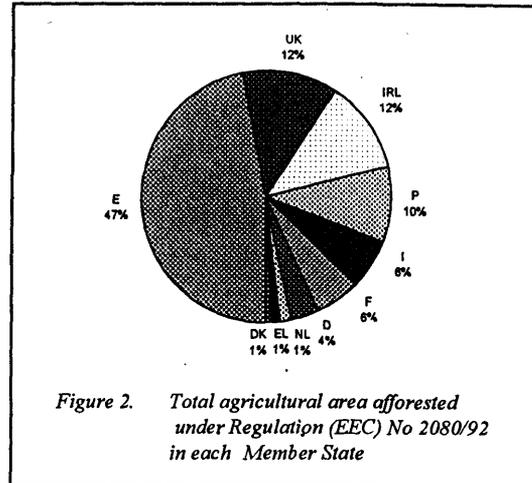


Figure 1. Area of agricultural land afforested under Regulation 2080/92

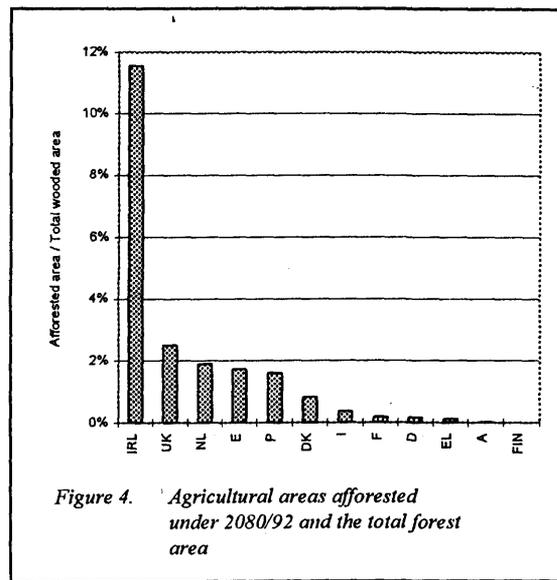
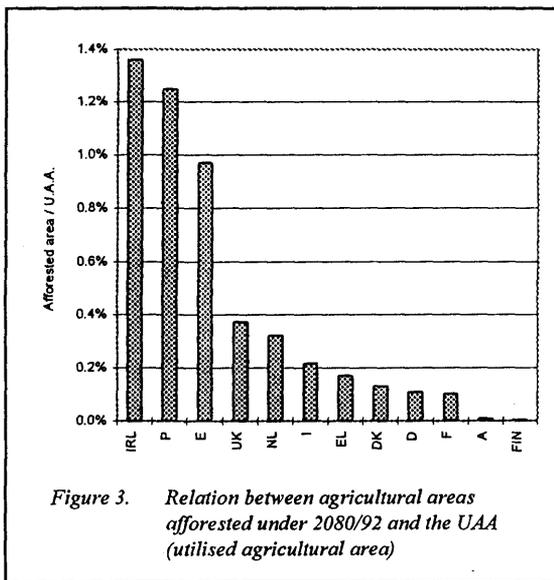
The following points should be noted:

- in total just over 500 000 ha of land has been afforested under this Regulation;
- with more than 200 000 ha Spain has the largest wooded area;
- besides Spain, 3 countries (United Kingdom, Ireland and Portugal) have each planted more than 50 000 ha of woodland;
- private individuals have mainly been in receipt of this aid for afforestation costs (98%).

Figure 2 opposite, which gives the total afforested area in each Member State, shows that Spain, the United Kingdom, Ireland and Portugal dominate. These four countries together account for over 80% of the total area of agricultural land afforested under this Regulation.



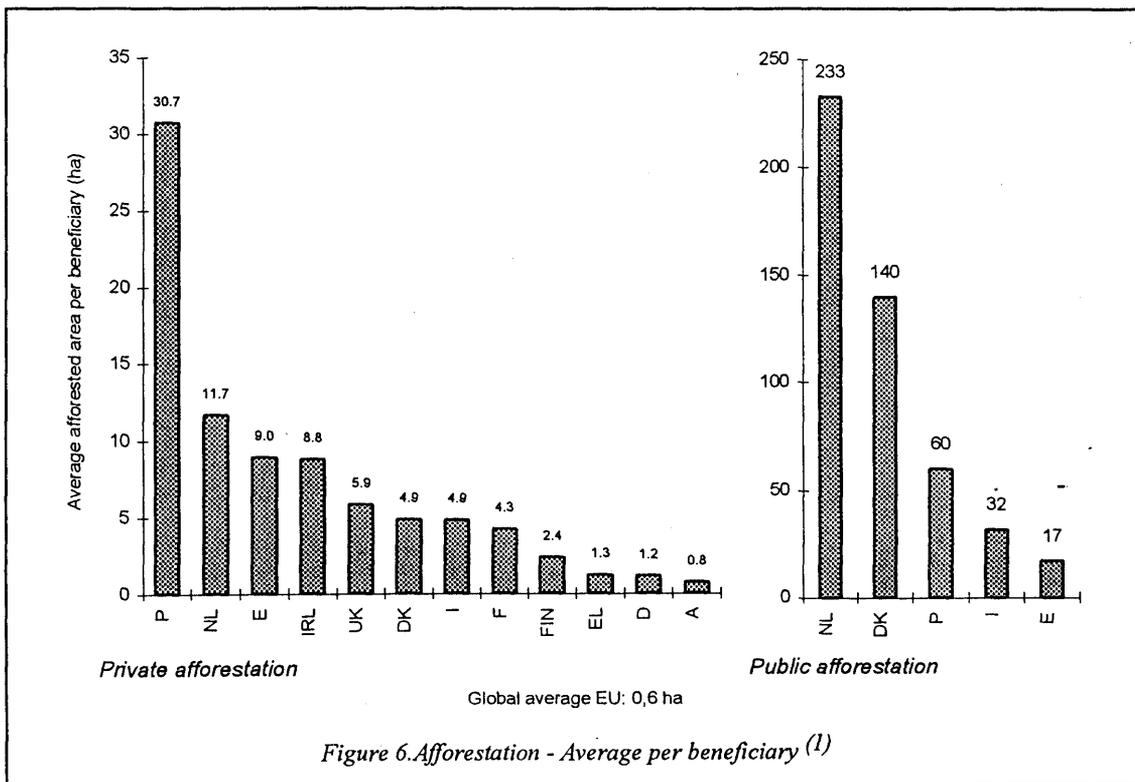
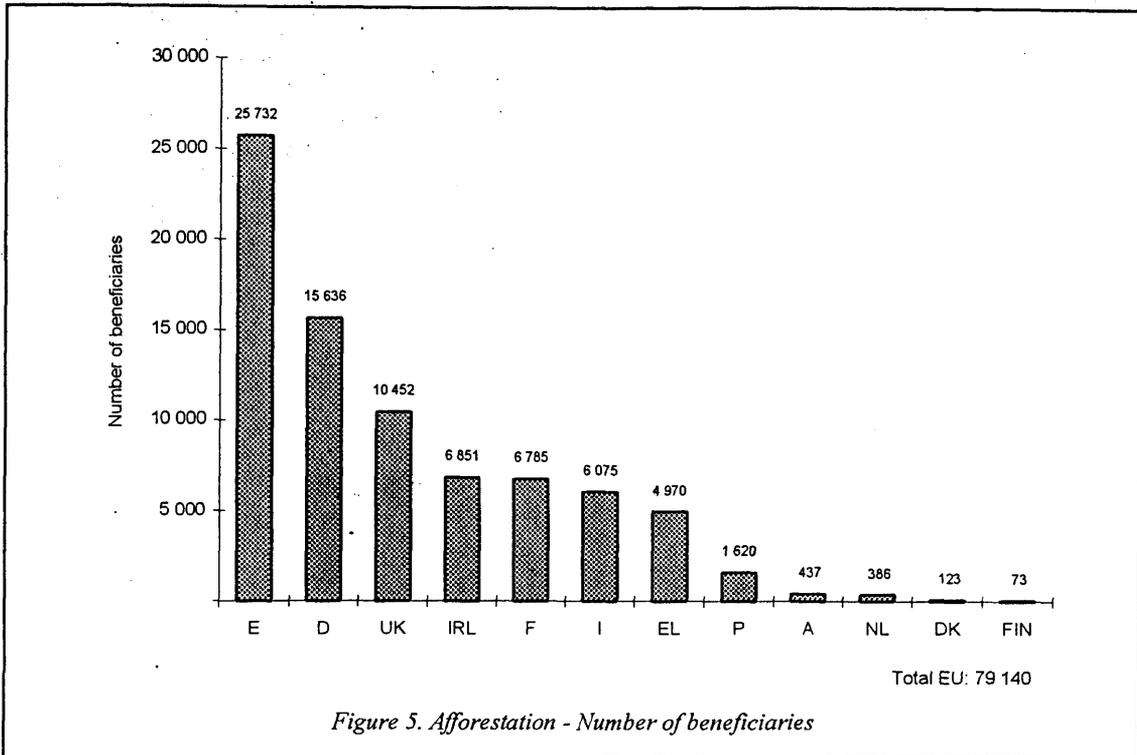
Figures 3 and 4 compare the afforested area in each Member State with its utilised agricultural area and the previously forest area.



These figures show that:

- Apart from Ireland, Portugal and Spain, where the percentage decreases in utilized agricultural area (UAA) due to the application of this Regulation are 1.35%, 1.25% and 0.95% respectively, the decrease in UAA in most Member States is marginal;
- afforestation carried out under Regulation (EEC) No 2080/92 contributes most to the increase in forest area (almost 12%) in Ireland. The corresponding increase is only just above 2% in the United Kingdom and less than 2% in all other Member States.

Figure 5 shows the number of people benefiting from the measure in each Member State. Figure 6 compares the average woodland per beneficiary, distinguishing between private and public afforestation.



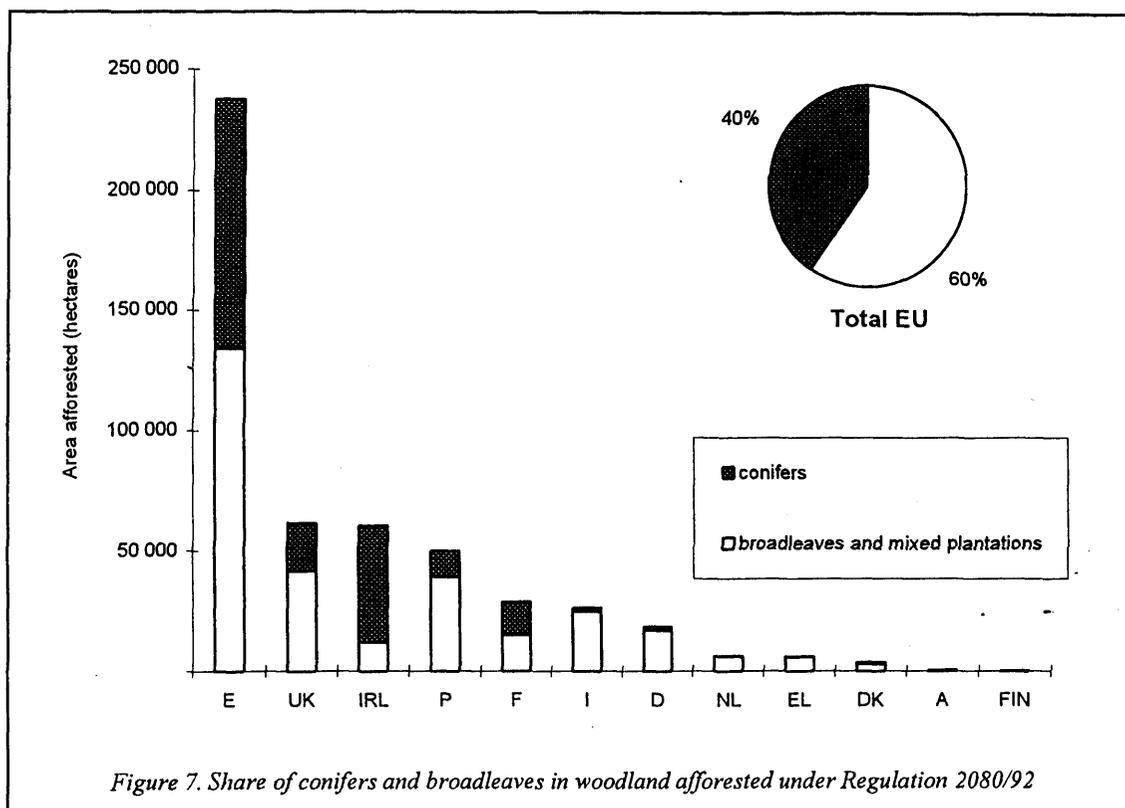
(1) Public afforestation in Denmark does not benefit from Regulation 2080/92. The value shown in the above Figure 6 is provided for information only.

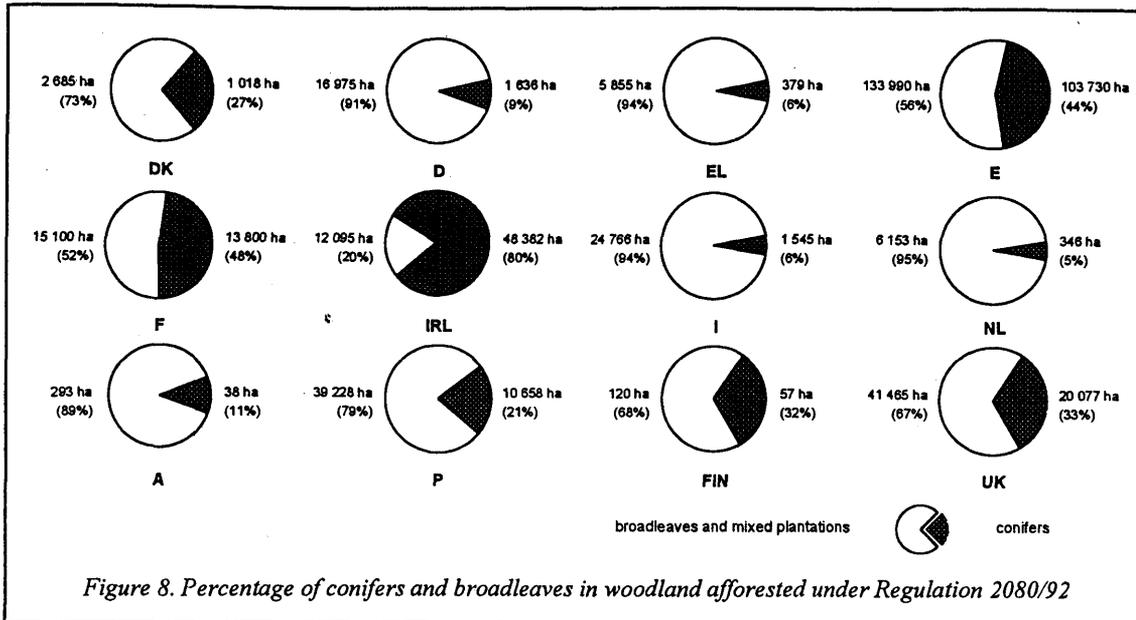
These show that:

- the highest number of beneficiaries is in Spain, where most afforestation has been carried out;
- the average area of woodland per private beneficiary is around 6 ha. The largest gap is between Portugal at one end of the scale (30 ha) and Greece, Germany and Austria at the other (all around 1 ha);
- where the public sector undertakes afforestation, the average afforested area per beneficiary is much larger than in the private sector, reaching more than 230 ha in the Netherlands for instance.

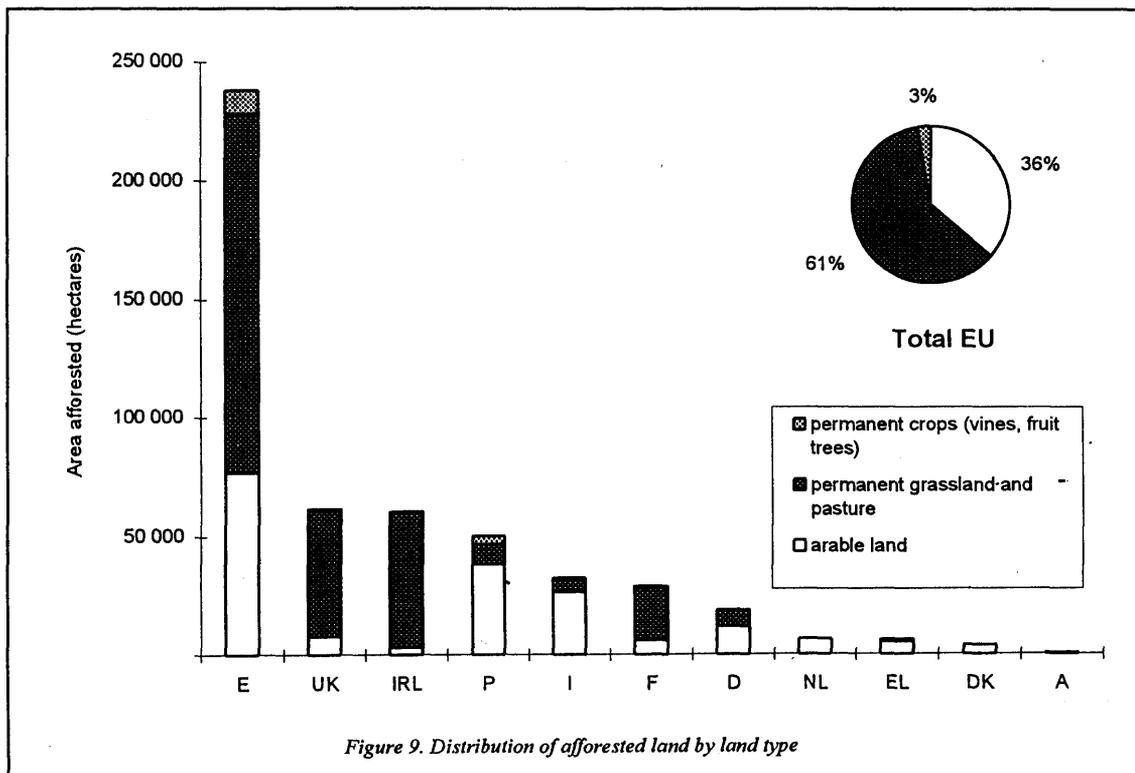
Figure 7 below breaks the afforested agricultural areas in each Member State down into coniferous plantations and broadleaves or mixed plantations (with more than 75% broadleaves). Figure 8 shows the percentage of these species in the afforested areas in each Member State.

Overall, 40% of afforested areas in the EU involve coniferous species and 60% broadleaves or mixed plantations. However, the spread varies widely between Member States. While the proportion of conifers is below 10% in the Netherlands, Greece and Germany, for instance, it is over 80% in Ireland.





Figures 9 and 10 show the spread of woodland areas according to the type of land that has been afforested. In the EU 61% of land afforested under this Regulation are permanent grassland and pasture, 36% arable land and 3% land under permanent crops (vines, orchards, etc.). This proportion varies widely between Member States. Countries such as the Netherlands or Denmark generally undertook afforestation of arable land, while Austria and Ireland concentrated on permanent grassland and pasture.



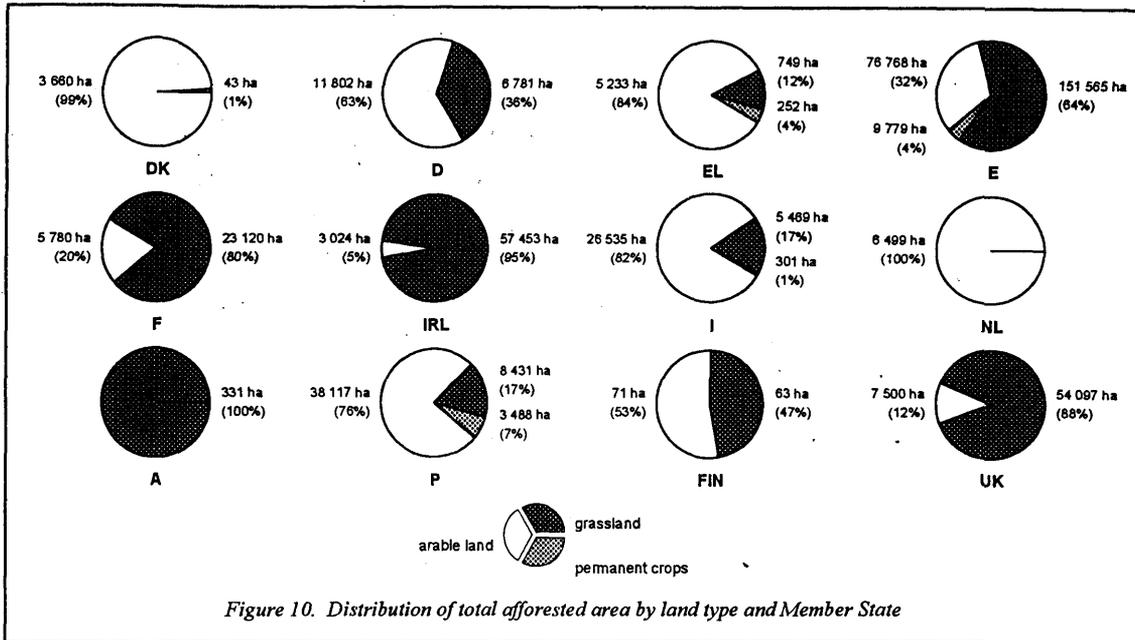


Figure 10. Distribution of total afforested area by land type and Member State

Premium to compensate income loss

Figures 11 and 12 compare the number and type of activity carried out by the beneficiaries of premiums covering losses of income in the various Member States.

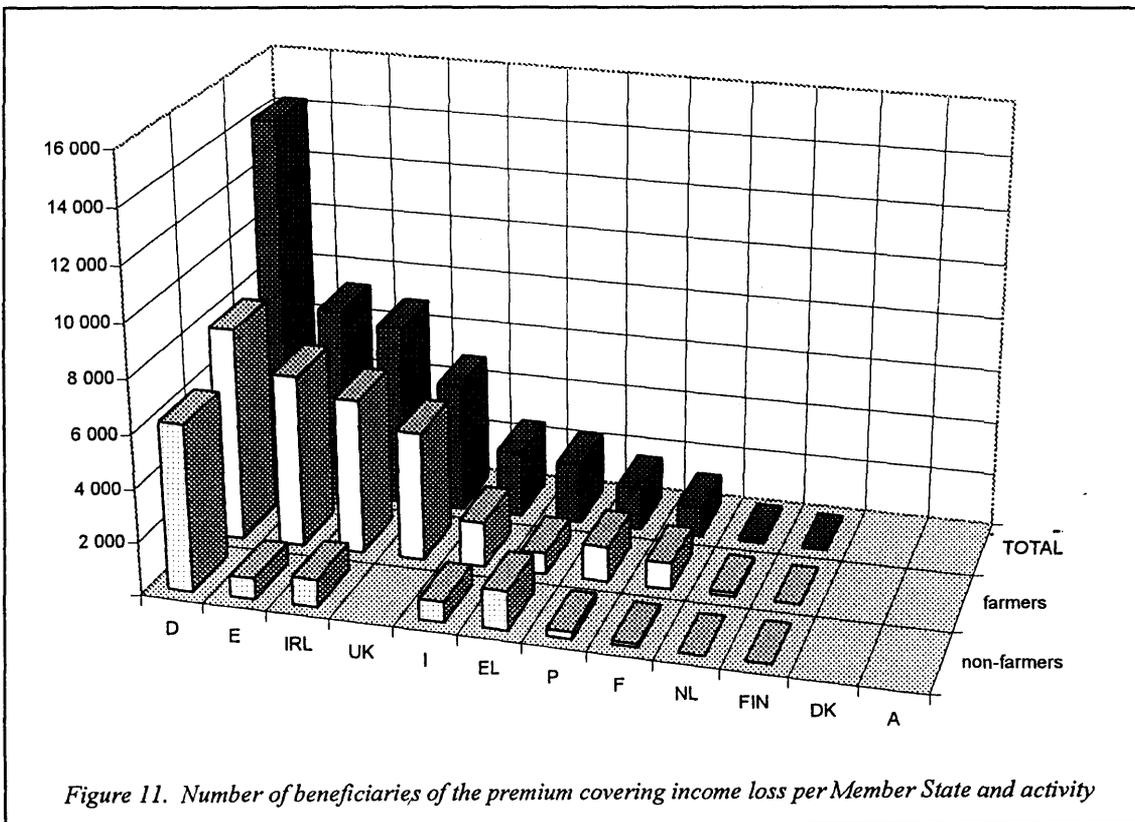


Figure 11. Number of beneficiaries of the premium covering income loss per Member State and activity

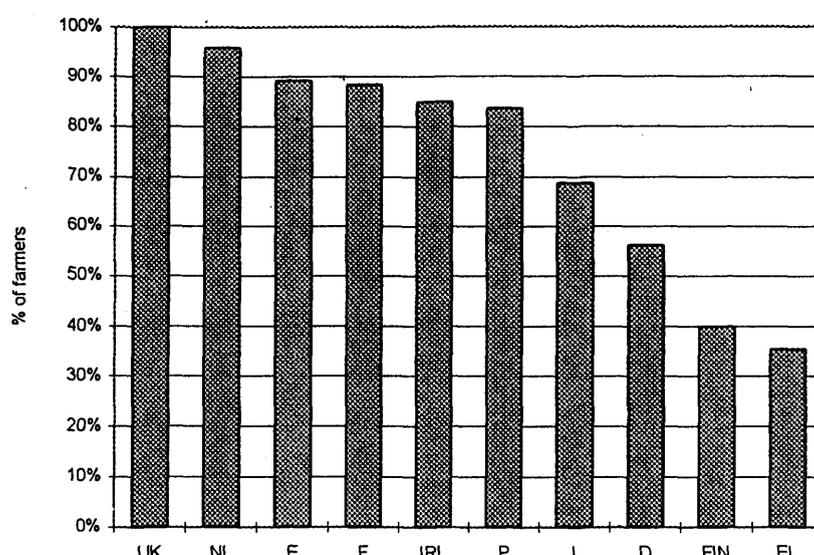


Figure 12. Proportion of farmers in beneficiaries of the premium covering income loss

It should be noted that:

- Nobody is in receipt of the premium covering income loss in Austria or Denmark. The Austrian programme does not make any provision for this premium and it was only introduced into the Danish programme when it was amended in 1997;
- The highest number of beneficiaries is in Germany, where more than 90% of those in receipt of aid for afforestation costs receive the premium covering income loss;
- The United Kingdom awards the premium to farmers only, while other Member States pay it to non-farmers as well as farmers. A distinction is made between farmers and non-farmers based on the Regulation's definition of the farmer practising farming as a main occupation deriving not less than 25% of their total income from farming on the holding. This explains why Finland and Greece (each with a high number of "part-time" farmers) both have a lower number of farmers than non-farmers benefiting from the premium.

Improvements

Figures 13, 14 and 15 show the improvements made to farm woodlands in the Member States. In terms of the:

- number of beneficiaries (Fig. 13): three countries (Germany, Denmark and Finland) account for 80% of beneficiaries. Some Member States, such as France and Ireland, have awarded practically no investment aid for the improvement of woodlands belonging to farmers;
- area (Fig. 14): 85% of the area affected by this measure is in three countries (Germany, Spain and Finland);
- roads (Fig. 15): the network of forest roads has been extended in the southern countries mainly.

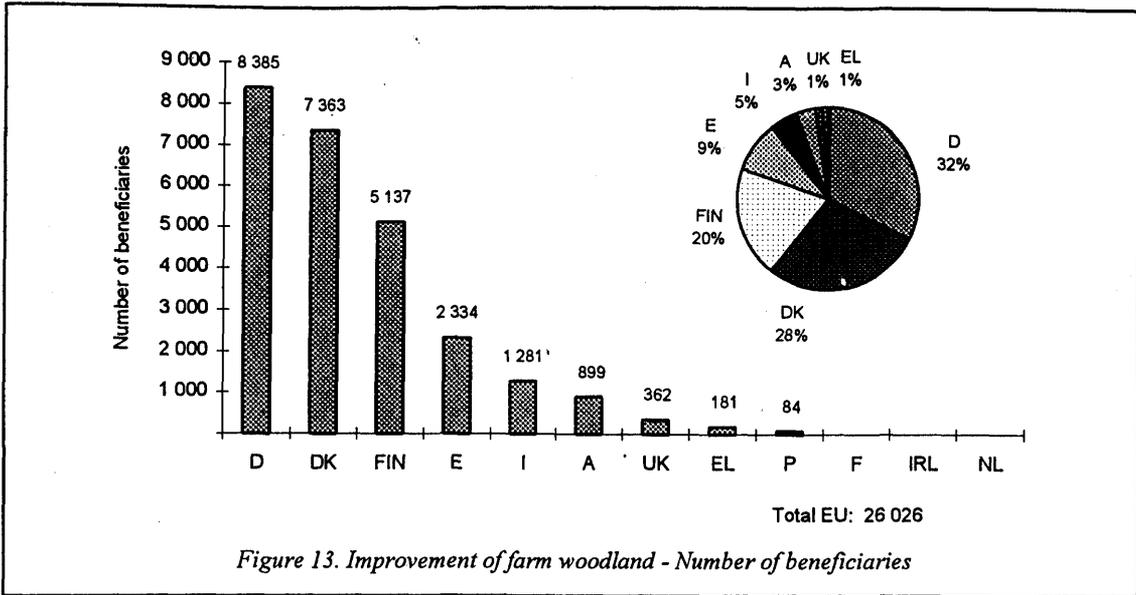


Figure 13. Improvement of farm woodland - Number of beneficiaries

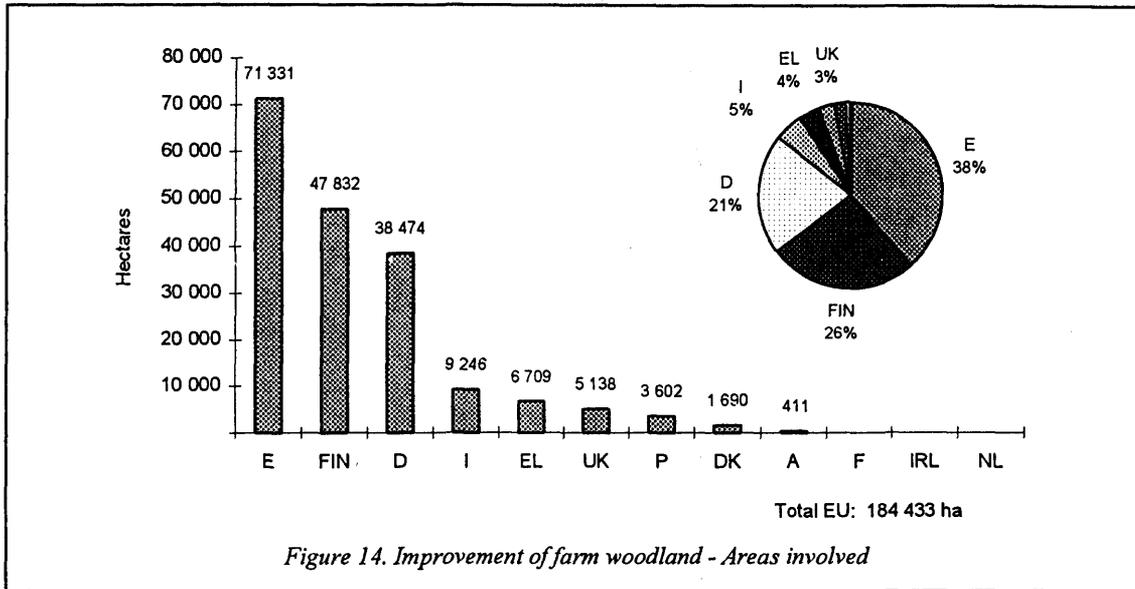


Figure 14. Improvement of farm woodland - Areas involved

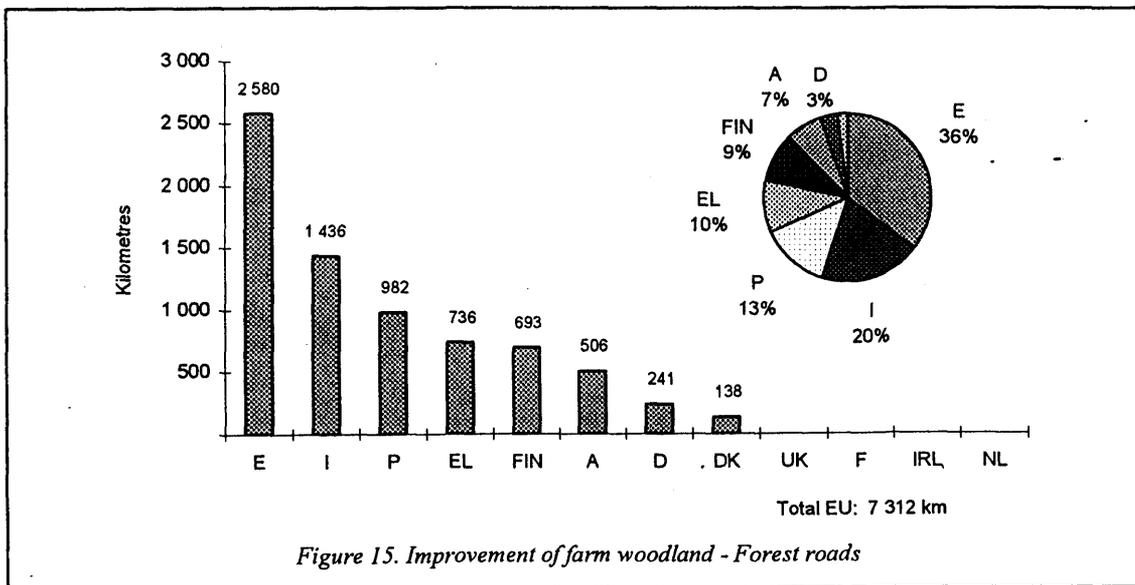


Figure 15. Improvement of farm woodland - Forest roads

V. DISCUSSION AND CONCLUSIONS

The following analysis is based on the results available with respect to the application of the Regulation between 1993 and 1996. This short period limits the representative nature of the results and does not permit precise conclusions to be drawn about the application of the Regulation or produce an accurate verdict on how successful it has been.

1. Afforestation

Discussion of results

1. The afforestation of agricultural land is not new. Aid for afforestation has existed for a long time, both at Community level and in some Member States. The Community launched various schemes to encourage the afforestation of agricultural land between 1980 and 1990, including the IMPs and measures relating to agricultural structures. However, the implementation of Regulation (EEC) No 2080/92 gave a new boost to this type of afforestation, largely because it introduced a premium covering income loss which guaranteed an annual source of income for the farmer for a period of up to 20 years.
2. The afforestation of agricultural land under this Regulation has essentially been concentrated in four countries: Spain, the United Kingdom, Ireland and Portugal (despite the prolonged drought in 1994-95 which seriously slowed down the pace of afforestation on the Iberian Peninsula). The agricultural land that has been afforested in these Member States makes up a total of 81% of the overall area afforested in the EU under this Regulation, involving 56% of beneficiaries (see Figure 2).
It is clear, therefore, that this scheme has largely been applied in Member States or regions wishing to expand their forest area. The concentration of agricultural production on the most productive cultivated land and marginalisation of less productive agricultural land have been the main factors determining whether or not agricultural land is converted to forest use in these regions, which are often marked by:
 - low existing afforestation and a desire to increase this rate in order to boost wood-based industries,
 - a recognition of the need to curb rural decline by afforesting agricultural land doomed otherwise to be abandoned, thus helping, with the active participation of farmers and other owners, to develop this land and promote multifunctional rural management in these less-favoured zones or areas in sharp decline.
3. In terms of area, over 65% of afforestation was carried out in areas believed at risk of fire under Council Regulation (EEC) No 2158/92 on protection of the Community's forests against fire. In these areas, afforestation is an effective means of combating soil erosion and climate change (it should be noted that Annexe IV to the International Convention to Combat Desertification recommends afforestation to offset the impact of desertification). Decisions adopting the programmes provided for under Regulation (EEC) No 2080/92 ask the Member States to include fire prevention measures in plans to afforest high-risk areas and in particular to comply with plans to protect forests against fire approved by the Commission under Regulation (EEC) No 2158/92.
4. Examination of the relationship between the number of beneficiaries and the number of hectares afforested (see Figure 6) shows that the average area of woodland per beneficiary

is generally relatively low in the other Member States. Farmland is broken up into small plots of land in these regions, leading to “postage stamp” patches of woodland and the dispersal of remaining arable land and standing crops, hampering profitable forest management although benefitting landscape. Moreover, the premium covering income loss paid to these “mini woodlands” does not bring in a significant compensation for farmers. Several reasons have been put forward to explain this situation:

- farmers’ tendency to convert just a small proportion of their land to forestry use rather than making a total changeover;
- attempts to improve poor quality agricultural land (land producing low yields or where farm mechanisation is difficult) and extend existing wooded areas (“fleshing out” existing wooded areas);
- the time factor, which means that afforestation can be achieved in small stages over several years, thus improving the balance between the time required to establish forest plantations and the low funds left over from farming activities.

As land is often set aside on a progressive basis, the land that becomes available for afforestation is in many cases widely dispersed, fragmented and attached to land which is still farmed. Planned rural afforestation and land management are needed to establish a suitably equipped forest (especially in terms of access roads) large enough to facilitate easy management and exploitation and to fund its other protection and access functions itself in as many cases as possible. The need to strike a balance between agricultural and forest land raises the question of whether or not it is possible to lay down minimum areas eligible for afforestation aid, or to demand that management units be grouped together (as in the Dutch programme, for instance). However, because of the relative small average farm size in the Union, the enforcement of the scheme tends to take place on relatively small areas of land. Moreover, the Regulation invites the Member States to draw up zonal afforestation plans.

It is therefore essential that afforestation is carried out within the framework of rural development plans. “Mini-woodlands” are considered useful in environmental and traditional farm landscape terms, despite the fact that in some cases they may not be considered as meeting the requirements of Member State forestry policies or CAP objectives within the framework of forestry. The overriding considerations are the need to create new more diversified habitats, encourage recreational activities and increase attractiveness in terms of tourism.

Finally, care should be taken when interpreting statistics. The average afforested area per beneficiary does not, for instance, reflect any attempts to group together smaller properties and thus obtain larger, unbroken forest areas.

5. It is difficult to distinguish general rules on the *type of land* used for afforestation (arable land, grassland or land under permanent crops). Nevertheless, the potential environmental benefits have probably been tempered by the economic realities of the situation. However, it is true to say that:
 - in *arable crop areas*, where per hectare added value is high, *the afforestation rate is low*. Only a small area of forest belongs to farmers. There are not many possibilities of releasing land and the few woodlands that have been created are intended to combat wind or soil erosion or for game reserves.

- in *intensive livestock farming areas*, where farm value added is relatively high, agricultural activity remains stable and *afforested areas are fairly small*.
 - *woodlands are established preferably on permanent grassland in areas where livestock breeding is less profitable, or on unproductive arable land*, in other words areas with low per hectare agricultural value-added, low market values and low rents in general. These conditions tend to appear more or less favourable to afforestation. Land parcels are, however, often extremely fragmented due to a failure to regroup land. This hinders both agriculture and afforestation.
6. The effect of Member States' decisions fixing the rate of aid to compensate for income loss within the scale laid down in Regulation (EEC) No 2080/92 on the one hand and for other agricultural measures, such as set-aside and Regulation 2078/92, on the other is by no means negligible. It is likely, for instance, that potential afforesters are discouraged in Germany, where the fixed set-aside premium is often more attractive than the afforestation premium; on contrary, in Extremadura (Spain), the afforestation scheme seems to be more attractive for farmers in comparison to the agri-environmental measures. However, other factors also play a part in farmers' decisions (such as the reduction in land value or the difficulty of reversing the process, for example), and it is not enough simply to compare rates of aid. Additional studies would be needed to enumerate these factors and evaluate their importance in terms of the choices made by farmers.
- Another element that should be discussed in relation to the premium covering income loss is the difference in aid depending on whether or not the recipient is a farmer practising farming as a main occupation (i.e. deriving more than 25% of total income from farming on the holding). The peculiar logic of this condition stems from CAP guidelines and the limited availability of EAGGF Guarantee Section funding. However, it also raises difficult issues for the relevant administrations in the Member States, with regard to management and monitoring for instance, and hinders afforestation in regions where many rural players cannot derive more than 25% of their income from farming (this is true both of the EU's northernmost regions, where small farms are frequently combined with large forest properties, and of the southern regions, where farmers also have to work in areas outside farming as such).
7. In the 1980s the potential role of afforestation within the context of the CAP reform was considerably over-estimated. Forecasts considered only hypothetical areas (15-20 million hectares) of agricultural land that might possibly be afforested without taking into account the various environmental, economic, social and legal constraints framing choices of how to use released agricultural land.
8. After only three years, it is rather premature to evaluate what has been achieved by the Regulation in terms of the objectives listed therein. However, by distinguishing between the three main policies to which these objectives are linked the following observations can be made:
- *CAP-related objectives:*
Although afforestation of agricultural land has probably only had a small impact on reducing surplus agricultural production, we must not forget its contribution to rural development: by encouraging pluriactivity on the part of farmers and compensating, via the premium provided for this purpose, their income loss, properly implemented it encourages a dynamic approach to soil use and proper maintenance of the countryside;

- *environmental policy objectives:*

A number of rules must be respected to ensure that afforestation enhances the compatibility of countryside management and the need to maintain an environmental balance. These include the rules and conditions laid down in afforestation programmes, the location of woodland, the choice of species and plantation methods. In some cases non-compliance with the environmental conditions laid down in the programmes or faulty interpretation have produced a negative impact on the environment (for example when conditions laid down to preserve valuable biotopes are ignored). In such cases the necessary changes must be made to ensure that these anomalies are not repeated. With a careful choice of species, location and management methods, afforestation generally plays an important part in environmental protection and may generate a number of positive external effects (curbing erosion, preventing desertification, encouraging biodiversity and regulating the hydrological regime, etc.). Failure to observe these parameters, however, can lead to negative impact on the environment.

By increasing the carbon dioxide fixation rate, afforestation of agricultural land also helps combat the greenhouse effect. Within the context of global climate change this contribution is of course very modest. However, the policy of afforestation of agricultural land is an important part of the global environment policy to which the EU committed itself at the 1992 Rio Conference (UNCED).

- *Forestry policy objectives:*

The Member States have sole competence in terms of the application of forestry policy (provided in the context of Regulation 2080/92 they respect the objectives laid down in the Article 1 of the said Regulation) and have made use of the flexibility in the Community framework laid down in this Regulation to choose various options in line with this policy and focus either on developing their wood-based industries or on the environmental and social functions of the forest stands they have created. In Ireland, for example, where the aim is to double forest area over the next thirty years so as to create economically viable wood-based industries, the programme largely focuses on plantations with a high economic return (sitka spruce, pine, etc.). In contrast, the United Kingdom programme strives to integrate application of the Regulation into an overall regional planning policy focusing on the countryside and environmental aspects.

9. Initially, due to the new character of the Regulation, some Member States had difficulties adapting their administrative arrangements. Subsequent experience gained by these Member States, linked with relative flexibility on the part of the Commission, has helped improve the situation.

Conclusions

Regulation (EEC) No 2080/92 is directly applicable throughout the European Union, although each Member State is free to choose what exactly they wish to focus on. Starting from the basis of a fairly general European law, each country and region has adapted the Regulation to their particular needs.

Several elements, such as the interests of individuals, the policies followed and the areas concerned, have a positive or negative impact on the choices which can be made when afforesting agricultural land. Some of these elements are shown in the following table.

Table 3. Incentives and disincentives of aid for afforestation

Field	Incentives	Disincentives
<i>Agriculture, CAP</i>	<ul style="list-style-type: none"> - low-productivity agricultural land - search for other production niches to bring in additional income 	<ul style="list-style-type: none"> - competes with aid awarded under other Regulations (2078/92, set-aside) - concern about Community, national or regional guarantees needed to continue premiums long term - irreversible nature of the measure (land cannot be returned to agricultural use)
<i>Regional planning</i>	<ul style="list-style-type: none"> - development of the forest stand 	
<i>Employment</i>	<ul style="list-style-type: none"> - opportunity to employ the available workforce profitably in agriculture's low season 	
<i>Environment</i>	<ul style="list-style-type: none"> - improve the environmental and landscape quality of rural areas - combat soil erosion and desertification 	<ul style="list-style-type: none"> - possible reduction of scenic value due to species choice
<i>Statutory</i>		<ul style="list-style-type: none"> - conflict with the farm lease act
<i>Socio-economic and financial</i>	<ul style="list-style-type: none"> - farmers' descendants will not be able to revert to farming - improvement in wildlife value - increase in market value of marginal land areas (remote areas, land poorly suited to agricultural use, tiny plots of land on the edge of the forest, etc.) - establish an area for leisure use - diversification of financial investments - promotes the regional heritage of large landowners in certain areas 	<ul style="list-style-type: none"> - unfavourable economic climate for wood-based industries - reduction in financial value of agricultural land after afforestation - continual investment required at the start and long-term repayment

2. A specific aspect: cork oak

Cork oak plantations constitute specific plant formations in certain parts of Spain (dehesas) and Portugal (montados), which are often linked with the production of cork (of which the EU is the leading world producer) and pastoral agriculture and forestry. These plant formations are of interest in economic (high value-added product (cork), increased demand on world market), social (jobs) and environmental (fight against desertification, biodiversity) terms.

The Advisory Committee on Cork believes that Regulation (EEC) No 2080/92 has been positive for the sector as a whole. In the areas in question in Spain and Portugal in particular aid (afforestation and improvement) has largely concentrated on such plant formations. The Committee has however demonstrated that limiting the improvement scheme to farmers who practise farming as a main occupation is not adapted to this type of production, particularly in view of the length of time needed for cork production.

3. Investment aid to improve woodlands

Discussion of results

In many regions, sensible management of farm woodland is an integral part of developing and protecting the rural world. Farm woodland may play an active role in economic terms (timber production, tourism, hunting) or constitute a land reserve which may be mobilised for major investment.

Under Regulation (EEC) No 2080/92, investment in farm woodland concentrates on assistance for the following measures:

- in southern Europe (Spain, Portugal and Greece): fire protection measures (firebreaks, waterpoints) in line with Regulation (EEC) No 2158/92 on protection of the Community's forests against fire, forest paths, renewal and improvement of the cork oak stand (in Portugal especially);
- in northern Europe: developing shelterbelts in Denmark, and restructuring the existing drainage system and regenerating unproductive stands in Finland;
- in Germany and the United Kingdom: forestry measures to increase the stability and environmental value of stands;
- the network of forest roads is being extended in most Member States.

Some countries, particularly France and Ireland, have made practically no use of investment aid in farm woodland:

- in Ireland, this is probably due to the fact that projects linked to Regulation (EEC) No 2080/92 concentrate entirely on afforestation, since the operational forestry programme adopted within the framework of the EAGGF Guidance Section for Objective 1 regions offers to part-finance measures that improve the existing forest and is not limited to farm woodland;
- in France, national aid systems do not always make it easy to distinguish forest belonging to farmers from that belonging to other private owners. It is therefore difficult for it to meet the eligibility criteria laid down by Regulation (EEC) No 2080/92.

Conclusions

Application of aid measures to improve farm woodland raises the following issues in particular:

- do the types of investment have a real impact on improving the economic viability of farm woodland or are they more like ongoing forestry management aid, simply extended to cover farm woodland and thus backing up existing national aid in most cases?
- by limiting aid to afforested areas linked to farms, is it not true that the Regulation can only partly attain its objectives of long-term improvement of forestry resources and more environmentally compatible countryside management? However, its potential for the improvement of landscape, and in many instances biodiversity, is acknowledged. Although farm woodland may be an important part of existing forests in some EU regions in statistical terms, the complex forest ownership structure (fragmented and scattered

between a large number of private owners who often do not practise farming as their main occupation) means that measures limited to farm woodland can only have a limited impact.

The scheme would undoubtedly have a greater impact if, for example, farmers could work towards maintaining the forest as a whole, by encouraging, within the framework of consistent local forestry development, activities that could also involve areas of forest outside their own.

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To close, it must be emphasised that this document is only an activity report. It cannot be considered an analysis or evaluation document, as these cannot be carried out given the way things stand but will certainly be of interest at a later stage.

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