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FORESTRY MEASURES IN THE RD PROGRAMS 2014-2020 AND THE
NEEDS IN THE MONITORING AND EVALUATION PROCESS.
AN OVERVIEW ON EU RD PLANS AND INDICATORS

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CREA – COUNCIL FOR AGRICULTURAL RESEARCH AND ECONOMICS
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Agricultural
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CREA – Council for Agricultural Research and Agricultural Economics Analysis born in 2015 as a merge of **CRA** and **INEA**, two agencies that operated under the supervision of the Ministry of Agricultural, Food and Forestry Policies.

CREA is divided in 12 centres:

- 6 related to specific areas: genomics and bioinformatics; agriculture and environment; protection and certification; agricultural engineering and processing; food and nutrition; **policies and bio-economy**
- 6 related to the supply chain: crops and industrial crops; arboriculture; viticulture and enology; horticulture and floriculture; animal husbandry and aquaculture; **forests and wood products**

Liaison Agency for FADN + National Rural Development Policies (National Rural Net) + Forest Observatory → Economic and policies analysis, technical assistance for the Ministry of Agriculture, Food and Forestry

PRESENTATION

- Classification of forestry policies inside the general framework of Rural Development Policies 2014-2020 (Priorities and Focus Area)
 - Focus on Measure 8 (Investments in forest area development and improvement of the viability of forests) and Measure 15 (Forest-environmental and climate services and forest conservation)
 - Planned expenditure in the EU Member States
 - Planned expenditure in Italy
 - Problems in the monitoring and evaluation process: what we are preparing for the next programming period? The project Itaforestry (National Rural Network)
 - Conclusion
-

FORESTRY POLICIES IN THE NEW RURAL DEVELOPMENT PROGRAMMING PERIOD 2014-2020

Forestry is considered an integral part of EU Rural Development Policy, contributing to the achievement of important environmental, societal and economic targets.

Sustainable management of forests → one of the main concern of EU Forest Strategy and EU Rural Development Policies.

One of the most important financing sources for forestry sector is the European Agricultural Fund for Rural Development (EAFRD) that allocates for the next programming period:

100 billion € in 2014-2020 + 61 billion € of public funding in the MS

Six Priorities (broken down in different Focus Areas), art.5 Reg. (EU) 1305/2013

1. fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
2. enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and **sustainable forest management**;
3. promoting food chain organization, animal welfare and risk management in agriculture;
4. **restoring, preserving and enhancing ecosystems related to agriculture and forestry**;
5. **promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors**;
6. promoting social inclusion, poverty reduction and economic development in rural areas.

MEASURE 8 (ART. 22-27 REG. 1305/2013)

M08: INVESTMENTS IN FOREST AREA DEVELOPMENT AND IMPROVEMENT OF THE VIABILITY OF FORESTS

- 8.1: afforestation and creation of woodland (art.22)
 - 8.2: establishment of agroforestry systems (art.23)
 - 8.3 and 8.4: prevention and restoration of damage to forests from forest fires, natural disaster and catastrophic events, including pest and diseases outbreaks and climate related threats (art.24)
 - 8.5: investments improving the resilience and environmental value as well as the mitigation potential of forest ecosystems (art.25)
 - 8.6: investments in forestry technologies and in the processing, the mobilising and the marketing of forest products (art.26)
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MEASURE 15 (ART. 34 REG. 1305/2013)

M15: Forest-environmental and climate services and forest conservation:

the measure responds to the needs of promoting the sustainable management and improvement of forests and woodland, including the maintenance and improvement of biodiversity, water and soil resources and combating climate change.

It responds also to the need to conserve the forest genetic resources, including activities such as development of different varieties of forest species in order to adapt to specific local conditions and to make forests more vital and resilient to pests and diseases and able to provide the expected level of ecosystem services.

METHODOLOGY

The work is based on the analysis of 2 measures for forest (Measure 8 and 15) in the next RD programming period 2014-2020. The analysis is made at different levels



- EU level: comparison of the planned expenditure for Measure 8 and Measure 15 in EU Member States: planned expenditure, relevance on total RDP budget, allocation between Priorities and Focus Area

Source: Factsheets issued by the EU Commission about Rural Development Programmes approved at December 2015: 118 RD Programmes in 28 MS (20 single National Programmes and 8 MS with Regional Programmes)



- National and Regional level (Italy): analysis of the implementation of forestry measures in the last programming period and comparison among Region: planned expenditure, relevante on total RDP budget, allocation between Priorities and Focus Area
- Indicators: problems in monitoring and evaluation

Source: Regional Rural Development Programmes approved at December 2015 (21), database of Italian Rural Network

ALLOCATION OF PLANNED RESOURCES IN EU

How EU MS will orient their forest policies in the next RD programming period 2014-2020?

Forestry policy -- > environmental, societal, economic target + cornerstone in moving towards a low carbon economy, maintaining biodiversity, sequestering carbon and offering ecosystem services

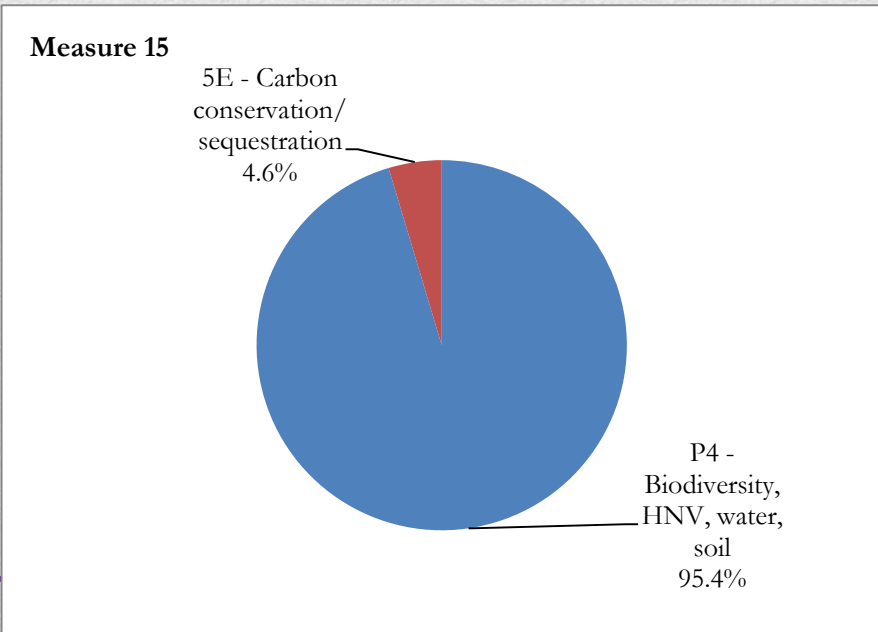
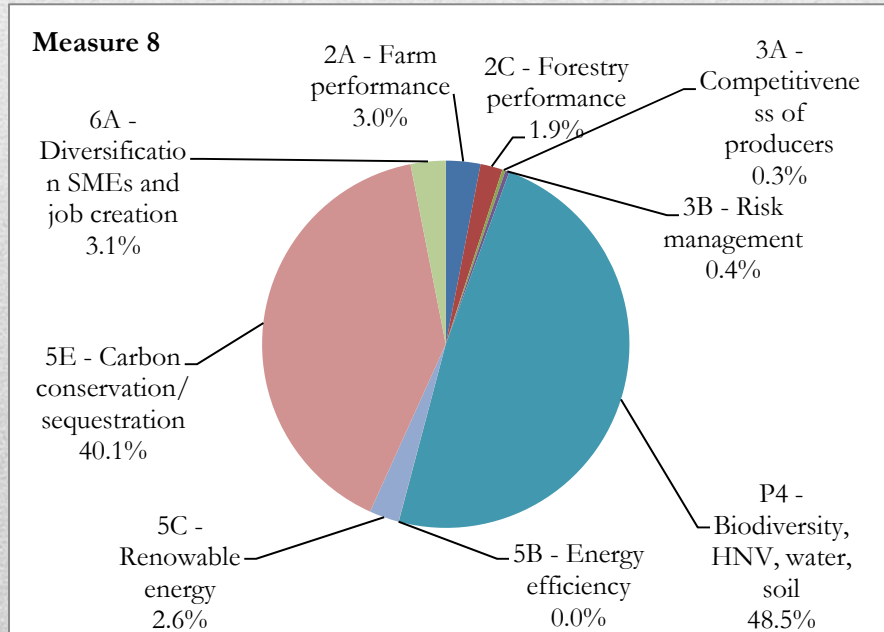
→ specific objectives + cross-cutting objectives

In terms of intervention logic foreseen for the next programming period, forestry measures serve several EU priorities (allocation of planned resources among FA)

M8: interventions will be more oriented to reach the target of carbon conservation and sequestration, biodiversity, HNV, water and soil

M15: interventions will be oriented to the soil management and biodiversity, HN, water and soil.

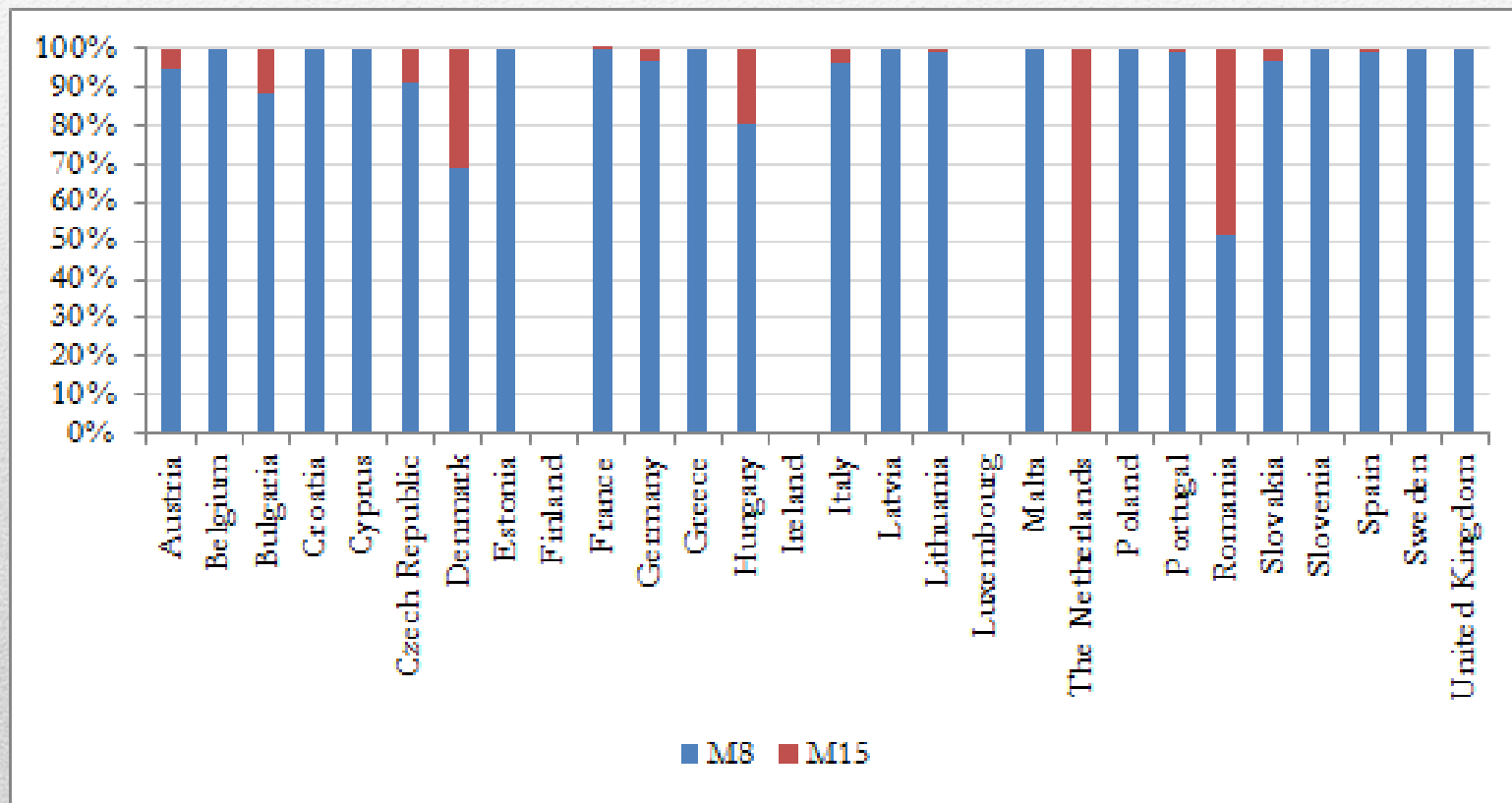
(Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas)



M8 AND M15 IN THE EU MEMBER STATES

EU Member States have done different choices regarding the allocation of budget between M8 and M15:

- Some countries will apply only for M8 (Belgium, Croatia, Cyprus, Estonia, Greece, Latvia, Malta, Sweden, UK)
- Only Netherland will apply only for M15
- Romania shares the budget between the two measures



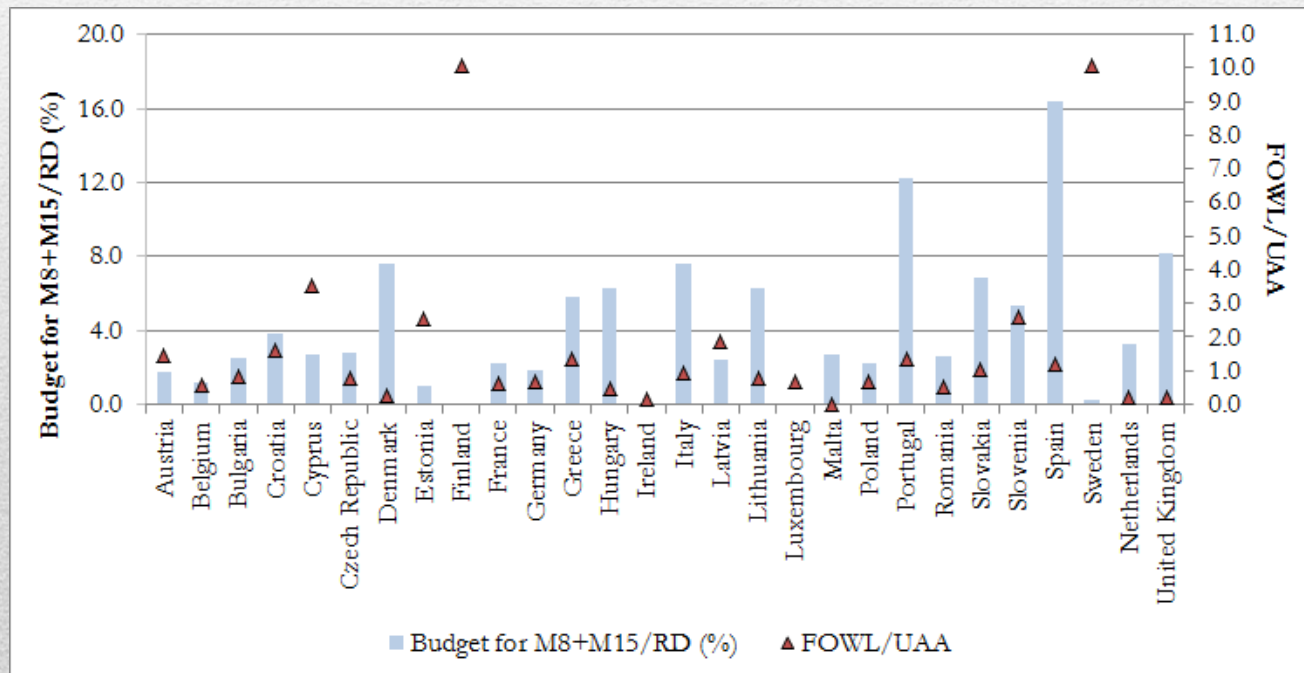
RELEVANCE OF FORESTRY MEASURES ON TOTAL RDP BUDGET IN EU

What is the relative importance of forestry measures in EU Rural Development programmes?

The countries with the highest forested areas (Finland and Sweden) will address a very low rate of resources for forestry measures (0 for Finland).

Countries in which the relative importance of forests is low, will address higher rates: Spain, Portugal, Denmark, Italy have the highest rates, followed by Lithuania, Hungary, Netherlands, United Kingdom.

Finland, Ireland and Luxembourg = no budget for forestry measure



VA 1

(M8+M15)/Total budget
for RD programme (%)

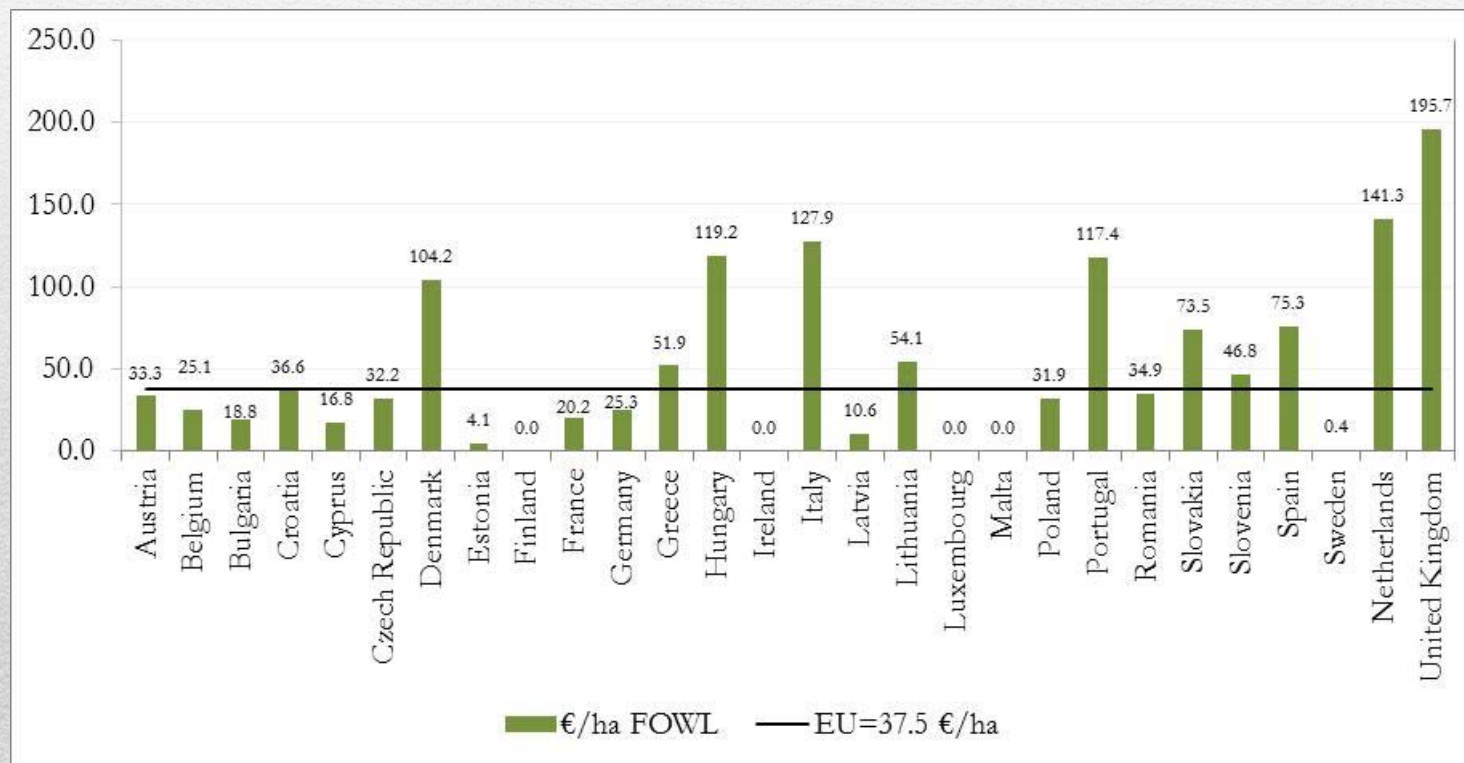
VA 2

Forest and other
wooded land/Utilized
Agricultural Area

PLANNED EXPENDITURE PER HECTARE OF FOWL (ON AVERAGE IN EU)

The graph shows the planned expenditure per hectare of forest and other wooded land in the EU Member States. On average, the budget for M8 and M15 per hectare of FOWL is 37.5 €.

In some countries the value is very high: Denmark, Hungary, Italy, Portugal Netherlands, United Kingdom. In some of these countries the importance of FOWL with respect UAA is low and the interventions for forestry sector will be probably more «capital intensive».



FORESTRY MEASURES IN RD PROGRAMMES IN ITALY



Rural Development Policy is the most important funding source for forestry policies in Italy.

The planned expenditure for 2014-2020 is 1,4 billion € (-23% p.p. 2007-2013)

- 96.4% Measure 8
- 3.6% Measure 15

In 2007-2013 the expenditures for forestry measures have been modified: 21.5% of the initial budget has been not used for forestry but allocated in other measures.

Remodulation = difference between the planned expenditure at the beginning of RDP 2007-2013 and the budget available in October 2015. Almost all measures have decreased their budget (except M226 and M227).

The budget for afforestation and creation of woodland is decreased comparing with 2007-2013 (-60.9%) and also the interventions for the investment in forestry technology, processing and market.

2014-2020	2007-2013	Planned 2014-2020	Planned 2007-2013	Planned (October 2015)	Expenditures (October 2015)	Financial execution	Remodulation	Diff. Old-New PP.
8.1	221+223	345,459,055	882,702,572	483,772,211	456,092,139	94.3	-45.2	-60.9
8.2	222	9,058,357	8,186,161	32,500	27,544	84.8	-99.6	10.7
8.3+8.4	226	526,391,691	435,390,963	550,431,987	461,725,662	83.9	26.4	20.9
8.5	227	322,890,856	257,873,209	257,505,609	199,876,861	77.6	-0.1	25.2
8.6	122	165,812,267	219,701,909	120,844,298	109,485,019	90.6	-45.0	-24.5
15	225	51,642,000	44,048,373	37,118,664	22,704,760	61.2	-15.7	17.2
Total		1,421,254,227	1,847,903,187	1,449,705,269	1,249,911,987	86.2	-21.5	-23.1

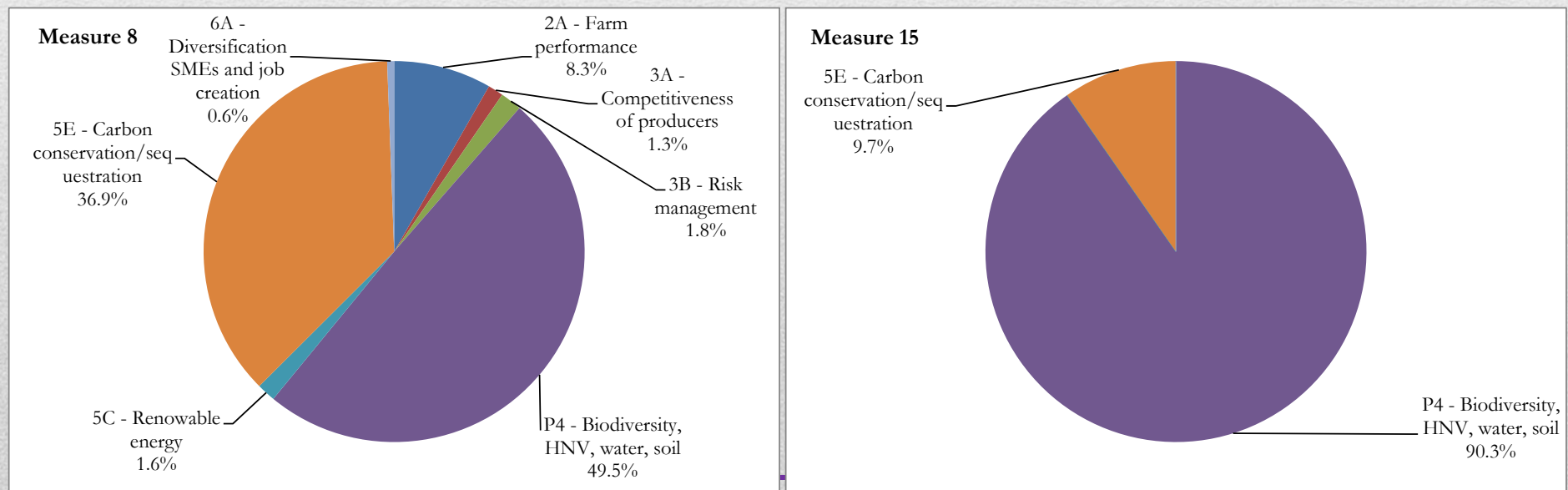
ALLOCATION OF PLANNED RESOURCES IN ITALY

In Italy, forestry measures in the next programming period 2014-2020 will be targeted to reach mainly the objectives of Focus Area 4A, 5A and 2A.

Measure 8: It seems that Italian Regions will use the budget of M8 mainly to interventions for biodiversity, HNV areas, water and soil (50%) and for carbon conservation/sequestration (37%). An important percentage is addressed to improve farm performance (8%; 2.1% at EU level).

Measure 15: mainly addressed towards Priority 4 (90%).

(Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas)



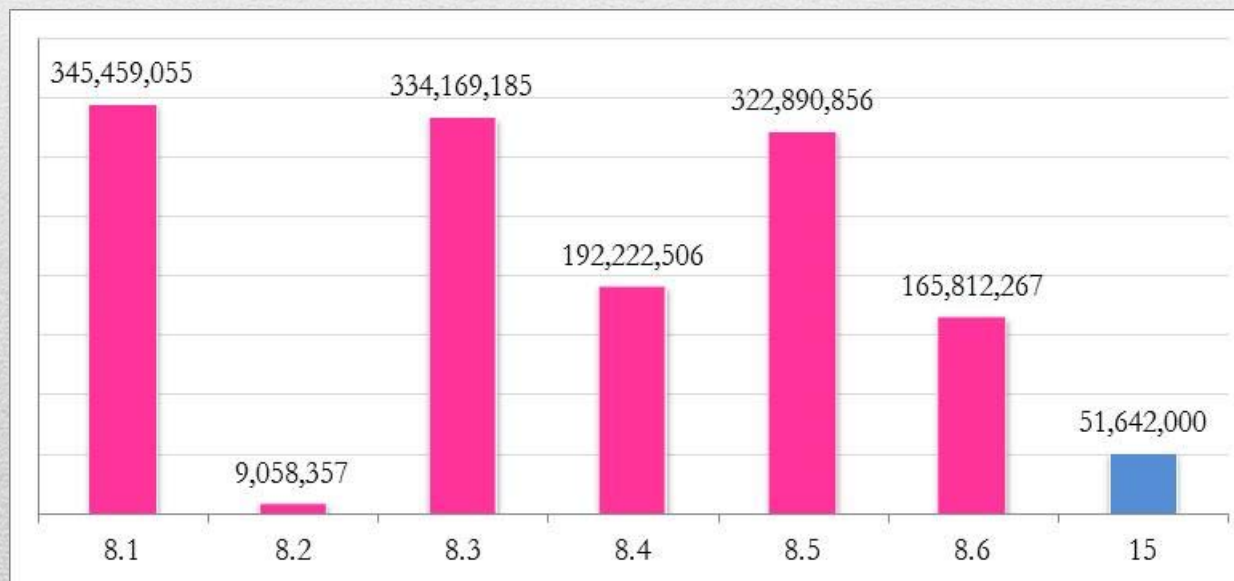
ALLOCATION OF BUDGET PER MEASURE IN ITALY (2014-2020)

The Italian Rural Development Programmes for the next programming period 2014-2020 allocates the budget for forestry measure mainly on Measure 8 (96.4%). Only 3.6% will be destined to interventions under M15.

The focus on Measure 8 highlights

- A relative high importance of sub-measures 8.1 (25.2%), 8.3 and 8.4 (38.4%) and 8.5 (23.6%) → Italy will continue with the policy of afforestation and creation of woodland; of protection of forests against forest fires and other disasters; of improving the resilience and environmental value of forests
- Low importance of sub-measure 8.2 (0.7%) → agroforestry has met difficulties in the last programming period
- The investments in forestry technologies, processing and marketing count for 12.1% of Measure 8.

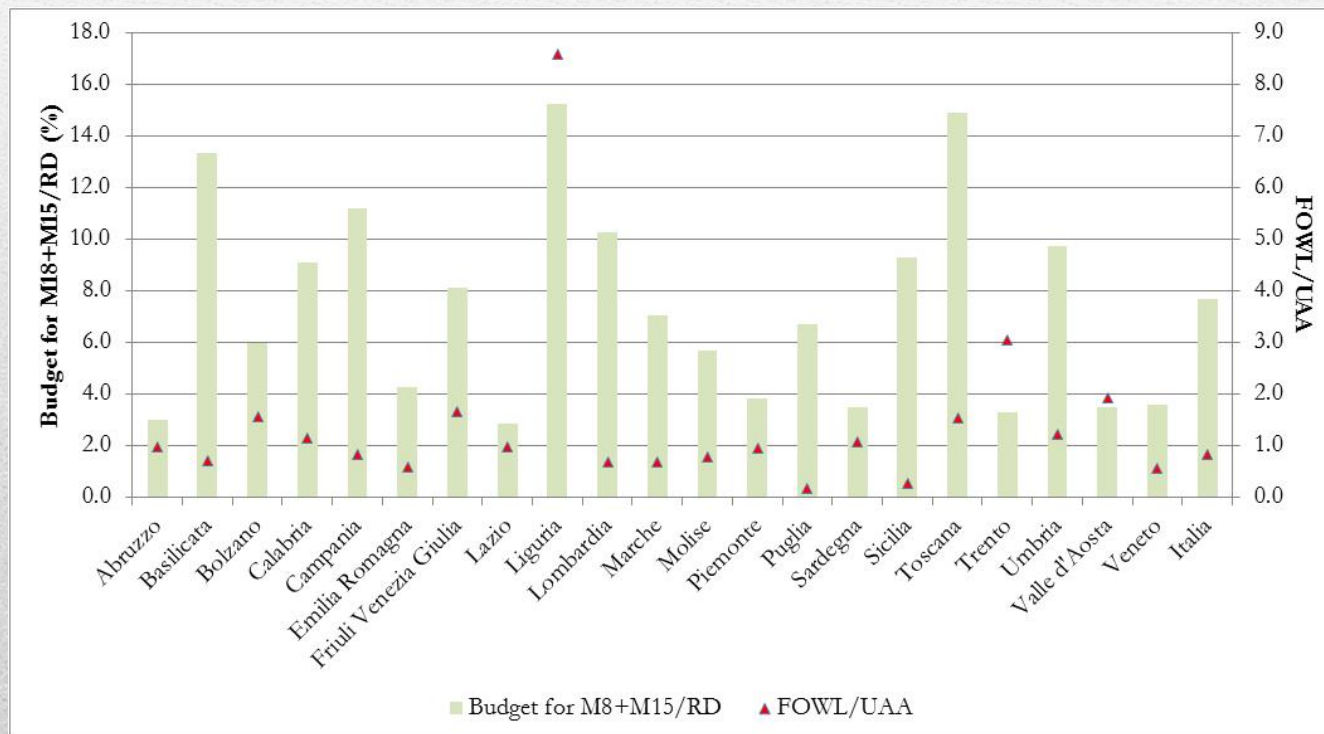
Allocation of budget per M8 (sub-measures) and M15 in Italy (2014-2020)



RELEVANCE OF FORESTRY MEASURES ON TOTAL RDP BUDGET IN ITALY

As concern Italy, the Region with the highest relative importance of FOWL on UAA is Liguria that, together with Toscana, Basilicata and Campania, have addressed a high rate of financial resources to forestry measures.

Trento has a great extension of FOWL but less than 4% of total budget will be used for forestry.



VA 1

(M8+M15)/Total
budget in Italian RD
programme (%)

The amount includes all
the public funds
(EU+National)

VA 2

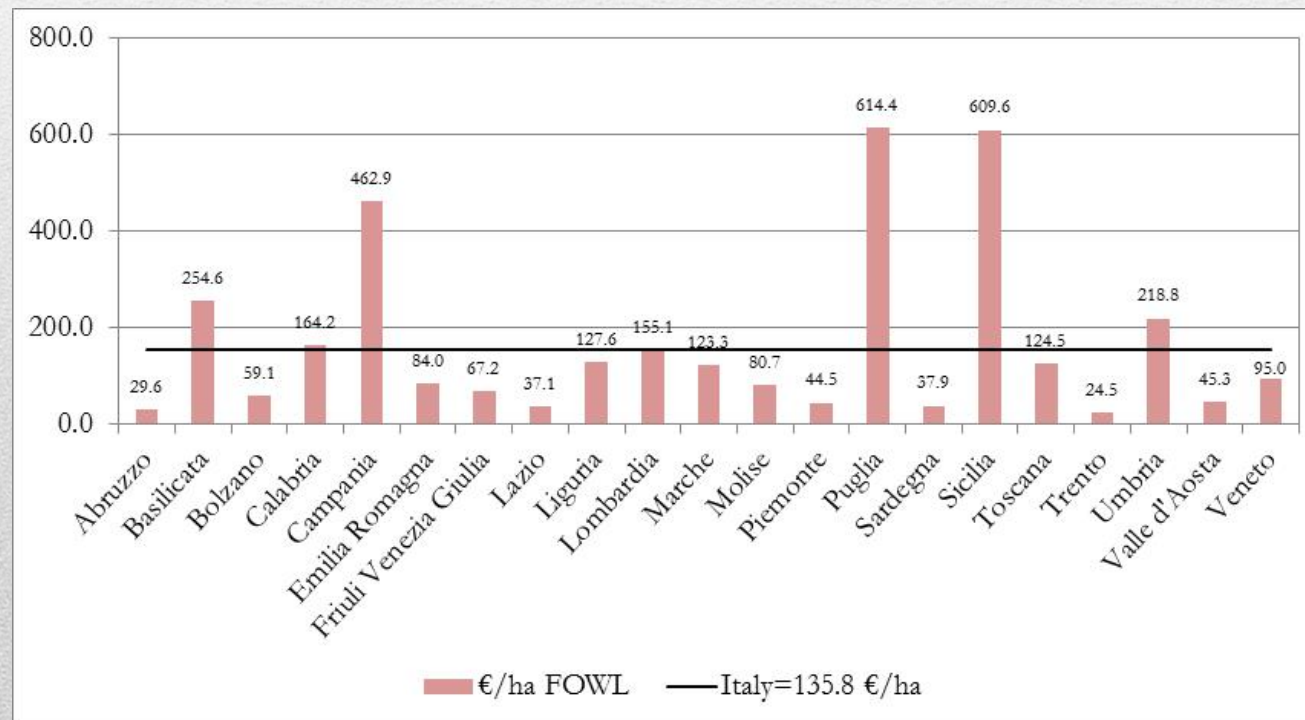
Forest and other
wooded land/Utilized
Agricultural Area

PLANNED EXPENDITURE PER HECTARE OF FOWL IN ITALY

The graph shows the planned expenditure per hectare of forest and other wooded land in the Italian Regions. On average, the amount of resources per hectare is 135.8 € (higher than the EU average, 37.5 €/ha).

- High values: Puglia, Sicilia, Campania, Basilicata, Umbria.
- Low values: Lazio, Piemonte, Sardegna, Trento

The situation in Italy is very different because forestry policies are carried out by Regional administrations. This reflects the difficulties in monitoring and evaluating 21 different Rural Development Programmes



THE PROBLEMS IN THE MONITORING AND EVALUATION PROCESS

The monitoring system (art.67 Reg. 1305/2013) includes a set of indicators that covers all policy areas and provides information at various levels.

1. Context indicators
2. Result indicators
3. Output indicators
4. Impact indicators

The **context indicators** have been calculated by the EU Commission for every MS using common sources (mainly Eurostat; some of them at a national level)

- C15: Labour productivity in forestry (N. Level; Belgium, Denmark, Ireland, Estonia, Spain, Latvia, Hungary, Malta: no values; from 124,000 €/AWU of FI to 5,000 €/AWU of GR)
- C29: Forest and other wooded land
- C31: Land cover (Nuts 2 level)
- C34: Natura 2000 area (forest area under Natura 2000; from 6.7% of UK to 53.9% of BG)
- C38: Protected forests
- C43: Production of renewable energy from agriculture and forestry (no reg. data; from 4,6% of CY to 82% of LV)
- C44: Energy use in agriculture, forestry and food industry (no reg. data, UAA+forests)

(In 2007-2013 the baseline indicators strictly related to forestry were 4).

THE PROBLEMS IN THE MONITORING AND EVALUATION PROCESS

Result indicators and output indicators

FA4A: % of FOWL under management contracts supporting biodiversity [hectares, sub-m. 8.5 and 15]

FA4B: % of forestry land under management contracts to improve water management [hectares, sub-m. 8.5 and 15]

FA4C: % of forestry land under management contracts to improve soil management and/or to prevent soil erosion [hectares, sub-m. 8.5 and 15]

FA5C: total investment in renewable energy production [€, measure 8.6]

FA5E: % of agricultural and forest land under management contracts contributing to carbon sequestration or conservation [hectares, sub-m., 8.1 and 8.2]

FA6A: Jobs created in supported projects (not maintained) under sub-measure 8.6 [n.]

Measure	P4		5C		5E		6A
	n.	ha	n.	ha	n.	ha	n.
8.1	0	2,679	0	0	0	62,121	0
8.2	0	688	0	0	0	1,402	0
8.3	4,146	0	0	0	0	0	0
8.4	-	-	-	-	-	-	-
8.5	4,199	228,600	0	0	1,474	0	0
8.6	0	0	268	0	0	0	125
15	0	79,500	0	0	0	2,500	0

THE PROBLEMS IN THE MONITORING AND EVALUATION PROCESS

Evaluation (ex-ante, intermediary and ex-post) is a mandatory process for all the European policies. While the ex-ante evaluation can be based on the context indicators already calculated, the intermediary and ex-post evaluation need to further information, normally based on farm level data and other figures, to assess:

Economic contribution of forestry to rural development

- How to measure the impact of investments (and non productive investments) at a farm level? (changes in net revenues, in cost and revenues structure, in gross saleable production?)
- How to evaluate labour productivity and forestry farm profitability without a survey?
- How to evaluate the increasing of economic value of forests?
- How to evaluate the increasing of the value added of agricultural and forestry products?
-

Social contribution of forestry to rural development

- How to measure the contribution of the forest sector to the growth potential of rural areas
- How to evaluate the long term and indirect impacts of forestry investment? (methodological problem: the evaluation of forestry measures is made with the same approach used in agriculture)
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Non-market benefits

- How to evaluate the impact of the environmental-climate measures?
 - How evaluate the information recreation benefits or the carbon sink benefits?
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The Italian Rural Network is involved in a multi-year project named **ITAFORESTRY**
ITAFORESTRY → 3 Sections → Working Packages

Section 3: Strengthening and improvement of the statistics and informative systems



Responsible: Luca Cesaro

WP 3.2 → Instruments, Methodologies, informative sources for the evaluation of forestry policies (MAV-Forests)

One aim of WP3.2 is the analysis and evaluation of forestry policies at a regional level. In Italy there is a scarcity in quantitative analysis and the assessment of specific methodologies could be useful in the implementation of evaluation process (intermediary and ex-post) and in the definition of policy efficiency.

WP 3.2 includes also the possibility to adapt a scheme of simplified balance sheet (used to collect technical and economical data for farms) to the accounting needs of forestry sector.




Italy does not collect micro-economic of forestry holdings.

RICA-FOR: was a pilot project which aim was the adaptation of FADN accounting scheme to the forestry cost and revenues scheme. In absence of the wooden capital accounting and its increments, the final results can be very different, especially with regard to the evaluation of farm performance and profitability.

The idea is to adapt an on-line tool already available for free on the web (Simplified Balance Sheet)

CONCLUSIONS

- The allocation of RD budget for forestry measure is not the same for each EU MS, depending on the characteristics of forests and on national priorities: at EU level the interventions will be oriented to reach the target of carbon conservation and sequestration, water management, biodiversity, HNV and landscapes, soil management. Forestry measures in Italy reflect the same distribution, being targeted mainly to the Priority 4 and Focus Area 5A.
 - It highlights that the multifunctional role of forestry is becoming more important than the conventional forestry-based activity. The estimation of the forestry contribution to territorial economic development must be based on new «mixed» methodologies able to take into account of all the benefits provided by forest (overall impact)
 - The monitoring phase is based on indicators relatively easy to calculate. The evaluation process requires a measurement of the effect of forestry interventions at a farm or area level (public forests can be beneficiaries and it will be crucial to estimate the effect at a local level)
 - Italy lack of quantitative information: there is not consolidated benefits analysis and there is not a specific survey on cost and revenues of forestry sector. The project Itaforestry implemented in the Italian Rural Network, will be addressed to improve the forestry policy evaluation and to better understand the forestry contribution to rural development.
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THANKS FOR YOUR ATTENTION
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