

Cepi views on the proposal for a regulation on Nature Restoration

Cepi fully supports the ambition of the European Union to enhance the health and resilience of ecosystems. The European pulp and paper industries source 86% of the wood they use in the EU and share the fundamentally important objective to keep the European forests healthy and growing. This includes maintaining and enhancing biodiversity, which is a key component of forest ecosystem stability and productivity. We firmly believe that sustainable forest management offers the solutions to enhance environmental functions of forests, including biodiversity, alongside social and economic ones. This includes balancing biodiversity protection and restoration with other essential functions of the forests, such as provision of sustainable and renewable raw materials and bioenergy.

The achievements of sustainable forest management in maintaining or enhancing biodiversity should be acknowledged. The Forest Europe 2020 report shows that over the years, sustainable forest management, in both protected and non-protected areas, has led to improving or stable trends for many biodiversity indicators, such as deadwood volumes, tree species diversity and forest bird species, alongside an increase in the forest area and in growing stock¹. We do acknowledge that a relevant share of specific vulnerable forest types listed in the Habitat Directive is not in a favourable conservation status, and that action is needed to restore those areas. However, as currently the condition of many of these areas is classified as “unknown”. Therefore, Member States should first be requested to review and report the condition of these habitats prior to further developing the restoration legislation. To decrease unclarity about the impacts of the new draft legislation, it is important that the proposal would not build on the incomplete reporting by Member States.

As an overarching principle, we recommend that the legislative framework is flexible enough to allow management interventions in the restored areas that may be necessary to adapt the forest to changing climatic conditions. For example, the Annex VII mentions the reintroduction of native species as an example of restoration activity, but what needs to be insured is that the species are also suited if the changing climate impacts the native habitat.

The Commission’s impact assessment should also be completed by providing an evaluation of cost and benefits that take into account the entire value chain of the forest sector – including the forest-based industries – from a holistic perspective. Assessing the impact on the provision of raw material supply is fundamental to evaluate possible trade-offs, for example considering that very stringent policies may have the unintended effect of shifting part of the production of forest products outside of the EU, with consequent adverse impact on European jobs².

Comments on the specific articles and issues of the proposal:

1) Set ambitious but realistic targets

The draft regulation requires Member States to put in place restoration measures which together would cover at least 20% of the Union’s land and sea areas by 2030. Such legally binding target is very ambitious given the relatively short timeframe provided and the resources (financial and administrative) needed to plan and carry out the required restoration activities. We therefore suggest to set the 20% target as an indicative one, in order to keep an ambitious but achievable trajectory for Member States.

The target is further detailed in art. 4, which sets restoration targets to improve to good condition all areas of habitat types listed in Annex I (Art. 4.1), and to ensure the “non deterioration” of such habitats (Art 4.6-4.7). For reference, Annex I forests habitats represent almost 30% of the EU forest area according to the Commission’s impact

¹ FOREST EUROPE, 2020: State of Europe’s Forests 2020

² Schier F, Iost S, Seintsch B, Weimar H, Dieter M. Assessment of Possible Production Leakage from Implementing the EU Biodiversity Strategy on Forest Product Markets. Forests. 2022; 13(8):1225. <https://doi.org/10.3390/f13081225>

assessment. Cepi considers that **habitat restoration should first be targeted at areas where its benefits for biodiversity are maximised** in order to be efficient, and namely in the areas designated in the Natura 2000 network and protected areas, as well as areas subject to natural disturbances such as fires, storms or pest outbreaks. To avoid legal ambiguity, the “no deterioration” requirement of Art. 4.6-4.7 should consider natural variability and apply to areas designated in the Natura 2000 network.

It is essential to keep a cost-efficient approach to nature restoration, considering that private owners along with public ones will bear the responsibility for the implementation of restoration measures which will require considerable human and financial resources. In the meantime, efforts should also be focused on filling existing gaps and improving the knowledge base on the condition of Annex I habitats.

2) Improve the knowledge base and allow for cost-efficient monitoring

Art. 4.10 requires Member States to ensure an increase of habitat area in good condition for habitat types listed in Annex I until at least 90 % is in good condition and until the favourable reference area for each habitat type is reached. It should be noted that there are gaps under the current reporting stemming from Art. 17 of the Habitat Directive and that not all Member States have identified favourable reference areas for each habitat. Those gaps should be filled and at the same time Member States should be allowed to re-assess the identified favourable reference areas, considering that they were originally established before the restoration obligations were put in place, also taking into account local specificities and the latest scientific evidence.

Moreover, a substantial share of forest habitats listed in Annex I is classified as in “unknown condition”. We understand that Member States should have thoroughly reported the habitats’ condition already earlier, as Nature Directives have been enforced for decades. However, we would not recommend to consider “unknown condition” as equal to “not in a good condition” (Art. 4.4). Considering that over 30% of forest habitat types are classified as in “unknown condition”, it would be important to first establish the condition of missing areas instead of running the risk of imposing unnecessary restoration measures on areas that are not degraded.

Finally, the regulation proposes that Member States should also monitor the condition and trend in condition of the habitat types and report at least every three years (Art. 17.5). More flexibility should be allowed to Member States in this regard, considering that forest ecosystems, and in particular boreal ecosystems, have very long cycles and that restoration measures may often bring result only after decades.

3) Avoid imposing EU-wide obligations on mandatory forest indicators

Article 10 puts in place the obligation for Member States to ensure the enhancement of biodiversity of forest ecosystems via restoration measures. According to the proposal, such interventions should be additional compared to the restoration of the habitat types identified in Annex I and should lead to achieving an increasing trend at national level of six different indicators. Annex VI further describes these indicators, which are mostly based on the Forest Europe framework.

Cepi considers that it is not appropriate to impose the objective to achieve increasing trends for the same indicators in all European countries and vegetation zones as this would not necessarily lead to restoration activities adapted to local conditions. For example, increasing deadwood levels may increase the risk of forest fires in Mediterranean regions. As another example, using “continuous cover forestry” can be considered a restoration measure in some geographic areas and should be added as an example in the respective Annex VII, but is not the solution for all vegetation zones.

Additionally, some indicators reflect only partially the effect of forest management practices, and are influenced also by other conditions such as for example climate change. For example, bird populations are influenced by many factors other than forest management.

Furthermore, Cepi considers that imposing such obligation for all forest land in the Member States goes beyond the aim of restoring degraded nature and ensuring protection of species and habitats under the Nature Directives, and thereby does not seem proportionate. Finally, the inclusion of forest indicators pre-empt the upcoming policy proposal for EU Forest Monitoring, planned for early 2023.

4) Allow National Restoration Plans to be balanced and fit for national conditions

We recommend that, when developing the National Restoration Plans, Member States conduct a thorough assessment of the impact of the proposed measures on the economic costs for the forest sector, including the related industrial value chains, in terms of market value and employment. The nature restoration targets should be balanced towards wider societal targets, such as climate change and the need for availability of renewable raw materials to replace fossil-based resources. In their National Restoration Plans, Member States need to consider this holistic approach. While the Regulation sets overarching targets, it is important that Member States decide on what measures to take and base their plans on national conditions. Therefore it is neither appropriate nor effective that the Commission may address observations to the draft national restoration plan and which the Member States shall take due account.

5) Avoid the possibility to offset restoration obligations, including rewetting, concerning other land uses via forests

Article 9 sets restoration obligations and targets for agricultural land, including rewetting organic soils. The possibility is given to Member States to meet the targets for 2030, 2040 and 2050 by putting in place rewetting restoration activities under land uses other than agricultural, up to a certain cap (20%). Cepi consider that this flexibility is unwarranted and should not be allowed, in order to ensure effective action in all habitat types in need of restoration. It is still unclear how wide is the area to be re-established to meet the targets set for forest ecosystems. Therefore it should be first assessed how wide are these areas prior encouraging offsetting of agricultural targets by forest.

6) On Delegated and Implementing Acts

Finally, we disagree with the possibility for the Commission to amend essential elements of the Regulation via delegated acts, such as the description of forest ecosystem indicators. This kind of delegated power may lead to an overly generalized and ineffective 'one size fits all' legislation, which overlooks regional characteristics, and could lead to fundamental changes of the legislation and have far-reaching consequences. While it is very important to allow an update based on the latest scientific knowledge, Member States should be fully involved in the process, which should be transparent, inclusive and predictable. We consider it important that Member States are allowed to decide on the essential content and targeting of restoration legislation. We therefore propose that changes are made via the normal legislative process.