

Cepi position paper on the proposal for a Regulation on Nature Restoration

Cepi supports the European Union's goal to enhance the health and resilience of ecosystems. The European pulp and paper industries source 86% of the wood they use from the EU and share the fundamentally important objective and interest 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 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, the condition of many of these areas is currently classified as "unknown". Member States should therefore be requested to review and report the condition of these habitats prior to further developing the restoration legislation. In order to increase clarity about the impacts of the new draft legislation, it is important that the proposal does not build on the incomplete reporting by Member States.

As an overarching principle, we would 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, 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 in order 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 the EU, with a 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 EU's land and sea areas by 2030. Such a legally binding target is very ambitious given the relatively short time frame provided and resources (financial and administrative) needed to plan and carry out the required restoration activities. We would therefore suggest setting 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 Article 4, which sets restoration targets to improve to good condition all areas of habitat types listed in Annex I (Article 4.1), and to ensure the "non deterioration" of such habitats (Articles 4.6-4.7). For reference, Annex I's forests habitats represent almost 30% of the EU forest area according to the Commission's

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>

impact 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 at the areas designated in the Natura 2000 network and protected areas, as well as areas classified as Annex I habitats that are subject to natural disturbances. To avoid legal ambiguity, the “no deterioration” requirement of Articles 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

Article 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 Article 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 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 being in “unknown condition”. We understand that Member States should have thoroughly reported the habitats’ condition earlier, as Nature Directives have been enforced for decades. However, we would not recommend considering “unknown condition” as equal to “not in a good condition” (Article 4.4). Considering that over 30% of forest habitat types are classified as being 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 monitor the condition and trend in condition of the habitat types and report at least every three years (Article 17.5). More flexibility should be granted to Member States in this regard, considering that forest ecosystems, and in particular boreal ecosystems, have very long cycles and the results of restoration measures are often only visible after decades.

3) Allow more flexibility to Member States on selecting 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 it inappropriate to impose the objective of achieving 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” may be considered as a restoration measure in some geographic areas but it is not a solution for all vegetation zones.

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

Furthermore, Cepi considers that imposing such an 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 Directive, and thereby does not seem proportionate. The inclusion of forest indicators pre-empts 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 would recommend that, when developing 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 which measures to take and base their plans on national conditions. Therefore, the obligation for Member States to take in due account the observations that the Commission may address to the draft national restoration plans is neither appropriate nor effective.

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 considers that this flexibility is unjustified 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 the area to be re-established is to meet the targets set for forest ecosystems. There should, therefore, firstly be an assessment of how wide these areas are prior to encouraging offsetting 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 generalised 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.