



COFORD  
Forest Land  
Availability  
Implementation  
Group Report

**COFORO**   
NATIONAL COUNCIL FOR FOREST RESEARCH & DEVELOPMENT





# COFORD Forest Land Availability Implementation Group Report

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## Foreword

Forests contribute, and have the potential to contribute far more to achieving many rural development objectives including the provision of a sustainable secure source of income to forest-owners, a valuable raw material for timber and energy, employment in rural areas and a range of recreational and ecosystem services including biodiversity, carbon and water quality.

The need to achieve planting targets is an imperative in the context of climate change mitigation and it is necessary to plant appropriate areas and species now in anticipation of the abatement needed post-2030. This must be done sustainably, ensuring that its compatibility with other land uses and with the landscape is optimised.

Current planting rates are below targets and this is likely due to a myriad of reasons. The afforestation decision on each farm is based on individual choice and is a permanent land use change with consequences that need to be carefully assessed. A facilitative environment is needed to support this decision.

The process of making the planting decision can be influenced by a series of perceived restrictions, with each restriction preventing a cohort of landowners from progressing to planting. The work of the FLAIG was to consider the impact of a number of these restrictions, and, if appropriate, suggest how they could be removed or changed to enable additional landowners to make the decision to plant, where appropriate.

The environment in which the planting decision is made is dynamic and invariably any action plan such as that prepared by the FLAIG is based on a study at a particular point in time and projections based on current thinking regarding future scenarios. This evolves over time as personal circumstances change and the socio-economic, environmental and political situations change.

The messaging in relation to afforestation needs to be balanced, giving due regard to the many positives involved and there needs to be a supportive framework, with attractive and reliable returns. Recent DAFM incentives, including new measures such as DAFM mid-term review enhancements, support for agroforestry, forestry for fibre and the launch of the Woodland Environment Fund, have the potential to encourage additional landowners to consider afforestation. There is a need to provide evidence-based case studies of some of these systems so that they can be further promoted.

A proactive approach by all stakeholders and horizon scanning in relation to new ideas will help to ensure the forest sector can avail of evolving opportunities. Currently the structure of the new CAP is being negotiated and this is an opportunity to ensure that a positive framework is in place to support afforestation at national and farmer level in the coming years.

The Forestry Awareness Campaign, which was initiated in 2018, has the potential to have significant positive impact and will only be optimised if a collaborative and sustained cross-sectoral approach is adopted.

The FLAIG has carried out its work over the past two years to progress recommendations made in the COFORD Land Availability Report. This involved a series of meetings and follow-up work by members of the group and by others.

We would like to acknowledge and thank all those who contributed to the work of the FLAIG for their contributions, commitment and time. This has enabled the FLAIG Action Plan to be prepared and many of the actions to be progressed and information and support provided to progress other actions. Without their commitment and work this progress would not have been possible.

Nuala Ní Fhlatharta, Chair, COFORD Forest Land Availability Working Group

Michael Lynn, Chair, COFORD Council







# COFORD Forest Land Availability Implementation Group (FLAIG)

## Introduction

Forest policy, as set out in Forests, Products and People – Ireland’s Forest Policy – A Renewed Vision (Government of Ireland, 2014<sup>1</sup>), is to increase Ireland’s forest area from the current 11% to 18% by 2046. This ambitious target must be achieved in a sustainable manner that provides the best economic, social and environmental returns to landowners, the community, and to the country.

The Forest Land Availability Implementation Group (FLAIG) was established by the COFORD Council in May 2016 subsequent to the publication of ‘Land Availability for Afforestation – Exploring opportunities for expanding Ireland’s forest resource’ by COFORD in 2016<sup>2</sup> (the Land Availability Report). The FLAIG terms of reference (tor) were:

- to consider the 28 recommendations of the above-mentioned report and to assist progress in their implementation.
- to prioritise the recommendations that could be implemented in the short/medium term.
- to propose actions on how these recommendations could be progressed, implemented and their effectiveness assessed.
- to engage and influence stakeholders in relation to policy changes and developments.

The FLAIG is composed of forest and agriculture industry representatives, forest and landowner representatives and Teagasc. Representatives from the Department of Agriculture, Food and the Marine - forestry and agriculture, as well as New Era were also present in advisory capacities. The members are listed in Appendix 2.

The Land Availability Report had made recommendations grouped under five headings:

1. Site classification for Irish forestry
2. Research and innovation
3. Socio-economic issues and taxation
4. Administration of the Afforestation Scheme
5. Promotion of the Afforestation Programme

One of the first tasks of the FLAIG was to review these recommendations and ascertain if progress had been achieved since the report was published. These recommendations were again reviewed in 2018 (tor 1). Appendix 1 of this report outlines progress to date on these 28 recommendations.

As work on several of the recommendations of the Land Availability Report (primarily under headings 1, 2 and 4 above) was ongoing or planned, it was decided by the FLAIG to prioritise a number of key areas where optimum impact could be achieved in the short/medium term (tor 2). These principally fell under headings 3 and 5 of the above recommendations.

In recent times and independently of the FLAIG process, the DAFM Forestry Inspectorate has organised three Regional Contact Meetings with foresters. The meetings focused on the areas of procedures, promotion and communications within the sector. This could help address recommendations made under heading 4 above (Administration of the Afforestation Scheme) and has been reported on directly to the Minister by the DAFM Forestry Inspectorate.

## The Work of FLAIG

The focus of the FLAIG work has been on addressing socio-economic, promotion and taxation issues. An Action Plan (consisting of 9 actions and 5 study/research proposals) was drawn up (tor 3) and where possible, these actions were progressed and recommendations were made in relation to the other actions that are outstanding. These actions and recommendation are listed in the FLAIG action plan, with further detail provided in Tables 1 and 2.

<sup>1</sup> Department of Agriculture, Food and the Marine. 2014. Forests, products and people. Ireland’s forest policy – a renewed vision. Department of Agriculture Food and the Marine, Dublin

<sup>2</sup> COFORD Land Availability Working Group. 2016. Land Availability for Afforestation - Exploring opportunities for expanding Ireland’s forest resource. COFORD, Dublin.



Of the nine proposed actions, four are underway or partially under way:

1. Promotion of the sector – forestry campaign initiated.
2. Agricultural courses and colleges –forestry awareness has been integrated into agricultural courses.
3. Forestry and carbon – plans are in place to include forestry in the next iteration of the Carbon Navigator. However, developing the link between agricultural expansion and the forestry mitigation measures at farm level needs urgent and proactive advancement.
4. Taxation and social welfare – evidence has been provided to support the case for a change in treatment of forestry from taxation and social welfare perspectives.

## CAP Post-2020

Of the remaining 5 actions, there is significant potential to address the issues raised in and around the next Common Agricultural Policy to cover the period 2021 – 2027. These include the following Actions:

1. Environmental awareness and positioning of the support schemes
2. Grant and premium rate of payment for GPC 1
3. Increase certainty around level of annual premium receivable
4. Reforestation support for enhanced plantations
5. Compatibility of forestry and future agriculture schemes.

There is significant potential to address the outstanding issues in Action 4 (Forests and carbon) in the CAP discussions.

## Proposed Research Actions

There is significant potential in investigating areas identified for further research and study. These are described in more detail later in the FLAIG Action Plan:

- Income now preference
- Permanency of afforestation decision & nudge theory
- State-funded insurance scheme
- Afforestation in Scotland
- Review success of the UK Woodland Carbon Code

A number of organisational representatives and stakeholders were involved in the FLAIG or were consulted with as part of the process. This final report is being presented to the Minister to progress actions on the recommendations made. This is in line with the terms of reference (tor 4) of the FLAIG.

The decision of a landowner to plant land is normally made in the context of the owner's personal circumstances, his/her objectives, the prevailing environment (including economic, agricultural and social) and perceived future conditions. These need to be as favourable as possible if landowners are to progress to planting their land. This is particularly so in the light of the permanence of the planting decision.

## A Dynamic Situation

The issues raised are those that were relevant at the time. Circumstances change and in order for the work of the group to remain focussed on the significant issues impacting on afforestation, it is important that other factors currently impacting (negatively and positively) on afforestation and confidence in the sector are also identified and addressed, where possible. These include:

- Measures encouraging long-term land leasing for agriculture (although this may be desirable from a land mobility/agriculture expansion perspective)
- The requirement to erect forestry site notices
- The appeals process and publicity around this process
- Financial claw-backs by DAFM on land already planted
- Forest parcels delaying BPS and scheme payments
- Competing agri-environment schemes which favour short-term decisions and impose penalties for those wishing to move between schemes
- Ash die-back and recent storm events and the publicity around these
- CAP post-2020 and the publicised need to continue to ‘farm actively’
- Current negative narrative in relation to certain types of afforestation
- Current high timber prices (positive)

The COFORD Council directed that the work of the FLAIG should remain focused on its terms of reference that specifically referred to the 28 Recommendations in the COFORD Land Availability Report). It is likely that any subsequent appraisal would raise additional issues.

## Ongoing work

As the current COFORD Council has reached the end of its term (end 2018), it is appropriate that the FLAIG also now concludes its current programme.

As part of the work of the FLAIG a Forestry Awareness Campaign has been initiated. This is based around a joint project between DAFM and Teagasc and its full implementation is subject to adequate resourcing. The current resources (DAFM and Teagasc) have enabled the following actions:

- Recruitment of a Forestry Liaison Officer to further enhance educational resources and provide forestry input into Certificate in Agriculture courses at agricultural colleges, at county level and other appropriate third level courses – from September 2018
- Initiation of a Teagasc-sponsored RDS Farm Forest of the Year Award – First awarded March 2018 with subsequent positive publicity
- Increased presence at agricultural events e.g. Sheep and Beef Open Days, Farm Sustainability events, Energy in Agriculture event and Fodder and Feed event
- The ongoing development of support material including case studies and newspaper articles
- Development of key awareness messages

It is essential that the campaign is clear in its messaging and objectives. If this awareness campaign is to be optimised and its impact expanded, industry and stakeholder input and involvement is needed. This necessitates a greater resource in relation to funding and more stakeholder participation. It is proposed that the FLAIG (or a successor) be retained to steer/monitor this campaign and that membership be expanded to include relevant stakeholders.



## Forest Land Availability Implementation Group (FLAIG) Action Plan

### Proposed Actions to Enhance Forest Establishment Opportunities

#### List of Actions

	<b>Promotion &amp; Education</b>
1	Promotion of the Sector
2	Agricultural Courses & Colleges
	<b>Environmental Actions</b>
3	Environmental Awareness and Positioning
4	Forestry and Carbon
	<b>Income and Future Land Use Actions</b>
5	Grant and Premium Rate of Payment for GPC 1
6	Increase certainty around level of annual premiums receivable
7	Reforestation Support for Enhanced Plantations
8	Future Agricultural Schemes
9	Taxation and Social Welfare

#### Proposed Research Actions

1	Income Now Preference
2	Permanency of Afforestation Decision & Nudge Theory
3	State-funded Insurance Scheme
4	Afforestation in Scotland
5	Review Success of the UK Woodland Carbon Code

#### Introduction

The COFORD Council *Land Availability Working Group* was established in 2012 to consider issues relating to land availability for afforestation and to examine constraints and incentives to achieving what are considered to be challenging planting targets. This Group produced its report in 2016 entitled “*Land availability for afforestation; exploring opportunities for expanding Ireland’s forest resource*”.

In addition to identifying potential areas of land that might become available for afforestation, the report also recommended the introduction of a new Site Classification System for Irish Forestry (SCIF) as an enabler to optimizing the planting area and to ensuring that the land planted is capable of growing a successful crop. The report also made a number of recommendations which, if implemented, could increase the likelihood of more landowners planting land. Although theoretically there is ample suitable land to achieve national targets, most of this is already committed to other land uses. This, combined with a reluctance of farmers to change land use practices, makes achievement of the afforestation targets challenging.

Future Irish and EU schemes are likely to adopt a more integrated approach to agriculture and land use development such as that promoted in **Climate-Smart Agriculture (CSA)**.

CSA seeks to:

- increase agricultural productivity and farm income
- adapt and build resilience to climate change impacts
- reduce greenhouse gas emissions
- adopt greenhouse gas mitigation options (including forestry)

Implementing CSA will require a land use policy that balances emissions from a ruminant based agricultural system with the adoption of suitable mitigation practices at farm level, including a substantial increase in carbon sinks, in particular forestry. Income supports and investment incentives must be structured in such a way that overall income and asset values will be enhanced through the development of a complementary sustainable forest enterprise, where appropriate.

Land use policies must also address issues such as the attenuation of increased flooding arising from climate change.

Forestry and forestry incentives must be repositioned in the realization that the agricultural expansion targets will not be achieved without corresponding mitigation. Enhanced woodland creation has an important role to play in achieving such objectives. Such issues are likely to feature and to impact on discussions leading into CAP programmes post-2020.

## FLAIG

Subsequent to the publication of the Land Availability Report, the Forest Land Availability Implementation Group (FLAIG) was established by the COFORD Council in May 2016.

Its terms of reference are:

1. To consider the recommendations of the COFORD Land Availability report and to assist progress on their implementation.
2. To prioritise the recommendations that can be implemented in the short/medium term.
3. To propose actions on how these recommendations can be progressed, implemented and their effectiveness assessed.
4. Engage and influence stakeholders in relation to policy changes and developments.

The group, chaired by Teagasc, comprised representatives from across the industry including Irish Forestry and Forest Products Association (IFFPA), IFA, The Irish Timber Growers Association, the RDS and Teagasc. Staff of the Department of Agriculture, Food and the Marine (DAFM) and New Era participated in the FLAIG process by providing clarification and advice on each of the recommendations made. The recommendations that follow therefore are those of the industry and in this context will be considered by the Department following formal submission to the Minister.

## FLAIG progress

The FLAIG reviewed actions that could positively influence planting levels. Some of the suggested actions are not agreed by all stakeholders and several actions that had initially been proposed have not been pursued for this reason. Additionally, the impacts of some potential actions were uncertain and further study and evaluation may enable them to be recommended and progressed at a future date.

The actions proposed are wide-ranging and grouped into:

- short-term – can be implemented immediately
- medium-term – can be implemented within 2 – 4 years
- longer-term – would take more than 4 years to implement

They cover issues related to promotion and education, environment, agricultural schemes, income, taxation and future land use.



## Recommended Actions

### Promotion and Education

#### **Promotion of the sector**

A campaign to encourage more landowners to consider and engage in afforestation and to highlight the multi-faceted value of forestry should be launched. Although various organisations, including Teagasc, DAFM, ITGA, IFFPA, farm organisations, Society of Irish Foresters, the Tree Council, Crann, forestry consultants, forestry co-ops, companies and others, do encourage tree planting and afforestation, a more concerted and focused multi-dimensional campaign is necessary. The younger generation (at primary and secondary school levels) should also be included in this process.

DAFM and Teagasc are currently delivering an awareness initiative that is being coordinated by Teagasc. This takes the format of a **campaign that will run to 2020**. It is recommended that the success of the campaign is overseen by the FLAIG group and that the group takes a proactive role in this process.

As land owners plant for various reasons, attitudinal surveys will help to identify new and more effective means of promoting and increasing awareness and addressing planting targets.

This is a short to medium term action.

#### **Agricultural Courses & Colleges**

In May 2016, the Teagasc Education Strategic Vision project was launched. It sought to shape the future direction of Teagasc education over the coming 10 years. The project provided an opportunity to influence the content of courses and curricula and to bring to the forefront the importance and value of forests and forestry in sustainable and climate-smart agricultural systems.

The potential to develop a forest enterprise was not part of the curriculum in most of the general and specialised agricultural courses at level 5, 6 and 7. The result was that the majority of future land holders were not exposed to the opportunities provided by the forestry option. **Sustainable Agriculture** is a core module content in all young farmer training programmes. By switching the emphasis in this module towards Climate-Smart Agriculture (CSA), initial discussions around forestry, along with mitigation options at farm level, are being initiated. Modules on the development of a forest enterprise, and the potential of forestry, among other on farm mechanisms, to reduce the impact of climate change, are also being introduced. More comprehensive forestry modules are also being prepared.

Short courses, which were an integral part of the former REPS schemes, have been invaluable in promoting woodland and forest establishment among participating farmers and land owners. The reintroduction of more comprehensive and broader farmer courses highlighting both the opportunities and responsibilities to address climate change through mitigation and the creation of appropriate sinks (e.g. forestry) must be a key element of future schemes and policies.

This is a short to medium term action.

### Environmental Actions

#### **Environmental Awareness and Positioning**

The potential exists to reposition, and perhaps rebrand/simplify the Afforestation Scheme to recognise the range of services provided by forests. This would increase public awareness and raise appreciation of the multiple benefits of forests and woodlands. In this context the **possibility and potential of an Origin Green Woodland Scheme** or similar branding should be investigated and considered.

Forests provide many ecosystem services. They contribute to improving water quality, help reduce flooding and enhance biodiversity. The COFORD funded ECOVALUE project provides insight into the range of ecosystem services and the interaction and trade-offs between them (e.g. between the provision of carbon and biodiversity ecosystem services) in different types of forests and woodlands.

### Forests and Water

Well planned forests can provide benefits related to water quality. Forests can lower the risk of flooding as forest canopies intercept rainfall thereby reducing the potential impact of heavy rainfall. Forests also contribute to slowing the over-ground water flow, contribute to the stabilisation of soils and can mitigate soil erosion threats.

Where native woodland are established and where forests are managed using continuous cover management the benefits are more long term. Tree-planting in upland areas can help reduce flood risks as part of a broader package of natural flood management measures. The opportunity exists for riparian woodland establishment to support enhanced broadleaf afforestation.

A wide range of significant water-related ecosystem services can be realised. These include a reduction in sediment mobilisation and runoff into watercourses, the interception of nutrient runoff into watercourses, bank stabilisation, food input into the aquatic ecosystem, shading /cooling, the regulation of floodwater and riparian restoration.

### Biodiversity & Other Services

Well planned forests that integrate into the environment enhance biodiversity and provide a wide range of new habitats for both animal and plant species. Ecosystem services can include the provision of native woodland biodiversity, habitat linkage within the wider landscape, amenity and environmental interpretation.

Forests also provide a wide range of recreational benefits that are being increasingly recognized and explored. Forests may be planted to complement farms that already have recreational attributes, such as open farms. A forest enterprise should be considered in the context of whole farm planning.

Some tree species, including broadleaf species, can reduce the risk of fire spread and this may be particularly important where there are existing large-scale forests. Forest design and planning can reduce risk but also aid diversity, landscaping and future recreational use.

Farmers, who have planted trees on productive land over the various forestry schemes during the past two decades, are becoming increasingly aware of the worth and the contribution of forests towards the provision of a highly valuable and sustainable timber resource, including as a source of renewable energy (firewood, wood chips etc.). With the increased use of renewables, the requirement for biomass can only expand; forestry has a large role to play in meeting these needs.

These multiple benefits delivered by forests must be used to reposition the Afforestation Scheme to deepen understanding amongst landowners and the general public as to what forests contribute to the environment and the economy.

This is a medium term action.

### **Forestry and Carbon**

Afforestation is also one of the main carbon mitigation options under LULUCF (Land use, land use change and forestry) and for the agriculture sector in Ireland. In the DAFM Food Wise 2025 strategy, the aim is to increase the export value of food by 85%. As well as requiring greater efficiencies and new technologies, at farm level this will also require a significant increase in the national dairy herd. Milk production will increase by up to 50% by 2020, which will increase carbon emissions. Linking appropriate and sustainable forestry to agricultural expansion/intensification must be considered in the context of moving Irish agriculture towards carbon neutrality.

Landowners can combine productive tree and hedgerow planting, native woodland creation, and continuous cover forests with commercial plantations that will complement the whole farm enterprise. This shifts the emphasis in payment terms to the value they are providing to society generally rather than just the landowner. It is estimated that over a rotation a Sitka spruce woodland can fix over 200 tonnes of carbon per hectare. This can be linked to agricultural expansion.



As an initial step towards recognizing the contribution forests make to carbon sequestration at farm level, it is proposed that forestry be incorporated into the **Carbon Navigator**. This is an on-line system which supports farmers in identifying ways to reduce the carbon intensity of their dairy or beef farm systems. It was developed by Teagasc and Bord Bia to support the development of a sustainable agri-food sector. The concept behind the Carbon Navigator is that *‘while agricultural GHG emissions are difficult to reduce, farmers who adopt a number of practices and technologies can significantly improve efficiency, improve profitability and lower GHG emissions. Performance is measured and benchmarked against peer farms and targets are set for improvement’*. The incorporation of forestry into the Carbon Navigator is an opportunity to raise awareness and educate landowners on the carbon storage capacity of Irish forests and the benefits forests can provide on their farms.

This can be addressed in the short to medium term.

## Income and Future Land Use Actions

### **Grant and Premium Rate of payment for GPC 1**

Grant and Premium Categories (GPCs) are determined by the category of land planted, the tree species and area planted. Currently under the Forestry Programme 2014 – 2020 there are 13 different GPCs listed. Different grant and premium rates apply to each GPC. Each plot within the grant-aided plantation must comply with one of the GPCs.

The funding for GPC 1 grant and premium under the Afforestation Scheme is considered by many landowners and establishment contractors to be too low and is deemed to not reflect the better quality and more productive land that is now classified as GPC 1 in the Land Types for Afforestation document. In this light it is proposed that consideration should be given to increasing the rates to reflect the higher costs of establishing a forest on these sites and to compensate landowners for the agricultural income foregone.

An increased grant and premium rate should be considered for the establishment of Scots pine, birch and other native species on GPC 1 land (GPC 1 Native) that is capable of providing environmental services as in the Land Types for Afforestation Document. GPC 1 Native should also be considered on GPC 1 land with environmental designations which currently implies that planting with conifers is less desirable. This would balance concerns regarding the afforestation of GPC 1 land with non-native conifers. In this light, the 20% rule that currently exists with regard to GPC 1 land would not need to be applied to GPC 1 Native.

This recommendation could be implemented in the short-term.

### **Increase certainty around level of annual premiums receivable**

By choosing to afforest and avail of grants and premiums, landowners are making permanent commitments with respect to their farm enterprise.

The annual forest premium was reduced in 2009 in response to a number of budgetary measures required across all Government Departments due to the poor state of the public finances. An eight per cent reduction was applied in 2009 to all recipients of forest premiums. Forest owners who planted before 2001 received a number of premium increases which overall were greater than the eight per cent reduction imposed. However, a cohort of forest owners between 2007 and 2009 had their premiums reduced below the level they received when they first planted.

Guaranteeing the level of future premium payments would provide increased certainty to landowners contemplating afforestation. Consideration should also be given to allowing landowners who plant in the final year(s) of a particular afforestation grant and premium programme to choose to move onto the subsequent grant and premium scheme in the event that the funding and conditions of the subsequent scheme are more favourable. This may provide those considering planting with reassurance that they won't be disadvantaged by planting under the existing scheme and avoid the stop-start nature of the annual planting programmes associated with afforestation schemes.

Stakeholders acknowledge the difficulties DAFM has in considering this proposal, but see the issue as a significant constraint in the uptake of forestry schemes.

### **Reforestation Support for Enhanced Plantations**

The requirement to replant has been identified in multiple surveys and studies as a barrier to afforestation. It is proposed that the introduction of **financial support for reforestation** would apply to land replanted following a clearfell where additional measures are taken, over and above the replanting obligation, to enhance the environmental and other values of the succeeding forest.

The aim is to support forest owners with some of the replanting costs where it can be demonstrated that the reforested area contributes additional environmental benefits.

This recommendation can be progressed in the Forestry Programme post-2020 i.e. medium term.

### **Future Agricultural Schemes**

#### a) Basic Payments

Currently under the Forestry Programme 2014-2020, many landowners who plant some land are eligible to collect the forest premium and draw down Basic Payments on the afforested land, subject to rules. However, this only applies to the current programme, with no guarantees for future programmes. Longer term commitment should be given such that the afforested land will be similarly treated to agricultural land for the duration of the forest premium payment. This may encourage further afforestation by land owners as the risk of income foregone will be mitigated.

#### b) Agri-environment

Forests provide a range of ecosystem services. Forest owners should be given similar support to those given to farmers in the GLAS scheme. A precedent for this was set in the FEPS scheme. Allowing planted land to be eligible for future agri-schemes (or having similar forestry-funded schemes) would help future-proof the afforestation decision, thereby encouraging landowners to consider afforestation without risking the loss of future environment payments. This is not double-funding but is providing additional payments for additional measures e.g. environmental actions in forests akin to those on agricultural land.

#### c) Complementary agricultural payment schemes

Agriculture and forestry schemes must be more integrated and designed in the context of closer co-operation. In this regard, future agricultural, forestry and environmental schemes should be designed in a manner such that landowners should not be financially disadvantaged as a result of having committed their land to forestry.

For example, in the GLAS scheme land parcels that have been included cannot be planted without recoupment of monies paid until the completion of the GLAS commitment period. A mechanism should exist to easily allow landowners to withdraw parcels of their farms from future GLAS-type schemes if they are to be afforested. This should also be the case for all agricultural schemes – i.e. land parcels must not be tied in for duration of the scheme if the parcels are subsequently considered for afforestation.

In the past the requirements of one scheme (purchase of dairy quota) resulted in land being afforested by farmers and such opportunities should be considered for inclusion when designing future agricultural schemes i.e. encourage farmers to plant by enabling them to do some other agricultural-based action such as expand their herd as a result of the planting.

In the context of Climate Smart Agriculture, sustainability could be achieved, for example, by expanding livestock farmers being expected to carry out their expansion in a carbon neutral manner by planting one hectare of forest for every five additional cows or livestock units of drystock on their farms (as per Ryan et al 2016<sup>3</sup>). This could be done on the land owned by the farmer or as part of a partnership. Mechanisms such as stock relief could also be considered. Currently stock relief is available to young farmers expanding their herds and to those involved in farm partnerships. This stock relief could be linked to a requirement to afforest at the rate of one hectare per 5 additional cows or livestock units either on their own land or as part of the partnership.

<sup>3</sup> <https://journal.societyofirishforesters.ie/index.php/forestry/article/viewFile/10847/9901>

Even on larger farms with high existing stocking levels a mechanism to support the creation of woodlands which will contribute towards offsetting their current carbon emissions should be considered for development.

These actions are medium-term actions linked with the CAP post-2020.

## **Taxation & Social Welfare**

### a) Social Welfare Payments

Those in receipt of non-contributory social welfare payments are often reluctant to plant as the premium payments may impact on their social welfare and medical card entitlements. It is proposed that forest premium income be disregarded in the means test for the Non-Contributory Pension. The precedent for this was the income disregard in the means test for the Early Retirement Scheme.

### b) Disregard under Farm Assist

It is proposed that under the rules of the Farm Assist Scheme that forest premiums are assessed similarly to REPS, AEOS, SACS and GLAS so that:

- The first €2,540 per year of payments is disregarded
- 50% of the balance is also disregarded and
- Expenses incurred in complying with Afforestation Scheme requirements are deducted.

These are medium-term actions.

## **Proposed Research Studies**

A number of issues were discussed by the FLAIG but there was insufficient evidence, or there were varying opinions regarding their potential impact, to make a definitive recommendation regarding their adoption or otherwise.

These included:

### 1. Income now preference

The Malone Report (Factors Affecting Afforestation in Ireland in Recent Years, DAFM, 2008) recommended that *'any scope to further front load the premium should be exploited, with a view to overcoming concerns about land values'*. This inferred that front-loading the premium would mean that the perceived loss in land value is returned to the owner in a timely manner in the form of premium payments and the impact of the loss is significantly reduced.

Although there may be concerns regarding the impact of front loading of premiums on the long term commitment to the crop, the inclusion of Basic Payments on the same land could address this issue due to the requirement to keep the crop/land in good condition.

The rationale is that it may encourage those with different time preferences for income to consider forestry as an option. For example a forest enterprise may become more viable for some cohorts e.g. older people with no immediate heirs. Although such a scheme may make the administrative process more complicated, this should not be an insurmountable obstacle. There are also implications for DAFM cash flow and funding of the programme but this should be considered in the context of reducing potential substantial fines for not achieving carbon abatement targets.

The proposal may be to have a number of options for premium payment e.g. current 15 years, 10 years or 5 years.

### 2. Permanency of afforestation decision & Nudge Theory

It is important that all applicants for afforestation grant and premium payments are advised in advance of the permanency of the decision to plant. This may impact on whether the landowners actually proceed to plant as many reconsider afforestation when they are aware of the loss of flexibility in relation to land use into the future and the consequent devaluation of their asset in the short term. Several studies have indicated that this



is a significant disincentive to those who would otherwise plant. It is suggested that a pilot or research project be carried out to investigate the impact of different replanting obligation scenarios.

Although challenging to implement, it may be that relaxing the replanting obligation would reassure people and may positively impact on forested land values. In reality most afforested land provides only marginal returns in agriculture and the high costs associated with returning to agricultural use makes this land use reversion unlikely.

If the replanting commitment was relaxed, then the area of deforestation would have to be monitored and controlled to manage and understand its impact. Deforestation can have impacts not only on forest cover but can also affect species diversity, the water cycle, soil erosion and the quality of life for both animals and humans in the region if not regulated and managed appropriately.

Priorities should include:

- The need to expand forest area, in terms of carbon sequestration, but also in terms of future timber production. If the replanting regulation is relaxed it may be that a ratio of deforestation to afforestation could be allowed based on area and/or location.
- DAFM, Department of Environment, Heritage and Local Government and Department of Climate Change, Climate Action and Environment), other national and EU authorities would need to be in agreement to facilitate the change in legislation.
- Such an opt-out option would need to be formal and include a regulatory framework.
- No incentive or scheme should be available for deforestation, as it may encourage this land change.

Behavioural economics examines why people's actions deviate from the predictions of standard economic theory. If there is a large gap between what we do and what we should do, it is necessary to encourage or "nudge" this behaviour. Policy makers are increasingly looking to behavioural economics for solutions to overcome barriers associated with other long-term investments, such as the decline in personal pensions (Tapia and Yermo 2007<sup>4</sup>). Nudge theory suggests consumer behaviour can be influenced by small suggestions and positive reinforcements (Thaler & Sunstein 2008<sup>5</sup>). The most popular nudge to do with pensions is auto-enrolment, which takes advantage of people's inertia. Under the nudge principle, workers are automatically enrolled in the scheme and actively have to opt out if they choose to do so. The nudge theory should be explored to determine the factors that influence the decision to engage in afforestation.

### 3. State-funded Insurance Scheme

Farmers need certainty in relation to long-term decisions. The 2014 windblow as a result of Storm Darwin caused a lot of uncertainty in the sector. A reforestation scheme should give some confidence to the landowners that they are being supported long-term in their land use change. Greater certainty over the existence of a reconstitution scheme, should unforeseen events occur, would provide greater confidence in the future of an enterprise with such long timeframes. This scheme would target appropriate threats such as storm cover which is currently not being covered by most insurers in the insurance market for forest owners. Forest owners would still be required to have their own fire insurance and public liability cover.

Consideration could be given to the establishment of a state insurance scheme for forestry. State provision is justified on the basis of insurance market failures in the forestry sector. In order for insurance markets to exist efficiently, the following elements are necessary:

- Independent probabilities
- Probability of event occurring is less than one
- Known probabilities
- No adverse selection
- No moral hazard
- Low transaction costs.

<sup>4</sup> <http://www.oecd.org/finance/private-pensions/39368306.pdf>

<sup>5</sup> Thaler, R. H., & Sunstein, C. R. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. New Haven, CT, US: Yale University Press.

It is suggested that:

- the potential of a Government funded insurance scheme to provide confidence and underpin the sector be investigated or
- the impact of Government aid to those who have insurance (mandatory or voluntary) should be assessed, for example those who have fire insurance cover but not storm due to the fact the insurers won't cover same.

4. Afforestation in Scotland

Scotland has a forest cover of about 18% and plans to plant an additional 100,000 hectares of forests by 2022. The annual planting target of 10,000 hectares is necessary to ensure the timber supply gap is breached and carbon sequestration targets are achieved. The afforestation statistics show that the actual planting rates achieved are in the region of 7,000 – 8,000 hectares per year with an approximate ratio of 2:1 broadleaf: conifer. However, trends have changed over the past year with a greater percentage of productive forests now being established.

CONFOR have led a promotion campaign in relation to afforestation and attitudes towards forestry, forests and the use of wood in particular. It is proposed that progress with regard to afforestation in Scotland be further investigated and appropriate linkages developed to ascertain if it can inform the situation in Ireland. Initially a short desk study should suffice but this may lead to a more in-depth study by a sub-group of FLAIG.

5. Review success of the UK Woodland Carbon Code

The Woodland Carbon Code (the “WCC”) was established in 2011 by the UK Forestry Commission. It is a voluntary standard for woodland creation projects that make claims about the carbon they sequester. It provides reassurance about the carbon savings that woodland projects may realistically achieve. Certified projects can use the Woodland Carbon Code logo as evidence that they meet high woodland management standards and provide the carbon benefits they claim. Landowners can get newly established woodlands certified against the WCC if they meet the requisite criteria. This gives rise to carbon ‘rights’ which can be sold to recover the costs of creating the woodland and generate income.

UK companies can purchase ‘carbon units’ (each one representing a tonne of CO<sub>2</sub> equivalent which has been sequestered in a WCC-certified woodland) from the owners of WCC-certified woodlands. Companies buy carbon units mainly for corporate social responsibility reasons to compensate for emissions created in their core businesses. The WCC carbon units are not fungible with international carbon markets or international carbon offsetting requirements.


To the end of March 2018, 239 WCC projects were in the validation process under the scheme representing some 16,000 ha of woodland and 5.8m tonnes of CO<sub>2</sub> (total projected sequestration of the projects over their lifetime of up to 100 years). It is estimated that £7m of carbon units have been sold to companies to date. There has been significant volatility in the price paid per carbon unit with prices having ranged from £3 to £15 per tonne.

In the coming years, as the UK’s WCC initiative matures, it may be appropriate for the state here to perform a cost benefit analysis of a WCC in order to assess the suitability of a similar scheme for the Irish forestry sector.


Assessing the success of projects similar to the recently announced Microsoft project (<http://www.forestcarbon.co.uk/microsoft/>) may be helpful in informing the development of mechanisms to achieve many different targets for Irish forestry. Sustainability is important not only in terms of afforestation objectives, but similar ventures may also help achieve broadleaf targets and increase species mix and biodiversity nationally. Landowners may have further opportunities to partner with large corporations and companies who want to demonstrate their environmental credentials as part of their commitment to corporate social responsibility thereby encouraging further afforestation.

**Table 1:** FLAIG update table.

		Progress indicator	Comment	Link to CLAWG
<b>Promotion &amp; Education</b>				
1	Promotion of the Sector – campaign	Some progress on actioning	Awareness Campaign has been developed and elements are currently being implemented by DAFM and Teagasc and it is hoped that other stakeholders will participate and add value to campaign.	27
		Completed or under way	The FLAIG is acting in an advisory capacity to this campaign and is being updated on a regular basis.	
2	Agricultural Courses & Colleges	Completed or under way	A key element of the awareness campaign is the greater integration of forestry into agriculture education programmes nationwide. A temporary Forestry Liaison Officer has been recruited by Teagasc to provide forestry input into these courses and other relevant courses and events. This will ensure that the specialist knowledge is delivered across the educational courses currently being delivered including: <ul style="list-style-type: none"> <li>Principles of Agriculture (mandatory) Level 5</li> <li>Farm forestry module (elective) – new book</li> <li>Level 6 inputs: Farm Business/Environment</li> </ul>	27
<b>Environmental Actions</b>				
3	Environmental Awareness and Positioning	Some progress on actioning	Significant opportunity exists with CAP post-2020 to position forestry in relation to carbon, biodiversity and water quality.	27
		Some progress on actioning	The redesign and positioning is yet to be scoped out. There has been a proposal at COFORD Council to produce a discussion paper on this topic.	
4	Forestry and Carbon	Completed or under way	Actions have been instigated to incorporate forestry in the next Carbon Navigator iteration that is being developed by Teagasc and Bord Bia. This will be an indicative tool and will need further refinement over time as further information is available.	27
		Little or no action take	There has yet to be progress in linking forestry to agricultural expansion/intensification such as through offsetting of emissions.	
<b>Income &amp; Land Use Actions</b>				
5	Grant and Premium Rate of Payment for GPC 1	Little or no action take	No change to date and current rate is considered too low to encourage appreciable uptake.	15
6	Increase certainty around level of annual premiums receivable	Little or no action take	No change	13
7	Reforestation support for enhanced plantations	Little or no action take	No change: case for considering for plantations with enhanced environmental and/or other services – CAP post-2020	Not in CLAWG but considered essential
8	Future Agricultural Schemes	Little or no action take	GLAS and Organics Scheme do not currently provide flexibility for land use change to afforestation. It is hoped that, through further scheme integration, this may change post-2020.	8
9	Taxation and Social Welfare	Some progress on actioning	The treatment of forest premiums in both the Farm Assist payment and Non-contributory pensions may have a negative impact on afforestation.	16
		Some progress on actioning	Mary Ryan (Teagasc) and Cathal O Donoghue (NUIG) provided information and research paper on this to FLAIG to help to inform DAFM and others on the potential benefits of changing the conditions so that payments don't dis-incentivise afforestation.	
		Some progress on actioning	DAFM has recently submitted formal proposal to Department of Employment Affairs and Social Protection.	

**Progress Indicator Key:**
 Completed or under way

 Some progress on actioning

 Little or no action take



## Further Studies Recommended

**Table 2:** List of further recommended studies.

	Study Topic	Comment
1	Income Now Preference	No progress to report
2	Permanency of Afforestation Decision & Nudge Theory	No progress to report
3	State-funded Insurance Scheme	No Progress to report
4	Appraisal of afforestation in Scotland	<p>Proposed woodland expansion from 19% to 21% of Scotland by 2032 with afforestation rising to 15,000 ha/yr. by 2024. Of the 9,000 ha. planted in the UK in 2017/2018, 7,100 ha. were created in Scotland (2,500 ha. broadleaves and 4,700 ha. conifers).</p> <p>Further investigation is merited, taking into account the difference in ownership structure and the motivation for afforestation in Scotland compared to Ireland.</p>
5	Review Success of the UK Woodland Carbon Code	<p>Currently there are ~250 projects with ~16,200 ha. Projected CO2 sequestered is ~6 MtCO2e. Landowners are being paid by firms for creating woodlands to sequester carbon (<a href="https://www.forestry.gov.uk/carboncode">https://www.forestry.gov.uk/carboncode</a>). Other benefits e.g. water, biodiversity also acknowledged.</p> <p>The recent launch of the Woodland Environment Fund could in time provide a similar incentive in Ireland.</p>







## Appendix 1: Review of recommendations from the COFORD Council's Land availability for Afforestation Report

### Progress Indicator Key:

■ Substantially implemented

■ Some progress but still outstanding

■ Little or no progress

	Recommendations	Progress Indicator	Comments
1	The Site Classification for Irish Forestry (SCIF) (Farrelly & Gallagher, 2013) to be used in assessing site suitability for afforestation (both grant aided and non-grant aided) from a productivity perspective. Training in the use of the system to be provided to foresters involved in afforestation. Teagasc to provide a field-based guide to the operation of the classification.		The SCIF involves using a vegetation scoring system to classify land types into 7 different fertility classes based on their R + N score. It is now published <sup>&lt;?&gt;</sup> in Irish Forestry. Working with Teagasc and following a consultation process, DAFM have used this vegetation scoring system to develop the 'Land Types for afforestation' which classifies land into Unsuitable, Suitable as GPC1 and Suitable as GPC 2 to 12. Roll out and Registered forester, Inspector and Advisor training has been completed, see DAFM documentation Land Types for Afforestation (October 2017 <sup>&lt;?&gt;</sup> ).
			While the 'Land Types for Afforestation' document uses elements of SCIF (the R+N scoring system), there is potential to further refine the system and increase confidence in relation to certain land types for afforestation. This includes the use of soils and vegetation communities. This will speed up the process and the availability of a field guide will enable foresters to make an assessment of vegetation and site quality and may reduce the requirement for referral to an ecologist on most sites.
			Therefore it is recommended to use both soils and vegetation data in the classification which will increase confidence and incorporate new research findings in the area including the use of adjacent plantations on similar soils as reliable indicators.
			Further training should be provided to ensure a common understanding of the classification.
2	In conjunction with Recommendation 1, the Forest Service, EPA and NPWS undertook work to refine habitat, water quality and other requirements related to the afforestation of land currently classified as being unenclosed. This work took into consideration cumulative and in-combination impacts, and relevant national and EU legislation and regulations. It needs to be determined (with effective stakeholder consultation and involvement) how best to take this work forward to achieve good environmental outcomes while not overburdening the application process or applicant.		This work was amalgamated into the overall revision and updating of the environmental 'guidelines' (Forestry & Water Quality Guidelines, Forestry & Archaeology Guidelines, etc.) as they related to afforestation.
			Following an extensive consultation process (commenced in April 2016) based on a draft document; the resulting 'Environmental Requirements for Afforestation' was released and came into force in December 2016 <sup>&lt;?&gt;</sup> .
			The DAFM has undertaken further work to support the application of the Requirements, including training courses for Registered Foresters, Inspectors and Advisors in the recognition of Annex 1 habitats (August 2017) and the application of environmental setbacks and ABE calculation (November 2017).
			In association with Recommendations 1 and 2 and in the context of a more scientific approach to site suitability for afforestation, it is necessary to have a satisfactory outcome regarding the removal of the 20% rule.



	Recommendations	Progress Indicator	Comments
3	The definition of Grant and Premium Categories to be reviewed in the context of the proposed SCIF.		This is covered by the DAFM document Land Types for Afforestation (October 2017). This has largely been completed with the refining of:  Unplantable land category at indicator scores of < 5.0 and <5.4 on peat soils with a peat depth of 50cm or more.  GPC1 requires an indicator score of 5-5.9 or 5.4 to 5.9 on soils with a peat depth of 50cm or more and  GPC 3+ requires an indicator score of 6.0 or greater.
4	Further work in refining SCIF category E (limited) to be undertaken, with a view to identifying those sites that will not need a second fertiliser application.		Additional land for afforestation could be identified in this category but it is desirable to have evidence-based assessment of the potential of these lands for afforestation. In the context of successful establishment within permitted fertiliser prescriptions; (a) trial(s) with randomised replications are desirable.
5	The Forest Service and forest sector to continue to engage directly with the NPWS on the development of the Hen Harrier Threat Response Plan, with a view to (inter alia) creating opportunities for afforestation in Hen Harrier SPAs as soon as possible.		The Hen Harrier Threat Response Plan is being drafted by NPWS (DCHG), based on discussions with the DAFM and the Forestry Sector and others through various forums. It is desirable to have resolution on this issue with some scope for afforestation where appropriate.
			The review of the draft Hen Harrier Threat Response Plan should provide scope for consideration of sustainable afforestation opportunities in relation to the use of appropriate Grant and Premium Category (GPC) selection, best practice in forest planning and structural design as well the planting of suitable sites as alternatives to existing less productive stands. These may be considered in the context of being compatible with the overall objective of maintaining and enhancing the status of hen harrier populations.

	Recommendations	Progress Indicator	Comments
6	Research the potential application of a critical loads, catchment-based approach to:		COFORD have funded research studies in the relation to acid sensitive catchments and COFORD Connects information published e.g. Phosphorous release from forest harvesting on an upland blanket peat COFORD Connects Environment No.13. More recently the HYDROFOR: Assessment of the Impacts of Forest Operations on the Ecological Quality of Water was published in 2016 outlining potential impacts. However further studies are required outlining potential mitigation strategies to alleviate the potential risk to water quality from afforestation and harvesting. Scope exists in some acid sensitive areas to increase the levels of afforestation.
	afforestation levels in acid sensitive catchments (taking into account recent reductions in air pollution and rainfall acidity); and		DAFM COFORD advertised a call seeking research on this area in both 2014 and again in 2015. There were no successful applicants in either year. In 2017, the DAFM COFORD call again sought research in the following areas (summary below) in the context of the 2nd cycle of the Water Framework Directive (WFD).  <i>“Explore the range of ecosystem services which forestry can deliver in relation to water quality and related habitats and set out delivery mechanisms and increase awareness of these eco-system services and measures amongst Bodies coordinating and inputting into meeting Ireland’s obligations under the WFD, to ensure closer integration of the targeted deployment of relevant forestry measures into water policies land use.”</i>
	afforestation and harvesting in the context of aquatic ecology and sensitive species.		Further research into the origins of dissolved organic carbon and organic acidity which have been reported to being more dominant and having an effect on pH in forested catchments (Hydrofor) may be appropriate. Research is necessary into the mitigating capacity of the water quality measures that are now routinely incorporated into the design and planning of more recent forests including those in sensitive areas as per Woodlands for Water (DAFM 2018). The impact of closed canopy forests on rushy wet mineral land that are currently included in the acid sensitive areas should be investigated.  Afforestation does not now occur on such peatland sites as referred to in the Hydrofor report. Acid sensitive designations cover approximately 150,000 ha of productive farmland.  Recent evidence has shown that the impact of afforestation on water quality at DED level may be positive in the longer term in comparison to the previous agricultural land use ( <a href="http://ageconsearch.umn.edu/record/276187">http://ageconsearch.umn.edu/record/276187</a> ). Further study is needed to elaborate on this research.  The establishment of native broadleaf species under GPC 11- Agroforestry in addition to the current facilitation of native woodland establishment on enclosed land may be worth consideration. This is based on both suitability of species selection and plantation design as well as the low level of impact in terms of establishment and on-going management.

	Recommendations	Progress Indicator	Comments
7	<p>The Forest Service to update its environmental guidance documentation, taking into account more recent scientific information on issues such as acidification and siltation. The update will consider the potential of buffer zone management options to mitigate the potential negative impacts of eutrophication and sedimentation. The update will involve the participation of scientists from relevant areas of research.</p>		<p>This work was amalgamated into the overall revision and updating of the environmental 'guidelines' (Forestry &amp; Water Quality Guidelines, Forestry &amp; Archaeology Guidelines, etc.) as they related to afforestation. Following an extensive consultation process (commenced in April 2016), the Environmental Requirements for Afforestation was released and came into force in December 2016.</p>
		<p>Also see Felling &amp; Reforestation Policy document (DAFM May 17), which sets out Reforestation Objectives 'Reforestation for Continuous Cover Forest' (CCF) and 'Reforestation for Biodiversity and Water Protection' (BIO), both designed for deployment at reforestation stage where particular concerns exist regarding eutrophication and sedimentation.</p>	
		<p>Also see DAFM document Woodland for Water: Creating new native woodlands to protect and enhance Ireland's waters, a discussion paper submitted to the EPA within the context of the 2nd Cycle of the Water Framework Directive, September 2016. This document presented a treatment for land adjoining watercourses, involving water setback and new native woodland, specifically to protect and enhance water quality.</p>	
		<p>However, the 'environmental requirements' document has not included any recent scientific information on acidification and policy has not changed in this regard.</p>	
8	<p>Any further proposed designations of land for environmental purposes to be referred to Forest Service and forestry stakeholders, to consider the potential impact on the availability of land for afforestation.</p>		<p>Although it may be outside of the direct control of DAFM, it is highly desirable that a procedure be established at government level to ensure that the impact of any designation of lands be assessed in the context of its subsequent availability for afforestation. This will ensure a balanced approach to land use. There may be an opportunity to develop a complementary forestry measure with such designations e.g. Organics, Glas.</p>
		<p>Although DAFM make the point that this is for other Departments to consider it is something that they can initiate.</p>	
9	<p>Review Forest Service policy on high pH sites following an investigation on the impact on various trees species of high pH and free calcium in the topsoil and subsoil and their relationship to water table levels.</p>		<p>The reconsideration of such sites has the potential to open up additional areas for afforestation. Research needs to include work on assessing the potential of alternative tree species for end uses including fibre.</p>
		<p>A call for research proposals was advertised in 2015. There were no applications. A similar call was advertised again in 2017. 'Establishment and performance of a range of tree species on high pH sites 'Examine issues including free calcium in topsoil, relationship with the water table, etc.' Again there was no successful applicant for this research.</p>	
10	<p>Assess the suitability of alternative species, provenances and species mixtures for afforestation of low productivity sites and those potentially impacted by climate change.</p>		<p>Species and provenance lists were updated in 2016 following a stakeholder consultation process. Recent Forest Sector Development /COFORD funded document on mixtures has been published. Some potential exists including the use of hybrid provenances of lodgepole pine, spruce/birch mixtures and less demanding species on such sites. However the species choice is likely to be governed by perceived resilience issues including vulnerability to disease and potential end use markets. For Sitka spruce, current studies (Genesis project) may better determine provenance suitability for different site types.</p>
		<p>However work/research is outstanding to investigate the suitability of alternative species on low productivity sites.</p>	

	Recommendations	Progress Indicator	Comments
11	Reliable sources of native planting stock to be made available for afforestation. Birch to be an approved species under the Forest Service Afforestation Scheme, using selected and improved planting stock and the continuation of the ongoing improvement programme.		Improved birch is now an approved species since 1st January 2015. Teagasc to continue to conduct research into tree improvement of birch and alder with the aim of developing higher quality material and demonstrating the benefits of improved material.
			Sessile and pedunculate oak native planting material has been scarce in recent years, prompting FS Circulars permitting the use of non-native material under the Native Woodland Establishment Scheme (NEW). However, supply is expected to increase in the coming 2 years. As oak has very infrequent mast years and acorns are perishable, there is a reliance on non-native imports. Therefore measure need to be put in place to facilitate an increase in indigenous supply to facilitate NWE and to cover an increase in planting oak as a result of the loss of ash. Element 1 (Seed Stand) of the Forest Genetic Resources Reproductive Material: Seed Stand & Seed Orchard Scheme encourages the registration of more sessile and pedunculate oak seed stands, and also seed stands of minor species and understorey species, as listed under the Native Woodland Scheme. In addition, “the Scheme will also support the improvement and management of sessile oak and pedunculate oak seed stands within ancient woodland, where those seed stands have been registered in the category ‘Source Identified’ for gene conservation. This material can be used under both elements of the Native Woodland Scheme, together with material from registered seed stands which are listed in the category ‘Selected’ and regarded as being indigenous. This material may also be acceptable for use in other biodiversity focused grant-aided projects (e.g. under the NeighbourWood Scheme) but will generally not be accepted for use within other Forest Service grant schemes (due to its unknown form and performance regarding timber production). “
			Scots pine and native species seed stands could be managed for enhanced seed production and perhaps given protected status and be re-placed when they have outlived their usefulness.
			In the context of the launch of the Woodland Environment Fund it will be crucial to have a supply of native planting stock



	Recommendations	Progress Indicator	Comments
12	Continued national and company-led investment in forest-related R&D and innovation to take place, including in the following areas: short-rotation forestry; evaluation of the benefits of agro-forestry; sustainable forestry practices and policies; and the use of afforestation to advance environmental objectives and to deliver ecosystem services.		DAFM funded calls for Forest Research are based on the stakeholder-led FORI document that describes research priorities. This document will be up for renewal shortly.
			There has been little investment in forest related R&D and innovation in either agro forestry or forestry for fibre.
			The COFORD funded project on short rotation forestry (ShortFor – UCD, Teagasc, WIT, UL and TCD) is nearing completion and should provide further insight into the potential of different species. However due to the short-term nature of such projects, results of field trials will be interim and indicative only.
			In relation to agroforestry, although it was included in two recent COFORD research calls, no applications were approved. There is urgent need for evidence-based studies in relation to agroforestry. This is necessary to inform the types of agroforestry systems suitable for Irish conditions and their environmental benefits and also to provide information to landowners in relation to the viability of such systems under Irish conditions.
			The Mid-Term-Review 2014-2020 has increases funding for agroforestry and forest for fibre measures to encourage increased participation. However with limited evidence on expected returns this may have limited impact.
			In relation to afforestation to advance environmental objectives, continuous cover forestry measures will be provided on a pilot basis to incentivise alternatives to clearfelling. Additional funding is also available for Native Woodlands schemes, including enhanced supports through the launch of the Woodland Environment Scheme
			DAFM has produced two documents ‘Woodlands for Water’ ( <a href="https://www.agriculture.gov.ie/media/migration/forestry/grantandpremiumschemes/2018/WoodlandWaterLoRes06June18270618.pdf">https://www.agriculture.gov.ie/media/migration/forestry/grantandpremiumschemes/2018/WoodlandWaterLoRes06June18270618.pdf</a> ) and ‘Forests and Water’ ( <a href="https://www.agriculture.gov.ie/media/migration/forestry/grantandpremiumschemes/2018/ForestsWaterFINAL26June18LoRes280618.pdf">https://www.agriculture.gov.ie/media/migration/forestry/grantandpremiumschemes/2018/ForestsWaterFINAL26June18LoRes280618.pdf</a> ) that further discuss woodland creation.
			There is still considerable scope to further expand afforestation to advance environmental objectives and deliver ecosystem services including improved water quality and carbon sequestration. This potential to develop appropriate woodlands also exists on sites that have been excluded from afforestation due to environmental designation.
13	The forest premium to be guaranteed at entry level rate and the landowner to be entitled to any increases in the rate that may occur in the future.		In the context of providing continuity and avoiding “stop start” to annual planting targets this should be considered at least for the projects established under each programme. This would mean that entrants are guaranteed the level of premium relevant to that programme for the duration of the premium (currently 15 years). There may be some who will now wait until after decisions in relation to 2020 are taken in anticipation of a further increase.
			DAFM have no plans to guarantee the premium.

	Recommendations	Progress Indicator	Comments
14	Forest premium to be on a comparable footing with other farm enterprises: Compensation for incomes foregone (forest premiums) should be at a comparable level to other profitable farming enterprises.		Forest premiums are related to agricultural income foregone.
			However, Recent research by Ryan et al. ( <a href="https://journal.societyofirishforesters.ie/index.php/forestry/article/download/10820/9874">https://journal.societyofirishforesters.ie/index.php/forestry/article/download/10820/9874</a> ) finds that from a household welfare perspective, the inclusion of benefits and taxation in calculating relative life-cycle incomes from forestry and agriculture provides additional information that is relevant to the farm forestry decision. Analysis shows that the use of a disposable income measure in analysing the returns from farm afforestation can provide useful insights with respect to how financial policy levers impact in different farm systems with varying levels of farming intensity.
15	Continue 100% grant aid for afforestation, with a review of grant levels and structure to be undertaken.		Grant rates were reviewed and increased for the current programme and further grant increase resulted from Mid Term Review.
			However, the relatively low grant and premium rates for GPC 1 means that uptake of this category remains low and would possibly rise if rates were increased.
16	Forestry income to be excluded from the High Earners income restrictions for taxation purposes.		Income tax on clearfell has been abolished (apart from USC and PRSI).
	The forestry premium should be disregarded when determining pension entitlements for those entitled to a non-contributory old-age pension.		There has been no change re old age pension. In relation to eligibility for non-contributory old age pensions, the full value of forest premium payments is taken into account in the means calculation. In this regard the pension could be reduced or a forest owner in receipt of significant premium could be rendered ineligible for a non-contributory pension.
			The Farm Assist means test takes account of every form of income but assesses it in different ways and disregards various amounts. Until recently, 100% of forest premium income was reckonable when assessing for Farm Assist; however, payments for agri-environment schemes have historically enjoyed disregards of up to 50%. In March 2017, a 30% disregard for income from agricultural husbandry, including forestry, was introduced (DESP, 2017). It would be beneficial to increase this to a similar level as for agri-environment payments.
17	Forestry income to be allowed to be declared over a number of taxable years (the averaging of sugar-beet restructuring payments over a 6-year period is an example of a similar approach).		Income tax has been abolished on all forestry income

	Recommendations	Progress Indicator	Comments
18	A Tax Clearance Certificate need only be provided by the applicant for the Afforestation Scheme, and not by other joint owners of the land. Old age pensioners not registered with Revenue for taxation purposes and/or not required by Revenue to provide annual accounts, should not have to provide current Tax Clearance Certificates to the Forest Service on availing of the Afforestation Scheme.		DAFM have no plans to do this.  It is a requirement of the Revenue Commissioners, that persons who “derive an economic benefit from ... contracts/grants, subsidies and other payments from the State, are in compliance with their tax and customs obligations.”
19	The DAFM customer charter to be used to ensure that standards to streamline protocols and the application process for all schemes are in place. Forest Service documentation to be reviewed to ensure that it is positive and encouraging towards afforestation.		The aim of DAFM is to comply with turnaround times as outlined in the Farmer’s Charter.
			DAFM work on streamlining procedures is ongoing.
			The monitoring and reporting of referrals to other agencies and timelines involved in receiving approval could be incorporated into the existing KPI reporting.
			The issue of appeals and the timelines involved is causing delays in afforestation.  A timely processing of applications will ensure that there is not a fall-off in interest and possibly moving to another land use option e.g. leasing, selling.
20	The maximum timeframe for the processing of straightforward afforestation approvals and subsequent payments to be three months.		Aim of DAFM is to comply with turnaround times outlined in the farmer’s charter. Farmers Charter 2015 – 2020 (page 29) states: 'Approval of Valid applications – 10 weeks' 'Where consultation is required under law; 14 to 18 weeks in these cases where practicable' 'If objections are received within 21 days of the issue of approval, the applicant cannot proceed with planting until the appeal is decided'
			A process/system should be developed to report on the above. This would provide evidence that the system is being successfully implemented.
21	The Forest Service to develop a system, in consultation with Registered Foresters and others, to reduce the level of multiple applications that are received for the same land.		Where applications are received for the same land but different owners, ownership documents are requested. Where applications are received for the same owner and land but from different foresters, the applicant is asked to pick a forester.
			GIS systems and land polygons should be developed if not currently robust enough for early detection of multiple applications on the same land i.e. at the time of DAFM receiving the application.
22	For the purposes of the Afforestation Scheme, a Certificate of Title signed and stamped by a solicitor to be sufficient proof of ownership.		Proof of ownership is normally provided through documents from PRAI (Land Registry).
			The potential to have the Certificate of Title signed and stamped by a solicitor should be further investigated.

	Recommendations	Progress Indicator	Comments
23	The possibility of a multi-annual budgeting approach to the Forestry Programme to be investigated and considered.		Government has made a multi annual commitment to afforestation in its programme for Government. However, precise funding for any given year is not declared until Budget day.
			The National Development Plan 2018-2027 included a call for a publicly funded capital programme for afforestation beyond the lifetime of the current Forestry Programme 2014-2020.
24	Where an application for afforestation is refused, the reasons for the refusal to be set out clearly and in greater detail to the applicant by the Forest Service.		Completed
25	A cost / benefit analysis be undertaken to determine the impacts of changes to schemes, before such changes are implemented.		Overall Forestry Programme is subject to a cost benefit analysis. Because of the difficulties in quantifying costs and benefits and benefits in particular this will normally not be carried out for changes to schemes.
			However the impact on forest owners and forest industry should also be assessed when such change is proposed.
			The impact of increasing % broadleaves on site productivity, the viability of the forestry for fibre scheme (esp. Eucalyptus) and agroforestry scheme and the possibility of using agroforestry as a SILVICARBON scheme to encourage farmers to plant trees on the farm need to be assessed. More information on the likely outcomes would make it easier for farmers to make informed decisions about implications of planting.
26	The role of the Agriculture Appeals Office to be expanded to cover all forestry appeals.		The Forestry Appeals Committee was established under the Forestry Act, 2014 and will hear appeals against decisions for forestry licences made by applicants and third parties.
			The Agriculture Appeals Office hears appeals from the applicant into payments.
27	That an active promotion campaign be continued and expanded to encourage afforestation and woodland creation.		Ongoing
			A promotional plan, being delivered under the auspices of DAFM in conjunction with the wider forest industry, including Teagasc, has been initiated. To be successful it needs to be adequately resourced and supported by the sector.
28	Amend the Forestry Act (2014) to remove the power to register a replanting order as a burden on land, or register the licence or replanting order as a deed following the granting of a licence.		DAFM have no plans to do this. However it may be worth considering the impact. Work undertaken during the FLAIG process suggests that a pilot scheme could be developed and Nudge Theory suggests that if people feel they have the option to remove forests most may not actually do so.
			There is also potential to consider the re-planting condition in the Agro-forestry and Forestry for Fibre schemes and this may encourage farmers to participate.



## Appendix 2: FLAIG Membership

Michael Carey, ITGA

Pat Collins, IFA

Marina Conway, Western Forestry Co-Op

Tom Houlihan, Teagasc

Liam Kelly, Teagasc

Tom Kirley

Enda Monaghan

Nuala Ní Fhlatharta, Teagasc, Chair

Cathal O Donoghue, NUIG

Geraldine O'Sullivan, IFA

Mary Ryan, Teagasc

Donal Whelan, ITGA

### **Advisory Capacity**

Martyn Byrne, NTMA

Karl Coggins, Forestry Division, DAFM

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