



**Chambers
Ireland**
Advancing business together



Chambers Ireland Submission to the Department of Agriculture, Food and the Marine Regarding the Consultation on the Draft Forest Strategy

November 2022

Key Points:

- Ireland is a country rich in natural resources and recognized globally for the beauty of its natural landscape. However, Ireland has one of the lowest rates of forest coverage out of any other EU member state and, on a global scale, we also stand far below average.
- Radical and urgent expansion of our network of public and private forests is the goal of this new strategy. We recognise this urgency and appreciate this ambition, but such growth will need to be carefully managed with clearly defined parameters, sufficient funding and support, and robust reporting and analysis on progress made.
- We would like to see the opportunity to establish a carbon market explored and expanded upon further. We have heard concerns from our network relating to difficulties in meeting binding climate targets. This Forest Strategy could offer an opportunity to explore and develop a carbon market that works for the sector, works for businesses and works for the environment.
- If carefully regulated, monitored closely and implemented cautiously, a carbon market could result in meaningful reductions in our carbon output and increased afforestation right across the country.
- The proposed funding of 1.3 billion for Irish forestry under the new programme is a very substantial and significant investment that should send a strong signal to the sector and potential investors.
- It will be important to monitor uptake under the new Strategy and engage with farmers on potential barriers to accessing funding. Investment in the forestry sector will only happen with adequate and easy access to funding and support.
- We support the positioning of forestry as a service. Our national network of forests can have an abundance of positive impacts on many different areas of society. Forests can play a very important role in protecting our water sources, supporting biodiversity, promoting tourism, and improving the health and wellbeing of communities.
- The efficacy of Irish timber as a carbon sink will need to be monitored and reported on if we are to convince different industries to convert to using sustainably sourced wood, as opposed to more traditional, carbon-intensive materials.

- We welcome the commitment to developing systems that will measure, record, track and optimise the storage of carbon in wood products.

Chambers Ireland's Perspective:

Chambers Ireland, the voice of business throughout Ireland, is an all-island organisation with a unique geographical reach. Our 40 members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

In September 2019, our Network pledged to advocate for and support the advancement of the Sustainable Development Goals. In doing so, we use the Goals as a framework to identify policy priorities and communicate our recommendations. We have a particular focus on five of the goals encompassing Decent Work and Economic Growth (SDG 8), Sustainable Cities and Communities (SDG 11), advancements in Gender Equality (SDG 5), viable Industries, Innovation, and Infrastructure (SDG 9) and progress in Climate Action (SDG 13).¹

It is with this focus that we are contributing to this consultation on Ireland's draft Forest Strategy. Our national network of forests impacts on each of those Sustainable Development Goals to varying degrees and, as a result, is within the remit of our members' interests.

Ireland is a country rich in natural resources and recognized globally for the beauty of its natural landscape. Stunning coastlines, mountain peaks, hills, rich green fields, sprawling bogs and, of course, forests. However, visitors to the island may be surprised to learn that Ireland has one of

¹ The Chambers Ireland SDGs. Available at: <https://www.chambers.ie/policy/sustainable-development-goals/chambers-ireland-sdgs/>

the lowest rates of forest coverage out of any other EU member state and, on a global scale, we also stand far below average.

Thousands of years ago, 80% of Ireland's land surface was covered in forests, whereas at the beginning of the twentieth century, over-exploitation and a focus on clearing land for agricultural purposes left only 1% of land covered in trees. This is in spite of our natural temperate climate, fertile soil and abundance of open, uninhabited space across the island, which should represent the perfect conditions for a rich network of forests. By today's figures, the current forest area of Ireland makes up 11.6% of total land coverage. The average rate across the European Union is 38.3%. We still have a long way to go.

Chambers Ireland welcomes the proposed introduction of a new Shared National Vision for the role of trees and forests in Ireland. This is a timely refocusing on the importance of preserving and developing our natural ecosystems, which is so interlinked with our potential to meet our climate change and biodiversity goals, as well as opportunities for sustainable wood production, economic development, increased employment and improved quality of life.

Radical and urgent expansion of our network of public and private forests is the goal of this new strategy. We recognise this urgency and appreciate this ambition, but such growth will need to be carefully managed with clearly defined parameters, sufficient funding and support, and robust reporting and analysis on progress made.

Sustainable afforestation is a key way in which we can guarantee a long-term future that is green and can deliver for the people, the planet and Ireland's prosperity.

Potential establishment of a temporary carbon market:

The text of the draft Forest Strategy contains a single reference to the potential development and implementation of a carbon market, which would be voluntary in nature. It is outlined that

this “will recognise the contribution of Irish forests to carbon capture and storage.” Chambers Ireland would like to see this opportunity explored and expanded upon further.

Ireland’s sectoral emissions ceilings, which were agreed in September of this year, set out the maximum amount of greenhouse gas emissions that are permitted in different sectors of the Irish economy. The Act commits Ireland to a legally-binding target of becoming a climate neutral economy by no later than 2050, and to a reduction in emissions of 51% by 2030. Sectors that fall under these targets include transport, electricity, built environment – commercial, built environment – residential, industry, agriculture, and the Land-Use, Land-Use Change and Forestry sectors, also referred to as LULUCF.

In consultation with some of our members, concerns have been raised about difficulties with meeting these binding targets. Businesses are actively investing in new green technology and sustainable infrastructure, and divesting business interests from harmful fossil fuels. However, for many the targets that have been set still represent a significant challenge.

The international discourse surrounding carbon offsetting can be contentious, which is in part due to the unregulated nature of the sector, as well as misleading marketing and a lack of consumer understanding. It is also viewed with a cautionary lens, as offsetting is an imperfect solution to the greater climate crisis and, if permissible, it may disincentivise sectors from taking meaningful and long-term action to reduce the level of their harmful greenhouse gas emissions. It is also not as simple as planting trees to negate carbon emissions. Forestry requires responsible and sustainable long-term management, and it can be difficult to fully determine the level of carbon storage that occurs. This can be demonstrated by the difficulties in assigning a sectoral emission ceiling for the LULUCF sector and the subsequent delay of 18 months to account for further research and scientific investigation. As acknowledged in September’s sectoral emissions ceilings document “LULUCF is a novel and emerging sector having both significant sinks and sources, with dynamic and complex fluxes within these activities.”

However, we are facing a deepening climate crisis and we are falling behind in meeting our binding 2030 goals. This Forest Strategy sets out a pathway to 2030 and could offer an opportunity to explore and develop a carbon market that works for the sector, works for businesses, and works for the environment. The total value of global carbon markets grew by over 20 percent in 2020—the fourth consecutive year of record growth², demonstrating that it is a growing sector with both positive environmental and economic potential.

If carefully regulated, monitored closely, and implemented cautiously, we could see meaningful reductions in our carbon output and increased afforestation right across the country. For this reason, we should explore the potential of establishing a temporary, short-term offset market, which could play a damage limitation role as we progress our green transition to the next level.

Increased funding is welcome. Difficulties may still persist in encouraging further land use change:

The proposed funding of 1.3 billion for Irish forestry under the new programme is a very substantial and significant investment that should send a strong signal to the sector and potential investors.

In the past, uncertainty around funding agreements and conditions have hindered the potential development of any meaningful, sustained afforestation programmes. As noted, annual afforestation in Ireland peaked in the 1990s, at over 23,000ha per year and, since then, it has declined steadily to be 2,016ha in 2021. This is due in part to the impact of the 2003 European Court decision against Coillte Teoranta, the State forestry company, which resulted in the loss of up to €39 million in EU grants³.

² [McKinsey - Putting carbon markets to work on the path to net zero](#)

³ [Case C-339/00 - Ireland v Commission](#)

Despite the increase in total forestry area in Ireland, the rate of afforestation has decreased over the last decade. This is not good enough and it is having a negative impact on the viability of the sector and the environment. It is therefore welcome that a significant investment and intensive plan are now being proposed to reset the balance and to incentivise farmers and private investors to plant trees and contribute to the national afforestation goals. The new premium rates and extension of annual payments from 15 to 20 years for farmers are a bold statement of intent that should yield results.

However, Ireland is still a nation with a deep reputation in and respect for traditional farming. Throughout the centuries, this is an industry that has been protected and promoted across almost all levels of society. Encouraging farmers to change the use of their land to forestry may not be an easy sell and the financial incentives on offer through the new forestry programme may not be sufficient to affect the change required.

However, it is essential that this change does happen. In 2021, Ireland had one of the highest rates in the EU of greenhouse gas emissions per capita, with agriculture making up the largest share per sector and representing 37.5% of total emissions. As mentioned above, Ireland's forestry industry has suffered from depletion that is, in part, due to land clearances and the prioritisation of traditional farming.

Ireland's Climate Action Plan recognised that Ireland's land use, land use change and forestry sector was, at the time of publication, a climate source, as opposed to a climate sink. Increased afforestation was identified as a key goal and the introduction of incentives for diversification of land-use was highlighted as an important mitigator.

It will be important to monitor uptake and engage with farmers on potential barriers to accessing funding. Investment in the forestry sector will only happen with adequate and easy access to funding. If this proves too difficult, farmers and private landowners will continue to pursue other, more lucrative, revenue streams for their land.

Forestry as a service:

Another welcome intervention in the new draft forest strategy is the promotion of forestry as a service. Our national network of forests can have an abundance of positive impacts on many different areas of society. Forests can play a very important role in protecting our water sources, supporting biodiversity, promoting tourism and improving the health and wellbeing of communities.

In relation to waterways, forests have been proven to reduce the leaching of nutrients from agricultural soils, which can have a negative impact on the quality of water supplies in an area.⁴ They can also help regulate floodwater and reduce soil erosion. As outlined in our submission on the fourth National Biodiversity Action Plan⁵, narrowing our land use over time has meant that our land has become less effective at retaining water, which amplifies both the impact of droughts and the effects of flooding. Similarly, resinous monocrop pine plantations on dry peat soils are likely to be especially vulnerable to fires and this can result in the significant emission of greenhouse gases through the accumulations of carbon as the thick fuel soils burn. Chambers Ireland's Chief Executive, Ian Talbot, was recently (26th November 2022) invited to speak at the Citizen's Assembly on Biodiversity Loss in Ireland and made this point – "Our water supplies are dependent on improving the health of our land". A robust forest strategy that prioritises biodiversity and sustainable forest management, can improve our natural environment in an abundance of ways that can benefit everyone.

We welcomed the increased investment last year by the Department of Rural and Community Development to support recreation facilities and outdoor tourism in Coillte forests.⁶ The funding boost was direct recognition of the fact that visits to Coillte sites increased by forty percent during the pandemic. We should be capitalising on this transition to more outdoor-based

⁴ [Teagasc, The importance of trees in Ireland \(2021\)](#)

⁵ <https://www.chambers.ie/wp-content/uploads/2022/11/Chambers-Ireland-Submission-on-the-National-Biodiversity-Plan-Consultation.pdf>

⁶ [Minister Humphreys announces €1.2 million to support recreation facilities and outdoor tourism in Coillte forests](#)

activities. The public health emergency of Covid-19 has shown the importance and appreciation that people have for the outdoors and nature, which can have such positive effects on health and wellbeing. Similarly, 18 million people in total every year visit Coillte sites, which demonstrates the important role it plays in facilitating both domestic and international tourism.

For these reasons, greater recognition could be given through the funding streams to the additional benefits that afforestation could have on essential services, the Irish economy, and society more broadly. This could create greater incentives for farmers and other private landowners to invest in forestry and to make it a much more attractive and viable option for their land.

Forestry as a carbon sink:

In the new draft Forest Strategy, Chambers Ireland welcomes the strong recognition of how our national forests can play a pivotal role in Ireland meeting its climate targets, as agreed under the Paris Agreement and European Green Deal. With ambitions for climate neutrality by 2050 and a reduction in emissions of 51% by 2030, we still have a long way to go.

As outlined in the strategy, Irish forests, existing and future, will be planned and managed to optimise their potential as a long-term carbon sink and store. This is proposed through wood product innovation and greater use of timber in house and commercial building, where carbon will be locked-in through long-life products for decades. However, of the 3.2m m³ of roundwood produced in 2018, only 1.01m m³ was converted into sawn wood. About 40% of the wood biomass in Ireland is burnt and the vast majority of our forestry exports flow into wood-based panels, paper, and particle board which are not likely to act as long-term carbon sinks.

The efficacy of Irish timber as a carbon sink will need to be monitored and reported on if we are to convince different industries to convert to using sustainably sourced wood, as opposed to more traditional, carbon-intensive materials. For this reason, we welcome the commitment to

developing systems that will measure, record, track and optimise the storage of carbon in wood products. This should give different industries more confidence and conviction to alter their manufacturing processes.