

Open consultation on the EU Commission's Framework and Exemption Regulation on State aid

1. COMMUNICATION FROM THE COMMISSION

Guidelines for State aid in the agricultural and forestry sectors and in rural areas

The comments in *Chapter 2: Aid in the forestry sector* is to be welcomed in principle.

Private forests in Germany and the EU are characterised by small-scale structures. The average farm size in Germany is 3 ha and in the EU 13 ha. Accordingly, inter-company cooperation within the framework of 'forestry associations' (FWZ) as self-help facilities for forest owners will continue to play an increasing role in the management of small and very small forest ownership. The aim and purpose of the support must be to build as autonomous and structurally efficient FEZs as possible. The economic viability of the FEZs can only be drawn from a wide range of services for the entire range of forest ownership. It should be noted that, unlike in the case of agricultural groups, forestry associations do not primarily act as marketing organisations. Forestry associations provide small and micro-private forests with a range of services, such as support/advice in forest management, training sessions and an information platform on topical policy issues which are essential in particular for the forthcoming forest conversion. The impact of climate change on existing forests requires that the owners of small and micro-forests (0.5 to 20 ha) in particular receive technical and technical support and advice from the forestry associations. The adaptation of forests to climate change and the development of climate-tolerant forest resources are a priority.

Support for FEZs is essential because:

- Given the small-scale ownership structure, it can only optimise added value and structural development in rural areas;
- It is the only way to maintain the management of small private forest and, therefore, the multifunctional nature of forest assets;
- The sustainable management of forests and their preservation has been defined by the Paris Agreement at the latest as an important tool for achieving climate change objectives;
- Small private forest without technical and financial support does not meet these objectives or other objectives such as diversity of functions, stability and performance of the beneficial, protective and recreational function;

The decisive factor is that the duration of the aid is limited to seven years in order to comply with the above-mentioned provisions.

Tasks are not sufficient. Accordingly, it would be useful to add the following to *Chapter 2.6 Aid for cooperation in the forestry sector* (566): 'Aid must be limited to a maximum period of seven years, except in the case of activities referred to in point 561(c) and (g)...'.

2. COMMUNICATION FROM THE COMMISSION

Approval of the draft Commission Regulation establishing the Compatibility of certain categories of aid in the agricultural and forestry sectors and in rural areas with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Commission Regulation (EU) No 702/2014

We expressly welcome the further development of the content of the exemption regulation referred to above. In particular, we would like to highlight **positively** the following points:

The content of **recital 46** indicates that the previous national support measures have already complied with the Commission's requirements. The exemption from notification is an important step towards reducing red tape and a significant gain of time compared to the notification procedure.

In the interests of *simplification and procedural economy*, the presentation in **recital 51** recognises the need for extensive EAFRD measures to be exempt from the notification requirement. This makes it possible to take account of the diversity of forests and their management in the Member States.

Article 11(1) is fully supported, as the 20-day scheme contributes significantly to legal certainty for the beneficiaries of the aid.