

WBV Schongau eG
Main position 12, 86971 Icking

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European Commission
Directorate-General for Competition
Unit H.6
1049 Bruxelles/Brussel
Belgique/Belgie
Ref.: HT.5788

Office hours:
MO-Fr 08.30-11.30
Thursday 14.00-16.00

personal mobile phone
personal fax personal e-
mail

Your references, your message of
Please include in your
reply
Our sign
Mr Riedl/Mr Schmid

H direct line

Date
11.03.2022

Subject: "Public consultation on revised State aid rules for the agricultural and forestry sectors and in rural areas"

Directorate-General for Competition — Unit H.6
HT.5788

Dear Sir or Madam,

we are a forestry association with almost 1 300 members and 6 300 hectares of forest land. On average, this amounts to around 4.8 ha.

We welcome the possibility of providing feedback on the following two documents:

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 holdings, forestry groups are not primarily as Vermark—

Chairman of the Board of Directors: Martin Klein Chairman of the Supervisory Board: Leonhard Schweiger
Tel. + 49(0)8861/9092266 Fax 9093384 Managing Director: Florian Riedl Bank: Raiffeisenbank Pfaffenwinkel
The Court of First Instance: Schongau UID: DE241744724 — Taxes. 119/106/90223 Acting BIC: GENODEF1PEI
IBAN: DE30 70169509 0000 225827
organisations. Forestry associations provide small and micro private forests with a range of services, such as support/advice for forest management, training events and an information platform on current political issues, which are essential in particular for the forthcoming forest conversion. The fact that climate change affects existing forests requires that owners of small and micro-forests (0.5 to 20 ha) in particular be given technical and technical support and advice by the forestry authorities. 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;
- At the latest, the Paris Agreement on Climate Change delimited the sustainable management of forests and their preservation 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 limitation of the aid to seven years is not sufficient to fulfil the above-mentioned tasks. Accordingly, it would be useful to add *the following paragraph (566) to Chapter 2.6 Aid for cooperation in the forestry sector*: ‘Aid must be limited to a maximum period of seven years, except in the case of activities referred to in Randnummer 561(c) and (g).’.

2. COMMUNICATION FROM THE COMMISSION

Approval of a draft Commission Regulation declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible 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.

Yours sincerely,



(Florian Riedl)