

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

The Isar-Lech FBG, as a forestry association with high membership and area presence in Bavaria, welcomes 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 aid in the forestry sector listed in Chapter 2 is considered appropriate and necessary by FBG Isar-Lech.

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. Smaller forest owners are also represented in FBG Isar-Lech. They must stand against the highly volatile market economy and, above all, increasingly unpredictable climatic conditions.

The storms alone, which caused several million m³ of malt wood in Germany last February, have posed challenges for the members of our FBG, which would not have helped them without the support of our FBG. In addition, the Isar-Lech FBG provides members with a range of services, such as support/advice on regular forest management, rebidding events in the room and in the forest for members, and an information platform on topical policy issues that are essential in particular for the forthcoming forest conversion.

The impact of climate change on existing forests requires forest owners to be supported and advised in a factual and technical manner through forestry associations. The adaptation of forests to climate change and the development of climate-tolerant forest stands are a priority.

Accordingly, inter-company cooperation in the context of forestry associations (FWZ) as self-help facilities for forest owners will continue to play an increasing role in the management of 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.

Support for FEZs is essential because:

- Given the sometimes small-scale ownership structure, it is only possible to optimise added value and structural development in rural areas;
- It is the only way to maintain the management of the private forest and, therefore, of the forest cultural property with its multifunctional services;
- 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;
- Without technical and financial support, private forests cannot fulfil these objectives or other objectives, such as plurality of functions, stability and performance of the beneficial protection and recreation 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 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)’.

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.

The FBG Isar-Lech supports the provision in Article 11 (1), since the 20-day scheme contributes significantly to legal certainty for the beneficiaries of the aid.