

# Review of the State aid instruments for agriculture, forestry and rural areas

Fields marked with \* are mandatory.

## Introduction

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**The purpose of the present consultation is to invite public authorities and stakeholders to provide comments on the application of the EU State aid instruments for the agricultural and forestry sectors and for rural areas. The comments will be valuable input for the evaluation and review of those instruments.**

An undertaking, which receives public support, gains an advantage over its competitors. Therefore, the Treaty generally prohibits State aid. However, the Commission may authorise State aid under certain conditions, notably for reasons of economic development or market failure. The Commission makes use of guidelines and regulations when assessing the aid in order to ensure that the assessment is transparent, consistent and coherent.

To simplify State aid procedures, the Council has empowered the Commission to adopt block exemption regulations exempting certain categories of aid from the notification requirement. A specific framework of rules has been set up for State aid control in the agricultural and forestry sectors and in rural areas. For the period 2014 to 2020 this encompasses the following instruments:

- EU Guidelines for State aid in the agricultural and forestry sectors and in rural areas 2014 to 2020 (the "**Guidelines**");
- Commission Regulation (EU) No 702/2014 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 TFEU (known as the Agricultural Block Exemption Regulation; the "**ABER**")

The validity of the agricultural state aid rules expires on 31 December 2020. Therefore they will be revised in view of establishing new Guidelines and new Block Exemption Regulation for the period 2021-2027.

The questionnaire covers five sections. Section I seeks your opinion on the overall performance of the current State aid rules, on the State aid objectives to be pursued and on the challenges for the future, including simplification possibilities. Sections II, III, and IV concern more specifically State aid issues in relation to, respectively, agriculture, forestry and non-agricultural activities in rural areas. Section V raises the question of whether there is EU added value in having detailed rules to steer the Commission's

monitoring of State aid under the Treaty. Section V also allows you to comment on issues that are not otherwise addressed in the questionnaire.

## About you

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\* Language of my contribution

- ☐ Bulgarian
- ☐ Croatian
- ☐ Czech
- ☐ Danish
- ☐ Dutch
- ☒ English
- ☐ Estonian
- ☐ Finnish
- ☐ French
- ☐ Gaelic
- ☐ German
- ☐ Greek
- ☐ Hungarian
- ☐ Italian
- ☐ Latvian
- ☐ Lithuanian
- ☐ Maltese
- ☐ Polish
- ☐ Portuguese
- ☐ Romanian
- ☐ Slovak
- ☐ Slovenian
- ☐ Spanish
- ☐ Swedish

\* I am giving my contribution as

- ☐ Academic/research institution
- ☐ Business association
- ☐ Company/business organisation
- ☐ Consumer organisation
- ☐ EU citizen
- ☐ Environmental organisation
- ☐ Non-EU citizen
- ☒ Non-governmental organisation (NGO)
- ☐ Public authority
- ☐ Trade union
- ☐ Other

\* First name

Linde

\* Surname

ZUIDEMA

\* Email (this won't be published)

linde@fern.org

\* Organisation name

*255 character(s) maximum*

Fern

\* Organisation size

- ☐ Micro (1 to 9 employees)
- ☒ Small (10 to 49 employees)
- ☐ Medium (50 to 249 employees)
- ☐ Large (250 or more)

Transparency register number

*255 character(s) maximum*

Check if your organisation is on the [transparency register](#). It's a voluntary database for organisations seeking to influence EU decision-making.

40538475090-82

\* Country of origin

Please add your country of origin, or that of your organisation.

- |   |  |                                     |  |
|---|--|-------------------------------------|--|
| <input type="radio"/> Afghanistan         | <input type="radio"/> Djibouti           | <input type="radio"/> Libya         | <input type="radio"/> Saint Pierre and Miquelon        |
| <input type="radio"/> Åland Islands       | <input type="radio"/> Dominica           | <input type="radio"/> Liechtenstein | <input type="radio"/> Saint Vincent and the Grenadines |
| <input type="radio"/> Albania             | <input type="radio"/> Dominican Republic | <input type="radio"/> Lithuania     | <input type="radio"/> Samoa                            |
| <input type="radio"/> Algeria             | <input type="radio"/> Ecuador            | <input type="radio"/> Luxembourg    | <input type="radio"/> San Marino                       |
| <input type="radio"/> American Samoa      | <input type="radio"/> Egypt              | <input type="radio"/> Macau         | <input type="radio"/> São Tomé and Príncipe            |
| <input type="radio"/> Andorra             | <input type="radio"/> El Salvador        | <input type="radio"/> Madagascar    | <input type="radio"/> Saudi Arabia                     |
| <input type="radio"/> Angola              | <input type="radio"/> Equatorial Guinea  | <input type="radio"/> Malawi        | <input type="radio"/> Senegal                          |
| <input type="radio"/> Anguilla            | <input type="radio"/> Eritrea            | <input type="radio"/> Malaysia      | <input type="radio"/> Serbia                           |
| <input type="radio"/> Antarctica          | <input type="radio"/> Estonia            | <input type="radio"/> Maldives      | <input type="radio"/> Seychelles                       |
| <input type="radio"/> Antigua and Barbuda | <input type="radio"/> Ethiopia           | <input type="radio"/> Mali          | <input type="radio"/> Sierra Leone                     |

- Argentina
- Armenia
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- Bahamas
- Bahrain
- Bangladesh
- Barbados
- Belarus
- Belgium
- Belize
- Benin
- Bermuda
- Bhutan
- Bolivia
- Bonaire Saint Eustatius and Saba
- Bosnia and Herzegovina
- Botswana
- Bouvet Island
- Brazil
- British Indian Ocean Territory
- British Virgin Islands
- Brunei
- Bulgaria
- Burkina Faso
- Burundi
- Cambodia
- Cameroon
- Canada
- Falkland Islands
- Faroe Islands
- Fiji
- Finland
- North Macedonia
- France
- French Guiana
- French Polynesia
- French Southern and Antarctic Lands
- Gabon
- Georgia
- Germany
- Ghana
- Gibraltar
- Greece
- Greenland
- Grenada
- Guadeloupe
- Guam
- Guatemala
- Guernsey
- Guinea
- Guinea-Bissau
- Guyana
- Haiti
- Heard Island and McDonald Islands
- Honduras
- Hong Kong
- Hungary
- Iceland
- India
- Malta
- Marshall Islands
- Martinique
- Mauritania
- Mauritius
- Mayotte
- Mexico
- Micronesia
- Moldova
- Monaco
- Mongolia
- Montenegro
- Montserrat
- Morocco
- Mozambique
- Myanmar /Burma
- Namibia
- Nauru
- Nepal
- Netherlands
- New Caledonia
- New Zealand
- Nicaragua
- Niger
- Nigeria
- Niue
- Norfolk Island
- North Korea
- Northern Mariana Islands
- Norway
- Oman
- Singapore
- Sint Maarten
- Slovakia
- Slovenia
- Solomon Islands
- Somalia
- South Africa
- South Georgia and the South Sandwich Islands
- South Korea
- South Sudan
- Spain
- Sri Lanka
- Sudan
- Suriname
- Svalbard and Jan Mayen
- Swaziland
- Sweden
- Switzerland
- Syria
- Taiwan
- Tajikistan
- Tanzania
- Thailand
- The Gambia
- Timor-Leste
- Togo
- Tokelau
- Tonga
- Trinidad and Tobago
- Tunisia
- Turkey

- |  |                                   |   |  |
|--|-----------------------------------|---|--|
| <input type="radio"/> Cape Verde                       | <input type="radio"/> Indonesia   | <input type="radio"/> Pakistan                                    | <input type="radio"/> Turkmenistan                         |
| <input type="radio"/> Cayman Islands                   | <input type="radio"/> Iran        | <input type="radio"/> Palau                                       | <input type="radio"/> Turks and Caicos Islands             |
| <input type="radio"/> Central African Republic         | <input type="radio"/> Iraq        | <input type="radio"/> Palestine                                   | <input type="radio"/> Tuvalu                               |
| <input type="radio"/> Chad                             | <input type="radio"/> Ireland     | <input type="radio"/> Panama                                      | <input type="radio"/> Uganda                               |
| <input type="radio"/> Chile                            | <input type="radio"/> Isle of Man | <input type="radio"/> Papua New Guinea                            | <input type="radio"/> Ukraine                              |
| <input type="radio"/> China                            | <input type="radio"/> Israel      | <input type="radio"/> Paraguay                                    | <input type="radio"/> United Arab Emirates                 |
| <input type="radio"/> Christmas Island                 | <input type="radio"/> Italy       | <input type="radio"/> Peru  | <input type="radio"/> United Kingdom                       |
| <input type="radio"/> Clipperton                       | <input type="radio"/> Jamaica     | <input type="radio"/> Philippines                                 | <input type="radio"/> United States                        |
| <input type="radio"/> Cocos (Keeling) Islands          | <input type="radio"/> Japan       | <input type="radio"/> Pitcairn Islands                            | <input type="radio"/> United States Minor Outlying Islands |
| <input type="radio"/> Colombia                         | <input type="radio"/> Jersey      | <input type="radio"/> Poland                                      | <input type="radio"/> Uruguay                              |
| <input type="radio"/> Comoros                          | <input type="radio"/> Jordan      | <input type="radio"/> Portugal                                    | <input type="radio"/> US Virgin Islands                    |
| <input type="radio"/> Congo                            | <input type="radio"/> Kazakhstan  | <input type="radio"/> Puerto Rico                                 | <input type="radio"/> Uzbekistan                           |
| <input type="radio"/> Cook Islands                     | <input type="radio"/> Kenya       | <input type="radio"/> Qatar                                       | <input type="radio"/> Vanuatu                              |
| <input type="radio"/> Costa Rica                       | <input type="radio"/> Kiribati    | <input type="radio"/> Réunion                                     | <input type="radio"/> Vatican City                         |
| <input type="radio"/> Côte d'Ivoire                    | <input type="radio"/> Kosovo      | <input type="radio"/> Romania                                     | <input type="radio"/> Venezuela                            |
| <input type="radio"/> Croatia                          | <input type="radio"/> Kuwait      | <input type="radio"/> Russia                                      | <input type="radio"/> Vietnam                              |
| <input type="radio"/> Cuba                             | <input type="radio"/> Kyrgyzstan  | <input type="radio"/> Rwanda                                      | <input type="radio"/> Wallis and Futuna                    |
| <input type="radio"/> Curaçao                          | <input type="radio"/> Laos        | <input type="radio"/> Saint Barthélemy                            | <input type="radio"/> Western Sahara                       |
| <input type="radio"/> Cyprus                           | <input type="radio"/> Latvia      | <input type="radio"/> Saint Helena Ascension and Tristan da Cunha | <input type="radio"/> Yemen                                |
| <input type="radio"/> Czechia                          | <input type="radio"/> Lebanon     | <input type="radio"/> Saint Kitts and Nevis                       | <input type="radio"/> Zambia                               |
| <input type="radio"/> Democratic Republic of the Congo | <input type="radio"/> Lesotho     | <input type="radio"/> Saint Lucia                                 | <input type="radio"/> Zimbabwe                             |
| <input type="radio"/> Denmark                          | <input type="radio"/> Liberia     | <input type="radio"/> Saint Martin                                |  |

#### \* Publication privacy settings

The Commission will publish the responses to this public consultation. You can choose whether you would like your details to be made public or to remain anonymous.

##### ☐ **Anonymous**

Only your type, country of origin and contribution will be published. All other personal details (name, organisation name and size, transparency register number) will not be published.

##### ☒ **Public**

Your personal details (name, organisation name and size, transparency register number, country of origin) will be published with your contribution.

☒ I agree with the [personal data protection provisions](#)

## I. General questions

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### 0. To identify what is your interest in State aid, please indicate the stakeholder category to which you belong:

- ☐ Public authority responsible for granting State aid in an EU Member State
- ☐ Beneficiary of aid for the agricultural sector
- ☐ Beneficiary of aid for the forestry sector
- ☐ Beneficiary of aid for non-agricultural activities in rural areas
- ☐ Farmers' organisation
- ☐ Foresters' organisation
- ☐ Undertaking active in downstream sectors to agriculture or forestry
- ☒ NGO or other civil society organisation
- ☐ Academia, think-tank, consultancy or other expertise
- ☐ General public
- ☐ Other

### 1. Based on your experience, how well have the current State aid rules responded to the following purposes?

|   | Not at all                       | To some extent                   | To a large extent                | Fully                 | Don't know                       |
|---|----------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|
| Useful spending of taxpayers' money   | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| Market failures addressed   | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| A level playing field for undertakings  | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| Transparent, consistent and coherent handling of State aid cases  | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> |
| Coherence with Rural Development objectives under the CAP (i.e. fostering competitiveness, sustainable management of natural resources and climate action and balanced territorial development) | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| Clear rules   | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            |
| Legal certainty   | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            |
| Reduction of administrative costs for public authorities  | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> |
| Reduction of regulatory burdens for aid beneficiaries   | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> |

### 2. Based on your experience, how coherent are the current State aid rules with other EU policies and legislation?

|   | Not at all                       | To some extent                   | To a large extent                | Fully                 | Don't know                       |
|---|----------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|
| Horizontal State aid instruments  | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> |
| Common Agricultural Policy (CAP)  | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            |
| EU Cohesion Policy  | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| EU Environmental Protection Policy  | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| EU 2030 Climate and Energy Framework and the long-term vision for a climate-neutral economy by 2050 | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            |
| EU Veterinary and Public Health Policy  | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> |
| EU Research and Development Policy  | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            |
| EU Policy on Small and Medium Enterprises (SMEs)  | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            |

### 3. From your perspective, how important are the objectives pursued by the granting of State aid?

|   | No importance         | Low importance                   | Average importance               | Very high importance             | Don't know            |
|---|-----------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------|
| Competitiveness and economic viability of undertakings in the agriculture and forestry sector | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Viable food production  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Socio-economic development in rural areas   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Growth of the bioeconomy sectors (including food and non-food use)                            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> |
| Sustainable forest management   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Sustainable use of natural resources  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Ecosystem services and biodiversity   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Climate change mitigation   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Climate change adaptation   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Protection of public and animal health  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Animal welfare  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |

|  |                       |                       |                       |                                  |                       |
|--|-----------------------|-----------------------|-----------------------|----------------------------------|-----------------------|
| Access to knowledge and new technologies | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Other                                    | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |

If you have referred to “other” objectives, please specify:

*500 character(s) maximum*

-Maintaining and enhancing forest carbon stocks and sink capacity (high importance), following the Paris Agreement.  
- Sustainable forest management practices, the restoration of forests, e.g. development of mixed forests and (high importance)  
- Circular economy in wood working / forest based sector (average/high importance)  
\*Incentive mechanisms are now focused on biomass mobilisation/bioeconomy and on marketing forest products, which is leading to decreasing forest carbon sinks.

#### 4. From your perspective, which are the most important challenges to be addressed by the future State aid rules?

|  | No importance         | Low importance                   | Average importance               | Very high importance             | Don't know            |
|--|-----------------------|----------------------------------|----------------------------------|----------------------------------|-----------------------|
| Competitiveness, resilience and economic viability of undertakings     | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Jobs and growths in rural areas  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Generational renewal in rural areas                                    | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Changes in the production conditions, including technological progress | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Market developments  | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> |
| Societal demands on food and health                                    | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Avoidance of harmful impacts on environment (water, soil, air etc.)    | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Biodiversity loss  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Reduction of greenhouse gas emissions and enhancement of carbon sinks  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Adverse climatic events  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Animal diseases  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Plant pests  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Damage caused by wild animals  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |



|                                     |                       |                       |                                  |                                  |                       |
|-------------------------------------|-----------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|
| Administrative costs and burdens    | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| Useful spending of taxpayers' money | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| Other                               | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |

If you have referred to “other” objectives, please specify:

*500 character(s) maximum*

Forests: Forest restoration and preventing deforestation (high importance). Other challenges - developing a forestry sector / economic model that fits within EU climate goals; increasing knowledge on climate friendly forest management with foresters.

Agriculture: Supporting a more resilient and viable agricultural sector and rural economy is very important, but rather than on 'competitiveness', the focus should be on structural readjustment for better profitability and long-term viability.

**5. The State aid rules set out various conditions that are meant to limit undue distortive effects of aid on the internal market. Based on your experience, how important are the following conditions?**

|   | No importance         | Low importance                   | Average importance    | Very high importance             | Don't know            |
|---|-----------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Limitation of eligible costs  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| Maximum aid intensities/maximum aid amounts   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| The form of the aid (e.g. loans or guarantees instead of direct grants)   | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| For large undertakings, stricter conditions for granting aid as compared to SMEs  | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> |
| For undertakings active in processing and marketing of agricultural products, stricter conditions for granting investment aid as compared to undertakings active in primary agricultural production | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> |

**6. Based on your experience, what is the potential for simplification under future State aid rules?**

|  | No potential | Low potential | Average potential | Very high potential | Don't know |
|--|--------------|---------------|-------------------|---------------------|------------|
|--|--------------|---------------|-------------------|---------------------|------------|

|   |                                  |                       |                                  |                                  |                                  |
|---|----------------------------------|-----------------------|----------------------------------|----------------------------------|----------------------------------|
| Clearer rules and definitions   | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            |
| Streamlined approach to interventions included in CAP Strategic Plans     | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            |
| Simplified cost options (i.e. lump sum or flat rate payments)             | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> |
| Alignment of maximum aid intensities with Rural Development support rates | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            |
| Simplified incentive effect requirements for subsidised services          | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            |
| Simplified approach to aid for cooperation                                | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            |
| Simplified approach to aid for local development (LEADER)                 | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            |
| Extension of the scope of the ABER to new aid categories                  | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> |
| Higher notification thresholds under the ABER                             | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            |
| Other   | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            |

## 7. What are your specific suggestions for simplification?

1500 character(s) maximum

The duty to spend tax-payers money effectively must not be sacrificed for the sake of simplification. Agricultural state aids should always satisfy the 'incentive effect' criteria. Additionally, when state aids are granted for agricultural risk management measures, beneficiaries should be obliged to produce a risk mitigation plan.

There could be simplified rules for spending which targets the delivery of public goods such as forest protection and restoration, or other environmental benefits which clearly meets the 'objective of common interest' test.

Questions 8 to 10 are only for public authorities.

## II. Aid for the agricultural sector

### Current specific provisions:

Part II, Chapter 1 of the Agricultural State Aid Guidelines

Chapter III, Sections 1 to 3 of the Agricultural Block Exemption Regulation (ABER)

### 11. Are you, or have you been, a beneficiary of State aid for the agricultural sector?

- ☐ Yes  
☒ No

**12. Based on your experience, do you agree with the following statements on State aid granted to the agricultural sector under the current State aid rules?**

|  | Agree strongly        | Agree                 | No strong view                   | Disagree                         | Disagree strongly     |
|--|-----------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|
| The aid has helped to achieve viable food production.  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| The aid has fostered competitiveness in the agri-food sector.  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| The aid has fostered sustainable growth in the agri-food sector.   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| The aid has helped the development of the bioeconomy.  | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> |
| The aid has helped to achieve a sustainable use of natural resources in agriculture.                                       | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| The aid has contributed to climate change mitigation and/or adaptation.  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |
| The positive effects outweigh the potential distortive effects of the aid on competition and trade in the internal market. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> |

**13. Regarding State aid for investments in the agricultural sector: Do you have views on what could be the potential distortive effects on competition and intra-EU trade?**

- ☐ Yes  
☐ No  
☒ Don't know

If yes, please substantiate and give concrete examples (i.e. did the aid crowd out investments of competitors or attract activity away from neighbouring regions?).

*1500 character(s) maximum*

**14. Have you experienced any particular difficulties in complying with the current State aid rules on aid for the agricultural sector?**

- ☐ Yes  
☐ No  
☒ Don't know

**15. Based on your experience, would you agree with the following changes to the State aid rules?**

|  | Agree strongly                   | Agree                            | No strong view                   | Disagree              | Disagree strongly     |
|--|----------------------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|
| No aid shall be granted for purchase of land unless it serves environmental and climate objectives, or installation of young farmers.                                      | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| The conditions for granting aid for irrigation investments should be better targeted towards protection of water bodies, taking into account projected climate conditions. | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| The scope for granting aid to prevent, control and eradicate animal diseases and to make good damage should be extended to emerging animal diseases                        | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| Compensation for damage caused by animal diseases or plants pest should cover loss of value of products also where those products are not destroyed.                       | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Compensation for damage caused by protected animals should cover indirect costs for damage to plants (such as treatments costs and additional labour costs).               | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Compensation for damage caused by protected animals should cover indirect income losses (such as reduced production capacity).   | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

### III. Aid for the forestry sector

#### Current specific provisions:

*Part II, Chapter 2, of the Agricultural State Aid Guidelines*

*Chapter III, Sections 4 to 5 of the Agricultural Block Exemption Regulation (ABER)*

#### 16. Are you, or have you been, a beneficiary of State aid for the forestry sector?

- ☐ Yes  
☒ No

#### 17. Based on your experience, do you agree with the following statements on State aid granted to the forestry sector under the current State aid rules?

|  | Agree strongly | Agree | No strong view | Disagree | Disagree strongly |
|--|----------------|-------|----------------|----------|-------------------|
|  |                |       |                |          |                   |

|  |                       |                       |                                  |                                  |                                  |
|--|-----------------------|-----------------------|----------------------------------|----------------------------------|----------------------------------|
| The aid has helped to achieve a viable forest area development.  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            |
| The aid has helped the development of the bioeconomy.  | <input type="radio"/> | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/>            |
| The aid has increased the resilience and protection of forest ecosystems.  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> |
| The aid has contributed to carbon sequestration.   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/>            | <input checked="" type="radio"/> |
| The aid has contributed to the recreational or ecological function of forests.   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            |
| The positive effects outweigh the potential distortive effects of the aid on competition and trade in the internal market. | <input type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/>            |

**18. Regarding State aid for forestry investments: Do you have views on what could be the potential distortive effects on competition and intra-EU trade?**

- ☒ Yes  
☐ No  
☐ Don't know

If yes, please substantiate and give concrete examples (i.e. did the aid crowd out investments of competitors or attract activity away from neighbouring regions?).

*1500 character(s) maximum*

The use of biomass can be promoted under the EU's renewable policies as well as under the aim of developing a 'bioeconomy', both under the pretext of climate change mitigation. However, the use of biomass for short lived products such as energy can lead to an increase in emissions, because of the direct CO<sub>2</sub> emissions from burning and from intensified forest management. At the moment, bioenergy policies are leading to increasing harvests and decreasing forest carbon sinks and to an increase in wood use for energy compared to material uses. The latter is specifically problematic because of market distortion of the raw material market as well as resource efficiency. Today, around 70 % of the wood harvest is back in the atmosphere after 2 years (energy, paper, etc.). A bioeconomy could help mitigate climate change, but not in the current way we use biomass as a limited resource. We need to make a transformative transition towards a bioeconomy that is based on principles of the circular economy, more sustainable consumption patterns and in which land and forests are managed sustainably, providing us with biomass resources that we increasingly use for long(er) lived uses. However, at the moment, state aid is primarily aimed at incentivising the use of biomass with the shortest lifespan. That is not compatible with climate and environmental objectives. Also, incentivising use of biomass for energy can also distort the market of wood pellets for residential use.

**19. Have you experienced any particular difficulties in complying with the current State aid rules on aid for the forestry sector?**

- ☐ Yes  
☒ No  
☐ Don't know

**20. Based on your experience, would you agree with the following changes to the State aid rules?**

|  | Agree strongly                   | Agree                 | No strong view                   | Disagree              | Disagree strongly     |
|--|----------------------------------|-----------------------|----------------------------------|-----------------------|-----------------------|
| No investment aid should be granted for purchase of land unless it serves environmental and climate objectives.                                    | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| Investments in afforestation must be consistent with climate and environmental objectives as governed by sustainable forest management principles. | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| In case of cooperation: The maximum aid intensity for non-productive investments should be 100 % of the eligible costs.                            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| The scope of the ABER should be extended to forestry measures that are currently only covered by the Guidelines.                                   | <input type="radio"/>            | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

#### IV. Aid for non-agricultural activities in rural areas

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**Specific provisions:**

*Part II, Chapter 3, of the Agricultural State Aid Guidelines*

*Chapter III, Section 6 of the Agricultural Block Exemption Regulation (ABER)*

**21. Are you, or have you been, a beneficiary of State aid for non-agricultural activities in rural areas?**

- ☐ Yes  
☒ No

**22. Based on your experience, do you agree with the following statements on State aid granted in rural areas under the current State aid rules?**

|   | Agree strongly        | Agree                            | No strong view                   | Disagree              | Disagree strongly     |
|---|-----------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|
| The aid has led to employment and growth in rural areas.                              | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| The aid has been useful to boost the creation and development of SMEs in rural areas. | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |
| The aid has strengthened the economic and social fabric in rural areas.               | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |

|  |                       |                                  |                                  |                       |                       |
|--|-----------------------|----------------------------------|----------------------------------|-----------------------|-----------------------|
| The aid has contributed to cultural and recreational activities in rural areas.  | <input type="radio"/> | <input type="radio"/>            | <input checked="" type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| The positive effects outweigh the potential distortive effects of the aid on competition and trade in the internal market. | <input type="radio"/> | <input checked="" type="radio"/> | <input type="radio"/>            | <input type="radio"/> | <input type="radio"/> |

**23. Regarding State aid for the processing of agricultural products into non-agricultural products: Do you have views on what could be the potential distortive effects on competition and intra-EU trade?**

- ☐ Yes
- ☐ No
- ☒ Don't know

**24. Have you experienced any particular difficulties in complying with the current State aid rules on aid for non-agricultural activities in rural areas?**

- ☐ Yes
- ☐ No
- ☒ Don't know

## V. Final

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**25. Based on your experience, do you agree that there is EU added value in having a common framework of detailed rules for assessing the compatibility of State aid with the internal market?**

- ☐ Agree strongly
- ☒ Agree
- ☐ No strong view
- ☐ Disagree
- ☐ Disagree strongly

**26. Do you have other comments than those covered by the previous questions?**

*3000 character(s) maximum*

Incentive mechanisms are now primarily focused on increasing biomass mobilisation for a growing bioeconomy, bioenergy production and on marketing forest products. This is not leading to the most optimal result in the role of forests and biomass for climate change mitigation and nature protection.

The concept of bioeconomy is based on the notion that biomass is a renewable resource. But the renewability of biomass is relative to the counterfactual scenario - what would or could have happened to the forest or biomass, a limited resource, in case it wasn't used to produce energy, plastics, etc.

Forests have an important role to play as forest carbon pools and sinks, and Harvested Wood Products provide an important carbon pool as well. But forest carbon sinks are projected to decline significantly over the next decades, partially because of increasing harvests for bioenergy. At the moment, already around 70 per cent of the wood harvest is back into the atmosphere after 2 years in the form of energy, paper, etc. That is not the sustainable climate-friendly Bioeconomy that fits with commitments under the Paris Agreement and the Sustainable Development Goals, as well as other EU objectives on climate, nature protection, tackling deforestation and resource efficiency.

State aid can play a positive role in encouraging a transition towards a more sustainable, circular bioeconomy, whereby forests are managed more sustainably for nature protection as well as for maintaining and enhancement of carbon sinks, a specific commitment under the Paris Agreement. There is a potential for restoring forest landscapes in a way that preserves the multi-functional role of forests, including providing biomass for various purposes. State aid is fundamental in ensuring a transition to more sustainable wood uses that are connected with more sustainable management of forests to increase their potential to mitigate climate change and increase their resilience to climate change. A developing bioeconomy can substitute the use of fossil fuels, but should not go hand in hand with a further deterioration of forests and carbon sinks. Those dangerous trade-offs should be mitigated within a new state aid framework.

You may attach supporting documents for your replies to the questions above.

The maximum file size is 1 MB

Only files of the type pdf,txt,doc,docx,odt,rtf are allowed

## Useful links

[State Aid website \(https://ec.europa.eu/agriculture/stateaid\\_en\)](https://ec.europa.eu/agriculture/stateaid_en)

## Contact

AGRI-STATE-AIDS-CONSULTATION@ec.europa.eu