

Brussels, 22 February 2019

**Feedback on the European Commission inception impact assessment:
Review of Agricultural State aid Guidelines and Review of the Agricultural Block Exemption Regulation**

The Confederation of European Forest Owners (CEPF) welcomes the European Commission initiative to review the Agricultural State aid Guidelines and the Agricultural Block Exemption Regulation (ABER). CEPF considers that consistency and continuity between the CAP Strategic Plans regulation and future State aids Guidelines are essential for the forest sector, which is known for long-term actions and over-generational thinking. CEPF also considers important to ensure appropriate national flexibility to enhance viability of EU rural areas and ensure the sustainable management of European forests.

More than 40% of EU's land area is covered with forests of which approximately 60% are privately owned. European forests represent more than half of the designated Natura 2000 areas. Forests sequester CO₂ from the atmosphere as they grow and deliver multiple goods and ecosystem services such as biodiversity, soil protection, drinking water, non-wood forest products and recreational spaces. At the same time, forests are a sustainable source of timber, pulp, paper and energy, providing the largest non-food renewable resource for a sustainable bioeconomy, growth in rural areas and around 4 million jobs in forestry and related industries. Forest resources, including growing stock and the size of forests have been significantly increasing during last decades in Europe. Thus, forest sector and active sustainable forest management contribute significantly to the achievement of the EU rural development, environmental, climate and bioeconomy policy targets. Investments in active and sustainable forest management are one of the prerequisites for the development of healthy and viable forest resources and a basis for the development of the sector.

The current State aids Guidelines follow closely the Rural Development regulation 2014-2020. As the delivery model and the structure of the Commission proposal for a CAP Strategic Plans regulation differs significantly from it, with the removal of EU level eligibility criteria for support and increased Member States flexibility to define national eligibility conditions and measures, the reviewed State aids Guidelines should be adapted to the new legal framework.

Given this new approach, State aid Guidelines framework should allow enough flexibility for Member States to define appropriate forestry support schemes and eligible forestry measures according to their national context.

Moreover, State aid Guidelines should not set stricter limit to eligible support schemes and measures than the CAP Strategic Plans regulation. This may place forest owners in unequal positions depending on their home country. This would also be against a coherent policy between EU funded support schemes and national funded schemes.

CEPF welcomes the opportunity to contribute to further steps of the review and reminds that it is of utmost importance that European forest owners are considered as main partners, and not only as stakeholders, when it comes to reviewing State aids Guidelines and ABER.

