

Revised State aid rules for the agricultural and forestry sectors and in rural areas

The Bioenergy Association of Finland (EU Transparency Register: 174042620514-51) welcomes and supports the new State Aid guidelines. There is a clear need for them. The new guidelines make it possible to improve sustainable forest management and agriculture, while aiming at the EU's climate and environmental commitments. We welcome the recognition of the impacts of climate change in forests, forestry and agriculture.

State Aid for different activities in forest should, if possible, always use average costs in order to make administration easier and keep administrative costs reasonable.

We support an option for State Aid to the forestry sector with ecological objectives, especially improving the resilience and environmental value of forest ecosystems in management of young stands.

We also support an option for State Aid for prevention of forest fires, other natural disasters and investments in maintaining the health of forest ecosystems and in maintenance of the relevant infrastructure.

There should be no connection between State Aid and Taxonomy regulation, since the taxonomy has been developed for particularly sustainable and voluntary financing and should stay as such.

There are risks for market distortions in the case of State Aid for carbon cycles. The use of an aid level of even more than 100 percent is questionable considering market driven development of carbon cycles and other measures, such as the initiative to restore carbon cycles and carbon removal certification.

Some detailed comments:

2.1 and 2.1.2: We underline that green and just energy transition must allow the use of short rotation coppice, such as willow, in former peat extraction areas and in former

agricultural fields. This will enable negative emission technologies, such as production of high permanence biobased carbon.

2.4 Definitions (32): Definition for carbon farming systems point (19) should include also adding biobased carbon that has high permanence.

(147) Aid limitation based on the sustainability criteria and GHG-emission savings as on directive EU 2018/2001, article 29 cannot be considered as such appropriate for much smaller energy producers like farms. The monitoring and verification procedure would be too excessive for farms.