

# 19. Agroforestry and the EU ABER Regulation

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The European Agroforestry Federation (Transparency Register [913270437706-82](https://ec.europa.eu/transparency/regexp10/index.cfm?do=entity.entity_details&entity_id=913270437706-82)) aims “to promote the adoption of agroforestry practices across Europe by supporting efforts to develop awareness, education, research, policy making and investments which foster the use of trees on farms”. It has a network of 31 affiliated entities in 23 countries.

Changes in the Agricultural Block Exemption Rules (ABER) for State Aid to agriculture, forestry, fisheries and aquaculture were published on 14.12.22 as Commission [Regulation 2022/2472](#). This replaces [Regulation 702/2014](#). EURAF particularly welcomes: a) the extension of funding to the restoration of existing agroforestry areas, rather than simply new planting, b) the increase in payments for establishment and restoration from 80% to 100% of eligible costs, c) the increase in the eligibility period for annual premiums from 5 years to 12 years. These changes could put agroforestation schemes on a par with afforestation in countries like Ireland, Netherlands (Figure 1) and Finland, which finance forestry using national or European funds which are outside of the CAP. There is concern, however, that these States are not required to provide any reporting at a European level on their forestry and agroforestry activities.



Figure 1. An agroforestry system in the Netherlands. NL, IE, FI and SE have removed funding for forestry and agroforestry from the CAP, but it is subject to the ABER Regulation.

The revised Agricultural Block Exemption Regulation (‘ABER’) declares specific categories of aid compatible with EU State aid rules and exempt them from the

requirement of prior notification to and approval by the Commission, provided that they fulfil certain conditions. This enables Member States to quickly provide aid while meeting the conditions of the single market. The rules laid down in the ABER are complementary to those set out in the conditions of the Common Agricultural Policy and described in the CAP Strategic Plans of Member States, but small differences do exist.

The new ABER rules extend the scope of block-exempted measures, including:

- new categories of aid, such as compensating for damage caused by protected animals
- aid for environmental management commitments
- aid for cooperation in the agricultural and forestry sectors
- measures for community-led local development projects
- a new ceiling for European Innovation Partnership Operational Group projects aimed at rural areas;
- a new, simplified procedure for the authorisation of State aid for measures co-financed under the CAP;
- enlarged scope of measures allowing for aid to be granted for emerging animal diseases and certain invasive alien species;
- new incentives for farmers to commit to schemes which respect stricter environmental standards than required by law.

The definition of “**Agroforestry Systems**” is unchanged in the new Regulation - being “*land use systems where trees are grown in combination with agriculture on the same land*” (Article 2.9). Similarly, the notification threshold (above which special permission is needed from the Commission) for an agroforestry system establishment project remains unchanged at €7.5 million (Article 4.m). Aid for Agroforestry Systems is described in Article 42. It **shall cover** the costs of establishment, regeneration or renovation of agroforestry areas. It includes an annual maintenance premium per hectare, and **may cover** investment costs:

- **Investment operations** include items like purchase of land (up to 10% of total), purchase/lease of machinery and a wide range of planning and business costs (see overleaf). Eligible investment operations are largely unchanged from the 2014 Regulation.
- **Establishment/regeneration/renovation costs** include not only the planting, protection and first year replanting costs, but also the costs of converting forests and other wooded land to agroforestry systems, and costs associated with supporting animals in silvopastoral systems. Eligible operations are largely unchanged from the 2014 version, but regeneration/renovation costs of existing agroforestry areas are included and the maximum contribution is increased from 80% to 100%.
- **Annual maintenance premiums** may be paid for a maximum of 12 years. This is now the same as in Article 41 (afforestation), and is a welcome improvement from the previous limit of 5 years.

While the increased % establishment/renovation payments and extended period of the annual premium are welcome, there is a clear loss of information for the EU on what Member States are doing. Countries using the State Aid rules for forestry<sup>1</sup> are no longer required to meet the monitoring and reporting requirements of the CAP “Performance Monitoring and Evaluation Framework”. This includes inputs to a (confidential to the Commission) database of planned planting areas, beneficiaries, and the degree to which these targets are achieved. A raft of CAP Implementing Regulations simply do not apply (e.g. [2021/637](#), [2021/2290](#), [2022/1474](#) and [2022/1475](#)). This avoidance of reporting “bureaucracy” is stated in the ABER [Staff Working Paper](#) to be one of the reasons why the State Aid rules are increasingly used by Member States in their forestry programmes. **EURAF therefore hopes that this lack of standardised forestry and agroforestry statistics will be addressed in the upcoming “Framework Regulation for Forest Monitoring and Strategic Plans”** (see EURAF [Policy Briefing #15](#)).



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<sup>1</sup> Currently this includes Ireland, Netherlands, Finland, Sweden, Luxemburg, and some German Länder (Bavaria, Niedersachsen+Bremen und Rheinland-Pfalz).

## Annex A - Comparison of aid provided to agroforestry and the old (2014) and new (2022) ABER Regulations

Article 42 - Aid for Agroforestry Systems (21.12.2022)	Article 33 - Aid for Agroforestry Systems (1.7.2014)
1 Aid for agroforestry systems shall be compatible with the internal market within the meaning of Article 107(3), point (c), of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in this Article and in Chapter I of this Regulation.	1. Aid for agroforestry systems granted to private land holders, municipalities and their associations shall be compatible with the internal market within the meaning of Article 107(3)(c) of the Treaty and shall be exempted from the notification requirement of Article 108(3) thereof where it fulfils the conditions laid down in paragraphs 2 to 11 of this Article and in Chapter I.
2. Aid for agroforestry systems shall cover the costs of establishment, regeneration or renovation and an annual premium per hectare	2. The aid shall: (a) be granted in the framework of a rural development programme in accordance with Regulation (EU) No 1305/2013 and the delegated and implementing acts adopted by the Commission pursuant to that Regulation either: (i) as aid co-financed by the EAFRD; or (ii) as additional national financing to the aid referred to in point (i); And (b) be identical to the underlying rural development measure provided for in the rural development programme referred to in point (a).
Omitted	3. The legal basis for the aid shall specify that the aid shall not be put into effect before the approval of the relevant rural development programme by the Commission.
3. Aid for agroforestry systems <b>may</b> cover investment operations.	4. The aid for agroforestry systems shall cover the costs of establishment and an annual premium per hectare. The aid for agroforestry systems <b>may</b> cover investment operations.
4. Save where support is <b>provided in the form of financial instruments</b> <sup>2</sup> , aid for agroforestry systems related to investment operations shall cover the following eligible costs: (a) the construction, acquisition, including leasing, or improvement of immovable property, with purchase of land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned with the exception of land purchase if the aid is granted in the framework of a CAP Strategic Plan; (b) the purchase or lease purchase of machinery and equipment up to the market value of the asset; (c) general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where no expenditure as referred under in points (a) and (b) is incurred; (d) the acquisition, development or usage fees of computer software, cloud and similar solutions, and the acquisition of patents, licences, copyrights, trademarks; (e) the costs of establishing forest management plans or equivalent instrument.	5. The aid for agroforestry systems related to investment operations shall cover the following eligible costs: (a) the construction, acquisition, including leasing, or improvement of immovable property, with land only being eligible to an extent not exceeding 10 % of the total eligible costs of the operation concerned; (b) the purchase or lease purchase of machinery and equipment up to the market value of the asset; (c) general costs linked to the expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies; feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under in points (a) and (b) is being incurred; (d) the acquisition or development of computer software and the acquisitions of patents, licences, copyrights, trademarks; (e) the costs of establishing forest management plans or equivalent instrument.
5. For investment operations requiring an <b>environmental impact assessment</b> under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid. The first subparagraph shall not apply to aid which is provided in the form of financial instruments.	6. The investment operations shall be in conformity with Union legislation and with national laws of the Member State concerned on environmental protection. For investment operations requiring an environmental impact assessment under Directive 2011/92/EU the aid shall be subject to the condition that such assessment shall have been carried out and the development consent shall have been granted for the investment project concerned before the date of granting the individual aid.
6. The following costs for <b>establishment, regeneration or renovation</b> of the agroforestry	7. The following costs for establishment may be eligible:

<sup>2</sup> “Financial Instruments” in the EU context are partnerships with public and private institutions such as banks, venture capitalists or angel investors the instruments can cover equity and debt guarantees, venture capital, capacity building and risk sharing facilities ([EU Commission](#))

<p>system <b>shall</b> be eligible:</p> <p>A. the costs for planting trees, including the costs of the plantation material, the plantation, the storing and the treatments of seedlings with the necessary prevention and protection materials;</p> <p>B. the costs for <b>converting existing forests or other wooded land</b>, including the costs for felling trees, thinning and pruning and protection against grazing animals;</p> <p>C. other costs directly linked to the <b>establishment, regeneration or renovation</b> of an agroforestry system, such as costs for feasibility studies, establishment plan, soil examination, soil preparation and protection;</p> <p>D. the costs of <b>silvopastoral</b>, namely grazing system, watering and protective facilities;</p> <p>E. the costs of the <b>necessary treatment</b> connected to the establishment, regeneration or renovation of an agroforestry system, including watering and cutting;</p> <p>F. the costs for <b>replanting</b> during the first year after the establishment, regeneration or renovation of an agroforestry system.</p>	<p><i>A. the costs for the establishment of the agroforestry system by planting trees, including the costs of the plantation material, the plantation, the storing and the treatments of seedlings with the necessary prevention and protection materials;</i></p> <p><i>B. the costs for the establishment of the agroforestry system by converting existing forests or other wooded land, including the costs for felling trees, thinning and pruning and protection against grazing animals;</i></p> <p><i>C. other costs directly linked to the establishment of an agroforestry system such as costs for feasibility studies, establishment plan, soil examination, soil preparation and protection;</i></p> <p><i>D. the costs of silvopastoral, namely, grazing system watering and protective facilities;</i></p> <p><i>E. the costs of the necessary treatment connected to the establishment of an agroforestry system, including watering and cutting;</i></p> <p><i>F. the costs for replanting during the first year after the establishment of an agroforestry system</i></p>
<p>7. The annual premium per hectare shall cover the costs of maintenance of the agroforestry system, and shall be paid for a <b>maximum period of 12 years</b> from the date of granting the aid. The eligible costs of maintenance may relate to the established tree belts, the weeding, pruning and thinning and protective actions and investments such as fences or individual protection tubes.</p>	<p><i>8. The annual premium per hectare shall cover the costs of maintenance of the agroforestry system, and shall be paid for a maximum period of five years from the date of granting the aid. The eligible costs of maintenance may relate to the established tree belts, the weeding, pruning and thinning and protective actions and investments such as fences or individual protection tubes.</i></p>
<p>8. Member States shall determine the <b>structure and composition</b> of the agroforestry system, taking account of the following:</p> <p>(a) local pedo-climatic and environmental conditions;</p> <p>(b) forestry species;</p> <p>(c) the need to ensure sustainable agricultural use of the land.</p>	<p><i>9. Member States shall determine the maximum number of trees to be planted per hectare, taking account of the following:</i></p> <p><i>(a) local pedo-climatic and environmental conditions;</i></p> <p><i>(b) forestry species; and</i></p> <p><i>(c) the need to ensure sustainable agricultural use of the land.</i></p>
<p>Omitted</p>	<p><i>10. For beneficiaries above a certain size, to be determined by the Member States, the aid shall be conditional on the presentation of the relevant information from a forest management plan or equivalent instrument in line with sustainable forest management as defined by the Second Ministerial Conference on the Protection of Forests in Europe of 1993.</i></p>
<p>9. The maximum aid intensity shall be limited to <b>100 % of the eligible costs</b>.</p>	<p><i>11. The maximum aid intensity shall be limited to: (a) 80 % of the eligible costs for investment operations and of the establishment costs referred to in paragraphs 5 and 7; and (b) 100 % of the annual premium referred to in paragraph 8.</i></p>