



EUROPEAN COMMISSION

Brussels,  
C (2013)

**Subject: State aid/ Latvia**  
**Aid No SA.37696 (2013/N)**  
**Aid to compensate losses that have arisen as a result of fireblight in orchard**

Sir,

The European Commission (hereinafter the Commission) wishes to inform Latvia that, having examined the information supplied by your authorities on the prolongation of the State aid measure referred to above, it has decided not to raise any objections to the relevant measure as it is compatible with the Treaty on the Functioning of the European Union (hereinafter: the TFEU).

*In taking this decision the Commission has relied on the following considerations:*

## **1. PROCEDURE**

- (1) In accordance with Article 108(3) of the TFEU, by letter of 11 November 2013, registered by the European Commission on the same date, the Latvian Permanent Representation to the European Union notified the Commission on a simplified notification form the planned prolongation of the existing aid scheme SA.26828 (N 544/2008) – *Aid to compensate losses that have arisen as a result of fireblight in orchard*. This aid scheme was approved by the Commission decision C (2008) 7833 of 4 December 2008.

## **2. DESCRIPTION OF THE EXISTING AID SCHEME**

- (2) The aid scheme SA.26828 (N 544/2008) approved until 30.12.2013, is designed to compensate the farmers for losses caused by plant quarantine organism fireblight (*Erwinia amylovora*) as well as to take preventative measures for its eradication.

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According to the Latvian authorities the fireblight is one of the most dangerous diseases for fruit trees, capable of destroying up to 80% of the fruits in the orchards. The trees that can be infected with the fireblight are: apple-trees, pear-trees, hawthorn, rowan, cotoneaster, quince, Japanese quince, shadberry, loquat and firethorn.

- (3) The eligible costs under the present scheme are the costs of health checks, tests and other screening measures, the purchase and administration of plant protection products, the costs of the destruction of crops and the compensation for the losses the plant quarantine organism fireblight has caused to the farmers, i.e. the compensation for the loss of income caused by the difficulties in replanting crops or by any quarantine period ordered or recommended by the competent authorities to enable eradication of the disease before crop replanting.
- (4) The overall budget is LVL 1 750 000. The beneficiaries are 51-100 SME involved in the primary production of agricultural products.

### **3. DESCRIPTION OF THE MODIFICATION**

- (5) The authorities of Latvia propose to extend the existing aid scheme N 544/2008 until 30 December 2019.
- (6) The Latvian authorities have confirmed that, with the exception of prolonging the duration of the N 544/2008 aid scheme, all other elements of the original approval decision of the European Commission remain unchanged.
- (7) The authorities of Latvia undertook to adapt the present scheme to the new rules applicable to state aids in agriculture and forestry after 2013.
- (8) Furthermore the authorities of Latvia assured that firms in difficulty within the meaning of Community guidelines on state aid for rescuing and restructuring firms in difficulty<sup>1</sup> will not be eligible for aid under the notified measure.
- (9) Additionally, the Latvian authorities committed to suspend the payment of the aid if the beneficiary still has at its disposal an earlier unlawful aid that was declared incompatible by a Commission Decision (either concerning an individual aid or an aid scheme), until that beneficiary has reimbursed or paid into a blocked account the total amount of the unlawful and incompatible aid including the corresponding recovery interest.

### **4. ASSESSMENT OF THE AID SCHEME**

- (10) Article 4(2)(b) of Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty<sup>2</sup> states that a simplified notification form can be used when the proposed alteration to an existing aid concerns prolongation by up to six years, with or without an increase in the budget. In the case at hand, the modification concerns the prolongation of the scheme (see recital (5) above). Therefore the simplified procedure can apply.
- (11) In its decision N 544/2008, to which this decision refers for the assessment, the Commission has established that the measure constitutes State aid and has assessed the aid under the conditions laid out in the Chapter IV.B.4.2. of the Guidelines on State

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<sup>1</sup> OJ C 244 of 1.10.2004, p. 2.

<sup>2</sup> OJ L 140, 30.4.2004, p.1

aid in the agriculture and forestry sector 2007-2013<sup>3</sup> (hereinafter: "Guidelines") further referring to Article 10 of Regulation (EC) No 1857/2006 of 15 December 2006 on the application of Articles 87 and 88 of the Treaty to State aid to small and medium-sized enterprises active in the production of agricultural products<sup>4</sup>, and considered it compatible with the internal market under Article 107(3)(c) of the TFEU.

- (12) In the light of the assurances made by the Latvian authorities that the aid scheme will remain the same with the exception of extending its duration until 30.12.2019, the Commission considers that it continues to respect the conditions set out in Chapter IV B.4.2. of the Guidelines.
- (13) The Commission takes note that in line with settled case law<sup>5</sup>, the Latvian authorities commit to suspend the payment of the notified aid if the beneficiary still has at its disposal an earlier unlawful aid that was declared incompatible by a Commission Decision (either concerning an individual aid or an aid scheme), until that beneficiary has reimbursed or paid into a blocked account the total amount of unlawful and incompatible aid including the corresponding recovery interest (see recital (8)).

## 5. CONCLUSION

- (14) In view of the foregoing, the Commission has accordingly decided to consider the modified aid scheme to continue to be compatible with the internal market under Article 107(3)(c) of the TFEU.
- (15) If this letter contains confidential information which should not be published, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to publication of the full text of this letter in the authentic language on the Internet site:

<http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Your request specifying the relevant information should be sent by registered letter or fax to:

European Commission  
Directorate-General for Agriculture and Rural Development  
Directorate for Agricultural Legislation  
Rue de la Loi 200  
B-1049 Brussels

Fax No: 0032 2 29 67672

Yours faithfully,

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<sup>3</sup> OJ C 319, 27.12.2006, p.1.

<sup>4</sup> OJ L 358, 16.12.2006, p. 3.

<sup>5</sup> See Judgment of the General Court of 13 September 1995, joined cases T-244/93 and T-486/93, *Textilwerke Deggendorf GmbH v Commission*, p. II-2288, paras 51 and 56 et seq.; confirmed by the judgment of the Court of Justice of 15 May 1997, case C-355/95 P, p. I-2575, paras 22 and 26 et seq.

For the Commission

Dacian CIOLOȘ  
Member of the Commission