



Brussels,  
C (2014) ....

**Subject: State aid/ Latvia**  
**SA. 38669 (2014/N)**  
**Programme to promote the agricultural and food products market**

Sir,

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

The Commission has based its decision on the following considerations:

**1. PROCEDURE**

- (1) By letter of 28 April 2014, registered by the Commission on the same day, Latvia notified, according to Article 108(3) of the TFEU, the above mentioned aid scheme.
- (2) By email of 29 April 2014, the Commission asked for supplementary information, which the Latvian authorities provided on 30 April 2014, registered as received on the same date.
- (3) The scheme was notified under Article 4(2)(a) of Commission Regulation (EC) No 794/2004 implementing Council Regulation (EC) No 659/1999<sup>1</sup> laying down detailed rules for the application of Article 93 of the EC Treaty which provides for the simplified notification procedure.

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

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## **2. DESCRIPTION**

- (4) The objective is to notify to the Commission the amendment to the aid scheme SA.29672 (N 589/2009) "Programme to promote the agricultural and food products market"<sup>2</sup> (hereinafter: "the existing aid scheme SA.29672 (N 589/2009)") related to its duration.
- (5) The duration of this scheme is proposed to be prolonged from date of Commission approval until 30 December 2019.
- (6) The Latvian authorities confirmed compliance with the incentive effect requirements of point 16 of the Community Guidelines for State aid in the agriculture and forestry sector 2007 to 2013<sup>3</sup> (hereinafter: "the Guidelines").
- (7) The budget of the modified scheme remains unchanged from the previously approved measure under SA.29672 (N 589/2009), and it amounts to EUR 11 767 000.
- (8) The Latvian authorities confirmed that there are no other modifications of the aid scheme SA.29672 (N 589/2009).
- (9) Latvia has submitted the annual reports on the existing scheme SA.29672 (N 589/2009) in respect of each calendar year during which the scheme applied.
- (10) The Latvian authorities have confirmed that firms in difficulty according to the definition set out in the Community Guidelines on State aid for rescuing and restructuring firms in difficulty are excluded from the scope of the scheme.
- (11) The Latvian authorities declare that, where a beneficiary has previously received unlawful aid that has been declared incompatible by a Commission decision, aid payments would not be permitted until that beneficiary has reimbursed the aid received, including the corresponding recovery interest.
- (12) As the measure extends beyond the duration of the current Guidelines, Latvia commits to adapt the scheme to make it compatible with the provisions in the future Guidelines.

## **3. ASSESSMENT**

- (13) Regulation (EC) No 794/2004 provides in Article 4 for a simplified notification procedure for certain alterations to existing aid. Such alteration shall mean any change which cannot affect the evaluation of the compatibility of the aid scheme with the internal market. The simplified procedure applies in respect of alteration types listed in Article 4 (2) of Regulation (EC) No 794/2004.
- (14) The notification at hand provides for a new duration without any increase of the budget of the existing aid scheme SA.29672 (N 589/2009) (cf. point 5). Therefore, it falls under Article 4(2)(b) of Regulation (EC) No 794/2004.

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<sup>2</sup> The scheme was authorized with Commission Decision C (2010) 378 of 21.01.2010.  
<sup>3</sup> OJ C 319, 27.12.2006, p.1.

### **3.1 Existence of State aid**

- (15) As already set out in the Commission decision in case SA.29672 (N 589/2009), to which this decision fully refers, the scheme constitutes State aid within the meaning of Article 107(1) of the TFEU.

### **3.2 Compatibility of State aid**

- (16) As regards the assessment of the content of the notified scheme, reference is made to the decision taken on the existing aid scheme SA.29672 (N 589/2009) which was approved under the subchapters IV.K. and VI.D. of the Guidelines and which remains in force. The applicable State aid rules have not changed.
- (17) The Latvian authorities confirmed that, other than prolonging its duration, there are no alterations to the scheme. Therefore, this modification does not affect the evaluation of the compatibility of the aid scheme with the internal market, as carried out in the Commission decision in case SA.29672 (N 589/2009).
- (18) Latvia has committed to adapt the scheme to make it compatible with the provisions in the future Guidelines (cf. point 12).
- (19) The Commission takes note that the Latvian authorities declared that:
- a) where a beneficiary has previously received unlawful aid that has been declared incompatible by a Commission decision, aid payments would not be permitted until that beneficiary has reimbursed the aid received, including the corresponding recovery interest;
  - b) firms in difficulty within the meaning of Community guidelines on state aid for rescuing and restructuring firms in difficulty would be excluded from this scheme.
- (20) The Commission also notes that the Latvian authorities submitted annual reports in accordance with the conditions laid down in Article 4(3) of the Regulation (EC) No 794/2004.

## **4. CONCLUSION**

The Commission has accordingly decided not to raise any objections to the notified aid scheme on the grounds that it is compatible with the internal market pursuant to Article 107 (3) (c) of the TFEU.

If this letter contains confidential information which should not be disclosed to third parties, 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 the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site:

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

Your request should be sent by registered letter or fax to:

European Commission  
Directorate-General for Agriculture and Rural Development  
Directorate I – Agricultural Legislation and Procedures  
Unit I.2 – Competition  
Office: Loi 130 5/94A  
B-1049 Brussels

Fax No: 0032 2 29 67 672

Yours faithfully,

For the Commission

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Member of the Commission