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**Subject: State Aid SA.59099 (2020/N) – Slovenia  
Amendment to SA.57558 (2020/N) amended by SA.58037 (2020/N) –  
COVID-19: Additional intervention measures scheme (Short-time  
work scheme, wage subsidies for June, cableways, agriculture land)**

Excellency,

## **1. PROCEDURE**

- (1) By electronic notification of 19 October 2020, Slovenia notified an amendment of the existing aid scheme SA.57558 (2020/N), which the Commission approved on 26 June 2020 under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”).<sup>1</sup>

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<sup>1</sup> Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak, 19 March 2020, OJ C 91I, 20.3.2020, p. 1, as amended by Communication from the Commission C(2020) 2215 final of 3 April 2020 on the Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 112I, 4.4.2020, p. 1 and by Communication from the Commission (2020/C 164/03) of 8 May 2020 on the Amendment to the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 164, 13.5.2020, p. 3.

The Commission subsequently amended the Temporary Framework by Communication from the Commission C(2020) 4509 final of 29 June 2020 on the Third Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, OJ C 218, 2.7.2020, p. 3, and by Communication from the Commission C(2020) 7127 final of 13 October 2020 on the Fourth Amendment of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and amendment to the Annex to the Communication from the Commission to the Member States on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to short-term export-credit insurance, OJ C 340 I, 13.10.2020, p. 1.

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On 4 November 2020, the Commission requested additional information. On the same day, the Slovenian authorities submitted the requested information.

- (2) Slovenia exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with Article 3 of Regulation 1/1958,<sup>2</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE MEASURE**

- (3) The Slovenian authorities wish to amend the scheme SA.57558 (2020/N) “Additional intervention measures scheme (Short-time work scheme, wage subsidies for June, cableways, agriculture land)” (“the existing aid scheme”) approved by Decision C(2020) 4448 final of 26 June 2020 in case SA.57558 (“the decision of 26 June 2020” or “the initial decision”) and by Decision C(2020) 5199 final of 24 July 2020 in case SA.58037.

- (4) The existing aid scheme consists of four measures:

- (a) “Short-time work scheme” (measure 1) under section 3.10 of the Temporary Framework;
- (b) “Wage subsidies for June” (measure 2) under section 3.10 of the Temporary Framework;
- (c) “Support to the operators of cableway installations” (measure 3) under section 3.1 of the Temporary Framework;
- (d) “Reduction of lease price for farmland, reduction /write off for building rights for farmland managed by the Farmland and Forest Fund of the Republic of Slovenia” (measure 4) under section 3.1 of the Temporary Framework.

- (5) The proposed amendment only relates to measure 2.

- (6) The legal basis of the proposed amendment is “The Act Determining Interim Measures for Mitigation and Remedy the Consequences of the COVID-19” (*Zakon o začasnih ukrepih za omilitvev in odpravo posledic covid-19* (ZZUOOP)<sup>3</sup>),<sup>4</sup>

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<sup>2</sup> Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.

<sup>3</sup> <http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO8254>

<sup>4</sup> The relevant provisions are Articles 68 to 78, which correspond to Articles 2 to 12 of the Act on Interventions Measures to prepare for the Second Wave COVID-19, the legal base for the scheme SA.58037, which correspond to Articles 24 to 34 of the Act Determining the Intervention Measures to Mitigate and Remedy the Consequences of the COVID-19 Epidemic, which was the legal base for the scheme SA.57558.

- (7) The Slovenian authorities wish to extend the duration of measure 2<sup>5</sup> until 30 June 2021 at the latest<sup>6</sup>.
- (8) The extension of the duration of measure 2 will result in an increase of the budget of the overall existing aid scheme from ca. EUR 900 million<sup>7</sup> to ca. EUR 1 350 million<sup>8</sup>.
- (9) The Slovenian authorities also indicate that a revision of measure 2 is to be applied from 1 October 2020 until 30 June 2021. Slovenian authorities confirm that aid will only be granted after the Commission decision.
- (10) The revision also targets a more limited number of beneficiaries, through more restrictive eligibility criteria. The revised measure 2 applies to employers whose income decreases in 2020 (according to their estimates) by more than 20% as compared to 2019 (previously, by more than 10%). Employers not operating the whole year of 2019 or 2020 are eligible for aid under the measure if their average monthly revenue in 2020 decreases by more than 20% (previously, by more than 10%) as compared to their average monthly revenue in 2019. Employers not operating in year 2019 are eligible if their average monthly revenue in 2020 decreases by more than 20% (previously, by more than 10%) as compared to their average monthly revenue up to 12 March 2020.
- (11) All the other conditions for benefitting from the existing aid scheme, as described in section 2 of the Commission's decision of 26 June 2020, remain unchanged.

### **3. ASSESSMENT**

#### **3.1. Lawfulness of the measure**

- (12) By notifying the proposed amendment before putting it into effect, the Slovenian authorities have respected their obligations under Article 108(3) TFEU.

#### **3.2. Existence of State aid**

- (13) For a measure to be categorised as State aid within the meaning of Article 107(1) TFEU, all the conditions set out in that provision must be fulfilled. First, the measure must be imputable to the State and financed through State resources. Second, it must confer an advantage on its recipients. Third, that advantage must be selective in nature. Fourth, the measure must distort or threaten to distort competition and affect trade between Member States.

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<sup>5</sup> The measure's initial period of applicability was limited to June 2020. It was then extended to July 2020, with a possibility to further extend until 30 September 2020, which the Commission approved by the decision of 24 July 2020.

<sup>6</sup> The legal basis, in Article 69 thereof, provides for a possibility of an extension of the measure by a Governmental decision for a maximum of six months, but no longer than till 30 June 2021.

<sup>7</sup> See Decision in case SA.58037, recital (7).

<sup>8</sup> The increase of the overall budget only derives from the extension of the period of applicability of measure 2. The Slovenian authorities estimate that the budget increase for measure 2 will be ca EUR 450 million (EUR 150 million for the months of October to December 2020 and EUR 300 million for the period from January to June 2021).

- (14) The qualification of the existing aid scheme as State aid was established in recitals (72) to (77) of the initial decision. The proposed amendment of that scheme does not affect that qualification. In particular, the reduction of the circle of beneficiaries as of October 2020 mentioned in recital (10) does not change the analysis of the selectivity of the measure, reflected in recital (75) of the initial decision. Consequently, the Commission considers that the existing aid scheme as amended constitutes State aid within the meaning of Article 107(1) TFEU.

### **3.3. Compatibility**

- (15) In recitals (78) to (89) of the initial decision, the Commission explained that the existing aid scheme, and in particular its measure 2, fulfilled all conditions of the Temporary Framework and was therefore compatible with the internal market on the basis of Article 107(3)(b) TFEU.
- (16) The proposed amendment aims at extending the period for granting wage subsidies under measure 2, which in turn will result in an increase of the estimated budget of the existing aid scheme, and narrows down the circle of beneficiaries. Whereas wage subsidies could until now be granted in relation to the period from June to September 2020, those subsidies will now be granted until no later than 30 June 2021<sup>9</sup>. All other conditions of the scheme remain unchanged (see recital (11)).
- (17) The proposed prolongation of measure 2 and the narrowing down of the circle of beneficiaries do not alter the conclusion reached in the decision of 26 June 2020 that the conditions laid down in section 3.10 of the Temporary Framework are met, since the period of applicability of measure 2 remains within the period for compatibility set out in the Temporary Framework. Nor does the increase in the estimated total budget of measure 2 alter that conclusion, since the compatibility of measure 2 under section 3.10 of the Temporary Framework does not depend on the size of its budget.
- (18) In light of all the foregoing, the Commission considers that the existing aid scheme as amended is appropriate, proportionate and necessary to remedy a serious disturbance in the economy of Slovenia, since it meets all the conditions of the Temporary Framework as amended.

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<sup>9</sup> See Footnotes 5 and 6.

#### **4. CONCLUSION**

The Commission has accordingly decided not to raise objections to the aid on the grounds that it is compatible with the internal market pursuant to Article 107(3)(b) of the Treaty on the Functioning of the European Union.

The decision is based on non-confidential information and is therefore published in full on the Internet site: <http://ec.europa.eu/competition/elojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER  
Executive Vice-President