### EUROPEAN COMMISSION



Brussels, 26.3.2021 C(2021) 2256 final

#### **PUBLIC VERSION**

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Subject: State Aid SA.62042 (2021/N) – Belgium

**COVID-19: Amendments of approved measures** 

Excellency,

#### 1. Procedure

- (1) By electronic notification of 19 February 2021, amended on 2 and 17 March 2021, Belgium notified amendments concerning the following existing aid schemes and their amendments ("the existing aid schemes") which the Commission had already approved ("the initial decisions") in light of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak ("the Temporary Framework")<sup>1</sup>:
  - (a) SA.56919: *The COVID-19 loan guarantee Flemish Region*, which the Commission approved by Decision of 9 April 2020, amended by Decision C(2020) 5420 final, SA.58045, of 31 July 2020 and by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
  - (b) SA.57057: R&D scheme of Brussels Capital Region "R&D Projects Covid-19" under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak, which the Commission approved by Decision of 27 April 2020, amended by

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<sup>&</sup>lt;sup>1</sup> Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 91I, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 112I, 4.4.2020, p. 1), C(2020) 3156 (OJ C 164, 13.5.2020, p. 3), C(2020) 4509 (OJ C 218, 2.7.2020, p. 3), C(2020) 7127 (OJ C 340I, 13.10.2020, p. 1) and C(2021) 564 (OJ C 34, 1.2.2021, p. 6).

- Decision C(2020) 5420 final, SA.58045, of 31 July 2020 and by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (c) SA.57083: *COVID-19*: *Guarantee scheme Walloon Region*, which the Commission approved by Decision of 30 April 2020, amended by Decision C(2020) 5420 final, SA.58045, of 31 July 2020 and by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (d) SA.57132: COVID-19: Flemish subordinated loan scheme for start-ups, scale-ups and SMEs, which the Commission approved by Decision of 5 May 2020, amended by Decision C(2020) 5420 final, SA.58045, of 31 July 2020 and by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (e) SA.57246: COVID-19: Second Flemish subordinated loan scheme for start-ups, scale-ups and SMEs; which the Commission approved by Decision of 11 May 2020, amended by Decision C(2020) 5420 final, SA.58045, of 31 July 2020 and by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (f) SA.57605: COVID-19: Strategic transformation aid to undertakings in the Flemish region for investments in COVID-19 related products, which the Commission approved by Decision of 19 June 2020, amended by Decision C(2020) 5420 final, SA.58045, of 31 July 2020 and by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (g) SA.58081: COVID-19: Besluit van de Vlaamse Regering tot instellen van een terugbetaalbaar voorschot ter ondersteuning van de opstart van de evenementensector (Decision of the Flemish Government regarding a repayable advance in support of the restart of the event sector), which the Commission approved by Decision of 27 July 2020, amended by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (h) SA.58165: COVID-19: Exemption from the payment of the annual fee due to the Agence Fédérale pour la Sécurité de la Chaîne Alimentaire (AFSCA) for 2020 (HORECA contribution), which the Commission approved by Decision of 5 August 2020, amended by Decision C(2020) 8522 final, SA.59113, of 26 November 2020;
- (i) SA.58299: *COVID-19: Aid to the Flemish airports*, which the Commission approved by Decision of 29 September 2020, amended by Decision C(2020) 8522 final, SA.59113, of 26 November 2020.
- (2) Belgium 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.

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

## 2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (3) On 28 January 2021, the Commission adopted a Communication prolonging until 31 December 2021 the validity of the Temporary Framework, which would otherwise expire at the end of June 2021. The Communication also increased the overall aid ceiling per undertaking, as referred to point 22 (a) of section 3.1 of the Temporary Framework, from EUR 800 000 to EUR 1.8 million per undertaking.
- (4) Following the prolongation of the Temporary Framework, the Belgian authorities wish to extend the duration of the existing aid schemes until 31 December 2021, with the effect that, under all of the schemes listed in recital (1), aid can be granted until 31 December 2021 at the latest.
- (5) Furthermore, the Belgian authorities notified for the schemes SA.57132, SA.58081 and SA.58299 listed in recital (1) an increase of the aid ceiling referred to in point 22(a), section 3.1 of the Temporary Framework from EUR 800 000 to EUR 1.8 million per undertaking and a budget increase for scheme SA.58081 from EUR 50 million to EUR 150 million (+ EUR 100 million) and for scheme SA.58299 from EUR 1.098 million to EUR 2.7 million (+ EUR 1.6 million).
- (6) Belgium confirms that the aid granted under the measures shall not be conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the Member State granting the aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.
- (7) All the other conditions of the existing aid schemes remain unchanged.

## 3. ASSESSMENT

3.1. Lawfulness of the measure

(8) By notifying the amendments to the existing aid schemes before putting them into effect, the Belgian authorities have respected their obligation under Article 108(3) TFEU.

#### 3.2. Existence of State aid

(9) For a measure to be categorised as 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.

(10) The existing aid measures concerned constitute State aid in the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions<sup>3</sup> referred in recital (1).

Recitals 32-37 of Commission Decision C(2020) 2359 final, SA.56919, of 9 April 2020; recitals 27-33 of Commission Decision C(2020) 2804 final, SA.57057, of 27 April 2020; recitals 40-45 of Commission Decision C(2020) 2976 final, SA.57083, of 30 April 2020; recitals 27-32 of Commission Decision C(2020) 3039 final, SA.57132, of 5 May 2020; recitals 31-36 of Commission Decision C(2020) 3198 final, SA.57246, of 11 May 2020; recitals 31-36 of Commission Decision C(2020) 4238

The proposed amendments do not alter that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decisions and concludes that the existing aid schemes as modified constitute State aid in the meaning of Article 107(1) TFEU.

# 3.3. Compatibility

- (11) The Commission assessed the existing aid schemes on the basis of Article 107(3)(b) and Article 107(3)(c) TFEU in light of the Temporary Framework and concluded that they were meeting the relevant conditions set out in that Framework.
- (12) The Commission refers to its analysis of compatibility as set out in the initial decisions<sup>4</sup> described under recital (1).
- (13) The Commission has examined the notified amendments and considers that they do not alter the Commission's conclusions on the compatibility of the existing aid schemes as set out in the initial decisions. Namely, the prolongation of the duration of the existing aid schemes until 31 December 2021 is in line with the relevant sections of the Temporary Framework. The increased notified aid ceiling for schemes SA.57132, SA.58081 and SA.58299 is in line with point 22(a), Section 3.1 of the Temporary Framework and the notified budget increase for the schemes SA.58081 and SA.58299 do not alter the initial compatibility assessment. Belgium confirmed that the aid granted under the existing measures will not be conditioned on the relocation of a production activity in line with point 16ter of the Temporary Framework.
- (14) Apart from the amendments referred to in recitals (4), (5) and (6) the Commission notes that there are no other alterations to the existing aid schemes.
- (15) In view of the above, the Commission concludes that the notified amendments meet the conditions of the Temporary Framework and do not alter its conclusions on the compatibility of the existing aid schemes.

final, SA.57605, of 19 June 2020; recitals 8-9 of Commission Decision C(2020) 5420 final, SA.58045, of 31 July 2020; recitals 30-35 of Commission Decision C(2020) 5227 final, SA.58081, of 27 July 2020; recitals 23-28 of Commission Decision C(2020) 5494 final, SA.58165, of 5 August 2020; recitals 49-59 of Commission Decision C(2020) 6791 final, SA.58299, of 29 September 2020; recitals 7-8 of Commission Decision C(2020) 8522 final, SA.59113, of 26 November 2020.

Recitals 38-43 of Commission Decision C(2020) 2359 final, SA.56919, of 9 April 2020; recitals 35-40 of Commission Decision C(2020) 2804 final, SA.57057, of 27 April 2020; recitals 46-51 of Commission Decision C(2020) 2976 final, SA.57083, of 30 April 2020; recitals 33-40 of Commission Decision C(2020) 3039 final, SA.57132, of 5 May 2020; recitals 37-44 of Commission Decision C(2020) 3198 final, SA.57246, of 11 May 2020; recitals 37-43 of Commission Decision C(2020) 4238 final, SA.57605, of 19 June 2020; recitals 10-13 of Commission Decision C(2020) 5420 final, SA.58045, of 31 July 2020; recitals 36-44 of Commission Decision C(2020) 5227 final, SA.58081, of 27 July 2020; recitals 29-36 of Commission Decision C(2020) 5494 final, SA.58165, of 5 August 2020; recitals 60-72 of Commission Decision C(2020) 6791 final, SA.58299, of 29 September 2020; recitals 9-13 of Commission Decision C(2020) 8522 final, SA.59113, of 26 November 2020.

# 4. Conclusion

The Commission has accordingly decided not to raise objections to the notified amendments on the grounds that they are compatible with the internal market pursuant to Article 107(3)(b) and Article 107(3)(c) TFEU.

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

Yours faithfully,

For the Commission

Margrethe VESTAGER Executive Vice-President

> CERTIFIED COPY For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION