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PUBLIC VERSION

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**Subject: State Aid SA.62544 (2021/N) – Italy (Campania)
COVID-19: Modification to SA.57349 (2020/N)**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 30 March 2021, Italy notified a modification (“the measure”) concerning the existing aid scheme SA.57349 (2020/N) “*Plan for the socio-economic emergency in the Campania region – Aid measures in favour of undertakings in the agricultural sector, in the fishery and aquaculture sector, in the buffalo livestock sector and in the floriculture sector*” (“the existing aid scheme”), as modified by SA.59447 (2020/N).
- (2) The existing aid scheme was approved by the Commission decision C(2020) 3388 final of 19 May 2020 (referred to as “the initial decision”) in light of the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak (“the Temporary Framework”)¹. The initial decision was modified by Decision C(2020) 8243 final of 19 November 2020.

¹ 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).

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- (3) Italy 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 1/1958² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

2.1. Objective of the measure

- (4) On 28 January 2021, the Commission adopted a Communication amending the Temporary Framework. This modification notably prolongs until 31 December 2021 the validity of the Temporary Framework, which would otherwise expire on 30 June 2021 and increases the maximum amount of aid allowed for aids under Section 3.1.
- (5) Accordingly, Italy plans to modify the existing aid scheme extending its duration until 31 December 2021, and increasing the maximum amount of aid per undertaking under Section 3.1 of the Temporary Framework up to EUR 270 000 per undertaking active in the fishery and aquaculture sector and EUR 225 000 per undertaking active in the primary production of agricultural products. Where an entity operates in several sectors, the overall amount of temporary State aid may not exceed EUR 1 800 000 per undertaking. Where an undertaking is active in several sectors covered by point 23(a) of the Temporary Framework, the overall maximum amount may not exceed EUR 270 000 per undertaking.
- (6) The Italian authorities confirmed that all other conditions of the existing aid scheme remain unchanged.
- (7) The modification will only be put into effect after the Commission’s approval.

3. ASSESSMENT

3.1. Lawfulness of the measure

- (8) By notifying the measure before putting it into effect, the Italian authorities have respected their obligations 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 presence of State aid within the meaning of Article 107 (1) TFEU was already established in the initial decision. The proposed modification does not alter that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decision³ and concludes that the existing aid scheme, as modified by the measure, constitutes State aid in the meaning of Article 107 (1) TFEU.

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

³ Recitals 29 - 34 of the initial decision.

3.3. Compatibility

- (11) The Commission assessed the compatibility with the internal market of the existing aid scheme on the basis of Article 107 (3)(b) TFEU in light of the Temporary Framework and concluded that it complied with the compatibility conditions set out in that Framework.
- (12) The Commission refers to its analysis of compatibility as set out in the initial decision⁴.
- (13) The notification concerns the prolongation of the existing aid scheme until 31 December 2021 and the increase of the maximum amounts of aid. As this extended duration and the increase of the amounts are in conformity with the Temporary Framework, the Commission considers that the notified prolongation and the increase of the maximum amount of aid do not affect the compatibility assessment of the existing aid scheme with the internal market, as carried out in the initial decision.
- (14) Apart from the modifications referred to in recital (5), the Commission notes that there are no other alterations to the existing aid scheme, as shown in recital (6). The Commission therefore considers that the notified modification meets the conditions of the Temporary Framework, as set out in the initial decision.
- (15) The Commission therefore considers that the existing aid scheme, as modified by the measure, is necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of Italy pursuant to Article 107 (3)(b) TFEU.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the notified modification to aid scheme SA.57349 (2020/N) on the ground that it is compatible with the internal market pursuant to Article 107(3)(b) TFEU.

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

⁴ Recitals 35 - 41 of the initial decision.