



EUROPEAN COMMISSION

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PUBLIC VERSION

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**Subject: State Aid SA.63259 (2021/N) - Latvia
COVID-19: Modification to SA.62631 (2021/N)**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 28 May 2021, Latvia notified a modification (“the measure”) concerning the existing aid scheme SA.62631 (2021/N) “*COVID-19: State support to pig farming sector in order to alleviate the negative impact of the COVID -19 outbreak*” (“the existing aid scheme”).
- (2) The existing aid scheme was approved by the Commission decision C(2021)3372 final of 7 May 2021 (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.
- (3) Latvia exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with

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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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) Latvia intends to increase the budget for the sub-measure under Section 3.1 of the Temporary Framework up to EUR 3.3 million and to decrease the budget for the sub-measure under Section 3.12 of the Temporary Framework up to EUR 9.7 million, the overall budget of the existing aid scheme will remain EUR 13 million.
- (5) The Latvian authorities confirmed that all other conditions of the existing aid scheme remain unchanged.
- (6) The Latvian authorities committed not to grant any aid under the notified amendment before the Commission's approval.

2.2. Legal basis

- (7) The legal basis for the notified amendment is the Draft amendment of the regulation of the Cabinet of Ministers "Procedure for granting, administration and monitoring of State support to pig farming sector in order to alleviate the negative impact of the COVID-19 outbreak".

3. ASSESSMENT

3.1. Lawfulness of the measure

- (8) By notifying the measure before putting it into effect, the Latvian 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 existing aid scheme constitutes State aid within the meaning of Article 107 (1) TFEU for the reasons set out in the initial decision³. The proposed modification does not affect that conclusion. The Commission therefore refers to the respective assessment of the aforementioned decision and concludes that the scheme as modified constitute State aid in the meaning of Article 107 (1) of the TFEU.

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

³ See recitals (38) to (43) of the initial decision.

3.3. Compatibility

- (11) The Commission assessed the existing aid scheme on the basis of Article 107 (3)(b) of the TFEU in light of the Temporary Framework and concluded that it was compliant 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 notified modification concerns the distribution of the budget between the sub-measures of the scheme, without modification of the overall budget. The Commission considers that the notified modification does 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 indicated in recital (4), the Commission notes that there are no other alterations to the existing aid scheme, as indicated in recital (5). 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, is necessary, appropriate, and proportionate to remedy a serious disturbance in the economy of a Member State (Latvia) 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.62631 (2021/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 See recitals (44) to (54) of the initial decision.