



EUROPEAN COMMISSION

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**Subject: State Aid SA.100910 (2021/N) – Lithuania
COVID-19: Modification to SA.57823 (2020/N) – submeasure on limited
amount of aid for pig farmers**

Excellency,

1. PROCEDURE

- (1) By electronic notification of *02 December 2021*, *Lithuania* notified a prolongation (the “notified amendment”) to the following existing aid scheme SA.57823 (2020/N) “*COVID-19: Amendment to temporary State aid to economic entities active in agriculture and aquaculture facing economic difficulties during the outbreak of Covid-19*” (“the existing aid scheme”), which the Commission had already approved (“the initial decision”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak¹ (the “Temporary Framework”).
- (2) The existing aid scheme has already been amended several times (case SA.58903 (2020/N), approved by Commission decision C(2020) 7174 final of 14 October 2020, case SA.60073 (2020/N), approved by Commission decision C(2020) 9406

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), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1).

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final of 17 December 2020, case SA.62484 (2021/N), approved by Commission decision C(2021) 2497 final of 07 April 2021 and case SA.63099 (2021/N), approved by Commission decision C(2021) 3966 final of 28 May 2021).

- (3) Lithuania 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 1/1958,² and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (4) The objective of the existing aid scheme is to preserve the continuity of economic activity during and after the COVID-19 pandemic. It is designed to ensure that undertakings continue to have access to the necessary liquidity to overcome the current economic difficulties.
- (5) The notified amendment prolongs *sub-measure P “Temporary aid to pig producers”* of the existing scheme until 30 June 2022. It further introduces an additional stage of aid for the primary pig producers from 1 July 2021 to 30 November 2021. In addition, the maximum aid amounts per beneficiary are increased to EUR 290 000. The estimated budget of sub-measure P will be increased from EUR 5.5 million up to EUR 7.0 million and thus the overall budget of the existing aid scheme will be increased from EUR 145 million to EUR 146.5 million.
- (6) Apart from the notified amendment, the Lithuanian authorities confirm that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (7) The legal basis for the notified amendment is the *“Amendment of the order of Minister of Agriculture of the Republic of Lithuania of July 27, 2020 No. 3D-557 on the Approval of the Rules for the Granting of Temporary State Aid to pig producers”*.
- (8) The Lithuanian authorities committed to respect all the applicable conditions of the Temporary Framework.
- (9) Aid may be granted under the existing aid scheme, as amended, as from the notification of the Commission’s decision approving of the notified amendment.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

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

3.2. Existence of State aid

- (11) 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.
- (12) The existing aid scheme constitute State aid within the meaning of Article 107(1) TFEU for the reasons set out in the initial decisions. The amendments referred to in recital (2) did not affect this conclusion. The notified amendment equally does not affect that conclusion. The Commission therefore refers to the assessment of the initial decision and concludes that the existing aid scheme, as amended, constitute State aid within the meaning of Article 107(1) TFEU.

3.3. Compatibility

- (13) The existing aid scheme is compatible with the internal market pursuant to Article 107(3)(b) TFEU, since it meets the conditions of sections 2, 3.1 and 3.3 of the Temporary Framework for the reasons set out in the initial decision. The amendments referred to in recital (2) above did not affect that assessment as confirmed in the respective Commission decisions thereon. The Commission therefore refers to the respective assessment of the initial decision.
- (14) The Commission considers that a limited prolongation of sub-measure P of the existing aid scheme and the related additional stage for aid, accompanied by an increase of the budget, is appropriate to ensure that national support measures effectively help affected undertakings during the COVID-19 pandemic. The notified amendment does not affect the compatibility assessment made under the initial decision and confirmed under the amendments specified in recital (2). In particular, the Commission notes that aid under modified *sub-measure P* can only be granted until 30 June 2022, as described in recital (5). *Sub-measure P* as amended thus complies with point 22(d) of the Temporary Framework.
- (15) Furthermore, the Commission notes that maximum aid amounts per beneficiary under section 3.1 are increased to EUR 290 000 (see recital (5)). The measure thus continues to comply with point 23(a) of the Temporary Framework.
- (16) Apart from the notified amendment, Lithuania confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (17) The Commission therefore considers that the notified amendment is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3)(b) TFEU since it meets all the relevant conditions of the Temporary Framework. The Commission therefore considers that the notified amendment does not alter the Commission's conclusion on the compatibility of the existing aid scheme in the initial decision and in the amendments referred to in recital (2).

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the scheme, as amended, 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