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**Subject: State Aid SA.101074 (2021/N) – Lithuania
COVID-19: Prolongation of the schemes SA.57008, SA.57529 and
SA.57665 (2020/N), as already amended**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 15 December 2021, Lithuania notified a prolongation (the “notified amendment”) to the following existing aid schemes (collectively, the “existing aid schemes”), which the Commission had already approved (“the initial decisions”) under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak¹ (the “Temporary Framework”):
 - (a) SA.57008 (2020/N) “*Aid Fund for Business*”, which the Commission approved by Decision C(2020) 3534 final of 26 May 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), C(2021) 564 (OJ C 34, 1.2.2021, p. 6), and C(2021) 8442 (OJ C 473, 24.11.2021, p. 1). s

Mr. Gabrielius LANDSBERGIS
Užsienio Reikalų Ministerija
J. Tumo-Vaižganto g. 2
LT-01108 Vilnius
Lietuvos Respublika

- (b) SA.57529 (2020/N) “*Individual guarantees and interest and guarantee premium compensation during the COVID-19 outbreak to undertakings active in the agriculture, food, forestry, rural development and fisheries sectors*”, which the Commission approved by Decision C(2020) 4128 final of 16 June 2020;
 - (c) SA.57665 (2020/N) “*Lithuanian guarantees and loans for tour operators, accommodation and catering service provider*”, which the Commission approved by Decision C(2020) 4365 final of 25 June 2020.
- (2) The existing aid schemes have been amended as follows:
- (a) case SA.57008 has been amended in case SA.60096 (2020/N), approved by Commission decision C(2020) 9406 final of 17 December 2020, and in case SA.61815 (2021/N), approved by Commission decision C(2021) 1459 final of 26 February 2021;
 - (b) case SA.57529 (2020/N) has been amended in case SA.60073 (2020/N), approved by Commission decision C(2020) 9406 final of 17 December 2020; in case SA.62484 (2021/N), approved by Commission decision C(2021) 2497 final of 7 April 2021, and in case SA.63535 (2021/N), approved by Commission decision C(2021) 4928 final of 29 June 2021;
 - (c) case SA.57665 (2020/N) has been amended in case SA.59525 (2020/N), approved by Commission decision C(2020) 8388 final of 25 November 2020; in case SA.60139 (2020/N), approved by Commission decision C(2020) 9406 final of 17 December 2020, and in case SA.63021 (2021/N), approved by Commission decision C(2021) 4007 final of 31 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 1/1958², and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENT

- (4) The objective of the existing aid schemes is to preserve the continuity of economic activity during and after the COVID-19 pandemic. They are designed to ensure that undertakings continue to have access to the necessary liquidity to overcome the current economic difficulties.
- (5) The notified amendment prolongs the existing aid schemes until 30 June 2022. For case SA.57529, only sub-measure 2 “Aid on the form of guarantees or loans”, will be prolonged until 30 June 2022.
- (6) Apart from the notified amendment, the Lithuanian authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of that schemes remain unaltered.

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

- (7) The legal bases for the notified amendment are:
- (a) for scheme SA.57008, the draft amendment of the Order of the Minister of Economy and Innovation and of the Minister of Finance No. 4-837 / 1K-319 dated 30 September 2020 "On the Approval of the activity description of the measure "Business Support Fund";
 - (b) for scheme SA.57529, the draft amendment of the Resolution of the Government of the Republic of Lithuania of August 22, 1997 No. 912 "On the Agricultural Credit Guarantee Fund", and the draft amendment of the order of Minister of Agriculture of Republic of Lithuania of November 14, 2019 No. 3D-624 "On the Approval of the Regulations on Individual Guarantees issued by the Agricultural Credit Guarantee Fund";
 - (c) for scheme SA.57665, the draft amendment of the Order of the Minister of Economy and Innovation of the Republic of Lithuania No. 4-557 dated 10 July 2020 "On the Approval of the Provisions for the Provision of Guarantees for the Performance of Obligations of Tour Operators".
- (8) The Lithuanian authorities committed to respect all the applicable conditions of the Temporary Framework.
- (9) Aid may be granted under the existing aid schemes, as amended, as from the notification of the Commission's decision approving 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.

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 schemes 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 (5) did not affect this conclusion. The notified amendment does equally not affect that conclusion. The Commission therefore refers to the assessment of the initial decisions and concludes that the existing aid schemes, as amended, constitute State aid within the meaning of Article 107(1) TFEU.

3.3. Compatibility

- (13) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(b) TFEU, since they meet the conditions of sections 2, 3.2, 3.3 and 3.11 of the Temporary Framework for the reasons set out in the initial decisions.

The amendments referred to in recital (5) 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 decisions.

- (14) The Commission considers that a limited prolongation of the existing aid schemes 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 decisions and confirmed under the amendments specified in recital (5). In particular, the Commission notes that aid under the schemes can only be granted until 30 June 2022, as described in recital (5). The schemes as amended thus comply with points 25(c), 27(c) and 48 of the Temporary Framework.
- (15) 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 notified amendment does not alter the Commission's conclusion on the compatibility of the existing aid schemes in the initial decision and in the amendments referred to in recital (5).

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the schemes, as amended, on the grounds that they are 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