Subject: State Aid SA.100945 (2021/N) – Greece
COVID-19: State Aid Grants in the agricultural sectors of i) Fig production crops for drying throughout the country, ii) Lavender cultivation throughout the country, iii) Table Olives except table Olives-“Kalamon” variety and table Olives-others (code 2008190 according to the national Integrated Management and Control System data of OPEKEPE), iv) Industrial potato- Autumn potato, v) Tangerine – “Klimentini” variety and vi) Tobacco growing sector on the basis of the COVID 19 Temporary Framework

Excellency,

1. PROCEDURE

(1) By electronic notification of 6 December 2021 Greece notified aid in the form of limited amounts of aid (State Aid Grants in the agricultural sectors of i) Fig production crops for drying throughout the country, ii) Lavender cultivation throughout the country, iii) Table Olives except table Olives-“Kalamon” variety and table Olives-others (code 2008190 according to the national Integrated Management and Control System data of OPEKEPE), iv) Industrial potato- Autumn potato, v) Tangerine – “Klimentini” variety and vi) Tobacco growing sector on the basis of the COVID 19 Temporary Framework “the measure”) under the Temporary Framework for State aid measures to support the economy in the

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(2) Greece 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 and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

(3) Greece considers that the COVID-19 pandemic affects the real economy. The measure forms part of an overall package of measures and aims to ensure that sufficient liquidity remains available in the market, to counter the liquidity shortage faced by undertakings because of the pandemic, to ensure that the disruptions caused by the pandemic do not undermine the viability of the undertakings and thereby to preserve the continuity of economic activity during and after the pandemic.

(4) Greek confirms that the aid under the measure is not 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.

(5) The compatibility assessment of the measure is based on Article 107(3)(b) TFEU, in light of sections 2 and 3.1 of the Temporary Framework.

2.1. The nature and form of aid

(6) The measure provides aid in the form of direct grants.

2.2. Legal basis

(7) The legal bases for the measure are the following:

a) Article 1, paragraph 1,2,3 of Law 1338/83 (Government Gazette A’ 34), as paragraph 1 has been amended by the provision of paragraph 1 of Article 6 of Law 1440/1984 (Government Gazette A’ 70), and Article 3 of Law 1338/83, as amended by article 65 of Law 1892/1990 (Government Gazette A’ 101) and paragraph 10 of article 39 of Law 2065/92 (Government Gazette A’113).

b) Joint Ministerial Decision 19024/17-3-2020 (Official Gazette B’ 915)
   Joint Ministerial Decision 20036/22-3-2020 (Official Gazette B’ 986)
   Joint Ministerial Decision 22824/04-04-2020 (Official Gazette B’ 1168)


2 Regulation No 1 determining the languages to be used by the European Economic Community, OJ 17, 6.10.1958, p. 385.
The draft Joint Ministerial Decision of the Ministers of Finance and Rural Development and Food on ‘Granting of State aid throughout Greece in the fields of: (a) seed and industrial potatoes, (b) Levant cultivation, (c) production of dried figs, (d) the production of mandarins of the clementine variety, (e) the production of table olives, (f) tobacco cultivation and detailed rules for implementing a Temporary Framework based on the Commission Communication of 19/03/2020 C(2020)1863 final (Temporary Framework), as amended and in force’.

2.3. Administration of the measure

(8) The OPEKEPE “Payment and Control Agency For Guidance and Guarantee Community Aid”, which is supervised by the Ministry of Rural Development and Food, is responsible for administering the measure. The Ministry of Rural Development and Food, through the OPEKEPE, is the granting and competent authority.

2.4. Budget and duration of the measure

(9) The estimated budget of the measure is EUR 31 484 191.

(10) The Greek authorities confirm that the measure is not co-financed.

(11) Aid may be granted under the measure as from the notification of the Commission’s decision approving the measure until no later than 30 June 2022.

2.5. Beneficiaries

(12) The final beneficiaries of the measure are micro and small undertakings of the sectors concerned and active in Greece. Financial institutions are excluded as eligible final beneficiaries (recital (16)).

(13) Aid may be granted to micro and small enterprises that were in difficulty within the meaning of the ABER on 31 December 2019, if those enterprises, at the moment of granting the aid, are not subject to collective insolvency procedure under national law and they have not received rescue aid or restructuring aid.

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3 OPEKEPE is a legal entity under private law operating in the public interest (article 13, paragraph 1 of Law 2637/98, Government Gazette A’ 200, as amended by article 4 of Law 2732/1999, Government Gazette A’ 154). The management control shall be carried out by two certified auditors/accountants appointed by decision of the Minister for Agriculture. The Board of Directors shall approve the annual report and balance sheet and submit them to the Ministers of Finance and Agriculture for approval (article 2, paragraphs 3 and 4 of the Joint Ministerial Decision 58193/99 – Government Gazette B’ 2277).


5 Alternatively, if they have received rescue aid, they have reimbursed the loan or terminated the guarantee at the moment of granting of the aid under the notified measure.

6 Alternatively, if they have received restructuring aid, they are no longer subject to a restructuring plan at the moment of granting of the aid under the notified measure.
(14) The estimated number of the beneficiaries is 41.594, broken down as follows: i. 3.179 beneficiaries in the sector of fig production crops for drying, ii. 1.695 beneficiaries in the sector of Lavender cultivation, iii. 14.273 beneficiaries in the sector of the above mentioned table olives, iv. 72 beneficiaries in the sector of industrial potato and 1.270 beneficiaries in the sector of autumn potato, v. 8.274 beneficiaries in the sector of tangerine - “Klimentini” variety, vi. 11.738 beneficiaries (for the loss of income) and 1.093 beneficiaries (for the lack of labour) in the tobacco growing sector.

2.6. Sectoral and regional scope of the measure

(15) The measure is open to undertakings active in the primary production of agricultural products in the following subsectors: i) Fig production crops for drying throughout the country, ii) Lavender cultivation throughout the country, iii) Table Olives except table Olives-“Kalamon” variety and table Olives-others (code 2008190 according to the national Integrated Management and Control System data of OPEKEPE), iv) Industrial potato- Autumn potato, v) Tangerine – “Klimentini” variety and vi) Tobacco growing sector. It applies to the whole territory of Greece. The Greek authorities confirm that the measure is not open to credit and financial institutions.

2.7. Basic elements of the measure

(16) The measure aims to support producers in the primary agricultural sector who have registered severely reduced incomes due to measures taken to limit the spread of the COVID-19 especially in the period during March to May 2020.

(17) The planned measure concerns direct grants with the amount of:

a) EUR 66,80 /acre for approximately 29,936 acres which amounts to a total of EUR 2 000 000 in the Fig production crops for drying throughout the country.

b) EUR 70 /acre for approximately 32,447 acres which amounts to a total of EUR 2 271 290 in the Lavender cultivation throughout the country.

c) EUR 40 /acre for approximately 278,139 acres which amounts to a total of EUR 11 125 560 in the field of Table Olives except table Olives-“Kalamon” variety and table Olives-others (code 2008190)\(^7\).

d) EUR 83,92 /acre for approximately 785.20 acres which amounts to a total of EUR 65 864 in the field of industrial potato throughout the country.

e) EUR 205 /acre for approximately 6,499 acres which amounts to a total of EUR 1 332 295 in the field of autumn potato throughout the country\(^8\).

\(^7\) Producers have already received aid under the Sections 2 and 3.1 of the Temporary Framework (SA.58929 (2020/N)).

\(^8\) Potato producers have already received aid under the Sections 2 and 3.1 of the Temporary Framework (SA.58929 (2020/N) and SA.62095 (2021/N)).
f) EUR 70 /acre for approximately 48,077.80 acres which amounts to a total of EUR 3,365,460 in the field of Tangerine-“Klimentini” variety throughout the country.

g) EUR 90 / acre for approximately 120,765.8 acres which amounts to a total of EUR 10,868,922 for the loss of income regardless of variety and

h) EUR 100 / acre for approximately 4,547.70 acres which amounts to a total of EUR 454,770 for the producers regardless of variety, who rented plots for contracts, prepared the crop / sowing, but in the end did not cultivate due to lack of manpower, in the field of tobacco growing sector throughout the country.

(18) The Greek authorities confirmed that the overall nominal value of direct grant does not exceed EUR 290,000 per undertaking active in the primary production of agricultural products.

(19) The Greek authorities confirmed that where an undertaking is active in several sectors to which different maximum amounts apply in accordance with points 22 (a) and 23 (a) of the Temporary Framework, it will be ensured, by appropriate means such as separation of accounts, that for each of these activities the relevant ceiling is respected and that the overall maximum amount of EUR 2.3 million is not exceeded per undertaking, and that, where an undertaking is active in the sectors covered by point 23 (a) of the Temporary Framework, the overall maximum amount of EUR 345,000 is not exceeded per undertaking.

(20) The Greek authorities confirmed that the aid granted will not be fixed on the basis of the price or quantity of products put on the market. The aid concerns the compensation of part of the loss of income suffered by producers as a result of the COVID19 pandemic and the restrictive measures. These measures have had a negative impact on the functioning of the market, leading to serious fluctuations in demand and supply of the products and in production costs. The fluctuations in demand lead to non-absorption of the increased production. At the same time, the tobacco sector was affected mainly due to lack of manpower to undertake the necessary works.

2.8. Cumulation

(21) The Greek authorities confirm that aid granted under the measure will not be cumulated with aid under the de minimis Regulation9 or the ABER.

(22) The Greek authorities confirm that aid under the measure will not be cumulated with other forms of Union financing.

(23) The Greek authorities confirm that aid granted under the measure will not be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Framework.

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(24) The Greek authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under section 3.1 of the Temporary Framework, the overall maximum cap per undertaking, as set out in point(s) 22(a) and 23(a) of that framework, will be respected. Aid granted under the measure and/or other measures approved by the Commission under section 3.1 of the Temporary Framework which has been reimbursed before granting of new aid shall not be taken into account in determining whether the relevant ceiling is exceeded.

2.9. Monitoring and reporting

(25) The Greek authorities confirm that they will respect the monitoring and reporting obligations laid down in section 4 of the Temporary Framework (including the obligation to publish relevant information on each individual aid above EUR 10 000 in the primary agriculture sector on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting).10

3. ASSESSMENT

3.1. Lawfulness of the measure

(26) By notifying the measure before putting it into effect, the Greek authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

(27) 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.

(28) The measure is imputable to the State, since it is administered by the OPEKEPE and it is based on the draft Joint Ministerial Decision of the Ministers of Finance and Rural Development and Food on ‘Granting of State aid throughout Greece in the fields of: (a) seed and industrial potatoes, (b) Levant cultivation, (c) production of dried figs, (d) the production of mandarins of the clementine variety, (e) the production of table olives, (f) tobacco cultivation and detailed rules for implementing a Temporary Framework based on the Commission Communication of 19/03/2020 C(2020)1863 final (Temporary Framework), as amended and in force’. It is financed through State resources, since it is financed by public funds.

(29) The measure confers an advantage on its beneficiaries in the form of direct grants. The measure thus confers an advantage on those beneficiaries, which they would not have had under normal market conditions.

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The advantage granted by the measure is selective, since it is awarded only to certain undertakings active in the primary production of agricultural products in the agricultural sectors of i) Fig production crops for drying throughout the country, ii) Lavender cultivation throughout the country, iii) Table Olives except table Olives—“Kalamon” variety and table Olives-others (code 2008190 according to the national Integrated Management and Control System data of OPEKEPE), iv) Industrial potato- Autumn potato, v) Tangerine – “Klimentini” variety and vi) Tobacco growing sector, excluding the financial sector.

The measure is liable to distort competition, since it strengthens the competitive position of its beneficiaries. It also affects trade between Member States, since those beneficiaries are active in sectors in which intra-Union trade exists.

In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Greek authorities do not contest that conclusion.

3.3. Compatibility

Since the measure involves aid within the meaning of Article 107(1) TFEU, it is necessary to consider whether that measure is compatible with the internal market.

Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid “to remedy a serious disturbance in the economy of a Member State”.

By adopting the Temporary Framework on 19 March 2020, the Commission acknowledged (in section 2) that “the COVID-19 outbreak affects all Member States and that the containment measures taken by Member States impact undertakings”. The Commission concluded that “State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU, for a limited period, to remedy the liquidity shortage faced by undertakings and ensure that the disruptions caused by the COVID-19 outbreak do not undermine their viability, especially of SMEs”.

The measure aims at facilitating the access of undertakings to liquidity at a time when the normal functioning of markets is severely disturbed by the COVID-19 pandemic and that pandemic is affecting the wider economy and leading to severe disturbances of the real economy of Member States.

The measure is one of a series of measures conceived at national level by the Greek authorities to remedy a serious disturbance in their economy. The importance of the measure to preserve employment economic continuity and recovery in the agricultural sectors of i) Fig production crops for drying throughout the country, ii) Lavender cultivation throughout the country, iii) Table Olives except table Olives—“Kalamon” variety and table Olives-others (code 2008190 according to the national Integrated Management and Control System data of OPEKEPE), iv) Industrial potato- Autumn potato, v) Tangerine – “Klimentini” variety and vi) Tobacco growing sector. Furthermore, the measure has been designed to meet the requirements of a specific category of aid (“Aid in the form of limited amount of aid”) described in section 3.1 of the Temporary Framework.
The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State and meets all the conditions of the Temporary Framework. In particular:

- The aid takes the form of direct grants (recital (6)).
- The overall nominal value of direct grant does not exceed EUR 290 000 per undertaking active in the primary production of agricultural products (recital (18)). The measure therefore complies with point 23(a) of the Temporary Framework.
- Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (9). The measure therefore complies with point 22(b) of the Temporary Framework.
- Aid may be granted to micro and small enterprises that were in difficulty on 31 December 2019, if those enterprises, at the moment of granting the aid, are not subject to collective insolvency procedure under national law and they have not received rescue aid or restructuring aid (recital (13)). The measure therefore complies with point 22(c)bis of the Temporary Framework.
- Aid will be granted under the measure no later than 30 June 2022 (recital (11)). The measure therefore complies with point 22(d) of the Temporary Framework.
- Aid granted to undertakings active in the primary production of agricultural products must not be fixed on the basis of the price or quantity of products put on the market (recital (20)). The measure therefore complies with point 23(b) of the Temporary Framework.
- Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 22(a) and 23(a) of the Temporary Framework, the Greek authorities will ensure, by appropriate means such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of EUR 2.3 million is not exceeded per undertaking. Where an undertaking is active in the sectors covered by point 23 (a) of the Temporary Framework, the overall maximum amount of EUR 345 000 is not exceeded per undertaking (recital (19)). The measure therefore complies with point 23bis of the Temporary Framework.

The Greek authorities confirm that the aid under the measure is not 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 (recital (4)).

The Greek authorities further confirm that the aid under the measure will not be cumulated with other aid (recitals (21) to (24)).
(41) The Commission therefore considers that the measure 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.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the aid 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