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Subject: State Aid SA.103707 (2022/N) – Latvia
TCF: Procedures for the granting of State aid to mitigate the negative economic consequences in the agricultural products processing sector

Excellency,

1. PROCEDURE

- (1) By electronic notification of 12 July 2022, Latvia notified aid in the form of limited amounts of aid (“*TCF: Procedures for the granting of State aid to mitigate the negative economic consequences in the agricultural products processing sector*”, “the measure”) under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the “Temporary Crisis Framework”)¹. On 29 July 2022, Latvia submitted complementary information. On 10, 12 and 18 August 2022, Latvia submitted complementary information.
- (2) 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 on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 131 I, 24.3.2022, p. 1), as amended by Commission Communication C(2022) 5342 (OJ C 280, 21.7.2022, p. 1).

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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

- (3) Latvia considers that the Russian aggression against Ukraine, the sanctions imposed by the European Union (“EU”) and its international partners and the counter-measures taken for example by Russia (the “current crisis”) so far affects the real economy. According to the Latvian authorities, the current crisis has created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in Latvia. The Latvian agricultural products processing industry has been forced to operate under adverse market conditions: energy and raw materials prices have increased, there has been a disruption in the supply of raw materials and other production materials, and certain raw materials, such as sunflower oil, have become unavailable at all, leading to an increase in prices of other vegetable oils³. Information from undertakings active in the processing of agricultural products shows that price increases depend on contracts with suppliers of natural gas or electricity and, in some cases, are higher and future contracts show an eight-fold increase in price. According to data from the Agro Resources and Economic Institute, the price of electricity in the first quarter of 2022 was 59% higher in Latvia than in the first quarter of the previous year, and the price of diesel was higher by 32%. The current data from the Latvian Central Statistics Bureau on natural gas prices show that natural gas costs rose by 46% in March 2022 compared with March 2021. Moreover, the information collected from food producers shows that in July 2022, packaging prices have increased by 20-30% compared to the same period of 2021. Thus, the measure aims at remedying the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as by the economic counter measures taken so far, for example by Russia.
- (4) Latvia 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

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

³ Information provided by the Latvian Bakers' Society shows that plant oil prices have tripled, while flour prices increased by 40 % in March 2022 compared to March 2021 and further price increases occurred in July 2022; for wheat flour 9% and for ray flour 13% in comparison to March 2022. At the beginning of the Russian aggression against Ukraine, food grain prices increased significantly and in April 2022 the price of food wheat reached EUR 352.4/tonne, which was an increase by 71 % compared to the April 2021 price (EUR 206.3/t). The dairy sector also faces an increase in raw material costs. Information gathered by the Ministry of Agriculture shows that the purchase price of milk was 48.1% higher in March 2022 than in March 2021. At the same time, rising energy prices not only increase production costs, but also the cost of logistics and other services.

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 1, 2.1 and 2.4 of the Temporary Crisis Framework.

2.1. The nature and form of aid

- (6) The measure provides aid in the form of direct grants for:
- (a) Limited amounts of aid under Section 2.1 of the Temporary Crisis Framework (“Sub-measure 1”);
 - (b) Additional costs due to exceptionally severe increases in natural gas and electricity prices under Section 2.4 of the Temporary Crisis Framework (“Sub-measure 2”).
- (7) The Latvian authorities confirm that all figures expressing aid amounts under the measure used are gross, that is, before any deduction of tax or other charges.

2.2. Legal basis

- (8) The legal basis for the measure is the draft of the Regulation laying down the Procedures for the granting of State aid to mitigate the negative economic consequences in the agricultural products processing sector⁴.

2.3. Administration of the measure

- (9) The Ministry of Agriculture is responsible for administering the measure and the Rural Support Service is the granting authority.

2.4. Budget and duration of the measure

- (10) The estimated budget is EUR 10 000 000 to be financed from the national budget.
- (11) Aid may be granted under the measure as from the notification of the Commission’s decision approving the measure until no later than 31 December 2022.

2.5. Beneficiaries

- (12) The final beneficiaries of the measure are undertakings of all sizes active in the agricultural products processing sector, except alcoholic beverages, that are affected by the crisis. The estimated number of beneficiaries is around 40.
- (13) Latvia confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the EU, including but not limited to: (i) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (ii) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or (iii) undertakings active in industries targeted by

⁴ *Valsts atbalsta piešķiršanas kārtība negatīvo ekonomisko seku mazināšanai lauksaimniecības produktu pārstrādes nozarē.*

sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.

- (14) Latvia confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations⁵. In particular, natural persons or entities subject to the sanctions will not benefit directly or indirectly from the measure.

2.6. Sectoral and regional scope of the measure

- (15) The measure is open to undertakings active in the agricultural products processing sector (with the exception of producers of alcoholic beverages) and it applies to the whole territory of Latvia. Latvia confirms that credit institutions or other financial institutions are excluded from being beneficiaries of the aid.

2.7. Basic elements of the measure

- (16) The measure aims to provide support to enterprises in the agricultural products processing sector to eliminate liquidity shortages and mitigate the negative economic consequences of the Russian aggression against Ukraine through a reduction in production costs for processing agricultural products to address significantly higher prices of natural gas and electricity, other energy sources and packaging materials, or through a reimbursement of revenues not earned due to higher production costs.
- (17) The measure contains two sub-measures, each based on a different section of the Temporary Crisis Framework:
- (a) Aid to cover the increase in packaging and/or energy costs or reimbursement of revenues not earned, based on Section 2.1. (*“Limited amounts of aid”*) of the Temporary Crises Framework.
 - (b) Aid to cover increases in natural gas or electricity prices based on Section 2.4. (*“Aid for additional costs due to exceptionally severe increase in natural gas and electricity prices”*) of the Temporary Crises Framework.
- (18) For both sub-measures, the aid will be granted for the period from 1 February 2022 to 31 October 2022, divided in two rounds: a first one covering the period from 1 February to 31 May 2022; and a second one for the period from 1 June to 31 October 2022 (“support periods”).

2.7.1. Aid under Section 2.1 (sub-measure 1)

- (19) The aid to cover the increase in packaging and energy costs or reimbursement of revenues not earned, will be granted to an undertaking active in the agricultural products processing sector:

⁵ For example, Article 12 of Council Regulation (EU) No 833/2014 of 31 July 2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 229, 31.7.2014, p. 1).

- (a) if the increase in the costs of packaging used or of energy resources per unit of turnover, which amount to EUR 1, for beneficiaries in the agricultural products processing sector during the support period is at least 15 % compared to the same period of 2021 and if this increase in costs exceeds the increase in revenue of the beneficiary between those same periods by at least 5 %, or⁶
 - (b) if its average EBIT⁷ of the beneficiary active in the agricultural products processing sector in the support period is at least 5 % lower compared to the same period of 2021.
- (20) In the case of beneficiaries fulfilling condition (a) of recital (19), the aid will be equal to 70 % of the increase in packaging and energy costs incurred by beneficiaries in the agricultural products processing sector during the support period compared to the same period in 2021.
- (21) According to the Latvian authorities, in the case of beneficiaries fulfilling condition (b) of recital (19), the aid will be equal to the average reduction of EBIT during the support period⁸ of beneficiaries in the agricultural products processing sector compared to the same period in 2021. The amount of aid⁹ will be calculated using the following formula:

$$\text{Amount of aid (in euro)} = \text{EBIT}_{2022 \text{ atb.}}^{10} - \text{EBIT}_{2021 \text{ ref.}}^{11}$$

- (22) The maximum amount of the aid per undertaking under sub-measure 1 will be EUR 400 000. Therefore, the overall nominal value of the direct grants under the sub-measure will not exceed EUR 500 000 per undertaking at any given point in time; all figures are gross, that is, before any deduction of tax or other charges.

⁶ If the beneficiary fulfils both conditions under points (a) and (b) of recital (19), it must choose under which one of the two it will request aid: it cannot benefit from aid under both of those points.

⁷ Earnings before interest and taxes.

⁸ Average for the support period means when EBIT value for each month of support period is added and then divided by the number of months of support period. In mathematical terms, the formula would be Average= (EBIT value February+ EBIT value March+ EBIT value April+ EBIT value May)/4.

Components of average are EBIT value of each month of support period and the number of months of support period.

⁹ Example: Company A applies for aid for the period from 1 February 2022 to 31 May 2022. Accordingly, this company has an EBIT of 100 in February, 100 in March, 110 in April and 110 in May, 2021. Meanwhile, February is 95, March is 95, April is 100 and May is 100, 2022.

As a first step, the average EBIT per year is calculated. The calculated average EBIT value for 2021 corresponding to the aid period is 105 (calculations: (100+100+110+110)/4=105) and the calculated average EBIT value for 2022 aid period is 97.5 (calculations: (95+95+100+100)/4=97.5).

As a second step, it is calculated the reduction percentage, which is 7.14%.

As a third step and using the formula $A = \text{EBIT}_{2022 \text{ atb.}} - \text{EBIT}_{2021}$, a reduction of EBIT is calculated, which is numerically the aid amount 7.5.

¹⁰ Average EBIT value during the support period (in euro).

¹¹ Average EBIT value for the period in 2021 corresponding to the support period (in euro).

- (23) The Latvian authorities confirm that the aid will be conditional on not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned.

2.7.2. *Aid under Section 2.4 (sub-measure 2)*

- (24) This sub-measure provides for aid in form of direct grants to undertakings active in the agricultural products processing sector (see recital (15)) to alleviate the exceptionally severe increases in the price of natural gas and electricity.
- (25) The total amount of aid for the eligible period will not exceed EUR 2 000 000 per undertaking at any given point in time.
- (26) The aid intensity will not exceed 30 % of the eligible costs. The eligible costs are calculated based on the increase in natural gas and electricity costs linked to the Russian aggression against Ukraine. The eligible cost is the product of the number of units of natural gas and electricity procured by the applicant from external suppliers as a final consumer¹² between 1 February 2022 and 31 December 2022 (the “eligible period”) and a certain increase in the price that the applicant pays per unit consumed (measured in EUR/kWh). That price increase shall be calculated as the difference between the unit price paid by the applicant in a given month in the eligible period and the double (200 %) of the unit price paid by the applicant on average for the reference period from 1 January 2021 until 31 December 2021.
- (27) The eligible costs are calculated, for each month of the eligible period for which aid is requested, according to the following formula:

$$(p(t) - p(\text{ref}) * 2) * q(t)^{13}$$

- (28) As from 1 September 2022, the quantity of natural gas and electricity used to calculate the eligible costs cannot exceed 70% of the beneficiary’s consumption for the same period in 2021.
- (29) In relation to this sub-measure, there are no advance payments and the aid is granted only after an ex-post verification of the supporting documentation of the beneficiary.

¹² As demonstrated by the beneficiary e.g. based on the respective bill. Only final consumption will be counted, sales and own production are excluded.

¹³ In this formula, p(t) denotes the unit price of natural gas and electricity in EUR/kWh borne by the undertaking during the relevant month of the eligible period; p(ref) denotes the average unit price of natural gas and electricity in EUR/kWh borne by the undertaking during the reference period (i.e., from 1 January 2021 to 31 December 2021); q(t) denotes the amount of natural gas and electricity consumed by the undertaking in the relevant month of the eligible period.

2.8. Cumulation

- (30) The Latvian authorities confirm that aid granted under the measure will not be cumulated with aid under *de minimis* Regulations¹⁴ or the General Block Exemption Regulation¹⁵.
- (31) The Latvian authorities confirm that aid under the measure will not be cumulated with aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak¹⁶ (“COVID-19 Temporary Framework”).
- (32) The Latvian 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 Crisis Framework. The Latvian authorities in addition confirm that the applicant will only be able to receive aid for the same eligible costs only under one of two sub-measures of the measure.
- (33) The Latvian authorities confirm that if the beneficiary receives aid on several occasions or in several forms under the measure, the overall maximum cap per undertaking, as set out in point 41(a) of that framework, will be respected. Aid granted under the measure and other measures approved by the Commission under section 2.1 of the Temporary Crisis Framework which has been reimbursed before 31 December 2022 will not be taken into account in determining whether the relevant ceiling is exceeded.

2.9. Monitoring and reporting

- (34) The Latvian authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure on the comprehensive national State aid website or Commission’s IT tool within 12 months from the moment of granting¹⁷).

¹⁴ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 352, 24.12.2013, p. 1).

¹⁵ Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187 of 26.6.2014, p. 1).

¹⁶ 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).

¹⁷ Referring to information required in Annex III to Commission Regulation (EU) No 651/2014.

3. ASSESSMENT

3.1. Lawfulness of the measure

- (35) By notifying the measure before putting it into effect (recital (8)), the Latvian authorities have respected their obligations under Article 108(3) TFEU.

3.2. Existence of State aid

- (36) 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.
- (37) The measure is imputable to the State, since it is administered by the Ministry of Agriculture (recital (9)) and it is based on the (draft) Regulation laying down the Procedures for the granting of State aid to mitigate the negative economic consequences in the agricultural products processing sector (recital (8)). It is financed through State resources, since it is financed by public funds (recital (10)).
- (38) The measure confers an advantage on its beneficiaries in the form of direct grants (recital (6)). The measure thus confers an advantage on those beneficiaries which they would not have had under normal market conditions.
- (39) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, i.e. undertakings active in the agricultural products processing sector, excluding the financial sector (recital (15)).
- (40) 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.
- (41) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Latvian authorities do not contest that conclusion.

3.3. Compatibility

- (42) 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.
- (43) 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*”.
- (44) By adopting the Temporary Crisis Framework on 23 March 2022, the Commission acknowledged (in section 1) that the military aggression against Ukraine by Russia, the sanctions imposed the EU or its international partners and the counter measures taken, for example by Russia have created significant economic uncertainties, disrupted trade flows and supply chains and led to

exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods, including in the agri-food sector. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Latvia. 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 if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian military aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as the economic counter measures taken so far, for example by Russia.

- (45) The measure aims at providing liquidity to undertakings active in the processing of agricultural products at a time when a wide range of economic sectors are affected, the normal functioning of markets is severely disturbed leading to severe disturbances of the real economy of Member States, including in the economy of Latvia.
- (46) The measure is one of a series of measures conceived at national level by the Latvian authorities to remedy a serious disturbance in their economy. The importance of the measure to compensate for the increase of energy prices as well as the increase in packaging costs or EBIT reduction of undertakings in the agricultural products processing sector is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire Latvian economy. Furthermore, the measure has been designed to meet the requirements of two specific categories of aid (“*Limited amounts of aid*” and “*Aid for additional costs due to exceptionally severe increases in natural gas and electricity prices*”) described in Sections 2.1 and 2.4 of the Temporary Crisis Framework.
- (47) 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 relevant conditions of the Temporary Crisis Framework. In particular:

3.3.1. *Compatibility of aid under Section 2.1 (sub-measure 1)*

- The aid takes the form of direct grants (recital (6)).
- The overall nominal value of the grants does not exceed EUR 500 000 per undertaking (recital (22)). All figures used are gross, that is, before any deduction of tax or other charge (recital (7)). If the beneficiary receives aid on several occasions under the measure the overall maximum cap per undertaking set out in point 41(a) of that framework will be respected (recital (33)). The sub-measure therefore complies with point 41(a) of the Temporary Crisis Framework.
- Aid is granted under the sub-measure on the basis of a scheme with an estimated budget, as indicated in recital (10). The sub-measure therefore complies with point 41(b) of the Temporary Crisis Framework.

- Aid will be granted under the sub-measure no later than 31 December 2022, as indicated in recital (11). The sub-measure therefore complies with point 41(c) of the Temporary Crisis Framework.
- Aid will be granted only to undertakings affected by the current crisis (recitals (3), (12) and (16)). The sub-measure therefore complies with point 41(d) of the Temporary Crisis Framework.
- Aid is excluded when the aid will be conditional on being partly or entirely passed on to primary producers, fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned (recital (23)). The sub-measure therefore complies with point 41(e) of the Temporary Crisis Framework.

3.3.2. *Compatibility of aid under Section 2.4 (sub-measure 2)*

- Aid will be granted under this sub-measure no later than 31 December 2022 (see recital (11)). The sub-measure therefore complies with point 52(a) of the Temporary Crisis Framework.
- The aid takes the form of direct grants (see recital (6)); the nominal value of the grant does not exceed the applicable aid intensity and aid ceilings laid down in point 52(f) and (g) of the Temporary Crisis Framework (see recitals (25) and (26)). All figures used are gross, that is, before any deduction of tax or other charge (see recital (7)). The sub-measure therefore complies with point 52(b) of the Temporary Crisis Framework.
- Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (10). As described in recital (15), the scope of the measure covers undertakings engaged in the agricultural products processing sector and the Latvian authorities confirm that credit and financial institutions are excluded. Given the importance of the agricultural products processing sector to the Latvian and European Union economy and given that all undertakings in this sector, except alcoholic beverages, are eligible for aid under the measure, the Commission considers that the sub-measure is designed broadly and does not lead to an artificial limitation of potential beneficiaries. The sub-measure therefore complies with point 52(d) of the Temporary Crisis Framework.
- The eligible costs are calculated in line with point 52(e) of the Temporary Crisis Framework over the eligible period from 1 February to 31 December 2022 (see recital (27)). In line with the amendment to the Temporary Crisis Framework¹⁸, as from 1 September 2022, the quantity of natural gas and electricity used to calculate the eligible costs will not

¹⁸ Communication from the Commission on the Amendment to the Temporary Crisis Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 280, 21.7.2022, p. 1).

exceed 70% of the beneficiary's consumption for the same period in 2021 (see recital (28)). Sub-measure 2, therefore, complies with point 52(e) of the Temporary Crisis Framework.

- The overall aid per undertaking will not exceed 30 % of the eligible costs incurred by the undertaking and the maximum aid per undertaking cannot exceed EUR 2 million at any given point in time (see recitals (25) and (26)). Sub-measure 2, therefore, complies with points 52(b), 52(f) and 52(g) of the Temporary Crisis Framework.
- No advance payments are made (recital (29)).
- Aid granted under the sub-measure will not be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Crisis Framework, including with sub-measure 1 (recital (32)). Sub-measure 2 therefore complies with point 52(i) of the Temporary Crisis Framework.

3.3.3. *Common provisions on relocation, exclusion of certain beneficiaries, cumulation and monitoring for all measures*

- (48) The Latvian authorities confirm that, pursuant to point 32 of the Temporary Crisis Framework, 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)).
- (49) The Latvian authorities confirm that, pursuant to point 33 of the Temporary Crisis Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, including but not limited to: a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions (recitals (13) and (14)).
- (50) The Latvian authorities confirm that the monitoring and reporting rules laid down in Section 3 of the Temporary Crisis Framework will be respected (recital (34)). The Latvian authorities further confirm that the aid under the measure will not be cumulated with other aid (recital (30) to (32)).
- (51) 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 Crisis 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