



EUROPEAN COMMISSION

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Subject: **State Aid SA.110282 (2023/N) – France**
 TCTF: Exceptional scheme for covering the economic losses of
 agricultural sectors specialised in organic production (amendments
 to SA.108694)

Excellency,

1. PROCEDURE

- (1) By electronic notification of 23 November 2023, France notified amendments (the ‘notified amendments’) to the following existing aid scheme (the ‘existing aid scheme’) which the Commission approved under the Temporary Crisis and Transition Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the ‘Temporary Crisis and Transition Framework’) ⁽¹⁾ by decision in case SA.108694 (2023/N) - TCTF: Exceptional scheme for covering the economic losses of agricultural sectors specialised in organic production⁽²⁾ (the ‘initial decision’).

⁽¹⁾ Communication from the Commission on the Temporary Crisis and Transition Framework for State Aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 101, 17.3.2023, p. 3), as amended by Commission Communication C(2023)8045 (OJ C1188, 21.11.2023, ELI: <http://data.europa.eu/eli/C/2023/1188/oj>).

⁽²⁾ Commission Decision C(2023) final of 03 August 2023 in case SA. 110282.

S. E. Madame Catherine COLONNA
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- (2) France 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 ⁽³⁾ and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE NOTIFIED AMENDMENTS

- (3) The objective of the existing aid scheme is 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 aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the counter-measures taken, for example by Russia.
- (4) France proposes to amend the existing aid scheme as follows:
- a. to prolong the duration of the existing aid scheme from 31 December 2023 to 30 June 2024;
 - b. to increase the budget of the existing aid scheme from EUR 60 000 000 to EUR 95 000 000; and
 - c. to increase the overall maximum aid amount per undertaking that may be granted from EUR 250 000 to EUR 280 000 per undertaking active in the primary production of agricultural products. All figures will be gross, that is, before any deduction of tax or other charges.
- (5) Apart from the notified amendments, France confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered.
- (6) The legal basis for the notified amendments is the Decision of the Director General of FranceAgriMer of 7 August 2023, as amended by the draft Decision of the Director General of FranceAgriMer relating to the procedures for implementing the exceptional scheme for covering the economic losses of agricultural sectors specialising in organic production caused by the consequences of Russia's aggression against Ukraine ⁽⁴⁾.
- (7) Aid may be granted under the notified measure from the notification of the Commission's decision approving the notified amendment.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

⁽³⁾ Regulation No 1 determining the languages to be used by the European Economic Community (OJ 17, 6.10.1958, p. 385).

⁽⁴⁾ *Projet de décision de la Directrice générale de FranceAgriMer relative aux modalités de mise en œuvre du dispositif exceptionnel de prise en charge des pertes économiques des exploitations agricoles spécialisées dans la production biologique engendrées par les conséquences de l'agression de la Russie contre l'Ukraine.*

3.2. Existence of State aid

- (9) For a measure to be categorised as State aid under Article 107(1) TFEU, all of 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 be liable to 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 recitals (28) to (33) of the initial decision. The notified amendments do not affect that conclusion. The Commission therefore refers to the assessment of the initial decision and concludes that the existing aid scheme, as amended, constitutes State aid within the meaning of Article 107(1) TFEU.

3.3. Compatibility

- (11) The existing aid scheme is compatible with the internal market pursuant to Article 107(3), point (b), TFEU, since it meets the conditions of sections 1 and 2.1 of the Temporary Crisis and Transition Framework for the reasons set out in recitals (33) to (48) of the initial decision. The Commission therefore refers to the assessment in the initial decision.
- (12) The notified amendments do not affect the conclusion that the existing aid scheme is compatible with the internal market pursuant to Article 107(3), point (b), TFEU. In particular:
 - The existing aid scheme will continue to be granted on the basis of a scheme with an estimated budget, as described in recital (4)a. The notified amendment therefore complies with point 61(b) of the Temporary Crisis and Transition Framework.
 - The aid under the existing aid scheme will be granted no later than 30 June 2024, as described in recital (4)b. The notified amendment thus complies with point 61(c) of the Temporary Crisis and Transition Framework.
 - The maximum amount of aid per undertaking active in the primary production of agricultural products will be increased to EUR 280 000, as described in recital (4)c. The notified amendment thus complies with point 62(a) of the Temporary Crisis and Transition Framework.
- (13) Apart from the notified amendments, France confirms that no further amendments are proposed to the existing aid scheme and that all other conditions of that scheme remain unaltered (recital (5)).
- (14) The Commission therefore considers that the notified amendments are necessary, appropriate and proportionate to remedy a serious disturbance in the economy of a Member State pursuant to Article 107(3), point (b) TFEU, since they meet all the relevant conditions of the Temporary Crisis and Transition Framework. The Commission therefore considers that the notified amendments do not alter the Commission's conclusion on the compatibility of the existing aid scheme in the initial decision.

4. CONCLUSION

The Commission has accordingly decided not to raise objections to the existing aid scheme, as amended, on the grounds that it is compatible with the internal market pursuant to Article 107(3), point (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

Didier REYNDEERS
Member of the Commission