

EUROPEAN COMMISSION

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PUBLIC VERSION

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Subject: State Aid SA.100996 (2021/N) – Romania COVID-19: Prolongation of the schemes SA.56895; SA.57408; SA.100195; SA.58166; SA.59156; SA.64092; SA.63319 and SA.62608, as already amended.

Excellency,

- 1. **PROCEDURE**
- (1) By electronic notification of 9 December 2021, Romania 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.56895 (2020/N) "*COVID-19: Support scheme for SMEs*", which the Commission approved by Decision C(2020) 2363 final of 10 April 2020;

Bogdan Aurescu Ministru al Afacerilor Externe Aleea Alexandru nr. 31, sector 1 011822 BUCUREȘTI ROMÂNIA

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).

- (b) SA.57408 (2020/N) "COVID-19: Framework scheme for State aid in the form of subsidised loans and guarantees on loans", which the Commission approved by Decision C(2020) 4565 final of 1 July 2020;
- (c) SA.100195 (2021/N) "COVID-19: Support for SMEs in order to overcome the economic crisis caused by the COVID-19 pandemic – productive investment projects", which the Commission approved by Decision C(2021) 7857 final of 27 October 2021;
- (d) SA.58166 (2020/N) "COVID-19: Support for SMEs and certain related large enterprises to overcome the economic crisis caused by the COVID-19 pandemic", which the Commission approved by Decision C(2020) 5949 final of 27 August 2020;
- (e) SA.59156 (2020/N) "COVID-19 Incentive scheme for airlines operating at Sibiu airport", which the Commission approved by Decision C(2020) 8262 final of 20 November 2020;
- (f) SA.64092 (2021/N) "COVID-19: Aid to airlines at Maramureş International Airport", which the Commission approved by Decision C(2021) 7139 final of 28 September 2021;
- (g) SA.63319 (2021/N) "COVID-19: Incentive scheme for airlines operating at Târgu Mureş Transilvania Airport", which the Commission approved by Decision C(2021) 5171 final of 7 July 2021; and
- (h) SA.62608 (2021/N) "COVID-19: Aid to the independent cultural sector in Bucharest", which the Commission approved by Decision C(2021) 4617 final of 18 June 2021.
- (2) Certain of the above existing aid schemes have already been amended as follows:
 - (a) SA.56895 (2020/N) has been amended by SA.57572 (2020/N), approved by Commission decision C(2020) 5555 final of 7 August 2020, by SA.60236 (2020/N), approved by Commission decision C(2020) 9633 final of 23 December 2020, and by SA.63354 (2021/N), approved by Commission decision C(2021) 4959 final of 30 June 2021.
 - (b) SA.57408 (2020/N) has been amended by SA.59798 (2020/N), approved by Commission decision C(2020) 8917 final of 8 December 2020, and by SA.63040 (2021/N), approved by Commission decision C(2021)3840 final of 25 May 2021.
 - (c) SA.58166 (2020/N) has been amended by SA.59970 (2020/N), approved by Commission decision C(2020) 9494 final of 18 December 2020, by SA.61231 (2021/N), approved by Commission decision C(2021) 479 final of 22 January 2021, and by SA.63318 (2021/N), approved by Commission decision C(2021) 4533 final of 17 June 2021.
 - (d) SA.59156 (2020/N) has been amended by SA.63334 (2021/N), approved by Commission decision C(2021) 5061 final of 2 July 2021.

(3) Romania 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 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 amendments prolong the existing aid schemes until 30 June 2022. In addition, maximum aid amounts per beneficiary are increased:
 - to EUR 2.3 million per undertaking, in line with section 3.1 of the Temporary Framework, with regard to schemes SA.56895 (2020/N), SA.59156 (2020/N), SA.64092 (2021/N), SA.63319 (2021/N), SA.62608 (2021/N).
 - (b) to EUR 345,000 per undertaking for undertakings active in the fisheries and aquaculture sector, and to EUR 290,000 per undertaking for undertakings active in the primary production of agricultural products, in line with section 3.1 of the Temporary Framework, with regard to the scheme SA.56895 (2020/N).
- (6) The estimated budget of some of the existing aid schemes will be increased:
 - (a) to EUR 526.54 million for aid in the form of grants, with regard to scheme SA.56895 (2020/N). As to guarantees under scheme SA.56895, the maximum ceiling has been increased to approximately EUR 9 billion.
 - (b) to EUR 1.6 million, with regard to scheme SA.64092 (2021/N).
 - (c) to EUR 1.55 million, with regard to scheme SA.63319 (2021/N), further to the inclusion of Târgu Mureș Local Council as a grantor.
- (7) Apart from the notified amendments, the Romanian authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of those schemes remain unaltered.
- (8) The legal basis for the notified amendments are acts,³ which will amend and supplement respectively the acts that put in place the existing aid schemes, referred to below:
 - (a) For SA.56895 (2020/N), the Government Emergency Ordinance no. 110/2017 on the Support Program for Small and Medium Enterprises and

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

³ The Romanian authorities submitted to the Commission the draft acts in question.

Small Enterprises with Medium Market Capitalization - SME INVEST ROMANIA, and the Government Emergency Ordinance no. 42/2020 approving the State aid Scheme to support the activity of SMEs in the context of the economic crisis generated by the pandemic COVID-19.

- (b) For SA.57408 (2020/N), the Decision of the Inter-ministerial Committee for Financing, Guarantees and Insurance regarding the framework scheme for State aid in the form of subsidised loans and guarantee on loans in the context of COVID-19 outbreak.
- (c) For SA.100195 (2021/N), the Order no. 1290/2021 of the Minister of Investments and European Projects for the approval of the State aid scheme — Support for SMEs to overcome the economic crisis caused by the COVID-19 pandemic — productive investments.
- (d) For SA.58166 (2020/N), the Order no. 690/2021 of the Minister of Investments and European Projects approving the State Aid Scheme Support for SMEs to overcome the economic crisis caused by the COVID-19 pandemic.
- (e) For SA.59156 (2020/N), the decision no. 258/2020 of Sibiu's County Council concerning the approval of the State aid scheme in support of air operators in the context of the economic crisis generated by the COVID-19 pandemic, amended by Decision of Sibiu's County Council No. 156/2021.
- (f) For SA.64092 (2021/N), the decision no. 212/2021 of Maramureş County Council on the approval of the State aid scheme to support the activity of airlines in the context of the economic crisis caused by the COVID-19 pandemic.
- (g) For SA.63319 (2021/N), the decision no. 118/2021 of the Mureş County Council concerning the approval of the State aid scheme for supporting the activity of air operators in the context of the economic crisis generated by the Covid-19 pandemic.
- (h) For SA.62608 (2021/N), the decision no. 232/2021 of the General Council of Bucharest Municipality for the approval of the financing of the Programme WE SUPPORT THE INDEPENDENT CULTURAL SECTOR IN BUCHAREST.
- (9) The Romanian authorities committed to respect all the applicable conditions of the Temporary Framework.
- (10) Aid may be granted under the existing aid schemes, as amended, as of the notification of the Commission's approval of the notified amendments.

3. Assessment

3.1. 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 (2) 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.

3.2. 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, 3.1, 3.2, and 3.3 of the Temporary Framework for the reasons set out in the initial decisions. 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 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 amendments do not affect the compatibility assessment made under the initial decisions and confirmed under the amendments specified in recital (2). 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 22(d), 25(c), and 27(c) of the Temporary Framework.
- (15) Furthermore, the Commission notes that maximum aid amounts per beneficiary under section 3.1 are increased to EUR 2.3 million per undertaking (see recital (5)(a)), as well as to EUR 345,000 per undertaking for undertakings active in for the fisheries and aquaculture sector and to EUR 290,000 per undertaking for undertakings active in the primary production of agricultural products (see recital (5)(a)). The measures thus continue to comply with points 22(a) and 23(a) of the Temporary Framework, respectively.
- (16) Apart from the notified amendments, Romania confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of those schemes remain unaltered.
- (17) 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)(b) TFEU since they meet all the relevant conditions of the Temporary Framework. The Commission therefore considers that the notified amendments do 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 (2).

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: <u>http://ec.europa.eu/competition/elojade/isef/index.cfm</u>.

Your request should be sent electronically to the following address:

European Commission, Directorate-General Competition State Aid Greffe B-1049 Brussels <u>Stateaidgreffe@ec.europa.eu]</u>

Yours faithfully,

For the Commission

Margrethe VESTAGER Executive Vice-President

CERTIFIED COPY For the Secretary-General

Martine DEPREZ Director Decision-making & Collegiality EUROPEAN COMMISSION