EUROPEAN COMMISSION

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SENSITIVE (*): *COMP Operations*

Subject: **State Aid SA.108084 (2023/N) – Italy**
TCTF: Guarantees on credits granted to agricultural and fishing companies for the construction of plants for the production of renewable energy

Excellency,

1. PROCEDURE

(1) By electronic notification of 20 June 2023, Italy notified aid in the form of limited amounts of aid (TCTF: *"Garanzie su crediti concessi alle imprese agricole e della pesca per la realizzazione di impianti per la produzione di energia rinnovabile"*, "the measure") 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]). On 4, 10 and 27 July 2023, Italy submitted complementary information.

(2) Italy exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union ("TFEU"), in conjunction with

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([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). This Temporary Crisis and Transition Framework replaces the Temporary Crisis Framework adopted on 28 October 2022 (OJ C 426, 9.11.2022, p. 1) ('Temporary Crisis Framework'), which had already replaced the previous Temporary Crisis Framework adopted on 23 March 2022 (OJ C 131I, 24.3.2022, p. 1), as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1). The Temporary Crisis Framework was withdrawn with effect from 9 March 2023.

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Article 3 of Regulation 1/1958 ([2]) and to have this Decision adopted and notified in English.

2. DESCRIPTION OF THE MEASURE

(3) Italy considers that the Russian aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the counter-measures taken for example by Russia, have economic repercussions on the entire internal market ("the current crisis"). According to the Italian 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 fertilisers, highly relevant for the agricultural, forestry, fishery and aquaculture sectors. Those effects taken together have caused a serious disturbance of the economy in all Member States. According to the Italian authorities, from March 2022, the current crisis led to a further acceleration of international markets, already in an upward run following the sudden recovery in world demand. The annual percentage increase in the prices of production factors during 2022 was far higher than that already recorded during 2021 due to the post-pandemic economic recovery. In 2022 the increases of costs were equal to: 57.7% for fuel; 26.8% for lubricants; 83.7% for electricity; 37% for fertilisers; 28.5% for feed; or 10.9% for seed and seedlings ([3]). In particular, to the significant increase in prices of energy products caused by the current crisis, the question of the supply of gas, a fundamental raw material in some production processes, was added ([4]). Many companies have had to review their management choices and show their intention to adopt measures to reduce energy dependence, especially through photovoltaic systems, with a higher incidence among farmers than among food industry operators, as the agricultural, forestry, fishery and aquaculture producers were significantly affected by these increases in energy prices. The topic of energy costs assumes a double relevance at the moment. A more sustainable agriculture from an environmental point of view also implies a virtuous path towards the energy efficiency of the system which, in this moment, considering the costs of supplying all energy products, can become a critical

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

([3]) Source: ISMEA (*Istituto di Servizi per il Mercato Agricolo Alimentare*). Since 1984, ISMEA has been processing a price index of current means of production on a monthly basis using a database fed by its own survey network (*Rete di Rilevazione dei Mezzi Correnti*, RMC_I). The RMC_I essentially consists of qualified surveyors well integrated in the commercial circuits who are able to provide an indicative price of the production factor and, for some inputs, are also able to interpret the phenomena that occur on the markets, evaluating the weight of the different variables that affect the behavior of supply and demand.

([4]) For more information about the consequences of the Russian aggression against Ukraine at the agro-food sector in Italy, the Italian authorities have provide as part of the notification file the rapport of the CREA (*Consiglio per la ricerca in agricoltura e l'analisi dell'economia agraria* –Council for research in agriculture and the analysis of the agricultural economy), "War in Ukraine: the effects on the costs and economic results of Italian farms", explaining the consequences of the Russian aggression in the agri-food sector and available at: https://www.crea.gov.it/web/politiche-e-bioeconomia/-/guerra-in-ucraina-gli-effetti-sui-costi-e-sui-risultati-economici-delle-aziende-agricole-italiane?inheritRedirect=true&redirect=%2Fricerca%3Fq%3Dguerra%2520ucra

element to also guarantee marginality in economic terms of the undertaking ([5]). For these reasons, the Italian authorities intend to provide support to the agricultural, forestry, fishery and aquaculture producers which are affected by the current crisis in particular by the high energy prices. In order to avoid that the increase of the energy prices further avoid these categories of producers, Italy considers that liquidity support is necessary to reduce the dependency from electrical energy suppliers by electrical self-sufficiency through renewable energy installations. However, due to the liquidity shortage of the undertakings active in the sectors concerned provoked by the current crisis, they have a difficult access to the banking system. Thus, the measure aims at addressing the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy.

(4) Italy 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 European Economic Area (“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), point (b), TFEU, in light of Sections 1 and 2.1 of the Temporary Crisis and Transition Framework.

2.1. The nature and form of aid

(6) The measure provides aid on the basis of a scheme in the form of guarantees.

2.2. Legal basis

(7) The legal basis for the measure is Law No 56 of 26 May 2023, containing the “conversion into law, with amendments, of the Decree law No 34 of 30 March 2023 containing urgent measures to support families and businesses for the purchase of electricity and natural gas, as well as in matters of health and tax compliance" and, specifically, Article 4, paragraphs 10 *bis* and 10 *ter* of the decree law ([6]).

([5]) ISMEA conducted in April 2022, a survey with 795 companies for the agricultural sector and 586 companies of the food industry. The survey, compared with the results of the previous quarters, reveals a sudden collapse of confidence for operators in the agri-food chain, to the detriment of the slow recovery that was observed during 2021. The survey concluded that, with regard to the strategies to be undertaken in the future to face the difficulties especially for energy costs, a substantial share of the sample interviewed (44% of companies) intends to invest in photovoltaic systems, or in their expansion if they already have one. However, 47% of those interviewed stated that they have no intention of adopting specific measures to reduce energy dependence and lower running costs in their company. Among those who do not intend to take actions aimed at reducing energy costs, the majority (49%) argue that they do not have the financial resources necessary for the investment; 20% declare that their company is too small to adopt energy saving solutions; 10% do not have the necessary requirements to access financial facilities intended for this area.

([6]) *Legge 26 maggio 2023, n. 56, recante “conversione in legge, con modificazioni, del decreto-legge 30 marzo 2023, n. 34, recante misure urgenti a sostegno delle famiglie e delle imprese per l'acquisto di energia elettrica e gas naturale, nonché in materia di salute e adempimenti fiscali” (Gazzetta Ufficiale - Serie Generale n. 124 del 29/05/2023) e, in particolare, l'articolo 4, commi 10 bis e 10 ter del decreto legge.*

2.3. Administration of the measure

(8) The Italian Ministry of Agriculture, Food Sovereignty and Forestry is the Authority responsible for the measure. The measure will be administered by the *Istituto di Servizi per il Mercato Agricolo Alimentare* (the "Guarantee Fund ISMEA"), a public entity under the supervision of the Ministry of Agriculture, Food Sovereignty and Forestry.

2.4. Budget and duration of the measure

(9) The estimated budget is EUR 30 million. This amount will be taken from the budget of the State aid scheme SA.103166 (2022/N) ([7]).

(10) Aid may be granted under the measure as from the notification of the Commission's decision approving the measure ([8]) until no later than 31 December 2023.

2.5. Beneficiaries

(11) The final beneficiaries of the measure are small and medium-sized enterprises ('SMEs') within the meaning of Annex I of GBER ([9]) or ABER ([10]) or FIBER ([11]) in the agricultural, forestry, fishery and aquaculture sectors that are affected by the current crisis ([12]).

(12) Italy confirms that the aid under the measure is not granted to undertakings under sanctions adopted by the Union, 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 Union; or (iii) undertakings active in industries targeted by sanctions adopted by the Union, insofar as the aid would undermine the objectives of the relevant sanctions.

([7]) Approved by Commission Decision C(2022) 4378 of 22 June 2022, as modified by Commission Decisions C(2022) 7604 of 21 October 2022 concerning case SA.104501 (2022/N) and C(2022) 8765 of 28 November 2022 in case SA.104881 (2022/N).

([8]) As provided in paragraph 10 *bis* of Article 4 of the Decree-Law, national legal basis mentioned in recital (7).

([9]) 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, 26.6.2014, p. 1).

([10]) Commission Regulation (EU) 2022/2472 of 14 December 2022 declaring certain categories of aid in the agricultural and forestry sectors and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 327, 21.12.2022, p. 1).

([11]) Commission Regulation (EU) 2022/2473 of 14 December 2022 declaring certain categories of aid in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union (OJ L 327, 21.12.2022, p. 82).

([12]) The measure is intended for undertakings affected by the current crisis and which declare that they have recorded an increase in energy costs during 2022 compared to 2021. The increase of the energy cost in 2022, as mentioned in recital 3, has, as main factor, the Russian aggression against Ukraine.

(13) Italy confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the Union or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations ([13]). 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

(14) The measure is open to undertakings active in the agricultural, forestry, fishery and aquaculture sectors and in activities related to those sectors ([14]). It applies to the whole territory of Italy. Italy confirms that credit institutions or other financial institutions are excluded from being beneficiaries of the aid.

2.7. Basic elements of the measure

(15) The measure aims to contribute to the diffusion of renewable energy sources, thereby helping enterprises operating in the agricultural, forestry, fishery and aquaculture sectors which are affected by the serious disturbance in the economy caused by Russian aggression against Ukraine, to effectively cope with the volatility and possible further increases in the prices of natural gas and electricity. In particular, the regime is aimed at ensuring that the banking system provides beneficiaries -micro, small and medium undertakings- with the liquidity needed to realise these investments and to overcome the economic and financial difficulties resulting from the current crisis.

(16) The guarantee scheme will apply to new loans granted by banks and other financial intermediaries as well as by other subjects authorised to grant credit, for the construction of plants to produce renewable energy ([15]). These loans will provide the start of repayment of the capital no earlier than 12 months after the disbursement and have a maximum duration of 96 months and an amount not exceeding EUR 250 000. Guarantees must be granted by 31 December 2023 and have a duration coinciding with that of the loans and limited to a maximum of 96 months. Furthermore, the coverage of the guarantees will be equal to 100% of the notional amount of the loans and the guarantee’s premiums will be equal to zero. The conditions for the mobilisation of the guarantees are known and accepted by financial intermediaries and banks at the time of the initial granting of the guarantee.

(17) The advantage is passed on, to the largest extent possible, to the beneficiaries, as they do not have to pay any premium while benefitting from interest rates lower than those without the envisaged public guarantees. Additionally, lenders and other financial intermediaries must ensure that loans have a grace period of at least 12 months.

([13]) 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).

([14]) For example, in the agricultural sector, undertakings active in agritourism will be granted aid under the measure if agritourism represents an activity related to the main agricultural one and is carried out by an undertaking that qualifies as agricultural.

([15]) As defined in Article 2, point 1, of Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (recast) (OJ L 328, 21.12.2018, p. 82).

(18) The overall aid under the measure will not exceed EUR 250 000 per undertaking per Member State, at any given point in time, whichever the sector concerned. All figures are gross, that is, before any deduction of tax or other charges.

(19) The Italian authorities confirm that where the beneficiaries are undertakings active in the processing and marketing of agricultural products, the aid is 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.

(20) The Italian authorities confirm that the aid is not fixed on the basis of the price or quantity of products put on the market.

(21) Italy confirms that aid granted to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in Article 1(1), points (a) to (k), of Regulation (EU) No 717/2014 ([16]).

(22) Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 61(a) and 62(a) of the Temporary Crisis and Transition Framework, Italy 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 million is not exceeded per undertaking per Member State. Where an undertaking is active in the sectors covered by point 62(a) of the Temporary Crisis and Transition Framework, the overall maximum amount of EUR 300 000 will not be exceeded per undertaking per Member State.

2.8. Compliance with relevant provisions of Union law

(23) The Italian authorities confirm that the proposed measure does not by itself, or by the conditions attached to it or by its financing method constitute a non-severable violation of Union law.

2.9. Cumulation

(24) The Italian authorities confirm that aid granted under the measure may be cumulated with support under *de minimis* Regulations ([17]) or aid under the Block

([16]) Commission Regulation (EU) No 717/2014 of 27 June 2014 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid in the fishery and aquaculture sector (OJ L 190, 28.6.2014, p. 45).

([17]) 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), Commission Regulation (EU) No 1408/2013 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 in the agriculture sector (OJ L 352, 24.12.2013 p. 9), Commission Regulation (EU) No 717/2014 and Commission Regulation (EU) No 360/2012 of 25 April 2012 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid granted to undertakings providing services of general economic interest (OJ L 114, 26.4.2012, p. 8).

Exemption Regulations ([18]) provided the provisions and cumulation rules of those Regulations are respected.

(25) The Italian authorities confirm that aid under the measure may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.

(26) The Italian authorities confirm that aid under the measure may be cumulated with aid under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak ([19]) ("COVID-19 Temporary Framework") provided the respective cumulation rules are respected ([20]).

(27) The Italian authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Crisis and Transition Framework provided the provisions in those specific sections are respected.

(28) Italy confirms that for aid granted under Section 2.1 of the Temporary Crisis and Transition Framework and the previous Temporary Crisis Framework, the aid ceilings provided in the respective sections of the Temporary Crisis and Transition Framework are respected at any point in time.

(29) The Italian authorities confirm that if a beneficiary receives aid on several occasions or in several forms under the measure or aid under other measures approved by the Commission under Section 2.1 of the Temporary Crisis and Transition Framework, the overall maximum cap per undertaking per Member State, as set out in points 61(a) and in 62(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 previous Temporary Crisis Framework or under the Temporary Crisis and Transition Framework which has been reimbursed before granting of new aid under that section will not be taken into account in determining whether the relevant ceiling is exceeded.

2.10. Monitoring and reporting

(30) The Italian authorities confirm that they will respect the monitoring and reporting obligations laid down in Section 3 of the Temporary Crisis and Transition Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure and EUR 10 000 in

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([18]) Commission Regulation (EU) No 651/2014, Commission Regulation (EU) 2022/2472 and Commission Regulation (EU) No 2022/2473.

([19]) 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), C(2021) 8442 (OJ C 473, 24.11.2021, p. 1) and C(2022) 7902 (OJ C 423, 7.11.2022, p. 9).

([20]) List of aid measures approved by the Commission under the COVID-19 TF for which cumulation is allowed: SA.57439, SA.57005, SA.57021, SA.57185 as amended, SA.57068 as amended, SA.57439, SA.57947, SA.59509, SA.56690, SA.56966, SA.61599, SA.100091, SA.100155, SA.58418, SA.62668, SA.61599 and SA.102896.

the primary agriculture and in the fisheries sectors on the comprehensive national State aid website or Commission's IT tool within twelve months from the moment of granting ([21])).

3. ASSESSMENT

3.1. Lawfulness of the measure

(31) By notifying the measure before putting it into effect, the Italian authorities have respected their obligations under Article 108(3) TFEU (recitals (7) and (10), including footnote 5).

3.2. Existence of State aid

(32) 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.

(33) The measure is imputable to the State, since it is administered by ISMEA, a public body (recital (8)), and it is based on Law No 56 of 26 May 2023 (recital (7)). It is financed through State resources since it is financed by public funds (recital (9)).

(34) The measure confers an advantage on its beneficiaries in the form of guarantees on loans (recital (6)). The measure thus confers an advantage on those beneficiaries, which they would not have had under normal market conditions.

(35) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, i.e. undertakings active in the agricultural, forestry, fishery and aquaculture sectors, excluding the financial sector (recital (14)).

(36) 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.

(37) Therefore, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Italian authorities do not contest that conclusion.

3.3. Compatibility

(38) 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.

([21]) Referring to information required in Annex III to Commission Regulation (EU) No 651/2014, Annex III to Commission Regulation (EU) 2022/2472 and Annex III to Commission Regulation (EU) 2022/2473.

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

(40) By adopting the Temporary Crisis and Transition Framework, the Commission acknowledged (in Section 1) that 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 agricultural, forestry, fishery and aquaculture sectors.

(41) Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Italy. The Commission concluded that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3), point (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.

(42) The measure aims at facilitating the access of undertakings to external finance 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 Italy.

(43) The measure is one of a series of measures conceived at national level by the Italian authorities to remedy a serious disturbance in their economy. The importance of the measure to stimulate lending by private banks to enterprises during the current crisis is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire Italian economy. Furthermore, the measure has been designed to meet the requirements of a specific category of aid ("*Limited amounts of aid*") described in Section 2.1 of the Temporary Crisis and Transition Framework and the requirements for aid in the form of guarantees channelled through credit institutions or other financial institutions described in point 67(i) of the Temporary Crisis and Transition Framework.

(44) 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 and Transition Framework. In particular:

– the aid takes the form of guarantees (recital (6));

– the overall nominal value of the guarantee, which covers 100% of the loan, does not exceed EUR 250 000 per undertaking per Member State; all figures used are gross, that is before any deduction of tax or other charges (recital (18)). If the beneficiary receives aid on several occasions under the measure or aid under other measures approved by the Commission under Section 2.1 of the Temporary Crisis and Transition Framework, the overall maximum cap per undertaking, per Member State, as set out in points 61(a) or 62(a) of that framework, will be respected (recital (29)). The measure therefore complies with point 62(a) of the Temporary Crisis and Transition Framework;

- aid is granted under the measure on the basis of a scheme (recital (6)) with an estimated budget, as indicated in recital (9). The measure therefore complies with point 61(b) of the Temporary Crisis and Transition Framework;

- aid will be granted under the measure no later than 31 December 2023, as indicated in recital (10). The measure therefore complies with point 61(c) of the Temporary Crisis and Transition Framework;

- aid will be granted only to undertakings affected by the current crisis (recitals (3), (11) and (15)). The measure therefore complies with point 61(d) of the Temporary Crisis and Transition Framework;

- aid granted to undertakings active in the processing and marketing of agricultural products is excluded when the aid is 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 (19)). The measure therefore complies with point 61(e) of the Temporary Crisis and Transition Framework;

- the mobilisation of the guarantees is governed by specific conditions laid down by decree and are known and accepted by financial intermediaries and banks at the time of the initial granting of the guarantee (recital (16));

- the measure introduces safeguards in relation to the possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition (i.e. no guarantee premium, while benefitting from lower interest rates than without the envisaged public guarantees (recitals (16) and (17)). The safeguards thus ensure that those institutions, to the largest extent possible, pass on the advantages of the measure to the final beneficiaries. The measure therefore complies with point 67(i) of the Temporary Crisis and Transition Framework;

- aid granted is not fixed on the basis of the price or quantity of products put on the market (recital (20)). The measure therefore complies with point 62(b) of the Temporary Crisis and Transition Framework;

- aid granted to undertakings active in the fishery and aquaculture sector does not concern any of the categories of aid referred to in Article 1(1), points (a) to (k) of Regulation (EU) No 717/2014 (recital (21)). The measure therefore complies with point 62(c) of the Temporary Crisis and Transition Framework;

- where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 61(a) and 62(a) of the Temporary Crisis and Transition Framework, Italy 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 million is not exceeded per undertaking per Member State (recital (22)). Where an undertaking is active in the sectors covered by point 62(a) of the Temporary Crisis and Transition Framework, the overall maximum amount of EUR 300 000 is not exceeded per undertaking per Member State (recital (22)). The measure therefore complies with point 63 of the Temporary Crisis and Transition Framework.

(45) State aid measures that entail, by themselves, by the conditions attached to them or by their financing method a non-severable violation of Union law cannot be declared compatible with the internal market ([22]).

(46) Italy confirms that the proposed measures do not by themselves, or by the conditions attached to them or by their financing method constitute a non-severable violation of Union law. In addition, the Commission has no indications of any possible breach of Union law that would prevent the notified measure from being declared compatible with the internal market (see recital (23)).

(47) Therefore, the Commission considers that the measure does not infringe any relevant provisions of Union law.

(48) Italy confirms that, in accordance with point 95 of the Temporary Crisis and Transition Framework, overall aid granted under Section 2.1 of the Temporary Crisis and Transition Framework and the previous Temporary Crisis Framework will not exceed the aid ceilings provided in the respective sections of the Temporary Crisis and Transition Framework at any point in time (see recital (28)).

(49) The Italian authorities confirm that, pursuant to point 51 of the Temporary Crisis and Transition 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)).

(50) The Italian authorities confirm that, pursuant to point 52 of the Temporary Crisis and Transition Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the Union, 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 Union; or c) undertakings active in industries targeted by sanctions adopted by the Union, insofar as the aid would undermine the objectives of the relevant sanctions (recitals (12) and (13)).

(51) The Italian authorities confirm that the monitoring and reporting rules laid down in Section 3 of the Temporary Crisis and Transition Framework will be respected (recital (30)). The Italian authorities further confirm that the aid under the measure may only be cumulated with other aid if the specific provisions in the relevant sections of the Temporary Crisis and Transition Framework, the previous Temporary Crisis Framework, the COVID-19 Temporary Framework and the cumulation rules in the relevant Regulations are respected (recitals (24) to (27)).

([22]) Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paragraphs 96 *et seq.*

(52) 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), point (b), TFEU since it meets all the relevant conditions of the Temporary Crisis and Transition 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), 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

Margrethe VESTAGER
Executive Vice-President

CERTIFIED COPY
For the Secretary-General

Martine DEPREZ
Director
Decision-making & Collegiality
EUROPEAN COMMISSION