



EUROPEAN COMMISSION

Brussels, 9.4.2024
C(2024) 2396 final

PUBLIC VERSION

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Subject: State Aid SA.113258 (2024/N) – Slovakia
TCTF: State aid scheme to support primary agricultural production, fisheries and aquaculture as a result of Russia's aggression against Ukraine

Excellency,

1. PROCEDURE

- (1) By electronic notification of 19 March 2024, Slovakia notified aid in the form of limited amounts of aid (TCTF: “*Schéma štátnej pomoci na podporu poľnohospodárskej prvovýroby, rybolovu a akvakultúry v dôsledku agresie Ruska proti Ukrajine*”, “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 25 March 2024, Slovakia submitted complementary information.
- (2) Slovakia 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 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>).

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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) Slovakia considers that the Russian aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the countermeasures taken for example by Russia, have economic repercussions on the entire internal market (“the current crisis”). According to the Slovak 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 sector.
- (4) The Slovak authorities have explained that the current crisis has direct and indirect repercussions on the Slovak economy in general and in particular on the agricultural, fisheries and aquaculture sectors. These sectors have been significantly affected, registering particularly high increases in prices of electricity, natural gas, fuel and fertilisers. According to the Slovak authorities, even after two years of the Russian invasion of Ukraine, cost increases for energy, raw materials, fertilizers and transport are still the main challenges of these sectors. The prices of agricultural inputs grew significantly in 2022, for example, the prices of fertilizers increased by more than 150 % in 2023 compared to 2022. The costs of energy, fuel and plant protection products also rose sharply. Even though the prices slightly decreased in 2023, input prices remained at a high level compared to the period before the Russian aggression against Ukraine ⁽³⁾. After more than two years from the beginning of the current crisis, the Slovak authorities consider that the economic situation is not improving sufficiently and that the producers in agricultural primary production, fisheries and aquaculture require liquidity to remedy the liquidity shortage faced by those undertakings because of their losses due to the current crisis, which will enable them to maintain their activities for the future, ensuring food safety, raw materials for the food industry and maintaining jobs in the agricultural, fishery and aquaculture

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

⁽³⁾ According to data from the Statistical Office of the Slovak Republic (*Štatistický úrad SR*), comparing Q4 2021 with Q4 2023, the price indices (prices in 2015 = 100) for electricity rose from 155.1 to 344.5 points and for motor fuel from 158.9 to 216.3 points. The index for the total inputs for the supply of goods and services to agriculture increased from 116.4 to 142.6 points. However, the prices of major agricultural products such as cereals and oilseeds showed the opposite trend, i.e. their prices decreased in 2023. The Slovak authorities also describe a dynamic increase in the prices of compound feed for animals, which started in 2022 and continued at the beginning of 2023. Despite a slight decrease at the end of 2023, the price level of the individual product representative of compound feed are between 16 % and 39 % higher than at the end of 2021. Globally, including fish, the prices of the agricultural products fell by 11.4 % from 2022 to 2023. Looking at the comparison of input-output price indices for agricultural production for 2023, it can be concluded that the prices of agricultural products don't follow the increase of in input prices. In the absence of statistical data for the aquaculture sector, the Slovak authorities use the data provided by the Association of Fishermen in Slovakia (which represents 90 % of total Slovak production). On the basis of these data, input prices increased by 11.2 % compared to the previous year, and labour costs increased. Despite the increase in labour costs, employment in the sector was maintained at a similar level to the previous year. According to preliminary data, fish sales in 2023 were 4 % lower than in the previous year.

sector. Thus, the measure aims at addressing the liquidity shortage faced by certain categories farmers in the sectors concerned who are directly affected by the serious disturbance of the economy.

- (5) Slovakia 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.
- (6) 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

- (7) The measure provides aid on the basis of a scheme in the form of direct grants.

2.2. Legal basis

- (8) The legal basis for the measure is “*Aid scheme to support primary agricultural production, fisheries and aquaculture as a result of Russia’s aggression against Ukraine*” ⁽⁴⁾.

2.3. Administration of the measure

- (9) The aid is granted by the Ministry of Agriculture and Rural Development ⁽⁵⁾ and the Agricultural Paying Agency ⁽⁶⁾ is responsible for administering the measure.

2.4. Budget and duration of the measure

- (10) The estimated budget of the measure is EUR 20 million financed from the State budget.
- (11) Aid may be granted under the measure as from the notification of the Commission’s decision approving the measure ⁽⁷⁾ until no later than 30 June 2024.

2.5. Beneficiaries

- (12) The final beneficiaries of the measure are undertakings active in the primary agricultural production and/or in the fishery and aquaculture sector, affected by the current crisis (“the beneficiaries”). The estimated number of beneficiaries is more than 1 000.

⁽⁴⁾ <https://www.mpsr.sk/download.php?fID=24668>; The legal basis in an administrative decision that has been published on 21 March 2024 on the website of the Ministry of Agriculture and Rural Development and according to point P.1 it will enter into force on the date of approval by the European Commission.

⁽⁵⁾ *Ministerstvo pôdohospodárstva a rozvoja vidieka Slovenskej republiky.*

⁽⁶⁾ *Pôdohospodárska platobná agentúra.*

⁽⁷⁾ As provided in point J.9 of the draft legal basis in recital (8).

- (13) Slovakia 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.
- (14) Slovakia 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 ⁽⁸⁾. 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 primary agricultural production and/or in the fishery and aquaculture sector (recital (12)). It applies to the whole territory of Slovakia. Slovakia 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 assistance compensating part of the increase of the production costs of producers in the primary agricultural, fishery and aquaculture sectors, that are facing financial liquidity shortage due to the difficulties in the market provoked by the current crisis.
- (17) The amount of the aid is area/volume based and depends on the energy intensity of each production type and/or product:
 - (a) Fishery and aquaculture sector
 - i. A maximum rate of EUR 150 per hectare of pond and/or small water reservoir;
 - ii. A maximum rate of EUR 37.5 per m³ hatchery and/or nursery;
 - iii. A maximum rate of EUR 4.5 per m³ tanks (plastic, concrete circular), chute, drive and/or cage; and
 - iv. A maximum rate of EUR 75 per m³ recirculation system and/or system with water treatment.
 - (b) Primary agricultural production - general crop group:
 - i. A maximum flat rate of EUR 655.67 per hectare of intensive fruit cultivation;

⁽⁸⁾ 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).

- ii. A maximum flat rate of EUR 118.75 per hectare of extensive fruit cultivation;
- iii. A maximum flat rate of EUR 355.90 per hectare of vegetables production;
- iv. A maximum flat rate of EUR 326.69 per hectare of potato production;
- v. A maximum flat rate of EUR 69.58 per hectare of legumes production;
- vi. A maximum flat rate of EUR 234.08 per hectare of hops production;
- vii. A maximum flat rate of EUR 576.23 per hectare for vineyards in integrated and organic production;
- viii. A maximum flat rate of EUR 236.24 per hectare for vineyards in conventional production;
- ix. A maximum flat rate of EUR 159 per hectare for sugar beet production; and
- x. A maximum flat rate of EUR 78.08 per hectare for the production of herbs and spices, medicinal plants, oil seeds and fibre plants, propagating material as well as flowers and ornamental plants.

(c) Primary agricultural production - energy intensive crops:

- i. A maximum flat rate of EUR 7 500 per hectare for the production of early and summer onions, watermelon, sugar melon, early and summer kohlrabi, late white cabbage, sweetcorn, early and summer white cabbage, early and summer cauliflowers, lettuce, radish and radishes, early and summer carrots, late carrots, parsley and parsnips, celery, strawberry, pumpkin as well as pod peas;
- ii. A maximum flat rate of EUR 15 000 per hectare for the production of ripe table tomatoes, sweet peppers, cucumbers and gherkin.

- (18) The overall nominal value of the direct grants under the measure will not exceed EUR 280 000 per undertaking active in the primary production of agricultural products per Member State and EUR 335 000 per undertaking active in the fishery and aquaculture sector per Member State, at any given point in time; all figures are gross, that is, before any deduction of tax or other charges.
- (19) The Slovak authorities confirm that the aid is not fixed on the basis of the price or quantity of products put on the market.

- (20) Slovakia confirms that aid granted to undertakings active in the 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 ⁽⁹⁾.
- (21) 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, Slovakia 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 2.25 million is not exceeded per undertaking. 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 335 000 will not be exceeded per undertaking.

2.8. Compliance with relevant provisions of Union law

- (22) The Slovak authorities confirm 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.

2.9. Cumulation

- (23) The Slovak authorities confirm that aid granted under the measure may be cumulated with support under *de minimis* Regulations ⁽¹⁰⁾ or aid under the Block Exemption Regulations ⁽¹¹⁾ provided the provisions and cumulation rules of those Regulations are respected.
- (24) The Slovak 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.
- (25) The Slovak authorities confirm that aid under the measure may be cumulated with aid under the Temporary Framework for State aid measures to support the

⁽⁹⁾ 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).

⁽¹⁰⁾ Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to *de minimis* aid (OJ L 2023/2831, 15.12.2023), 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) 2023/2832 of 13 December 2023 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 2023/2832, 15.12.2023).

⁽¹¹⁾ 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), 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) and Commission Regulation (EU) 2022/2473 of 14 December 2022 declaring certain categories of aid to undertakings active 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).

economy in the current COVID-19 outbreak⁽¹²⁾ (“COVID-19 Temporary Framework”)⁽¹³⁾.

- (26) The Slovak 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.
- (27) Slovak 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.
- (28) The Slovak 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

- (29) The Slovak 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 10 000 granted under the measure on the comprehensive national State aid website or Commission’s IT tool within twelve months from the moment of granting⁽¹⁴⁾).

3. ASSESSMENT

3.1. Lawfulness of the measure

- (30) By notifying the measure before putting it into effect, the Slovak authorities have respected their obligations under Article 108(3) TFEU (recital (11)).

⁽¹²⁾ 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).

⁽¹³⁾ List of Slovak measures adopted under the COVID-19 Temporary Framework: SA.101016, SA.63294, SA.62004, SA.59280, SA.56986, SA.100963, SA.63394, SA.59982, SA.54485, SA.57484 and SA.54483.

⁽¹⁴⁾ Referring to information required in Annex III to Commission Regulation (EU) 2022/2472 and Annex III to Commission Regulation (EU) 2022/2473.

3.2. Existence of State aid

- (31) 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.
- (32) The measure is imputable to the State, since it is granted by the Ministry of Agriculture and Rural Development (recital (9)) and it is based on the legal act mentioned in recital (8). It is financed through State resources since it is financed by public funds (recital (10)).
- (33) The measure confers an advantage on its beneficiaries in the form of direct grants (recital (7)). The measure thus confers an advantage on those beneficiaries which they would not have had under normal market conditions.
- (34) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, i.e., undertakings active in the primary agricultural production and/or in the fishery and aquaculture sector, excluding among others the financial sector (recital (15)), while other undertakings in a comparable legal and factual situation within that sector or other sectors (considering that all economic operators should in principle cover their own costs), are not eligible for aid and thus will not receive the same advantage.
- (35) 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 a sector in which intra-Union trade exists.
- (36) Therefore, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Slovak authorities do not contest that conclusion.

3.3. Compatibility

- (37) 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.
- (38) 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*”.
- (39) 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, fisheries and aquaculture sector.
- (40) Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Slovakia. 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.

- (41) The measure aims at providing liquidity to certain undertakings active in the primary agricultural, fisheries and aquaculture sectors, 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 Slovakia.
- (42) The measure is one of a series of measures conceived at national level by the Slovak authorities to remedy a serious disturbance in their economy. The importance of the measure to ensure sufficient liquidity of the beneficiaries severely impacted by cost increases of fertilisers, energy, and other production inputs is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated to produce effects across the entire Slovak economy. The Commission considers that the aid beneficiaries (recital (12)) are directly affected by the current crisis (see recital (4)). Given that the Member State did not put the measure into place before the previously applicable expiry date for section 2.1 of the Temporary Crisis and Transition Framework, the Commission has paid particular attention to whether the beneficiaries are affected by the present crisis, in line with point 6 of its most recent amendment to that Framework⁽¹⁵⁾. Undertakings operating in the agricultural, fisheries and aquaculture sectors in Slovakia are facing liquidity shortage. In particular, these sectors in Slovakia continue to be affected by the increase of the costs of inputs linked to the current crisis, as described in recitals (3) and (4). Consequently, current prices of the product cannot compensate the beneficiaries for the costs of production and put in danger the continuity of their activities. For those reasons, to tackle the impact of the crisis, the aid in the form of direct grants is necessary in order to maintain the economic activity of the sectors concerned. In light of the factors invoked by the Member State in recital (4) of the present decision, the Commission is satisfied that the present crisis indeed affects the beneficiaries directly. 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.
- (43) 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 direct grants (recital (7));
 - the overall nominal value of the grants does not exceed EUR 280 000 per undertaking active in the primary production of agricultural products per Member State and EUR 335 000 per undertaking active in the fishery and aquaculture sector per Member State; all figures used are gross, that is before

⁽¹⁵⁾ Commission Communication C(2023)8045 (OJ C 1188, 21.11.2023, ELI: <http://data.europa.eu/eli/C/2023/1188/oj>).

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 (26)). 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 (7)) with an estimated budget, as indicated in recital (10). 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 30 June 2024, as indicated in recital (11). 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), (12), (16) and (42)). The measure therefore complies with point 61(d) 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 (19)). The measure therefore complies with point 62(b) of the Temporary Crisis and Transition Framework;
- aid granted to undertakings active in the aquaculture sector does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) of Commission Regulation (EU) No 717/2014 (recital (20)). 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, Slovakia 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 2.25 million is not exceeded per undertaking (recital (21)). 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 335 000 will not be exceeded per undertaking (recital (21)). The measure therefore complies with point 63 of the Temporary Crisis and Transition Framework

- (44) 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 ⁽¹⁶⁾.
- (45) Slovakia confirms that the proposed measures do not by themselves, or by the conditions attached to them or by their financing method constitute a non-

⁽¹⁶⁾ Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paragraphs 96 *et seq.*

severable violation of Union law (see recital (22)). 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.

- (46) Therefore, the Commission considers that the measure does not infringe any relevant provisions of Union law.
- (47) Slovakia confirms that, in accordance with point 95 of the Temporary Crisis and Transition Framework, overall aid granted under section 2.1 of the previous Temporary Crisis Framework and the Temporary Crisis and Transition Framework will not exceed the aid ceilings provided in the respective section of the Temporary Crisis and Transition Framework at any point in time (see recital (27)).
- (48) The Slovak 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 (5)).
- (49) The Slovak 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 (13) and (14)).
- (50) The Slovak authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis and Transition Framework will be respected (recital (29)). The Slovak 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 and the COVID-19 Temporary Framework and the cumulation rules in the relevant Regulations are respected (recitals (23) to (26)).
- (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), 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