



EUROPEAN COMMISSION

Brussels, 16.12.2021
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SENSITIVE*: *COMP Operations*

**Subject: State Aid SA.100810 (2021/N) – Portugal
COVID-19: Prolongation of the schemes SA.56873, SA.56886, SA.57035,
SA.57494, SA.59450, SA.61209, SA.62647 and SA.64041, as already
amended**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 25 November 2021, amended on 9 and 10 December 2021, Portugal 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.56873 (2020/N) “*Direct grant scheme and loan guarantee scheme*”, which the Commission approved by Decision C(2020) 2229 final of 4 April 2020;
 - (b) SA.56886 (2020/N) “*Credit line with subsidised interest rates addressed to undertakings active in the fishery and aquaculture sector*”, which the Commission approved by Decision C(2020) 2338 final of 8 April 2020;

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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).

C S. Ex.^a o Ministro dos Negócios Estrangeiros
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- (c) SA.57035 (2020/N) “*Support to R&D projects, testing infrastructures and production of COVID-19 related products*”, which the Commission approved by Decision C(2020) 2582 final of 17 April 2020;
 - (d) SA.57494 (2020/N) “*Direct grant and loan guarantee scheme – Autonomous Region of Madeira*”, which the Commission approved by Decision C(2020) 4259 final of 22 June 2020;
 - (e) SA.59450 (2020/N) “*Direct grants to micro, small and medium companies in specific sectors. Measures “Apoiar.PT” and “Apoiar Restauração*”, which the Commission approved by Decision C(2020) 8573 final of 27 November 2020;
 - (f) SA.61209 (2021/N) “*New measure “Apoiar Rendas*”, which the Commission approved by Decision C(2021) 410 final of 20 January 2021;
 - (g) SA.62647 (2021/N) “*Liquidity Incentive System for micro, small and medium undertakings in the Outermost Region of Madeira in the context of the COVID-19 pandemic. Measure called “Programa APOIAR.PT.Madeira*”, which the Commission approved by Decision C(2021) 3415 final of 7 May 2021; and
 - (h) SA.64041 (2021/N) “*Financial support for companies in the sugarcane processing sector in Madeira*”, which the Commission approved by Decision C(2021) 5753 final of 29 July 2021.
- (2) The existing aid schemes have already been amended as follows:
- (a) Scheme SA.56873 (2020/N) in case SA.59795 (2020//N), approved by Commission decision C(2020) 9615 final of 22 December 2020, in case SA.62505 (2021//N), approved by Commission decision C(2021) 3206 final of 30 April 2021 and in case SA.63549 (2021/N), approved by Commission decision C(2021) 5991 final of 6 August 2021;
 - (b) Scheme SA.56886 (2020/N) in case SA.59714 (2020//N), approved by Commission decision C(2020) 9102 final of 9 December 2020 and in case SA.62519 (2021//N), approved by Commission decision C(2021) 2529 final of 8 April 2021;
 - (c) Scheme SA. 57035 (2020/N) in case SA.59070 (2020//N), approved by Commission decision C(2020) 7893 final of 9 November 2020 and in case SA.62506 (2021//N), approved by Commission decision C(2021) 2988 final of 23 April 2021;
 - (d) Scheme SA. 57494 (2020/N) in case SA.59744 (2020//N), approved by Commission decision C(2020) 8734 final of 3 December 2020 and in case SA.62507 (2021//N), approved by Commission decision C(2021) 3206 final of 30 April 2021;
 - (e) Scheme SA. 59450 (2020/N) in case SA.61048 (2021//N), approved by Commission decision C(2021) 410 final of 20 January 2021 and in case SA.62327 (2021//N), approved by Commission decision C(2021) 2560 final of 8 April 2021;

- (f) Scheme SA.61209 (2021/N) in case SA.62327 (2021//N), approved by Commission decision C(2021) 2560 final of 8 April 2021.
- (3) Portugal 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 amendment prolongs the existing aid schemes until 30 June 2022. In addition, the maximum aid amount per beneficiary for scheme SA.56886 (2020/N) “*Credit line with subsidised interest rates addressed to undertakings active in the fishery and aquaculture sector*” as amended is increased to EUR 345 000. Furthermore, the estimated budget of scheme SA.56886 will be increased by EUR 20 million to a total amount of EUR 60 million. The budgets of all the other existing aid schemes are not modified.
- (6) Apart from the notified amendment, the Portuguese authorities confirm that no further amendments are proposed to the existing aid schemes and that all other conditions of that schemes remain unaltered.
- (7) The legal basis for the notified amendment for scheme SA.57035 is Order No 95/2020 of 18 April establishing the “system of incentives for productive innovation in the context of COVID 19” and Order No 96/2020 of 18 April establishing the “incentive system for research activities and investment in testing and optimisation infrastructures in the context of COVID-19”. For scheme SA.56886 the legal basis is Decree-Law No 15/2020 of 15 April providing a credit line with subsidised interest for operators in the fisheries sector and Order No 90/2021 of 23 April laying down the conditions for access to the subsidised credit line for operators in the fisheries sector. For scheme SA.59450 the legal basis is Order No 271-A/2020 of 24 November approving the Regulation of the Apoiar Programme, Resolution of the Council of Ministers no 114/2020 of 30 December approving a set of new measures for businesses and employment in the context of the COVID-19 pandemic and Order No 69-A/2021 of 24 March amending the Apoiar Programme Regulation. For all other schemes the legal basis is the same as the one in force.
- (8) The Portuguese authorities committed to respect all the applicable conditions of the Temporary Framework.
- (9) Aid may be granted under the existing aid schemes, as amended, as from the notification of the Commission’s approval of the notified amendment.

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

3. ASSESSMENT

3.1. Lawfulness of the measure

- (10) By notifying the amendment before putting it into effect, the Portuguese authorities have respected their obligations under Article 108(3) TFEU.

3.2. 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.

3.3. Compatibility

- (13) The existing aid schemes are compatible with the internal market pursuant to Article 107(3)(b) TFEU and Article 107(3)(c), since they meet the conditions of sections 2, 3.1, 3.2, 3.3, 3.4, 3.6, 3.7 and 3.8 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 amendment does 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), 27(c), 35(a), 37(b) and 39(b) of the Temporary Framework.
- (15) Furthermore, the Commission notes that the maximum aid amount per beneficiary under section 3.1 for Scheme SA.56886 if increased to EUR 345 000 (see recital (5)). That measure thus continues to comply with point 23(a) of the Temporary Framework.
- (16) Apart from the notified amendment, Portugal confirms that no further amendments are proposed to the existing aid schemes and that all other conditions of that scheme remain unaltered.
- (17) The Commission therefore considers that the notified amendment is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of

a Member State pursuant to Article 107(3)(b) TFEU and Article 107(3)(c) TFEU since it meets all the relevant conditions of the Temporary Framework. The Commission therefore considers that the notified amendment does 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) and Article 107(3)(c) 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/eojade/isef/index.cfm>.

Yours faithfully,

For the Commission

Margrethe VESTAGER
Executive Vice-President

