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Subject: State Aid SA.112829 (2024/N) – France
TCTF: Second exceptional scheme for covering the economic losses
of farms specialised in organic production

Excellency,

1. PROCEDURE

- (1) By electronic notification of 23 February 2024, France notified aid in the form of limited amounts of aid (TCTF: “*Deuxième 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*”, “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 1 March 2024, France submitted complementary information.
- (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

⁽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) France 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 French 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. Those effects taken together have caused a serious disturbance of the economy in all Member States.
- (4) The French authorities point out that the current crisis has direct repercussions on the French economy in general and in particular the agricultural sector. In particular, the French organic farming sector that had experienced more than a decade of continuous and sustained growth, both in terms of production and consumption, has experienced since the Russian aggression against Ukraine, in an inflationary context ⁽³⁾, a particularly marked demand crisis due to the price increases of raw materials and end products alike. Farmers, particularly those who have taken risks in recent years by modifying their farming systems to convert to organic production, but also those who have been involved for a long time in organic farming, are now facing difficulties in selling their products. This impacts the level of profitability and jeopardises the continuity of the organic farming operations. The decline in purchases of organic products observed in 2022 continues in 2023 ⁽⁴⁾. The current crisis has generated a significant increase in the cost of energy (fuel, electricity, gas) and raw materials (feed for monogastric farms, for example), reinforced by the difficulties in the supply of these inputs.

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

⁽³⁾ On the one hand, the current crisis has contributed to exacerbating inflation since the summer of 2021 (5.2% in 2022, 4.9% in 2023, compared to 1.6% in 2021). Since February 2022, the prices of many raw materials increased, with price inflation being particularly high in the food sector (7.2% over the year 2023, 5.7% in one year in January 2024). This led to a reduction in household food consumption in 2023 of 4.7%, compared to 3.6% in 2022 (Source: *Institut national de la statistique et des études économiques* (INSEE)).

⁽⁴⁾ In value, according to the panelist Kantar, in cumulative 12 months at the end of June 2023, household spending on consumer goods and organic self-service fresh products (all circuits including specialized channels) fell by 5.2% (compared to the previous 12 months), while spending on non-organic products increased by 8.9%. All departments are affected, except organic PFT cheeses (traditional fresh products) (increase in expenses of +19.8%). The drop in organic self-service delicatessen products is particularly strong (-35.8%). Likewise, at the end of November 2023, panelist Nielsen highlighted a drop in sales of organic products of 2.4% in large and medium-sized “general” stores (hypermarkets + supermarkets + e-commerce + convenience stores; excluding hard discount) compared to the previous year. The decline in purchases of organic products in 2023 is also measured in volume, with a sharp drop in quantities purchased. Thus, between the end of June 2022 and the end of June 2023, Kantar shows that the number of organic items purchased fell by 11.9%, while the drop is only 0.8% for non-organic products.

Although the organic sectors are less dependent than conventional sectors on external inputs, the significant increases in operating costs that they have experienced lead to additional production costs⁽⁵⁾. Thus, the current crisis affects organic farming operations in two ways: it generates inflation which deteriorates the demand for organic products and increases the production costs of farmers. In this context, these farms cannot pass on these increases in production costs to the selling price, and beyond that they face a strong limitation of their outlets, likely to call into question their viability and/or their orientation in biological agriculture. After two years from the beginning of the current crisis, the French authorities consider that the economic situation is not improving sufficiently and that the organic farmers require some liquidity in order to partially compensate their described losses as a result of the current crisis, which will enable them to maintain their organic agricultural activities for the future⁽⁶⁾. Thus, the measure aims at addressing the liquidity shortage faced by certain categories of farmers in the sector concerned who are directly affected by the serious disturbance of the economy.

- (5) France 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 the draft of the Decision of the Director General of FranceAgriMer relating to the procedures for implementing the exceptional scheme for covering the economic losses of farms specialised in organic

⁽⁵⁾ The annual index of purchase prices for agricultural means of production prepared by INSEE shows the following developments for the main expenditure items for organic farming farms (comparison between 2021 and 2023, considering 2015 as base 100%): prices of fuel passed from 121.1% in 2021 to 174.8% in 2023 (variation of +44.3%); electricity passed from 118.9% in 2021 to 144.1 in 2023 (variation of +21.2%); seeds and plants passed from 97.2% in 2021 to 108.6% in 2023 (variation of +11.7%); animal food passed from 112.7% in 2021 to 141.4% in 2023 (variation of +25.46%); organic amendments (manure, compost, other organic amendments) passed from 113.9% in 2021 to 142.8% in 2023 (variation of +25.37%).

⁽⁶⁾ A first scheme in favour of the agricultural sectors specialised in organic production in France - SA.108694 (2023/N)- covering the season 2022/2023 was approved under the Temporary Crisis and Transition Framework on 3 August 2023 by Commission Decision C(2023)5385 (OJ C 291 of 18.8.2023). The decision was amended by case SA.110282 (2023/N) approved by Commission Decision C(2023)8705 of 8 December 2023 (OJ C/2024/862 of 18.01.2024).

production caused by the consequences of Russia's aggression against Ukraine⁽⁷⁾.

2.3. Administration of the measure

- (9) The public agency FranceAgriMer⁽⁸⁾ is responsible for administering the measure.

2.4. Budget and duration of the measure

- (10) The estimated budget of the measure is EUR 90 million financed from the State budget.
- (11) France has confirmed that the Decision of the Director General of FranceAgriMer will only be adopted following – and thus aid may be granted under the measure only as from – the notification of the Commission's decision approving the measure until no later than 30 June 2024.

2.5. Beneficiaries

- (12) The final beneficiaries of the measure are small and medium-sized enterprises⁽⁹⁾ active in the primary agricultural production⁽¹⁰⁾ with the commitment of remaining in organic farming⁽¹¹⁾ during the 2024 campaign that: (i) is specialised 100% in organic agriculture or (ii) obtain at least 85% of their turnover from the organic production, that are affected by the current crisis (the "beneficiaries"). In order to benefit from the measure, the beneficiaries must fulfil one of the following eligibility criteria supported by an accounting certificate:
- (a) they have suffered a loss of EBE⁽¹²⁾ over the compensated financial year⁽¹³⁾ greater than or equal to 20% compared to the average EBE of the period of reference⁽¹⁴⁾; or

⁽⁷⁾ *Projet de décision de la directrice générale de FranceAgriMer relative aux modalités de mise en œuvre du deuxième 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.*

⁽⁸⁾ *Établissement national des produits de l'agriculture et de la mer.*

⁽⁹⁾ As defined in Annex I to the 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).

⁽¹⁰⁾ Farms with wine-growing activities located in the following departments are excluded: Ariège, Aude, Aveyron, Gard, Gers, Haute-Garonne, Hautes-Pyrénées, Hérault, Lot, Lozère, Pyrénées-Orientales, Tarn, Tarn-et-Garonne, Alpes-de-Haute-Provence, Alpes-Maritimes, Bouches-du-Rhône, Hautes-Alpes, Var, Vaucluse, Gironde, Dordogne, Landes, Lot et Garonne, Pyrénées atlantiques, Ardèche, Drôme, Rhône.

⁽¹¹⁾ As defined in Article 3, point (1), of Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007 (OJ L 150 14.6.2018, p. 1).

⁽¹²⁾ EBE: *Excédent brut d'exploitation*, which in practice corresponds to an undertaking's EBITDA (Earnings before interest, taxes, depreciation, and amortisation), less any impact of provisions for expenses. For applicants that qualify as 'micro BA' (*micro-bénéfice agricole*, micro agricultural profit)

- (b) they have had a deterioration in their turnover during the compensated financial year greater than or equal to 20% compared to the turnover of the period of reference.
- (13) France 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) France 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 ⁽¹⁵⁾. 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 sector, specifically in the organic farming, as mentioned in recital (11). It applies to the whole territory of France. France 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 remedy the immediate liquidity problems of the organic agricultural farms, likely to jeopardise their sustainability, and to avoid massive

who do not keep accounts in this way, the EBE is replaced by the gross operating margin (income - expenses) to which are added operating subsidies and aid received over the accounting years used.

- ⁽¹³⁾ The compensated financial year is the beneficiary's financial year ending between 1st June 2023 and 31 May 2024 ('the compensated financial year'). When the closing date of the compensated financial year does not make it possible to have final financial data at the time of establishing the accounting certificate, then the eligibility of the company is determined on the basis of forecast data.
- ⁽¹⁴⁾ The period of reference corresponds to the applicant's two accounting years closed between 1 June 2018 and 31 May 2020 ('the period of reference'). In the case of takeover, merger, or division of the farm, it is the accounting history of previous operations that must be used.

In case of applicants recently established in agriculture who do not have two accounting years closed during the period of reference, due to their recent installation, the eligibility criteria will be assessed on a different basis. These applicants must prove their status as a young farmer or newly settled in agriculture, by official proof of the date of installation and the accounting certificates showing two consecutive closed accounting years between 1st June 2019 and 31 May 2023 or the only closed accounting year since closed between 1st June 2022 and 31 May 2023. In the absence of a closed accounting year, the forecast data for the compensated financial year included in the business plan/economic study carried out by an accountant as part of the installation or the historical values in the event of the resumption of an operation in organic farming to be compared with the actual realisation over the compensated financial year (if necessary calculated in proportion to the turnover in the event of a takeover with a different perimeter).

- ⁽¹⁵⁾ 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).

deconversions that is, return to conventional agriculture, which would impact France's potential organic production.

- (17) The calculation of the amount of aid is equal to 50% of the decrease of the eligible EBE of the farm. The maximum amount of aid per beneficiary will be equal to EUR 30 000. This maximum will be increased to EUR 40 000 for young farmers⁽¹⁶⁾ or newly installed⁽¹⁷⁾ in organic farming⁽¹⁸⁾. If the result of the calculation of the aid is less than EUR 1 000, the aid will not be paid to the beneficiary.
- (18) The overall nominal value of the direct grants under the measure will not exceed EUR 280 000 per undertaking 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 French authorities confirm that the aid is not fixed on the basis of the price or quantity of products put on the market.

2.8. Compliance with relevant provisions of Union law

- (20) The French 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

- (21) The French authorities confirm that aid granted under the measure may be cumulated with support under *de minimis* Regulations⁽¹⁹⁾ or aid under the Block Exemption Regulations⁽²⁰⁾ provided the provisions and cumulation rules of those Regulations are respected.
- (22) The French authorities confirm that aid under the measure will not be cumulated with other forms of Union financing.
- (23) The French authorities confirm that aid under the measure may be cumulated with aid under the Temporary Framework for State aid measures to support the

⁽¹⁶⁾ As defined in Article D.614-2 of the Rural Code of France.

⁽¹⁷⁾ "Newly installed" is a farmer (or an associate in the case of a GAEC) who has been installed since 1st January 2019.

⁽¹⁸⁾ In the case of a joint farming group (*Groupement agricole d'exploitation en commun* -GAEC-), the beneficiary will be the GAEC and the higher maximum amount will apply when at least one of the partners is young farmer or newly installed.

⁽¹⁹⁾ 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) 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).

⁽²⁰⁾ 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) and Commission Regulation (EU) 2022/2472.

economy in the current COVID-19 outbreak ⁽²¹⁾ (“COVID-19 Temporary Framework”) provided the respective cumulation rules are respected ⁽²²⁾.

- (24) The French 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.
- (25) France 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.
- (26) The French 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

- (27) The French 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 ⁽²³⁾).

3. ASSESSMENT

3.1. Lawfulness of the measure

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

⁽²¹⁾ Communication from the Commission - Temporary framework for State aid measures to support the economy in the current COVID-19 outbreak (OJ C 911, 20.3.2020, p. 1), as amended by Commission Communications C(2020) 2215 (OJ C 1121, 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).

⁽²²⁾ List of French measures adopted under the COVID-19 Temporary Framework: SA.56823, SA.56985, SA.62255, SA.63564 and SA.102110.

⁽²³⁾ Referring to information required in Annex III to Commission Regulation (EU) 2022/2472.

3.2. Existence of State aid

- (29) 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.
- (30) The measure is imputable to the State, since it is administered by the public agency FranceAgriMer (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)).
- (31) 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.
- (32) The advantage granted by the measure is selective, since it is awarded only to certain undertakings, i.e., undertakings active in the organic agricultural production, 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.
- (33) 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.
- (34) Therefore, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The French authorities do not contest that conclusion.

3.3. Compatibility

- (35) 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.
- (36) 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*”.
- (37) 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 sector.
- (38) Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of France. 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.

- (39) The measure aims at providing liquidity to certain undertakings active in the primary agricultural production, specifically in the organic farming sector, 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 France.
- (40) The measure is one of a series of measures conceived at national level by the French 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 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 French 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⁽²⁴⁾. Undertakings operating in organic agricultural production in France are facing liquidity shortage. In particular, this sector in France continues 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 their products cannot compensate organic farmers for the costs of production and put in danger the continuity of their agricultural 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 sector 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.
- (41) 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; 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

⁽²⁴⁾ Commission Communication C(2023)8045 (OJ C 1188, 21.11.2023, ELI: <http://data.europa.eu/eli/C/2023/1188/oj>).

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) and (16)). 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.
- (42) 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 ⁽²⁵⁾.
- (43) France 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 (see recital (20)). 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.
- (44) Therefore, the Commission considers that the measure does not infringe any relevant provisions of Union law.
- (45) France 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 (25)).
- (46) The French 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)).

⁽²⁵⁾ Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paragraphs 96 *et seq.*

- (47) The French 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)).
- (48) The French authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis and Transition Framework will be respected (recital (27)). The French 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 cumulation rules in the relevant Regulations are respected (recitals (21) to (24)).
- (49) 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