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**Subject: State Aid SA.107620 (2023/N) – Lithuania
TCTF: The Introduction of Alternative Fuels in Industrial
Enterprises in Kaunas, Šiauliai and Telšiai regions**

Excellency,

1. PROCEDURE

- (1) By electronic notification of 23 May 2023, Lithuania notified aid in the form of limited amounts (TCTF: “*The Introduction of Alternative Fuels in Industrial Enterprises in Kaunas, Šiauliai and Telšiai regions*”, 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” or “TCTF”) ⁽¹⁾. Lithuania provided additional information on 15 and 22 June 2023.

⁽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, 28.10.2022, 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 The Temporary Crisis Framework was withdrawn with effect from 9 March 2023.

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LIETUVA

- (2) Lithuania 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 MEASURE

- (3) Lithuania considers that the Russian aggression against Ukraine and its direct and indirect effects, including the sanctions imposed and the countermeasures taken, have economic repercussions on the entire internal market ("the current crisis"). The current crisis has created significant economic uncertainties in Lithuania, 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 inputs, raw materials and primary goods.
- (4) In Lithuania, the nominal growth of industrial production has been slowing down since the summer of 2022 ⁽³⁾. In March 2023, this growth even became negative. In addition, the industrial indicators have been declining - in real growth terms - for six consecutive months.
- (5) The current crisis hits particularly the least developed areas of Lithuania, namely the Kaunas, Šiauliai and Telšiai regions, which are all classified as ‘a’ areas in the regional aid map of Lithuania ⁽⁴⁾. These areas have also been identified in the territorial just transition plan of Lithuania approved by the Commission ⁽⁵⁾, as part of the “Programme for the European Union funds’ investments in 2021–2027” for support from the European Regional Development Fund, the Cohesion Fund and the European Social Fund Plus under the Investment for jobs and growth goal in Lithuania.
- (6) Considering that undertakings have been severely affected by the energy price increases, the measure aims at supporting investment in alternative fuels that would reduce the dependence on fossil fuels.
- (7) Lithuania confirms that the aid under the measure is not conditional upon 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

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

⁽³⁾ See Eurostat: <https://ec.europa.eu/eurostat/databrowser/bookmark/a7cf3e7d-60b8-4d08-bdd8-5bf91896b7c0?lang=en>. See also Lithuanian official statistics portal <https://osp.stat.gov.lt/statistiniu-rodikliu-analize?indicator=S8R837#/>

⁽⁴⁾ Commission decision of 25 November 2021 in case SA.64485 (2021/N) Regional aid map for the Republic of Lithuania (1 January 2022 – 31 December 2027), OJ C 60, 4.2.2022, p. 5 as amended by Commission decision of 21 April 2023, C(2023) 2614 final, in case SA.106647 (2023/N) – Lithuania – Amendment to the Regional aid map for Lithuania (1 January 2022 – 31 December 2027) – increased aid intensities for territories identified for support from the JTF, OJ C 195, 2.6.2023, p.13.

⁽⁵⁾ Commission implementing decision of 13 December 2022, C(2022)9626 final, amending Implementing Decision C(2022) 5742 approving the programme “Programme for the European Union funds’ investments in 2021–2027” for support from the European Regional Development Fund, the Cohesion Fund and the European Social Fund Plus under the Investment for jobs and growth goal in Lithuania.

aid. This is irrespective of the number of job losses actually occurred in the initial establishment of the beneficiary in the EEA.

- (8) The compatibility assessment of the measure is based on Article 107(3)(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

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

2.2. Legal basis

- (10) The legal basis for the measure is the Draft Order of the Minister of Economy and Innovation “The Description of the Conditions for Financing Projects under the Activity “Introduction of Alternative Fuels in Industrial Enterprises in Kaunas, Šiauliai and Telšiai regions” of the Progress Facility No. 05-001-01-04-02 “Encouraging Enterprises to Move towards a Climate-Neutral Economy” of the Economic Transformation and Competitiveness Development Programme of the Ministry of Economy and Innovation of the Republic of Lithuania, Manager of the Development Programme 2022-2030”.

2.3. Administration of the measure

- (11) The Ministry of Economy and Innovation of the Republic of Lithuania is responsible for granting aid under the measure. The Innovation Agency is responsible for managing the measure.

2.4. Budget and duration of the measure

- (12) The estimated budget of the measure is EUR 42 007 291.
- (13) The measure will be financed from the Just Transition Fund⁽⁶⁾. Lithuania foresees no other public financing sources.
- (14) Aid may be granted under the measure as from the notification of the Commission’s decision approving the measure until no later than 31 December 2023⁽⁷⁾.

2.5. Beneficiaries

- (15) The beneficiaries of the measure are undertakings of all sizes engaged in a series of industrial activities listed in the legal basis (recital (18) below) and operating in the three disadvantaged regions of Kaunas, Šiauliai and Telšiai (recital (5)). Beneficiaries do not participate in the European Union Emissions Trading System (“EU ETS”). To be eligible, applicants must have been in business for at least 3 years before the aid application date.

⁽⁶⁾ Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund, OJ L 231, 30.6.2021, p. 1.

⁽⁷⁾ Point 5.1. of the legal basis.

- (16) Lithuania 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 EU; or (iii) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions.
- (17) Lithuania 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

- (18) The measure is open to undertakings active in industrial activities listed in the legal basis⁽⁹⁾. The sectors excluded from the scope of support of the Just Transition Fund⁽¹⁰⁾ are excluded from the scope of the measure. The sectors of the primary agriculture, primary fisheries and aquaculture, as well as credit institutions or other financial institutions are also excluded as eligible final beneficiaries.
- (19) 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.
- (20) The measure applies solely to the ‘NUTS-level 3’ Lithuanian regions of Kauno (county), Telšiai (county) and Šiauliai (county) (recital (5)).

⁽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).

⁽⁹⁾ The eligible activities are defined by reference to the Lithuanian Classification of Economic Activities (EVRK Rev. 2), namely activities falling under Section B "Mining and quarrying" (except for the following economic activities: Section B, Chapter 06, "Crude oil and natural gas extraction", Section B, Class 08.92 "Extraction of peat" and Section B, Group 09.1 "Activities equivalent to petroleum and natural gas extraction") and activities falling under Section C, "Manufacturing" (except for the economic activities of Section C, Chapter 19 "Manufacture of coke and refined petroleum products"); <https://e-seimas.lrs.lt/portal/legalAct/lt/TAD/TAIS.309099>.

⁽¹⁰⁾ As set out in Article 9 of Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund, OJ L 231, 30.6.2021, p. 1.

2.7. Basic elements of the measure

- (21) The aim of the measure is to help companies affected by the current crisis and the resulting energy price increases (as high energy users) to invest in energy efficient solutions.
- (22) Specifically, the measure aims to introduce alternative fuels in industrial enterprises operating in the Kaunas, Šiauliai and Telšiai regions. In order to achieve a successful transformation of industrial enterprises and to reduce their dependence on fossil fuels in industrial processes, investments for the introduction of alternative fuels can be supported, e. g. replacement of fossil fuel boilers with heat pumps (air-to-water, ground-to-water, water-to-water, air-to-air), replacement of equipment using fossil fuels in the production process with equipment running on renewal energy sources (“RES”) (excluding biofuels) and/or equipment powered by electricity, etc.
- (23) Projects under the measure are selected through a call for proposals. Only one aid application may be submitted per applicant, while project partnerships are not allowed. Projects shall be awarded points for compliance with the priority project selection criteria set in the legal basis. Projects with a higher ratio between the aid applicant’s projected greenhouse gas reductions and the amount of funding requested will be awarded more points.
- (24) If the aid applicant is a large enterprise ⁽¹¹⁾, it must have carried out a mandatory energy audit within the two years preceding the date of the aid application, and/or an additional energy audit notably if the measures planned to be implemented during the project were not included in the mandatory energy audit. If the aid applicant is a SME, it must have carried out an energy audit within the two years preceding the date of the aid application.
- (25) The activities provided for in the project under the measure cannot be duplicated and co-financed from the State budget and/or municipal budgets, other monetary resources available to the State and/or municipalities, from the Union Structural Funds, other Union financial assistance instruments or other international assistance funds and/or paid more than once and including from *de minimis* aid.
- (26) The project activities under the measure shall start within 6 months from the date of signing of the project contract by the aid applicant. In principle, the duration of implementation of the project activities under the measure shall not exceed 30 months from the date of signing a project contract by the aid applicant and the project activities shall be completed no later than 31 August 2026. Project activities which started before the submission of an application for aid are not eligible.
- (27) The minimum amount of aid that may be granted to a project is EUR 20 000 and the maximum amount is EUR 2 000 000. The thresholds are the same for all beneficiaries, independent of their size. The maximum financial contribution to a project is 85% of its eligible costs as listed in section 5.5 of the legal basis.

⁽¹¹⁾ The Lithuanian authorities confirm that SMEs are defined in line with Annex I to the relevant Block Exemption Regulation.

- (28) The total amount of State aid granted under the measure per undertaking may not exceed EUR 2 000 000 (gross, i.e. before any deduction of tax or other charge) and EUR 300 000 per undertaking active in the fishery and aquaculture sectors (the primary production being excluded from the scope of the measure).
- (29) Lithuania 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.
- (30) Lithuania confirms that 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, Lithuania 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 2 000 000 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 is not exceeded per undertaking per Member State.
- (31) The Lithuanian authorities confirm that the rules under the Just Transition Fund will be respected.

2.8. Compliance with relevant provisions of Union law

- (32) The Lithuanian 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

- (33) The Lithuanian authorities confirm that aid granted under the measure may not be cumulated with aid under *de minimis* Regulations⁽¹²⁾ or the General Block Exemption Regulations⁽¹³⁾ or with aid under the Agricultural Block Exemption

⁽¹²⁾ 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 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) 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).

⁽¹³⁾ 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 of 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).

Regulation⁽¹⁴⁾ or with aid under the Fisheries Block Exemption Regulation⁽¹⁵⁾. It may not be cumulated with aid received from other local, regional or national authorities⁽¹⁶⁾ to cover the same eligible costs.

- (34) The Lithuanian authorities confirm that aid under the measure may not be cumulated with aid under the measures approved under the COVID-19 Temporary Framework⁽¹⁷⁾.
- (35) The Lithuanian 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.
- (36) Lithuania 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.
- (37) The Lithuanian authorities confirm that no beneficiary can receive aid on several occasions or in several forms under the measure. They also confirm that if the beneficiary receives 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, as set out in point 61(a) and 62 (a) of that framework, will be respected.

2.10. Monitoring and reporting

- (38) The Lithuanian 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 above EUR 10 000 in the fisheries sector) on the comprehensive national State aid

⁽¹⁴⁾ 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).

⁽¹⁵⁾ 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).

⁽¹⁶⁾ Union funding centrally managed by the Commission that is not directly or indirectly under the control of the Member State does not constitute State aid. Where such Union funding is combined with other public funding, only the latter will be considered for determining whether notification thresholds and maximum aid intensities are respected, provided that the total amount of public funding granted in relation to the same eligible costs does not exceed the maximum funding rates laid down in the applicable Union legislation.

⁽¹⁷⁾ 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).

website or Commission's IT tool within 12 months from the moment of granting⁽¹⁸⁾.

- (39) Lithuania confirms that the administering authority shall provide data on the aid granted to the national Register of Granted State Aid and De Minimis Aid. Pursuant to the provisions of the measure, the Ministry shall publish information on the State aid granted on the European Commission's State aid transparency website <https://webgate.ec.europa.eu/competition/transparency/> no later than 12 months from the date on which the aid was granted, on the basis of the information provided by the administering authority.

3. ASSESSMENT

3.1. Lawfulness of the measure

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

3.2. Existence of State aid

- (41) 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.
- (42) The measure is imputable to the State, since it is granted by the Ministry of Economy and Innovation, and managed by the Innovation Agency of the Republic of Lithuania and it is based on a Draft Order of the Minister of Economy and Innovation (recitals (10) and (11)). The measure is financed through State resources since it is financed by public funds (recital (13)).
- (43) The measure confers an advantage on its final beneficiaries in the form of direct grants (recital (9)). The measure thus confers an advantage on those beneficiaries, which they would not have had under normal market conditions.
- (44) The advantage granted by the measure is selective, since it is awarded only to certain undertakings located in some regions of Lithuania and active in a limited list of sectors (recitals (13) and (15)), excluding notably the sectors that cannot benefit from support under Article 9 of Regulation (EU) 2021/1056 establishing the Just Transition Fund (recital (18)).
- (45) 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.

⁽¹⁸⁾ Referring to information required in Annex III to Commission Regulation (EU) No 651/2014 and Annex III to Commission Regulation (EU) No 702/2014 and Annex III to Commission Regulation (EU) No 1388/2014.

- (46) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU, except when it benefits natural persons that are not undertakings. The Lithuanian authorities do not contest that conclusion.

3.3. Compatibility

- (47) 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.
- (48) Pursuant to Article 107(3)(b) TFEU the Commission may declare compatible with the internal market aid “*to remedy a serious disturbance in the economy of a Member State*”.
- (49) 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.
- (50) Those effects taken together have caused a serious disturbance of the economy in all Member States, including in the economy of Lithuania. The Commission concluded that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(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 economy due to the current crisis.
- (51) The measure aims at mitigating the negative effects on Lithuania of the Russian aggression against Ukraine 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 Lithuania. The measure aims at mitigating the negative direct and indirect effects, including the sanctions imposed and the countermeasures taken, which have economic repercussions on the entire internal market.
- (52) The current crisis has created significant economic uncertainties in Lithuania, 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 inputs and raw materials and primary goods in the regions already identified for support under the national Territorial Just Transition Plan (recitals (13) and (15)), as approved by the European Commission in 2022.
- (53) The measure is one of a series of measures conceived at national level by the Lithuanian authorities to remedy a serious disturbance in their economy. The importance of the measure to introduce alternative fuels in industrial enterprises that do not participate in the EU ETS and to reduce dependence on fossil fuels used in industrial processes is widely accepted by economic commentators and the measure is of a scale, which can be reasonably anticipated to produce effects across the entire Lithuanian economy. Furthermore, the measure has been designed to meet the requirements of a specific category of aid (“*Aid in the form of limited amounts of aid*”) described in section 2.1 of the Temporary Crisis and Transition Framework.

- (54) The Commission accordingly considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of Lithuania and meets all the relevant conditions of the Temporary Crisis and Transition Framework. In particular:
- The aid takes the form of direct grants (recital (9)).
 - The overall nominal value of the direct grant will not exceed EUR 300 000 per undertaking active in the fisheries sector in Lithuania and EUR 2 000 000 per undertaking in other sectors in Lithuania; all figures used must be gross, that is, before any deduction of tax or other charges (recital (28)). The measure therefore complies with point 61 (a) and 62 (a) of the Temporary Crisis and Transition Framework.
 - Aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (12). 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 (recital (14)). 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 crisis (recital (21)). 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.
 - 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 (29)). 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, Lithuania 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 2 000 000 is not exceeded per undertaking per Member State (recital (30)). 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 (30)). The measure therefore complies with point 63 of the Temporary Crisis and Transition Framework.

- (55) 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 ⁽¹⁹⁾.
- (56) Lithuania has confirmed 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 (recital (32)). 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.
- (57) Therefore, the Commission considers that the measure does not infringe any relevant provisions of Union law.
- (58) Lithuania 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 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 (36)).
- (59) The Lithuanian authorities confirm that, as required by point 51 of the Temporary Crisis and Transition Framework, the aid under the measure is not conditional upon 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)).
- (60) The Lithuanian authorities confirm that, as required by 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 (recital (16)).
- (61) The Lithuanian authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis and Transition Framework will be respected (recitals (38) and (39)).

⁽¹⁹⁾ Judgment of 31 January 2023, *Commission v Braesch and Others*, C-284/21 P, EU:C:2023:58, paras, 96 *et seq.*

- (62) The Lithuanian authorities also confirm that the rules under the Just Transition Fund will be respected (recital (31)).
- (63) 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)(b) TFEU since it meets all the relevant conditions of the Temporary Crisis 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)(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