



EUROPEAN COMMISSION

Brussels, 25.11.2022  
C(2022) 8727 final

**SENSITIVE\***: *COMP Operations*

**Subject:** State Aid SA.104509 (2022/N) – Italy.  
**TCF:** Marche Region scheme for the support of the economy after the Russian aggression against Ukraine

Excellency,

**1. PROCEDURE**

- (1) By electronic notification of 10 October 2022, Italy notified the Marche Region scheme for the support of the economy after the Russian aggression against Ukraine (*Regime quadro della Regione Marche ai sensi della Sezione 2.1 della Comunicazione della Commissione Quadro temporaneo di crisi per misure di aiuto di Stato a sostegno dell'economia a seguito dell'aggressione della Russia contro l'Ucraina*, the “measure”) under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (the “Temporary Crisis Framework”)<sup>1</sup>. Italy submitted additional information on 3 and 16 November 2022.

---

\* Distribution only on a 'Need to know' basis - Do not read or carry openly in public places. Must be stored securely and encrypted in storage and transmission. Destroy copies by shredding or secure deletion. Full handling instructions: <https://europa.eu/db43PX>

<sup>1</sup> Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (OJ C 426, 9.11.2022, p. 1). This Temporary Crisis Framework replaces the Temporary Crisis Framework adopted on 23 March 2022 (OJ 131 I, 24.3.2022, p. 1) as amended on 20 July 2022 (OJ C 280, 21.7.2022, p. 1) (‘previous Temporary Crisis Framework’). The previous Temporary Crisis Framework is withdrawn with effect from 27 October 2022.

Onorevole Antonio Tajani  
Ministro degli Affari esteri e della Cooperazione Internazionale  
P.le della Farnesina 1  
I - 00194 Roma

- (2) Italy exceptionally agrees to waive its rights deriving from Article 342 of the Treaty on the Functioning of the European Union (“TFEU”), in conjunction with Article 3 of Regulation 1/1958<sup>2</sup> and to have this Decision adopted and notified in English.

## **2. DESCRIPTION OF THE MEASURE**

- (3) Italy considers that the Russian aggression against Ukraine, the sanctions imposed by the European Union (EU) and its international partners and the counter-measures taken by Russia (‘the current crisis’) so far affects the real economy. The current crisis 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 agri-food sector.
- (4) The Marche region (hereafter “Marche”) is affected by the economic consequences described above as a result of Russia's aggression, the adopted sanctions and the subsequent effects. According to the Research Centre for the evaluation of Territorial Policies of Macerata University<sup>3</sup>, Marche is particularly hit by the current crisis, with an expected regional GDP decrease of 1.5% in 2022 compared to 2021. In 2021, 2.4% of the total Marche exports, corresponding to EUR 370 million, were to Russia<sup>4</sup>, while exports for a value of EUR 85 million were to Ukraine<sup>5</sup>. Thus, the measure aims to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as by the economic counter measures taken so far by Russia.
- (5) Italy confirms that the aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the 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.

---

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

<sup>3</sup> Centro di Ricerca per la valutazione delle Politiche Territoriali dell’Università degli Studi di Macerata.

<sup>4</sup> The Italian authorities explains that, among Marche exports to Russia, those concerning fashion in general, shoes, accessories, clothing, furniture and mechanics are particularly hit by the current crisis. Shoes exports constitutes 26,6% of the total Marche exports to Russia, followed by exports of: home appliances (10.3%), furniture (8.6%), clothing (8%), metal processing machinery (5.2%) and other machineries for special use (5%).

<sup>5</sup> The Italian authorities explains that clothing exports constitutes 14,9% of the total Marche exports to Ukraine, followed by exports of: shoes and leather goods (14.5%), home appliances (12.7%), metal products (10%), furniture (6.1%), base chemicals (5.2%), plastic products (5%), metal moulding machineries (3.6%), metallurgy products (3.4%), other machines for general use (3.2%).

- (6) 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 Framework.

### **2.1. The nature and form of aid**

- (7) The measure provides aid in the form of direct grants.

### **2.2. Legal basis**

- (8) The legal basis for the measure is the Draft Resolution of the Marche Regional Council (Deliberazione della Giunta Regionale della regione Marche, hereinafter the “Draft Resolution”) adopting the “*Regime quadro della Regione Marche ai sensi della Sezione 2.1 della Comunicazione della Commissione Quadro temporaneo di crisi per misure di aiuto di Stato a sostegno dell’economia a seguito dell’aggressione della Russia contro l’Ucraina*” (hereinafter the “Annex to the Draft Resolution”). The Draft Resolution will be adopted after the adoption of the Commission’s decision approving the measure.

### **2.3. Administration of the measure**

- (9) The Marche Region is responsible for administering the measure.

### **2.4. Budget and duration of the measure**

- (10) The estimated budget of the measure, which may be co-financed by the European Regional Development Fund (ERDF), is EUR 50 million. The Italian authorities confirm that the rules applicable under the ERDF will be respected.
- (11) 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.

### **2.5. Beneficiaries**

- (12) The final beneficiaries of the measure are SMEs and large enterprises<sup>6</sup> active in the Marche territory. However, credit and financial institutions, as well as undertakings active in the primary production of agricultural products, the production of fishery and aquaculture products and the forestry sectors are excluded as eligible beneficiaries. Eligible beneficiaries are only undertakings that are affected directly and/or indirectly by the current crisis (recital (17)).
- (13) Italy confirms that the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, 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.

---

<sup>6</sup> As defined in Annex I to 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).

- (14) Italy confirms that the measure may not in any way be used to undermine the intended effects of sanctions imposed by the EU or its international partners and will be in full compliance with the anti-circumvention rules of the applicable regulations<sup>7</sup>. 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 all sectors except the financial, the primary production of agricultural products, the production of fishery and aquaculture products and the forestry sectors. It applies to the whole territory of Marche.

## **2.7. Basic elements of the measure**

- (16) The aid will be granted in the form of direct grants (recital (7)). The overall nominal aid under the measure (gross, i.e. before any deduction of tax or other charges) will not exceed EUR 2 million per undertaking and EUR 300 000 per undertaking active in the processing and marketing of fishery and aquaculture products at any given point in time.
- (17) Aid under the measure may be granted only to undertakings affected directly and/or indirectly by the current crisis that are facing one of the following effects of it: (i) a contraction of demand, (ii) the interruption of contracts and existing projects, (ii) a decrease in turnover, (iii) difficulties with the supply of raw materials (iv) unavailability or economic unsustainability of other inputs<sup>8</sup>.
- (18) The Italian authorities confirm that aid granted to undertakings active in the processing and marketing of agricultural products is conditional on not being partly or entirely passed on to primary producers and is not fixed on the basis of the price or quantity of products put on the market by the undertakings concerned or purchased from primary producers, unless, in the latter case, the products were either not put on the market or were used for non-food purposes such as distillation, methanization or composting by the undertakings concerned.
- (19) The Italian authorities confirm that aid granted to undertakings active in the processing and marketing of fishery and aquaculture products sectors does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) Commission Regulation (EU) No 717/2014.
- (20) The Italian authorities also confirm that where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 55(a) and 56(a) of the Temporary Crisis Framework, Italy will ensure, by appropriate means such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of EUR 2 million is not exceeded per undertaking (recital (16)).

---

<sup>7</sup> 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).

<sup>8</sup> Article 4 of the Annex to the Draft Resolution and page 7 of the Draft Resolution.

## 2.8. Cumulation

- (21) The aid ceilings and cumulation maxima fixed under the measure will apply regardless of whether the support for the aided project is financed entirely from State resources or partly co-financed by the European Structural and Investment Funds (ESIF).
- (22) The Italian authorities confirm that aid granted under the measure may be cumulated with aid under de minimis Regulations<sup>9</sup> or the General Block Exemption Regulations<sup>10</sup> provided the provisions and cumulation rules of those Regulations are respected.
- (23) The Italian authorities confirm that aid under the measure may be cumulated with other forms of Union financing, provided that the maximum aid intensities indicated in the relevant Guidelines or Regulations are respected.
- (24) The Italian authorities confirm that aid under the measure may be cumulated with aid under the measures approved by Commission Decision C(2022) 5732 final of 3 August 2022 in case SA.103316 (2022/N) “Aid scheme to support investments in the areas affected by the seismic events of 2009 and 2016”; and by Commission Decision C(2020) 3482 final of 21 May 2020 in case SA.57021 (2020/N, ex 2020/PN) “COVID-19 Regime Quadro”. Those measures were approved by the Commission under the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak<sup>11</sup> (COVID-19 Temporary Framework) and the aid under the notified measure may be cumulated with those measures provided the respective cumulation rules are respected.

---

<sup>9</sup> 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).

<sup>10</sup> 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) and Commission Regulation (EU) No 1388/2014 of 16 December 2014 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 369, 24.12.2014, p. 37).

<sup>11</sup> 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).

- (25) The Italian authorities confirm that aid granted under the measure may be cumulated with aid granted under other measures approved by the Commission under other sections of the Temporary Crisis Framework provided the provisions in those specific sections are respected.
- (26) The Italian authorities confirm that if the 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 Framework, the overall maximum cap per undertaking, as set out in point(s) 55(a) and 56(a) of that framework, will be respected.<sup>12</sup>

## **2.9. Monitoring and reporting**

- (27) The Italian authorities confirm that they will respect the monitoring and reporting obligations laid down in section 3 of the Temporary Crisis Framework (including the obligation to publish relevant information on each individual aid above EUR 100 000 granted under the measure and EUR 10 000 in the processing and marketing of fishery and aquaculture products sectors on the comprehensive national State aid website or Commission's IT tool within 12 months from the moment of granting<sup>13</sup>).

## **3. ASSESSMENT**

### **3.1. Lawfulness of the measure**

- (28) By notifying the measure before putting it into effect (recital (8)), the Italian authorities have respected their obligations under Article 108(3) TFEU.

### **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 Marche Region, and it is based on the legal basis in recital (8). It is financed through State resources, since it is financed by public funds (recital (10)).

---

<sup>12</sup> Aid granted under the measure or aid under other measures approved by the Commission under this section of the Temporary Crisis Framework which has been reimbursed before new aid is granted will not be taken into account in determining whether the relevant ceiling is exceeded.

<sup>13</sup> 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.

- (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. to undertakings active in Marche that are affected by the current crisis, excluding credit and financial institutions, undertakings active in the primary production of agricultural products, in the production of fishery and aquaculture products and in the forestry sectors (recitals (12) and (17)).
- (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 sectors in which intra-Union trade exists.
- (34) In view of the above, the Commission concludes that the measure constitutes aid within the meaning of Article 107(1) TFEU. The Italian authorities do not contest that conclusion.

### **3.3. Compatibility**

- (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)(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 Framework, the Commission acknowledged (in section 1) that the military aggression against Ukraine by Russia, the sanctions imposed by the EU or its international partners and the counter measures taken, for example by Russia, have 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 agri-food sector. Those effects taken together have caused a serious disturbance of the economy in all Member States, including in Italy and in Marche (recital (3)). 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 the economy caused by the Russian military aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as the economic counter measures taken so far, for example by Russia.
- (38) The measure is one of a series of measures conceived at national level by the Italian authorities to remedy a serious disturbance in their economy. The importance of the measure to provide liquidity is widely accepted by economic commentators and the measure is of a scale which can be reasonably anticipated

to produce effects across the economy of Marche. Furthermore, the measure has been designed to meet the requirements of the specific categories of aid (aid in the form of “limited amounts of aid”), described in section 2.1 of the Temporary Crisis Framework.

(39) 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 Framework. In particular:

- the aid takes the form of direct grants (recital (7));
- the overall nominal value of the aid will not exceed EUR 2 million per undertaking; all figures used must be gross, that is, before any deduction of tax or other charges (recital (16)). 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 Framework, the overall maximum cap per undertaking, as set out in point 55(a) of that framework will be respected (recital (26)). The measure therefore complies with points 55(a) of the Temporary Crisis Framework;
- aid is granted under the measure on the basis of a scheme with an estimated budget as indicated in recital (10). The measure therefore complies with point 55(b) of the Temporary Crisis Framework;
- aid will be granted under the measure no later than 31 December 2023 (recital (11)). The measure therefore complies with point 55(c) of the Temporary Crisis Framework;
- aid will be granted only to undertakings affected by the crisis (recitals (12) and (17)). The measure therefore complies with point 55(d) of the Temporary Crisis 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 (18)). The measure therefore complies with point 55(e) of the Temporary Framework;
- the overall nominal value of direct grants does not exceed EUR 300 000 per undertaking active in the processing and marketing of fishery and aquaculture products sectors (recital (16)). The measure therefore complies with point 56(a) of the Temporary Crisis Framework.
- Aid granted to undertakings active in the processing and marketing of fishery and aquaculture products sectors does not concern any of the categories of aid referred to in points (a) to (k) of Article 1(1) Commission Regulation (EU) No 717/2014 (recital (19)). The measure therefore complies with point 46(c) of the Temporary Crisis Framework.



- Where an undertaking is active in several sectors to which different maximum aid amounts apply in accordance with points 55(a) and 56(a) of the Temporary Crisis Framework, Italy will ensure, by appropriate means such as separation of accounts, that the relevant ceiling is respected for each of those activities and that the overall maximum amount of EUR 2 million is not exceeded per undertaking (recital (20)). The measure therefore complies with point 57 of the Temporary Crisis Framework.
- (40) The Italian authorities confirm that, pursuant to point 46 of the Temporary Crisis 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)).
- (41) The Italian authorities confirm that, pursuant to point 47 of the Temporary Crisis Framework, the aid under the measure will not be granted to undertakings under sanctions adopted by the EU, 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 EU; or c) undertakings active in industries targeted by sanctions adopted by the EU, insofar as the aid would undermine the objectives of the relevant sanctions (recital (13)).
- (42) The Italian authorities further confirm that the aid under the measure may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Crisis Framework, the COVID-19 Temporary Framework and the cumulation rules of the relevant Regulations are respected (recitals (21) to 0).
- (43) The Italian authorities also confirm that the rules under the European Regional Development Fund (ERDF) will be respected (recital (10)).
- (44) The Italian authorities confirm that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis Framework will be respected (recital (27)). The measure therefore complies with points 76 to 81 of the Temporary Crisis Framework.
- (45) 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

