



Coronavirus: Commission Statement on consulting Member States on proposal to further prolong and adjust State aid Temporary Framework

Brussels, 19 January 2021

Today, the European Commission has sent to Member States for consultation a draft proposal to prolong until 31 December 2021 and further adjust the scope of the [State aid Temporary Framework](#), initially adopted on 19 March 2020 to support the economy in the context of the coronavirus outbreak.

Executive Vice-President Margrethe **Vestager**, in charge of competition policy, said *"As the second wave of the coronavirus outbreak continues to deeply affect our lives, businesses across Europe are in need of further support to weather the crisis. That's why we are proposing to prolong the State aid Temporary Framework until 31 December 2021 and to increase the aid amounts available to companies under certain measures to ensure that effective support remains available. We will decide on the way forward taking into account the views of all Member States and the need to preserve effective competition in the Single Market."*

In view of the persistence and evolution of the coronavirus outbreak, the Commission is assessing the need to further prolong the Temporary Framework and to continue adjusting its scope to the evolving needs of businesses, while maintaining safeguards to preserve effective competition. The draft proposal takes into account initial feedback received from Member States to [a survey](#) launched by the Commission in December 2020 to seek their views on the implementation of the State aid Temporary Framework.

On this basis, the Commission has sent to Member States for consultation a draft proposal, including:

- to prolong existing provisions of the Temporary Framework until 31 December 2021. The objective is to enable Member States to further support businesses in the context of the ongoing crisis, while protecting the level playing field;
- in view of the prolonged duration of the crisis, to increase the ceilings for limited amounts of aid granted under the Temporary Framework (currently up to €120,000 per company active in the fishery and aquaculture sector, €100,000 per company active in the primary production of agricultural products, and €800,000 per company active in all other sectors) and for measures contributing to the fixed costs of companies that are not covered by their revenues (currently up to €3 million per company), taking into account the continued economic uncertainty and the needs of businesses affected by the crisis; and
- to enable Member States to convert also at a later stage the granted repayable instruments (including loans) of up to €800,000 per company (€120,000 per company active in the fishery and aquaculture sector and €100,000 per company active in the primary production of agricultural products) into direct grants. This aims to provide incentives for Member States to choose, in the first place, repayable instruments as a form of aid.

Member States now have the possibility to comment on the Commission's draft proposal.

Background

The Temporary Framework was first [amended on 3 April 2020](#) to increase possibilities for public support to research, testing and production of products relevant to fight the coronavirus outbreak, to protect jobs and to further support the economy. On [8 May 2020](#), the Commission adopted a second amendment extending the scope of the Temporary Framework to recapitalisation and subordinated debt measures. On [29 June 2020](#), the Commission adopted a third amendment extending the scope of the Temporary Framework to further support micro, small and start-up companies and incentivise private investments. On [13 October 2020](#), the Commission prolonged the Temporary Framework until 30 June 2021 (with the exception of recapitalisation measures that could be granted until 30 September 2021) and enabled Member States to cover part of the uncovered fixed costs of companies affected by the crisis.

Press contacts:

[Arianna PODESTA](#) (+32 2 298 70 24)

[Giulia ASTUTI](#) (+32 2 295 53 44)

[Maria TSONI](#) (+32 2 299 05 26)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)