

COMMISSION DECISION (EU) 2018/479**of 20 March 2018****on the long-term national aid scheme for agriculture in the northern regions of Sweden***(notified under document C(2018) 1622)***(Only the Swedish text is authentic)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Act of Accession to the European Union of Austria, Finland and Sweden, and in particular Article 142 thereof,

Whereas:

- (1) By Decision 96/228/EC ⁽¹⁾ the Commission had approved the long-term national aid scheme for agriculture in the northern regions of Sweden ('Nordic aid scheme') as notified by Sweden pursuant to Article 143 of the Act of Accession with a view to authorisation under Article 142 of the Act of Accession. Decision 96/228/EC was replaced by Commission Decision C(2010) 6050 ⁽²⁾. That Decision was last amended by Commission Implementing Decision C(2015) 6592 ⁽³⁾.
- (2) By letter of 17 November 2017 Sweden proposed that the Commission amend Decision C(2010) 6050 in order to simplify the administration of the scheme and to take account of the changes in the common agricultural policy as well as of the economic developments in the agriculture in the northern regions of Sweden. On 6 December 2017, Sweden sent to the Commission additional information concerning the proposal.
- (3) Given the resulting amendments to Decision C(2010) 6050 and the number of previous amendments, it is appropriate to replace that Decision by a new Decision.
- (4) The long-term national aid referred to in Article 142 of the Act of Accession is intended to ensure that agricultural activity is maintained in northern regions as determined by the Commission.
- (5) Taking account of the factors referred to in Article 142(1) and (2) of the Act of Accession it is appropriate to specify the administrative units, grouped by sub-regions, which are situated north of the 62nd parallel or adjacent to that parallel and which are affected by comparable climatic conditions rendering agricultural activity particularly difficult. These sub-regions have a population density lower than or equal to 10 inhabitants per square kilometre, a utilised agricultural area (UAA) considered to constitute 10 % or less of the overall surface area of the municipality and a portion of the UAA devoted to arable crops intended for human consumption less than or equal to 20 %. Sub-regions surrounded by others within such areas should be included, even where they do not satisfy the same requirements.
- (6) In order to facilitate the administration of the scheme and to coordinate it with support under Regulation (EU) No 1305/2013 of the European Parliament and of the Council ⁽⁴⁾, it is appropriate to include in the areas receiving aid under this Decision the same municipal units as those belonging to the area delimited under the second subparagraph of Article 32(2) of Regulation (EU) No 1305/2013 in the Rural Development Programme.
- (7) The reference period in relation to which the development of agricultural production and the level of overall support is to be considered, using the available national statistics as a basis and with a view to ensuring a uniform application to all sectors of production, should be the year 1993.

⁽¹⁾ Commission Decision 96/228/EC of 28 February 1996 on a long-term national aid scheme to assist farmers in northern areas of Sweden (OJ L 76, 26.3.1996, p. 29).

⁽²⁾ Commission Decision C(2010) 6050 of 8 September 2010 on a long-term national aid scheme to assist farmers in northern areas of Sweden.

⁽³⁾ Commission Implementing Decision C(2015) 6592 of 1 October 2015 amending Decision C(2010) 6050 on the long-term national aid scheme for agriculture in the northern regions of Sweden.

⁽⁴⁾ Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

- (8) According to Article 142 of the Act of Accession, the total amount of the aid granted should be sufficient to maintain agricultural activity in the northern regions of Sweden but may not lead to overall support exceeding the level of support during a pre-accession reference period to be determined. In order to grant support under Article 142 of the Act of Accession at an adequate level considering the present production costs whilst not exceeding the level of support during the determined pre-accession reference period it is appropriate to take the development in the consumer price index from 1993 to 2017 in Sweden into account when determining the maximum allowable level of aid under that Article.
- (9) Consequently, on the basis of 2017 data, and having regard to the 5-year reporting periods laid down in Article 143(2) of the Act of Accession, the maximum annual aid amount should be set at SEK 422,92 million, calculated as an average over a 5-year period from 1 January 2018 until 31 December 2022.
- (10) In order to simplify the Nordic aid scheme and to allow Sweden flexibility in directing the aid to different production sectors, one maximum average annual aid amount should be laid down for the total support, including a separate maximum support for the production and transport of cow's milk with a view to ensuring balanced distribution of support.
- (11) The aid should be granted annually on the basis of production factors (livestock units and hectares), except for cow's milk where it should be granted on the basis of units of production (kilograms) within the total limits laid down by this Decision.
- (12) With a view to allowing prompt reactions to the volatility of agricultural output prices and to maintaining agricultural activities in the northern regions of Sweden, it is appropriate to allow Sweden to establish, for each calendar year, the amount of aid per sector within an aid category and per unit of production.
- (13) Sweden should differentiate the aid in its northern regions and set the annual aid amounts according to the severity of the natural handicap and other objective and transparent and justified criteria relating to the objectives set out in the third subparagraph of Article 142(3) of the Act of Accession, which are to maintain traditional primary production and processing particularly suited to the climatic conditions of the regions concerned, to improve the structures for the production, marketing and processing of agricultural products, to facilitate the disposal of the said products and to ensure that the environment is protected and countryside preserved.
- (14) The aid should be paid annually based on the actual number of eligible production factors. Sweden should however be allowed to pay the aid for cow's milk, laying hens and pigs for slaughter as well as for transport of cow's milk in monthly instalments. The aid for cow's milk shall be based on actual production in order to ensure the continuity of production.
- (15) Overcompensation to the producers should be avoided by recovering undue payments promptly and at the latest before 1 June of the following year.
- (16) As provided for in Article 142(2) of the Act of Accession, the aid granted under this Decision should not lead to an increase in overall production over the traditional production level in the area covered by the Nordic aid scheme.
- (17) Therefore it is necessary to establish an annual maximum number of eligible production factors for each aid category, and a maximum eligible annual amount of production for cow's milk, at a level equal to or lower than that in the reference periods.
- (18) Where the number of production factors in a category, or the amount of production for cow's milk, exceeds the maximum level in a given year, the number of eligible production factors or the amount of cow's milk, should, in order to respect the 5-year averages, be reduced by a corresponding number of production factors in the calendar years following the year in which the maximum was exceeded, except for transport aid for cow's milk, laying hens and pigs for slaughter and cow's milk in regard to which the eligible amount may be reduced by an amount corresponding to the excess amount in the last month of the year in which the maximum was exceeded.
- (19) In accordance with Article 143(2) of the Act of Accession, Sweden is to provide to the Commission information on the implementation and effects of the aid. In order to better assess the long-term effects of the aid and with a view to setting the aid levels as 5-year averages, it is appropriate to report on the socioeconomic effects of the aid every 5 years and provide annual reports containing the financial and other implementation information necessary to ensure that the conditions laid down in this Decision are complied with.

- (20) It is appropriate to specify the rules applicable to amendments to the scheme introduced by the Commission or proposed by Sweden in order to safeguard the legitimate expectations of the aid beneficiaries and ensure the continuity of the scheme so that the objectives of Article 142 of the Act of Accession can be efficiently pursued.
- (21) Sweden should ensure that appropriate control measures are taken vis-à-vis aid beneficiaries. In order to ensure the effectiveness of those measures and transparency in the implementation of the Nordic aid scheme, those control measures should be as far as possible aligned to those carried out under the common agricultural policy.
- (22) In order to achieve the aim of maintaining production, as stated in Article 142 of the Act of Accession, and to facilitate the administration of support, this Decision should apply from 1 January 2018.
- (23) Decision C(2010) 6050 should therefore be repealed with effect from 1 January 2018. It is appropriate to provide transitional measures regarding the reporting on the support pursuant to Article 142 of the Act of Accession paid in 2017 under Decision C(2010) 6050,

HAS ADOPTED THIS DECISION:

Article 1

Authorised aid

1. From 1 January 2018 to 31 December 2022 Sweden is authorised to implement the long-term aid scheme for agriculture in its northern regions listed in Annex I.
2. The total amount of aid granted shall not exceed SEK 422,92 million per calendar year. The yearly maximum amounts shall be considered as annual averages of the aid granted in the period of 5 calendar years covered by this Decision.
3. Aid categories and the production sectors for each category, the maximum average yearly amounts allowed, as specified in paragraph 2, including the separate maximum amount for cow's milk production and transport, as well as the maximum yearly number of eligible production factors per aid category, are set out in Annex II.
4. Aid shall be granted on the basis of eligible production factors or production amounts as follows:
 - (a) per kilogram milk of actual production for the production of cow's milk;
 - (b) per livestock unit for animal husbandry;
 - (c) per hectare for crop and horticultural production including berries;
 - (d) as a compensation for actual costs for the transport of cow's milk, deducting any other public support for the same costs.

Aid linked to production amounts may be granted only towards the production of cow's milk and in no case shall the aid be linked to future production.

The conversion rates into livestock units for the various types of livestock are set out in Annex II.

5. In accordance with paragraph 3 and within the limits set out in Annex II, Sweden shall differentiate the aid in its northern regions and set the aid amounts annually per production factor, cost or unit of production on the basis of objective criteria relating to the severity of the natural handicap and other factors contributing to attaining the objectives set out in the third subparagraph of Article 142(3) of the Act of Accession.

Article 2

Reference periods

The reference period referred to in the second indent of the first subparagraph of Article 142(3) of the Act of Accession shall be 1993 as regards both the quantities and the level of support set out in Article 1 of this Decision.

*Article 3***Conditions for granting aid**

1. Sweden shall lay down, within the limits provided for in this Decision, the conditions for granting aid to the various categories of beneficiaries. Such conditions shall include the eligibility and selection criteria applied and ensure the equal treatment of beneficiaries.
2. The aid shall be paid to the beneficiaries based on actual production factors or, as regards the production of cow's milk, amount of actual production, referred to in Article 1(4).
3. The aid shall be paid annually, except for cow's milk, transport aid for cow's milk, laying hens and pigs for slaughter in regard to which the aid may be paid in monthly instalments.
4. An overrun of the maximum yearly number of production factors or amounts eligible for aid, as set out in Annex II, shall be taken into account as a corresponding reduction in the number of production factors in the year following the overrun where the aid is paid in annual instalments or in the last month of the year where the aid is paid monthly.
5. Sweden shall take appropriate measures to prevent the overrun referred to in paragraph 4 where such an overrun appears likely, based on official or officially verified statistical projections.
6. An overpayment or undue payment to a beneficiary shall be recovered by deducting the corresponding amounts from the aid paid to the beneficiary the following year or be otherwise recovered in that year, where no aid is due to the beneficiary. The undue amounts shall be recovered by 1 June of the following year.

*Article 4***Information and control measures**

1. Sweden shall, as part of the information provided pursuant to Article 143(2) of the Act of Accession, submit to the Commission each year before 1 June information on implementation of the aid granted under this Decision during the preceding calendar year.

The information shall concern in particular:

- (a) identification of the municipal units in which the aid was paid by means of a detailed map and where necessary by other data;
- (b) the total production, covering the reporting year, for the sub-regions eligible for aid under this Decision, expressed in quantities for each of the products specified in Annex II;
- (c) the total number of production factors and quantities, the number of production factors and quantities eligible for aid and the number of production factors and quantities supported per production sector specified in Annex II with a breakdown by product within each sector, including the indication of any overrun of the allowed maximum yearly number of production factors and quantities, as well as the description of measures, if any, taken to prevent such an overrun;
- (d) the total aid paid, the total amount of aid per aid category and the type of production, amounts paid to beneficiaries per production factor/other unit, as well as the criteria for differentiating aid amounts by sub-regions and types of farm holdings or on the basis of other considerations;
- (e) the payment system applied with details concerning any advances based on estimates, final payments as well as observed overpayments and their recovery;
- (f) amounts of aid paid under Article 32 of Regulation (EU) No 1305/2013 in the administrative units covered by this Decision;
- (g) references to national legislation whereby the aid is implemented.

2. Before 1 June 2023 Sweden shall, in addition to the annual report covering year 2022, submit to the Commission a report covering the 5-year period from 1 January 2018 until 31 December 2022. This report shall also cover the support granted under Decision C(2010) 6050 during 2016 and 2017.

That report shall indicate, in particular:

- (a) the total aid paid during the 5-year period, and its distribution among aid categories, types of production and sub-regions;
 - (b) for each aid category, the total production amounts per year and for the 5-year period, the number of production factors and the income levels of farmers in the regions eligible for the aid;
 - (c) the evolution of agricultural production, processing and marketing in the social and economic context of the northern regions;
 - (d) the effects of the aid on the protection of the environment and the preservation of the countryside;
 - (e) proposals for the medium-term development of the aid based on the data presented in the report.
3. Sweden shall provide data in a form compatible with the statistical standards used by the Union.
 4. Sweden shall take all steps necessary to apply this Decision and suitable control measures vis-à-vis beneficiaries of aid.
 5. Control measures shall to the extent possible be harmonised with the control systems applied under the Union support schemes.

Article 5

Application of any amendments

1. Based on the information on the support scheme referred to in Article 4 and having regard to the national and Union context of agricultural production as well as other relevant factors, Sweden shall in 2022 make appropriate proposals to the Commission for amending and prolonging, for a period of 5 years, the aid authorised under this Decision.
2. If the Commission decides to amend this Decision, in particular on the basis of any changes in the common market organisations or the direct support scheme or a change in the rate of any authorised national agricultural State aid, any amendment to the aid authorised by this Decision shall apply only from the year following that in which the amendment was adopted.

Article 6

Repeal

Decision C(2010) 6050 is repealed with effect from 1 January 2018.

However, Article 6(1) of that Decision shall continue to apply to the aid granted under that Decision in 2017.

Article 7

Application

This Decision shall apply from 1 January 2018.

Article 8

Addressee

This Decision is addressed to the Kingdom of Sweden.

Done at Brussels, 20 March 2018.

For the Commission
Phil HOGAN
Member of the Commission

ANNEX I

SUB-REGION 1

Province	Municipal unit	Parish
Dalarna	Älvdalen	Idre
Jämtland	Krokom	Hotagen
	Strömsund	Frostviken
	Åre	Åre
		Kall
		Undersåker
	Berg	Storsjö
	Härjedalen	Linsell
		Hede
		Ljusnedal
		Tännäs
Västerbotten	Storuman	Tärna
	Sorsele	Sorsele
	Dorotea	Risbäck
	Vilhelmina	Vilhelmina
Norrbotten	Arvidsjaur	Arvidsjaur
	Arjeplog	Arjeplog
	Jokkmokk	Jokkmokk
		Porjus
	Pajala	Muonionalusta
		Junosuando
	Gällivare	Gällivare
		Nilivaara
		Malmberget
	Kiruna	Jukkasjärvi
		Vittangi
		Karesuando
Agricultural area sub-region 1		6 700 ha

SUB-REGION 2

Province	Municipal unit	District
Dalarna	Malung	Lima
		Transtrand
	Älvdalen	Särna
Västernorrland	Örnsköldsvik	Trehörningsjö
Jämtland	Ragunda	Borgvattnet
		Stugun

Province	Municipal unit	District
	Bräcke	Bräcke Nyhem Håsjö Sundsjö Revsund Bodsjö
	Krokom	Näskott Aspås Ås Laxsjö Föllinge Offerdal Alsen
	Strömsund	Ström Alanäs Gåxsjö Hammerdal Bodum Tåsjö
	Åre	Mattmar Mörsil Hallen
	Berg	Berg Hackås Oviken Myssjö Åsarne Klövsjö Råtan
	Härjedalen	Sveg Vemdalen Ängersjö Lillhärdal
	Östersund	Östersund Frösö Sunne Näs Lockne Marieby Brunflo Kyrkås Lit Häggenås

Province	Municipal unit	District			
Västerbotten	Vindeln	Vindeln Åmsele			
	Norsjö	Norsjö			
	Malå	Malå			
	Storuman	Stensele			
	Sorsele	Gargnäs			
	Dorotea	Dorotea			
	Åsele	Åsele Fredrika			
	Lycksele	Lycksele	Lycksele Björksele Örträsk		
			Skellefteå	Boliden Fällfors Jörn Kalvträsk	
				Norrbotten	Jokkmokk Vuollerim
					Övertorneå Svanstein
	Pajala Pajala Korpilombolo Tärendö Hakkas				
	Gällivare	Gällivare			
Agricultural area sub-region 2		46 600 ha			

SUB-REGION 3

Province	Municipal unit	District		
Värmland	Torsby	Södra Finnskoga		
Dalarna	Älvdalen	Älvdalen		
Gävleborg	Nordanstig	Hassela		
	Ljusdal	Hamra Los		
		Kårböle		
Västernorrland	Ånge	Haverö		
	Timrå	Ljustorp		
	Härnösand	Härnösand	Stigsjö Viksjo	
			Sundsvall	Indal Holm Liden
				Kramfors

Province	Municipal unit	District
Jämtland	Sollefteå	Graninge
		Junsele
	Örnsköldsvik	Edsele
		Ramsele
		Örnsköldsvik
		Anundsjö
		Skorped
		Sidensjö
		Nätra
		Själevad
		Mo
		Gideå
	Björna	
	Ragunda	Ragunda
Bräcke	Hällesjö	
Krokom	Rödön	
Strömsund	Fjällsjö	
Åre	Marby	
Västerbotten	Härjedalen	Älvros
		Överhogdal
	Ytterhogdal	
	Östersund	Norderö
	Nordmaling	Nordmaling
	Bjurholm	Bjurholm
	Robertsfors	Bygdeå
		Nysätra
	Vännäs	Vännäs
	Umeå	Umeå Landsförsamling
Norrbotten	Skellefteå	Tavelsjö
		Sävar
		Skellefteå Landsförsamling
		Kågedalen
		Byske
		Lövånger
		Burträsk
	Överkalix	Överkalix
	Kalix	Nederkalix
		Töre
	Övertorneå	Övertorneå
		Hietaniemi
	Älvsbyn	Älvsby
	Luleå	Luleå Domkyrkoförsamling
	Örnäset	
	Nederluleå	
	Råneå	

Province	Municipal unit	District
	Piteå	Piteå Stadsförsamling Hortlax
	Boden	Piteå Landsförsamling Norrfjärden Överluleå Gunnarsbyn Edefors Sävast
	Haparanda	Nedertorneå-Haparanda Karl Gustav
Agricultural area sub-region 3		108 650 ha

SUB-REGION 4

Province	Municipal unit	District
Värmland	Torsby	Lekvattnet Nyskoga Norra Finnskoga Dalby Norra Ny
	Filipstad	Rämmen
	Hagfors	Gustav Adolf
Dalarna	Vansbro	Järna Nås Äppelbo
	Malung	Malung
	Rättvik	Boda Ore
	Orsa	Orsa
	Mora	Våmhus Venjan
	Falun	Bjursås
	Ludvika	Säfsnäs
Gävleborg	Ovanåker	Ovanåker Voxna
	Nordanstig	Ilsbo Harmånger Jättendal Gnarp
	Ljusdal	Bergsjö Ljusdal Färila Ramsjö Järvsö

Province	Municipal unit	District
Västernorrland	Bollnäs	Rengsjö Undersvik Arbrå
	Hudiksvall Ånge	Bjuråker Borgsjö Torp
	Timrå	Timrå Hässjö Tynderö
	Härnösand	Härnösands Domkyrkoförsamling Högsjö Häggdånger Säbrå Hemsö
	Sundsvall	Sundsvalls Gustav Adolf Skönsmon Skön Alnö Sättna Selånger Stöde Tuna Attmar Njurunda
	Kramfors	Gudmundrå Nora Skog Bjärträ Styrnäs Dal Ytterlännäs
	Sollefteå	Sollefteå Multrä Långsele Ed Resele Helgum Ådals-Liden Boteå Överlännäs
	Örnsköldsvik	Sånga Arnäs Grundsunda

Province	Municipal unit	District
Jämtland	Ragunda	Fors
Västerbotten	Umeå	Umeå Stadsförsamling
		Teg
		Ålidhem
		Holmsund
		Hörnefors
		Holmön
		Umeå Maria
	Skellefteå	Skellefteå Sankt Olov
		Skellefteå Sankt Örjan
		Bureå
Agricultural area sub-region 4		69 050 ha

SUB-REGION 5

Province	Municipal unit	District
Värmland	Kil	Boda
	Eda	Eda
		Järnskog
		Skillingmark
		Köla
	Torsby	Fryksände
		Vitsand
		Östmark
	Grums	Värmskog
	Årjäng	Silbodal
		Sillerud
		Karlanda
		Holmedal
		Blomskog
		Trankil
		Västra Fågelvik
		Töcksmark
		Östervallskog
	Sunne	Gräsmark
		Lysvik
	Filipstad	Gåsborn
	Hagfors	Hagfors
		Ekshärad
		Norra Råda
		Sunnemo

Province	Municipal unit	District				
Dalarna	Arvika	Arvika Östra				
		Arvika Västra				
		Stavnäs				
		Högerud				
		Glava				
		Bogen				
		Gunnarskog				
		Ny				
		Älgå				
		Mangskog				
		Brunskog				
		Sävle	Svanskog			
			Långserud			
Gagnef	Gagnef	Mockfjärd				
		Gagnef				
		Floda				
		Leksand	Leksand	Leksand		
				Djura		
				Ål		
				Siljansnäs		
				Rättvik	Rättvik	
				Mora	Mora	Mora
						Sollerön
Falun	Svärdsjö					
				Enviken		
Gävleborg	Ockelbo			Ockelbo		
		Ovanåker	Alfta			
		Gävle	Hamrånge			
		Söderhamn	Söderhamn	Söderhamn		
				Sandarne		
				Skog		
				Ljusne		
				Söderala		
				Bergvik		
				Mo		
Trönö						
Norråla						
Bollnäs	Bollnäs					
		Segeberga				
Bollnäs	Bollnäs	Hanebo				

Province	Municipal unit	District
	Hudiksvall	Hudiksvall Idenor Hälsingtuna Rogsta Njutånger Enånger Delsbo Norrbo Forsa Hög
Agricultural area sub-region 5		72 300 ha

ANNEX II

	Maximum average yearly aid for a 5-year period from 1 January 2018 until 31 December 2022 (million SEK)	Maximum yearly number of eligible production factors or amounts ⁽¹⁾
Cow's milk and transport aid for cow's milk		450 000 000 kg
She goats, pigs for slaughter, sows, laying hens		17 000 LU
Soft fruit, vegetables and potatoes		3 660 hectares
TOTAL AID	422,92 ⁽²⁾	

⁽¹⁾ Conversion rates into livestock units (LU): A she goat is 0,15 LU, a pig for slaughter 0,10 LU, a sow 0,33 LU, and a laying hen 0,01 LU.

⁽²⁾ Of which a maximum support of SEK 395,9 million may be granted towards the category cow's milk and transport aid for cow's milk.