II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 27 July 1994

concerning aid to French pig farmers — Stabiporc adjustment fund

(Only the French text is authentic)

(94/813/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular the first subparagraph of Article 93 (2) thereof,

Having regard to Council Regulation (EEC) No 2759/75 of 29 October 1975 on the common organization of the market in pigmeat [1], as last amended by Regulation (EEC) No 1249/89 [2], and in particular Article 21 thereof,

Having, in accordance with Article 93 (2) of the Treaty, given notice to the parties concerned to submit their comments [3],

Whereas :

I

(1) By letter dated 19 April 1993, recorded on 20 April 1993, the French Permanent Representative to the European Communities notified the Commission of the abovementioned measure in reply to a request by the Commission on 9 March 1993 seeking its notification.

In reply to requests from the Commission on 10 June and 18 August 1993, the French authorities supplied further information by letters dated 30 July and 20 September 1993 and 24 January 1994, receipt of which was recorded on 2 February 1994.

(2) On 16 February 1994, the Commission decided to initiate the procedure laid down in Article 93 (2) of the Treaty with regard to the aid paid by the Caisse Professionelle de Régulation Porcine (hereinafter 'Stabiporc') from the financial benefits received by it under the agreement with the Office National Interprofessionnel des Viandes, de l'Élevage et de l'Aviculture (Ofival), for the following reasons :

— the loans granted by Stabiporc were aid in the form of cash advances at a reduced rate of interest (Pibor — Paris interbank offer rate '12 months' + 0,5 %). They must therefore be considered operating aids producing no long-term structural improvements in the sector concerned,

— there was no guarantee of full or partial repayment of the cash advances made to pig farmers,

— the regulatory mechanism is in breach of the rules of the common organization of the market in pigmeat,

— the Commission had no information on other agreements between Stabiporc and various banking institutions (Caisse Nationale de Crédit Agricole, Crédit Mutuel) and the Union Financière pour le Développement de l'Économie Céréalière ('Unigrains').

The French authorities were informed of this Decision by a Commission letter dated 22 February 1994.

[1] OJ No L 282, 1. 11. 1975, p. 1.
[2] OJ No L 129, 11. 5. 1989, p. 12.
[3] OJ No C 107, 15. 4. 1994, p. 2.

(3) The Commission informed the governments of the other Member States and other interested parties of the abovementioned decision and gave them notice to submit their comments.

The Commission received comments from two Member States (the United Kingdom and Denmark) and two pig-farmers' professional bodies. These comments, which were in support of the Commission's position, were passed on to the French Government on 18 July 1994.

(4) In response to a further request made by the Commission on 30 May 1994, on 20 June 1994 the French authorities supplied the information requested in the Commission's letter of 22 February 1994. This showed that additional aid could be granted in the form of a government guarantee on loans granted to Stabiporc by a group of banks and Unigrains. This measure is being examined separately by the Commission under Articles 92 and 93 of the Treaty.

II

The Stabiporc regulatory fund is not new, and the aid granted for its creation and operation has already been examined by the Commission under Articles 92 and 93 of the Treaty.

The reason for its creation in 1984 was to reduce the effects of undue fluctuations in pigmeat prices, by granting associations of pig farmers cash loans at reduced rates of interest.

By letter dated 12 October 1984, the Commission decided to initiate the procedure laid down in Article 93 (2) of the Treaty with regard to that aid, given that:

— the measures involved proved to be aid in the form of cash advances at a preferential rate, Stabiporc passing on the benefits granted it from public funds (reduced interest rate) to producers' associations by conferring on them, in turn, a reduced interest rate,

— the aid was thus operating aid producing no long-term structural improvement in the sector concerned,

— there was a risk of non-repayment of all or part of the cash advances.

However, according to information supplied by the French authorities, from 1987 onwards the new rates granted by Stabiporc were those normally charged on the market. The new rates therefore no longer represented aid.

By telex dated 19 August 1988, the Commission decided to close the procedure opened by the letter of 12 October 1984. In so doing, it took account of the particular circumstances of the case and decided not to take any action with regard to the aid paid during the period 1984 to 1987, provided, however, that the French authorities made no further use of this form of aid. It requested the French Government to notify it of any planned amendments and reserved the right to initiate the Article 93 (2) procedure if the measures proved to be incompatible with Article 92.

III

(1) The French authorities decided to re-establish Stabiporc from 1 February 1993. Its purpose is to ensure the regularity of the income of pig farmers when it is exposed to the cyclical crises in pig production.

(2) Stabiporc grants repayable cash advances to producer groups which have signed a standard membership agreement, the 'regulatory fund group membership agreement', with Stabiporc.

The producer groups pass on the aid to their members who are pig farmers.

(3) **Conditions of membership**

— The signatory group must market the slaughter pigs produced by its members.

— The group must pay a membership fee for the duration of the agreement. The fee is FF 1 per pig and is deducted from the first two advances paid.

— The group must undertake to make the funds borrowed available to its members.

(4) **The adjustment mechanism**

The average price of 'reconstituted feed' for a particular month serves as the basis for determining:

— a 'payment threshold' giving entitlement to payment of a regulatory advance,

— a 'repayment threshold' requiring the repayment of regulatory advances.

If, in a particular month, the average pigmeat price is below the payment threshold, the group is eligible for a regulatory advance.

If, on the other hand, in a particular month, the average pigmeat price is above the repayment threshold, the regulatory advances paid must be repaid.

The average price of 'reconstituted feed' is determined on the basis of changes in the relationship between the pig price and the price of feed calculated on the basis of a four-month average.

(5) **Repayment procedures**

The monthly repayment dates are determined on the same bases as are used for the calculation of the regulatory advances. a repayment date is fixed by Stabiporc or its agent when the regulatory advances previously granted become due under the same regulatory mechanism.

All repayments of advances and interest payments are made by automatic debit from the producer group's account.

To that end, on signing the agreement the group undertakes to provide authorization for automatic debits from its account by the Stabiporc agent for the repayment of capital and the payment of interest.

On 31 December 1996, all capital sums, interest and related sums owed by the group will become due in full.

(6) **Interest rates applied**

Stabiporc passes on the advantages it receives from public resources (interest rate lower than the normal market rate) in the sums advanced to producer groups. These sums carry interest applicable until full repayment at a variable rate fixed for each calendar year :

— for 1993 : the interest rate offered in Paris, generally known as 'Pibor' '12 months' +0,5 % was applied during 1993 to the credit made available to Stabiporc,

— for other years : the Pibor '12 months' rate +0,5 % applicable on the first day of each calendar year has been applied.

Interest is due on the penultimate day of each calendar year.

(7) **Funding of Stabiporc**

In order to obtain the necessary resources for the regulatory fund, Stabiporc concluded the following agreements :

— a loan agreement with Ofival,

— a credit agreement with the Caisse de Crédit Mutuel, the Caisse Centrale des Banques Populaires and the Caisse Nationale du Crédit Agricole (CNCA). These bodies formed a banking pool headed by the CNCA,

— a credit agreement with Unigrains.

The Commission is examining these last two agreements, notified on 20 June 1994, separately under Article 93 (3) of the Treaty (aid No NN 61/94).

This Decision covers aid granted under the agreements between Stabiporc and producer groups and between Stabiporc and Ofival.

(i) *Amount lent :*

Ofival : FF 60 million

(ii) *Agreed rate of interest*

The loans were granted by Ofival in 1993 at the Pibor 12-month rate prevailing on the first day of the first withdrawal of funds for the payment of advances by Stabiporc to producer groups, plus 0,5 %.

Thus the interest rate applied by the lending bodies for 1993 was 6,83 %.

This rate is updated on the first working day of each year on the basis of the prevailing Pibor 12-month rate, plus 0,5 %. For 1994 the rate is 6,07 %.

(iii) *Duration of loan*

The agreement was signed on 29 April 1993.

Stabiporc has the right to withdrawal funds against this bank loan until 31 December 1996.

(iv) *Repayment of interest*

All interest owed is due on 31 December of each year, calculated for the exact number of days in the period on the basis of 365 days per year.

(v) *Repayment of capital*

The capital of FF 60 million will be repaid to Ofival on the initiative of Stabiporc on 31 January 1997.

All sums unpaid on the designated day of payment will be immediately subject to interest at the Pibor 12-month rate prevailing on the first working day of the calendar year in question, plus 4 %.

In the event of insolvency of producer groups resulting, in particular, from restructuring or their winding-up by a court decision, any unpaid

capital, interest or related sums resulting from the failure of the groups are shared equally between Ofival and Stabiporc after taking account of the collateral securities obtained by the groups from their bank, up to a maximum of FF 2 million. Above that sum, Ofival takes responsibility for any unpaid sums after taking account of the abovementioned securities and up to the amount loaned.

These unpaid amounts are either repaid by Stabiporc to Ofival as soon as they have been recovered from the failed groups or are deducted as described below.

In the event of unpaid sums or delays in payment, Ofival can deduct the sums (capital and interest) due by groups to Stabiporc from any amounts to be paid by Ofival to those groups or to members of those groups under other measures unconnected with the activities of Stabiporc.

(8) Nature and operation of the Office National Interprofessionnel des Viandes, de l'Élevage et de l'Aviculture (Ofival)

Ofival is a public industrial and commercial body created by Decree No 72-1067 of 1 December 1972, as amended.

It has a management committee consisting of:

— 20 individuals nominated by the Minister for Agriculture, representing farming, cooperatives, trade and industry and employees in the sector,

— four representatives from the public authorities, two nominated by the Minister for Agriculture, one by the Minister for Economic and Financial Affairs and one by the Minister for the Budget,

— one chairman nominated by decree on the basis of a proposal from the Minister for Agriculture,

— one director nominated by decree on the basis of a proposal from the Minister for Agriculture, the Minister for Economic and Financial Affairs and the Minister for the Budget.

Ofival's budget becomes operative only after being approved by a joint decree of the Ministers for Agriculture, Economic and Financial Affairs and the Budget.

By Decision No 93/13/CD of 12 May 1993, the Minister for agriculture and Fisheries decided that Ofival would grant an economic assistance loan of FF 60 million to the Stabiporc adjustment fund.

Ofival has the right to attend all meetings of the Stabiporc management committee by right.

IV

By letter dated 7 April 1994, the French authorities submitted their comments under the procedure initiated by the Commission in its letter of 22 February 1994.

(1) The French authorities consider the interest rate applied by Ofival, namely the Pibor 12-month rate plus 0,5 %, to be justified for the following reasons:

— The pooling of producers' interests within the Stabiporc fund and the accompanying pooling of risks enable it to obtain the Pibor '12 months' rate with a margin of 0,5 % from credit institutions. Stabiporc was created on the initiative of the Fédération nationale porcine (National Pig-farmers' Federation) and the Fédération nationale de la coopération bétail et viande (National federation of Livestock and Meat Cooperatives).

— The interest rate obtained and applied by Stabiporc is a short-term market rate and does not include any State aid in the form of an interest subsidy.

The French authorities stress that the Pibor is a variable rate which is currently at a low level. During the period of negotiations preceding the re-establishment of Stabiporc, this rate was at a higher level than when the arrangements were applied. Nevertheless, since the rate granted to Stabiporc is readjusted every year on the basis of the Pibor 12-month rate applicable on 31 January, the rate for loans granted may well be increased at a future date.

— The Stabiporc arrangements guarantee the credit institutions a high volume of loans with very low administrative costs, since there is only one agreement, one rate and a standard financial product. The arrangements also provide better guarantees of repayment and reduce that part of the margin used to cover the risk of non-payment.

— The variation of the interest rate according to whether the funds are or are not mobilized for the payment of advances to producer groups provided for in the agreement concluded between Ofival and Stabiporc is linked to the fact that funds not immediately used are invested by Stabiporc. Since these are very short-term investments, realizable without notice and with different financial objectives, the rates paid on them vary and the agreement lays down that interest obtained by Stabiporc on such investments must be repaid to Ofival.

(2) The French authorities point out that the repayment of sums due by Stabiporc to Ofival is ensured:

— by the following repayment guarantees set out in the agreements between Stabiporc and the producer groups:

— direct debits from groups' accounts,

— the provision of a bank guarantee,

— the consolidation of Stabiporc's own funds through a levy of FF 1 per pig referred to in the recitals of the agreement;

— by the additional contractual guarantee provided for in the agreement between Ofival and Stabiporc;

direct debit of any sums not paid or not paid on time to Stabiporc by groups (of which Ofival is kept regularly informed in accordance with the agreement) from sums due by Ofival to the groups or farmers concerned under other, totally unconnected measures.

This is an additional guarantee of repayment which could be used if, under exeptional circumstances, the guarantee provided by direct debit has proved ineffective;

— By the fact that these specific contractual guarantees apply without prejudice to all the means of recovery provided for in common law.

(3) By letter dated 20 June 1994, the French authorities, in response to a further request from the Commission, notified the agreements concerning loans from the banking pool to Stabiporc and between Stabiporc and Unigrains.

V

(1) Articles 92 to 94 of the Treaty were rendered applicable by Article 21 of Regulation (EEC) No 2759/75.

'State aid'

(2) The public authorities contributed FF 60 million to the re-establishment of Stabiporc in 1993 by means of a loan granted through Ofival. This trade body is under State control owing to the composition of its management committee and to the fact that it is the Minister for Agriculture who adopts the decisions on the granting of credit (see point III.8).

Furthermore, it was the Minister for Agriculture and Fisheries who took the decision, on 12 May 1993, that Ofival would grant the abovementioned loan.

From the public funds described above, Stabiporc grants repayable advances to producer groups.

(3) Stabiporc is itself influenced by Ofival, and therefore indirectly by the State, given that Ofival attends all meetings of the Stabiporc management committee by right.

(4) The interest rate applied by Stabiporc is fixed on the basis of the Pibor 12-month rate applicable on the day of the first withdrawal of funds by Stabiporc for 1993 and the first working day of the 1994 and 1995 calendar years plus 0,5 %. The interest rates were 6,83 % for 1993 and 6,07 % for 1994.

The Pibor 12-month rate plus 0,5 % may be applied by Stabiporc which benefits from the same rate on loans taken out for its financing.

The Commission cannot accept the argument put forward by the French authorities that 'the interest rate obtained and applied by Stabiporc is a short-term market rate and does not include any State aid in the form of an interest rate subsidy'.

The extent to which the Pibor rate is increased (in this case 0,5 of a percentage point) depends on the level of risk, which in turn depends on the economic, structural and social position of the borrower. The pig-farming sector is in crisis. Since September 1992, prices in the Community have fallen by almost 30 %. After a slight upturn at the beginning of this year, prices have again fallen despite extensive slaughtering last year following outbreaks of disease.

According to the Farm Accountancy Data Netwerk, the rate of indebtedness (relationship between total loans and total own and borrowed capital) in the pig-farming sector is almost 48 % in France and 31 % in the Community, whilst the figures for the farming sector as a whole are 32 % in France and 15 % in the Community.

Consequently, at a time when the pig market is in crisis and farmers are seeing their incomes fall and run the risk, in some cases, of serious financial difficulties, the pooling of producers' interests in Stabiporc and the pooling of risks cannot be considered sufficient justification for the granting of loans as described above (point III.7).

As stated above, the Pibor 12-month rate is an interest rate applied to interbank loans. These loans are used by banks to grant loans to economic operators, a risk premium being added to the base rate. In the case in question, this premium is 0,5 %. In view of the nature of the borrowers, and particularly the average rate of indebtedness, and the crisis in the pig market, a premium of 0,5 % cannot cover the risk of non-repayment by borrowers.

The economic benefit to pig producers results from the difference between the interest rate on loans taken out by Stabiporc and passed on to its member producer groups and that which producer groups could obtain from other financial institutions under normal market conditions.

As an example, the actual average rate applied by credit institutions during the first quarter of 1993 for loans of an initial duration of more than two years at variable rates granted to companies was 12,09 %.

The interest rates applied by Stabiporc (and by Ofival) must therefore be considered preferential.

It follows from the above that the amounts in question granted in the form of interest-rate subsidies must be regarded as State aid or as being granted from State resources.

Repayment guarantees

(5) The agreements between Stabiporc and producer groups contain guarantees regarding the repayment by producer groups of the advances made by Stabiporc. All repayments of advances are made by automatic debit from the producer group's account (see point III.5 above).

The Commission does not question the fact that certain of the mechanisms referred to by the French authorities in their letter of 7 April 1994 are in line with the normal rules of the market (automatic debiting, bank guarantees, consolidation of Stabiporc's own resources) and can, to a certain extent, guarantee effective repayment of the sums lent.

Nevertheless, as regards the repayment of the capital and interest on the loan granted by Ofival to Stabiporc, the agreement between the two bodies provides that where sums are unpaid or where there is a delay in payment, Ofival can deduct the amounts concerned from any sums it is to pay to the groups concerned or members of those groups under other measures (see point III.7 (v) above). This deduction is therefore discretionary.

Contrary to the French authorities' claim in their letter of 7 April 1994, because this measure is not systematically applied it does not constitute an adequate guarantee of the effective repayment of sums due against advances. Furthermore, no provisions are laid down for the calculation and payment of interest where such sums are recovered after the end of the abovementioned agreement.

Moreover, given the link between Ofival and Stabiporc (Ofival attends all meetings of the Stabiporc management committee by right), the statement by the French authorities that 'these specific contractual guarantees apply without prejudice to all the means of recovery provided for in law' would appear dubious.

(6) Similarly, under the agreements between Stabiporc and the banking pool and between Stabiporc and Unigrains, notified by the French authorities on 20 June 1994, certain of the guarantees regarding the repayment of sums loaned may be considered to comply with the normal market conditions governing relationships between economic operators. This is the case, for example, with the obligation on Stabiporc to constitute its own resources and to demand that producer groups provide proof of a bank guarantee.

However, the fact that the State, through the intermediary of Ofival, takes responsibility for amounts unpaid by producer groups up to FF 1 million from its own resources and beyond that sum its credit of FF 60 million cannot be considered a measure consistent with normal market conditions.

As stated under point I. 4 above, this measure in the form of a State guarantee granted by Ofival is being examined separately.

(7) Given that the interest and repayment conditions are manifestly not those that an economic operator could obtain on the financial markets, the measures referred to in points 4 and 5 constitute operating aid to pig producers.

Infringement of the common organization of the market

(8) Furthermore, account must be taken of the fact that this aid, paid per unit of quantity, concerns a product covered by a common organization of the market and that there are limits to the power of Member States to intervene independently in the operation of such a common organization involving a system of Community support which is the exclusive responsibility of the Community. As soon as a common organization of the market exists in a particular sector, Member States are obliged to abstain from any measure which could derogate from or adversely affect that organization.

The common organizations of the markets are comprehensive and exhaustive systems which preclude any measures by Member States which could influence the market in question or the payment of any additional aid by Member States.

The aid in question is not granted in accordance with the conditions laid down by the common organization of the market for pigmeat which prohibits the grant of such aid other than under the conditions laid down.

The aid must therefore be considered to be against Community rules.

VI

According to information from Eurostat, in 1993, 24 112 500 pigs were slaughtered in France and 180 022 887 in the Community, the figure for France being around 13 % of the total.

Exports from France to third countries in 1993 were 56 736 tonnes (live pigs and pigmeat) and, from the Community as a whole, 730 642 tonnes, the French figure being about 8 % of the total.

Consequently, in view of the position occupied by the country in pig farming in the Community, an advantage such as that granted to pig farmers in France is likely to have a noticeable effect on the Community market.

VII

(1) The aid granted to pig producers covered by the regulatory mechanism enables them to obtain a higher return thanks to the price support guarantee. This advantage, which is in part financed from State resources, puts beneficiaries in a better position to survive during this crisis period than producers not receiving such aid. There is therefore a distortion of competition between producers benefiting from easier disposal under subsidized trading conditions and producers obliged to sell their pigs without the benefit of this income support system financed by State aid. Greater quantities can be sold und such conditions than if aid were not available. The aid in question is therefore likely to distort competition and affect trade within the meaning of Article 92 (1) of the Treaty. That Article lays down that aid fulfilling the conditions specified therein is *a priori* incompatible with the common market.

(2) The derogations provided for in Article 92 (2) of the Treaty are manifstly not applicable to the aid in question.

(3) Those provided for in Article 92 (3) specify objectives pursued in the interest of the Community and not solely in that of particular sectors of the national economy. These derogations must be strictly interpreted when regional or sectoral aid programmes or individual instances of the application of general aid schemes are examined.

They can only be granted where the Commission can establish that the aid is necessary for the achievement of one of the objectives referred to in the said provisions. To grant the said derogations to aid not fulfilling that condition would be to pemit distortion of trade between Member States, and of competition, without any justification in terms of Community interest and, at the same time, to concede unwarranted benefits to operators in certain Member States.

In this case, the French Government takes the view that the system does not involve aid and the Commission has been unable to find any proof that the aid in question fulfils the conditions required for the application of one of the derogations under Article 92 (3) of the Treaty.

The measure is not intended to promote the execution of an important project of common European interest within the meaning of Article 92 (3) (b) of the Treaty since, given the impact it could have on trade, the aid goes against the common interest.

Neither is it a measure intended to remedy a serious disturbance in the economy of the Member State concerned within the meaning of that same paragraph.

With regard to the derogations provided for in Article 92 (3) (a) and (c) of the Treaty concerning aid to promote or facilitate the economic development of regions and certain activities referred to in the abovementioned indent (c), the measure, being operating aid, cannot bring about a long-term improvement in the conditions of the recipient economic sector, since, when payment ceases, the sector will be in the same structural situation as before the State measure was applied.

It is a type of aid which the Commission has always in principle opposed, on the ground that it is not linked to conditions making it eligible for one of the derogations provided for in Article 92 (3) (a) and (c) of the Treaty.

(4) Even if a derogation under Article 92 (3) of the Treaty were possible for the aid in question, the fact that the measure in question goes against the common organization of the market, as stated in point V.8 above, precludes the application of such a derogation.

(5) The aid in question must therefore be considered incompatible with the common market within the meaning of Article 92 of the Treaty.

(6) This Decision shall not prejudice any inferences the Commission might draw as regards the financing of the common agricultural policy from the European Agricultural Guidance and Guarantee Fund (EAGGF).

(7) The measure, adopted by a mninisterial decision of 12 May 1993 and applied without awaiting the Commission's final decision, is illegal under Article 93 (3) of

the Treaty. The French authorities notified the measure only on 19 April 1993 in response to the Commission's request of 9 March 1993.

(8) Where aid is incompatible with the common market, the Commission, in accordance with judgements of the Court of Justice, in particular the judgment handed down on 12 July 1973 in Case 70/72, *Commission* v. *Germany* [1], and confirmed by the judgments of 24 February 1987 and 20 September 1990, in Cases 310/85, *Deufil GmbH* v. *Commission* [2] and C-85, *Commission* v. *Germany* [3] respectively, must demand that Member States recover from the beneficiaries any aid granted illegally.

In view of the above, the aid in question must be repaid.

Repayment must be made in accordance with the procedures and provisions of French law, in particular those concerning interest on overdue payments owed to the State, the interest being calculated from the day the aid in question was paid.

Repayment is necessary in order to restore the previous situation by abolishing all the financial advantages enjoyed by the beneficiaries of the illegal aid since the date on which it was paid. It is all the more necessary given the sensitive market situation and in view of the decision taken by the Commission on 19 August 1988 (see final paragraph of point II),

HAS ADOPTED THIS DECISION:

Article 1

The aid granted to pig producers as part of the advances made under the group membership of the Caisse Professionelle de Régulation Porcine (Stabiporc regulatory fund) and the agreement concerning the relaunch of the said fund for the period 1993-96 is illegal, having been granted in breach of Article 93 (3) of the Treaty. This aid is also incompatible with the common market within the meaning of Article 92 of the treaty.

The aid referred to in paragraph 1 covers:

— the amounts resulting from the difference between the interest rate applied to advances paid to producer groups Stabiporc (the Pibor 12-month rate plus 0.5 %) and the interest rate at which those groups could have obtained them through Stabiporc from financial institutions under normal market conditions, the latter rate to be determined on the basis of the interest rates offered to companies for variable-rate loans of an initial duration of more than two years, and

— advances not repaid by pig-farmers' producer groups and borne by Ofival.

Article 2

France shall abolish the aid referred to in Article 1:

— by fixing the interest rate on advances at the normal market referred to in the first indent of the second paragraph of Article 1,

— by laying down that Ofival shall, in the event of non-payment or late payment to Stabiporc, deduct those amounts (capital and interest) from any sums to be paid by Ofival to producer groups or members of those groups under other measures,

— by laying down that interest for late payment shall be payable on amounts recovered by Ofival in accordance with the previous indent.

Article 3

France shall demand the recovery and repayment of aid already paid, referred to in Article 1, within three months of the date of this Decision.

The aid shall be recovered in accordance with the procedures and provisions of national law, and in particular those relating to interest on overdue payments owed to the State. Interest on the sums in question shall start to run from the date on which the aid was granted.

Article 4

France shall inform the Commission within three months of the date of notification of this Decision of the measures taken to comply with Articles 2 and 3.

Article 5

This Decision is addressed to the French Republic.

Done at Brussels, 27 July 1994.

For the Commission

René STEICHEN

Member of the Commission

[1] [1973] ECR 813.
[2] [1987] ECR 901.
[3] [1990] ECR I-3437.