


EFTA SURVEILLANCE AUTHORITY

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Dec. No. 279/94/COL
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EFTA SURVEILLANCE AUTHORITY DECISION

OF 21 DECEMBER 1994

ON AID FOR THE PROMOTION OF ENERGY TECHNOLOGY RESEARCH (FINLAND)

THE EFTA SURVEILLANCE AUTHORITY,

Having regard to the Agreement on the European Economic Area¹, in particular to Protocol 26 and to Articles 61 to 63 of the Agreement,

Having regard to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice², in particular to Article 24 and Article 1 of Protocol 3 thereof,

WHEREAS:

I. FACTS

1. The notification

By letter dated 3 November 1994, received by the EFTA Surveillance Authority on the same day (ref. 94-16249A), the Finnish Government notified, in accordance with Article 1(3) of Protocol 3 to the Surveillance and Court Agreement, a proposal to alter the scheme on aid for the promotion of energy technology research (Case No. 93-108), notified to the Authority as an existing aid scheme by letter dated 3 March 1994 (ref. 94-3941A).

2. The aim and contents of the existing aid scheme

The scheme on aid for the promotion of energy technology research aims at promoting the exploitation of the results of energy research in industrial activities or their conversion into commercial products and services. Aid can be granted for expenses incurred by energy technology research, projects for developing nuclear technology and by international projects such as research, development or experiments necessary for ensuring advanced technologies.³

¹ Hereinafter referred to as the EEA Agreement.

² Hereinafter referred to as the Surveillance and Court Agreement.

³ *Valtionneuvoston päätös energiateknologisen tutkimuksen edistämiseen myönnettävien avustusten ehdoista, 1281/93.*

The present scheme is administered by the Ministry of Trade and Industry. The following costs are eligible for aid: personnel costs, overhead expenses, other direct costs of carrying out a project such as costs of material and accessories, instruments and equipment, land and buildings, consultant fees, necessary subcontracts, travelling expenses together with other direct costs approved by the Ministry.

Aid, which is given in the form of a grant, can cover up to 50 % of the eligible costs, or where the recipient is a small and medium-sized enterprise, the aid intensity can be enhanced by 10 percentage points. If the project is financed through State aid from other sources, the total aid intensity cannot exceed those referred to above.

Aid can be granted to enterprises, municipalities, municipal boards and other organisations. When deciding upon the amount of grant, the Ministry considers the nature of the project, the technical and financial risks involved and the impact of the aid on competition between enterprises. The level of aid diminishes as the aided activity gets nearer to the commercial exploitation phase.

3. The aim and contents of the proposed changes

The proposed change includes a transfer of the administration of the scheme from the Ministry of Trade and Industry to the Technology Development Centre (TEKES⁴) from 1 January 1995 onwards.

The aid scheme is unlimited in time and replaces the presently applicable scheme on aid for the promotion of energy technology research (93-108) which was notified to the Authority as existing aid. The aid shall be given in the form of grants. The changes are being made in order to make the aid criteria fully compatible with the rules on aid for R&D. The conditions of the scheme shall be those as prescribed in the decision of the Council of State on the general terms on grants and loans for technological research and development⁵ applied by the Technology Development Centre. The plan for this scheme was authorised by the EFTA Surveillance Authority on 19 October 1994.⁶

The budgetary commitments for the proposed scheme for 1995 are FIM 51 million.

II. APPRECIATION

Compatibility of aid for R&D in the field of energy has to be assessed according to the same criteria as aid to R&D in other fields. The aid in the present plan is to be awarded under the conditions already authorised by the EFTA Surveillance Authority on the grants and soft loans for industrial R&D (Case No. 94-035).⁷ The scheme is, therefore, for the reasons outlined in that decision taken by the Authority in conformity with the rules on aid for R&D.

⁴ *Teknologian kehittämiskeskus.*

⁵ *Valtioneuvoston päätös teknologiseen tutkimukseen ja kehitykseen myönnettävien avustusten ja lainojen yleisistä ehdoista.*

⁶ EFTA Surveillance Authority Decision of 19 October 1994 on the grants and soft loans for industrial R&D (Dec. No. 122/94/COL).

⁷ *Ibid.*

According to section 14.3 of the Procedural and Substantive Rules in the Field of State Aid, adopted by the EFTA Surveillance Authority on 19 January 1994,⁸ the Finnish authorities are obliged to notify individual awards of aid made under this programme for projects over ECU 20 million as well as for Eureka projects exceeding ECU 30 million with a national participation of more than ECU 4 million.

The scheme may be applied to various sectors, including all sectors of industry. However, in the application of the scheme, the specific notification obligations with regard to certain sensitive sectors (currently synthetic fibres, motor vehicles and steel), as laid down in Part V of the State Aid Guidelines and in the Act referred to in point 1 a of Annex XV to the EEA Agreement establishing Community rules for aid to the steel industry (Commission Decision No. 3855/91/ECSC) have to be observed.

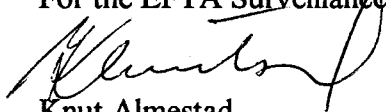
The scheme on aid for the promotion of energy technology research qualifies on the basis of the above considerations, for exemption under Article 61(3)(c) of the EEA Agreement due to the fact that the scheme facilitates the development of certain economic activities without adversely affecting trade to an extent contrary to the common interest.

HAS ADOPTED THIS DECISION:

1. The EFTA Surveillance Authority has decided not to raise objections to the alteration of the scheme on aid for the promotion of energy technology research (Case No. 93-108), as notified by letter dated 3 November 1994.
2. The obligation of the Finnish Government to submit a detailed annual report (according to chapter 30 of and Annex III to the State Aid Guidelines) on the application of the scheme concerning grants and soft loans for industrial R&D (Case No. 94-035) to the EFTA Surveillance Authority shall also apply to the aid covered by this decision.
3. The Finnish Government is reminded of the obligation in the application of the scheme to ensure the cumulation control and to observe the rules on notification obligations for certain sensitive sectors (currently synthetic fibres, motor vehicles and steel), as laid down in Part V of the State Aid Guidelines and in the Act referred to in point 1 a of Annex XV to the EEA Agreement establishing Community rules for aid to the steel industry (Commission Decision No. 3855/91/ECSC).
4. The Finnish authorities are also reminded of their obligation to notify individual awards of aid for projects over ECU 20 million as well as for Eureka projects exceeding ECU 30 million with a national participation of more than ECU 4 million.

Done at Brussels, 21 December 1994.

For the EFTA Surveillance Authority



Knut Almestad
President


Heinz Zourek
College Member

⁸ Hereinafter referred to as the State Aid Guidelines.