

EFTA SURVEILLANCE AUTHORITY DECISION  
OF 1 DECEMBER 2004  
ON A PROLONGATION OF THE TEMPORARY REGIONAL LOAN SCHEME  
(NORWAY)

HAVING REGARD TO the Agreement on the European Economic Area<sup>1</sup>, in particular to Articles 61 to 63 and Protocol 26 thereof,

HAVING REGARD TO the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice<sup>2</sup>, in particular to Article 24 and Article 1 in Part I of Protocol 3 thereof,

HAVING REGARD TO the Authority's Guidelines<sup>3</sup> on the application and interpretation of Articles 61 and 62 of the EEA Agreement,

HAVING REGARD TO the Authority's Decision No. 185/03/COL of 22 October 2003 on a new temporary regional loan scheme,<sup>4</sup>

WHEREAS:

## I. FACTS

### Introduction

By letter dated 10 October 2004 from the Norwegian Mission to the European Union, forwarding a letter from the Ministry of Trade and Industry dated 7 October 2004, both received and registered by the EFTA Surveillance Authority on 13 October 2004 (Event No: 295949), the Norwegian authorities notified, pursuant to Article 1(3) in Part I of Protocol 3 to the Surveillance and Court Agreement, a proposal for prolongation of the temporary regional loan scheme, previously approved by Decision 185/03/COL (hereinafter referred to as "the scheme").

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<sup>1</sup> Hereinafter referred to as "the EEA Agreement".

<sup>2</sup> Hereinafter referred to as "the Surveillance and Court Agreement".

<sup>3</sup> Procedural and Substantive Rules in the Field of State Aid - Guidelines on the application and interpretation of Articles 61 and 62 of the EEA Agreement and Article 1 of Protocol 3 to the Surveillance and Court Agreement, adopted and issued by the EFTA Surveillance Authority on 19 January 1994, published in OJ 1994 L 231, EEA Supplements 03.09.94 No. 32, last amended by the Authority's Decision No. 90/04/COL of 23 April 2004, not yet published, hereinafter referred to as "the State Aid Guidelines".

<sup>4</sup> Hereinafter referred to as Decision 185/03/COL. Published in OJ 2003 C 308, p. 33.

By letter dated 12 November 2004 (Event No: 297848), the Authority acknowledged receipt of the notification.

### **Description of the notified aid measure**

The temporary regional loan scheme approved by Decision 185/03/COL has the primary objective of triggering economic development in less favoured and outlying regions in Norway by supporting investment and job creation in an economically sustainable context. The scheme has R&D and employment as secondary objectives. The duration of the scheme was notified as being until the budget of NOK 500 million was spent, or until 31 December 2004. After the notified prolongation, it will run until 31 December 2005.

In its notification for the prolongation of the scheme, the Norwegian authorities explained that it was necessary due to delays in the implementation of the scheme and its low utilisation and the fact that the scheme's original budget had not yet been spent. The Norwegian authorities have confirmed that the extension of the investment period is the only alteration to the scheme.

## **II. APPRECIATION**

The Authority found in its Decision 185/03/COL that, pursuant to Article 61(3)(c) of the EEA Agreement, the elements of state aid in the originally notified scheme were compatible with the EEA Agreement. The Authority notes that the extension of the investment phase is the only change to the approved aid measure and that there will be no increase in the budget of the scheme. The Authority considers that this extension of the investment period until 31 December 2005 does not alter the compatibility assessment made in Decision 185/03/COL. The compatibility assessment of Decision 185/03/Col remains therefore equally valid for the current decision to prolong the scheme.

### **Conclusions**

For the reasons given above, the Authority considers the notified prolongation of the temporary regional loan scheme, initially approved by Decision 185/03/COL, to be compatible with the functioning of the EEA Agreement on the basis of Article 61(3)(c) of the EEA Agreement.

With reference to Article 21(1) in Part II of Protocol 3 to the Surveillance and Court Agreement, Articles 5 to 7 of the Authority's Decision No. 195/04/COL<sup>5</sup> and Annex IV of the State Aid Guidelines, the Norwegian authorities are hereby reminded of their obligation to submit information on the application of the scheme to the Authority.

### **HAS ADOPTED THIS DECISION:**

1. The Authority does not raise objections against the one year prolongation of the temporary regional loan scheme.
2. This decision is addressed to the Kingdom of Norway.

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<sup>5</sup> Decision No. 195/04/COL of 14 July 2004, on the implementing provisions referred to under Article 27 in Part II of Protocol 3 to the Surveillance and Court Agreement, not yet published.

3. This decision is authentic in the English language.

Done in Brussels, 1 December 2004,

Hannes Hafstein  
President

Einar. M. Bull  
College Member