STATE AID SCOREBOARD

State Aid Scoreboard for 2013 for the European Economic Area EFTA States

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EFTA SURVEILLANCE AUTHORITY

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Rue Belliard 35, B-1040 Brussels, tel: (+32)(0)2 286 18 11, fax: (+32)(0)2 286 18 00, www.eftasurv.int

Tables and figures

Introduction

The State Aid Scoreboard ("the scoreboard") is a yearly report aimed at providing an overview of state aid expenditure in Iceland, Liechtenstein and Norway (the "EFTA States") over time.[1] This latest edition of the scoreboard contains information on state aid expenditure in the period 2007 to 2013.[2]

The report will cover changes in overall state aid spending, as well as the extent to which aid is granted to support certain horizontal objectives, such as environmental protection or regional development, and sector-specific objectives, such as the maritime sector or the aviation industry. The scoreboard is also intended to be a benchmarking tool for comparing state aid spending across the EFTA States, as well as across the European Economic Area ("EEA") more generally. Using data from the 2013 scoreboard published by the European Commission, the results from the EFTA countries are compared to data from the EU Member States and the EU average. Certain EU Member States have been chosen for specific comparisons with the EFTA States due to similarities in parameters such as GDP, public spending, employment and population.

Scope and content

The information presented in the scoreboard is based on the annual reports submitted by the individual EFTA States pursuant to Article 21 of Part II of Protocol 3 to the Surveillance and Court Agreement. Data from previous editions of the scoreboard has also been revised and, when necessary, corrected. The scoreboard is published in accordance with Article 6 of Decision No. 195/04/COL of 14 July 2004,[3] which provides that the EFTA Surveillance Authority shall publish a scoreboard containing a synthesis of the information from the annual reports from the EFTA States.

The scoreboard prepared by the EFTA Surveillance Authority ("the Authority") differs from that of the European Commission due to the more limited scope of the EEA Agreement. For example, agricultural and fishery products normally fall outside the product scope of the EEA Agreement.[4] Aid to these sectors is therefore not included in the scoreboard.

The high volume of aid related to the financial crisis during 2008-2010 distorts the overall picture of aid granted by the EFTA States over the period in question. To demonstrate how state aid expenditure has developed over the period under review, most tables and graphs in the scoreboard exclude financial crisis aid (referred to herein as "crisis aid"). However, separate tables and graphs are provided where crisis aid is included, and a further explanation of crisis aid is provided in section 1.5

Another important area of state aid control concerns compensation for the provision of public service obligations. In its judgment in the *Altmark* case, the European Court of Justice ruled that compensation to undertakings that perform public service obligations does not constitute state aid, provided that certain conditions are fulfilled. Compensation for public service obligations which fulfil the *Altmark* criteria is

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1 Switzerland is an EFTA State but it is not a Contracting Party to the EEA Agreement. For the purposes of this scoreboard, the term "EFTA States" refers to Iceland, Liechtenstein and Norway. This approach is in line with Article 2(b) of the EEA Agreement.

2 The deadline for submission of the EFTA States' annual reports for aid granted between January 1st 2013 and December 31st 2013 was June 30th 2014. The European Commission's scoreboard, which was required in order to perform the EEA-wide comparisons, was published in December 2014. See footnote below. The scoreboard for the EFTA states is therefore published in early 2015.

3 Decision 195/04/COL of 14.7.2004 on the implementing provisions referred to under Article 27 in Part II of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice, OJ L 123, 10.5.2006, p. 37.

4 According to Article 8(3) of the EEA Agreement, the provisions of the Agreement shall apply only to products falling within Chapter 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Protocol 2. However, products listed in Protocol 3 also fall within the product scope of the EEA Agreement, subject to the specific arrangements set out in that Protocol.

therefore excluded from the scoreboard. Aid to Services of General Economic Interest ("SGEI") which fulfils the conditions for an SGEI measure is also excluded from the scoreboard due to lack of comparable data. However, any aid amount beyond the SGEI-covered compensation is included.

The scoreboard covers existing aid, *i.e*. aid authorised by the Authority or aid based on measures introduced prior to the entry into force of the EEA Agreement. However, aid under pending cases is not included. The scoreboard does not take into account funding granted in line with the rules for *de minimis* support, which does not constitute state aid within the meaning of Article 61(1) of the EEA Agreement. The scoreboard covers both *ad hoc* aid and aid granted under aid schemes, but does not include non-notified aid until a decision of the Authority has been adopted. This is particularly relevant for financial crisis aid granted in Iceland, which was only formally notified to the Authority in 2010, *i.e*. two years after the onset of the financial crisis. Most of Iceland's measures linked to the financial crisis were approved in 2012 while others are still subject to investigation. Furthermore, the scoreboard covers aid granted by the EFTA States on the basis of measures falling under the General Block Exemption Regulation.

The scoreboard is divided into four main parts. *Chapter One* looks at the overall amount and type of state aid granted by the EFTA States, both on an aggregate level as well as according to the objective of the aid. *Chapter Two* provides an overview of legislative and policy developments within the area of state aid. *Chapter Three* reports on progress in the recovery of unlawful and incompatible state aid, and provides an overview of pending recovery cases. Finally, *Chapter Four* details the main information sources and the methodology used to compile the scoreboard.

Main findings

In 2013, all three EFTA States moderately reduced their state aid expenditure, in both nominal and real terms. On the whole, aid for regional development accounted for the largest proportion of total state aid, followed by aid for environment and energy saving purposes. Less than one percent was granted for sector-specific objectives. The EFTA States awarded more than 64 percent of total aid in the form of tax concessions, and around 35 percent in the form of grants.

Iceland reduced its overall state aid expenditure mainly due to a large reduction in financial crisis aid. However, when financial crisis aid is excluded, Iceland increased its state aid expenditure due to an increase in aid to research, development and innovation, and in aid to cultural heritage objectives. Excluding crisis aid, Iceland granted most of its aid for research, development and innovation. A comparison with other EEA countries shows that Iceland's aid expenditure relative to GDP remained low, and well below the EU-28.

Norway reduced its overall state aid expenditure mainly due to a reduction in aid for environment and energy saving purposes. This outweighed a slight increase in aid to research, development and innovation. Still, in 2013 Norway granted most of its aid to regional development and environmental objectives. A comparison with other EEA countries shows that Norway's aid expenditure relative to GDP remained high, and well above the EU-28 average. Norway continued to increase its use of block exemptions, with block-exempted aid accounting for 21 percent of Norway's total state aid in 2013.

Liechtenstein exclusively granted aid for cultural heritage preservation in 2013, with a small reduction from last year's spending on this objective. A comparison with other EEA countries shows that Liechtenstein's aid expenditure relative to GDP was the lowest of all of the EEA States.

1. Overall state aid granted during 2007 - 2013

This chapter provides an overview of total state aid granted by the EFTA States from 2007 to 2013. Furthermore, using data from the 2013 scoreboard published by the European Commission,[5] the results from the EFTA States are compared to the EU Member States and the EU average. This chapter further provides information on how state aid is distributed among different horizontal and sectoral objectives. Certain objectives are studied in more detail, and results are compared to selected EU Member States.

1.1 Total state aid in nominal and real terms

Tables 1(a) and (b) display the overall state aid expenditure by the EFTA States in nominal and real terms respectively. In other words, table 1(a) displays the actual amounts as they were reported to the Authority each year ("current prices"), and table 1(b) shows the same numbers after adjusting for inflation relative to 2013 price levels ("constant 2013 prices"). Financial crisis aid and aid to the transport sector is included in the overall state aid numbers, but are also shown as separate entries in the tables.

The results show that all three EFTA States reduced their state aid expenditure in 2013. In nominal terms, total state aid (including crisis aid and aid to the transport sector) awarded by the EFTA States as a whole, was reduced from €3,206.7 million in 2012 to €3,041.7 million in 2013; a nominal reduction of €165 million. In real terms, total state aid was reduced from €3,271.3 million in 2012 to €3,041.7 million in 2013, an effective reduction of seven percent.

Norway reduced overall state aid expenditure in 2013, both when including and excluding aid to the transport sector. In nominal terms, total state aid was reduced by €119.5 million, or effectively by €179 million after adjusting for inflation. Excluding aid to the transport sector, Norway reduced total state aid by €126.3 million in nominal terms, and effectively by €178.5 million. Despite the reduction in 2013, Table 1(b) further shows that Norway's total aid expenditure has gradually increased since 2007. Effectively, aid expenditure in Norway in 2013 was 39 percent higher than the amount in 2007.

Iceland reduced total state aid expenditure by €45.6 million in nominal values, or effectively by €50.4 million when inflation is taken into account. The overall reduction was mainly due to a large reduction in financial crisis aid. However, when crisis aid is excluded, Iceland *increased* its state aid expenditure by €7.5 million in nominal values, effectively by €6.2 million. Table 1(b) further shows that crisis aid in Iceland made up most of Iceland's total state aid every year since 2008, comprising more than 99 percent of Iceland's total state aid in 2009. However, non-crisis aid in Iceland has increased every year since 2009, and in 2013, the total amount of non-crisis aid was effectively 52 percent higher than the amount in 2007.[6]

Liechtenstein's aid expenditure has increased since 2007, but remained broadly stable over the last three years. In nominal and real values, Liechtenstein marginally reduced total state aid by €0.01 million in 2013. Liechtenstein did not grant any crisis aid or aid to the transport sector during the period 2007-2013.

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[5] See: http://ec.europa.eu/competition/state_aid/scoreboard/index_en.html

[6] Figures on financial crisis aid were not formally included in the Authority's scoreboards prior to the State Aid Scoreboard for 2009, because the measures were not yet approved at that time. In 2012, the Authority approved restructuring aid awarded by Iceland to various financial institutions during 2008-2010. Figures for those years have therefore been corrected to include aid under the recently-approved financial crisis measures. It should be noted that figures on financial crisis aid appearing in the scoreboard are the gross commitments of the Icelandic State involving state aid, but not the grant equivalents of those measures.

Table 1: Total state aid granted by the EFTA States from 2007 to 2013

(a): Current prices in millions of Euro, using annual average exchange rates[7]

EFTA STATE	2007	2008	2009	2010	2011	2012	2013
Iceland	17.24	594.55	1,702.70	312.48	30.54	115.70	70.12
Liechtenstein	0.86	1.07	1.19	1.34	1.49	1.50	1.49
Norway	1,900.11	2,202.22	2,842.51	2,596.06	2,786.88	3,089.51	2,970.03
Total state aid – EFTA States	**1,918.22**	**2,797.84**	**4,546.40**	**2,909.87**	**2,818.90**	**3,206.70**	**3,041.65**
Iceland - crisis aid	-	580.37	1,680.98	289.12	4.15	80.88	27.71
Iceland - excl. crisis aid[8]	17.24	14.18	21.72	23.37	26.39	34.82	42.41
Norway - transport aid	532.11	511.32	460.72	220.23	228.89	394.35	401.16
Norway - excl. transport [9]	1,368.00	1,690.90	2,381.79	2,375.83	2,557.99	2,695.15	2,568.87

(b): Constant 2013 prices in millions of Euro, using annual average exchange rates[10]

EFTA STATE	2007	2008	2009	2010	2011	2012	2013
Iceland	27.95	854.56	2,104.96	359.48	33.71	120.48	70.12
Liechtenstein	0.88	1.10	1.19	1.33	1.48	1.50	1.49
Norway	2,132.10	2,390.04	3,014.31	2,688.94	2,853.41	3,149.34	2,970.03
Total state aid – EFTA States	**2,160.93**	**3,245.70**	**5,120.46**	**3,049.75**	**2,888.60**	**3,271.32**	**3,041.65**
Iceland - crisis aid	-	834.18	2,078.11	332.60	4.58	84.22	27.71
Iceland - excl. crisis aid[11]	27.95	20.38	26.85	26.88	29.13	36.25	42.41
Norway - transport aid	597.08	554.93	488.57	228.11	234.35	401.99	401.16
Norway - excl. transport [12]	1,535.02	1,835.11	2,525.74	2,460.83	2,619.06	2,747.35	2,568.87

7 The annual average exchange rates are published by Eurostat.

8 Liechtenstein did not grant crisis aid during the period 2007-2013. Norway granted crisis aid in 2009 under an aid scheme for the temporary recapitalisation of fundamentally-sound banks (see 1.6). Decision 205/09/COL of 8.5.2009.

9 Neither Iceland nor Liechtenstein granted aid for transport purposes during the period 2007-2013.

10 The figures in Table 1(b) are converted into constant prices at the 2013 price level by applying GDP price indices in national currencies to the reported figures on state aid, and then multiplying the outcome by the average 2013 exchange rate for the national currencies to the Euro. For this purpose, the Authority has relied on Eurostat data in relation to GDP price indices and exchange rates.

11 Liechtenstein did not grant crisis aid during the period 2007-2013. Norway granted crisis aid in 2009 under an aid scheme for the temporary recapitalisation of fundamentally-sound banks (see 1.6). Decision 205/09/COL of 8.5.2009.

12 Neither Iceland nor Liechtenstein granted aid for transport purposes during the period 2007-2013.

1.2 State aid relative to GDP – EU and EEA comparisons

Figure 1 below display total state aid (excluding transport and crisis aid) granted in each of the EFTA States as a percentage of GDP, together with the average of the EU Member States (EU 28).

The graph shows that Norway granted more aid relative to GDP than the average of the EU Member States throughout the period under review. However, Norway reduced its state aid spending relative to GDP every year since 2010, narrowing the gap considerably. Iceland increased its state aid spending relative to GDP every year during the period under review. Still, Iceland remained well below the average of the EU Member States throughout the period - though the gap has significantly narrowed over time. Liechtenstein's state aid expenditure relative to GDP remained stable and well below the average of the EU Member States throughout the period, and the gap has significantly widened over time.

Figure 1: Total state aid as percentage of GDP from 2007 to 2013: EFTA **-** EU-28 comparison

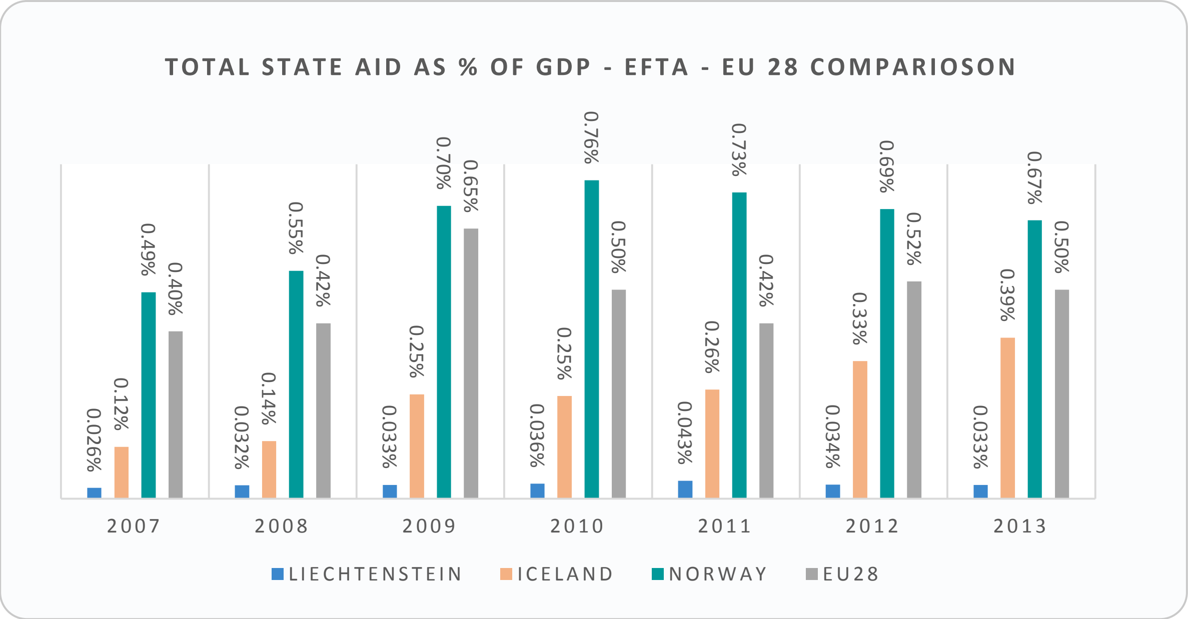
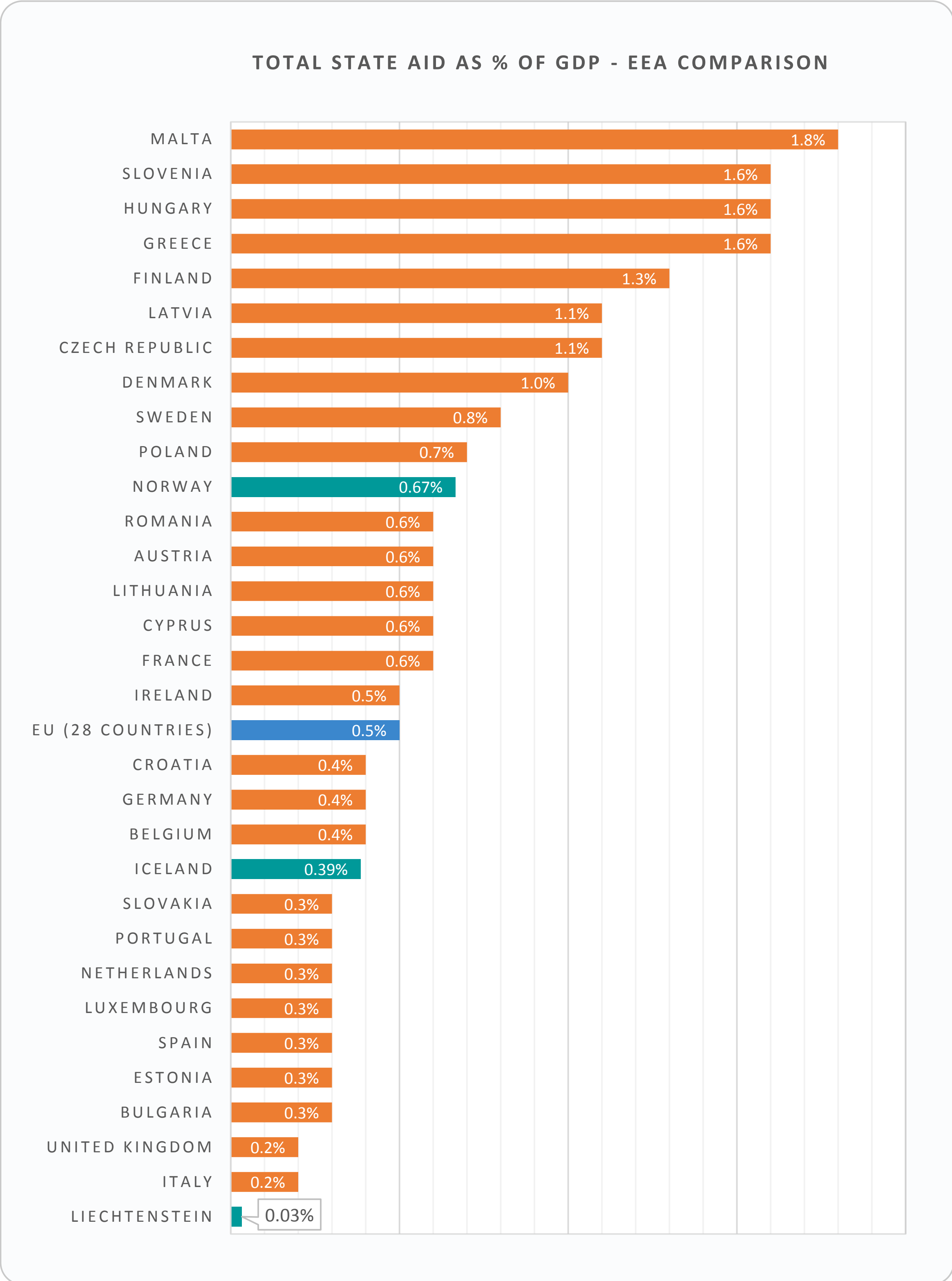


Figure 2 below provides a more comprehensive overview of the total amount of aid granted by each of the EU Member States and the EFTA States (*i.e.* the EEA States) relative to their GDP, excluding transport and crisis aid. The graph shows that Norway's aid expenditure relative to GDP of 0.67 percent ranks as the 11th highest in the EEA, well above the EU average of 0.5 percent, but below comparable countries like Sweden at 0.8 percent, Denmark at 1.0 percent and Finland at 1.3 percent of GDP. Iceland's aid expenditure relative to GDP of 0.39 percent, was just below the EU average, but well below comparable countries like Malta at 1.8 percent, Slovenia at 1.6 percent and Cyprus at 0.6 percent, who were among the highest ranked in the EU comparison. Liechtenstein granted the lowest amount of aid in relation to its GDP of all of the EEA States. At 0.03 percent, it was well beneath the lowest of the EU Member States, Italy, at 0.2 percent.

Figure 2: Total state aid in 2013 as percentage of GDP: EEA comparison[13]



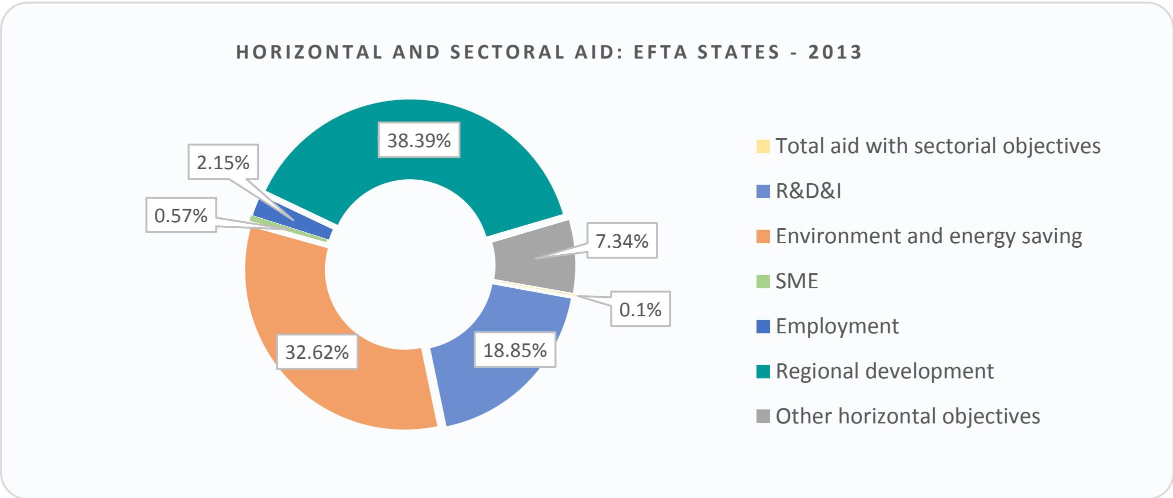
13 Aid for agriculture and fisheries is not included in the data for the EU Member States presented above, and is also not included for the EFTA States.

1.3 State aid objectives

State aid is broadly defined as granted for either sectoral or horizontal objectives. Sectoral aid is state aid earmarked for one or more specific industrial sectors (*e.g.* the maritime sector or the aviation industry); horizontal aid has a broader scope, such as promoting research, development and innovation ("R&D&I"), environmental protection, supporting small and medium-sized enterprises ("SMEs"), as well as employment and training. Horizontal aid often targets market failures or beneficial common objectives, and is therefore generally considered to be less distortive of competition than sectoral aid or *ad-hoc* aid.[14]

Figure 3 below shows how total state aid granted by the EFTA States as a whole, was distributed among the different categories of horizontal and sectoral aid in 2013. The figure shows that aid for regional development[15] covered the largest portion of total state aid, followed by aid for environment and energy saving purposes, and R&D&I aid. Sectoral aid, as a percentage of total aid, was below 1 percent.

Figure 3: Horizontal and sectoral aid as percentage of total aid: EFTA States - 2013



Figures 4 and 5 provide further details on the distribution of total aid to horizontal and sectoral objectives in the period 2007 – 2013, for Iceland and Norway respectively.[16] Figure 4 shows that aid to R&D&I accounted for the majority of aid expenditure in Iceland throughout the period under review. Iceland increased its spending on R&D&I from €15.5 million in 2012 (constant 2013 prices) to €19 million in 2013, increasing the share of total aid from 43 to 45 percent. Aid to cultural objectives in Iceland[17] increased significantly in 2012 and 2013, mainly due to a large culture project, the Harpa Conference Centre, and a new scheme supporting film projects. In 2013, €13 million was granted for cultural objectives, accounting for 31 percent of total aid. Aid to sectorial objectives in Iceland has decreased every year since 2009, and accounted for

[14] The "Europe 2020 Strategy" objectives of growth and competitiveness are cornerstones of the European Commission's State Aid Modernisation Programme, which recognises that *"[s]tronger and better-targeted State aid control can encourage the design of more effective growth-enhancing policies and it can ensure that competition distortions remain limited so that the internal market remains open and contestable"*. See European Commission Communication on State Aid Modernisation referenced in chapter 2.

[15] Strictly speaking, regional aid is a category of its own. However, regional aid also implies a general (non-sector-specific) aspect (*i.e.* it is directed towards general economic development) and it is therefore classified under horizontal objectives in figure 3, 4 and 5.

[16] Liechtenstein only granted aid for horizontal objectives during 2007-2013, specifically for cultural heritage objectives, classified under the category "other horizontal objectives".

[17] Classified under the category "other horizontal objectives"

only 6 percent of total aid in 2013. Iceland granted no aid for SME or environment and energy saving purposes during the period under review.

Figure 5 shows that the largest proportion of state aid in Norway in 2013 was granted to regional development, with an increase from 36 percent in 2012 to 39 percent in 2013. However, the actual aid amount for this objective remained stable at €996 million. It should be noted that one measure, regionally differentiated social security contribution, made up almost all regional aid in Norway in 2012 and 2013, and almost one third of Norway's total state aid. Aid to R&D&I had a fairly stable share of total aid in Norway during the period, with a small increase from €458 million in 2012 (constant 2013 prices) to €473 million in 2013, increasing the share of total aid from 16 to 18 percent. Norway reduced its spending on environmental protection and energy-saving projects from €1021 million in 2012 (constant 2013 prices) to €852 million in 2013, reducing the share of total aid from 37 to 33 percent. Norway completely phased out aid to sector specific objectives in 2011.

Figure 4: Distribution of horizontal and sectoral aid: Iceland: 2007 – 2013.

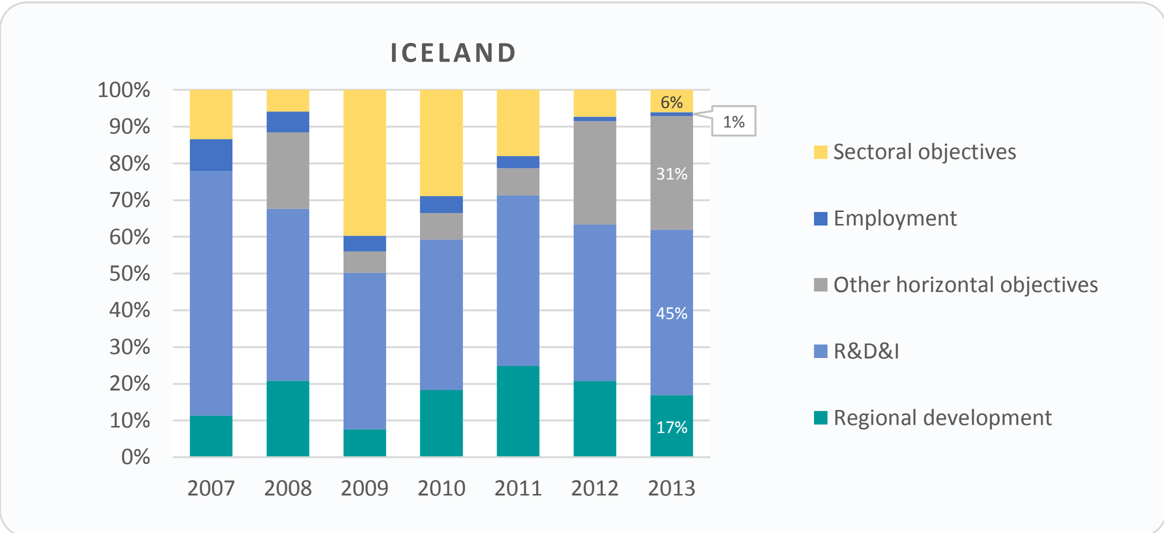
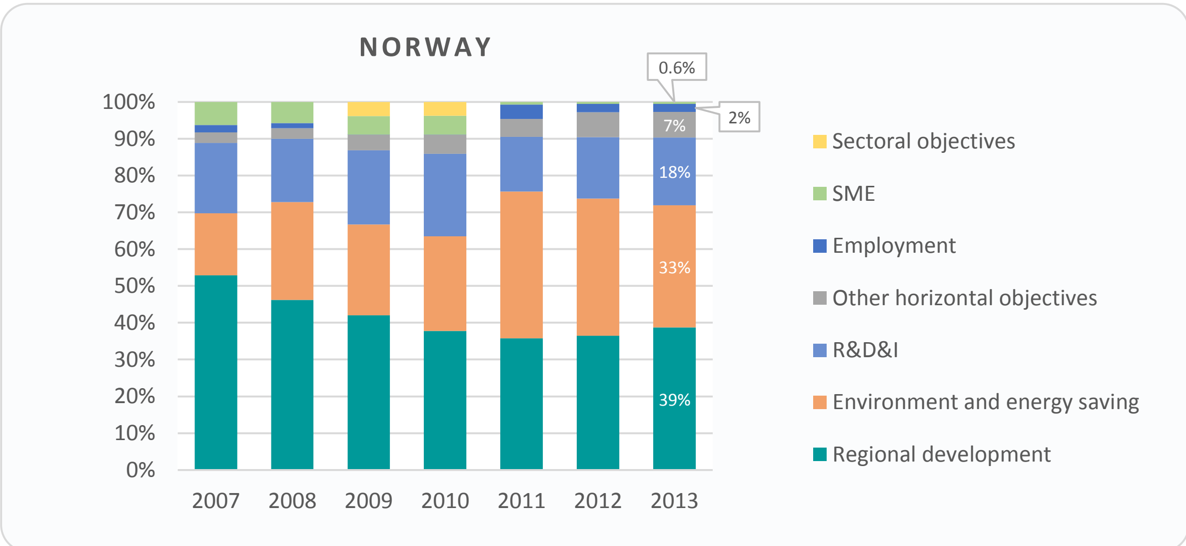


Figure 5: Distribution of horizontal and sectoral aid: Norway: 2007 – 2013.



1.4 Selected state aid objectives – EU comparisons

1.4.1 State aid for research, development and innovation

Figure 6 provides an overview of aid granted by the EFTA States for R&D&I as a percentage of GDP, compared to a group of selected EU Member States. It should be noted that the figures do not fully reflect the total level of public funding for R&D&I in these countries. Other forms of public funding for R&D&I, such as aid to universities, may not involve state aid within the meaning of the EEA Agreement or the Treaty on the Functioning of the European Union ("TFEU") if the recipients are not undertakings.[18]

Figure 6(a) shows that the proportion of aid granted to R&D&I projects in Norway relative to GDP was consistently higher than the EU-28 average throughout the period 2007 - 2013. Finland shows a similar trend, but Sweden spent a significantly smaller proportion of aid relative to GDP on R&D&I than both Norway and the EU average during 2007-2013. Sweden spent only around 0.03 percent of aid relative to GDP on R&D&I throughout the period.

Figure 6(b) shows that the proportion of aid granted to R&D&I projects in Iceland relative to GDP has consistently been higher than the EU-28 average throughout the period, and well above countries with similar economies. Only Slovenia had a higher proportion of aid relative to GDP than Iceland. Figure 6(b) further shows that Liechtenstein did not grant any aid for R&D&I projects during the period under review, similar to Cyprus, Lithuania and Malta.

1.4.2 State aid for environmental protection and energy-saving purposes

Figure 7 provides an overview of aid granted by the EFTA States for environmental protection and energy-saving purposes as a percentage of GDP compared to a group of selected EU Member States. Figure 7(a) shows that Norway, in the recent years, reduced its spending on state aid for environmental protection and energy-saving purposes relative to GDP. Still, Norway's proportion of state aid spending for environmental protection purposes has consistently been above the EU-average, all through the period 2007-2013. However, Sweden and later also Finland spent a significantly higher proportion of state aid relative to GPD for environmental purposes than Norway. In 2013, Sweden and Finland spent respectively 0.66 percent and 0.41 percent of its state aid (relative to GDP) on environment. Figure 7(b) further shows that Iceland and Liechtenstein did not grant any aid for environmental and energy-saving purposes during the period under review, similar to Malta and Lithuania.

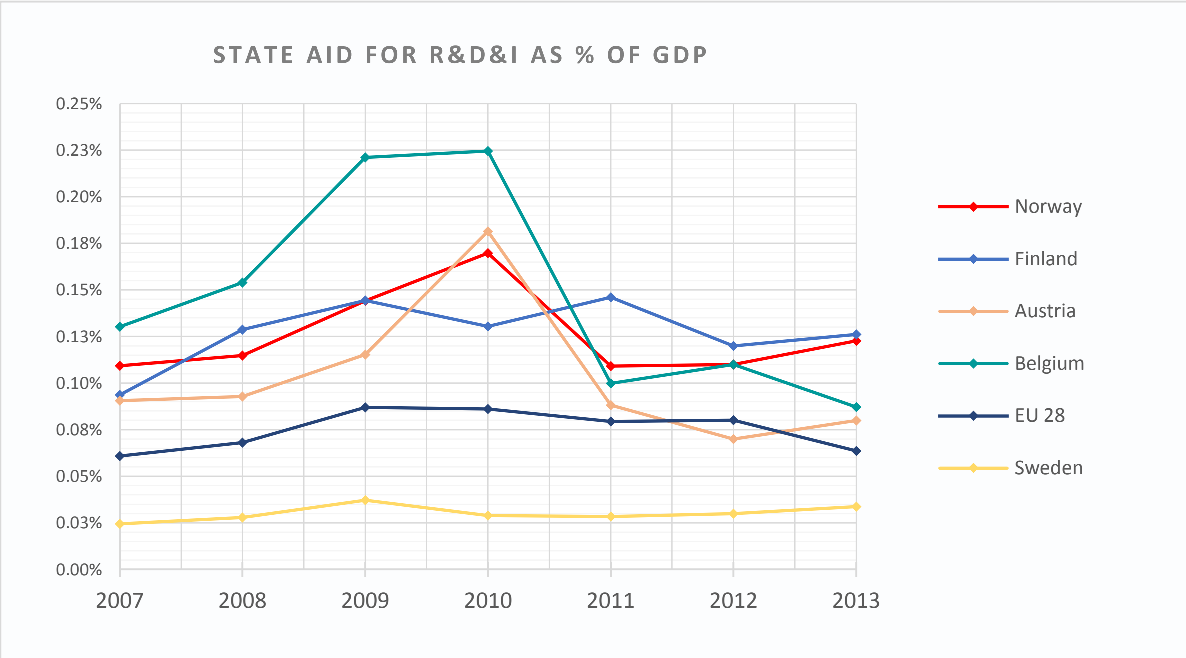
1.4.3 State aid supporting regional development and cohesion

Regional development remains a prominent feature in Norwegian state aid policy, and received the largest proportion of overall state aid in Norway in 2013. As a proportion of Norway's GDP, regional aid increased slightly from 0.25 percent in 2012 to 0.26 percent in 2013. Iceland's aid to regional development relative to GDP was marginally reduced from 0.068 percent in 2012 to 0.065 percent in 2013. Lichtenstein did not grant any regional aid during the period 2007 - 2013.

18 See also the European Commission Staff Working Document, Facts and Figures on State Aid in the Member States, accompanying the Report from the Commission – State Aid Scoreboard, Autumn 2010 Update, (SEC (2010) 1462 final, Brussels, 1.12.2010, Section 2.2.4) which observed that state aid expenditure on R&D&I in 2009, accounting for 0.09% of GDP, represented a relatively small share of overall public R&D&I funding for that year (which accounted for 0.64% of GDP).

Figure 6: State aid granted for R&D&I, as percentage of GDP: Selected EU comparisons.

(a): R&D&I - Norway compared to selected EU Member States.



(b): R&D&I - Iceland and Liechtenstein compared to selected EU Member States.

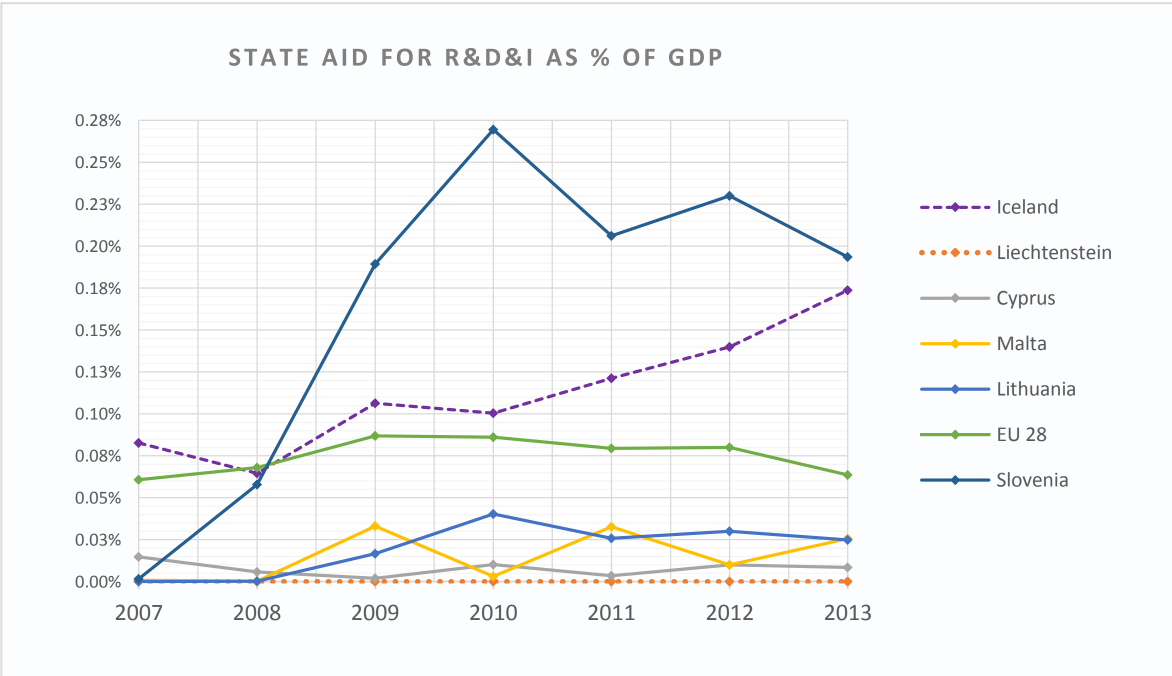
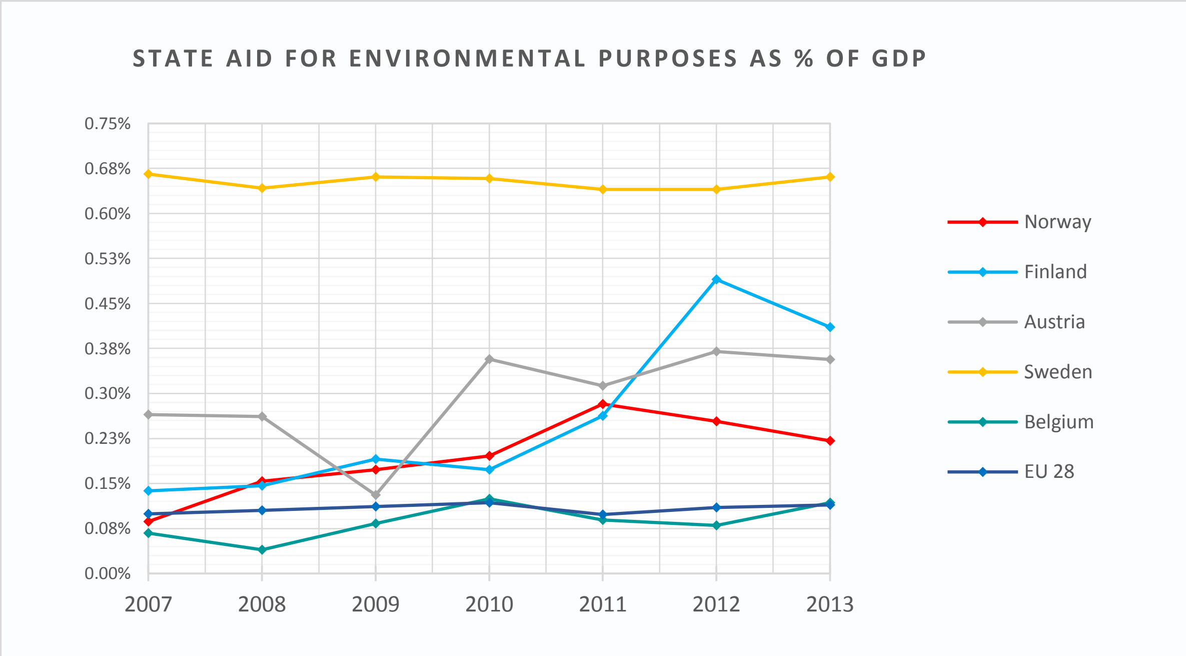
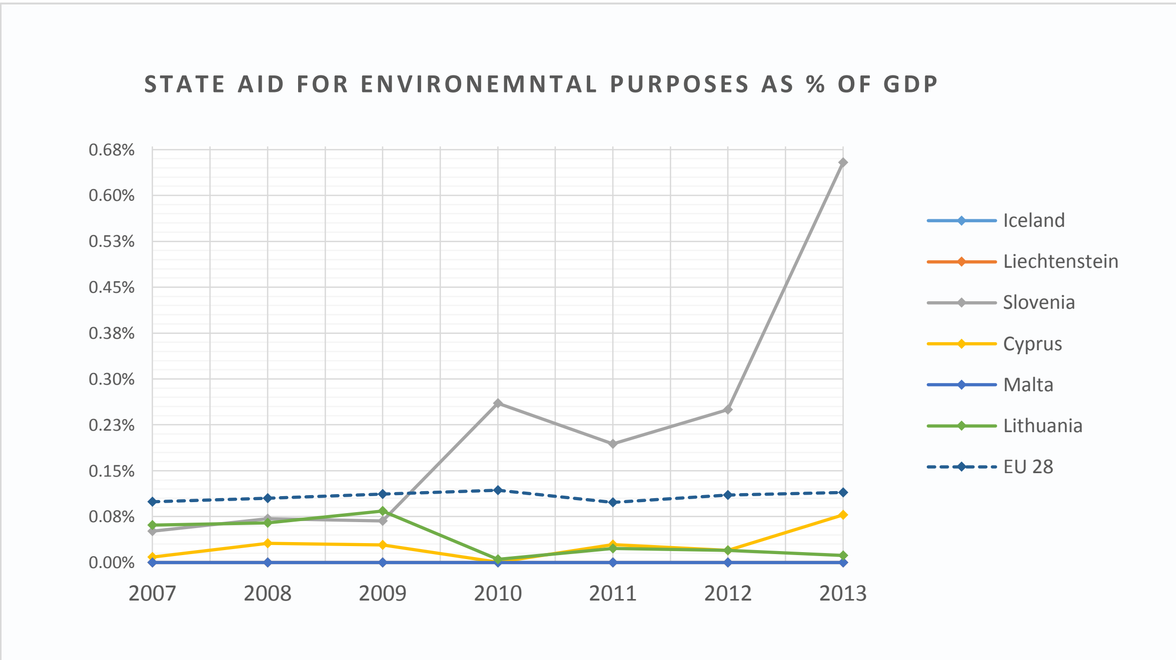


Figure 7: State aid granted for environmental purposes, as percentage of GDP: Selected EU comparisons[19]

(a): Environmental purposes - Norway compared to selected EU Member States.



(b): Environmental purposes - Iceland and Liechtenstein compared to selected EU Member States.



19 Prior to 2012, Figure 7 reflected all aid directed towards the environment, irrespective of whether environmental protection was the primary or secondary objective of the aid measure in question. However, since 2012, the EFTA States now only report on the primary objective of the aid measure in question.

1.5 Financial crisis aid

In 2008 and 2009, Iceland granted aid for the restructuring of the three main commercial banks, but notification was only made in 2010. The Authority opened the formal investigative procedure in each of these cases in December 2010 and subsequently approved the measures in June and July 2012.[20] In 2008, Iceland also granted aid to several investment funds. Following a complaint, the Authority opened a formal investigation in September 2010, but approved the aid in July 2012.[21] In 2009, the Authority opened an investigation into a mortgage loan scheme in Iceland. The case was concluded in June 2011 with a negative decision. [22] In 2010, Iceland granted rescue aid in support of five small savings banks. The measures were notified and temporarily approved in June 2010 and April 2011.[23] Restructuring plans were submitted in 2012 and restructuring aid for two of the banks was approved by the Authority in December 2013.[24]

In March 2011, the Authority temporarily approved rescue aid in support of the Icelandic Housing Financing Fund.[25] In April 2011, the Authority temporarily approved state aid in support of the Icelandic commercial bank Byr hf.[26] In October 2011, the Authority further authorised Islandsbanki to proceed with the acquisition of Byr, and approved a prolongation of the government loan facility for Byr until that merger became effective.[27] In November the same year, the Authority opened a formal investigation into loans granted on favourable terms by the Icelandic Treasury in March 2009 to three investment banks in Iceland. However, since the three investment banks were later submitted for liquidation and had ceased all regular economic activity, the Authority decided to close the investigation in December 2012. The loans extended to the investment banks are not included in the scoreboard.[28]

Further details on the actual amounts of crisis aid in Iceland is provided in table 2 below.[29] The results show that crisis aid in Iceland made up most of Iceland's total state aid during the years 2008-2010, comprising more than 98 and 99 percent of Iceland's total aid in 2008 and 2009, respectively. Liechtenstein has not, to date, notified any aid measures linked to the financial crisis. For Norway, the Authority approved an aid scheme for the temporary recapitalisation of fundamentally-sound banks in 2009, but only 8% of the fund was actually used under the scheme.[30] Norway has not granted crisis aid since 2009.

Table 2: Crisis aid - Iceland

	2007	2008	2009	2010	2011	2012	2013
Total aid - Iceland	27.95	854.6	2104.96	359.486	33.71	120.48	70.128
Crisis aid - Iceland	0	834.18	2078.11	332.60	4.58	84.22	27.718
Crisis aid as % of total aid	0%	98%	99%	93%	14%	70%	40%

20 Decision 244/12/COL of 27.6.2012, Decision 290/12/COL of 11.7.2012 and Decision 291/12/COL of 11.7.2012.
21 Decision 292/12/COL of 11.7.2012.
22 Decision 206/11/COL of 29.6.2011.
23 Decision 253/10/COL of 21.6.2010 and Decision 127/11/COL of 13.4.2011.
24 Decision 539/13/COL of 18.12.2013 and Decision 540/13/COL of 18.12.2013.
25 Decision 69/11/COL of 16.3.2011.
26 Decision 126/11/COL of 13.04.2011.
27 Decision 325/11/COL of 19.10.2011.
28 Decision 521/12/COL of 19.12.2012.
29 It should be noted, though, that the figures on financial crisis aid appearing in the scoreboard are the gross commitments of the Icelandic State involving state aid, but not the grant equivalents of those measures, which have not been reported. See: http://europa.eu/rapid/press-release_IP-13-1301_en.htm
30 Decision 205/09/COL of 8.5.2009.

1.6 Aid awarded under the block exemption regulations

The General Block Exemption Regulation (GBER) was adopted by the European Commission in August 2008 to simplify aid granting procedures. The Regulation was incorporated into the EEA Agreement in December the same year.[31] Under the regulation, specific categories of state aid were declared compatible with the agreement if they fulfilled certain conditions, thus exempting them from the requirement of prior notification and approval. GBER consolidated and harmonised the rules that previously existed in five separate block exemption regulations, and increased the number of categories eligible for exemption.

Until 2013, Norway was the only EFTA State granting aid under the block exemption regulation.[32] Figure 8 below illustrates the distribution of block-exempted aid measures in Norway in the period 2007-2013, either under the previous block exemption regulations or under the consolidated GBER. The graph shows that Norway in 2007 and 2008 used block exemptions almost exclusively for schemes promoting R&D&I, SMEs and vocational training. However, since 2009, Norway started using the GBER on a wider scale and granted block-exempted aid to schemes and measures under a variety of categories including employment, training, regional development and environment.

In 2013, Norway grated aid under 17 new block-exempted aid measures. The new measures included three employment schemes, six regional schemes, seven R&D&I measures and one training measure. Norway also continued granting aid to 36 block-exempted aid measures already in existence.

Figure 8: Block exempted measures in Norway: 2007 - 2013

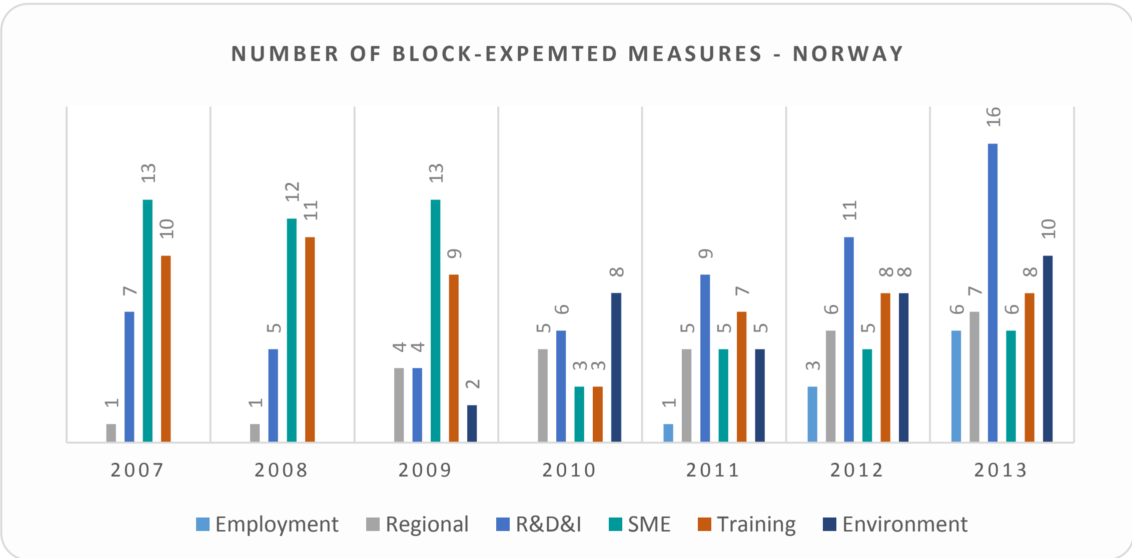


Figure 9 further illustrates the development of Norway's use of block exemptions over time, measured in aid amounts. The graph show that Norway has increased block-exempted aid spending every year since 2008. In 2013, Norway granted €616 million to block-exempted aid measures. This represented a real increase of €55 million (measured in constant 2013 prices), or an eight percent increase from the year before. R&D&I represented the biggest category of block-exempted aid almost throughout the period, followed by environmental aid, training and employment.

[31] Joint Committee Decision No. 120/2008, and EEA Supplement No 79/2008

[32] Iceland reported a block exemption in 2010, but no aid was granted under this instrument.

Despite the steady increase, the total amount of block-exempted aid relative to total state aid in Norway was low compared to the EU Member States throughout the period. Figure 10 below shows that block-exempted aid accounted for more than 33 percent of total state aid granted in the EU in 2013, whereas Norway granted 21 percent of total state aid under the block exemption regulation. However, one measure, regionally differentiated social security contribution, made up almost one third of Norway's total state aid. This measure is not subject to block exemption. When taken out of the calculation, block-exempted aid in Norway accounted for 31 percent of total state aid in 2013.

Figure 9: Block-exempted aid by volume: 2007 to 2013

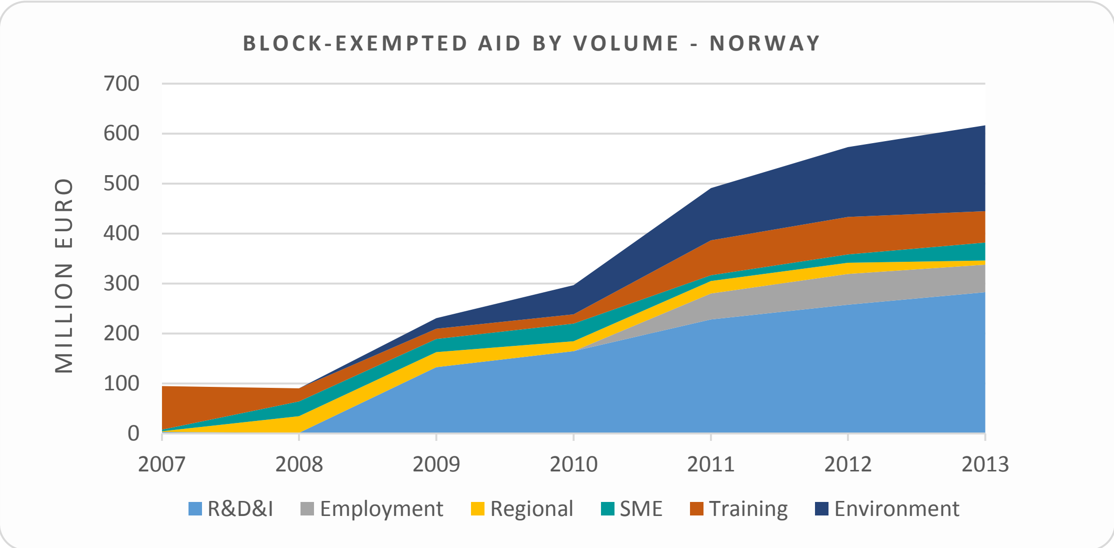
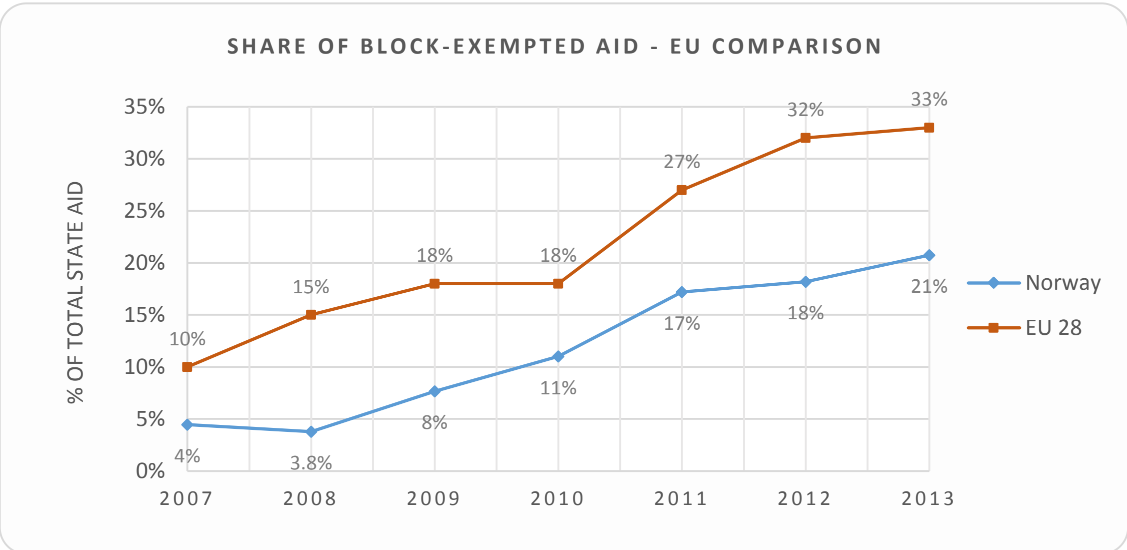


Figure 10: Block-exempted aid relative to total aid: 2007 to 2013



In June 2014, the European Commission adopted a new General Block Exemption Regulation, No. 651/2014, which entered into force on 1 July 2014. In the same month, that regulation was incorporated into the EEA Agreement, with entry into force also on 1 July 2014. Due to the broadened scope of the revised GBER, the EEA States will be able to grant more aid measures and higher amounts without having to notify for authorisation. As the new GBER entered into force in 2014, it does not affect the current scoreboard.

1.7 State aid instruments

Table 3 below shows the extent to which the EFTA States have made use of different state aid instruments during the period 2007 to 2013. In 2013, more than 64 percent of total aid (excluding transport and crisis aid) was awarded in the form of tax breaks, and around 35 percent in the form of grants. Overall, less than 1 percent was awarded by means of other aid instruments, such as guarantees or soft loans.

Table 3: Usage of aid instruments by the EFTA States as a percentage of total aid

Aid instrument	2007	2008	2009	2010	2011	2012	2013
Tax concessions	67.10%	68.65%	63.78%	60.26%	58.01%	64.21%	64.21%
Soft loan	0.38%	0.69%	0.67%	0.44%	0.38%	0.39%	0.34%
Guarantee	0.02%	0.00%	0.33%	0.24%	0.18%	0.02%	0.01%
Grant	32.39%	30.74%	35.14%	37.35%	41.21%	39.73%	35.35%
Equity participation	0.01%	0.00%	0.01%	1.67%	0.15%	0.00%	0.09%
Reimbursable grant	0.11%	0.04%	0.05%	0.04%	0.07%	0.00%	0.00%

2. Guidelines adopted in 2013

In 2013, the Authority adopted new guidelines regarding application of state aid rules to short-term export-credit insurance, aid to deployment of broadband networks, regional aid to large investment projects, and finally state aid rules to support measures in favour of banks in the context of the financial crisis. More details on these decisions are found in table 4 below.

Table 4: Guidelines adopted in 2013

Area	Entry Into force	Reference
Credit insurance	30.01.2013	Decision No 28/13/COL - New guidelines on short-term export-credit insurance.
Broadband networks	20.02.2013	Decision No 73/13/COL - New guidelines on the application of state aid rules in relation to the rapid deployment of broadband networks.
Large investment projects	23.10.2013	Decision 407/13/COL - New guidelines on Regional State Aid for 2014-2020 and by prolonging the validity of the on chapters on national regional aid for 2007-2013 and the criteria for an in-depth assessment of regional aid to large investment projects.
Banking	01.12.2013	Decision 464/13/COL - New guidelines on the application, from 1 December 2013, of state aid rules to support measures in favour of banks in the context of the financial crisis ("*Banking Guidelines 2013*").

3. Recovery cases 2007 - 2013

Article 14 of Part II of Protocol 3 to the Surveillance and Court Agreement provides that *"[w]here negative decisions are taken in cases of unlawful aid, [the Authority] shall decide that the EFTA State concerned shall take all necessary measures to recover the aid from the beneficiary.*" The purpose of mandating the recovery of unlawful state aid is to remove the undue advantage granted to a company (or companies) through such illegal aid, and to restore the market to the situation that prevailed before the aforementioned aid was granted. In such circumstances, the recovered aid with interest at an appropriate level is reimbursed to the relevant public authority that originally granted the incompatible support.

In 2013, the Authority closed two pending recovery cases – one concerning the HFF Mortgage Loan Scheme and the other concerning the sale of land in Asker, Norway. The Authority opened no new recovery cases in 2013. One older case remains open as of December 31st 2013. Table 8 provides further details on recovery cases in the period 2007-2013.

Table 5: Overview of recovery cases: 2007-2013

Decision Number	Working title of case	EFTA State	Date of Decision	Amount to be recovered according to decision	Amount effectively recovered	Pending
155/07/COL	VAT Compensation	Norway	03.05.07	NOK 43,199,304	NOK 43,199,304 (incl. interest)	No
28/08/COL	Wood scheme	Norway	23.01.08	NOK 5,049,647 (plus interest)	NOK 953,490[33]	No
290/09/COL	Norwegian Aviation School	Norway	01.07.09	NOK 4.5 million and other unknown amounts	Bankrupt	No
390/09/COL	Mesta	Norway	07.10.09	NOK 101.4 million (plus interest)	NOK 129 million (incl. interest)	No
97/10/COL	Captive insurance undertakings	Liechtenstein	24.03.10	CHF 20,827,286	CHF 20,827,286	No
416/10/COL	Investment undertakings	Liechtenstein	02.11.10	CHF 1,669,279	CHF 1,669,279	No
205/11/COL	Hurtigruten	Norway	29.06.11	NOK 0[34]	NOK 0	No
206/11/COL	HFF Mortgage Loans Scheme	Iceland	29.06.11	To be determined	ISK 0	No[35]
232/11/COL	Sale of land at Asker	Norway	13.07.11	To be determined	NOK 4,074,953	No[36]
90/12/COL	Haslemoen Leir	Norway	15.03.12	NOK 6,462 133,14	NOK 6,462 133,14 (incl. interest)	No
261/12/COL	Verne Data Center	Iceland	04.07.12	To be determined	ISK 320,920,874[37] for sale of buildings ISK 142,535,573[38] for property taxes	Yes[39]

33 The difference between the amount to be recovered and the amount effectively recovered is due to the liquidation of a beneficiary.
34 Norway had decided to grant the aid, but had not disbursed it. The amount of overcompensation identified by the Authority was approximately NOK144 million. Since no actual payments were made, the amount to be effectively recovered was zero.
35 This recovery case was subsequently closed by the Authority in Feb. 2013 taking into account the fact that both BYR Savings Bank and Keflavík Savings Bank had ceased all activities and that claims previously held by those banks were passed onto their successors.
36 This recovery case was subsequently closed by the Authority in January 2014 since recovery was effected in 2013.
37 An additional ISK14.324.282 was placed in escrow in March 2013.
38 In 2013, ISK 852.852 was repaid by the Icelandic authorities to Verne.
39 Iceland brought an action against the Authority's decision to the EFTA Court in 2012 (Case E-9/12) and the latter upheld the Authority's decision in a judgment delivered on 22.07.2013.

4. Information sources and methodology

4.1 The tables and graphs in the scoreboard

The tables and graphs included in the scoreboard are based on the state aid expenditure data submitted by the EFTA States in their annual reports to the Authority. The tables and graphs for which the underlying data may not be available above can also be accessed in Excel format from the Authority's website:
http://www.eftasurv.int/press--publications/scoreboards/state-aid-scoreboards/nr/128

4.2 State aid register – a second transparency tool

The Authority's state aid register is an online service, which provides an overview of all state aid cases that have been the subject of a decision by the Authority since 1 January 1994:
http://www.eftasurv.int/state-aid/state-aid-register/

4.3 Annual report and state aid e-news

The Authority publishes Annual reports on its activities, which summarise the most important legal developments, decisions, and case law during the relevant year. The reports are available at: http://www.eftasurv.int/press--publications/annual-reports/

State aid e-news, first published in 2006, is an online service available by e-mail and on the website of the Authority. This is a weekly update providing an overview of state aid decisions adopted by the Authority, the publication details as well as of court judgments handed down by the EFTA Court: http://www.eftasurv.int/state-aid/state-aid-e-news/

E-news is also available through the State Aid Weekly Newsletter published by the European Commission.
http://ec.europa.eu/comm/competition/state_aid/newsletter/index.html

4.4 Methodology

This scoreboard is published in accordance with Article 6 of Decision No. 195/04/COL of 14 July 2004.[40] This provides that the Authority shall publish a scoreboard containing a synthesis of the information from the annual reports, which are submitted by the individual EFTA States to the Authority in compliance with Article 21 of Part II of Protocol 3 to the Surveillance and Court Agreement.

All data concerning the EFTA States has been obtained from the annual reports provided by the EFTA States and from reports provided pursuant to block exemption regulations. State aid data collected for the scoreboard is grouped according to primary objectives, which may be either horizontal or sector-specific. Unless otherwise indicated, information has been included according to the objective of the aid as opposed to the identity of the aid recipients. For example, if the aid is earmarked for SMEs it will be classified as having SMEs as its primary objective, irrespective of the sectors the beneficiaries belong to.

As regards information concerning the 28 EU Member States, the data was obtained from the scoreboard published online by the European Commission, *State Aid Scoreboard 2014* (comprising aid expenditure made by EU Member States before 31.12.2013) available at:
http://ec.europa.eu/competition/state_aid/scoreboard/index_en.html.

40 Decision 195/04/COL of 14.7.2004 on the implementing provisions referred to under Article 27 in Part II of Protocol 3 to the Agreement between the EFTA States on the establishment of a Surveillance Authority and a Court of Justice, OJ L 123, 10.5.2006, p. 37.

Contact

Any queries or requests for data should be marked "Scoreboard" and should be sent to the general state aid mailbox at State.Aid@eftasurv.int. Alternatively, please contact:

Ida Rødseth Kjosås
Temporary Officer, Competition and State Aid Directorate
tel. (+32)(0)2 286 18 86

Gjermund Mathisen
Director, Competition and State Aid Directorate
tel. (+32)(0)2 286 18 60

EFTA Surveillance Authority
Rue Belliard 35
B-1040 Brussels
Belgium

Tel. +32 2 286 18 11
Fax +32 2 286 18 00
E-mail: registry@eftasurv.int
Internet: http://www.eftasurv.int
Twitter: @eftasurv

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