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Case No: 94943  
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Decision No 192/25/COL

Ministry of Trade, Industry and Fisheries  
PO Box 8090  
Dep 0032 Oslo  
Norway

**Subject: Grant scheme for Sámi news and current affairs media**

## 1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the grant scheme for Sámi news and current affairs media (“the measure”), it considers that it constitutes State aid within the meaning of Article 61(1) of the EEA Agreement and decides not to raise objections<sup>1</sup> to the measure, as it is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(c). ESA has based its decision on the following considerations.

## 2 Procedure

- (2) The Norwegian authorities notified the measure on 17 November 2025.<sup>2</sup>

## 3 Description of the measure

### 3.1 Background

- (3) The Norwegian State has obligations towards the Sámi people in accordance with the international rules concerning indigenous peoples and minorities. According to the International Labour Organisation Convention No. 169,<sup>3</sup> Sámi self-governance in the media sector must be secured, in accordance with the right to self-determination. The United Nations Declaration on the Rights of Indigenous Peoples<sup>4</sup> affirms that indigenous peoples have the right to preserve, control, protect and develop their cultural heritage, traditional knowledge and cultural expressions. Sámi languages are also protected under Part III of the European Charter for Regional or Minority Languages.<sup>5</sup>

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<sup>1</sup> Reference is made to Article 4(3) of Part II of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

<sup>2</sup> Document No 1574613.

<sup>3</sup> C169 - Indigenous and Tribal Peoples Convention, 1989 (No. 169). Available [here](#).

<sup>4</sup> UN Declaration on the Rights of Indigenous Peoples. Available [here](#).

<sup>5</sup> Part III of the European Charter for Regional or Minority Languages. Available [here](#). Norway is a party to the Charter, see [here](#).

- (4) The Norwegian Constitution explicitly sets out the objective to maintain diversity of news media publications across Norway.<sup>6</sup> This includes support for media serving the Sámi people and publications in Sámi languages.<sup>7</sup>
- (5) In 2015, the Norwegian authorities appointed the Norwegian Media Pluralism Committee (“the Committee”) to review the use of economic media policy instruments. The Committee published its report in March 2017.<sup>8</sup> The Committee proposed to make the existing support to Sámi media (see paragraph (6)) platform neutral to stimulate innovation and promote a more efficient distribution, with a view to fulfilling the objective of media pluralism. The Norwegian Media Authority (“the Media Authority”)<sup>9</sup> conducted in 2021 a review of the applicable direct media support schemes.<sup>10</sup> This review also concluded that the applicable media support scheme for Sámi should be made platform neutral.
- (6) Sámi newspapers have received aid since 1979, which the Norwegian authorities consider to be part of an existing aid scheme. The Norwegian authorities intend to amend the scheme and have accordingly notified it. The amendments are mainly aimed at adapting to the digital developments in the media sector.

### 3.2 Challenges in the Sámi media landscape

- (7) Sápmi, the Sámi territory, has no formal borders but spans parts of Norway, Sweden, Finland, and Russia. Northern Sámi is spoken in Norway, Sweden, and Finland; Lule and Southern Sámi in Norway and Sweden; Ume Sámi only in Sweden; and Skolt Sámi only in Finland.
- (8) Norwegian Sámi newspapers target communities within Norway and cover national and Sámi-specific politics (e.g., the Storting and the Sámi Parliament of Norway), giving them a distinct national character and role in informing and engaging the Norwegian Sámi population.<sup>11</sup>
- (9) Like other Norwegian newspapers, most Sámi media have seen declining advertising revenue, while user-generated income rose between 2012 and 2023. Unique challenges in Northern Norway, such as long distances and the harsh climate, have driven up print distribution costs, accelerating the shift towards digital formats. Although they face similar challenges, general regional newspapers (i.e. those not directed at the Sámi population) in Sámi areas have a broader print distribution and are more attractive to advertisers than Sámi media. They also benefit from programmatic advertising.<sup>12</sup>
- (10) As demonstrated in the following graphs, Sámi media exhibit a substantial total net loss before aid, and on a level that is much higher than other local media in Norway. The category “media with no grant” consists of media that do not receive any grants, while media in the categories “small, local leading and sole media”, “local secondary

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<sup>6</sup> Section 100(6) of the Constitution of the Kingdom of Norway.

<sup>7</sup> Section 108 of the Constitution of the Kingdom of Norway.

<sup>8</sup> NOU 2017:7 Det norske mediemangfoldet. The report is available [here](#).

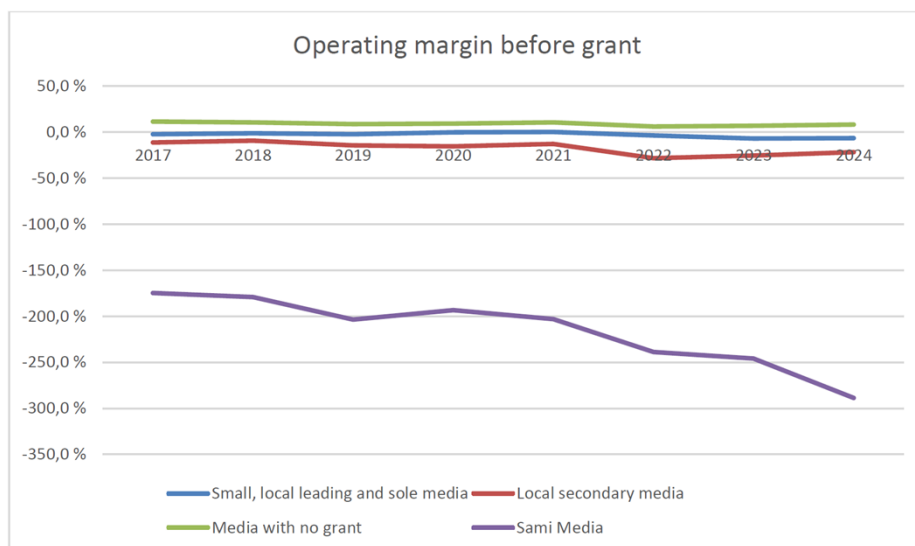
<sup>9</sup> In Norwegian: *Medietilsynet*.

<sup>10</sup> “Utredning om de direkte mediestøtteordningene 2021”. The report is available [here](#).

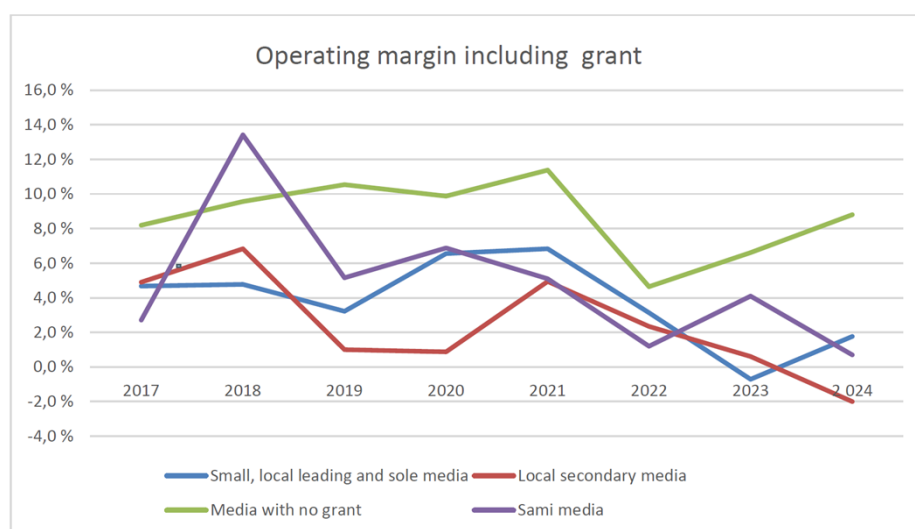
<sup>11</sup> The Storting is the Norwegian Parliament. The Sámi Parliament of Norway is the representative body for people of Sámi heritage in Norway and functions as an institution of cultural autonomy for the Sámi people.

<sup>12</sup> Programmatic advertising is the use of artificial intelligence and machine learning to buy advertising in real time instead of going through human negotiations and pre-set prices.

media”, and “Sámi media” receive production grants either from the existing aid scheme for Sámi media, or from the general production grant scheme, see paragraphs (6) and (17). The values for “media with no grants” are identical in both graphs and are included for illustrative purposes.



Source: The Norwegian Media Authority



Source: The Norwegian Media Authority

- (11) The Norwegian authorities consider that Sámi media are unlikely to be able to significantly increase their commercial revenue. Digital advertising yields modest income, and substantial growth is unrealistic. Even rising subscription income would not sufficiently reduce the need for aid. Recruiting paying subscribers is particularly difficult for Sámi-language media. While 14 000–21 000 people speak Northern Sámi in Norway as a first language, the number proficient enough to read newspapers is unknown.<sup>13</sup> As of early 2024, only 1 670 individuals were registered in Norway as proficient, though underreporting is likely.
- (12) According to the Norwegian authorities, without aid, Sámi daily newspapers (whether in Norwegian or Northern Sámi) are unlikely to be financially viable. Publishing news and current affairs media regularly requires substantial editorial capacity, including shift-based staffing and resources to produce high-quality

<sup>13</sup> Source: The Great Norwegian Encyclopaedia.

content that informs and engages the Sámi community. Although no official Sámi population registry exists in Norway, around 18 000 are registered to vote for the Sámi Parliament of Norway. The total Sámi population is estimated at 50 000–80 000 across Norway, Sweden, Finland, and Russia, limiting the market potential for Sámi news media regardless of language.

- (13) Sámi minority languages have an even more limited market potential due to low language proficiency, and no daily newspapers currently exist in Norway in these languages.

### 3.3 Objective

- (14) The measure entails granting operating aid to producers of news and general affairs media aimed at the Sámi population, as well as to media produced in the Sámi languages.
- (15) The objective of the measure is to promote democratic debate, informed opinions and foster production of a broad journalistic content aimed at the Sámi population. The measure also aims to promote the development of the Sámi languages.
- (16) As part of the measure, the Norwegian authorities plan to amend the existing support scheme in line with the development in technology and in the media sector to make the scheme platform neutral. The amendment consists of including newspapers published on electronic platforms, and thereby further stimulating Sámi media diversity.
- (17) The measure is to form part of Norway's existing media policy package. While all the policies aim to support overarching media policy goals, each one addresses distinct challenges. For example, the zero VAT rate<sup>14</sup> encourages consumer demand for news content; the innovation and development scheme<sup>15</sup> fosters editorial and technical innovation; and the local broadcasting scheme<sup>16</sup> strengthens its democratic role. The production grant scheme<sup>17</sup> supports high-quality, independent journalism in underserved or alternative markets. However, these policies do not target the same objectives as the aid for Sámi news and current affairs media.

### 3.4 National legal basis

- (18) The national legal basis is the Norwegian Media Support Act ("the Media Support Act"), sections 4 and 6.<sup>18</sup> The conditions are set out in a new regulation on grants for Sámi newspapers ("the Regulation").<sup>19</sup>

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<sup>14</sup> ESA [Decision No 052/22/COL](#), *Prolongation of a zero VAT rate for certain electronic news services*.

<sup>15</sup> ESA [Decision No 106/25/COL](#), *Amendments to the Norwegian innovation and development scheme for news and current affairs media*.

<sup>16</sup> ESA [Decision No 123/20/COL](#), *Grant scheme for local broadcasting*.

<sup>17</sup> ESA [Decision No 220/22/COL](#), *Production grant scheme for news and current affairs media 2023 – 2029*.

<sup>18</sup> Available [here](#) (In Norwegian: *Lov om økonomisk støtte til mediene (mediestøtteloven)*).

<sup>19</sup> A draft of the Regulation was provided by the Norwegian authorities on 17 November 2025.

### 3.5 Aid granting authority

- (19) The measure will be administered by the Media Authority. The Media Authority is a regulatory authority operating under the Norwegian Ministry of Culture and Equality (“the Ministry”).

### 3.6 Beneficiaries

#### 3.6.1 Introduction

- (20) The measure applies to:
- production grants for text-based news and current affairs media published in Norway and targeting the Sámi population as their main audience (“production grants”); and
  - grants for articles in Sámi languages, in media published in Norway (“article grants”).
- (21) The measure does not apply to media that primarily aim to engage in advertising or marketing or that have a majority of advertisements, or media that are mainly directed at members or employees of specific organisations, associations, or companies. Grants may only be used for the production and publication (including distribution) of news and current affairs content.

#### 3.6.2 General conditions

- (22) The following cumulative criteria apply to both production grants and article grants. Eligible media:
- a) have as their main purpose to provide continuous journalistic production and dissemination of news, current affairs, and public debate;
  - b) are published in Norway;
  - c) are editorially independent;
  - d) have a responsible editor according to the Norwegian Media Liability Act, section 3, first paragraph, letter a, with responsibility and freedom in accordance with this law, and who adheres to generally accepted press ethical standards;
  - e) charge a genuine fee for news, current affairs, and debate content and advertisements according to a publicly available price list;
  - f) have estimated single-copy sales that constitute less than half of the estimated subscription number;
  - g) have at least 700 subscriptions;<sup>20</sup>
  - h) publish at least five in-house produced articles<sup>21</sup> per week in a minimum of 48 weeks of the year; and
  - i) publish at least 480 in-house produced articles per year.

<sup>20</sup> A subscription is defined as an agreement for payment for the delivery of a news and current affairs medium for a defined period of at least one week. The detailed rules for calculating the number of subscriptions will be set out in the Regulation.

<sup>21</sup> The Media Authority has developed guidelines (“*Produksjonstilskudd til nyhets- og aktualitetsmedier – retningslinjer for innholdsvurderinger*”) for what is considered an in-house article in the general production grant scheme for news and current affairs media, which will also apply to the measure.

### 3.6.3 Grant categories for production grants

- (23) To ensure that the grant reflects the size and output of the publication, media eligible for production grants are placed in one of the following grant categories:
- 1) *Low-frequency news and current affairs media* have at least 700 subscribers, publish at least 480 in-house articles per year and at least five in-house articles per week in a minimum of 48 weeks of the year.
  - 2) *High-frequency news and current affairs media* have at least 900 subscribers, publish at least 2 500 in-house articles per year, and at least 20 in-house articles per week in 52 weeks of the year, and have at least 10 editorial full-time equivalents.

### 3.6.4 Special eligibility conditions for production and article grants

- (24) In addition to satisfying the general conditions, production grants require that the medium has broad journalistic coverage of various societal areas. A significant part of the medium's total editorial content must consist of news and current affairs that cover democratically or politically relevant topics within the Sámi community, in accordance with the Media Support Act, section 6.
- (25) In addition to satisfying the general conditions, article grants require that the medium regularly and consistently publishes Sámi-language articles.

### 3.6.5 Conditions related to organisation and use of the grant

- (26) Media companies in which public institutions or authorities have a genuine right to manage financial responsibility or have more than a 49% ownership interest are not entitled to aid.
- (27) The media company may not conduct business other than the production and publication of the news and current affairs medium for which grants are awarded. The media company may nevertheless conduct "other activities" if income from this activity constitutes less than one third of the media company's revenue in the grant year.

### 3.6.6 Conditions related to operating profits, margins and revenue

- (28) The total of production and article grants received by a medium cannot exceed its operating costs from the previous year.
- (29) Media with an average profit after tax exceeding NOK 2 million over the past year, or NOK 6 million over the past three years, are excluded from the measure.
- (30) According to the Norwegian authorities, the average operating margin for media not receiving grants in the period from 2016 to 2020 was 10.5%. Therefore, if a media company has maintained an average operating margin above 10% over the past three years, including the production grant, the grant is reduced to bring the operating margin down to 10%.
- (31) Funds that become available due to such reductions are distributed in equal amounts among the other media in the same grant category. If the medium receiving the reduction is the only medium in the category, the funds are distributed in equal amounts to the other media that qualify, regardless of category. If there are funds remaining after this distribution, the surplus shall be allocated to article grants.

### 3.6.7 Conditions related to dividends and transactions

- (32) A media company receiving a production grant may pay annual dividends of up to 25% of the grant awarded in the previous year, but no more than NOK 500 000. For companies that are part of a corporate group, internal contributions are considered dividends. Special rules apply to such cases to ensure that funds are used in line with the allocation conditions and do not benefit other group entities or serve as disguised dividends to owners.

## 3.7 Aid instrument, intensity, eligible costs, overlap with other schemes

### 3.7.1 Aid instrument

- (33) Aid under the measure is operating aid and awarded in the form of direct grants. The Media Authority pays these grants to the beneficiaries in advance for the current year, based on the output generated by the medium at issue during the previous year, subject to a control and recovery mechanism (see section 3.8 below).

### 3.7.2 Aid intensity and eligible costs

- (34) Total grants cannot exceed the medium's total operating costs in the year before the medium receives grants. A medium's article grant is limited to NOK 1.5 million per year. The maximum amount may be adjusted for inflation over time.

### 3.7.3 Allocation procedure

- (35) The Media Authority will administer the measure in accordance with the Media Support Act. The Media Support Act guarantees the Media Authority's independence in making individual grant decisions for media. These decisions may be appealed to the Norwegian Media Appeals Board ("the Media Appeals Board") pursuant to the Media Support Act, section 11.
- (36) The Media Appeals Board is an independent appellate body whose members are appointed by the King in Council. It operates free from instruction by the Media Authority or the Ministry. Decisions made under the measure cannot be rejected or rescinded by either body. While decisions of the Media Appeals Board are final and not subject to appeal, parties retain the right to bring cases before the courts.

### 3.7.4 Allocation of grants

#### 3.7.4.1 Production grants

- (37) Each year, the Ministry allocates at least 92% of the total scheme budget to production grants, which comprises a basic and a variable grant. It also determines the allocation ratio between high-frequency and low-frequency news and current affairs media.
- (38) High-frequency news and current affairs media receive grants as follows:
- a) The basic grant constitutes 82.5% of the total amount allocated for high-frequency news and current affairs media and is distributed in equal amounts to all news and current affairs media in the group.
  - b) The variable grant constitutes 17.5% of the total amount allocated for high-frequency news and current affairs media and is distributed based on a rate determined by the number of published articles in Sámi.
- (39) Low-frequency news and current affairs media receive grants as follows:

- a) The basic grant constitutes 70% of the total amount allocated for low-frequency news and current affairs media and is distributed in equal amounts to all news and current affairs media in the grant category.
  - b) The variable grant constitutes 30% of the total amount allocated for low-frequency news and current affairs media and is distributed based on a rate determined by the number of published articles in Sámi.
- (40) Until 2027, the variable grant can be calculated based on the medium's number of issues multiplied by the number of produced pages in Sámi languages, as a transitional arrangement.

#### 3.7.4.2 Article grants

- (41) A maximum of 8% of the total budget can be allocated to media that publish Sámi-language articles. The percentage is set annually by the Ministry, based on recommendations from the Media Authority.
- (42) To prevent the majority Sámi language Northern Sámi from receiving a large share of the total grants at the expense of endangered languages, the allocation to Sámi-language articles is divided into two language categories:
- (1) articles in Sámi minority languages (Lule-, South-, Ume-, Pite, and Skolt-Sámi languages), and
  - (2) articles in Northern Sámi.
- (43) If more than one newspaper meets the requirements to receive grants for articles in the same language category, the total grants are distributed among the beneficiaries based on the amount of published content the year before. The total amount of text in the language (or minority languages) is aggregated, and the aid is distributed among the beneficiaries according to the proportion of the total text amount published by each newspaper.

### 3.8 Control mechanism and recovery

- (44) The measure requires that the beneficiaries disclose all relevant information to the Media Authority. The documentation provided by the applicant must be verified by an auditor. The applicants are required to provide the Media Authority, or a third party assisting the Media Authority in the applications process, access to any business papers or other information deemed necessary with respect to the execution and control of the measure. Failure to disclose such information or providing incorrect information may result in the medium losing its eligibility to the measure for a certain amount of time.
- (45) As noted above, the grants are paid in advance for the current year, based on the output generated during the previous year, see paragraph (33). However, if a grant recipient does not meet the requirements of the Regulation or the grant decision, the Media Authority may stop further payments. Moreover, the Media Authority demands repayment of grants paid in violation of the provisions of the Regulation or not used in accordance with the Regulation or the grant decision. Grants received during a period when no output is published shall also be refunded.

### 3.9 Cumulation and overlap with other schemes

- (46) Media that receive a production grant cannot receive more in funding from public sources than the medium's total operating costs in the year before the medium receives grants.
- (47) Within the measure, a medium may qualify for both a production grant and an article grant, which means that there is a possibility of overlapping aid. To prevent the same content from being used to receive both types of grants, the articles used to calculate the variable part of the production grant cannot also be used to receive grants for Sámi-language articles.
- (48) If the production grant and any other public aid exceed the operating costs, the production grant is reduced accordingly. Similarly, a media company cannot receive an article grant under the measure if it has received public grants for production of the same articles from other public grant schemes.

### 3.10 Duration and budget

- (49) The measure is notified for a period of six years and will enter into force on 1 January 2026.
- (50) The budget of the measure is decided annually by the Norwegian Parliament. The 2025 annual budget for the currently existing aid scheme is NOK 44 million. As explained by the Norwegian authorities, the annual budget of the measure is expected to remain in that range, as corrected by the consumer price index. The total budget for the scheme over its duration is estimated at NOK 301 million.

## 4 Presence of State aid

### 4.1 Introduction

- (51) Article 61(1) of the EEA Agreement reads as follows: "Save as otherwise provided in this Agreement, any aid granted by EC Member States, EFTA States or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it affects trade between Contracting Parties, be incompatible with the functioning of this Agreement."
- (52) The qualification of a measure as aid within the meaning of this provision requires the following cumulative conditions to be met: (i) the measure must be granted by the State or through State resources; (ii) it must confer an advantage on an undertaking; (iii) favour certain undertakings (selectivity); and (iv) threaten to distort competition and affect trade.

### 4.2 Presence of State resources and imputability

- (53) The measure must be granted by the State or through State resources. Imputability of a measure to the State and the granting of an advantage through State resources are two separate and cumulative conditions for the existence of State aid, which are, however, often assessed together as they both relate to the public origin of the measure in question.<sup>22</sup> A measure is by definition imputable to the State if the advantage is granted by a public authority, even if the latter enjoys legal autonomy

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<sup>22</sup> ESA's Guidelines on the notion of State aid as referred to in Article 61(1) of the EEA Agreement ('NoA') (OJ L 342, 21.12.2017, p. 35 and EEA Supplement No 82, 21.12.2017, p. 1), paragraph 38.

from other public authorities.<sup>23</sup> As to the requirement that State resources be involved, those include all resources of the public sector.<sup>24</sup>

- (54) The measure will be financed from the State budget (see paragraph (50)) and is therefore provided through State resources within the meaning of Article 61(1) of the EEA Agreement. Further, the measure is based on the Media Support Act and the Regulation, see paragraph (18). Moreover, decisions on grants are taken by the Media Authority, a State body operating under the authority of the Ministry, see paragraph (19). Accordingly, the measure is imputable to the State.

#### **4.3 Conferring an advantage on an undertaking**

- (55) The measure must confer on the beneficiary an advantage that relieves it of charges that are normally borne from its budget. An advantage within the meaning of Article 61(1) of the EEA Agreement is any economic benefit which an undertaking could not have obtained under normal market conditions.<sup>25</sup>
- (56) The measure confers an advantage on the beneficiaries, since it provides them with financial support in the form of grants that they would not have obtained under normal market conditions. As the beneficiaries are engaged in economic activities by providing media services/products, an advantage is conferred on undertakings.

#### **4.4 Selectivity**

- (57) The measure must be selective in that it favours “certain undertakings or the production of certain goods”. Hence, not all measures which favour economic operators fall under the notion of aid, but only those which grant an advantage in a selective way to certain undertakings or categories of undertakings or to certain economic sectors.<sup>26</sup>
- (58) The measure is selective as the grants will be awarded only to certain undertakings in the Norwegian media sector.

#### **4.5 Effect on trade and distortion of competition**

- (59) The measure must be liable to distort competition and to affect trade between the Contracting Parties to the EEA Agreement. While these are two distinct conditions, they are in practice often treated jointly in the assessment of State aid as they are, as a rule, considered inextricably linked.<sup>27</sup>
- (60) In the case at hand, the aid strengthens the financial position of certain undertakings in the Norwegian media sector, while other undertakings in the same sector do not receive such aid. Furthermore, even though undertakings in the Norwegian media sector mainly focus their activity on the Norwegian market, trade between EEA States does take place. Sámi languages are also used in other countries, mainly Finland, Sweden and Russia. The measure is therefore liable to distort competition and to affect trade between the Contracting Parties to the EEA Agreement.

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<sup>23</sup> NoA, paragraph 39.

<sup>24</sup> NoA, paragraph 48 and the case law cited.

<sup>25</sup> NoA, paragraph 66 and the case law cited.

<sup>26</sup> NoA, paragraph 117.

<sup>27</sup> NoA, paragraphs 185-186.

#### 4.6 Conclusion

- (61) The measure constitutes State aid within the meaning of Article 61(1) of the EEA Agreement.

#### 5 Aid scheme

- (62) ESA notes that the legal basis of the measure is an act which does not require further implementing measures for the granting of the aid, and which identifies the beneficiaries in a general and abstract manner.<sup>28</sup> The aid is therefore granted on the basis of an aid scheme.

#### 6 Lawfulness of the aid

- (63) Pursuant to Article 1(3) of Part I of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice (“Protocol 3”): “The EFTA Surveillance Authority shall be informed, in sufficient time to enable it to submit its comments, of any plans to grant or alter aid. ... The State concerned shall not put its proposed measures into effect until the procedure has resulted in a final decision.”
- (64) The Norwegian authorities have notified the measure and have yet to let it enter into force. They have therefore complied with the obligations under Article 1(3) of Part I of Protocol 3.

#### 7 Compatibility of the aid

##### 7.1 Introduction

- (65) In derogation from the general prohibition of State aid laid down in Article 61(1) of the EEA Agreement, aid may be declared compatible if it can benefit from one of the derogations enumerated in the Agreement. The Norwegian authorities invoke Article 61(3)(c) of the EEA Agreement as the basis for the assessment of the compatibility of the aid measure.
- (66) Article 61(3)(c) of the EEA Agreement provides that ESA may declare compatible “aid to facilitate the development of certain economic activities or of certain economic areas, where such aid does not adversely affect trading conditions to an extent contrary to the common interest”. Therefore, in order to declare the aid compatible, first, the aid must be intended to facilitate the development of certain economic activities or of certain economic areas and, second, the aid must not adversely affect trading conditions to an extent contrary to the common interest.<sup>29</sup>
- (67) Under the first condition, ESA examines how the aid facilitates the development of certain economic activities or areas. Under the second condition, ESA weighs up the positive effects of the aid for the development of said activities or areas and the negative effects of the aid in terms of distortions of competition and adverse effects on trade.
- (68) For most cases, these conditions are outlined in ESA’s State aid guidelines. However, in this case, there are no existing State aid guidelines applicable to the

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<sup>28</sup> See Article 1(d) of Part II of Protocol 3 to the Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice.

<sup>29</sup> Judgment of 22 September 2020, *Austria v Commission (Hinkley Point C)*, C-594/18 P, EU:C:2020:742, paragraphs 18–20.

measure at hand. ESA will therefore assess the measure directly under Article 61(3)(c) of the EEA Agreement.

## **7.2 Facilitation of development of certain economic activities or areas**

### *7.2.1 Economic activities or areas supported*

- (69) Under Article 61(3)(c) of the EEA Agreement, in order to be considered compatible, the measure must contribute to the development of certain economic activities or areas.
- (70) The measure facilitates the development of activities in the market for news and current affairs media directed at the Sámi population, as well as the publication of articles in the Sámi languages. The provision of written news and current affairs media services/products constitutes an economic activity. The economic activity that will be affected under the measure is the publishing of newspapers, code 58.13 of the NACE system.
- (71) In view of the above, ESA considers that the measure constitutes aid to facilitate the development of a certain economic activity, as required by Article 61(3)(c) of the EEA Agreement.

### *7.2.2 Incentive effect*

- (72) State aid is only compatible with the functioning of the EEA Agreement if it has an incentive effect and so effectively facilitates the development of certain economic activities. To establish whether the measure has an incentive effect, it must be demonstrated that it changes the behaviour of the undertakings concerned in such a way that they engage in an activity which they would not carry out without the aid or which they would carry out in a restricted or different manner.
- (73) The incentive effect may be demonstrated by a counterfactual analysis, that is, by comparing the potential outcome with and without the aid. As demonstrated by the graphs in paragraph (10), without the measure, beneficiaries would have to obtain other sources of income or reduce costs to stay in business, or would even have to cease operations altogether.
- (74) ESA further notes that according to the Norwegian authorities, Sámi media are unlikely to be able to significantly increase their commercial revenue, see paragraph (11).
- (75) Moreover, ESA observes that according to the Norwegian authorities, without production grants, Sámi daily newspapers (whether in Norwegian or Northern Sámi) are unlikely to be financially viable, due in particular to the limited market potential for Sámi media, see paragraph (12). The Norwegian authorities point out that the market potential is even more limited for Sámi minority languages (see paragraph (13)) and ESA acknowledges in this regard that the article grant encourages Norwegian-language newspapers to include some content in Sámi minority languages.
- (76) ESA finds that based on the information provided by the Norwegian authorities, the absence of aid would likely lead to reduced publication frequency and staffing for Sámi content, impacting editorial quality. The risk of commercial failure or uncertain profitability may also force some Sámi media to cease operations.

- (77) In view of the above, ESA considers that in the absence of the measure, the publishing activities facilitated by the measure would be carried out in a restricted or different manner, or in some cases would not take place at all, and consequently the development of the economic activities would not be facilitated. Therefore, the aid measure has an incentive effect.

### 7.2.3 Compliance with relevant EEA law

- (78) If a State aid measure, the conditions attached to it (including its financing method when the financing method forms an integral part of the State aid measure), or the activity it finances entail a violation of relevant EEA law, the aid cannot be declared compatible with the functioning of the EEA Agreement.<sup>30</sup>
- (79) ESA has no indications that the measure, the conditions attached to it, or the activity it finances entail a violation of relevant EEA law.

## 7.3 Whether the aid adversely affects trading conditions to an extent contrary to the common interest

### 7.3.1 Introduction

- (80) ESA has not only identified positive effects of the planned aid for the development of the abovementioned economic activities and economic areas, but also possible negative effects that it may have in terms of distortions of competition and adverse effects on trade. These positive and negative effects must then be weighed up.

### 7.3.2 Markets affected by the aid

- (81) The measure facilitates the development of activities in the market for Sámi news and current affairs media, in print or online. In this regard, ESA notes the following.
- (82) According to the Norwegian authorities, the measure has minimal impact on regional and local media markets in Norway, as Sámi media do not directly compete with general regional or local newspapers in Norway.
- (83) The Norwegian authorities also submit that that the measure does not substantially affect competition in advertising markets in Sámi areas (mostly Northern Norway), given in particular that general regional newspapers are more attractive to advertisers than Sámi media, see paragraph (9).
- (84) The Norwegian authorities further take the view that the production grant is unlikely to distort competition in the Sámi readership market to any meaningful effect. In this regard, the Norwegian authorities have highlighted that the measure is open to any eligible media interested in launching Sámi newspapers.
- (85) The Norwegian authorities consider moreover that there will be some interest among newspapers in the broader Norwegian media market to produce more Sámi-language content due to the article grant. However, that grant would affect competition only to a limited extent due to its limited size, see paragraph (41).

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<sup>30</sup> Judgments of 19 September 2000, *Germany v Commission*, C-156/98, EU:C:2000:467, paragraph 78; 22 December 2008, *Régie Networks*, C-333/07, EU:C:2008:764, paragraphs 94–116; 22 September 2020, *Austria v Commission (Hinkley Point C)*, C-594/18 P, EU:C:2020:742, paragraph 44; 14 October 2010, *Nuova Agricast*, C-390/06, EU:C:2008:224, paragraphs 50–51.

### 7.3.3 Positive effects of the aid

- (86) The aid facilitates the development of activities in the market for news and current affairs media directed at the Sámi population, and promotes the development of the Sámi languages, see paragraphs (70) to (71).
- (87) ESA considers that the measure aims to foster democratic debate, promote informed opinion, and support language development within the Sámi community. It also seeks to stimulate diverse journalistic content for the Sámi population, strengthen media pluralism and freedom of expression, and reinforce the democratic role of written news media in both the Sámi community and the Norwegian society.
- (88) The importance of media pluralism and diversity has been confirmed by ESA as an objective of common interest in several decisions.<sup>31</sup> The importance of freedom of speech is emphasised in ESA's guidelines on public service broadcasting.<sup>32</sup> The Court of Justice also ensures the respect for this general principle of law, embodied in Article 10 of the European Convention on Human Rights.<sup>33</sup>
- (89) Sámi self-governance in the media sector must be ensured in line with the right to self-determination under International Labour Organisation Convention No. 169, see paragraph (3). The United Nations Declaration on the Rights of Indigenous Peoples affirms indigenous peoples' rights to preserve, control, protect, and develop their cultural heritage and expressions, see paragraph (3). Northern, Southern, and Lule Sámi languages are protected under Part III of the European Charter for Regional or Minority Languages, see paragraph (3).
- (90) According to the Norwegian authorities, the measure will continue to support Sámi newspapers with the editorial capacity and publication frequency needed to serve as key sources of information and platforms for debate. Sámi-language media also play a vital role in preserving and developing the Sámi languages, including their use in education.
- (91) The eligible beneficiaries under the measure play an important part in ensuring media pluralism and diversity in the Norwegian and Sámi community. According to the Norwegian authorities, these factors are an important prerequisite for a well-functioning democracy nationally, regionally and locally that cannot be overstated.
- (92) Based on the above, ESA concludes that the measure will have important societal effects.

### 7.3.4 Limited negative effects of the aid

#### 7.3.4.1 Introduction

- (93) Article 61(3)(c) of the EEA Agreement requires an assessment of any negative effects on competition and on trade. The aid must not adversely affect trading conditions to an extent contrary to the common interest.

<sup>31</sup> For example, see ESA [Decision No 061/18/COL](#), *The Norwegian innovation and development scheme for news and current affairs media*, paragraphs 35–38, and ESA [Decision No 017/25/COL](#), *Liechtenstein Media Support Act*, paragraphs 74, 85 and 108.

<sup>32</sup> [ESA guidelines on the application of State aid rules to public service broadcasting](#). OJ L 124, 11.5.2012, p. 40, and EEA Supplement No 26, 11.5.2012, p. 1.

<sup>33</sup> Judgment of 18 June 1991, *Elliniki Radiophonia Tiléorassi*, C-260/89, EU:C:1991:254, paragraphs 41–45.

- (94) According to the Norwegian authorities, news and current affairs media generally involve limited cross-border trade due to their national character. Given the small Norwegian language area, domestic media, whether printed or online, are not substitutable with foreign alternatives. It is unlikely that media in other languages would serve as real substitutes or that subscribers or advertisers would switch due to the measure.
- (95) While Sámi-language media exist in Sweden and Finland, the Norwegian authorities argue that these are not true substitutes for Norwegian Sámi media. Norwegian Sámi newspapers target communities within Norway and cover national and Sámi-specific politics, see paragraphs (7) and (8).
- (96) On this basis, ESA concludes that the measure has very limited effects on intra-EEA trade.

#### 7.3.4.2 Necessity of the aid

- (97) A State aid measure is necessary if it is targeted towards situations where aid can bring about a material improvement that the market cannot deliver itself.
- (98) The Norwegian authorities argue that the Sámi media market may itself represent a form of market failure, as it lacks the economic foundation necessary to support viable news media and the production of news and current affairs content informing and engaging the Norwegian Sámi population, see paragraphs (9) to (13). The value of such media extends beyond its direct consumers; it serves a broader societal function. News media play a crucial role in fostering democratic discourse, holding political processes to account, and promoting content that reflects national language, culture, and identity. In this context, the absence of a sustainable Sámi media market undermines these functions.
- (99) Furthermore, ESA observes that maintaining Sámi media publications is an explicitly stated objective in the Norwegian Constitution, see paragraph (4). The production grant supports media that would otherwise be unsustainable, while the article grant enables the publication of content in Norwegian local newspapers that would not otherwise be produced.
- (100) Market failures in the production and consumption of news have deepened with the shift to digital platforms. The digital market favours large, often multinational companies due to economies of scale and high demands for innovation investment. Sámi media, being small and locally focused, are particularly vulnerable. Their limited audience restricts revenue from advertising and subscriptions, and their small circulation prevents cost efficiency, see paragraphs (11) to (13).
- (101) ESA finds that a media market characterised by a market failure cannot produce sufficient news and current affairs content without aid. This undermines broader democratic goals, such as media pluralism and open public discourse. The measure helps correct positive externalities in the production, consumption, and distribution of written Sámi news.
- (102) Based on the above, ESA concludes that market failures exist which necessitate State support.

#### 7.3.4.3 Appropriateness of the aid

- (103) EEA EFTA States can make different choices with regard to policy instruments and State aid control does not impose a single way to intervene in the economy. However, State aid under Article 61(1) of the EEA Agreement can only be justified by the appropriateness of a particular instrument to contribute to the development of the targeted economic activities or areas.
- (104) ESA normally considers that a measure is an appropriate instrument where an EEA EFTA State can demonstrate that alternative policy options would not be equally suitable to contribute to the development of economic activities or areas and where it can demonstrate that alternative, less distortive, aid instruments would not deliver equally efficient outcomes.
- (105) The Norwegian authorities have considered non-aid measures, including existing legislation to promote media pluralism, but found them inadequate to ensure a financially sustainable pluralistic media sector.
- (106) The Norwegian authorities have considered the following alternative aid measures:
- grants to development projects or journalistic projects;
  - grants for the education of Sámi journalists; and
  - grants calculated according to the beneficiary's operating costs.
- (107) Firstly, project-based aid schemes may support specific journalistic initiatives, but lack the broad impact needed to promote overall plurality and quality in the news media sector, making them less suitable. While such grants could target Sámi-language content in Norwegian newspapers, they would not ensure regular and consistent publication. As a result, they would only partially achieve the measure's objectives.
- (108) Secondly, grants for journalist education may enhance newsroom quality but do not promote overall media plurality or ensure the financial viability of media companies.
- (109) Thirdly, the Norwegian authorities have also considered a State aid model based on beneficiaries' operating costs. While this approach may partially support policy goals, it risks incentivising inflated expenses. Moreover, since aid is tied solely to costs, it lacks a direct connection to the media's value and quality as experienced by users, as opposed to a model related number of subscriptions.
- (110) Lastly, while the measure will form part of Norway's existing media policy package, none of the existing policies target the objectives in the grant for Sámi news and current affairs media, see paragraph (17).
- (111) In summary, the Norwegian authorities submit that no alternative measures specifically support the objectives of the measure. They further consider that these objectives cannot be achieved through less distortive policy or aid instruments.
- (112) ESA finds that based on the information provided by the Norwegian authorities, alternative policy options are not equally suitable, and less distortive aid instruments would not suffice to promote the development of Sámi languages or ensure a financially sustainable Sámi media sector.

(113) In view of the above, ESA considers that State aid is the appropriate instrument to facilitate the development of the economic activities.

#### 7.3.4.4 Proportionality of the aid

(114) State aid is proportionate if the aid amount per beneficiary is limited to the minimum needed to incentivise the additional investment or activity in the area concerned.

(115) To prevent overcompensation, the measure limits the total production grant to the medium's total operating costs from the previous year. While this means that the production grant may also cover some non-Sámi-related content, the special eligibility conditions ensure that the medium primarily targets the Sámi population and that a significant part of the medium's total editorial content consists of Sámi-focused news and current affairs content, see paragraphs (20) and (24). The limitation therefore does not conflict with the objectives of the measure (see paragraph (15)) and supports the sustainability of Sámi media while protecting their editorial independence from State interference.

(116) The measure includes safeguards to ensure that the aid is used appropriately within the eligible media company and for its intended purpose. It restricts dividend payments and limits cross-subsidisation within media groups by requiring that transactions with other group companies follow a commercial rationale, serve the recipient media's interests, and be conducted on standard commercial terms, see paragraph (32).

(117) To ensure that the aid targets those in genuine need, the measure excludes media with an average profit after tax exceeding NOK 2 million annually or NOK 6 million over the past three years, see paragraph (29). In these cases, there should be no need for any State aid given their profitability. If a media company has maintained an average operating margin above 10% over the past three years, including the production grant, the grant is also reduced to bring the operating margin down to 10%, see paragraph (30). Furthermore, the measure limits annual article grants to NOK 1.5 million per beneficiary, see paragraph (34). The distribution of the article grant is based on the volume of published Sámi-language content.

(118) Further, the measure contains rules on the allocation of aid that differentiate between categories of beneficiaries, as well as within those categories, reflecting differences in the need for aid, see paragraphs (23) and (37)-(39). This is illustrated, for instance, by the introduction of a grant category for low-frequency Sámi news and current affairs media, which face similar market challenges as high-frequency outlets but require fewer editorial resources. To incentivise more Sámi-language content, the variable grant for this category is set higher, while reliance on the basic grant is reduced to account for the lower resource needs.

(119) ESA reiterates that there are no existing State aid guidelines applicable to the measure at hand, see paragraph (68). Based on the European Commission's decisional practice, aid intensity of up to 100% has been approved for small national daily publications.<sup>34</sup> The measure in question will have a maximum aid intensity of 100% of total operating costs. This is due to the fact that, as demonstrated in the graphs in paragraph (10), Sámi media exhibit large negative operating margins

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<sup>34</sup> Commission [Decision SA.104446](#) (Denmark), *Reintroduction of aid to production and innovation aid to written media*, OJ C 231, 30.6.2023, paragraphs 27 and 94.

without aid, and on a level much higher than other Norwegian media (namely operating margins of over -200%).

(120) On this basis, ESA considers that the measure is proportionate as the aid is limited to what is needed to incentivise the activities it targets and there are sufficient safeguards in place to ensure that the aid is used in line with the objectives of the measure.

#### 7.3.4.5 Conclusion on limited negative effects

(121) In light of the above arguments, ESA concludes that any negative effects of the aid on competition and on trade are limited.

#### 7.3.5 *Balancing positive and negative effects of the aid*

(122) For the aid to be compatible with the functioning of the EEA Agreement, the limited negative effects of the measure in terms of distortion of competition and adverse impact on trade between Contracting Parties must be outweighed by positive effects, in terms of contribution to the facilitation of the development of economic activities or areas. It must be verified that the aid does not adversely affect trading conditions to an extent contrary to the common interest.

(123) As set out in paragraphs (93) to (96) above, ESA notes, on the negative side of the balance, that the measure may potentially distort competition between news and current affairs media, as media receiving a production grant will gain a benefit compared to others. However, Sámi media are small and regional/local in nature and are aimed at a small indigenous group. They normally do not have any competitors. Thus, the distortion of competition and the effect on trade are very limited.

(124) On the positive side of the balance, ESA notes that, as set out in paragraphs (86) to (92) above, the measure will have important positive societal effects. Further, as set out in paragraphs (97) to (113) above, ESA notes that the measure is necessary and appropriate to address the identified market failures and to foster media plurality in the Sámi community and in Sámi languages.

(125) It also follows from paragraphs (114) to (120) above that the aid is considered proportionate to achieve the targeted development of the economic activity at stake. Where aid is proportionate, its negative effects in terms of distortion of competition and adverse impact on intra-EEA trade are in principle softened. Further, as set out in paragraphs (93) to (96) above, the measure has very limited effects on intra-EEA trade and limited potential negative effects on competition.

(126) ESA concludes that the positive effects of the measure outweigh possible distortions of competition and adverse impact on trade, since it facilitates in a proportionate manner the production of high-quality Sámi news and current affairs media that are subject to the market failure of positive externalities, in the sense that the involved media companies do not fully internalise the societal benefits of their actions. Therefore, the aid does not unduly affect trading conditions to an extent contrary to the common interest.

#### 7.4 Transparency

(127) The Norwegian authorities have confirmed that they will publish the full text of the measure and any individual aid awards exceeding EUR 100 000 in the [national transparency register](#).

(128) Therefore, the measure fulfils the transparency requirements.

#### 8 Conclusion

(129) On the basis of the foregoing assessment, ESA considers that the measure constitutes State aid with the meaning of Article 61(1) of the EEA Agreement. Since ESA has no doubts that the aid is compatible with the functioning of the EEA Agreement pursuant to its Article 61(3)(c), it has no objections to the implementation of the measure.

(130) The Norwegian authorities have confirmed that the notification does not contain any business secrets or other confidential information that should not be published.

Done in Brussels,

For the EFTA Surveillance Authority

Arne Røksund  
President  
Responsible College Member

Stefan Barriga  
College Member

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*This document has been electronically authenticated by Arne Roeksund, Melpo-Menie Josephides.*