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

Subject: Temporary Crisis Framework: Guarantee scheme for undertakings particularly affected by the severe increase in electricity prices

1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the scheme on liquidity support in the form of loan guarantees (“the measure”) for undertakings particularly affected by the severe rise in electricity prices caused by the Russian aggression against Ukraine, ESA considers that the measure constitutes State aid within the meaning of Article 61(1) of the EEA Agreement and decides not to raise objections¹ to it, as it is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(b). ESA has based its decision on the following considerations.

2 Procedure

- (2) The Norwegian authorities notified the measure on 2 November 2022.²

3 Description of the measure

3.1 Background

- (3) The Russian military aggression against Ukraine led to sanctions imposed by the EU and its international partners, as well as counter-measures taken by Russia. The sanctions and the counter-measures have created economic uncertainties, disrupted trade flows and supply chains and has led to exceptionally large and unexpected price increases, especially in the field of gas and electricity.
- (4) According to the Norwegian authorities, this has had a severe impact on the Norwegian electricity prices. The electricity prices, which were already very high in September 2021, have doubled and doubled again over large parts of Norway, leading to historically high electricity prices.³ For many Norwegian businesses the cost of electricity is an important part of their costs base. The severe increase in prices has led to businesses facing considerable and severe liquidity challenges.

¹ Reference is made to Article 4(3) 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.

² Documents No 1324794, 1324796 and 1324798.

³ <https://elekt.no/stromprat/gjennomsnittlig-strompris-2021>

- (5) The increases in prices are so severe that the viability of many Norwegian businesses is threatened in the longer term. Some businesses have already shut down their operations, either fully or partially. According to the Norwegian authorities, the long-term goal is that businesses will adapt and invest in energy saving measures. However, in the shorter term, liquidity support is needed in order to enable and facilitate this transition.
- (6) The measure is notified under the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia (“the Temporary Crisis Framework”).⁴

3.2 Objective

- (7) The objective of the measure is to ensure that companies that under normal market conditions would be able to cover their electricity costs and be creditworthy, but that are particularly affected by the severe rise in electricity prices and face acute liquidity needs due to those price increases, are able to secure liquidity in the form of loans guaranteed by the Norwegian State (“the State”).

3.3 National legal basis

- (8) The national legal basis of the measure is the Parliamentary Decision of 27 October 2022, authorising the measure and its budget, as set out in Innst. 34 S (2022–2023),⁵ based on the Government proposal in Prop. 142 S (2021- 2022)⁶ and the regulation to be adopted by the Ministry of Trade, Industry and Fisheries for Export Finance Norway⁷ (“Eksfin”) to manage the measure.⁸

3.4 Budget

- (9) The budget of the measure will be the maximum of NOK 1 billion in total covered guarantee amounts. The estimated losses for the State under the measure are NOK 200 million.

3.5 Aid granting authority, administration of the measure and duration

- (10) The measure will be managed by Eksfin, a governmental financial agency.
- (11) The measure provides aid in the form of guarantees.
- (12) The guarantees are provided on loans granted to beneficiaries through credit institutions and other financial institutions as financial intermediaries (“financial

⁴ Communication from the Commission on the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia, OJ C 131, of 24.3.2022, p. 1; as amended by the Communication from the Commission on the Amendment to the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia on 20.07.2022, OJ C 280, 21.7.2022, p. 1; and as amended by the Communication from the Commission on the Amendment to the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia on 28.10.2022 (not yet published). Link to the second amendment of 28.10.2022 is provided here: https://competition-policy.ec.europa.eu/system/files/2022-10/C_2022_7945_1_EN_ACT_part1_v5.pdf

⁵ <https://www.stortinget.no/no/Saker-og-publikasjoner/Vedtak/Vedtak/Sak/?p=88801>.

⁶ Prop. 142 S (2021–2022) (regjeringen.no).

⁷ <https://www.eksfin.no/en/>

⁸ Regulation to be adopted for Export Finance Norway (*regelverk for Eksportfinansiering Norge (Eksfin) sine ordninger*).

intermediaries”). The financial intermediaries will themselves assess applications and take the decision to grant the loans to the beneficiaries.

- (13) Eksfin will set a deadline for the financial intermediaries to apply for guarantee cover. Eksfin will then distribute parts of the available NOK 1 billion of guarantees, which the intermediaries may rely on to grant individual guaranteed loans. A smaller share of the total NOK 1 billion will be withheld for one or more rounds of applications from financial intermediaries.
- (14) For both of the above-mentioned examples, Eksfin will set a condition that the financial intermediaries must use any guarantees provided by Eksfin to grant individual guaranteed loans by 31 March 2023. In case of default and subsequent claims under the guarantee, Eksfin will verify that there has been full compliance with this condition.
- (15) The measure will enter into force following ESA’s approval. No guarantees will be granted for loans granted after 31 March 2023, which will serve as the end date for the measure.

3.6 Beneficiaries

3.6.1 General conditions

- (16) The final beneficiaries of the measure are undertakings that have incurred increased electricity costs in Norway and that have the obligation or the right to register in the Norwegian Register of Business Enterprises (*Foretaksregisteret*).⁹ This is the case for Norwegian enterprises and foreign enterprises that are operating a business in Norway.
- (17) The measure is horizontal and is not limited to any sectors. However, entities covered by the Norwegian electricity scheme for voluntary sector organisations¹⁰ are excluded from the measure. Aid is granted under the measure through credit institutions and other financial institutions. Credit institutions and other financial institutions are excluded as eligible final beneficiaries.
- (18) Undertakings in difficulty are eligible for aid under the measure.¹¹

3.6.2 Specific conditions

- (19) In order to be considered to be particularly affected by the severe rise in electricity prices, and eligible under the measure, the undertakings have to have electricity purchase costs at a level that amounts to at least 3% of their turnover. The calculation of this part of the turnover will be based on the first six months of 2022. Electricity costs comprise consumption, grid tariffs and associated levies, all calculated net of VAT.
- (20) The electricity costs must have been incurred in a price area where the average spot price per kWh for the months of July through September 2022 have at least doubled compared to the period of July through September 2021.

⁹ See Sections 2-1 and 2-2 of [Lov 21. juni 1985 nr. 78 om registrering av foretak \(foretaksregisterloven\)](#).

¹⁰ In Norwegian, strømstøtte for frivillige lag og organisasjoner, managed by the Norwegian Gambling and Foundation Authority. <https://lottstift.no/for-frivilligheten/stromstotte/>, Forskrift av 1 Juli 2022 nr. 1283 om strømstøtteordningen for frivillig sektor.

¹¹ See footnote 54 of the Temporary Crisis Framework.

3.6.3 Conditions to ensure compliance with Point 47 and 52 of the Temporary Crisis Framework

- (21) The Norwegian authorities have confirmed that aid under the measure will not be granted to undertakings under sanctions adopted by Norway and the EU, including, but not limited to: (a) persons, entities or bodies specifically named in the legal acts imposing those sanctions; (b) undertakings owned or controlled by persons, entities or bodies targeted by sanctions adopted by the EU; or (c) undertakings active in industries targeted by sanctions adopted by Norway and the EU, insofar as the aid would undermine the objectives of the relevant sanctions.
- (22) The Norwegian authorities also confirm that the measure may not in any way be used to undermine the intended effects of sanctions imposed by Norway, the EU or its international partners, and will be in full compliance with both the anti-circumvention rules of the applicable regulations and the national Regulation on the sanctions against Russia and Belarus.¹²
- (23) As the financial institutions will be responsible for the customer relationship, they will also be responsible for compliance with laws and regulations, which include these sanctions. In the same manner as for anti-money laundering and anti-terrorism financing, this is an integral part of what the financial institutions do in the course of their business. According to the Norwegian authorities, the financial institutions are well positioned, equipped, experienced and subject to proper oversight in this respect.

3.7 Basic features of the measure

3.7.1 Aid instrument

- (24) The aid instrument are guarantees. The guarantees are provided to financial institutions that provide loans to the final beneficiaries. The Norwegian authorities have confirmed that the guarantees will only apply to new individual loans provided after the entry into force of the measure. The guarantees will also only apply to working capital loans and/or investment loans.

3.7.2 Guarantee coverage, maximum amount of loans and guarantee premiums

- (25) The guarantee will cover the full maturity of the loans. The loans can have a maximum term duration of 6 years. The loans can also be granted with a shorter term. Loans with a shorter term can be extended on the same terms within the framework of 6 years.
- (26) The maximum amount of loans per beneficiary for which a guarantee is granted under the measure will not exceed NOK 50 million per undertaking. In any event, the loan amount will be the lowest of (i) 15% of the average annual turnover of the undertaking for the last three closed accounting periods, and (ii) 50% of energy costs over the 12 months preceding the month when the application for aid is submitted.
- (27) When the beneficiary does not hold three closed annual accounts, the applicable cap under point (i) will be calculated based on the undertaking's duration of

¹² The measure will be in full compliance with Regulation of [15 August 2014 No 1076](#), as amended by Regulation of [29 April 2022 No 647](#) (*Forskrift om endring i forskrift om restriktive tiltak vedrørende handlinger som undergraver eller truer Ukrainas territoriale integritet, suverenitet, uavhengighet og stabilitet*).

existence at the moment of the aid application¹³. When the beneficiary is a newly established undertaking that does not hold records for the entirety of the preceding twelve months, the applicable cap under point (ii) will be calculated based on the undertaking's duration of existence at the moment of the aid application by the undertaking.¹⁴

- (28) The guarantee premiums will be set per individual loan at a minimum level. The level of guarantee premiums and the calculation method will follow the standard methodology of the Temporary Crisis Framework, which is:

Type of recipient	For 1st year	For 2nd –3rd year	For 4th -6th year
SMEs	25bps	50bps	100bps
Large enterprises	50bps	100bps	200bps

- (29) The guarantee provides up to 90% risk relief for default. When the size of the loan decreases over time, for instance because the loans start to be reimbursed, the guarantee amount decreases proportionally.

3.7.3 In case of default

- (30) In case of default, to the point where final losses are established, the financial intermediary may make a claim under the public guarantee. Eksfin will then verify that there has been full compliance with the requirements of the measure, as a condition for meeting the claim.
- (31) Losses are sustained proportionally and under the same conditions by the financial intermediary and the State. This applies to losses on the loan principal and equally to losses related to interest payments and to debt collection services rendered by third parties. The guarantee does not cover interest due for more than 90 days, or interest accruing after the initiation of formal proceedings with a view to debt settlement, reconstruction or bankruptcy.
- (32) The financial intermediary shall ensure that the debt is collected until all collateral has been realised, including other guarantees and third-party mortgages, and final losses are established. All payments or settlements from collateral, after deduction of the financial institution's external collection costs, shall be distributed proportionally.
- (33) Eksfin may, at the request of the financial intermediary, consent to an agreement on restructuring, where loans guaranteed under the measure are included, if this is considered to be in the State's interest, including that the State's financial loss is assumed to be lower than by default.

3.7.4 Safeguards ensuring that the advantage is passed on to the final beneficiaries

- (34) As a rule, loans shall be granted on the same conditions as equivalent loans granted to an equivalent borrower in a normal market situation. The financial intermediary shall, in line with point 61(i) of the Temporary Crisis Framework, document that it operates a mechanism that ensures that the advantages of the public guarantees are passed on to the largest extent possible to the final beneficiaries.

¹³ See footnote 68 of the Temporary Crisis Framework.

¹⁴ See footnote 69 of the Temporary Crisis Framework.

- (35) The financial intermediary shall report to Eksfin, for each individual loan, quantifying that the economic value of the advantage in the guarantee has been passed on to the greatest extent possible to the borrower in the form of a higher volume of financing, a lower interest rate, lower collateral requirement, as well as any other adjustments to the loan conditions. The calculation shall take as a reference point the conditions of which an equivalent loan would have been granted to the same borrower at the same point in time, but absent the public guarantee.

3.7.5 Cumulation

- (36) The Norwegian authorities have confirmed that the relevant provisions on cumulation in the Temporary Crisis Framework and the COVID-19 Temporary Framework will be respected.
- (37) If guarantees issued under the measure are cumulated with guarantees issued under this measure or with other measures approved by ESA under section 2.2 of the Temporary Crisis Framework, and/or loans provided under other measures approved by ESA under section 2.3 of the Temporary Crisis Framework, the Norwegian authorities will make sure that the overall loan amount per beneficiary do not exceed the ceilings set out in points 61(e)(i) and 64(e) of the Temporary Crisis Framework.
- (38) For the same underlying loan principal, guarantees granted under this measure, will not be cumulated with aid granted under section 2.3 of the Temporary Crisis Framework or with aid granted under sections 3.2 or 3.3 of the COVID-19 Temporary Framework.
- (39) If aid granted under the notified measure is cumulated with aid under a measure approved by ESA under the COVID-19 Temporary Framework, the Norwegian authorities have confirmed that the cumulation rules of both the Temporary Crisis Framework and the COVID-19 Temporary Framework will be respected.
- (40) If guarantees granted under this measure are cumulated with aid under the *de minimis* Regulation,¹⁵ or with aid under the General Block Exemption Regulation,¹⁶ the provisions and cumulation rules of those Regulations will be respected.

3.7.6 Control mechanisms

- (41) The cumulation control in each individual case will be carried out by the financial intermediary. If the customer defaults on the loan, the financial intermediary will make a claim under the guarantee. Eksfin will then verify that there has been full compliance with the requirements of the measure, including the rules on cumulation, as a condition for meeting the claim by the financial intermediary.

¹⁵ Commission Regulation (EU) No 1407/2013 of 18 December 2013 on the application of Articles 107 and 108 of the Treaty of the Functioning of the European Union to *de minimis* aid ([OJ L 352, 24.12.2013](#), p. 1), referred to at point 1ea of [Annex XV](#) to the EEA Agreement.

¹⁶ Commission Regulation (EU) No 651/2014 of 17 June 2014 (OJ L 187, 26.6.2014, p. 1) as amended by Commission Regulation (EU) 2017/1084 of 4 June 2017 (OJ L 156, 20.6.2017, p. 1, as corrected by OJ L 26, 31.1.2018, p. 53) and Commission Regulation (EU) 2020/972 of 2 July 2020 (OJ L 215, 7.7.2020, p. 3), referred to at point 1j of [Annex XV](#) to the EEA Agreement.

- (42) It is conceivable that an undertaking may apply for loans with more than one financial intermediary under the measure. The Norwegian authorities have confirmed that cumulation of aid granted for such different loans will be addressed in the regulations for Eksfin.
- (43) The Norwegian authorities have confirmed that any loans covered by guarantees under ESA Decision No 101/22/COL¹⁷ will be taken into account when calculating the maximum ceilings on loans under the measure, as specified in point 61(e) of the Temporary Crisis Framework, and *vice versa*.
- (44) Should a Norwegian aid measure under section 2.3 of the Temporary Crisis Framework be introduced later, the Norwegian authorities have confirmed that they at that stage undertake to introduce any necessary rules on cumulation of aid for the same underlying loan principal, in accordance with point 63, first sentence, of the Temporary Crisis Framework. The Norwegian authorities have confirmed that they undertake to revise the relevant regulations accordingly, in order to fully implement also this aspect of the cumulation rules under the Temporary Crisis Framework.

3.7.7 Transparency and monitoring

- (45) The Norwegian authorities have confirmed that aid awards, should they exceed EUR 100 000, will be published in the national state aid register.¹⁸ Detailed records regarding the granting of the aid will be kept for 10 years upon granting the aid. Such records, alongside with all information necessary to establish that the necessary conditions set out in the Temporary Crisis Framework have been observed, will be provided to ESA upon request.
- (46) The guarantees shall be registered in the national State aid register within 12 months of the guarantee being awarded.
- (47) The Norwegian authorities have confirmed that they will submit annual reports in line with the requirements of point 78 of the Temporary Crisis Framework.¹⁹

4 Presence of State aid

4.1 Introduction

- (48) 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.”
- (49) 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

¹⁷ ESA Decision No 101/22/COL of 10 May 2022 on “Temporary Crisis Framework: loan guarantee scheme”, OJ C 345, 8.9.2022, page 23.

¹⁸ <https://data.brreg.no/rofs/>

¹⁹ In line with [ESA Decision 195/04/COL with later amendments](#). ESA Decision 195/04 implements Commission Regulation (EC) No 794/2004 of 21 April 2004 implementing Council Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty.

undertaking; (iii) favour certain undertakings (selectivity); and (iv) threaten to distort competition and affect trade.

- (50) The measure is imputable to the State, since it is administered by Eksfin and financed through State resources in form of public funds.
- (51) The measure confers an advantage on its beneficiaries in the form of non-market conform guarantees on loans. The measure therefore relieves those beneficiaries of costs which they would have had to bear under normal market conditions.
- (52) The advantage granted by the measure is awarded only to undertakings that have electricity purchase costs at a level that amounts to at least 3% of their turnover. In addition, these undertakings have to be found in areas where the average spot price per kWh have doubled over a given time period in order to receive aid. Furthermore, entities covered by the Norwegian electricity scheme for voluntary sector organisations, as well as credit institutions and other financial institutions, are excluded from the measure. The measure must therefore be deemed to be selective.
- (53) The measure is liable to distort competition, as it strengthens the competitive position of its beneficiaries. It also affects trade between Contracting Parties, since those beneficiaries are active in sectors in which intra-EEA trade exists.
- (54) In view of the above, ESA concludes that the measure constitutes aid within the meaning of Article 61(1) of the EEA Agreement.

5 Aid scheme

- (55) 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.²⁰ The aid is therefore granted on the basis of an aid scheme.

6 Lawfulness of the aid

- (56) Pursuant to Article 1(3) in 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."
- (57) 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) in Part I of Protocol 3.

7 Compatibility of the aid

7.1 Introduction

- (58) Under Article 61(3)(b) of the EEA Agreement, State aid can be considered compatible with the functioning of the EEA Agreement "to remedy a serious disturbance in the economy of an EC Member State or an EFTA State".

²⁰ See Article 1(d) 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 ("Protocol 3").

- (59) The disturbance must affect the whole or an important part of the economy of the State concerned and not merely that of one of its regions or part of its territory. This is in line with the requirement to interpret exceptions, such as Article 61(3)(b) of the EEA Agreement, strictly.
- (60) The Commission adopted the Temporary Crisis Framework on 23 March 2022. The Temporary Crisis Framework sets out temporary State aid measures that the Commission considers compatible under Article 107(3)(b) TFEU, which corresponds to Article 61(3)(b) of the EEA Agreement.
- (61) In the Temporary Crisis Framework, the Commission has acknowledged that the Russian military aggression against Ukraine, the sanctions imposed by the EU or its international partners and the counter-measures taken, for example by Russia, have created significant economic uncertainties, disrupted trade flows and supply chains and led to exceptionally large and unexpected price increases, especially in natural gas and electricity, but also in numerous other input and raw materials and primary goods. The Commission has concluded that State aid is justified and can be declared compatible with the internal market on the basis of Article 107(3)(b) TFEU for a limited period of time if it serves to remedy the liquidity shortage faced by undertakings that are directly or indirectly affected by the serious disturbance of the economy caused by the Russian military aggression against Ukraine, the sanctions imposed by the EU or by its international partners, as well as the economic counter-measures taken so far, for example by Russia.
- (62) In order to ensure uniform application of the State aid rules throughout the European Economic Area, in line with the objective of homogeneity established in Article 1 of the EEA Agreement, ESA applies the compatibility conditions set out in the Temporary Crisis Framework to State aid granted by the EEA EFTA States under Article 61(3)(b) of the EEA Agreement in the context of the serious disturbance of the economy caused by the Russian military aggression against Ukraine and the imposition of corresponding sanctions.

7.2 Liquidity support in the form of guarantees

- (63) The measure is one of a series of measures conceived at national level by the Norwegian authorities to remedy a serious disturbance in their economy. ESA notes the importance of the measure to stimulate lending by credit institutions to companies during the current crisis. Moreover, the measure can be reasonably anticipated to produce the desired effects and contribute to the overall recovery of the Norwegian economy.
- (64) Furthermore, the measure has been designed to meet the requirements of a specific category of aid ("*Liquidity support in the form of guarantees*") described in section 2.2 of the Temporary Crisis Framework and the requirements for aid in the form of guarantees channelled through credit institutions or other financial institutions described in point 61 of the Temporary Crisis Framework.
- (65) During the current circumstances, public guarantees on loans for a limited period and loan amounts can be an appropriate, necessary and targeted solution in order to ensure access to liquidity to undertakings facing sudden shortage.
- (66) The guarantee premiums under the measure meet all the relevant conditions of the Temporary Crisis Framework. ESA notes in particular:

- (i) The guarantees are provided only to new individual loans made to undertakings. The measure therefore complies with point 61(a) of the Temporary Crisis Framework.
 - (ii) The measure sets minimum levels for guarantee premiums of 25, 50 and 100 bps for SMEs and 50, 100 and 200 bps for large enterprises on loans with a maturity of respectively 1 year, 2 to 3 years and 4 to 6 years. It therefore complies with the minimum levels for guarantee premiums provided in point 61(b) of the Temporary Crisis Framework.
 - (iii) Guarantees under the measure will be granted by 31 March 2023 at the latest. The measure therefore complies with point 61(d) of the Temporary Crisis Framework.
 - (iv) The overall amount of the loan per beneficiary, for which the guarantee is granted, will be the lowest of (i) 15% of the beneficiary's average total annual turnover over the last three closed accounting periods and (ii) 50% of the energy costs over the 12 months preceding the month when the application for aid is submitted. This is in line with points 61(e)(i) and 61(e)(ii) of the Temporary Crisis Framework. ESA notes that the Norwegian authorities will apply the same percentage of turnover also for undertakings that do not yet have three closed annual accounts, and the same percentage of energy costs also for undertakings that do not yet have records for the entirety of the preceding twelve months.
 - (v) The measure limits the duration of the guarantees to a maximum of six years and will not exceed 90% of the loan principal, which will decrease proportionately as the loan is reimbursed. The measure therefore complies with point 61(f) of the Temporary Crisis Framework.
 - (vi) The guarantee is related to loans for working capital loans and/or financing investment. The measure therefore complies with point 61(h) of the Temporary Crisis Framework.
 - (vii) The Norwegian authorities have introduced safeguard measures in relation to the possible indirect aid in favour of the credit institutions or other financial institutions to limit undue distortions to competition. The credit institutions are to grant loans on the same conditions as equivalent loans granted to an equivalent borrower in a normal market situation. The financial intermediary shall document that it operates a mechanism that ensures that the advantages of the public guarantees are passed on to the largest extent possible to the final beneficiaries in the form of higher volumes of financing, riskier portfolios, lower collateral requirements, lower guarantee premiums or lower interest rates without such public guarantees. ESA finds that this safeguard ensures that the financial institutions, to the largest extent possible, pass on the advantages of the measure to the final beneficiaries. The measure therefore complies with point 61(i) of the Temporary Crisis Framework.
 - (viii) The cumulation rules set out in point 60 of the Temporary Crisis Framework are respected, as described in Section 3.7.5.
- (67) ESA notes that the Norwegian authorities have confirmed that aid under the measure is not conditioned on the relocation of a production activity or of another activity of the beneficiary from another country within the EEA to the territory of the State granting the aid, pursuant to point 46 of the Temporary Crisis

Framework. The Norwegian authorities have confirmed that there is nothing in the legal basis of the measure, or otherwise in Norwegian law, that would entail such a condition.

- (68) Moreover, the Norwegian authorities have confirmed that the aid under the measure will not be granted to undertakings under sanctions adopted by Norway and the EU and may not in any way be used to undermine the intended effects of sanctions imposed by Norway, the EU or its international partners, and must be in full compliance with the anti-circumvention rules of the applicable regulations, pursuant to points 47 and 52 of the Temporary Crisis Framework.
- (69) Moreover, the Norwegian authorities have confirmed that the aid under the measure may only be cumulated with other aid, provided the specific provisions in the sections of the Temporary Crisis Framework, the COVID-19 Temporary Framework and the cumulation rules of the relevant Regulations are respected.
- (70) Finally, the Norwegian authorities have confirmed that the monitoring and reporting rules laid down in section 3 of the Temporary Crisis Framework will be respected.
- (71) ESA therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of an EEA EFTA State, pursuant to Article 61(3)(b) of the EEA Agreement, since it meets all the relevant conditions of the Temporary Crisis Framework.

8 Conclusion

- (72) 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 this aid is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(3)(b), it has no objections to the implementation of the measure.
- (73) The Norwegian authorities have confirmed that the notification does not contain any business secrets or other confidential information that should not be published.

For the EFTA Surveillance Authority,

Yours faithfully,

Arne Røksund
President
Responsible College Member

Stefan Barriga
College Member

Árni Páll Árnason
College Member

Melpo-Menie Joséphidès
Countersigning as Director,
Legal and Executive Affairs

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