

Brussels, 15 February 2021
Case No: 86344
Document No: 1178933
Decision No 010/21/COL

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

Subject: **COVID-19 – 4th amendment to the liquidity scheme for the tourism sector**

1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the notified budget increase in the existing liquidity scheme for the tourism sector in Norway (“the measure”), it 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 9 February 2021, by submitting a simplified notification form,² in accordance with Article 4(2)(a) of ESA’s [Decision No 195/04/COL, as amended on 4 July 2017](#).

3 Description of the measure

3.1 Background

- (3) By Decision No [084/20/COL](#), ESA approved a liquidity support grant scheme for undertakings in the tourism sector (“the liquidity scheme”). By Decision [No 100/20/COL](#), ESA approved an amendment to the liquidity scheme and to three other approved aid schemes, to implement the changes in the Temporary Framework, concerning aid to micro and small enterprises. By Decision [No 143/20/COL](#), ESA approved further amendments and a prolongation of the liquidity scheme.
- (4) Reference is made to the above decisions for a more detailed description of the objective, structure and existing conditions of the liquidity scheme. The current decision only concerns a notified budget increase. The Norwegian authorities have confirmed that, aside from this, the liquidity scheme will remain unchanged.

¹ Reference is made to Article 4(3) of the 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 Document No 1178965.

- (5) ESA approved the liquidity scheme under Article 61(3)(b) of the EEA Agreement. ESA applied the compatibility conditions set out in the Commission's Temporary Framework that 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.

3.2 Notified budget increase

- (6) The amendment deals with an increase of the overall budget of the liquidity scheme, from NOK 550 million to NOK 850 million.

4 Presence of state aid

4.1 Introduction

- (7) Article 61(1) of the EEA Agreement reads as follows: "Save 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."
- (8) In Decision No 084/20/COL, ESA found that the State resources allocated to undertakings under the liquidity scheme constituted state aid within the meaning of Article 61(1) of the EEA Agreement. This was confirmed in ESA's Decision No 143/20/COL.

- (9) The notified amendment to the liquidity scheme does not alter ESA's assessment, since it only involves a budget increase.³ On this basis, ESA concludes that the measure constitutes state aid within the meaning of Article 61(1) of the EEA Agreement.

5 Procedural requirement

- (10) 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."
- (11) The Norwegian authorities have notified the measure and have not let it enter into force yet. They have therefore complied with the obligations under Article 1(3) of Part I of Protocol 3.

6 Compatibility of the measure

- (12) In order to ensure a 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 Framework to state aid granted by the EEA EFTA States under Article 61(3)(b) in the context of the COVID-19 outbreak. Temporary limited amounts of aid in the form of direct grants to undertakings that find themselves facing a sudden shortage or even unavailability of liquidity can be an appropriate, necessary and targeted solution during the current circumstances.

³ Decision No [084/20/COL](#) see paras (27) to (33)

- (13) ESA concluded in Decisions No 084/20/COL, 100/20/COL and 143/20/COL, that the liquidity scheme is compatible with the functioning of the EEA Agreement pursuant to its Article 61(3)(b). The notified budget increase does not alter those conclusions.
- (14) The Norwegian authorities have confirmed that, aside from the budget increase, the conditions of the liquidity scheme remain unaltered and constitute a continuation of the existing scheme, already declared compatible. The Norwegian authorities have further explained that there is a need to increase the budget of the scheme, due to the worsened impact of the COVID-19 pandemic over the winter and strengthening of the preventive public health measures. Accordingly, businesses' need for liquidity has increased, in addition to the fact that the granting authority has received a high number of qualified applications.
- (15) ESA therefore considers that the measure is necessary, appropriate and proportionate to remedy a serious disturbance in the economy of an EEA EFTA State, and that the requirements laid down in the Temporary Framework are complied with.

7 Conclusion

- (16) 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)(b), it has no objections to the implementation of the measure.
- (17) The Norwegian authorities have confirmed that the notification does not contain any business secrets or other confidential information that should not be published.
- (18) For the EFTA Surveillance Authority,

Yours faithfully,

Bente Angell-Hansen
President
Responsible College Member

Frank J. Büchel
College Member

Högni Kristjánsson
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*This document has been electronically authenticated by Bente Angell-Hansen,
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