

Brussels, 6 July 2020  
Case No: 85104  
Document No: 1137042  
Decision No 086/20/COL

Ministry of Trade, Industry and Fisheries  
PO Box 8090 Dep  
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NORWAY

**Subject: COVID-19 Compensation scheme for losses in turnover  
in the media sector**

## **1 Summary**

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the COVID-19 Compensation scheme for losses in turnover in media (“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 objections,<sup>1</sup> as it is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(2)(b). ESA has based its decision on the following considerations.

## **2 Procedure**

- (2) The Norwegian authorities notified the measure on 3 July 2020.<sup>2</sup>

## **3 Description of the measure**

### **3.1 Background**

- (3) The COVID-19 outbreak is a serious hazard to life and health. To counteract the negative impact of the outbreak, Norway has implemented strong preventative public health measures. These measures include isolation and quarantine requirements, the closing of kindergartens, schools and universities, restrictions on provision of certain services requiring close contact between the customer and the service provider, and a general recommendation for all people to practice social distancing.
- (4) The COVID-19 outbreak and the governmental measures have affected most areas of the Norwegian economy. Cancellations of culture and sporting events, and temporary closures of shops, restaurants and businesses have had an abrupt and significant negative effect on the businesses concerned. As a consequence, these businesses have sought to limit their losses by reducing their spending, causing their spending on marketing and advertisements to shrink. As a direct consequence thereof, revenues in the media sector, in particular revenue from advertising, have shrunk. Although some prohibitions and recommendations that suspended activities are now being lifted, some are still in force and will continue to cause negative effects on Norwegian businesses.

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<sup>1</sup> 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.

<sup>2</sup> Document Nos 1142229 and 1142230.

- (5) The Norwegian Media Authority has, based on numbers provided by Norwegian media organisations, calculated the actual and expected decrease in advertising income and loss in total turnover, following the COVID-19 outbreak and the Governmental measures. The calculations show that the industry expects advertising revenue for 1 March 2020 to 15 June 2020 to be reduced by 22.6% to 54.1% compared to the same period in 2019. The loss in total turnover is expected to be between 12.9% and 33.2% in this period compared to last year.

	Loss of advertising income 1 March 2020 – 15 June 2020		Loss of turnover 1 March 2020 – 15 June 2020	
	NOK million	percent	NOK million	percent
<b>Newspapers</b>	-406.6	-28.1%	-453.7	-12.9%
<b>National broadcasters</b>	-272.1	-22.6%	-405.3	-17.7%
<b>Local radio</b>	-14.6	-41.9%	-15.6	-33.2%
<b>Fagpressen (trade press)</b>	-13.4	-54.1%	n/a	n/a

- (6) Media play an important role to ensure media pluralism, democratic debate and cultural diversity. The importance of media pluralism and media diversity is confirmed in ESA's State Aid Guidelines on public service broadcasting.<sup>3</sup> Furthermore, the European Union recognises media pluralism as one of its fundamental values in the Treaty of Lisbon<sup>4</sup> and its Charter of fundamental rights sets out that the freedom and pluralism of the media shall be respected.<sup>5</sup> As mentioned, the COVID-19 outbreak and the implementation of COVID-19 related measures in Norway have led to turnover loss in the media sector. This might affect the media's ability to maintain its journalistic output, which is of crucial importance for the democratic, social and cultural needs of Norway.
- (7) To address this problem, the Norwegian authorities have set up a measure that compensates for losses in turnover in media products, caused by the COVID-19 outbreak.

### 3.2 Objective

- (8) The objective of the measure is to compensate beneficiaries for losses in turnover in media products caused by the COVID-19 outbreak. The measure therefore aims at securing that Norwegian editorial media can maintain their activities.

<sup>3</sup> [EFTA Surveillance Authority Decision No 35/10/COL](#).

<sup>4</sup> OJ C 306 of 17 December 2007, p. 1, Article 1(a).

<sup>5</sup> OJ C 364 of 18 December 2000, p. 1, Article 11(2)

### 3.3 Aid granting authority and national legal basis

- (9) The measure will be administrated by the Norwegian Media Authority (“the Media Authority”).<sup>6</sup>
- (10) The legal basis of the measure is set out in the Regulation on a temporary compensation scheme for editorial media with a loss in turnover caused by the COVID-19 outbreak (“the Regulation”).<sup>7</sup>

### 3.4 Duration

- (11) The duration of the measure will be 8 July 2020 until 30 September 2020.
- (12) The measure will compensate for damage in the form of lost turnover, caused by the COVID-19 outbreak, incurred from 15 March 2020 to 30 June 2020 (“the compensation period”).

### 3.5 Budget

- (13) The budget of the measure is NOK 300 million.

### 3.6 Beneficiaries

- (14) Undertakings that publish media products are eligible under the measure if they are registered in the Norwegian Register for Business Enterprises or in the Volunteer Register, if the undertaking publishes membership magazines etc. The latter case is for example relevant for unions or other non-profit organisations, which publish media, such as trade press or membership media. Such undertakings are in most cases not registered in the Norwegian Register for Business Enterprises, because they operate on a non-profit basis.
- (15) Beneficiaries must have been registered by 15 March 2020. According to the Norwegian authorities, this requirement is set to limit abuse and fraud, by preventing undertakings from restructuring or establishing new products, in order to increase their aid from the measure. In addition, all beneficiaries must be liable to pay tax in Norway. For audio-visual media services, the measure also sets a requirement that undertakings providing such services must fall under Norwegian jurisdiction, according to Section 1-1 of the Broadcasting Regulation.
- (16) The media products published or provided by the beneficiaries must fall under the scope of the Act relating to editorial independence and liability of editor controlled journalistic media (“the Media Liability Act”). Furthermore, the undertakings must have appointed an editor, according to the Media Liability Act.
- (17) The Media Liability Act applies to media engaged in regular journalistic production and dissemination of news, current affairs and debate to the public, regardless of how the content is disseminated or distributed. Broadcasting, printed press, electronic media and mobile platforms are therefore covered. The act does not apply to media whose primary activities are advertising or marketing. For this reason, tourist brochures, etc., are not covered by the measure. Most journalistic media in Norway fall under the scope of the Media Liability Act. Media products falling outside the scope of the Act and which are therefore excluded from the measure, include:

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<sup>6</sup> <https://medietilsynet.no/en/about-medietilsynet/>.

<sup>7</sup> Document No 1142231.

- Individual and time-limited publications, for example books.
- Media that only disseminates information from public authorities, companies and individuals.
- Media that solely collects and publishes journalistic production from other media, such as news aggregators. The act also does not apply to news agencies, content production companies and content providers that exclusively produce and sell content for publication in other media.
- Electronic media platforms that only offer user-generated debate content.
- Bloggers/blogs, YouTube channels/YouTubers etc. or influencers are as main rule not covered by compensation measure. The exception is blogs that consist of public interest content, with a high degree of professionalism, similar to professional media.

- (18) Furthermore, the media products published by the beneficiary must have suffered a total decline of turnover of at least 15% during the compensation period to be eligible for compensation. The decline in turnover must be the direct consequence of the COVID-19 outbreak.
- (19) The Norwegian authorities estimate that roughly 100 media products/undertakings will be covered by the measure, ranging from small trade press publications to nationwide newspapers.
- (20) The measure does not exclude undertakings in difficulty. However, the Regulation includes requirements that ensure that aid is not given to undertakings that are under bankruptcy proceedings or were insolvent before 15 March 2020.

### **3.7 Eligible costs**

- (21) The measure will compensate a share of the loss of turnover in the undertaking's media products during the compensation period.
- (22) The decline in turnover will be calculated by comparing the actual revenue of the media products during the period for which compensation is sought, to the turnover of a reference period. In order to reflect the media products expected earnings under normal circumstances and to prevent seasonal fluctuations in sales from influencing the numbers, the reference period is 15 March 2019 to 30 June 2019, adjusted for the growth rate from January/February 2019 to January/February 2020. Media products or undertakings that did not exist one year ago will use the average of their turnover in January and February 2020 as a reference period.
- (23) The measure defines turnover as income from:
- (a) User payments that provide access to the undertaking's own media products, including revenue from subscription, membership fees, single copy sales or distribution revenue.
  - (b) Revenue from sales of marketing, which is included in the undertaking's own media products, including advertising, classifieds, sponsorships or product placements. Revenue from the sale of ad space in products owned by others, or other related services such as ad production, is not considered revenue under this regulation. "Sale of ad space in products owned by others" means further billing of ad space purchases on for

example Google to fulfil the advertiser's desire to reach a specific audience. "Other related services" means advertising agency services.

(c) Revenue from radio bingo.

- (24) The Norwegian media sector (except for public service providers funded by the Norwegian Government) is to a large extent, and in some cases entirely, funded by advertising. However, the proportion of advertising revenue of the total revenues varies greatly between the different media types and the different media companies. So far, during the COVID-19 outbreak, it has mainly been the advertising income that has been negatively affected. On the other hand, according to reports from the Norwegian Media Authority, some media companies have seen their subscriptions revenues increase, as demand for news and information rises. In most cases, this does not compensate for the decrease in advertising revenue. Nevertheless, as some media companies have seen an increase in subscription revenues, the calculation of compensation under this measure takes into account the effect of the COVID-19 outbreak on the total revenues.
- (25) Income not mentioned in paragraph (23) is not considered as revenue. This includes income from events, courses, fairs, etc. Grants received under grant measures not related to COVID-19, e.g. the production grant scheme for news and current affairs media, are not considered as revenue under the measure.
- (26) In addition, the compensation will be reduced for media products that have temporarily laid off journalists during the compensation period, because of the COVID-19 outbreak. This is done by deducting the cost savings the media entity has had as a result of temporarily laying off journalists in the above-mentioned period. Cost savings related to journalists that are temporarily laid off due to other reasons than the COVID-19 outbreak are not deducted.
- (27) Furthermore, general tax relief measures (e.g. reduced social security contributions due to the COVID-19 outbreak) or COVID-19 state aid measures will also be deducted from the compensation. However, this does not apply for aid granted according to the COVID-19 grant scheme for undertakings suffering a substantial loss of turnover.<sup>8</sup> According to that scheme, the beneficiaries must include subsidies/aid received from other COVID-19 schemes as turnover when the aid amount as a share of the enterprise's fixed unavoidable costs is calculated. Consequently, undertakings receiving compensation from both this measure and the grant scheme for a substantial loss of turnover, will get a reduction in the grant from the latter scheme (as the loss of turnover will be reduced by including the compensation amount from this scheme as turnover). To ensure *ex post* control of this, the Norwegian Media Authority will report awarded compensation under the measure to the Tax Authorities, which are responsible for the other scheme.

### 3.8 Aid intensity and mechanisms

- (28) The amount of compensation is limited to maximum 60% of the eligible costs, i.e. the reduced turnover during the compensation period. The aid per undertaking cannot be lower than NOK 25 000 per month, nor exceed NOK 15 million for the compensation period.

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<sup>8</sup> [ESA's Decision No 039/20/COL](#).

- (29) Furthermore, if the total amount of approved applications exceeds the total budget of the measure, all approved applications will be reduced by the same percentage.
- (30) As a further safeguard against overcompensation, the media entity's earnings before interest, taxes, depreciation and amortization (EBITDA) after compensation cannot exceed the media entity's EBITDA in the same period in 2019. If this is the case, the compensation will be reduced so that the EBITDA in the compensation period corresponds to the EBITDA in the same period in 2019.

### **3.9 Compensation procedure and control mechanism**

- (31) The Norwegian Media Authority will evaluate compensation applications from eligible beneficiaries. Potential beneficiaries shall submit only one application for compensation to cover loss incurred.
- (32) Applicants must provide all relevant information for assessing the aid. This includes information about revenue for the reference and compensation period and information regarding any other aid granted from other COVID-19 schemes. They must also confirm that they are able to provide an audit certification from an accredited auditor or accountant upon request. The applicant must notify the Media Authority of any incorrect information provided in the application. The assessment will further evaluate operating margins in historical figures and whether the company has active employees and unpaid taxes.
- (33) The Norwegian authorities will not require *ex ante* control of the information provided by the potential beneficiaries. However, the Regulation requires that all necessary documentation to confirm that the beneficiary fulfils the conditions under the measure be provided upon request from the Norwegian Media Authority. Such documentation shall, in accordance with the Regulation, *inter alia*, include the certification on the figures provided from an accredited auditor or accountant.
- (34) The Media Authority will carry out risk-based *ex post* controls. Information provided in the application, combined with information already available within the Media Authority, will be utilised for a risk based selection of undertakings to be controlled. Risk indicators will be based on the specific conditions of this aid measure and may include previously loss-making undertakings and sectors within the media business that in general did not suffer substantial losses of turnover. In addition, the size of the aid amount is relevant, with larger aid awards being more likely to be subject to control. The Media Authority will also apply their knowledge of the sector and information they might have on the beneficiaries through assessing applications in connection with other measures.
- (35) As provided in the Regulation, the Media Authority shall require recovery of any unjustified or excessive compensation, resulting from incomplete or incorrect information supplied by a beneficiary or an error made by the Media Authority.
- (36) The aid provided under this measure cannot be cumulated with other state aid granted to cover the same eligible costs.

### **3.10 Commitments**

- (37) The Norwegian authorities confirm that aid is excluded for any applicant that is responsible for the damage suffered and/or did not conduct their activities with

due diligence or in compliance with applicable legislation, or did not take any measure to mitigate its damages.

- (38) The Norwegian authorities confirm that the payment made to beneficiaries shall be net of any amount recovered by insurance, litigation, arbitration or other source for the same damage. If the aid is paid out before the insurance, the authorities will recover the insurance amount from the beneficiary.
- (39) The Norwegian authorities commit to provide a report no later than 1 year after the date of the decision, specifying the amount of compensation and recoverable advances granted.
- (40) The Norwegian authorities commit to carry out *ex post* controls by calculating the actual net losses (damage) and comparing these losses to the compensation paid *ex ante*. The precise methodology for such an *ex post* control will be defined later and sent to ESA for approval before 31 December 2020. The controls will be carried out consecutively and in relation to the ordinary tax assessment in 2021, which is expected to be completed by 31 October 2021.
- (41) The Norwegian authorities also commit to ensure that beneficiaries repay any overcompensation, should the *ex post* assessment show that the total aid received by an individual beneficiary to compensate the damage caused by the COVID-19 outbreak exceeds the total amount of the damage suffered by the beneficiary.

#### **4 Presence of state aid**

- (42) 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.”
- (43) The qualification of a measure as aid within the meaning of this provision therefore 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.
- (44) The measure is financed through the State Budget and is therefore granted by the State and through State resources.
- (45) The measure compensates the beneficiaries for losses in turnover they otherwise have had to bear. Consequently, the measure confers on the aid recipients an advantage that relieves them of charges, which are normally borne from their budgets. Furthermore, the measure is selective, as it targets only companies active in the editorial media sector, which have experienced at least 15% loss in turnover, due to the COVID-19 outbreak.
- (46) The beneficiaries are active in the editorial media sector, which is subject to intra-EEA competition and trade. Therefore, the measure is liable to distort competition and to affect trade between the Contracting Parties to the EEA Agreement.

- (47) Consequently, the measure constitutes state aid within the meaning of Article 61(1) of the EEA Agreement.

## 5 Procedural requirements

- (48) 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.”
- (49) The Norwegian authorities have submitted a notification of the aid measure and have not let the measure 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

### 6.1 Introduction

- (50) ESA shall declare state aid compatible with the functioning of the EEA Agreement under its Article 61(2)(b), provided that certain compatibility conditions are fulfilled. This provision reads as follows: “The following shall be compatible with the functioning of this Agreement: aid to make good the damage caused by natural disasters or exceptional occurrences”. ESA has no discretion in assessing the compatibility of aid that falls within this category and meets the terms of Article 61(2)(b) of the EEA Agreement.
- (51) For all measures taken under Article 61(2)(b), there must be a direct causal link between the aid granted and the damage resulting from the exceptional occurrence for each beneficiary and the aid must be limited to what is necessary to make good the damage.

### 6.2 COVID-19 as an exceptional occurrence

- (52) Neither the EEA Agreement, nor any EEA relevant legislation contains a precise definition of “exceptional occurrence”.<sup>9</sup> Article 61(2)(b) is an exception to the general principle, as stated in Article 61(1), which must be interpreted narrowly.<sup>10</sup> The characterisation of an event as an exceptional occurrence is made by ESA on a case-by-case basis. The event must be: (i) unforeseeable or difficult to foresee,<sup>11</sup> (ii) significant scale/economic impact,<sup>12</sup> and (iii) extraordinary.
- (53) On 9 March 2020, European Commission’s President Ursula von der Leyen made a statement that companies affected by the COVID-19 outbreak would in principle be eligible for state aid under Article 107(2)(b) of the Treaty on the Functioning of

<sup>9</sup> See also See Commission Decision in case SA.56685 [C\(2020\) 1698 final](#) (Denmark) *Compensation scheme for cancellation of events related to COVID-19*, paragraph 24.

<sup>10</sup> See Commission Decision in case SA.32523 [C\(2012\) 4218 final](#) (Cyprus) *Compensation scheme for air carriers registered in Cyprus for additional costs linked to the impossibility to overfly the Turkish airspace*, paragraph 50. See also Commission Decision in case SA.56685 [C\(2020\) 1698 final](#) (Denmark) *Compensation scheme for cancellation of events related to COVID-19*, paragraph 24.

<sup>11</sup> Commission Decision in SA.32163 [C\(2011\) 5495 final](#) (Slovenia) *Remediation of damage to airlines and airports caused by seismic activity in Iceland and the volcanic ash in April 2010*, paragraph 31.

<sup>12</sup> Commission Decision in SA.33487 [C\(2012\) 2447 final](#) (Hungary) *Agricultural and fisheries aid to compensate for damage due to exceptional occurrence*, paragraph 36.

the European Union (“TFEU”). On 11 March 2020, the COVID-19 outbreak was classified as a pandemic by the World Health Organisation.<sup>13</sup> On 12 March 2020, the European Commission adopted a decision concluding that the COVID-19 outbreak qualifies as an exceptional occurrence for the purpose of Article 107(2)(b) TFEU,<sup>14</sup> which corresponds to Article 61(2)(b) of the EEA Agreement, as it is an extraordinary, unforeseeable event having a significant economic impact.<sup>15</sup>

- (54) On this basis, ESA finds that the COVID-19 outbreak is an extraordinary, unforeseeable event of a significant scale and with a major negative impact on the economy.
- (55) Consequently, ESA considers the COVID-19 outbreak as an exceptional occurrence within the meaning of Article 61(2)(b) of the EEA Agreement.

### **6.3 Causal link between the exceptional occurrence and the measure**

- (56) Only damage caused by the exceptional occurrence may be compensated for under Article 61(2)(b).<sup>16</sup> In the case at hand, there is a direct link between the damage caused by the exceptional occurrence and the state aid.
- (57) As a result of the developments of the COVID-19 outbreak in Norway, the Norwegian authorities have issued a number of recommendations or prohibitions that aim to reduce the transmission of the virus by closing down a large part of Norwegian society and business. As described in paragraph (18), only undertakings establishing a direct link between the damage suffered from the COVID-19 outbreak and the measures taken by the Norwegian authorities to prevent the spread of the virus, shall be entitled to compensation under the measure.
- (58) As described in paragraphs (3) (4) and (5), the implementation of the COVID-19 related measures in Norway made it difficult for businesses in a broad range of sectors to continue their activities. This resulted in them reducing or refraining from buying advertising for their products and services. Consequently, media revenue is expected to decrease significantly, resulting in economic damage for the media sector.
- (59) The damage that can be compensated under the measure is a proportion of the beneficiaries’ loss of turnover between 15 March 2020 until 30 June 2020, relative to the turnover in a relevant reference period. A beneficiary must have suffered at least a 15% loss of turnover during this period. This means that when calculating the loss of turnover, the period after the COVID-19 measures were put in place will be compared to a similar period before such measures existed. Since the media sector is dependent on revenues from businesses directly affected by the Norwegian authorities’ recommendations and prohibitions, ESA considers that the damage is directly linked to the exceptional occurrence, since the causal chain starts directly from the governmental measures, imposing restrictions on

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<sup>13</sup> [WHO Director Generals opening remarks at the media briefing on COVID-19 on 11 March 2020](#).

<sup>14</sup> Which corresponds to Article 61(2)(b) of the EEA Agreement.

<sup>15</sup> Commission Decision in SA.56685 [C\(2020\) 1698 final](#) (Denmark) *Compensation scheme for cancellation of events related to COVID-19*, paragraphs 26–30.

<sup>16</sup> See Commission Decision in case SA.32163 [C\(2011\) 5495 final](#) (Slovenia) *Rectification of consequences of the damage caused to air carriers and airports by earthquake activity in Iceland and the resulting volcano ash in April 2010*, paragraph 34.

economic and civil life and not from advertisers having less means or will to advertise.

- (60) Norway confirms that, while some prohibitions and recommendations suspending activities to avoid further transmission of the virus are now being lifted, some are still in force (see paragraph (4)). ESA therefore considers the duration of the compensation period until 30 June 2020 reasonable and the entirety of the notified compensation period of the measure is considered directly linked to the COVID-19 outbreak.

#### **6.4 Proportionality**

- (61) In order to be compatible under Article 61(2)(b) of the EEA Agreement, the aid must be proportional to the damage caused by the exceptional occurrence. Aid must not result in overcompensation of damage and should only make good the damage caused by the exceptional occurrence.
- (62) The Norwegian authorities have put in place the following safeguards so that the compensation under the measure does not exceed what is necessary to make good the damage and thus meets the above-mentioned criteria.
- (63) First, the beneficiary's media products must have suffered a loss in turnover of at least 15% in the compensation period to qualify for aid. Furthermore, the maximum aid intensity is set at 60%. In addition, the compensation will be reduced for media products that have temporarily laid off journalists after 15 May 2020, because of the COVID-19 outbreak.
- (64) Second, as mentioned in paragraph (24), the calculation of turnover loss takes into account both lost and added revenue related to the COVID-19 outbreak. As some media companies have seen an increase in subscription revenues, the compensation to those beneficiaries will be lower. Therefore, the measure takes into account the effect of the COVID-19 outbreak on the total revenues. This mechanism contributes to avoiding overcompensation of media products that have seen a decrease in advertising income, but a rise in e.g. subscription income.
- (65) Third, aid is excluded for any beneficiary that is responsible for the damage suffered and/or did not conduct his activities with due diligence or in compliance with applicable legislation or did not take any measure to mitigate its damages. Furthermore, payments made to beneficiaries shall be net of any amount recovered by insurance, litigation, arbitration or other source for the same damage.
- (66) Finally, the Media Authority will carry out risk-based *ex post* controls. Information provided in the application, combined with information already available within the Media Authority, will be utilised for a risk based selection of undertakings to be controlled. Risk indicators will be based on the specific conditions of this aid measure and may include previously loss-making undertakings and sectors within the media business that in general did not suffer substantial losses of turnover. In addition, the size of the aid amount will be relevant, with larger aid awards being more likely to be subject to control. The Media Authority will also apply their knowledge of the sector and information they might have on the beneficiaries through assessing applications in connection with other measures.

- (67) The Norwegian authorities have therefore ensured that the compensation under the measure will not exceed the damage directly suffered by each beneficiary, as a result of the measures imposed by the Norwegian authorities, in order to contain the spread of the virus.

### 6.5 Cumulation

- (68) The aid provided under this measure cannot be cumulated with other state aid granted to cover the same eligible costs.
- (69) However, the beneficiaries of the measure will also be eligible under to the COVID-19 grant scheme for undertakings suffering a substantial loss of turnover.<sup>17</sup> Consequently, undertakings receiving compensation from both this measure and the grant scheme for a substantial loss of turnover, will receive a reduction in the grant from the latter scheme, to avoid cumulation for the same eligible costs.

## 7 Conclusion

- (70) 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 no doubts are raised that this aid is compatible with the functioning of the EEA Agreement, pursuant to its Article 61(2)(b), ESA has no objections to the implementation of the measure.
- (71) The Norwegian authorities have confirmed that the notification does not contain any business secrets or other information that should not be published.

For the EFTA Surveillance Authority,

Yours faithfully,

Bente Angell-Hansen  
President  
Responsible College Member

Frank J. Büchel  
College Member

Högni Kristjánsson  
College Member

Carsten Zatschler  
Countersigning as Director,  
Legal and Executive Affairs

*This document has been electronically authenticated by Bente Angell-Hansen,  
Carsten Zatschler.*

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<sup>17</sup> Decision No 039/20/COL