

EFTA SURVEILLANCE AUTHORITY DECISION**No 91/14/COL****of 26 February 2014****on the Norwegian regional aid map 2014-2020 (Norway)**

THE EFTA SURVEILLANCE AUTHORITY ('THE AUTHORITY')

HAVING REGARD to:

The Agreement on the European Economic Area ('the EEA Agreement'), in particular to Articles 61 to 63 and Protocol 26 thereof,

The Agreement between the EFTA States on the Establishment of a Surveillance Authority and a Court of Justice ('the Surveillance and Court Agreement'), in particular to Article 24,

Whereas:

1. PROCEDURE

- (1) By letter of 31 January 2014 the Norwegian authorities notified their regional aid map applicable from 1 July 2014 to 31 December 2020 ('the regional aid map') pursuant to paragraph 156 of the Authority's Guidelines on regional state aid for 2014-2020 ('the RAG') ⁽¹⁾. These guidelines require the EFTA States that intend to grant regional aid to notify regional aid maps.
- (2) This decision represents the Authority's assessment of the compatibility of the notified map with the RAG in accordance with paragraph 157 of these guidelines. The map itself does not involve any state aid within the meaning of Article 61 of the EEA Agreement. The Authority's approval of the map does not constitute an authorisation to grant any aid. The authorisation of the map establishes together with the RAG, the framework for granting regional investment aid. In that respect the map constitutes an integral part of the RAG ⁽²⁾.

2. REGIONS ELIGIBLE UNDER THE POPULATION DENSITY TEST**2.1. INTRODUCTION**

- (3) The Norwegian authorities have only notified regions qualifying for the derogation under Article 61(3)(c) of the EEA Agreement. Due to the relatively high GDP per capita, no Norwegian region qualifies for the derogation under Article 61(3)(a) of the EEA Agreement ⁽³⁾.
- (4) In Norway, Statistical regions at level 3 correspond to counties and Statistical regions at level 5 to municipalities.
- (5) Norway currently has 19 counties and 428 municipalities.
- (6) Norway has eight counties with population density of less than 12,5 inhabitants per km² ⁽⁴⁾. These are the following:
 1. Finnmark,
 2. Troms,
 3. Nordland,

⁽¹⁾ Adopted by Decision No 407/13/COL of 23 October 2013, not yet published.

⁽²⁾ RAG paragraph 157.

⁽³⁾ RAG paragraph 142(a) and 143-144.

⁽⁴⁾ RAG paragraph 149. The Norwegian authorities have, in accordance with paragraph 142, footnote 47 of the RAG, used population data from 31 December 2010.

4. Nord-Trøndelag,
5. Sogn og Fjordane,
6. Hedmark,
7. Oppland, and
8. Telemark.

- (7) The total population of these 8 counties is 1 255 027 ⁽¹⁾ which represents 25,51 % of the Norwegian population. Consequently, the national population coverage for Norway for the relevant period is 25,51 % ⁽²⁾.

2.2. FLEXIBLE APPROACH AS ALLOWED FOR UNDER PARAGRAPH 149 OF THE RAG

2.2.1. Four counties included in their entirety

- (8) The Norwegian authorities have notified the following four counties as eligible for regional investment aid in their entirety:
1. Finnmark,
 2. Troms,
 3. Nordland, and
 4. Sogn og Fjordane.

2.2.2. Partially included counties

- (9) The remaining four counties are only partially covered by the notified map. The Norwegian authorities have explained that individual counties in Norway are very heterogeneous. Some counties contain central regions with high population densities and thriving economic activities as well as areas with low population densities that struggle with depopulation. This applies both to counties with population densities above and below 12,5 inhabitants per km². For this reason, the Norwegian authorities argue that an assisted area solely based on Statistical regions at level 3 would not reflect the real challenges that Norway faces in certain regions. Therefore the Norwegian authorities have applied the flexible approach set out in paragraph 149 of the RAG when considering the delimitation of areas eligible for regional aid.

2.2.3. Swapped-out municipalities

- (10) Table 1, below, provides an overview of the municipalities in low population density counties that are excluded from the regional aid map ('swapped-out municipalities').

Table 1

Counties	Municipalities	Population density
Nord-Trøndelag	Stjørdal, Levanger.	26,5
Hedmark	Elverum, Stange, Løten, Ringsaker, Hamar.	29,4
Oppland	Gran, Lunner, Jevnaker, Østre Toten, Gjøvik, Lillehammer.	36,6
Telemark	Bamble, Siljan, Skien, Porsgrunn.	75,9

- (11) These swapped-out municipalities have a total population of 350 555.

⁽¹⁾ The population figures indicated herein reflect the information received from Norway in its notification.

⁽²⁾ RAG paragraph 142. In keeping with paragraph 140 of the RAG, the population of the assisted area is lower than that of the unassisted areas (the total population of unassisted areas is 3 666 831).

2.2.4. Swapped-in municipalities

- (12) Table 2, below, provides an overview of municipalities in high population density counties that are included in the regional aid map ('swapped-in municipalities').

Table 2

Counties	Municipalities	Population density
Sør-Trøndelag	Tydal, Selbu, Midtre Gauldal, Holtålen, Røros, Meldal, Rennebu, Oppdal, Osen, Roan, Ålfjord, Bjugn, Rissa, Agdenes, Ørland, Frøya, Hitra, Snillfjord, Hemne.	4,4
Møre og Romsdal	Aure, Smøla, Halså, Rindal, Surnadal, Sunndal, Tingvoll, Gjemnes, Averøy, Eide, Sandøy, Midsund, Nesset, Rauma, Vestnes, Haram, Stordal, Standa, Norddal, Ørsta, Volda, Sande, Vanylven.	7,8
Hordaland	Masfjorden, Fedje, Modalen, Vaksdal, Samnanger, Kvam, Voss, Granvin, Ulvik, Eidfjord, Ullensvang, Odda, Jondal, Kvinnherad, Tysnes, Fitjar, Etne.	6
Rogaland	Utsira, Kvitsøy, Sauda, Suldal, Hjelmeland, Lund, Sokndal.	5
Vest-Agder	Sirdal, Kvinesdal, Hægebostad, Audnedal, Åseral, Marnardal, Flekkefjord, Farsund.	6,7
Aust-Agder	Risør, Gjerstad, Vegårshei, Tvedestrand, Åmli, Evje og Hornnes, Bygland, Valle, Bykle.	4,3
Buskerud	Nore og Uvdal, Rollag, Krødsherad, Sigdal, Hol, Ål, Hemsedal, Gol, Nes, Flå.	3,2
Østfold	Rømskog, Marker, Aremark.	6,9

- (13) The swapped-in areas have a total population of 349 002.

2.3. OVERVIEW OF MUNICIPALITIES COVERED BY THE REGIONAL AID MAP AS NOTIFIED

- (14) Table 3, below, provides an overview of all the municipalities included in the regional aid map.

Table 3

Counties	Municipalities
Finnmark	Sør-Varanger, Båtsfjord, Unjárga — Nesseby, Deatnu — Tana, Berlevåg, Gamvik, Lebesby, Kárášjohka — Karasjok, Porsángu — Porsanki — Porsanger, Nordkapp, Måsøy, Kvalsund, Hasvik, Loppa, Alta, Guovdageaidnu — Kautokeino, Hammerfest, Vadsø, Vardø.
Troms	Kvænangen, Nordreisa, Skjervøy, Gáivuotna — Kåfjord, Storfjord, Lyngen, Karlsøy, Balsfjord, Lenvik, Berg, Torsken, Tranøy, Dyrøy, Sørreisa, Målselv, Salangen, Bardu, Lavangen, Gratangen, Ibestad, Skånland, Kvæfjord, Tromsø, Harstad.

Counties	Municipalities
Nordland	Moskenes, Andøy, Sortland, Øksnes, Bø, Hadsel, Vågan, Vestvågøy, Flakstad, Værøy, Røst, Ballangen, Evenes, Tjeldsund, Lødingen, Tysfjord, Hamarøy, Steigen, Sørfold, Fauske, Saltdal, Beiarn, Gildeskål, Meløy, Rødøy, Træna, Lurøy, Rana, Hemnes, Nesna, Dønna, Hattfjelldal, Grane, Vefsn, Leirfjord, Alstahaug, Herøy, Vevelstad, Vega, Brønnøy, Sømna, Bindal, Narvik, Bodø.
Nord-Trøndelag	Leka, Nærøy, Vikna, Flatanger, Fosnes, Overhalla, Høylandet, Grong, Namsskogan, Røyrvik, Lierne, Snåsa, Inderøy, Namdalseid, Verran, Verdal, Leksvik, Frosta, Meråker, Namsos, Steinkjer.
Sør-Trøndelag	Tydal, Selbu, Midtre Gauldal, Holtålen, Røros, Meldal, Rennebu, Oppdal, Osen, Roan, Åfjord, Bjugn, Rissa, Agdenes, Ørland, Frøya, Hitra, Snillfjord, Hemne.
Møre og Romsdal	Aure, Smøla, Halså, Rindal, Surnadal, Sunndal, Tingvoll, Gjemnes, Averøy, Eide, Sandøy, Midsund, Nesset, Rauma, Vestnes, Haram, Stordal, Stranda, Norddal, Ørsta, Volda, Sande, Vanylven.
Sogn og Fjordane	Flora, Gulen, Solund, Hyllestad, Høyanger, Vik, Balestrand, Leikanger, Sogndal, Aurland, Lærdal, Årdal, Luster, Askvoll, Fjaler, Gaular, Jølster, Førde, Naustdal, Bremanger, Vågsøy, Selje, Eid, Hornindal, Gloppen, Stryn.
Hordaland	Masfjorden, Fedje, Modalen, Vaksdal, Samnanger, Kvam, Voss, Granvin, Ulvik, Eidfjord, Ullensvang, Odda, Jondal, Kvinnherad, Tysnes, Fitjar, Etne.
Rogaland	Utsira, Kvitsøy, Sauda, Suldal, Hjelmeland, Lund, Sokndal.
Vest-Agder	Sirdal, Kvinesdal, Hægebostad, Audnedal, Åseral, Marnardal, Flekkefjord, Farsund.
Aust-Agder	Risør, Gjerstad, Vegårshei, Tvedestrand, Åmli, Evje og Hornnes, Bygland, Valle, Bykle.
Telemark	Notodden, Kragerø, Drangedal, Nome, Bø, Sauherad, Tinn, Hjartdal, Seljord, Kviteseid, Nissedal, Fyresdal, Tokke, Vinje.
Buskerud	Nore og Uvdal, Rollag, Krødsherad, Sigdal, Hol, Ål, Hemsedal, Gol, Nes, Flå.
Oppland	Dovre, Lesja, Sjøk, Lom, Vågå, Nord-Fron, Sel, Sør-Fron, Ringebu, Øyer, Gausdal, Vestre Toten, Søndre Land, Nordre Land, Sør-Aurdal, Etnedal, Nord-Aurdal, Vestre Slidre, Øystre Slidre, Vang.
Hedmark	Kongsvinger, Nord-Odal, Sør-Odal, Eidskog, Grue, Åsnes, Våler, Trysil, Åmot, Stor-Elvdal, Rendalen, Engerdal, Tolga, Tynset, Alvdal, Folldal, Os.
Østfold	Rømskog, Marker, Aremark.

(15) The total number of municipalities covered by the regional aid map is 281.

2.4. ASSESSMENT OF THE FLEXIBLE APPROACH

- (16) Paragraph 149 of the RAG sets out three requirements which must be met in order to swap-in areas from counties with a population density above 12,5 inhabitants per km².
- (17) Firstly, the swapping exercise must not result in an increase in the population covered as set out in paragraph 142 of the RAG. The pre-notified aid area covers 1 253 474 inhabitants which represents 25,48 % of Norway's total population, and thus falls below the 25,51 % national population ceiling as set out in paragraph 142 of the RAG. The Authority therefore concludes that this requirement is met.
- (18) Secondly, the parts of the counties qualifying for flexibility must have a population density of less than 12,5 inhabitants per km² at county level. As demonstrated by table 2 above, this requirement is met for the swapped-in municipalities at county level.
- (19) Thirdly, the swapped-in municipalities must be contiguous areas adjacent to the counties with a population density of less than 12,5 inhabitants per km². The Authority concludes that the swapped-in municipalities meet this requirement, as illustrated by the map attached as Annex 1 to this decision ⁽¹⁾.

3. AID INTENSITIES

- (20) All eligible areas will have a general aid ceiling of 15 % gross grant equivalent (GGE), this is supplemented by an increase of 20 % for small enterprises or 10 % for medium-sized enterprises. These aid intensities comply with the thresholds set out in paragraphs 154 and 155 of the RAG.

4. DURATION AND REVIEW

- (21) In compliance with paragraph 156 of the RAG, the notified map will be in force from 1 July 2014 to 31 December 2020. If necessary, as provided for in paragraph 161 of the RAG, the notified map may be subject to a mid-term review in June 2016 to identify possible areas that may be eligible for regional aid under Article 61(1)(a) of the EEA Agreement and the level of the aid intensity corresponding to their GDP per capital.
- (22) In addition, this decision does not restrict the powers of the Authority to review the map in accordance with Article 1(1) in Part I of Protocol 3 to the Surveillance and Court Agreement, if necessary, before the end of the period referred to above.

5. CONCLUSION — THE REGIONAL AID MAP IS COMPATIBLE WITH THE RAG

- (23) On the basis of the foregoing assessment, the Authority considers that the Norwegian regional aid map for 2014-2020 is compatible with the principles set out in the RAG as the area covered does not exceed the eligible population coverage as set out by paragraph 142 of the RAG. The swapped-in areas also meet the other requirements set out in paragraph 149 of the RAG, as the aid intensities respect the thresholds set out in paragraphs 154 and 155 of the RAG, and as the duration does not exceed the duration of the RAG as set out in paragraph 156 therein,

HAS ADOPTED THIS DECISION:

Article 1

The Norwegian regional aid map 2014-2020 is compatible with the principles set out in the RAG. The map, set out in the Annex to this decision, hereby constitutes an integral part of the RAG.

Article 2

This Decision is addressed to the Kingdom of Norway.

⁽¹⁾ The Authority notes that there is a gap of less than 10 kilometres, along the Swedish border, between the three municipalities of Rømskog, Marker and Aremark (in Østfold county) and the eligible areas in Hedmark county. In the view of the Authority, the three municipalities in Østfold can, nevertheless, be considered as adjacent to the other eligible areas within the meaning of paragraph 147 of the RAG. The Authority further notes that the population density of Rømskog, Marker and Aremark is low (6,9 per km²).

Article 3

Only the English language version of this decision is authentic.

Done at Brussels, 26 February 2014.

For the EFTA Surveillance Authority

Oda Helen SLETNES

President

Frank BÜCHEL

College Member

ANNEX

REGIONAL AID MAP 2014-2020

