

Ministry of Trade, Industry and Fisheries  
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Norway

**Subject: COVID-19 Renewal and amendment of the compensation scheme for the cancellation or postponement of sports and volunteer events**

## 1 Summary

- (1) The EFTA Surveillance Authority (“ESA”) wishes to inform Norway that, having assessed the renewal and amendment of the compensation scheme for the cancellation or postponement of sports and volunteer events (“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 the measure 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 9 October 2020.<sup>2</sup>

## 3 Description of the measure

### 3.1 The compensation scheme for the cancellation or postponement of sports and volunteer events

- (3) By [Decision No 033/20/COL](#),<sup>3</sup> ESA approved the compensation scheme for the cancellation or postponement of sports and volunteer events due to the COVID-19 outbreak (“the compensation scheme”). Undertakings were eligible for grants under the compensation scheme if they were registered in the Register of Non-Profit Organisations and had to cancel or postpone sports or volunteer events because of the COVID-19 pandemic.
- (4) By [Decision No 092/20/COL](#),<sup>4</sup> ESA approved amendments to the compensation scheme, as well as a prolongation of the compensation period until 31 August 2020.
- (5) The general conditions of the compensation scheme are described in Decisions No 033/20/COL and 092/20/COL.

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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> Documents No 1157294 and 1157296.

<sup>3</sup> ESA’s [Decision No 033/20/COL](#) of 3 April 2020, *COVID-19 Compensation scheme for the cancellation or postponement of sports or volunteer events*.

<sup>4</sup> ESA’s [Decision No 092/20/COL](#) of 16 July 2020, *COVID-19 Amendments and prolongation of the compensation scheme for the cancellation of sports and volunteer events*.

### 3.2 The notified renewal and amendment

- (6) In light of the still ongoing COVID-19 pandemic, the Norwegian authorities have decided to slow down a further reopening of society. This means that restrictions, e.g. in the form of prohibition of certain activities due to the risk of infection, will be maintained for the foreseeable future. In addition, other preventive measures imposed by the authorities will continue to affect and limit the normal activity in the event sector. The Norwegian Government has indicated that it will consider an easing of the current restrictions on public gatherings. However, an easing of restrictions will depend on the national infection level, which has been rising.
- (7) Consequently, the Norwegian authorities consider it too early to terminate the compensation scheme. Therefore, the compensation scheme, as amended, will be renewed until 31 December 2020, meaning that eligible beneficiaries can apply for compensation for the period of 1 September to 31 December 2020, inclusive.
- (8) Furthermore, the aid intensity of the compensation scheme is lowered, in order to stimulate increased activity in the sector and gradually reduce compensation for events that are cancelled. Beneficiaries that have a significant loss of income, due to partially cancelled or postponed events or specified activities, can apply for 70% compensation throughout the duration of the compensation scheme. However, for events or other specified activities that are fully cancelled, the compensation is reduced to 50% aid intensity from 1 November to 31 December 2020, inclusive.
- (9) Finally, the Norwegian authorities confirm that all previous commitments will continue to apply.

### 3.3 Legal basis and budget

- (10) The renewal and amendments are implemented in regulations forming the national legal framework for the compensation scheme. A new regulation, *i.e. the regulation on a temporary compensation scheme for the voluntary and sports sector following the COVID-19 outbreak*<sup>5</sup>, will be finalised shortly.
- (11) The budget of the measure is NOK 1 billion, which is in addition to the previous budgets approved by Decisions No 033/20/COL and 092/20/COL.

## 4 Presence of state aid

- (12) 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.”
- (13) 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

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<sup>5</sup> Forskrift om midlertidig kompensasjonsordning for frivillighets- og idrettssektoren som følge av COVID-19-utbruddet.

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

- (14) ESA has concluded that the compensation scheme constitutes state aid within the meaning of Article 61(1) of the EEA Agreement.<sup>6</sup> There is nothing in the current notification which alters this conclusion.
- (15) On this basis, ESA concludes that the measure constitutes state aid within the meaning of Article 61(1) of the EEA Agreement.

## 5 Procedural requirements

- (16) 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."
- (17) 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

- (18) ESA must declare state aid compatible with the functioning of the EEA Agreement under its Article 61(2)(b) provided that certain compatibility conditions are fulfilled. That provision reads: "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.
- (19) ESA concluded in [Decision No 033/20/COL](#) and [Decision No 092/20/COL](#) that the compensation scheme is compatible with the functioning of the EEA Agreement pursuant to its Article 61(2)(b). The measure does not alter those conclusions.
- (20) Indeed, the reduction in aid intensity to 50% for beneficiaries that have fully cancelled events further contributes to the avoidance of overcompensation and the proportionality of the aid.
- (21) Furthermore, ESA considers that the notified renewal is appropriate. The COVID-19 pandemic and Government restrictions in response to it still affect the event and sport sector in Norway, and will continue to do so throughout the renewal period.
- (22) In light of the above, ESA finds that the measure is consistent with the logic of the compensation scheme and that it is proportionate under the circumstances, caused by the exceptional occurrence of the COVID-19 pandemic.

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<sup>6</sup> See [Decision No 033/20/COL](#) of 3 April 2020, *COVID-19 Compensation scheme for the cancellation or postponement of sports or volunteer events*, paragraphs 34–39, and [Decision No 092/20/COL](#) of 16 July 2020, *COVID-19 Amendments and prolongation of the compensation scheme for the cancellation of sports and volunteer events*, paragraphs 28–31.

## 7 Conclusion

- (23) 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.

For the EFTA Surveillance Authority,

Yours faithfully,

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