# COVID-19 pandemic: ESA approves prolongation of Norwegian support to businesses

**The EFTA Surveillance Authority (ESA) has today approved amendments to a guarantee scheme in Norway that ensures access to liquidity for companies, including a prolongation of the scheme.**

On 26 March 2020, ESA approved a guarantee scheme ensuring access to liquidity for small and medium-sized enterprises (SMEs) facing dwindling revenues due to the on-going COVID-19 pandemic.

The approved scheme was aligned with the State Aid Temporary Framework to support the economy in the context of the COVID-19 outbreak adopted by the European Commission. The Framework has now been amended to allow for guarantee schemes to remain in force until 30 June 2021.

On 2 April the scheme was amended to also include large enterprises; on 25 May the scheme was prolonged until 31 December 2020; and, on 31 July, the scheme was amended to include aid to micro enterprises in difficulty.

COVID-19 measures continue to affect business operations, ESA has approved Norway's proposal to extend the scheme so as to allow for guaranteed loans to be granted until 30 June 2021. ESA has also approved that the loans can have maximum six years guarantee, rather than three. This will make repayment plans more manageable for businesses and can lower default risk. The scheme has a total budget of NOK 50 billion (EUR 4.66 billion).

ESA's decision can be found here.

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