Fornyings- og administrasjonsde Postboks 8004 Dep.	epartementet	
0030 OSLO		
Deres ref	Vår ref 05/3442-46 LHA	Dato 12.06.2006
Oversendelse av brev til ESA distriktspolitiske virkemidlen		v virkeområde for de
Vedlagt følger brev med vedlegg for de distriktspolitiske virkemid oversendes ESA så raskt som m	llene for perioden 2	rende notifisering av virkeområde 007 – 2013. Vi ber om at brevet
Med hilsen		
Jan Sandal (e.f.) ekspedisjonssjef		
		Lillian Hatling underdirektør
6 vedlegg		

#### Royal Ministry of Local Government and Regional Development

EFTA Surveillance Authority Rue Belliard 35 B-1040 BRUSSELS Belgium

Your ref Our ref Date 05/3442-45 LHA

Notification of the area eligible for national regional aid and aid levels for the period 2007 to 2013

#### 1. Introduction

In accordance with Article 1(3) of Protocol 3 to the Surveillance and Court Agreement, the Norwegian authorities hereby notifies the EFTA Surveillance Authority (ESA) of their intention to implement a new map of the area eligible for national regional aid from 1 January 2007 to 31 December 2013.

The Norwegian authorities will demonstrate below that the proposed area eligible for national regional aid is in accordance with the new Chapter 25.B of the Authority's State Aid Guidelines on National Regional Aid (the regional aid guidelines).

#### 2. Areas currently eligible for national regional aid

The current map of the assisted area was approved by the Authority on 16 December 1999 (Dec. No. 327/99/COL). At that time, the map covered 25.8 per cent of the Norwegian population.

Table 1: Area currently assisted by target zones

Target zones	Geographical area	Number of municipalities	Population coverage (%) (at 1.1.98)	Population density (per km²)
A	Finnmark + part of Troms	23	1.96	1.6
В	Rest of Northern Norway <sup>1</sup> + remote areas in Southern Norway	129 <sup>2</sup>	10.76	3.7
С	Other areas in Southern Norway + Tromsø and Bodø	114 <sup>3</sup>	13.07	6.5
Total		266	25.79	4.2

<sup>&</sup>lt;sup>1</sup>Except Bodø and Tromsø.

### 3. Area proposed eligible for national regional aid for the period 2007 to 2013

The Norwegian authorities present below the area proposed eligible for national regional aid, together with the proposed aid intensities.

#### 3.1 Population coverage – national population ceiling

Eligibility for national regional aid is determined in accordance with the definition of the low population areas in Chapter 25.B of the new regional aid guidelines. Eligible regions are low population density regions with a population density of less than 12.5 inhabitants per square kilometre at NUTS level III as defined in Chapter 25.B.3.3.1(19-21). According to this definition, the national population ceiling for Norway is 29.1 per cent. The proposed area covers 27.5 per cent of the national population.

#### 3.2 Eligible municipalities

Table 2 shows the municipalities proposed eligible for national regional aid.

<sup>&</sup>lt;sup>2</sup> In 2005, the municipalities Bodø and Skjerstad were amalgamated – new name: Bodø.

In 2006, the municipalities Aure and Tustna were amalgamated – new name: Aure.

The present number of municipalities in target zone B is therefore 127.

<sup>&</sup>lt;sup>3</sup> In 2006, the municipalities Ølen and Vindafjord were amalgamated – new name: Vindafjord.

The present number of municipalities in target zone C is therefore 113.

Table 2

County	Municipalities
Finnmark	Sør-Varanger, Båtsfjord, Unjárga – Nesseby, Deatnu – Tana, Berlevåg, Gamvik, Lebesby, Kárásjohka – Karasjok, Porsanger, Nordkapp,
	Måsøy, Kvalsund, Hasvik, Loppa, Alta, Guovdageaidnu – Kautokeino, Hammerfest, Vadsø, Vardø.
Troms	Kvænangen, Nordreisa, Skjervøy, Gáivuotna – Kåfjord, Storfjord,
1101115	Lyngen, Karlsøy, Balsfjod, Lenvik, Berg, Torsken, Tranøy, Dyrøy,
	Sørreisa, Målselv, Salangen, Bardu, Lavangen, Gratangen, Ibestad,
	Bjarkøy, Skånland, Kvæfjord, Tromsø, Harstad.
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,
	Mosvik, 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, Halsa, Rindal, Surnadal, Sunndal, Tingvoll, Gjemnes,
	Averøy, Eide, Aukra, Sandøy, Midsund, Nesset, Rauma, Vestnes,
	Haram, Stordal, Stranda, Norddal, Ørsta, Volda, Herøy, Sande,
	Vanylven, Kristiansund, Frei.
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, Austevoll, Samnanger, Kvam,
	Voss, Granvin, Ulvik, Eidfjord, Ullensvang, Odda, Jondal, Kvinnherad,
	Tysnes, Fitjar, Etne.
Rogaland	Vindafjord, Utsira, Kvitsøy, Finnøy, 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,
m 1 1	Bygland, Valle, Bykle.
Telemark	Notodden, Kragerø, Drangedal, Nome, Bø, Sauherad, Tinn, Hjartdal,
	Seljord, Kviteseid, Nissedal, Fyresdal, Tokke, Vinje.
Buskerud	Nore og Uvdal, Rollag, Flesberg, Krødsherad, Sigdal, Hol, Ål,
0 1 1	Hemsedal, Gol, Nes, Flå.
Oppland	Dovre, Lesja, Sjåk, Lom, Vågå, Nord-Fron, Sel, Sør-Fron, Ringebu,
	Gausdal, Søndre Land, Nordre Land, Sør-Aurdal, Etnedal, Nord-
TT 1 1	Aurdal, Vestre Slidre, Øystre Slidre, Vang.
Hedmark	Kongsvinger, Eidskog, Grue, Åsnes, Våler, Trysil, Åmot, Stor-Elvdal,
α .c.11	Rendalen, Engerdal, Tolga, Tynset, Alvdal, Folldal, Os.
Østfold	Rømskog, Marker, Aremark.

The total number of municipalities proposed for national regional aid is 286. As of 1 January 2005, the total population of these municipalities was 1 268 515.

#### 3.3 Aid ceilings

Table 3 shows the maximum aid intensities proposed by the Norwegian authorities.

Table 3

Geographical area	General aid ceiling (GGE)	Supplement for medium- sized enterprises (GGE)	Supplement for small enterprises (GGE)
All eligible areas	15 pct	10 pct	20 pct

#### 4. Duration of the map of the assisted area

The map of the assisted area will remain in force from 1 January 2007 to 31 December 2013.

#### 5. Compatibility with the regional aid guidelines

The designation of the area eligible for national regional aid is based on Chapter 25.B.3 of the Authority's regional aid guidelines.

#### 5.1 Regions eligible under the population density test

Current figures show that Norway has nine NUTS III regions with less than 12.5 inhabitants per square kilometre. These are the counties of Finnmark, Troms, Nordland, Nord-Trøndelag, Sogn og Fjordane, Hedmark, Oppland, Telemark and Aust-Agder. These NUTS III regions qualify for national regional aid on the basis of low population density regions according to Article 61(3)(c) EEA, as defined in paragraphs 21-22 of Chapter 25.B.3.3.1(21) and Chapter 25.B.3.3.2(22) in the regional aid guidelines.

The NUTS III regions of Finnmark, Troms, Nordland and Sogn og Fjordane are all proposed eligible in their entirety. The population densities are 1.5, 5.9, 6.2 and 5.7 inhabitants per sq. km respectively. The population density criterion set out in Chapter 25.B.3.3.1(21) and Chapter 25.B.3.3.2(22) is therefore met.

#### 5.2 The need for a flexible approach

As stated in Chapter 25.B.3.3.2(22), the eligibility criteria for the selection of regions by the EFTA States must be sufficiently flexible to allow for the wide diversity of situations in which the granting of national regional aid may potentially be justified. It is important to Norway that some flexibility is allowed in the delimitation of the proposed area in order to reflect regional challenges.

Several of Norway's mountainous regions have very low population densities if considered below the level of NUTS III. These regions face severe challenges because of their remote locations. Poor accessibility means poor transport infrastructure in terms of connectivity, capacity, travelling speeds, waiting times, etc. In addition, these regions have harsh climates, and face depopulation, both of which weaken their economic and social development. These competitive disadvantages tend to have a cumulative effect, putting the areas in a unique, and particularly difficult, situation.

Norway's topography is characterised by its long coastline and fjords which stretch several hundred kilometres inland. Norway also has many island communities without a direct connection to the mainland. These communities face specific accessibility challenges, as well as problems similar to those of mountainous regions with low population densities.

In addition to these regional challenges, individual counties in Norway are also very heterogeneous. Some counties have central regions with high population density and healthy economic activity, while other parts of the same counties have low population density and struggle with depopulation. This applies to counties with population densities both below and above 12.5 inhabitants per square kilometre. Thus, an assisted area based strictly on the NUTS III level does not reflect the real challenges Norway faces in certain regions in relation to sparse population, climate, and weak economic conditions. It is important to note that administrative borders are in many cases different from the borders of labour markets and local and regional economic markets.

Because of these challenges, Norway has applied the flexible approach set out in Chapter 25.B.3.3.2(22) (a) when considering the delimitation of regions for national regional aid, to ensure that national regional aid is applied where it is most needed. Under the flexible approach, 'strong' municipalities in eligible NUTS III regions have been swapped for 'weak' ones in other regions.

Flexibility in the selection of areas must not result in an increase in the population covered. The NUTS III parts swapped into eligible area must have a population density below 12.5 inhabitants per square kilometre, and they must be contiguous with NUTS III regions which satisfy the low population density requirement.

This flexible approach is not a new principle: it is similar to the flexibility approach found in the Authority's current regional aid guidelines.

## 5.2.1 Areas swapped out of NUTS III regions satisfying the population density test

Table 4 shows the municipalities that have been swapped out of NUTS III regions that satisfy the population density test.

Table 4

County	Municipalities
Nord-Trøndelag	Stjørdal, Levanger
Aust-Agder	Iveland, Birkenes, Froland, Lillesand, Arendal, Grimstad
Telemark	Bamble, Siljan, Skien, Porsgrunn
Oppland	Gran, Lunner, Jevnaker, Vestre Toten, Østre Toten, Gjøvik,
	Lillehammer, Øyer
Hedmark	Elverum, Sør-Odal, Nord-Odal, Stange, Løten, Ringsaker, Hamar

The swapped-out areas have a total population of 445 006.

Table 5 shows some statistics on these swapped-out areas.

Table 5

NUTS III regions from which municipalities have been swapped out	Population 2005	Population density (per km²)	Population development 85-05 (%)	Population development 95-05 (%)	Population development 00-05 (%)	Periphery index
Hedmark	116 501	23.4	6.4	3.8	2.4	59.0
Oppland	112 563	29.0	6.3	2.8	1.5	61.2
Telemark	100 609	69.1	7.8	4.5	1.7	65.6
Aust-Agder	77 770	33.2	14.9	5.9	2.3	64.3
Nord-Trøndelag	37 563	23.8	13.8	8.2	5.1	64.3
Total	445 006	31.3	8.7	4.4	2.2	62.4

#### 5.2.2 Areas swapped into the assisted area

Table 6 shows the swapped-in municipalities.

Table 6

County	Municipalities				
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, Halsa, Rindal, Surnadal, Sunndal, Tingvoll, Gjemnes,				
	Averøy, Eide, Aukra, Sandøy, Midsund, Nesset, Rauma, Vestnes,				
	Haram, Stordal, Stranda, Norddal, Ørsta, Volda, Herøy, Sande,				
	Vanylven, Kristiansund, Frei.				
Hordaland	Masfjorden, Fedje, Modalen, Vaksdal, Austevoll, Samnanger, Kvam,				
	Voss, Granvin, Ulvik, Eidfjord, Ullensvang, Odda, Jondal,				
	Kvinnherad, Tysnes, Fitjar, Etne.				
Rogaland	Vindafjord, Utsira, Kvitsøy, Finnøy, Sauda, Suldal, Hjelmeland,				
	Lund, Sokndal.				
Vest-Agder	Sirdal, Kvinesdal, Hægebostad, Audnedal, Åseral, Marnardal,				
	Flekkefjord, Farsund.				
Buskerud	Nore og Uvdal, Rollag, Flesberg, Krødsherad, Sigdal, Hol, Ål,				
	Hemsedal, Gol, Nes, Flå.				
Østfold	Rømskog, Marker, Aremark.				

Table 7 shows some statistics on the swapped-in municipalities.

Table 7

Parts of the following NUTS III regions	Population 2005	Population density (per km²)	Population development 85-05 (%)	Population development 95-05 (%)	Population development 00-05 (%)	Periphery index
Østfold	5 531	6.0	-2.8	1.3	2.0	48.3
Buskerud	32 291	3.1	-1.8	-1.8	-2.0	44.8
Vest-Agder	31 942	6.0	-0.5	0.6	-0.2	43.7
Rogaland	29 510	6.2	-4.6	-2.8	-2.0	40.4
Hordaland	73 630	5.9	-5.2	-2.8	-1.4	36.1
Møre og Romsdal	132 586	9.9	-3.7	-2.0	-1.1	42.4
Sør-Trøndelag	68 480	4.1	-5.9	-1.8	-0.4	32.3
Total	374 739	5.8	-4.0	-1.9	-1.1	39.6

## **5.2.3 Concluding remarks on compatibility with Chapter 25.B.3** Table 8 shows some statistics on the area outside and the area within the proposed aid area, and on the country as a whole.

Table 8

Comparing eligible and ineligible area	Population 2005	Population density (per km²)	Population development 85-05 (%)	Population development 95-05 (%)	Population development 00-05 (%)	Periphery index
Area outside the proposed aid area	3 337 848	77,9	17,6 %	9,2 %	4,3 %	78,9
Area within the proposed aid area	1 268 515	4,5	-2,9 %	-1,8 %	-0,8 %	39,9
Norway as a whole	4 606 363	14,2	11,1 %	5,9 %	2,9 %	68,1

The proposed aid area covers 27.5 per cent of Norway's total population, and thus falls below the 29.1 per cent national population ceiling specified in Chapter 25.B.3.3.1(21).

Chapter 25.B.3.3.2(22) (a), indent one, emphasises that flexibility in the selection of areas must not result in an increase in the population covered. The national population ceiling is 29.1 per cent, equivalent to 1 339 551 people. The regions proposed eligible have a total population of 1 268 515, so this requirement is met. In addition, the population coverage of the assisted area is substantially less than that of the unassisted areas (which contain a total of some 3 267 050 persons), cf. Chapter 25.B.3.1(12).

Chapter 25.B.3.3.2(22) (a), indent two, states that the NUTS III parts qualifying for flexibility must have a population density of less than 12.5 inhabitants per square kilometre. The area proposed as eligible in Møre og Romsdal have the highest population density, at 9.9 inhabitants per square kilometre, while the area in Buskerud have the lowest population density, at 3.1 inhabitants per square kilometre. The total swapped-in area has an average population density of 5.8 inhabitants per square kilometre. The total swapped-out area has an average population density of 31.3 inhabitants per square kilometre. The total population density for the area proposed eligible is 4.5 inhabitants per square kilometre, while the total population density for the area not included in the scheme is 77.9.

The contiguity criterion in Chapter 25.B.3.3.2 paragraph (22) (a), indent three, is also met.

The Norwegian authorities are therefore of the opinion that all three of the conditions specified in Chapter 25.B.3.3.2(22) (a) are met.

#### **5.2.4** Periphery Index

Table 9 shows the Periphery Index (PI) of all of the NUTS III regions/NUTS III parts proposed eligible for national regional aid. The PI values distinguish the proposed regions from other regions. They range from between 32 and 50 for the proposed regions to approximately 79 for the rest of the country as a whole, cf. Table 8 above.

NUTS III region or NUTS III part	Population 2005	Population density (per km²)	Population development 85-05 (%)	Population development 95-05 (%)	Population development 00-05 (%)	Periphery index
Østfold	5 531	6,0	-2,8	1,3	2,0	48,3
Hedmark	71 875	3,2	-7,3	-3,3	-2,0	35,1
Oppland	70 611	3,3	-7,4	-4,3	-1,7	33,7
Buskerud	32 291	3,1	-1,8	-1,8	-2,0	44,8
Telemark	65 680	4,7	-4,7	-1,8	-0,7	40,9
Aust-Agder	25 826	3,8	-2,6	-1,5	-1,4	39,7
Vest-Agder	31 942	6,0	-0,5	0,6	-0,2	43,7
Rogaland	29 510	6,2	-4,6	-2,8	-2,0	40,4
Hordaland	73 630	5,9	-5,2	-2,8	-1,4	36,1
Sogn og Fjordane	107 032	5,7	0,8	-0,5	-0,5	40,7
Møre og Romsdal	132 586	9,9	-3,7	-2,0	-1,1	42,4
Sør-Trøndelag	68 480	4,1	-5,9	-1,8	-0,4	32,3
Nord-Trøndelag	90 881	4,4	-3,2	-2,1	-0,5	36,1
Nordland	236 825	6,2	-2,8	-1,9	-1,0	39,7
Troms	152 741	5,9	3,8	1,4	1,0	50,3
Finnmark	73 074	1,5	-4,7	-4,6	-1,3	33,6
Total	1 268 515	4,5	-2,9	-1,8	-0,8	39,9

Table 7 above shows that the regions proposed for inclusion under the flexibility rules all face the primary socioeconomic challenges that characterise low population density areas. The range of PI scores for these regions (from around 32 to approximately 48) is comparable to the range of scores for the NUTS III parts eligible for national regional aid, as illustrated in Table 9.

Table 5 above illustrates that the areas swapped out of the assisted area have a PI range from approximately 59 to around 66, well above the areas swapped into the assisted area, and also well above the average for the total area proposed eligible for national regional aid, which has an average PI of approximately 40.

The PI provides a solid basis for the delimitation of the area eligible for national regional aid, but is insufficient on its own. The Norwegian authorities have therefore also used their own discretion when deciding which areas should be eligible for aid, for example by treating municipalities within a region that forms a functional area similarly.

For more information on the PI, see Annex 3.

#### 6. Statistics and municipal structure

The total number of municipalities in Norway on 1 January 2008 will be 430. In preparing the statistics presented here, the Norwegian authorities have used the municipal structure as it will be on 1 January 2008, to take into account the merger of the municipalities Kristansund and Frei, which will take effect on that date.

#### 7. Concluding remarks

The Norwegian authorities would be pleased to provide any further information the ESA may require about the area proposed eligible for national regional aid, and would be grateful if any queries or requests could be raised as soon as possible.

Yours sincerely,

Jan Sandal Director General

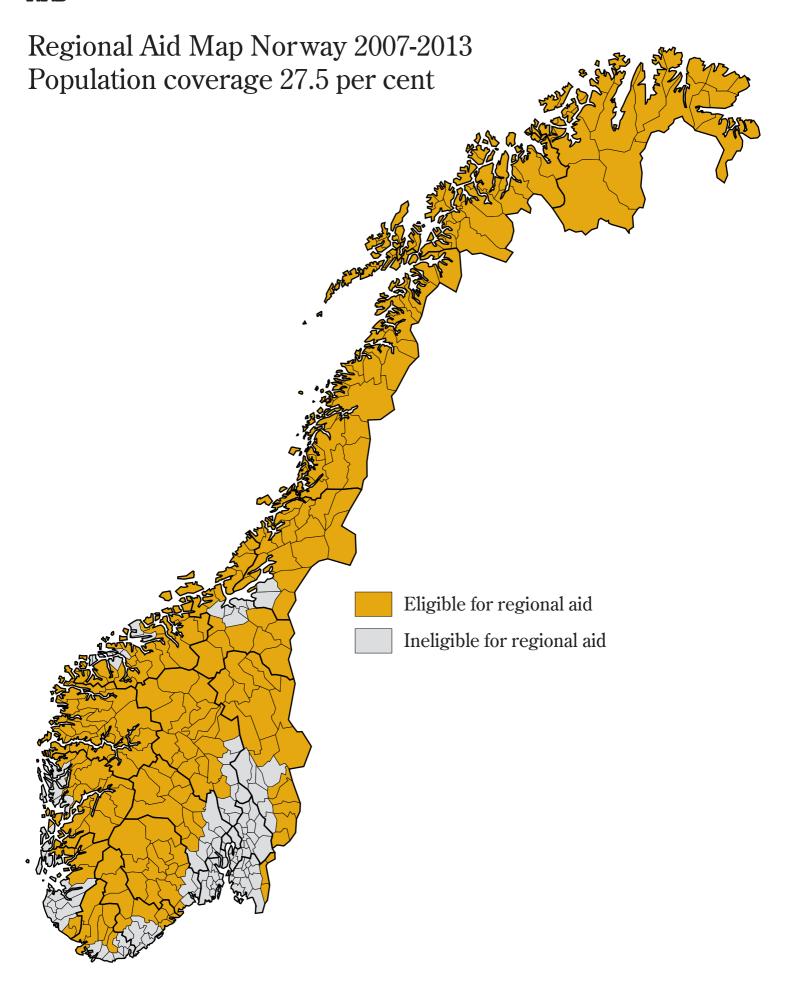
#### **Enclosures**

Annex 1: Aid map and municipalities proposed eligible for national regional aid.

Annex 2: Summary statistics for NUTS III regions

Annex 3: The Periphery Index

Annex 4: Standard form for notification, part I and II



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Kommunal- og regionaldepartementet

Annex 2

Summary statistics for NUTS III-regions							
	Population 2005	Population density	Population development 1985-2005	Population development 1995-2005	Population development 2000-2005	Periphery Indeks	
Østfold	258 542	61,8	10,0 %	8,0 %	4,2 %	72,9	
Akershus	494 218	100,5	27,9 %	13,8 %	5,8 %	90,4	
Oslo	529 846	1167,1	18,4 %	9,6 %	4,4 %	86,5	
Hedmark	188 376	6,9	0,7 %	1,0 %	0,7 %	49,9	
Oppland	183 174	7,3	0,6 %	-0,1 %	0,3 %	50,6	
Buskerud	243 491	16,3	11,1 %	6,6 %	2,8 %	72,3	
Vestfold	220 736	99,6	15,9 %	8,6 %	3,7 %	77,1	
Telemark	166 289	10,9	2,5 %	1,9 %	0,8 %	55,9	
Aust-Agder	103 596	11,2	9,9 %	4,0 %	1,4 %	58,1	
Vest-Agder	161 276	22,2	15,4 %	7,9 %	3,6 %	67,4	
Rogaland	393 104	42,2	21,6 %	9,9 %	4,4 %	78,0	
Hordaland	448 343	29,0	13,6 %	6,9 %	3,8 %	72,6	
Sogn og Fjordane	107 032	5,7	0,8 %	-0,5 %	-0,5 %	40,7	
Møre og Romsdal	244 689	16,2	3,1 %	1,9 %	0,6 %	56,0	
Sør-Trøndelag	272 567	14,5	10,6 %	6,3 %	3,7 %	68,2	
Nord-Trøndelag	128 444	5,7	1,2 %	0,7 %	1,1 %	44,3	
Nordland	236 825	6,2	-2,8 %	-1,9 %	-1,0 %	39,7	
Troms	152 741	5,9	3,8 %	1,4 %	1,0 %	50,3	
Finnmark	73 074	1,5	-4,7 %	-4,6 %	-1,3 %	33,6	
Norway	4 606 363	14,2	11,1 %	5,9 %	2,9 %	68,1	

#### Annex 3 The Periphery Index

The formal criteria in the new guidelines on national regional aid regarding population density and flexibility limit the area eligible for national regional aid.

The Ministry of Local Government and Regional Development, in designating an area as eligible, has been guided by the principles that there should be a *need* for national regional aid and that regions facing the same challenges should be treated equally. The Periphery Index (PI), which is made up of a complex set of criteria (indicators), is helpful in this regard, Cf. TØI (Institute of Transport Economics) report 824/2006 (available only in Norwegian).

A definition of the Norwegian periphery problem has been formulated by the Norwegian Government and the Parliament. It is documented in Proposition No. 1 (2005-2006) to the Storting, Report No. 25 (2004-2005) to the Storting and other documents (Official Norwegian Reports, speeches, etc.). These documents, together with the guidelines on national regional aid and earlier versions of the PI, constituted a framework for the development of a new PI. It takes account of Norwegian periphery problems, their history, and guidelines on national regional aid, and reflects the four major socioeconomic factors in Norwegian periphery problems: geography, demographic changes, economic development, and the labour market and living conditions.

Table 9: Indicators in the new P.Icf. TØI 2006

Indicators in tl	he new PI	Weight	Sum weight
		(%)	(%)
Geography	Centrality, no. of inhabitants in local centres of		
	different sizes (11 classes of centrality)	20	
	Population densities (inhabitants per km²)	10	
	Travel distance to Oslo in minutes	10	40
Demography	Population growth last 10 years (%)	20	
	Proportion of people +67 years old (%)	5	
	Proportion of women 20-39 years old (%)	5	30
Economic	Proportion of employees residing in the same		
development,	municipality, share of population 20-64 years old (%)	10	
labour market	Employment growth last 10 years (%)	10	20
Income	Income per inhabitant +17 years old (NOK)	10	10

The PI can be used to assess Norwegian municipalities, or any other type of region, such as labour market and service regions, economic regions, counties, and NUTS III and NUTS II regions, as the PI for each municipality is given one (and only one) value between 0 (representing a peripheral region) and 100 (representing a central region). This means that the PI can be used to distinguish peripheries from central areas, and in theory also to divide the peripheries into zones.

The original PI produced by the Institute of Transport Economics and the Norwegian Institute for Urban and Regional Research has been slightly modified by the Norwegian authorities. An indicator for employment by place of work has been replaced by one for relative work participation by place of residence. In the view of the Norwegian authorities, this is a better means of distinguishing between true peripheral regions and those that simply have a large number of commuters to urban centres.

#### ANNEX 4

# STANDARD FORM FOR NOTIFICATION OF STATE AIDS PURSUANT TO ARTICLE 1(3) IN PART I OF PROTOCOL 3 TO THE SURVEILLANCE AND COURT AGREEMENT AND FOR THE PROVISION OF INFORMATION ON UNLAWFUL AID

This form shall be used by EFTA States for the notification pursuant to Article 1(3) in Part I of Protocol 3 to the Surveillance and Court Agreement of new aid schemes and individual aid. It shall also be used when a non-aid measure is notified to the Authority for reasons of legal certainty.

EFTA States are also requested to use this form when the Authority requests comprehensive information on alleged unlawful aid.

The present form consists of three parts:

- I. **General Information**: to be completed in all cases
- II. Summary Information for publication in the Official Journal
- III. Supplementary Information Sheet depending on the type of aid

Please note that failure to complete this form correctly may result in the notification being returned as incomplete. The completed form shall be transmitted on paper to the Authority by the Mission to the European Union of the EFTA State concerned or any other contact point designated by the EFTA State. It shall be addressed to the Competition and State Aid Directorate of the Authority.

If the EFTA State intends to avail itself of a specific procedure laid down in any other rules applicable to State aid, a copy of the notification shall be as well addressed to the Director of the Competition and State Aid Directorate of the Authority.



#### **PART I**

#### **GENERAL INFORMATION**

#### STATUS OF THE NOTIFICATION

Doe	Does the information transmitted on this form concern:			
	a notification pursuant to Article 1(3) in Part I of Protocol 3 to the Surveillance and Court Agreement?			
	a possible unlawful aid (1)?			
•	es, please specify the date of putting into effect of the aid. Please complete this n, as well as the relevant supplementary forms.			
	a non-aid measure which is notified to the Authority for reasons of legal certainty?			
mea Agr	is indicate below the reasons why the notifying EFTA State considers that the sure does not constitute State aid in the meaning of Article 61(1) of the EEA eement. Please complete the relevant parts of this form and provide all essary supporting documentation.			
61(1) the	neasure will not constitute State aid if one of the conditions laid down in Article (1) of the EEA Agreement is not fulfilled. Please provide a full assessment of measure in the light of the following criteria focusing in particular on the erion which you consider not to be met:			
i	No transfer of public resources (For example, if you consider the measure is not imputable to the State or where you consider that regulatory measures without transfer of public resources will be put in place)			
	No advantage (For example, where the private market investor principle is respected)			
	No selectivity/specificity (For example, where the measure is available to all enterprises, in all sectors of the economy and without any territorial limitation and without discretion)			
,	No distortion of competition / no affectation of intra-EEA trade (For example, where the activity is not of an economic nature or where the economic activity is purely local)			

<sup>(1)</sup> According to Article 1(f) in Part II of Protocol 3 to the Surveillance and Court Agreement, 'unlawful aid' shall mean new aid put into effect in contravention of Article 1(3) in Part I of Protocol 3 to the Surveillance and Court Agreement.

1



#### Identification of the aid grantor

1.1 EFTA State concerned

**Norway** 

1.2 Region(s) concerned (if applicable)

Areas eligible for national regional aid

1.3 Authority responsible

Ministry of Local Government and Regional Development

Responsible contact person:

Name: Deputy Director General Pål Erik Holte

Address: P.O.Box 8112 Dep., NO-0032 Oslo, Norway

Telephone: +4722247010

Fax: +4722242738

E-mail: pal-erik.holte@krd.dep.no

1.4 Responsible contact person at the the Authority by the Mission to the European Union of the EFTA State concerned or any other contact point designated by the EFTA State.

Name: Counsellor Ann-Kristin Hanssen

Address: Rue Archimède 17, B-1000 Brussels, Belgium

Telephone: +32(0)22341171

Fax: +32(0)22341150

E-mail: akha@mfa.no

1.5 If you wish that a copy of the official correspondence sent by the Authority to the EFTA State should be forwarded to other national authorities, please indicate here their name and address:

Name: Ministry of Government Administration and Reform

Address: P.O.Box 8004 Dep., NO-0030 Oslo, Norway

1.6 Indicate EFTA State reference you wish to be included in the correspondence from the Authority



2	Identification of the aid				
2.1	Title of the aid (or name of company beneficiary in case of individual aid)				
	Map of assisted areas and level of aid				
2.2	<b>Brief description of the objective of the aid.</b> Please indicate primary objective and, if applicable, secondary objective(s):				
		<b>Primary objective</b> (please tick <i>one</i> only)	Secondary objective (2)		
	Regional development Research and development Environmental protection Rescuing firms in difficulty Restructuring firms in difficulty SMEs Employment Training Risk capital Promotion of export and internationalisation Services of general economic interest Sectoral development <sup>3</sup> Social support to individual consumers Compensation of damage caused by natural disasters or exceptional occurrences Execution of an important project of common European interest Remedy for a serious disturbance in the economy Heritage conservation Culture				
2.3.	Scheme - Individual aid (4)				

<sup>(2)</sup> A secondary objective is one for which, in addition to the primary objective, the aid will be exclusively earmarked. For example, a scheme for which the primary objective is research and development may have as a secondary objective small and medium-sized enterprises (SMEs) if the aid is earmarked exclusively for SMEs. The secondary objective may also be sectoral, in the case for example of a research and development scheme in the steel sector.

<sup>(3)</sup> Please specify sector in point 4.2.



2.3.1.	Does the notification relate to an aid scheme?					
	☐ yes ⊠ no					
	- If yes, does the scheme amend an existing aid scheme?					
	☐ yes ☐ no					
- If yes, are the conditions laid down for the simplified notification pursuant to Article 4(2) of the EFTA Surveillance Authority No.195/04/COL fulfilled?						
	☐ yes ☐ no					
	- If yes, please use and complete the information requested by the simplified notification form (see Annex II).					
	- If no, please continue with this form and specify whether the original scheme which is being amended was notified to the Authority.					
	yes no					
	- If yes, please specify:					
	Aid number: 99-004					
	Date of Authority approval (reference of the decision of the Authority (Dec. No.: //): 31 December 1999, Dec. No.: 327/99/COL					
	Duration of the original scheme: 1 January 2000 - 31 December 2006					
	Please specify which conditions are being amended in relation to the original scheme and why:					
Aio	Review of the areas eligible for national regional aid due to the revision of the State d Guidelines					
2.3.2.	Does the notification relate to individual aid?					
	☐ yes ⊠ no					
	- If yes, please tick the following appropriate box					
	aid based on a scheme which should be individually notified					
	Reference of the authorised scheme:					
	Title:					
	Aid number:					
	Decision of Authority approval:					
	individual aid not based on a scheme					

<sup>(4)</sup> According to Article 1(e) in Part II of Protocol 3 to the Surveillance and Court Agreement, 'individual aid' shall mean aid that is not awarded on the basis of an aid scheme and notifiable awards of aid on the basis of an aid scheme.



2.3.3.	Does the notification relate to an individual aid or scheme notified pursuant to an exemption regulation? If yes, please tick the following appropriate box:			
		EC Commission Regulation No. 70/2001 on the application of Articles 87 and 88 EC Treaty to State aid to small and medium-sized enterprises ( <sup>5</sup> ), as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ( <sup>6</sup> ). Please use the supplementary information sheet under part III, 1		
		EC Commission Regulation No. 68/2001 on the application of Articles 87 and 88 EC Treaty to training aid ( <sup>7</sup> ), as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ( <sup>8</sup> ). Please use the supplementary information sheet under part III, 2		
	EC Tr by EE	ommission Regulation No. 2204/2002 on the application of Articles 87 and 88 reaty to State aid for employment (9), as incorporated into the EEA Agreement A Joint Committee Decision No. 83/2003 of 20 June 2003 (10). Please use the ementary information sheet under part III, 3		

#### 3 National Legal Basis

3.1 Please list the national legal basis including the implementing provisions and their respective sources of references:

Title: Forskrift om investeringstilskot og avgrensing av det geografiske verkeområdet for dei regional- og distriktspolitiske verkemidla (to be updated upon the decision of the Authority)

Reference (where applicable):

- (5) EC Commission Regulation No. 70/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium sized enterprises, OJ No. L 10, 13.1.2001, p. 33. The amendments contained in EC Commission Regulation No. 364/2004 as regards the extension of its scope to include aid for research and development, OJ No. 63, 28.2.2004, p. 22 are only applicable once this Regulation has been incorporated into the EEA Agreement.
- (6) OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1f of Annex XV to the EEA Agreement.
- (7) EC Commission Regulation No. 68/2001 of 12 January 2001 on the application of Articles 87 and 88 of the EC Treaty to State aid to training aid, OJ No. L 10, 13.1.2001, p. 20. The amendments contained in EC Commission Regulation No. 363/2004 on the application of Articles 87 and 88 of the EC Treaty to training aid. OJ No. L 63, 28.2.2004, p. 20 are only applicable once this Regulation has been incorporated into the EEA Agreement.
- (8) OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1d of Annex XV to the EEA Agreement.
- (9) EC Commission Regulation No. 2204/2002 of 12 December 2002 on the application of Articles 87 and 88 of the EC Treaty to State aid for employment, OJ No. L 337, 13.12.2002, p. 3 and OJ No. L 349, 24.12.2002, p. 126.
- (10) OJ No. L 257, 9.10.2003 and EEA Supplement No. 51, cf. point 1g of Annex XV to the EEA Agreement.



3.2	Please	e indicate the	e document(s) enclosed with this notification:	
		A copy of tweb link, if	the relevant extracts of the final text(s) of the legal basis (and a possible)	
		A copy of t web link, if	the relevant extracts of the draft text(s) of the legal basis (and a existing)	
3.3		ting body can	I text, does the final text contain a clause whereby the aid a only grant after the Authority has cleared the aid (stand still	
		yes	no	
4	Ben	eficiaries		
4.1	Loca	Location of the beneficiary(ies)		
		in (an) unas	ssisted region(s)	
			n(s) eligible for assistance under Article 61(3)(c) of the EEA (specify at NUTS-level 3 or lower)	
			n(s) eligible for assistance under Article 61(3)(a) (specify at 2 or lower)	
		mixed: spec	rify:	
4.2	Secto	or(s) of the be	eneficiary(ies):	
	$\boxtimes$		Not sector specific	
		В	Mining and Quarrying	
		10.1	Coal	
		C	Manufacturing industry	
		17	Textiles	
		21	Pulp and paper	
		24	Chemical and pharmaceutical industry	
		24.7	Man-made fibres	
		27.1	Steel (11)	
		29	Industrial machinery	
		DL	Electrical and optical equipment	
		34.1	Motor vehicles	
		35.1	Shipbuilding	

<sup>(11)</sup> Annex B of the EFTA Surveillance Authority's Guidelines Chapter 26A on Multisectoral framework on regional aid for large investment projects (not yet published).



			Other Manufacturing sector,
			please specify:
		D	Electricity, gas and water supply
		E	Construction
		52	Retail Services
		F	Hotels and restaurants (Tourism)
		G	Transport
		60	Land transport and transport via pipelines
		60.1	Railways
		60.2	Other land transport
		61.1	Sea and coastal water transport
		61.2	Inland water transport
		62	Air transport
		64	Post and telecommunications
		H	Financial intermediation
		72	Computer and related activities
		92	Recreational, cultural and sporting activities
			Other, please specify according to NACE rev. 1.1 classification ( <sup>12</sup> ):
			chassification ( ).
4.3	In ca	ase of an indivi	
4.3		ase of an individue of the benefic	dual aid:
4.3	Nam		dual aid:
4.3	Nam	e of the benefic	dual aid:
4.3	Nam Type	e of the benefic	dual aid:
4.3	Nam Type  Num	e of the benefic e of beneficiary: SME	dual aid:
4.3	Nam Type I Num Annu	e of the benefic e of beneficiary: SME aber of employed	dual aid: iary:
4.3	Nam Type Num Annu	e of the benefic e of beneficiary: SME aber of employed ual turnover:	dual aid: iary:
4.3	Nam Type Num Annu Annu Indej	e of the beneficiary: SME aber of employed ual turnover: ual balance-shee pendence ase attach a sole	dual aid: iary:
4.3	Nam Type Num Annu Annu Indej	se of the beneficiary: SME sher of employed ual turnover: ual balance-shee pendence ase attach a soler ommendation on re criteria):	dual aid: iary: es: es:  mn declaration in line with the EC Commission SME ( <sup>13</sup> ) or provide any other evidence to demonstrate the
4.3	Nam Type Num Annu Annu Indej	e of the beneficiary: SME Sher of employed ual turnover: ual balance-shee pendence ase attach a soler ommendation on	dual aid: iary: es: en mn declaration in line with the EC Commission SME (13) or provide any other evidence to demonstrate the

(12) NACE Rev.1.1 is the Statistical classification of economic activities in the European Community.

<sup>(13)</sup> EC Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises, OJ No. L 124, 20.5.2003, p. 36 and EC Commission Regulation No.



4.4	In case of an aid scheme:				
	Type of beneficiaries:				
	all firms (large firms and small and medium-sized enterprises)				
	only large enterprises				
	small and medium-sized enterprises				
	medium-sized enterprises				
	small enterprises				
	micro enterprises				
l	the following beneficiaries:				
l	Estimated number of beneficiaries:				
	under 10				
	☐ from 11 to 50				
	from 51 to 100				
	from 101 to 500				
	from 501 to 1000				
	over 1000				
5	Amount of aid / Annual expenditure				
	In case of an individual aid, indicate the overall amount of each measure concerned:				
	In case of a scheme, indicate the annual amount of the budget planned and the overall amount (in national currency):				
	For tax measures, please indicate the estimated annual and overall revenue losses due to tax concessions for the period covered by the notification:				
	If the budget is not adopted annually, please specify what period it covers:				
	If the notification concerns changes to an existing scheme, please give the budgetary effects of the notified changes to the scheme:				

<sup>364/2004</sup> amending Regulation No. 70/2001 as regards the extension of its scope to include aid for research and development, OJ No. L 63, 28.2.2004, p. 22, only applicable once incorporated into the EEA Agreement.

<sup>(14)</sup> As defined in the EFTA Surveillance Authority Guidelines Chapter 16 (OJ No. L 274, 26.10.2000 and EEA Supplement No. 48).



The notification defines the assisted area, and maximum aid intensities, not individual aid schemes.

6	Fori	n of the aid and means of funding
	Specif	Ty the form of the aid made available to the beneficiary (where appropriate, for each measure):
	X	Direct grant
	X	Soft loan (including details of how the loan is secured)
		Interest subsidy
		Tax advantage (e.g. tax allowance, tax base reduction, tax rate reduction, tax deferment).
		Please specify:
		Reduction of social security contributions
	X	Provision of risk capital
		Debt write-off
	X	Guarantee (including amongst others information on the loan or other financial transaction covered by the guarantee, the security required and the premium to be paid)
	X	Other. Please specify:
	condit and w fulfille	ach instrument of aid, please give a precise description of its rules and ions of application, including in particular the rate of award, its tax treatment thether the aid is accorded automatically once certain objective criteria are ed (if so, please mention the criteria) or whether there is an element of tion by the awarding authorities.
	Rules	and conditions of application to be described per notified scheme after the Authority's decision on the notified aid area.
		Ty the financing of the aid: if the aid is not financed through the general t of the State/region/municipality, please explain its way of financing:
		Through parafiscal charges or taxes affected to a beneficiary, which is not the State. Please provide full details of the charges and the products/activities on which they are levied. Specify in particular whether products imported from other EEA States are liable to the charges. Annex a copy of the legal basis for the imposition of the charges
		Accumulated reserves
		Public enterprises



	Other (please specify)
7	Duration
7.1	In the case of an individual aid:
	Indicate the date when the aid will be put into effect (If the aid will be granted in <i>tranches</i> , indicate the date of each <i>tranche</i> )
	Specify the duration of the measure for which the aid is granted, if applicable
7.2	In the case of a scheme:
	Indicate the date from which on the aid may be granted 1 January 2007
	Indicate the last date until which aid may be granted 31 December 2013
	If the duration exceeds six years, please demonstrate that a longer time period is indispensable to achieve the objective(s) of the scheme:
8	Cumulation of different types of aid
	Can the aid be cumulated with aid received from other local, regional, national or Community schemes to cover the same eligible costs?
	□ yes □ no
	If so, describe the mechanisms put in place in order to ensure that the cumulation rules are respected:
9	Professional Confidentiality
	Does the notification contain confidential information which should not be disclosed to third parties?
	☐ yes ⊠ no
	If so, please indicate which parts are confidential and explain why:



If no, the Authority will publish its decision without asking the EFTA State.

10	Con	patibility of the aid
	Please identify which of the existing rules applicable to State aid provide explicit legal basis for the authorisation of the aid (where appropriate planes specify for each measure) and complete the relevant supplementary information in part III	
		SME aid
		Notification of an individual aid pursuant to Article 6 of Regulation (EC) No. 70/2001, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 (15).
		Notification for legal certainty
		Training aid
		Notification of an individual aid pursuant to Article 5 of Regulation (EC) No. 68/2001, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 88/2002 of 25 June 2002 ( <sup>16</sup> ).
		Notification for legal certainty
		Employment aid
		Notification of an individual aid pursuant to Article 9 of Regulation (EC) No. 2204/2002, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 83/2003 of 20 June 2003 (17).
		Notification of a scheme pursuant to Article 9 of Regulation (EC) No. 2204/2002, as incorporated into the EEA Agreement by EEA Joint Committee Decision No. 83/2003 of 20 June 2003 (18).
		Notification for legal certainty
		Regional aid
		Aid coming under the multisectoral framework on regional aid for large

<sup>(15)</sup> OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1f of Annex XV to the EEA Agreement. EC Commission Regulation No. 70/2001 has been amended by EC Commission Regulation No. 364/2004 as regards the extension of its scope to include aid for research and development only applicable once incorporated into the EEA Agreement.

<sup>(16)</sup> OJ No. L 266, 3.10.2002 and EEA Supplement No. 49, cf. point 1d of Annex XV to the EEA Agreement. EC Commission Regulation No. 68/2001 has been amended by EC Commission Regulation No. 363/2004 on application of Articles 87 and 88 of the EC Treaty to training aid only applicable once incorporated into the EEA Agreement).

OJ No. L 257, 9.10.2003 and EEA Supplement No. 51, cf. point 1g of Annex XV to the EEA Agreement.

<sup>(18)</sup> OJ No. L 257, 9.10.2003 and EEA Supplement No. 51, cf. point 1g of Annex XV to the EEA Agreement.



	Declaration
Notif 2007-	ication letter of areas eligible for national regional aid and aid level for the period -2013
13	Attachments
	Please indicate here any other information you consider relevant to the assessment of the measure(s) concerned under State aid rules.
12	Other Information
	If yes, please provide complete details:
	☐ yes ☐ no
	In the case of individual aid has any potential beneficiary of the measure received state aid which is the subject of an outstanding recovery order by the Authority?
11	Outstanding recovery orders
	Where the existing rules applicable to State aid do not provide an explicit basis for the approval of any of the aid covered by this form, please provide a fully reasoned justification as to why the aid could be considered as compatible with the EEA Agreement, referring to the applicable exemption clause of the EEA Agreement (Article 59(2), Article 61(2) (a) or (b), Article 61(3) (a), (b), (c) as well as other specific provisions relating to Transport.
	Shipbuilding aid
	Aid in the transport sector
	<ul><li>Environmental protection aid</li><li>Risk capital aid</li></ul>
	Aid for audio-visual production
	Aid for restructuring firms in difficulty
	Aid for rescuing firms in difficulty
	Research and development aid

I certify that to the best of my knowledge the information provided on this form, its



annexes and its attachments is accurate and complete.

Date and place of signature Oslo,

Signature:

Name and position of person signing Jan Sandal (b.a.), General Director

#### **PART II**

## SUMMARY INFORMATION FOR PUBLICATION IN THE OFFICIAL JOURNAL

Number of aid:	(to be completed by the Authority)			
EFTA State:	Norway			
Region:				
Title and objective of aid schemes or name of company beneficiary of an individual aid (aid based on a scheme which should however be notified individually and aid not based on a scheme ):	Regional Aid Map – map of assisted areas and levels of aid			
Legal basis:	Article 61 (3	Article 61 (3)(c), Chapter 25.B		
Annual expenditure planned or overall amount of individual aid granted: (In national currency)	Aid scheme	Annual expenditure planned:	Euro million	
		Overall amount:	Euro million	
	Individual aid	Overall amount of each measure:	Euro million	
Duration:	1 January 20 2013	007 – 31.December		
Maximum aid intensity of the individual aid or the aid scheme:	General Aid Ceiling: 15 pct. Supplement for medium sized enterprises: 10 pct. Supplement for small sized enterprises: 20 pct.			
Economic sectors:	All sectors: Every sector of the economy falling within the scope of the EEA Agreement and the competences of the Authority (cf. 25.B.2).  No regional investment aid may be granted in the synthetic fibres sector.			

	or Limited to specific sectors as mentioned in the "General information", (Part I, par. 4.2.)
Name and address of the granting	Name: Ministry of Local Government and
authority	Regional Development, P.O.Box 8112 Dep,
	NO-0032 Oslo, Norway