Industri 2050 program (Industry 2050 programme)

State aid Reference no.: GBER 28/2023/ENV

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# Description of the aid measure

## State

Norway

## Aid granting Authority

Enova SF[[1]](#footnote-1) is the authorized body to implement the Programme.

## Objective of the aid programme and eligible activities

The Industry 2050 programme (hereby the Programme) is a framework for distributing several individual grants of state aid and aims at speeding up the technology development and uptake of innovations that can contribute to reduction of emissions in the field of Industry.

Eligible for aid under the Programme will be projects aiming at:

1. The reduced use of fossil energy carriers for heating and mechanical working processes
2. Reduction of greenhouse gas emissions from production processes
3. Capture and permanent storage of CO2 emissions

Projects utilising technology for the production of electrofuels or synthetic fuels (fuels manufactured using captured carbon dioxide together with hydrogen), or other products with a short retention time for carbon (< 100 years) will not qualify for support under the Programme.

## Scope of the programme

The Programme is open to large undertakings and SMEs that are registered in the Norwegian Register of Business Enterprises[[2]](#footnote-2). The projects receiving aid under the Programme must be realized in Norway or within the Norwegian economic zone.

## Legal Basis

The national legal basis for Enova SF as aid grantor is:

* Parliamentary Decision of 5 April 2001[[3]](#footnote-3) on the basis of a proposition by the Ministry of Petroleum and Energy of 21 December 2000[[4]](#footnote-4) The Parliamentary Decision amends the Energy Act of 29 June 1990 No 50 (Energiloven)
* the Agreement[[5]](#footnote-5) (Avtalen) between Enova and the Ministry of Climate and Environment[[6]](#footnote-6), on the management of the funds derived from Enova’s budget.

Aid granted under this Programme will comply with Commission Regulation (EU) No 651/2014[[7]](#footnote-7), declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (General Block Exemption Regulation or GBER), and the following articles: GBER 25, 36, 38, 41 and 49.

The national legal basis for aid granted under this Programme[[8]](#footnote-8) is the programme specific regulations found in the programme criteria for Industry 2050 (*3 Programkriterier Industri 2050*) and the present document describing the Programme’s compliance under Commission Regulation (EU) No 651/2014.

In order to ensure compliance with the Commission Regulation (EU) No 651/2014 (GBER), aid under the Programme must fulfil the relevant requirements set in GBER in chapters I, II and III.

# Compliance with the general rules in GBER (art.1-12)

## Aid Category and Definitions

Aid under the Programme falls under the following categories of aid in line with article 1 of GBER:

* Aid for environmental protection (art. 1(c) GBER)
* Aid for research and development and innovation (art. 1(d) GBER)

For the purpose of the Programme the definitions laid down in Chapter 1 Article 2 of the General Block Exemption Regulation (GBER) are applied by Enova SF.

Aid under the Programme will be compliant with the scope of application of the GBER as described in the paragraphs of article 1 GBER.

Aid will not be granted to undertakings that are in difficulty or subject to a pending recovery order in line with article 1 §4(a) and (c) and article 2 §18(a) of GBER.

## Notification thresholds, duration of the Programme and total budget for aid under the Programme

In line with article 4 GBER, aid under the Programme shall not exceed the following thresholds (also in cases when it is cumulated with other aid, ref. article 8 GBER):

In the case of aid for research and development:

* if the project is predominantly industrial research: EUR 20 million per undertaking, per project; that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of industrial research or within the categories of industrial research and fundamental research taken together;
* if the project is predominantly experimental development: EUR 15 million per undertaking, per project; that is the case where more than half of the eligible costs of the project are incurred through activities which fall within the category of experimental development;
* aid for feasibility studies in preparation for research activities: EUR 7,5 million per study;

In the case of investment aid for environmental protection, excluding investment aid for publicly accessible recharging or refueling infrastructure for zero or low emission vehicles, investment aid for the remediation of contaminated sites and aid for the distribution network part of the energy efficient district heating and cooling installation: EUR 15 million per undertaking per investment project; EUR 30 million for aid for energy efficiency investments in certain buildings falling within the scope of Article 38(3a); and EUR 30 million of total nominal outstanding financing for aid for energy efficiency investments in certain buildings falling within the scope of Article 38(7);

The Programme will run from February 2nd 2023 until December 31st 2027.

The annual budget for the Programme is estimated to maximum 654 MNOK.

Should the budget for the Programme increase Enova will inform the EFTA Surveillance Authority.

## Transparency of aid

All aid awarded under the Programme will be transparent and in line with criteria set out in Article 5 of the GBER.

Aid under the Programme may be awarded by way of grants.

## Incentive effect of the aid

The Programme concerns aid that has an incentive effect, in line with the criteria set out in article 6 of the GBER.

Aid recipients must demonstrate that the aid is required for projects to proceed by submitting a written application before work on the project or activity has started. The application will as a minimum contain the following information (Art 6 GBER):

(a) Name and size of the undertaking receiving the aid;

(b) Description of the project, including its start and end dates;

(c) Location of the project;

(d) List of project costs;

(e) Type of aid (for example grant) and amount of public funding needed for the project

## Aid Intensity and eligible costs

In line with article 7 GBER, for the purposes of calculating aid intensity and eligible costs, all figures used shall be taken before any deduction of tax or other charge. The eligible costs shall be supported by documentary evidence which shall be clear, specific and contemporary.  Aid payable in the future, including aid payable in several instalments, shall be discounted to its value at the moment it is granted.The eligible costs shall be discounted to their value at the moment the aid is granted. The interest rate to be used for discounting purposes shall be the discount rate applicable at the moment the aid is granted.

## Cumulation

According to article 8 of the GBER, in determining whether the notification thresholds and the maximum aid intensities are respected, the total amount of State aid for the activity or project shall be taken into account. The total amount of State aid may be comprised of local, regional, national or other funds managed and controlled by Norway as a contracting party to the EEA Agreement.

EU funding that is understood as centrally managed by the institutions, agencies, joint undertakings or other bodies of the EU and outside the direct and indirect control of Norway will not be regarded as state aid and will thus not be taken into account when determining whether notification thresholds and maximum aid intensities or maximum aid amounts are respected.

The total amount of public funding, which includes State aid and EU funding together and is granted in relation to the same eligible costs should not exceed the most favourable funding rate[[9]](#footnote-9) laid down in the applicable rules of EU/EEA Law.

Aid under the Programme that is granted based on identifiable eligible costs may be cumulated with

* any other State aid, as long as those measures concern different identifiable eligible costs;
* any other State aid, in relation to the same eligible costs, partly or fully overlapping, only if such cumulation does not result in exceeding the highest aid intensity or aid amount applicable to this aid under GBER.

Aid provided under this Programme will not be cumulated with any de minimis aid in respect of the same eligible costs, if such cumulation would breach the applicable aid intensities.

In all cases, cumulation of aid under the Programme will respect the rules set out in article 8 of GBER.

## Publication and Information

In accordance with article 9 GBER, Enova will ensure the publication on Norway’s national State aid register of:

* The summary information about each aid measure exempted under GBER in the standardised format laid down in Annex II of the GBER (ref. GBER information sheet), or a link providing access to it
* The full text of each aid measure, including its amendments (ref. the Scheme), or a link providing access to it
* The information referred to in Annex III of the GBER on each individual aid award exceeding EUR 500 000

In particular, the information on each individual aid award shall be organised and accessible in a standardised manner, as described Annex III, and shall allow for effective search and download functions.

All the above information shall be published within 6 months from the date the aid was granted and shall be available for at least 10 years from the date on which the aid was granted.

## Reporting and Monitoring

Enova will follow the requirements on reporting and monitoring as they are described in articles 11 and 12 of the GBER.

Detailed records with the necessary information and supporting documentation will be maintained for 10 years from the date of the last award of aid under the Scheme.

Enova will provide the EFTA Surveillance Authority with all the information and documentation it considers necessary to monitor the application of the GBER within 20 days of such request from the Authority.

# Compliance with Chapter 3 GBER

The costs of the project must be transparent and directly and exclusively related to the project. The eligible costs must also be specified at the time of application.

There is no automatic entitlement to support from the Programme. All support is subject to rigorous due diligence appraisal and internal approval by Enova and all projects shall be assessed against the conditions of the Programme and the criteria set out by Enova.

## Aid for research and development and innovation

Aid under the Programme aimed at promoting research and development will be granted in line with the conditions set out in article 25 GBER.

The aided part of the research and development project shall completely fall within one or more of the following categories:

* industrial research
* experimental development
* feasibility studies

The eligible costs allocated to the above-mentioned categories are the following:

(a) personnel costs: researchers, technicians and other supporting staff to the extent employed on the project;

(b) costs of instruments and equipment to the extent and for the period used for the project. Where such instruments and equipment are not used for their full life for the project, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible.

(c) Costs for of buildings and land, to the extent and for the duration period used for the project. With regard to buildings, only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible. For land, costs of commercial transfer or actually incurred capital costs are eligible.

(d) costs of contractual research, knowledge and patents bought or licensed from outside sources at arm's length conditions, as well as costs of consultancy and equivalent services used exclusively for the project;

(e) additional overheads and other operating expenses, including costs of materials, supplies and similar products, incurred directly as a result of the project;

The eligible costs for feasibility studies shall be the costs of the study.

The table below offers an overview of the applicable aid intensities:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Supported activity | Large Company​ | Medium Company​ | Small Company​ | Bonus if effective collaboration or wide dissemination of results[[10]](#footnote-10) (up to a maximum of 50%)​ |
| Industrial Research​ | **50%**​ | **50%**​ | **50%**​ |  |
| Experimental development​ | **25%**​ | **35%**​ | **45%**​ | **15%**​ |
| Feasibility Studies[[11]](#footnote-11) | **50%** | **50%** | **50%** | **-** |

## Aid for environmental protection

Aid under the Programme aimed at promoting environmental protection will be granted in line with the conditions set out in articles 36, 38, 41 and 49 GBER.

To be eligible for aid for enabling undertakings to go beyond Union standards for environmental protection or to increase the level of environmental protection in the absence of Union standards in line with article 36 GBER, the investment shall fulfil the following conditions:

(a) The investment in the environmentally friendly activity shall enable the beneficiary to increase the level of environmental protection resulting from its activities by improving on the applicable Union standards, irrespective of the presence of mandatory national standards that are more stringent than the Union standards;

or

(b) it shall enable the beneficiary to increase the level of environmental protection resulting from its activities in the absence of Union standards.

Aid shall not be granted where investments are undertaken to ensure that undertakings comply with Union standards already adopted and not yet in force.

Aid further may be granted for:

(a) the acquisition of new transport vehicles for road, railway, inland waterway and maritime transport complying with adopted Union standards, provided that the acquisition occurs before those standards enter into force and that, once mandatory, they do not apply to vehicles already purchased before that date.

(b) retrofitting of existing transport vehicles for road, railway, inland waterway and maritime transport, provided that the Union standards were not yet in force at the date of entry into operation of those vehicles and that, once mandatory, they do not apply retroactively to those vehicles.

The eligible costs shall be the extra investment costs necessary to go beyond the applicable Union standards or to increase the level of environmental protection in the absence of Union standards. They shall be determined as follows:

(a) where the costs of investing in environmental protection can be identified in the total investment cost as a separate investment, this environmental protection-related cost shall constitute the eligible costs;

(b) in all other cases, the costs of investing in environmental protection are identified by reference to a similar, less environmentally friendly investment that would have been credibly carried out without the aid. The difference between the costs of both investments identifies the environmental protection-related cost and constitutes the eligible costs.

The costs not directly linked to the achievement of a higher level of environmental protection shall not be eligible.

|  |  |  |  |
| --- | --- | --- | --- |
| Supported activity | Large Company​ | Medium Company​ | Small Company​ |
| Investment aid for enabling undertakings to go beyond Union standards for environmental protection or to increase the level of environmental protection in the absence of Union standards | **40%**​ | **50%**​ | **50%**​ |

To be eligible for aid for energy efficiency measures in line with article 38 GBER, the investment shall fulfil the following conditions:

Aid shall not be granted where improvements are undertaken to ensure that undertakings comply with Union standards already adopted, even if they are not yet in force.

The eligible costs shall be the extra investment costs necessary to achieve the higher level of energy efficiency. They shall be determined as follows:

- where the costs of investing in energy efficiency can be identified in the total investment cost as a separate investment, this energy efficiency-related cost shall constitute the eligible costs;

- in all other cases, the costs of investing in energy efficiency shall be identified by reference to a similar, less energy efficient investment that would have been credibly carried out without the aid. The difference between the costs of the two investments identifies the energy efficiency-related cost and constitutes the eligible costs.

The costs not directly linked to the achievement of a higher level of energy efficiency shall not be eligible.

|  |  |  |  |
| --- | --- | --- | --- |
| Supported activity | Large Company​ | Medium Company​ | Small Company​ |
| Investment aid for energy efficiency measures | **30%**​ | **40%**​ | **50%**​ |

Aid for the promotion of energy from renewable sources will be in line with article 41 GBER.

The eligible costs shall be the extra investment costs necessary to promote the production of energy from renewable sources. They shall be determined as follows:

(a) where the costs of investing in the production of energy from renewable sources can be identified in the total investment cost as a separate investment, for instance as a readily identifiable add-on component to a pre-existing facility, this renewable energy-related cost shall constitute the eligible costs;

(b) where the costs of investing in the production of energy from renewable sources can be identified by reference to a similar, less environmentally friendly investment that would have been credibly carried out without the aid, this difference between the costs of both investments identifies the renewable energy-related cost and constitutes the eligible costs;

(c) for certain small installations where a less environmentally friendly investment cannot be established as plants of a limited size do not exist, the total investment costs to achieve a higher level of environmental protection shall constitute the eligible costs.

The costs not directly linked to the achievement of a higher level of environmental protection shall not be eligible.

|  |  |  |  |
| --- | --- | --- | --- |
| Supported activity | Large Company​ | Medium Company​ | Small Company​ |
| Investment aid for the promotion of energy from renewable sources | **45%**​ | **50%**​ | **50%**​ |

Aid for environmental studies under the Programme will be granted in accordance with the conditions set out in Article 49 GBER.

The Programme supports investments in studies, including energy audits, directly linked to investments referred to in Section 7 of the GBER. The eligible costs will be the costs of such studies.

Aid shall not be granted to large undertakings for energy audits carried out under Article 8(4) of the Directive 2012/27/EU, unless the energy audit is carried out in addition to the mandatory energy audit under that Directive.

|  |  |  |  |
| --- | --- | --- | --- |
| Supported activity | Large Company​ | Medium Company​ | Small Company​ |
| Aid for environmental studies | **50%**​ | **50%**​ | **50%**​ |

1. <https://www.enova.no/about-enova/> [↑](#footnote-ref-1)
2. <https://www.brreg.no/en/> [↑](#footnote-ref-2)
3. Odelstingets vedtak til lov om endringar i lov 29. juni 1990 nr. 50 om produksjon, omforming, overføring, omsetning og fordeling av energi m.m. (energilova). (Besl.O.nr.75 (2000-2001), jf. Innst.O.nr.59 (2000-2001) og Ot.prp.nr.35 (2000-2001)). [↑](#footnote-ref-3)
4. Ot.prp.nr.35 (2000-2001) [↑](#footnote-ref-4)
5. The agreement can be found in: <https://www.enova.no/om-enova/om-organisasjonen/oppdragsbrev-og-avtaler/>  [↑](#footnote-ref-5)
6. On the 1st May 2018 the ownership of Enova (and the Agreement) was transferred from the Ministry of Oil and Energy to the Ministry of Climate and Environment. Reference is made to the letter of assignment (Oppdrags brev 2019) of Enova’s ownership.

   <https://www.regjeringen.no/contentassets/051d75e38a4743c3a29f2bb169a4443d/enova_2019.pdf>   [↑](#footnote-ref-6)
7. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0651-20210801> [↑](#footnote-ref-7)
8. As a rule, Enova’s programmes are authorized by Enova’s board, before being published on Enova’s website. [↑](#footnote-ref-8)
9. The term "funding rate" is broader than "aid intensity". It refers to the ratio of the total amount of public funding (State aid and EU funding together) to the eligible costs for a specific project. [↑](#footnote-ref-9)
10. The results of the project are widely disseminated through conferences, publication, open access repositories, or free or opensource software. [↑](#footnote-ref-10)
11. The maximum amount of support for feasibility studies is limited to NOK 1 million per project. [↑](#footnote-ref-11)