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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 23 February 2016

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2016) 84 final

Subject: Proposal for a COUNCIL DECISION on the signing, on behalf of the
European Union, and provisional application of the Agreement between the
European Union, Iceland, the Principality of Liechtenstein and the Kingdom
of Norway on an EEA Financial Mechanism 2014-2021, the Agreement
between the Kingdom of Norway and the European Union on a Norwegian
Financial Mechanism for the period 2014-2021, the Additional Protocol to
the Agreement between the European Economic Community and the
Kingdom of Norway and the Additional Protocol to the Agreement between
the European Economic Community and Iceland

Delegations will find attached document COM(2016) 84 final.

Encl.: COM(2016) 84 final



Brussels, 23.2.2016
COM(2016) 84 final

2016/0051 (NLE)

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, and provisional application of the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2014-2021, the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway and the Additional Protocol to the Agreement between the European Economic Community and Iceland

EXPLANATORY MEMORANDUM

The Agreement on the European Economic Area (hereinafter referred to as ‘the Agreement’) allows Norway, Iceland and Liechtenstein (‘the EEA EFTA States’) to participate fully in the single market. In conjunction with this, since the entry into force of the Agreement in 1994, these three countries have also contributed to the alleviation of economic and social disparities in the EEA in accordance with Article 115 of the Agreement. In addition, Norway has contributed through a separate Norwegian financial mechanism. The most recent financial mechanisms expired on 30 April 2014.

In view of the continued need to alleviate economic and social disparities within the European Economic Area, on 7 October 2013 the Council authorised the Commission to open negotiations with Iceland, the Liechtenstein and Norway on an agreement on the future financial contributions to be made by the EEA EFTA States towards improving economic and social cohesion in the European Economic Area.¹ Formal negotiations were opened in January 2014. In parallel, but independently of the negotiations on the financial mechanism, a review of the EU-Iceland and EU-Norway fish trade protocols was opened on the basis of the revision clause of the additional protocols to the Free Trade Agreements with Norway and Iceland.²

The negotiations were concluded at negotiators’ level with the initialling on 17 July 2015 of:

- the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2014-2021 (‘the EEA Financial Mechanism Agreement’);
- the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021 (‘the Norway Agreement’);
- the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway (‘the Norway Protocol’); and
- the Additional Protocol to the Agreement between the European Economic Community and Iceland (‘the Iceland Protocol’).

The attached proposal relates to the signature and provisional application of the EEA Financial Mechanism Agreement, the Norway Agreement, the Norway Protocol and the Iceland Protocol.

The EEA Financial Mechanism Agreement and the Norway Agreement will together provide a financial contribution of the EEA EFTA States to the economic and social cohesion in the EEA of EUR 2.8 billion for the period 2014-2021. They will also allocate a certain amount of financial resources to tackling youth unemployment. This outcome reflects the negotiating directives agreed by the Council, which refer to a) an ‘overall increase’ in the financial

¹ Document 12239/13 ADD 1 of the Council.

² OJ L 291, 9.11.2010, pp. 14 and 18.

contribution (the overall increase is 11.3 % compared to the period 2009-2014); b) a possible new allocation to address the effects of youth unemployment; c) the application of the Cohesion Fund distribution key; d) the alignment of the new financial period with the timing of the EU Cohesion policy instrument (2014-2020); e) a reduced number of priorities compared with the previous financial period; and f) streamlined implementation provisions.

The review of the EU-Iceland and EU-Norway fish trade protocols led to new concessions being granted to both countries for the period 2014-2021. These concessions essentially constitute a renewal of the concessions that were in place for the period 2009-2014 with: a) for Iceland, a modest increase in the two tariff quotas; and b) for Norway, a modest increase in the concessions for some tariff lines and a renewal of the previous concessions for other tariff lines. Norway will renew the fish transit arrangement for a seven-year period, starting from the date when the new concessions come into provisional application.

The Agreements and Protocols are to be applied provisionally as of the dates stipulated in their Articles, pending completion of the relevant procedures for their ratification or conclusion and entry into force.

The Commission has judged the results of the negotiations to be satisfactory and proposes that the Council adopts the attached Decision on the signature and provisional application of the EEA Financial Mechanism Agreement, the Norway Agreement, the Norway Protocol and the Iceland Protocol.

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, and provisional application of the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2014-2021, the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway and the Additional Protocol to the Agreement between the European Economic Community and Iceland

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 175, third subparagraph and 207, in conjunction with Article 218(5) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) There remains a need to alleviate economic and social disparities within the European Economic Area, and a new mechanism for the financial contributions of the EEA EFTA States and a new Norwegian financial mechanism should therefore be established.
- (2) On 7 October 2013, the Council authorised the Commission to open negotiations with Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an agreement on the future financial contributions of the EEA EFTA States to economic and social cohesion in the European Economic Area. The Commission has negotiated, on behalf of the European Union, an Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism for the period 2014-2021. This will take the form of a Protocol 38c to the EEA Agreement. The Commission has also negotiated, on behalf of the European Union, an Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021.
- (3) The special provisions on imports into the EU of certain fish and fisheries products originating in Iceland and Norway, set out in the Additional Protocols to their respective Free Trade Agreements with the European Economic Community, expired on 30 April 2014 and should be reviewed in accordance with Article 1 of these Protocols. The Commission has therefore negotiated new Additional Protocols to the Agreement between the European Economic Community and the Kingdom of Norway and to the Agreement between the European Economic Community and Iceland.

- (4) Each of the Agreements and Protocols referred to above provide for its own provisional application before its entry into force.
- (5) Each of the Agreements and Protocols should be signed on behalf of the European Union, subject to its conclusion at a later date, and applied on a provisional basis,

HAS ADOPTED THIS DECISION:

Article 1

The signing of the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2014-2021, the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway and the Additional Protocol to the Agreement between the European Economic Community and Iceland is hereby approved on behalf of the Union, subject to the conclusion of the said Agreements and Protocols.

The text of the Agreements and the Protocols to be signed is attached to this Decision.

Article 2

The Council General Secretariat shall establish the instrument giving the person(s) indicated by the negotiator full powers to sign the Agreements and Protocols, subject to their conclusion.

Article 3

Subject to its conclusion at a later date and pending its entry into force, the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2014-2021 and the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021 shall be applied provisionally, in accordance with respectively Article 3 and paragraph 3 of Article 11 of the Agreements, as from the first day of the first month following the deposit of the last notification to this effect.

Subject to its conclusion at a later date and pending its entry into force, the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway shall be applied provisionally, in accordance with the third paragraph of Article 5 of the Protocol, as from the first day of the third month following the deposit of the last notification to this effect.

Subject to its conclusion at a later date and pending its entry into force, the Additional Protocol to the Agreement between the European Economic Community and Iceland shall be applied provisionally, in accordance with the third paragraph of Article 4 of the Protocol, as from the first day of the third month following the deposit of the last notification to this effect.

Article 4

This Decision shall enter into force on

Done at Brussels,

*For the Council
The President*