Resolution on the 2010 progress report on Iceland

2010/2999(RSP) - 07/04/2011 - Text adopted by Parliament, single reading

The European Parliament adopted by 544 votes to 29 with 41 abstentions a resolution tabled by the Committee on Foreign Affairs on the 2010 progress report on Iceland, welcoming the launch of the accession negotiations with Iceland in July 2010.

However, some sensitive issues remain, such as the Icesave dispute, whale hunting (banned in the EU) and Iceland's desire to protect its fisheries and farm produce markets.

Political criteria: Members welcome the prospect of having as a new EU member a country with a strong democratic tradition and civic culture, and underline that Iceland's accession to the EU will enhance the Union's role as a world-wide promoter and defender of human rights and fundamental freedoms. They also welcome the establishment of the EU-Iceland Joint Parliamentary Committee in October 2010 and are convinced that this forum will contribute to enhancing cooperation between the Althingi and the European Parliament during the accession process.

Economic criteria: Parliament welcomes the agreement achieved between Iceland, the Netherlands and the UK on the **Icesave issue**, notably on guaranteeing the repayment of costs incurred in payment of minimum guarantees to depositors in branches of Landsbanki Island hf. in the UK and the Netherlands. It also welcomes the approval by a three-quarters majority of the agreement by the Icelandic Parliament on 17 February 2011. Members take note of the decision of the President of Iceland to refer the bill to a referendum on 9 April and they hope for an end to the infringement procedure which started on 26 May 2010, brought by the EFTA Surveillance Authority against Iceland.

They welcome too the fact that the institutional shortcomings in the financial sector have been addressed and that progress has been made in strengthening bank regulatory and supervisory practices, as well as the policies to diversify Iceland's economy as a necessary step for the country's long-term economic well-being. Whilst commending Iceland for its high rates of investment in education, research and development, Parliament is concerned about Iceland's high level of unemployment and particularly youth unemployment, as well as the drop in investments and internal consumption following the economic and financial crisis, although noting signs of improvement in some of these areas. It notes that the low-cost, green energy and green energy-technology that Iceland produces could be a more important factor in rebooting the economy.

Capacity to adopt the obligations of membership: the resolution notes that Iceland, as an EEA member, is well advanced as regards the requirements of 10 of the negotiating chapters and partly fulfils the requirements of 11 of the negotiating chapters. Members call on Iceland to prepare for its participation in the **EU's agricultural and rural development policy**, and in particular to enhance the efforts to put in place the administrative structures necessary to implement these policies by the date of accession. They stress, nevertheless, the peculiarity of Iceland's ecosystem and encourage the Commission and the Icelandic authorities to find a mutually satisfactory agreement, taking into account the unique characteristics of Iceland's environment.

Parliament calls on Iceland and the EU to approach the **fisheries chapter of the negotiations** in a constructive way with a view to a mutually satisfactory solution for the sustainable management and exploitation of fisheries resources, taking account of the fact that the common fisheries policy is currently being revised, and that the acquis may be modified before Iceland's accession. Members also call on Iceland to continue the constructive talks with the EU and Norway, aimed at reaching a **resolution of the mackerel dispute** based on realistic proposals which safeguard the future of the stock, protect and

maintain jobs in the pelagic fishery and ensure a long-term, sustainable fishery. They note Iceland's good track record for managing its fisheries resources in a sustainable way and based on scientific assessments. Members call on the Icelandic authorities to adapt its legislation according to the internal market acquis regarding the right of establishment, freedom to provide services and free movement of capital in the fisheries production and processing sectors.

They note that serious divergences remain between the EU and Iceland on issues related to the management of marine life, notably on **whale hunting**. Parliament points out that the ban on whaling is part of the EU acquis and calls for broader discussions on the matter of the abolition of whale hunting and of trade in whale products.

Regional cooperation: Parliament considers that Iceland's accession to the EU would enhance the Union's prospects of playing a more active and constructive role in Northern Europe and in the Arctic, contributing to multilateral governance and sustainable policy solutions in the region. It regards positively Iceland's participation in the Nordic Council as well as in the **EU's Northern Dimension Policy**, the Barents Euro-Arctic Council and the Arctic Council, which is the main multilateral forum for cooperation in the Arctic, and believes that Iceland's accession to the EU would further anchor the European presence in the Arctic Council.

Public opinion and support for enlargement: the resolution encourages the Icelandic authorities to broaden the public debate about EU accession, taking into account the need for a firm commitment in order to have successful negotiations. It commends Iceland for the establishment of the public website eu.mfa.is and welcomes the growing and more balanced discussions in the Icelandic media on the pros and cons of EU membership. The Commission is asked to provide material and technical support, if requested to do so by the Icelandic authorities, in order to help them improve transparency and accountability and to contribute to organising a country-wide campaign based on clear information on the implications of EU membership, so that Icelandic citizens can make an informed choice in the future referendum on accession.