EU/Iceland, Liechtenstein and Norway Agreements: Financial Mechanisms 2009-2014 and imports of certain fish and fisheries products 2009-2014

2010/0129(NLE) - 07/03/2011 - Final act

PURPOSE: to conclude a Agreement between the EU, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism 2009-2014, as well as two Additional Protocols in the fisheries sector with Iceland and Norway.

NON-LEGISLATIVE ACT: Council Decision 2011/160/EU on the conclusion of an Agreement between the European Union, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism 2009-2014, an Agreement between the European Union and Norway on a Norwegian Financial Mechanism for the period 2009-2014, an Additional Protocol to the Agreement between the European Economic Community and Iceland, concerning special provisions applicable to imports into the European Union of certain fish and fisheries products for the period 2009-2014, and an Additional Protocol to the Agreement between the European Economic Community and Norway, concerning special provisions applicable to imports into the European Union of certain fish and fisheries products for the period 2009-2014.

BACKGROUND: since the entry into force of the Agreement on the European Economic Area (EEA) in 1994, the EEA EFTA States (now Iceland, Liechtenstein and Norway) have contributed to alleviating economic and social disparities in the EEA. These contributions have always been agreed for periods of five years.

The most recent five-year-period of financial contributions, covering 2004-2009, expired on 30 April 2009. During that period, the overall financial contribution from the EEA EFTA States was **EUR 1.467 billion**, allocated partly through a multilateral EEA financial mechanism to the EEA Agreement, financed by all three EEA EFTA States, and partly through a bilateral Norwegian financial mechanism, financed exclusively by Norway.

It is now necessary to provide a new financial mechanism for 2009-2014.

Pursuant to Council Decision 2010/674/EU, the following agreements and protocols were signed, on behalf of the Union:

- Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014 and the Annex thereto,
- Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism for the period 2009-2014.

It also concluded two new bilateral Protocols with Iceland and Norway granting certain concessions with regard to market access for fish and fisheries products: (a) Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland and the Annex thereto; (b) Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway and the Annex thereto.

The replacement of the existing financial mechanisms by new mechanisms, which relate to different time periods, different amounts of funds, and different implementing provisions, as well as the renewal and extension of the concessions relating to certain fish and fisheries products, taken as a whole, constitute **an important development of the association with the EEA EFTA States**.

This is the purpose of this Decision.

CONTENT: by this Decision, the following agreements and protocols are hereby approved on behalf of the Union:

- Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014 and the Annex thereto,
- Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism for the period 2009-2014,
- Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland and the Annex thereto,
- Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway and the Annex thereto.

EEA and Norwegian financial mechanism: as far as the EEA and Norwegian financial mechanisms are concerned, the result is an overall package of **EUR 1.8 billion for the period 2009-2014**, composed of a 31% increase in the EEA financial mechanism and a 22% increase in the Norwegian financial mechanism, compared to the period 2004-2009. This outcome reflects the negotiating directives agreed by the Council, which requested a substantial increase in the funds. Due to its financial crisis, it was agreed that Iceland's contribution to the EEA financial mechanism should not be increased in absolute terms.

As part of this new mechanism, a new **Protocol 38b** has been established as a contribution by the EEA EFTA States to the reduction of economic and social disparities in the European Economic Area, and is without prejudice to other negotiations, including future EU cohesion negotiations.

Implementing provisions: implementation provisions have been agreed. The key element is that the funds will be spent by using the same "programme" method as used in the EU structural funds. Among the priority areas for the funding are:

- fighting climate change;
- protecting the environment;
- promoting green technologies;
- supporting social development and civil society.

Fishing Protocols: the result of the negotiations on the two bilateral fisheries protocols between the EU and Iceland and Norway, respectively, for the period 2009-2014 was essentially a renewal of the previous 2004-2009 protocols with unchanged concessions for Iceland and a relatively modest increase in concessions for Norway.

ENTRY INTO FORCE: this Decision shall enter into force on 7 March 2011. The Protocols and Agreements shall enter into force as soon as all the necessary procedures have been completed.