# EU/Iceland/Liechtenstein/Norway Agreement: EEA financial mechanism 2014-2021; Norway /EU Agreement: Norwegian financial mechanism 2014-2021; additional Protocol to EEC/Norway Agreement; additional Protocol to EEC/Iceland Agreement

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PURPOSE: to conclude (i) the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2014-2021, (ii) the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, (ii) the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway and, (iv) the Additional Protocol to the Agreement between the European Economic Community and Iceland.

PROPOSED ACT: Council Decision.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to the act.

BACKGROUND: there remains a need to **alleviate economic and social disparities within the European Economic Area** (EEA), and a new mechanism for the financial contributions of the EEA EFTA States and a new Norwegian financial mechanism should therefore be established.

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.

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.

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 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;
- the Additional Protocol to the Agreement between the European Economic Community and Iceland.

CONTENT: with this proposal, the Commission proposes that the Council adopts the attached Decision on the **conclusion of the EEA Financial Mechanism Agreement, the Norway Agreement, the Norway Protocol and the Iceland Protocol** after obtaining the consent of the European Parliament.

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** which will contribute to achieving the overall objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth. They will also allocate a certain amount of financial resources to tackling youth unemployment.

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:

- for Iceland, a modest increase in the two tariff quotas;
- 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 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.