EU/Iceland/Liechtenstein/Norway Agreement: EEA financial mechanism 2021-2028; EU /Norway Agreement: Norwegian financial mechanism 2021-2028; additional Protocol to EEC/Norway Agreement; additional Protocol to EEC/Iceland Agreement

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PURPOSE: to conclude, on behalf of the Union, the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism for the period May 2021 - April 2028, the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021 - April 2028, 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.

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, and a new mechanism for the financial contributions of the EEA EFTA States and a new Norwegian financial mechanism should therefore be established.

On 20 May 2021, the Council authorised the Commission to open negotiations with Iceland, 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. Formal negotiations were opened on 16 June 2022.

The negotiations were concluded at negotiators' level with the initialling on 30 November 2023 of:

- the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism for the period May 2021 – April 2028;

- the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021 – April 2028;

- 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.

CONTENT: the Commission invites the Council to adopt the decision on the conclusion of the Agreement on the EEA Financial Mechanism, the Agreement with Norway, the Protocol with Norway and the Protocol with Iceland.

In accordance with the Agreement on the EEA Financial Mechanism and the Agreement with Norway, the EEA EFTA States will contribute financially to economic and social cohesion within the EEA to the tune of EUR 3 268 000 000 over the period from May 2021 to April 2028.

Iceland, Liechtenstein and Norway will contribute to the reduction of economic and social disparities within the European Economic Area and to the strengthening of their relations with the beneficiary States through financial contributions to the following thematic priorities:

a) European green transition;

b) democracy, rule of law and human rights;

c) social inclusion and resilience.

In parallel, the bilateral fish trade protocols with Iceland and Norway have also been reviewed. New concessions are granted for the period May 2021 - April 2028. The concessions are built on the previous protocols for the 2014-2021 period and are commensurate with the amount of the financial contributions. Flexibility is provided concerning the carry-over of unexhausted quotas at the end of the period. Norway will also renew the fish transit arrangement for EU vessels landing catches in Norway.

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.