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

2024/0052(NLE) - 18/09/2024 - Legislative proposal

PURPOSE: to conclude, on behalf of the European 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, 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 addition, the special provisions on imports into the Union 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 2021 and have been reviewed. Alongside the negotiations of a future financial contribution and as part of a comprehensive package deal, the Council therefore, on 20 May 2021, authorised the Commission to open negotiations on an agreement on market access for fish and fishery products originating in Iceland and Norway.

The Agreements and the Additional Protocols were signed, subject to the conclusion. It is now necessary to approve them on behalf of the European Union.

CONTENT: the draft Council Decision concerns the approval, on behalf of the Union, of: (i) 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; (ii) the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021–April 2028; (iii) 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 EEA Financial Mechanism for the period May 2021–April 2028 and the Norwegian Financial Mechanism for the period May 2021–April 2028 ‘Norwegian Financial Mechanism’ will contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of relations between the EEA EFTA States and the Beneficiary States.

The EEA Financial Mechanism reflects the benefits drawn by the EEA EFTA States from their participation in the internal market and takes account of the aim of promoting the continuous and balanced strengthening of trade and economic relations between all Contracting Parties to the EEA Agreement.

The EEA Financial Mechanism and the Norwegian Financial Mechanism provide for consulting the Commission at a strategic level during the negotiations for the Memoranda of Understanding between the Donor States and the Beneficiary States. They also include arrangements for the Commission to provide assistance to the Beneficiary States in the consultations on the provisions for the implementation of the mechanisms. These safeguards will contribute to the efficient and timely implementation of the mechanisms, while taking full account of the needs of the Beneficiary States and of substantial difficulties that they may experience in the implementation of the financial mechanisms, including in relation to the common values and the principles of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights. In this regard, attention should be paid to the right of a Beneficiary State to be heard where measures such as the suspension of payments and the recovery of funds are concerned.