

2010 progress report on Iceland

European Parliament resolution of 7 April 2011 on the 2010 progress report on Iceland

The European Parliament,

- having regard to the Regulation of the European Parliament and of the Council of 31 May 2010 adding Iceland to the list of countries eligible for EU pre-accession aid to help applicant countries come into line with the body of European law,
 - having regard to the Commission's Opinion of 24 February 2010 on Iceland's application for membership of the European Union (SEC(2010)0153),
 - having regard to the decision of the European Council of 17 June 2010 to open accession negotiations with Iceland,
 - having regard to the General EU Position and the General Position of the Government of Iceland adopted at the ministerial meeting opening the Intergovernmental Conference on the Accession of Iceland to the European Union on 27 July 2010,
 - having regard to the Communication from the Commission to the European Parliament and the Council entitled 'Enlargement Strategy and Main Challenges 2010-2011' (COM(2010)0660) and to the Iceland 2010 Progress Report adopted on 9 November 2010,
 - having regard to its resolution of 26 November 2009 on the enlargement strategy 2009 concerning the countries of the Western Balkans, Iceland and Turkey¹,
 - having regard to its resolution of 7 July 2010 on Iceland's application for membership of the European Union²,
 - having regard to the recommendations of the first meeting of the EU-Iceland Joint Parliamentary Committee, adopted in October 2010,
 - having regard to Rule 110(2) of its Rules of Procedure,
- A. whereas Iceland fulfils the Copenhagen criteria, and accession negotiations with Iceland were opened on 27 July 2010 after approval by the Council,
- B. whereas the screening process started on 15 November 2010 and is planned to last until 17 June 2011,
- C. whereas, as underlined by the renewed consensus on enlargement, each country's progress towards membership of the European Union is a merit-based one,
- D. whereas Iceland is already cooperating closely with the EU as a member of the European Economic Area (EEA), the Schengen Agreements and the Dublin Regulation, and, as such,

¹ OJ C 285 E, 21.10.2010, p. 47.

² Texts adopted, P7_TA(2010)0278.

has already adopted a significant part of the *acquis*,

- E. whereas Iceland contributes to European cohesion and solidarity through the Financial Mechanism under the EEA and cooperates with the EU in peacekeeping and crisis management operations,
- 1. Welcomes the launch of the accession negotiations with Iceland in July 2010; considers it essential to create the conditions to complete the accession process with Iceland and ensure that its accession will be a success;

Political criteria

- 2. Welcomes the prospect of having as a new EU member a country with a strong democratic tradition and civic culture; underlines that Iceland's accession to the EU will further enhance the Union's role as a world-wide promoter and defender of human rights and fundamental freedoms;
- 3. Commends Iceland for its good record in safeguarding human rights and ensuring a high level of cooperation with international mechanisms for the protection of human rights;
- 4. Supports the ongoing work to strengthen the legislative environment with regard to freedom of expression and access to information; welcomes, in this respect, the Icelandic Modern Media Initiative, enabling both Iceland and the EU to position themselves strongly as regards legal protection of the freedoms of expression and information;
- 5. Welcomes the establishment of the EU-Iceland Joint Parliamentary Committee in October 2010 and is convinced that this forum will contribute to enhancing cooperation between the Althingi and the European Parliament during the accession process;
- 6. Strongly encourages the Icelandic authorities to harmonise EU citizens' rights concerning their right to vote in local elections in Iceland;
- 7. Notes the good progress in strengthening the independence of the judiciary and welcomes the measures taken by the Icelandic authorities in May 2010 to address the predominance given to the Minister of Justice in judicial appointments, as well as the amendments brought to the Judiciary Act that strengthen the independence of the judiciary, while emphasising the need for a thorough implementation of these measures;
- 8. Welcomes the work done by the Office of the Special Prosecutor, as well as the report of the Special Investigation Commission established in December 2008 by the Icelandic Parliament to investigate and analyse the processes leading to the collapse of the banking system, and the progress that has been made in addressing the political, institutional and administrative consequences of the collapse of the Icelandic banking system, while noting that the implementation of its recommendations is still under way and needs to be pursued with relentless efforts;

Economic criteria

- 9. Welcomes Iceland's generally satisfactory track record in implementing its EEA obligations and in its ability to withstand competitive pressure and market forces within the EU;
- 10. Notes, however, that the last EFTA scoreboard report showed that Iceland's transposition

deficit increased slightly and that at 1,3% it remained above the 1% interim target, although the transposition delay was reduced;

11. Welcomes the agreement achieved between the representatives of the Governments of 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 Islands hf. in the UK and the Netherlands; welcomes the approval by a three-quarters majority of the agreement by the Icelandic Parliament on 17 February 2011; takes note of the decision of the President of Iceland to refer the bill to a referendum and hopes for an end to the infringement procedure which started on 26 May 2010, brought by the EFTA Surveillance Authority against the Government of Iceland;
12. Welcomes 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, in particular with regard to the powers of the Financial Supervisory Authority;
13. Welcomes the presentation by Iceland to the European Commission of its first Pre-Accession Economic Programme as an important step in the pre-accession phase and hopes that the annual bilateral economic dialogue that has been announced will consolidate the cooperation between the two parties;
14. Encourages the Icelandic authorities to continue on the path of devising a strategy for the liberalisation of capital controls, which is an important requirement for the country's accession to the EU;
15. Welcomes the recent positive fourth review of the IMF stand-by programme which outlines important developments of fiscal and economic consolidation in Iceland, as well as the fact that after shrinking for seven consecutive quarters, the Icelandic economy has exited recession, and the real gross domestic product registered a growth of 1,2% in the July-September 2010 period from the previous quarter;
16. Welcomes policies to further diversify Iceland's economy as a necessary step for the country's long-term economic well-being; encourages the Icelandic authorities to further develop the tourism business which is regarded as a promising longer-term growth sector and has overall shown an increasing share in production and employment;
17. Takes note of Iceland's position on joining the euro zone, an ambition that can be achieved after it becomes a member of the EU and once all the necessary conditions have been met;
18. 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; notes that the low-cost, green energy and green energy-technology that Iceland produces could be a more important factor in rebooting the economy;
19. Commends Iceland for its high rates of investment in education, research and development and its support and involvement in the Lisbon strategy, including adopting an Iceland 2020 strategy which emphasises the importance of education, research and development and outlines measurable targets;

Capacity to adopt the obligations of membership

20. 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; emphasises that the fulfilment of Iceland's obligations under the EEA Agreement are important requirements in the accession negotiations;
21. Calls on Iceland to enhance the preparations for alignment with the EU acquis, in particular in areas not covered by the EEA, and to ensure its implementation and enforcement by the date of accession;
22. Calls 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; stresses, nevertheless, the peculiarity of Iceland's ecosystem and encourages the Commission and the Icelandic authorities to find a mutually satisfactory agreement, taking into account the unique characteristics of Iceland's environment;
23. 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, calls on Iceland and the EU to approach this 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;
24. Notes Iceland's good track record for managing its fisheries resources in a sustainable way and based on scientific assessments;
25. Calls 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;
26. Calls 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;
27. Notes that Iceland can bring a valuable contribution to EU policies due to its experience in the field of renewable energies, particularly as regards the utilisation of geothermal energy, protection of the environment and measures to deal with climate change;
28. Notes, however, that serious divergences remain between the EU and Iceland on issues related to the management of marine life, notably on whale hunting; 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;
29. Takes note of the fact that Iceland is a non-military state and does not produce arms; welcomes Iceland's continued support for civilian CSDP operations and its alignment with most declarations and decisions in the area of CFSP;
30. Welcomes Iceland's foreign policy tradition anchored in international law, human rights, gender equality and development cooperation, and its security policy concept based on

civilian values;

Regional cooperation

31. 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; 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; believes that Iceland's accession to the EU would further anchor the European presence in the Arctic Council;
32. Highlights the need for a more effective and coordinated Arctic policy of the European Union and expresses the view that Iceland's accession to the EU would reinforce the North Atlantic dimension of the Union's external policies;

Public opinion and support for enlargement

33. 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; 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;
34. Calls on the Commission to provide material and technical support, if requested to do so by the Icelandic authorities, in order to help them improve transparency and accountability in relation to the accession process and to contribute to organising a thorough and extensive country-wide campaign based on clear, accurate and fact-based information on the implications of EU membership, so that Icelandic citizens can make an informed choice in the future referendum on accession;
35. Hopes that, beyond different political points of view, an informed public opinion can also positively influence the Icelandic authorities' engagement towards EU membership;
36. Is of the view that it is crucial to give EU citizens clear and comprehensive fact-based information on the implications of Iceland's accession; calls on the Commission and the Member States to make efforts to that end, and considers it to be equally important to listen to and address citizens' concerns and questions and to respond to their views and interests;

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37. Instructs its President to forward this resolution to the Council, the Commission, the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy, the governments and parliaments of the Member States, the President of the Althingi and the Government of Iceland.