

# 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

2016/0052(NLE) - 12/04/2016 - Legislative proposal

**PURPOSE:** to conclude: (i) the Agreement between the European Union, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism 2014-2021, (ii) the Agreement between Norway and the European Union on a Norwegian Financial Mechanism for the period 2014-2021, (iii) the Additional Protocol to the Agreement between the European Economic Community and 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:** the alleviation of economic and social disparities within the European Economic Area remains necessary.

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

On 7 October 2013, the Council authorised the Commission to open negotiations with Iceland, Liechtenstein and Norway on an agreement on the future financial contributions of the EEA EFTA States to economic and social cohesion in the European Economic Area.

The EEA Financial Mechanism (2014-2021) and the Norway Grants (2014-2021) will contribute to achieving the overall objectives of the Europe 2020 strategy for smart, sustainable and inclusive growth.

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, which justifies the recourse to Article 217 of the TFEU (legal basis for the conclusion of an association agreement).

In this context:

- the Agreement between the EU, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism 2014-2021;
- the Agreement between Norway and the EU on a Norwegian Financial Mechanism for the period 2014-2021;
- the Additional Protocol to the Agreement between the European Economic Community and Norway, and the Additional Protocol to the Agreement between the European Economic Community and Iceland were all signed in Brussels.

It is now necessary to approve those Agreements and Protocols on behalf of the Union.

**CONTENT:** with this proposal, the Council is called upon to adopt the 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.

For further details on the main issues of the proposal, please refer to the summary of the Commissions initial legislative proposal from 23.2.2016.

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.