



Delegation for Northern cooperation and for relations with Switzerland and Norway and to the EU-Iceland Joint Parliamentary Committee and the European Economic Area (EEA) Joint Parliamentary Committee

25-26.8.2021

MISSION REPORT

following the 56th European Economic Area Joint Parliamentary Committee, which took place in Reykjavik on 24-26 August 2021

Delegation for Northern cooperation and for relations with Switzerland and Norway and to the EU-Iceland Joint Parliamentary Committee and the European Economic Area (EEA) Joint Parliamentary Committee

Members of the mission:

Christel Schaldemose

(S&D)

Introduction

Three D-EEA Members participated at the 55th EEA Joint Parliamentary Committee (EEA JPC) meeting, which took place in Reykjavik, with hybrid participation:

Ms Christel SCHALDEMOSE	S&D, DK
Mr Andreas SCHWAB, remotely	EPP, DE
Mr Patrick BREYER, remotely	The Greens, DE

The European Parliament's delegation was led by Ms Christel SCHALDEMOSE, who travelled to Reykjavik, and co-chaired the meeting with the President of the EEA JPC, Mr Gunter VOGT, Member of the Parliament of Liechtenstein. Mr SCHWAB and Mr BREYER took part remotely.

The EEA Joint Parliamentary Committee (JPC) was established by the EEA agreement (Article 95 and Protocol 36). It is composed of an equal number of members of the national parliaments of the EEA EFTA states (Iceland, Liechtenstein and Norway) and of Members of the European Parliament (12 of each). Swiss parliamentarians participate in the JPC meetings as observers. The JPC meets twice a year, alternating between the seat of the European Parliament and the parliament of an EEA EFTA state.

Summary account of meetings

This was the first time that the EEA JPC Members met face-to-face in almost two years. The 54th and 55th meetings were held remotely, hosted by the European Parliament, due to the traveling and meeting restrictions in place in relation to COVID-19. This meeting was organised impeccably by the Parliament of Iceland.

Discussions focused on the main developments in the implementation of the EEA Agreement, the participation of the EEA EFTA States in EU framework programmes, the state of play and prospects of the new EEA/Norway grants, the Digital Service Act Package, the European Carbon Adjustment Mechanism, perspectives for future cooperation in the Arctic, and relations with the UK.

At the margins of the JPC meeting, the parliamentarians attended a very informative field visit to the Reykjanes Peninsula focused on the topic of geothermal energy. Participants had the chance to visit the volcanic eruption site of Fagradalsfjall and to attend the following presentations:

- Albert ALBERTSSON, engineer and concept creator at HS Orka, Svartsengi Geothermal Plant and the Resource Park
- Ómar Freyr SIGURBJÖRNSSON, Director of sales and marketing, Carbon Recycling International, E-fuels and chemicals: 'Scalable pathway for CO₂ utilization and emission reduction'
- Kristín JÓNSDÓTTIR, Team Leader of Natural Hazard Monitoring at the Icelandic Meteorological Office: 'Geology of the Reykjanes Peninsula and the ongoing eruption in Fagradalsfjall'.

Principal points and conclusions

Developments in the EEA Agreement:

Mr Aleš ZABUKOVEC, representing the EU Chair of the EEA Council, Ambassador Lucie SAMCOVÁ – HALL ALLEN, Head of the EU Delegation to Iceland, representing the EU Chair of the EEA Joint Committee, Ambassador Rolf Einar FIFE, EFTA Chair of the EEA Joint Committee, and Mr Frank BUCHEL, College Member of the EFTA Surveillance Authority (ESA) presented the main developments in the implementation of the EEA Agreement.

Since the beginning of 2021, the EEA Joint Committee has adopted altogether 221 Decisions containing 392 EU legal acts of which five acts were incorporated by written procedure, among them the decision incorporating the EU Digital COVID Certificate in the agreement, which allowed the certificate to enter into force in all EEA countries on 1 July 2021. The speakers welcomed the upcoming incorporation of the new generation of EU programmes in the EEA Agreement, foreseen for September 2021, and underlined the urgency to start the negotiations of the 2021-2027 EEA Financial Mechanism Agreement, as the current one (2014-2020) expired in April 2021.

Mr Aleš ZABUKOVEC, representing the EU Chair of the EEA Council, announced that the next meeting of the EEA Council would take place on 25 November 2021. Although the preparation of the draft Joint Statement would not start until September 2021, so it was too early to pre-empt its content, he anticipated that it would pay special attention to the new generation of EU programmes and the state of play of the negotiations for the new agreements on the financial mechanism for the period 2021-2027. He indicated that the priority for the EU Chair of the EEA Council for the upcoming months would be the incorporation in the EEA agreement of the following pieces of legislation: the third and fourth railway packages, the EASA Regulation (transport by air), ship inspection package and the Audio-visual Media Services Directive.

Ambassador FIFE welcomed the European Commission's decision of 6 May 2021, which excluded EEA EFTA States from the authorisation mechanism for COVID-19 vaccine exports. These countries had been included among the countries affected by the [export authorisation](#) on vaccines by the Commission's Implementing Regulation of 11 March 2021. The EEA EFTA countries believed that this inclusion was in breach of the EEA Agreement although in practical terms it did not affect them, as they were part of the EU Advanced Purchase Agreement. Mr FIFE lamented that this kind of decisions harm the reputation of the EEA Agreement. He also expressed the EEA EFTA States' wish to continue contributing to the EU initiatives, in particular to the Fit-for-55 package and the digital transition initiatives. As regards the new financial mechanism, Mr FIFE put the emphasis in their objective of ensuring democratic values and supporting a vibrant civil society.

Ambassador Lucie SAMCOVÁ – HALL ALLEN reminded the high number of acts undergoing constitutional requirement beyond the six-month deadline set by the EEA Agreement and called on the EEA EFTA Parliaments to accelerate these procedures. She underlined the efforts made in the incorporation of important legal acts and the ongoing works towards the incorporation of the third and fourth railway package. She acknowledged that more progress was needed in certain fields such as transport.

Mr Frank BUCHEL (ESA) stressed that the EEA Agreement had worked well even during the pandemic. It had ensured that EEA nationals and goods could move within the EEA area. ESA inspections continued, although in remote format. State aids' decisions were prioritized to mitigate the effects of the pandemic and to create the conditions for recovery, while ensuring a level playing field.

Ms SCHALDEMOSE underlined the uniqueness of the EEA Agreement and its remarkable contribution to the economy and the lives of the citizens of the EEA countries. Although challenges remain ahead, the achievements of the agreement should not be undervalued.

Mr Smári MCCARTHY (Pirate Party, ICE) signalled that although the agreement works well, EU legislation is still conceived and developed with the EU in mind, not with the EEA. He called for Iceland to become Member of the European Space Agency.

EEA EFTA States' participation in EU framework programmes:

The EEA Joint Committee is expected to take a decision incorporating the new generation of EU programmes into the EEA Agreement on 24 September 2021. Once adopted, the decision will have retroactive effect to 1 January 2021.

EEA EFTA States have expressed their intention of taking part in a number of programmes, among them Horizon Europe, Erasmus+, Creative Europe, Digital Europe, Single Market Programme and the European Space Programme among others.

Mr Thorsteinn BJORNSSON, Officer at the EFTA Secretariat, made a presentation about the perspectives of EEA EFTA States participation in EU programmes for the 2021-2027 period, the legal basis and the EEA EFTA States' financial contribution towards these programmes.

Mr Ágúst INGTHORSSON, Deputy-Director, Icelandic Centre for Research – RANNIS, presented the role of this centre as a one-stop shop in Iceland for international cooperation on research, including Horizon Europe, Erasmus+ and Creative Europe, underlining the substantial participation of Icelandic researchers in EU programmes. He highlighted the case of Creative Europe, where although Icelandic participation is small in numbers, it has a significant impact exposing Icelandic culture to the European audience.

The EEA/Norway Grants:

Mr Árni Páll ÁRNASON, Deputy Director of the Financial Mechanism Office, gave an overview of the EEA/Norway Grants, their objectives, legal framework, the main areas of cooperation and the implementation process.

For 2014-2020, the grants amounted to EUR 2 801.8 million. The 2014-2020 EEA EFTA financial mechanism expired on 30 April 2020 and the negotiations for the new period, 2021-2027, are about the start. The Council adopted on 20 May 2021 a [decision](#) authorizing the opening of the negotiations and the negotiation directives.

Supporting civil society is one of the main objectives of the grants. Mr ÁRNASON pointed out that the space for civil society has shrunk in many beneficiary countries and EEA/Norway grants are the main source for funding for civil society organisations in many of these countries.

The grants are operationalised through a MOU signed between the donors and each of the national focal points of the beneficiary countries. The EEA EFTA states are responsible for the implementation of the programmes for civil society unless otherwise agreed in the MOUs, as

was the case for Poland for 2014-2020. Hungary and the donors did not reach an agreement on who was going to be responsible for the implementation of the grants. The MoU, which was finally signed on 21 December 2020, contains a clause stating that no programmes can be approved until an independent fund operator for civil society funding has been appointed.

Activities funded by the grants shall be based on the respect of joint values such as human dignity, freedom, democracy, equal rights and respect for human rights. In 2020, several Polish towns self-declared as LGTBI ideology free zones were excluded from funding from the EEA/Norway grants.

Mr Svein Roald HANSEN (Labour Party, NO) reflected about which countries should be excluded from funding for the period 2021-2027 for not respecting EU fundamental values and human rights and enquired what the EU is doing about this. He noted that this is an issue in the Norwegian Parliament where two parties are questioning whether Norway is paying too much towards these grants. Ms SCHALDEMOSE indicated that this is also an issue for the EU, how to deal with those countries which do not respect EU values and human rights. She reflected that the EEA EFTA experience can be of great help for the EU in tackling this issue and called on the EEA EFTA Members to make an extra effort informing the public about their decision to exclude from funding those beneficiaries that do not respect EU values.

The Digital Service Act Package:

Mr Andreas SCHWAB, Vice-president of the EEA JPC and IMCO rapporteur for the Digital Markets Act (DMA) took part remotely. He and Ms SCHALDEMOSE, the IMCO rapporteur for its twin initiative, the Digital Services Act (DSA), presented the main elements of these initiatives. Mr Smári MCCARTHY (Pirate Party, ICE) reflected about these proposals, in particular as regards the obligation and rights of small companies. Now only those companies with more 45 million users are in the scope of the DSA. Mr Patrick BREYER (The Greens, DE) asked about the interoperability.

The European Carbon Border Adjustment Mechanism (CBAM):

Mr Gudmundur Ingi GUDBRANDSSON, Icelandic Minister of the Environment and Natural Resources, and Mrs Mette Quinn KOEFOED, Head of Unit ETS implementation, Directorate-General for Climate Action, European Commission, introduced the topic.

Ms KOEFOED introduced the main elements of the CBAM initiative as one of the components of the package Fit-for-55, announced by the European Commission 21 July 2021.

Ms Asunn LYNGEDAL (Labour Party, NO) enquired about how to ensure a fair transition and the use of tax measures to achieve that goal. The minister agreed that tax measures could be effective as long as the transition does not have a negative impact on the most vulnerable. Ms KOEFOED added that the Fit-for-55 package includes a number of supporting measures, such as using revenues and regulations to promote innovation, build solidarity and mitigate the impact on the most vulnerable, notably through the new Social Climate Fund and the Modernisation and Innovation Fund

Mr Svein Roald HANSEN emphasised that the CBAM need to be in line with WTO rules.

Perspectives for future cooperation in the Arctic:

Mr Ólafur GRÍMSSON, former President of Iceland and Founder and Chairman of the Arctic Circle Conference, explained how the situation and the Arctic policies had evolved in the last few decades and the role of the Arctic Circle Conference in these developments.

Mr Michael MANN, EU's Special Envoy for Arctic matters, EEAS, announced that a new communication on the EU Arctic policy would be presented in October 2021. The latest Intergovernmental Panel on Climate Change (IPCC) Report, released on 9 August 2021, indicates that global warming in the Arctic is twice as high as in other parts of the planet. Mr MANN highlighted that the involvement of the Arctic population in the new policies, in particular the young, is one of the priorities of the new Arctic policy.

Ms SCHALDEMOSE asked whether, in the light of the new geopolitical situation, the Arctic would continue to be an area of international cooperation. Mr GRIMSSON pointed out that the geopolitics in the Arctic have changed but it is still an area of cooperation. China has increased its presence, but there is no evidence so far that it has any defence or military intention in the area. Geopolitics are important but science is the backbone of cooperation in the Arctic.

Ms Margunn EBESSEN (Conservative Party, NO) emphasized the need that more people, in particular young people, stay or come to live to the Arctic.

Relations with the UK:

Prof. David PHINNEMORE, Professor of European Politics, Queen's University Belfast, introduced the main elements of the EU-UK Trade and Cooperation Agreement compared to the Free Trade Agreement signed by Iceland, Liechtenstein and Norway with the UK in July 2021. The EU-UK TCA provides for the possible establishment of a Parliamentary Partnership Assembly. Although the EEA EFTA States also suggested creating a similar body, the UK did not accept their proposal.

Mr Timon SALOMONSON, Head of UK Division, EEAS, explained the state of play of the implementation of the EU-UK TCA and the Withdrawal Agreement, in particular as regards the implementation of the Protocol with Ireland and Northern Ireland. He underlined that the EU-UK relationship will not be as close as the existing cooperation in the framework of the EEA Agreement.

Mr Martin EYJÓLFSSON, Permanent Secretary of State, Icelandic Ministry for Foreign Affairs, accentuated that the UK is the first trading partner for Iceland. Relations between both countries are very intense. Iceland and the UK have signed a Joint Declaration '[Vision 2030](#)', aiming at strengthening bilateral relations. They have also concluded bilateral agreements on youth mobility and fisheries and are working on a social security bilateral agreement and on sanitary and phyto-sanitary standards (SPS).

EU-Switzerland relations:

Switzerland attended the meeting as observer. Mr Eric NUSSBAUMER, the head of the Swiss Delegation, explained to the Members the state of play of the EU-Switzerland relations following the unilateral decision of the Swiss government of abandoning the negotiations of the Institutional Framework Agreement. He hoped the EU and Switzerland would find a way to cooperate, in particular as regards the new EU programmes.

Conclusions

Members of the EEA JPC reconfirmed the many benefits of the EEA Agreement and warned about the risks of taking it for granted.

They pledged to continue to work together closely to provide for genuine democratic scrutiny of its implementation and to raise awareness in their constituencies about the Agreement and its contribution to the homogeneity of the single market.

They expressed their satisfaction for having had the chance to meet face-to-face after nearly two years. They underlined the added-value of physical meetings to the work of the JPC.

Follow-up: Continue following closely the implementation of the EEA Agreement, ahead of the 57th EEA JPC meeting, which should take place in the first half of 2022 in Norway.

ANNEX I

56th Meeting of the EEA Joint Parliamentary Committee

Reykjavík, 24-27 August 2021

PROGRAMME

Tuesday, 24 August 2021

16.30-17.30 Meeting with H.E. Ms Lucie Samcova-Hall Allen, Head of the EU Delegation in Iceland

19:00-20:30 Welcome Reception hosted by Mr Smári McCarthy, Chair of the Icelandic Delegation.

Wednesday, 25 August 2021

08:00 – 08:30 Meeting of the Bureau of the EEA JPC.

09:00 – 12:30 1st Working Session of the EEA JPC.

12:30 – 14:00 Lunch

14:00 – 17:30 2nd Working Session of the EEA JPC.

Thursday, 26 August 2021

09:00-17.00 Field study visit to the Reykjanes Peninsula with a geothermal energy theme.

***** End of Programme *****

56th EEA JPC meeting

*Reykjavík, Iceland
25-26 August 2021*

European Parliament delegation

MEPs

Mr Andreas SCHWAB
virtual participation

Vice-President of the EEA JPC
EPP, Germany

Ms Christel SCHALDEMOSE

Co-Chair, Member of the DEEA
S&D, Denmark

Mr Patrick BREYER
virtual participation

Member of the DEEA
The Greens, Germany

Secretariat

1