

P7_TA-PROV(2012)0084

Enlargement report for Iceland

European Parliament resolution of 14 March 2012 on the 2011 progress report on Iceland (2011/2884(RSP))

The European Parliament,

- having regard to the decision of the European Council of 17 June 2010 to open accession negotiations with Iceland,
 - having regard to the results of the Accession Conferences with Iceland at Ministerial level of 27 June 2010, 27 June 2011 and 12 December 2011, as well as the Accession Conference with Iceland at Deputy level of 19 October 2011,
 - having regard to the Communication from the Commission to the European Parliament and the Council entitled ‘Enlargement Strategy and Main Challenges 2011-2012’ (COM(2011)0666) and to the Iceland 2011 Progress Report adopted on 12 October 2011 (SEC(2011)1202),
 - having regard to the results of the screening process,
 - having regard to the National IPA Programme for Iceland adopted in October 2011 with a budget of EUR 12 million,
 - having regard to its resolution of 7 July 2010 on Iceland’s application for membership of the European Union¹ and its resolution of 7 April 2011 on the 2010 progress report on Iceland²,
 - having regard to the meetings of the EU-Iceland Joint Parliamentary Committee,
 - 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 of the EU acquis has almost been completed;
- C. whereas eight chapters have been opened and provisionally closed so far in the accession negotiations (Chapter 2 - Freedom of Movement for Workers, Chapter 6 - Company Law, Chapter 7 - Intellectual Property Laws, Chapter 20 - Enterprise and Industrial Policy, Chapter 21 - Trans-European Networks, Chapter 23- Judiciary and Fundamental Rights, Chapter 25 - Science and Research and Chapter 26 - Education and Culture) and three more others have been opened (Chapter 5 - Public Procurement, Chapter 10 - Information Society and Media and Chapter 33 - Financial and Budgetary Provisions);
- D. whereas, as underlined by the renewed consensus on enlargement, each country’s

¹ OJ C 351 E, 2.12.2011, p. 73.

² Texts adopted, P7_TA(2011)0150.

progress towards membership of the European Union is a merit-based one;

- E. whereas Iceland is already cooperating closely with the EU as a member of the European Economic Area (EEA), the Schengen Agreements and the Dublin II Regulation, and has already adopted a significant part of the *acquis*;
- F. whereas Iceland's accession process should fully safeguard the principles and the *acquis* of the EU;
- G. whereas Iceland contributes to European cohesion and solidarity through the Financial Mechanism under the European Economic Area (EEA) and cooperates with the EU in peacekeeping and crisis management operations;
- H. whereas economic and fiscal consolidation are right on track, the Icelandic economy is moderately improving and the GDP is expected to slowly recover;

General remarks

1. Recalls that the Copenhagen criteria and the Union's integration capacity provide the general basis for accession to the EU;
2. Supports Iceland's progress in the accession process; welcomes the opening of eleven negotiation chapters and the provisional closure of eight of these chapters in the accession negotiations; considers it important to create the conditions to complete the accession process with Iceland and ensure that its accession will be a success;

Political criteria

3. Welcomes the prospect of having as a new EU Member State a country with a historically long and strong democratic tradition and civic culture;
4. Notes the close historic ties of Iceland with Northern Europe and the successful Euro-Atlantic cooperation for more than 60 years;
5. Notes with satisfaction the establishment of the Constitutional Council and the ongoing process of the review of the Icelandic Constitution aimed at increasing democratic safeguards, strengthening checks and balances, improving the functioning of the state institutions and better defining their respective roles and powers; welcomes the efforts to strengthen the role and efficiency of the Icelandic Parliament (Althingi) by reinforcing its oversight role, as well as the transparency of the legislative process;
6. Notes the reshuffle of the Icelandic Government on 31 December 2011; expresses confidence that the new Government will continue negotiations with an even stronger and more persistent commitment towards the accession process;
7. 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; 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;

8. Welcomes the good progress made in strengthening the independence and efficiency of the judiciary, as well as the reinforcement of the anti-corruption policy framework, recognised through the provisional closure of Chapter 23;
9. Further welcomes the new media act adopted by the Althingi on 20 April 2011; encourages the relevant parliamentary committees appointed during the summer of 2011 to work on the legislative framework in this field as well as on the ownership concentration in the Icelandic media market and the role of the Icelandic National Broadcasting Service in the advertising market;
10. Reiterates its support for the Icelandic Modern Media Initiative, and looks forward to its transposition into law and judicial practice, enabling both Iceland and the EU to position themselves strongly as regards legal protection of the freedoms of expression and information;
11. Reiterates its invitation to the Icelandic authorities to harmonise EU citizens' rights concerning their right to vote in local elections in Iceland;
12. Takes note of the political division inside the government as well as within the Althingi and all of Iceland's main political forces regarding EU membership; encourages the adoption of comprehensive strategies for accession to the EU in certain areas, and particularly in those that are not covered by the EEA;
13. Is pleased to note that a significant proportion of Icelanders are in favour of the continuation of the accession negotiations; welcomes the government's support for a well-informed and balanced debate about the accession process and the involvement of Icelandic society in the public discussions about EU membership; considers that the opening of the EU Information Centre in Iceland is an opportunity for the EU to provide the citizens of Iceland with all possible information regarding all consequences of EU membership for the country and the EU itself;
14. Considers it essential 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 as well as to respond to their views and interests;

Economic criteria

15. Welcomes Iceland's close economic ties with the EU and its generally satisfactory track record in implementing its EEA obligations and in its ability to withstand competitive pressure and market forces within the EU over the medium term, provided that it continues to address current weaknesses through appropriate macroeconomic policies and structural reforms; recalls, however, the need to fully address existing EEA obligations as identified by the EFTA Surveillance Authority;
16. Invites the Icelandic authorities to tackle the still significant state intervention in the banking sector; encourages the Icelandic authorities to gradually reform and open industries like energy, air, transport and fishing, which continue to be

protected from foreign competition, taking into due consideration the specificities of the country; supports, in this connection, the efforts to shed further light on the causes of the collapse of Iceland's economic and financial system; emphasises that the elimination of protectionism is a prerequisite for sustainable economic development;

17. Commends Iceland for successfully completing the Economic Recovery Programme with the IMF, which aimed at fiscal and economic consolidation;
18. Is pleased to note the good economic progress already achieved and the extensive restructuring and reforms pursued in the financial sector; encourages the Icelandic authorities to continue their efforts to reduce the level of unemployment and in particular youth unemployment;
19. Welcomes the adoption of the Iceland 2020 Policy Statement and encourages the government to stimulate small and medium enterprises (SMEs) in the country by facilitating their presence in the international market and by providing adequate access to financial resources;
20. Takes note of the approval by the Althingi of the revised strategy for the lifting of capital controls, prepared by the Icelandic authorities in consultation with the IMF, and of the constructive dialogue conducted between Iceland and the EU in this field; recalls that the lifting of capital controls is an important requirement for the country's accession to the EU;
21. Recalls that the Icesave dispute remains unresolved at this stage; stresses that the Icesave issue must be resolved outside the accession negotiations and must not be an obstacle in the way of Iceland's accession process; takes note of EFTA's Surveillance Authority decision to refer the 'Icesave' case to the EEA Court and of the ruling of the Icelandic Supreme Court upholding the Emergency Act of 6 October 2008; appreciates the continuous commitment of the Icelandic authorities to resolve this dispute and welcomes the first partial payments to priority creditors in the winding-up of Landsbanki Íslands hf, estimated to be close to one-third of the recognised priority claims;

Capacity to adopt the obligations of membership

22. 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;
23. Takes note of the results of the screening process; welcomes Iceland's stated ambition to open all negotiation chapters during the Danish Presidency; hopes that accession negotiations will proceed successfully during the current Presidency, while emphasising the need to meet the opening benchmarks in Chapter 11 - Agriculture and Rural Development and Chapter 22 - Regional Policy and Coordination of Structural Instruments and the closing benchmarks for Chapter 5 - Public Procurement, Chapter 10 - Information Society and Media and Chapter 33 - Financial and Budgetary Provisions;
24. Welcomes the current consolidation of ministries, acknowledges the efficiency

and professionalism of the Icelandic administration and supports the overall objective of enhancing the administrative and coordination capacity of Icelandic ministries;

25. Welcomes further efforts to address the institutional shortcomings in the financial sector and the progress in strengthening bank regulatory and supervisory practices;
26. Taking account of the fact that both the Common Fisheries Policy and the Icelandic fisheries policy are currently being revised, calls on Iceland and the EU to approach this chapter of the negotiations in a constructive way with a view to reaching a mutually satisfactory solution for the sustainable management and exploitation of fisheries resources within the then applicable acquis;
27. Considers it important that preparations are made so that the necessary administrative structures are adequately adapted for Iceland's full participation in the CAP from the day of accession, while recognising the specificities of Icelandic agriculture with regard, in particular, to the country's present self-sufficiency in food and the ongoing process of reform of the Common Agricultural Policy;
28. Regrets that the recent meeting of the four coastal states, Iceland, the EU, Norway and the Faroe Islands, on the management of mackerel fisheries in the North-East Atlantic in 2012, ended without reaching an agreement, and encourages all coastal states to make a renewed effort to continue the negotiations aimed at reaching a resolution of the mackerel dispute, based on realistic proposals consistent with historical rights and the advice of the International Council for the Exploration of the Sea, which safeguard the future of the stock, protect and maintain jobs in the pelagic fishery and ensure a long-term, sustainable fishery; notes the Commission's proposal to put forward trade measures to combat unsustainable fishing practices;
29. Believes that Iceland, which draws almost all its stationary energy from renewable resources, can make 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; is also convinced that closer cooperation in this field can have a positive impact on investment and thus on the economic and employment situation in Iceland and the EU;
30. Notes, however, that 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;
31. Welcomes Iceland's continued support for civilian CSDP operations and its alignment with most declarations and decisions in the area of CFSP; emphasises that, as part of the pre-accession process, Iceland is expected to coordinate its positions with the EU in all international fora, including the WTO;

Regional cooperation

32. Considers that Iceland's accession to the EU would significantly 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, as challenges to the Arctic environment are of mutual concern; believes that Iceland could become a strategic bridgehead in the region and its accession to the EU would further anchor the European presence in the Arctic Council;
33. Regards positively Iceland's participation in the Nordic Council, in the Council of the Baltic Sea States (CBSS) as well as in the Northern Dimension Policy, the Barents Euro-Arctic Council, the Arctic Council and the Nordic-Baltic co-operation (NB8); considers that the adoption of a Resolution on an Icelandic 'High North Policy', adopted by the Althingi in March 2011, reinforced Iceland's commitment to play an active part in the Arctic region in general;
34. 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 strengthen both the EU's voice in the Arctic and the North Atlantic dimension of the Union's external policies;

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35. 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.