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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL DECISION on the signing, on behalf of the European Union, and provisional application of 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

COUNCIL DECISION (EU) 2024/...

of ...

**on the signing, on behalf of the European Union, and provisional application
of 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**

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular
Article 217, in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) 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.
- (2) 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. The Commission has negotiated, on behalf of the Union, an 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 ('EEA Financial Mechanism'). This will take the form of a Protocol 38d to the EEA Agreement. The Commission has also negotiated, on behalf of the Union, an Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021–April 2028 ('Norwegian Financial Mechanism').
- (3) The EEA Financial Mechanism and the 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.

- (4) 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 in accordance with Article 115 of the EEA Agreement.
- (5) The EEA Financial Mechanism and the Norwegian Financial Mechanism establish special procedures that increase the efficiency of the implementation and the consultation of Beneficiary States. In particular, both 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.

- (6) Considering that the EEA Financial Mechanism will be added as an additional protocol to the EEA Agreement, the Union is able, in accordance with the relevant procedures under the Treaties, to bring disputes about the interpretation or application of the additional protocol before the Joint Committee, pursuant to Article 111 of the EEA Agreement. In accordance with Article 89 of the EEA Agreement, the EEA Council can consider any issue giving rise to a difficulty.
- (7) 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 Community¹, expired on 30 April 2021 and should be reviewed in accordance with Article 1 of those Additional Protocols. 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.

¹ OJ L 141, 28.5.2016, pp. 18 and 22.

- (8) The replacement of the existing financial mechanisms by new mechanisms, which provide for special procedures, 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, which were part of the comprehensive package of negotiations, constitute, taken as a whole, an important development of the association with the EEA EFTA States, which justifies the recourse to Article 217 of the Treaty on the Functioning of the European Union.
- (9) Each of the Agreements and Additional Protocols referred to above provides for its own provisional application before its entry into force.
- (10) Each of the Agreements and Additional Protocols should be signed on behalf of the European Union, subject to its conclusion at a later date, and applied on a provisional basis.
- (11) In accordance with the Treaties, the Commission should ensure the signing of the Agreements and the Additional Protocols, subject to their conclusion,

HAS ADOPTED THIS DECISION:

Article 1

The signing on behalf of the Union of 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 is hereby authorised, subject to the conclusion of the said Agreements and Additional Protocols².

Article 2

The Commission shall ensure the signing of 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, subject to their conclusion.

² The text of the Agreements and the Additional Protocols is published in ... [OJ: please complete publication details for documents ST 10057/24, ST 10146/24, ST 10148/24 and ST 10149/24].

Article 3

Subject to their conclusion at a later date and pending the completion of the procedures necessary for their entry into force, 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 and the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period May 2021–April 2028 shall be applied provisionally, in accordance with respectively Article 3, third paragraph, and Article 10(3) of the Agreements, as from the first day of the first month following the deposit of the last notification to this effect³.

Subject to its conclusion at a later date and pending the completion of the procedures necessary for its entry into force, the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway shall be applied provisionally, in accordance with Article 5(3) of the Additional Protocol, as from the first day of the third month following the deposit of the last notification to this effect⁴.

³ The date from which the Agreements will be provisionally applied will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.

⁴ The date from which the Additional Protocol will be provisionally applied will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.

Subject to its conclusion at a later date and pending the completion of the procedures necessary for its entry into force, the Additional Protocol to the Agreement between the European Economic Community and Iceland shall be applied provisionally, in accordance with Article 4(3) of the Additional Protocol, as from the first day of the third month following the deposit of the last notification to this effect⁵.

Article 4

This Decision shall enter into force on the date of its adoption.

Done at ..., ...

For the Council

The President

⁵ The date from which the Additional Protocol will be provisionally applied will be published in the *Official Journal of the European Union* by the General Secretariat of the Council.