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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	Draft DECISION OF THE EEA JOINT COMMITTEE amending Protocol 32 to the EEA Agreement, on financial modalities for implementation of Article 82

DRAFT

DECISION OF THE EEA JOINT COMMITTEE
No …

of …

amending Protocol 32 to the EEA Agreement,
on financial modalities for implementation of Article 82

THE EEA JOINT COMMITTEE,

Having regard to the Agreement on the European Economic Area ('the EEA Agreement'), and in particular Article 98 thereof,

Whereas:

(1) Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis[1] allocates additional external assigned revenue to the Horizon Europe Programme established by Regulation (EU) 2021/695 of the European Parliament and of the Council[2] and to the Union Civil Protection Mechanism governed by Decision No 1313/2013/EU of the European Parliament and of the Council[3], as amended by Regulation (EU) 2021/836 of the European Parliament and of the Council[4]. It is appropriate to clarify in Protocol 32 on financial modalities for the implementation of Article 82 of the EEA Agreement that, for the purpose of calculating the EFTA States' financial contributions, the basis for calculation should be increased by appropriations corresponding to external assigned revenue under Article 3(1) of Council Regulation (EU) 2020/2094 in relation to their participation in that programme and that mechanism.

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1 OJ L 433I, 22.12.2020, p. 23.

2 Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170, 12.5.2021, p. 1).

3 Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism (OJ L 347, 20.12.2013, p. 924).

4 Regulation (EU) 2021/836 of the European Parliament and of the Council 20 May 2021 amending Decision No 1313/2013/EU on a Union Civil Protection Mechanism (OJ L 185, 26.5.2021, p. 1).

(2) Article 82 of the EEA Agreement stipulates that the proportionality factor for the EFTA States' contributions to the EU budget is to be calculated annually as a ratio between the gross domestic product (GDP) of the EFTA States and that of the EU Member States. The Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community of 24 January 2020 sets out the United Kingdom's continued obligation to financially contribute to the EU budget in proportion to its share of committed funds under the 2014-2020 Multiannual Financial Framework. It is therefore appropriate for the United Kingdom's GDP to be accounted for in the calculation of the proportionality factor for budget lines exclusively carrying payments for the completion of commitments signed under the 2014-2020 Multiannual Financial Framework.

(3) Protocol 32 to the EEA Agreement should therefore be amended accordingly,

HAS ADOPTED THIS DECISION:

Article 1

1. The following paragraphs are added in Article 1 of Protocol 32:

"10. For the purpose of calculating the operational contribution pursuant to Article 82 of the Agreement, the commitment and payment appropriations entered in the European Union budget definitively adopted for the applicable years for financing the Horizon Europe Programme (established by Regulation (EU) 2021/695 of the European Parliament and of the Council) and the Union Civil Protection Mechanism (governed by Decision No 1313/2013/EU of the European Parliament and of the Council) shall be increased by the appropriations corresponding to external assigned revenue allocated to those activities under Article 3(1) of Council Regulation (EU) 2020/2094 of 14 December 2020 establishing a European Union Recovery Instrument to support the recovery in the aftermath of the COVID-19 crisis*.

11. For the purpose of calculating the proportionality factor for budget lines exclusively carrying payments for completion of commitments signed under the 2014-2020 and preceding multiannual financial frameworks, the EFTA proportionality factor as defined in Article 82(1) of the Agreement shall be the sum of the ratios between, on the one hand, the gross domestic product ('GDP') at market prices of each of the EFTA States and, on the other hand, the sum of the GDPs at market prices of the EU Member States, of the United Kingdom and of that EFTA State. This factor shall be calculated, for each budgetary year, on the basis of the most recent statistical data in accordance with Article 7.

12. Unless otherwise agreed by the EEA Joint Committee, for the purpose of calculating the proportionality factor as defined under Article 82(1) of the Agreement for the budgetary year during which an agreement on the accession of a new Member State, as referred to in Article 49 of the Treaty on European Union, enters into force before 1 July, the GDP at market prices of EU Member States shall include the GDP at market prices of the new Member State.

13. Unless otherwise agreed by the EEA Joint Committee, for the purpose of calculating the proportionality factor as defined under Article 82(1) of the Agreement for the budgetary year during which an agreement on the withdrawal of a Member State, as referred to in Article 50 of the Treaty on European Union, enters into force after 1 July, the GDP at market prices of EU Member States shall include the GDP at market prices of the withdrawing Member State.

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* OJ L 433I , 22.12.2020, p. 23.".

2. The following Article is added in Protocol 32:

"*Article 8*

Specific rules for participation in budgetary guarantees

Specific financial modalities for contributions of EFTA States related to participation in budgetary guarantees, including the procedure for the determination of the financial participation therein, shall be set in specific contribution agreements that may complement the modalities set in this Protocol. The contribution shall consist of a contribution for the partial provisioning of the budgetary guarantee and the assumption of the respective contingent liability, or shall alternatively be a cash contribution to the full provisioning of the budgetary guarantee, based on the conditions set out in the specific contribution agreements.".

Article 2

This Decision shall enter into force on the day following the last notification under Article 103(1) of the EEA Agreement*****.

It shall apply from 1 January 2021.

***** [Constitutional requirements indicated.][No constitutional requirements indicated.]

Article 3

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the *Official Journal of the European Union*.

Done at Brussels, ….

For the EEA Joint Committee
The President,
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