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EUROPEAN COMMISSION

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2010/0128 (NLE)

Proposal for a

## **COUNCIL DECISION**

**on the signing and provisional application of an Agreement between the European Union, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism 2009-2014, an Agreement between the European Union and Norway on a Norwegian Financial Mechanism 2009-2014, an Additional Protocol to the Agreement between the European Economic Community and Iceland concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014 and an Additional Protocol to the Agreement between the European Economic Community and Norway concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014**

## EXPLANATORY MEMORANDUM

Since the entry into force of the Agreement on the European Economic Area (EEA) in 1994, the EEA EFTA States (now Iceland, Liechtenstein and Norway) have contributed to alleviating economic and social disparities in the EEA. These contributions have always been agreed for periods of five years.

The most recent five-year-period of financial contributions, covering 2004-2009, expired on 30 April 2009. During that period, the overall financial contribution from the EEA EFTA States was EUR 1.467 billion, allocated partly through a multilateral EEA financial mechanism to the EEA Agreement, financed by all three EEA EFTA States, and partly through a bilateral Norwegian financial mechanism, financed exclusively by Norway.

The 2004-2009 financial contributions were negotiated in the context of the 2004 and 2007 EEA Enlargement Agreements. In that context, two bilateral agreements/protocols with Iceland and Norway granting certain concessions with regard to market access for fish and fisheries products were also negotiated for the same 2004-2009 period, with a revision clause, stipulating a deadline coinciding with the expiry of the 2004-2009 financial mechanisms.

Formal negotiations with Iceland, Liechtenstein and Norway on their financial contributions for the period 2009-2014 were opened on 26 September 2008.

In parallel to those negotiations, but independently of them, consultations and subsequently negotiations were also launched on the basis of the revision clause of the two bilateral fish protocols with Iceland and Norway.

The negotiations were concluded at negotiators' level with the initialling of a set of agreed minutes on 18 December 2009.

The results of the various negotiations are:

- An agreement between the EU, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism for the period 2009-2014;
- An agreement between the EU and Norway on a Norwegian Financial Mechanism for the period 2009-2014;
- An additional protocol concerning certain fisheries concessions for Iceland for the period 2009-2014;
- An additional protocol concerning certain fisheries concessions for Norway for the period 2009-2014.

As far as the EEA and Norwegian financial mechanisms are concerned, the result is an overall package of EUR 1.8 billion for the period 2009-2014, composed of a 31% increase in the EEA financial mechanism and a 22 percent increase in the Norwegian financial mechanism, compared to the period 2004-2009. This outcome reflects the negotiating directives agreed by the Council, which requested a "substantial increase" in the funds. Due to its financial crisis, it was agreed that Iceland's contribution to the EEA financial mechanism should not be increased in absolute terms.

As an element of the final package, the Commission agreed to make, on the occasion of the signature of the agreement on the new EEA financial mechanism, the following declaration: *“The new Protocol 38b has been established as a contribution by the EEA EFTA States to the reduction of economic and social disparities in the European Economic Area, and is without prejudice to other negotiations, including future EU cohesion negotiations”*. The background to this declaration is that while the point of departure for the distribution of the funds in the EEA financial mechanism was the so-called “cohesion key”, and in order to find a viable compromise, certain transitional adjustments had to be made, resulting in the final distribution of the EEA funds.

Furthermore, implementation provisions have been agreed. The key element is that the funds will be spent by using the same “programme” method as used in the EU structural funds. Among the priority areas for the funding are fighting climate change and protecting the environment, promoting green technologies and supporting social development and civil society.

The result of the negotiations on the two bilateral fisheries protocols between the EU and Iceland and Norway, respectively, for the period 2009-2014 was essentially a renewal of the previous 2004-2009 protocols with unchanged concessions for Iceland and a relatively modest increase in concessions for Norway, on the basis of which Norway will renew the fish transit arrangement, which had also expired on 30 April 2009.

As the negotiations suffered unfortunate delays and were not concluded until 18 December 2009, it is necessary for the smooth functioning of the EEA to ensure that the above agreements enter into force as soon as possible, if necessary on a provisional basis, which will be agreed with the relevant EEA EFTA State(s) by exchanges of letters. A paragraph to this effect has been introduced in the proposal. It is understood that the EU side will sign the letters on the provisional application of all four agreements at the same time in order to ensure simultaneous entry into force of these four agreements.

As is common practice when modifying specific elements of existing international agreements, it is proposed that the relevant articles of the TFEU be used as the legal basis for the draft decisions, namely Article 175, third paragraph for the agreements on the financial contributions to economic and social cohesion and Article 207 for the amended fisheries protocols. Furthermore, Article 218(5) is referred to as a legal basis not only for the signature of these agreements, but also for their provisional application.

It is proposed that the Council adopt the attached proposal for a Council Decision on the signing and provisional application of an Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, an Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism 2009-2014, an Additional Protocol to the Agreement between the European Union and Iceland concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014 and an Additional Protocol to the Agreement between the European Union and Norway concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014.

Proposal for a

**COUNCIL DECISION**

of [...]

**on the signing and provisional application of an Agreement between the European Union, Iceland, Liechtenstein and Norway on an EEA Financial Mechanism 2009-2014, an Agreement between the European Union and Norway on a Norwegian Financial Mechanism 2009-2014, an Additional Protocol to the Agreement between the European Economic Community and Iceland concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014 and an Additional Protocol to the Agreement between the European Economic Community and Norway concerning special provisions applicable to imports into the European Union of certain fish and fisheries products 2009-2014**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 175, third subparagraph, and 207, in conjunction with Article 218 (5) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Whereas:

- (1) The EEA Financial Mechanism 2004-2009 provided for in Protocol 38a to the Agreement on the European Economic Area (EEA Agreement)<sup>2</sup>, as subsequently supplemented with an addendum in 2007 upon Bulgaria and Romania becoming contracting parties to the EEA Agreement<sup>3</sup>, the Norwegian Financial Mechanism 2004-2009<sup>4</sup>, as well as the Cooperation Programmes for Economic Growth and Sustainable Development in Bulgaria and Romania<sup>5</sup>, expired on 30 April 2009.
- (2) The need to alleviate economic and social disparities within the European Economic Area persists, and therefore a new Mechanism for the financial contributions of the EEA EFTA States and a new Norwegian Financial Mechanism should be established.
- (3) To this end, the Commission has negotiated, on behalf of the European Union, an Agreement with Iceland, Liechtenstein and Norway on such a new EEA Financial Mechanism for the period 2009-2014. This will take the form of a Protocol 38b to the EEA Agreement. To this end, the Commission has also negotiated, on behalf of the

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<sup>1</sup> OJ C [...], [...], p. [...].

<sup>2</sup> OJ L 130, 29.4.2004, p. 14.

<sup>3</sup> OJ L 221, 25.8.2007, p. 18.

<sup>4</sup> OJ L 130, 29.4.2004, p. 81.

<sup>5</sup> OJ L 221, 25.8.2007, pp. 46 and 52.

European Union, an Agreement with Norway on a new Norwegian Financial Mechanism for the period 2009-2014.

- (4) Subject to their possible conclusion at a later date, the Agreements on the EEA and Norwegian Financial Mechanisms 2009-2014 should be signed.
- (5) The special provisions applicable to imports into the EU of certain fish and fisheries products originating in Iceland and Norway, provided for in the Additional Protocols to the Free Trade Agreements with Iceland and Norway<sup>6</sup>, as subsequently amended in 2007 on the accession of Bulgaria and Romania<sup>7</sup>, expired on 30 April 2009 and should be reviewed in accordance with Article 2 of these Protocols.
- (6) To this end, the Commission has negotiated, on behalf of the European Union, Additional Protocols to these Free Trade Agreements, to lay down special provisions applicable to imports into the EU of certain fish and fisheries products originating in Iceland and Norway for the period 2009-2014.
- (7) Subject to their possible conclusion at a later date, these Additional Protocols should be signed.
- (8) Pending the completion of the procedures required to bring these agreements into force, the two Agreements and the two Additional Protocols should be applied on a provisional basis,

HAS ADOPTED THIS DECISION:

#### *Article 1*

The signing, on behalf of the European Union, of the following agreements is hereby authorised, subject to their conclusion:

- Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014;
- Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism 2009-2014;
- Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland;
- Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway.

The President of the Council is hereby authorised to designate the person(s) empowered to sign these agreements on behalf of the European Union.

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<sup>6</sup> OJ L130, 29.4.2004, pp. 85 and 89.

<sup>7</sup> OJ L221, 25.8.2007, pp. 58 and 62.

## *Article 2*

The President of the Council is hereby authorised to designate the person(s) empowered to sign, on behalf of the European Union, exchanges of letters between the European Union and Iceland, the Principality of Liechtenstein and the Kingdom of Norway, respectively, in order that, pending their entry into force, the agreements referred to in Article 1 are applied on a provisional basis.

The Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014 and the Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism 2009-2014 shall apply provisionally from the first day of the first month following the date on which the last of these exchanges of letters has been completed.

The Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland 2009-2014 and the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway 2009-2014 shall apply provisionally from the first day of the third month following the date on which the last of these exchanges of letters has been completed.

## *Article 3*

The texts of the Agreements, Additional Protocols and exchanges of letters referred to in Articles 1 and 2 are attached to this Decision.

Done at Brussels, [...2010]

*For the Council*  
*The President*  
[...]

## ANNEXES

### **AGREEMENT BETWEEN THE EUROPEAN UNION, ICELAND, THE PRINCIPALITY OF LIECHTENSTEIN AND THE KINGDOM OF NORWAY ON AN EEA FINANCIAL MECHANISM 2009-2014**

THE EUROPEAN UNION,

ICELAND,

THE PRINCIPALITY OF LIECHTENSTEIN,

THE KINGDOM OF NORWAY,

whereas the Parties to the Agreement on the European Economic Area (hereinafter referred to as 'EEA Agreement') agreed on the need to reduce the economic and social disparities between their regions with a view to promoting a continuous and balanced strengthening of trade and economic relations between them;

whereas, in order to contribute to that objective, the EFTA States have established a Financial Mechanism in the context of the European Economic Area;

whereas the provisions governing the EEA Financial Mechanism for the period 2004-2009 have been set out in Protocol 38a and the Addendum to Protocol 38a to the EEA Agreement;

whereas the need to alleviate economic and social disparities within the European Economic Area persists, and therefore a new Mechanism for the financial contributions of the EEA EFTA States should be established for the period 2009-2014,

Have decided to conclude the following Agreement:

#### *Article 1*

The text of Article 117 of the EEA Agreement shall be replaced by the following:

'Provisions governing the Financial Mechanisms are set out in Protocol 38, Protocol 38a and the Addendum to Protocol 38a, and Protocol 38b.'

#### *Article 2*

A new Protocol 38b shall be inserted after Protocol 38a to the EEA Agreement. The text of Protocol 38b is provided for in the Annex to this Agreement.

#### *Article 3*

This Agreement shall be ratified or approved by the Parties in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union.

It shall enter into force on the first day of the second month after the last instrument of ratification or approval has been deposited.



*Article 4*

This Agreement, drawn up in a single original in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Italian, Latvian, Lithuanian, Hungarian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish, Icelandic and Norwegian languages, the text in each of these languages being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union, which will remit a certified copy to each of the Parties to this Agreement.

Done at Brussels [...]

For the European Union

For Iceland

For the Principality of Liechtenstein

For the Kingdom of Norway

ANNEX

**PROTOCOL 38 B**

***on the EEA Financial Mechanism (2009-2014)***

*Article 1*

Iceland, Liechtenstein and Norway (hereinafter referred to as the EFTA States) shall contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of their relations with the Beneficiary States, through financial contributions in the priority sectors listed in Article 3.

*Article 2*

The total amount of the financial contribution provided for in Article 1 shall be EUR 988.5 million, to be made available for commitment in annual tranches of EUR 197.7 million over the period running from 1 May 2009 to 30 April 2014, inclusive.

*Article 3*

1. The financial contributions shall be available in the following priority sectors:
  - (a) Environmental protection and management;
  - (b) Climate change and renewable energy;
  - (c) Civil society;
  - (d) Human and social development;
  - (e) Protecting cultural heritage.
2. Academic research may be eligible for funding in so far as it is targeted at one or more of the priority sectors.
3. The indicative allocation target for each Beneficiary State is at least 30 percent for priority sectors (a) and (b) combined, and 10 per cent for priority sector (c). The priority sectors shall, in accordance with the procedure referred to in Article 8 paragraph 2, be chosen, concentrated and adapted in a flexible manner, according to the different needs in each Beneficiary State, taking into account its size and the amount of the contribution.

*Article 4*

1. The EFTA contribution shall not exceed 85 percent of programme cost. It may in special cases be up to 100 per cent of programme cost.
2. The applicable rules on state aid shall be complied with.

3. The European Commission shall screen all programmes and any substantial change for their compatibility with the European Union's objectives.
4. The responsibility of the EFTA States for the projects is limited to providing funds according to the agreed plan. No liability to third parties will be assumed.

#### *Article 5*

The funds shall be made available to the following Beneficiary States: Bulgaria, Czech Republic, Estonia, Greece, Spain, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovenia and Slovakia.

EUR 45.85 million shall be allocated to Spain for transitional support 1 May 2009 – 31 December 2013. While taking into account transitional adjustments, the remaining funds shall be made available in accordance with the following distribution:

#### **Funds (million EUR)**

Bulgaria	78.60
Czech Republic	61.40
Estonia	23.00
Greece	63.40
Cyprus	3.85
Latvia	34.55
Lithuania	38.40
Hungary	70.10
Malta	2.90
Poland	266.90
Portugal	57.95
Romania	190.75
Slovenia	12.50
Slovakia	38.35

## Article 6

With a view to reallocating any non-committed available funds for high priority projects from any Beneficiary State, a review shall be carried out in November 2011 and again in November 2013.

## Article 7

1. The financial contribution provided for in this Protocol shall be closely coordinated with the bilateral contribution from Norway provided for by the Norwegian Financial Mechanism.
2. In particular, the EFTA States shall ensure that the application procedures and implementation modalities are essentially the same for both financial mechanisms referred to in the previous paragraph.
3. Any relevant changes in the European Union's cohesion policies shall be taken into account, as appropriate.

## Article 8

The following shall apply to the implementation of the EEA Financial Mechanism:

1. The highest degree of transparency, accountability and cost efficiency shall be applied in all implementation phases, as well as principles of good governance, sustainable development and gender equality. The objectives of the EEA Financial Mechanism shall be pursued in the framework of close co-operation between the Beneficiary States and the EFTA States.
2. In order to ensure efficient and targeted implementation, and taking into account national priorities, the EFTA States shall conclude with each Beneficiary State a Memorandum of Understanding that shall set out the multi-annual programming framework and the structures for management and control.
3. After having concluded the Memorandum of Understanding, the Beneficiary State shall submit programme proposals. The EFTA States will appraise and approve the proposals and conclude grant agreements with the Beneficiary States for each programme. The level of detail in the programme shall take into account the size of the contribution. Within programmes, projects may in exceptional cases be specified, including conditions for their selection, approval and control, in accordance with the provisions for implementation referred to in paragraph 8.

The implementation of the agreed programmes shall be the responsibility of the Beneficiary States. The Beneficiary States shall provide for an appropriate management and control system in order to ensure a sound implementation and management system.

4. Partnerships shall, where appropriate, be applied in the preparation, implementation, monitoring and evaluation of the financial contribution in order to ensure broad participation. Partners may include, *inter alia*, local, regional and national levels, as

well as the private sector, civil society and social partners in the Beneficiary States and the EFTA States.

5. The control system provided for the management of the EEA Financial Mechanism shall ensure the respect of the principle of sound financial management. The EFTA States may carry out controls according to their internal requirements. The Beneficiary States shall provide all necessary assistance, information and documentation to this effect. The EFTA States may suspend financing and require recovery of funds in the case of irregularities.
6. Any project under the multi-annual programming framework in the Beneficiary States may be implemented in cooperation between entities based in the Beneficiary States and in the EFTA States, in accordance with the applicable rules on public procurement.
7. The management costs of the EFTA States shall be covered by the overall amount referred to in Article 2 and will be specified in the provisions for the implementation referred to in paragraph 8.
8. The EFTA States shall establish a Committee for the overall management of the EEA Financial Mechanism. Further provisions for the implementation of the EEA Financial Mechanism will be issued by the EFTA States after consultation with the Beneficiary States. The EFTA States shall endeavour to issue these provisions before the signing of the Memoranda of Understanding.

#### *Article 9*

At the end of the five-year period and without prejudice to the rights and obligations under the Agreement, the Contracting Parties will in the light of Article 115 of the Agreement review the need to address economic and social disparities within the European Economic Area.

## **AGREEMENT**

### **between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2009 – 2014**

#### *Article 1*

The Kingdom of Norway undertakes to contribute for a five year period to the reduction of economic and social disparities in the European Economic Area, and to the strengthening of its relations with the Beneficiary States, through a separate Norwegian Financial Mechanism in the priority sectors listed in Article 3.

#### *Article 2*

The total amount of the financial contribution provided for in Article 1 shall be EUR 800 million, to be made available for commitment in annual tranches of EUR 160 million over the period running from 1 May 2009 to 30 April 2014, inclusive.

#### *Article 3*

The financial contributions shall be available in the following priority sectors:

- (a) Carbon Capture and Storage;
- (b) Green Industry Innovation;
- (c) Research and Scholarship;
- (d) Human and Social Development;
- (e) Justice and Home Affairs;
- (f) Promotion of Decent Work and Tripartite Dialogue.

The allocation target for priority sector (a) shall be at least 20 percent. Due account will be taken of the different needs and the size of each Beneficiary State.

One per cent of the allocation to each Beneficiary State shall be set aside for a fund for the Promotion of Decent Work and Tripartite Dialogue, to be operated by an entity designated by the Kingdom of Norway, and in accordance with the distribution key referred to in Article 5.

#### *Article 4*

The contribution from the Kingdom of Norway shall not exceed 85 percent of programme cost. It may in special cases be up to 100 percent of programme cost.

The applicable rules on state aid shall be complied with.

The European Commission shall screen all programmes and any substantial change in a programme for their compatibility with the European Union's objectives.

The responsibility of the Kingdom of Norway for the projects is limited to providing funds according to the agreed plan. No liability to third parties will be assumed.

#### *Article 5*

The funds shall be made available to the Beneficiary States, Bulgaria, Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Romania, Slovenia and Slovakia, in accordance with the following distribution:

Beneficiary State	Funds (million EUR)
Bulgaria	48.00
Cyprus	4.00
Czech Republic	70.40
Estonia	25.60
Latvia	38.40
Lithuania	45.60
Hungary	83.20
Malta	1.60
Poland	311.20
Romania	115.20
Slovenia	14.40
Slovakia	42.40

#### *Article 6*

With a view to reallocate any non-committed available funds for high priority projects from any Beneficiary State, a review shall be carried out in November 2011 and again in November 2013.

#### *Article 7*

The financial contribution provided for in Article 1 shall be closely co-ordinated with the contribution from the EFTA States provided for by the EEA Financial Mechanism.

In particular, the Kingdom of Norway shall ensure that the application procedures and implementation modalities are essentially the same for both financial mechanisms referred to in the previous paragraph.

Any relevant changes in the European Union's cohesion policies shall be taken into account, as appropriate.

#### Article 8

The following shall apply to the implementation of the Norwegian Financial Mechanism:

1. The highest degree of transparency, accountability and cost efficiency shall be applied in all implementation phases, as well as objectives and principles of good governance, sustainable development and gender equality. The objectives of the Norwegian Financial Mechanism shall be pursued in the framework of close co-operation between the Beneficiary States and the Kingdom of Norway.
2. In order to ensure efficient and targeted implementation, and taking into account national priorities, the Kingdom of Norway shall conclude with each Beneficiary State a Memorandum of Understanding that shall set out the multi-annual programming framework and the structures for management and control.
3. After having concluded the Memorandum of Understanding, the Beneficiary States shall submit programme proposals. The Kingdom of Norway will appraise and approve the proposals and conclude grant agreements with the Beneficiary States for each programme. The level of detail in the programme shall take into account the size of the contribution. Within programmes, projects may in exceptional cases be specified, including conditions for their selection, approval and control, in accordance with the provisions for implementation referred to in paragraph 8.

The implementation of the agreed programmes shall be the responsibility of the Beneficiary States. The Beneficiary States shall provide for an appropriate management and control system in order to ensure a sound implementation and management system. The Beneficiary State and the Kingdom of Norway may agree, in specific circumstances, that programmes be operated by any entity appointed by them.

4. Partnerships shall, where appropriate, be applied in the preparation, implementation, monitoring and evaluation of the financial contributions in order to ensure broad participation. Partners may include, *inter alia*, local, regional and national levels, as well as the private sector, civil society and social partners in the Beneficiary States and the Kingdom of Norway.
5. The control system provided for the management of the Norwegian Financial Mechanism shall ensure the respect of the principle of sound financial management. The Kingdom of Norway may carry out controls according to internal requirements. The Beneficiary States shall provide all necessary assistance, information and documentation to this effect. The Kingdom of Norway may suspend financing and require recovery of funds in the case of irregularities.



6. Any project under the multi-annual programming framework in the Beneficiary States may be implemented in cooperation between entities based in the Beneficiary States and in the Kingdom of Norway and in accordance with the applicable rules on public procurement.
7. The management costs of the Kingdom of Norway shall be covered by the overall amount referred to in Article 2 and will be specified in the provisions for the implementation referred to in paragraph 8.
8. The Kingdom of Norway, or an entity appointed by it, shall be responsible for the overall management of the Norwegian Financial Mechanism. Further provisions for the implementation of the Norwegian Financial Mechanism will be issued by the Kingdom of Norway after consultation with the Beneficiary States. The Kingdom of Norway shall endeavour to issue these provisions before the signing of the Memoranda of Understanding.

#### *Article 9*

This Agreement shall be ratified or approved by the Parties in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union.

It shall enter into force on the first day of the second month after the last instrument of ratification or approval has been deposited.

#### *Article 10*

This Agreement, drawn up in a single original in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Italian, Latvian, Lithuanian, Hungarian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Norwegian languages, the text in each of these languages being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union, which will remit a certified copy to each of the Parties to this Agreement.

Done at Brussels [...]

*For the European Union*

*For the Kingdom of Norway*

**ADDITIONAL PROTOCOL TO THE AGREEMENT BETWEEN THE EUROPEAN  
ECONOMIC COMMUNITY AND THE REPUBLIC OF ICELAND**

THE EUROPEAN UNION

and

ICELAND

HAVING REGARD to the Agreement between the European Economic Community and the Republic of Iceland signed on 22 July 1972, and to the existing arrangements for trade in fish and fishery products between Iceland and the Community;

HAVING REGARD to the Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland consequent on the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Latvia, the Republic of Lithuania, the Republic of Hungary, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union, and in particular article 2 thereof;

HAVING REGARD to the Additional Protocol to the Agreement between the European Economic Community and Iceland consequent on the accession of the Republic of Bulgaria and Romania to the European Union, and in particular article 2 thereof;

HAVE DECIDED TO CONCLUDE THIS PROTOCOL

*Article 1*

The special provisions applicable to imports into the European Union of certain fish and fishery products originating in Iceland are laid down in this Protocol and the Annex thereto.

The annual duty free tariff quotas are provided for in the Annex to this Protocol. These tariff quotas shall cover the period from 1 May 2009 to 30 April 2014. The quota levels shall be reviewed by the end of that period taking into account all relevant interests.

*Article 2*

The volumes of the duty free tariff quotas for the first 12 month period 1 May 2009 to 30 April 2010 will be allocated to the period 1 May 2010 to 30 April 2011.

Should the volumes of the tariff quotas for the tariff quota period from 1 May 2010 to 30 April 2011 not be fully exhausted, the remaining volumes shall be carried over to the tariff quota period from 1 May 2011 to 30 April 2012. For this purpose drawings on the tariff quotas applicable from 1 May 2010 to 30 April 2011 shall be stopped on the second working day in the Commission following 1 September 2011. On the following working day, the unused balances of these tariff quotas shall be made available under the corresponding tariff quota applicable from 1 May 2011 to 30 April 2012. From that date onwards no retroactive

drawings and no returns shall be possible on the particular tariff quotas applicable from 1 May 2010 to 30 April 2011.

### *Article 3*

This Protocol shall be ratified or approved by the Contracting Parties in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union.

It shall enter into force on the first day of the second month after the last instrument of ratification or approval has been deposited.

Pending its entry into force, this Protocol shall be applied on a provisional basis, following an exchange of letters between the Contracting Parties to this effect, from the first day of the third month following the date on which the exchange of letters has been completed.

### *Article 4*

This Protocol, drawn up in a single original in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Italian, Latvian, Lithuanian, Hungarian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Icelandic languages, the text in each of these languages being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union, which will remit a certified copy to each of the the Parties to this Agreement.

Done at Brussels [...]

*For the European Union*

*For Iceland*

## ANNEX

### SPECIAL PROVISIONS REFERRED TO IN ARTICLE 1 OF THE PROTOCOL

The Union shall open the following annual duty free tariff quotas for products originating in Iceland, in addition to existing tariff quotas:

CN code	Description of products	Annual (1.5-30.4) tariff quota volume in net weight, unless otherwise specified
ex 0303 51 00	Herrings of the species <i>Clupea harengus</i> and <i>Clupea pallasii</i> , frozen, excluding livers and roes, <sup>8</sup>	950 tonnes
0306 19 30	Frozen Norway lobsters ( <i>Nephrops norvegicus</i> )	520 tonnes
0304 19 35	Fillets of redfish ( <i>Sebastes spp.</i> ), fresh or chilled	750 tonnes

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<sup>8</sup> The benefit of the tariff quota shall not be granted to goods declared for release for free circulation during the period 15 February to 15 June.

**ADDITIONAL PROTOCOL TO THE AGREEMENT BETWEEN THE EUROPEAN  
ECONOMIC COMMUNITY AND THE KINGDOM OF NORWAY**

THE EUROPEAN UNION

and

THE KINGDOM OF NORWAY

HAVING REGARD to the Agreement between the European Economic Community and the Kingdom of Norway signed on 14 May 1973 and to the existing arrangements for trade in fish and fishery products between Norway and the European Union;

HAVING REGARD to the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway consequent on the accession of the Czech Republic, the Republic of Estonia, the Republic of Cyprus, the Republic of Hungary, the Republic of Latvia, the Republic of Lithuania, the Republic of Malta, the Republic of Poland, the Republic of Slovenia and the Slovak Republic to the European Union, and in particular Article 2 thereof;

HAVING REGARD to the Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway consequent on the accession of the Republic of Bulgaria and Romania to the European Union, and in particular Article 2 thereof;

HAVE DECIDED TO CONCLUDE THIS PROTOCOL:

*Article 1*

The special provisions applicable to imports into the European Union of certain fish and fishery products originating in Norway are laid down in this Protocol and the Annex thereto.

The annual duty free tariff quotas are provided for in the Annex to this Protocol. These tariff quotas shall cover the period from 1 May 2009 to 30 April 2014. The quota levels shall be reviewed by the end of that period taking into account all relevant interests.

*Article 2*

The tariff quota levels that should have been opened for Norway as from 1 May 2009 until the implementation of this Protocol shall be divided in equal parts and allocated on a yearly basis for the remaining part of the period of application of this Protocol.

*Article 3*

Norway shall take the necessary steps to ensure the continuation of the regulation laid down by Royal Decree of 21 April 2006 allowing for free transit of fish and fishery products landed in Norway from vessels flying the flag of a Member State of the European Union. This

regulation shall apply for the period referred to in Article 1 once the annual tariff quotas have been implemented.

#### *Article 4*

The rules of origin applicable for the tariff quotas listed in the Annex to this Protocol shall be those set out in Protocol 3 to the Agreement between the European Economic Community and the Kingdom of Norway signed on 14 May 1973.

#### *Article 5*

This Protocol shall be ratified or approved by the Parties in accordance with their own procedures. The instruments of ratification or approval shall be deposited with the General Secretariat of the Council of the European Union.

It shall enter into force on the first day of the second month after the last instrument of ratification or approval has been deposited.

Pending its entry into force, this Protocol shall be applied on a provisional basis, following an exchange of letters between the Parties to this effect, from the first day of the third month following the date on which the exchange of letters has been completed.

#### *Article 6*

This Protocol, drawn up in a single original in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Italian, Latvian, Lithuanian, Hungarian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, Swedish and Norwegian languages, the text in each of these languages being equally authentic, shall be deposited with the General Secretariat of the Council of the European Union, which will remit a certified copy to each of the Parties.

Done at Brussels [...]

*For the European Union*

*For the Kingdom of Norway*

## Annex

### SPECIAL PROVISIONS REFERRED TO IN ARTICLE 1 OF THE PROTOCOL

In addition to the existing duty free tariff quotas, the European Union shall open the following annual duty free tariff quotas for products originating in Norway:

	CN code	Description of products	Annual (1.5-30.4) tariff quota volume in net weight unless otherwise specified
	0303 29 00	Frozen salmonidae	2 000 tonnes
	0303 51 00	Herrings of the species <i>Clupea harengus</i> and <i>Clupea pallasii</i> , frozen, excluding livers and roes <sup>9</sup>	45 800 tonnes
	0303 74 30	Mackerel of the species <i>Scomber scombrus</i> and <i>Scomber japonicus</i> , frozen, whole, excluding livers and roes <sup>10</sup>	39 800 tonnes
	0303 79 98	Other fish, frozen, excluding livers and roes	2 200 tonnes
ex	0304 29 75 0304 99 23	Frozen filets of herring of the species <i>Clupea harengus</i> and <i>Clupea pallasii</i>  Frozen flaps of herring of the species <i>Clupea harengus</i> and <i>Clupea pallasii</i> (butterflies) <sup>11</sup>	67 600 tonnes
ex	1605 20 10	Shrimps and prawns, peeled and frozen, prepared or preserved	7 000 tonnes
ex	1605 20 91		
ex	1605 20 99		

<sup>9</sup> The benefit of the tariff quota shall not be granted to goods declared for release for free circulation during the period 15 February to 15 June.

<sup>10</sup> The benefit of the tariff quota shall not be granted to goods declared for release for free circulation during the period 15 February to 15 June.

<sup>11</sup> The benefit of the tariff quota shall not be granted to goods of CN code 0304 99 23 declared for release for free circulation during the period 15 February to 15 June.

ex	1604 12 91	Herring, spiced and/or vinegar cured, in brine <sup>12</sup>	3 000 tonnes net drained weight
ex	1604 12 99		

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<sup>12</sup> This tariff quota shall be increased to 4 000 tonnes net drained weight in the period 1 May 2010 to 30 April 2011, to 5 000 tonnes net drained weight in the period 1 May 2011 to 30 April 2012, and to 6 000 tonnes net drained weight in the period 1 May to 30 April in each subsequent 12 month period.



**A. Letter of the European Union to Iceland**

Sir,

With reference to the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that Iceland, the Principality of Liechtenstein and the Kingdom of Norway are disposed to do the same.

I should be obliged if you could confirm Iceland's agreement to the content of this letter.

Please accept, Sir, the assurance of my highest consideration

For the European Union

**B. Letter of Iceland to the European Union**

Sir,

I have the honour to acknowledge receipt of and confirm Iceland's agreement with your letter of today's date, which reads as follows:

“With reference to the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that Iceland, the Principality of Liechtenstein and the Kingdom of Norway are disposed to do the same.”

Please accept, Sir, the assurance of my highest consideration

For Iceland

**C. Letter of the European Union to Principality of Liechtenstein**

Sir,

With reference to the Agreement between the European Union, the Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that Iceland, the Principality of Liechtenstein and the Kingdom of Norway are disposed to do the same.

I should be obliged if you could confirm the Principality of Liechtenstein's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration

For the European Union

**D. Letter of the Principality of Liechtenstein to the European Union**

Sir,

I have the honour to acknowledge receipt of and confirm the Principality of Liechtenstein's agreement with your letter of today's date, which reads as follows:

“With reference to the Agreement between the European Union, the Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that Iceland, the Principality of Liechtenstein and the Kingdom of Norway are disposed to do the same.”

Please accept, Sir, the assurance of my highest consideration

For the Principality of Liechtenstein

**E. Letter of the European Union to the Kingdom of Norway**

Sir,

With reference to the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that Iceland, the Principality of Liechtenstein and the Kingdom of Norway are disposed to do the same.

I should be obliged if you could confirm the Kingdom of Norway's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration

For the European Union

**F. Letter of the Kingdom of Norway to the European Union**

Sir,

I have the honour to acknowledge receipt of and confirm the Kingdom of Norway's agreement with your letter of today's date, which reads as follows:

“With reference to the Agreement between the European Union, Iceland, the Principality of Liechtenstein and the Kingdom of Norway on an EEA Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that Iceland, the Principality of Liechtenstein and the Kingdom of Norway are disposed to do the same.”

Please accept, Sir, the assurance of my highest consideration

For the Kingdom of Norway

**G. Letter of the European Union to the Kingdom of Norway**

Sir,

With reference to the Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that the Kingdom of Norway is disposed to do the same.

I should be obliged if you could confirm the Kingdom of Norway's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration

For the European Union

**H. Letter of the Kingdom of Norway to the European Union**

Sir,

I have the honour to acknowledge receipt of and confirm the Kingdom of Norway's agreement with your letter of today's date, which reads as follows:

“With reference to the Agreement between the European Union and the Kingdom of Norway on a Norwegian Financial Mechanism 2009-2014, I have the honour to inform you that the European Union is prepared to apply this Agreement on a provisional basis, from the first day of the first month following the date on which the procedures necessary for this purpose have been completed, provided that the Kingdom of Norway is disposed to do the same.”

Please accept, Sir, the assurance of my highest consideration

For the Kingdom of Norway

**I. Letter of Iceland to the European Union**

Sir,

With reference to the Agreement between Iceland and the European Union on an Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland on special provisions applicable to imports into the EU of certain fish and fisheries products 2009-2014, I have the honour to inform you that Iceland is prepared to apply this Additional Protocol on a provisional basis from the first day of the third month following the date on which the procedures necessary for this purpose have been completed, provided that the European Union is disposed to do the same.

I should be obliged if you could confirm the European Union's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration.

For Iceland

**J. Letter of the European Union to Iceland**

Sir,

I have the honour to acknowledge receipt of and confirm the European Union's agreement with your letter of today's date, which reads as follows:

“With reference to the Agreement between Iceland and the European Union on an Additional Protocol to the Agreement between the European Economic Community and the Republic of Iceland on special provisions applicable to imports into the EU of certain fish and fisheries products 2009-2014, I have the honour to inform you that Iceland is prepared to apply this Additional Protocol on a provisional basis from the first day of the third month following the date on which the procedures necessary for this purpose have been completed, provided that the European Union is disposed to do the same.”

Please accept, Sir, the assurance of my highest consideration.

For the European Union

**K. Letter of the Kingdom of Norway to the European Union**

Sir,

With reference to the Agreement between the Kingdom of Norway and the European Union on an Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway on special provisions applicable to imports into the EU of certain fish and fisheries products 2009-2014, I have the honour to inform you that the Kingdom of Norway is prepared to apply this Additional Protocol on a provisional basis from the first day of the third month following the date on which the procedures necessary for this purpose have been completed, provided that the European Union is disposed to do the same.

I should be obliged if you could confirm the European Union's agreement to such provisional application.

Please accept, Sir, the assurance of my highest consideration.

For the Kingdom of Norway

**L. Letter of the European Union to the Kingdom of Norway**

Sir,

I have the honour to acknowledge receipt of and confirm the European Union's agreement with your letter of today's date, which reads as follows:

“With reference to the Agreement between the Kingdom of Norway and the European Union on an Additional Protocol to the Agreement between the European Economic Community and the Kingdom of Norway on special provisions applicable to imports into the EU of certain fish and fisheries products 2009-2014, I have the honour to inform you that the Kingdom of Norway is prepared to apply this Additional Protocol on a provisional basis from the first day of the third month following the date on which the procedures necessary for this purpose have been completed, provided that the European Union is disposed to do the same.”

Please accept, Sir, the assurance of my highest consideration.

For the European Union