

EUROPEAN ECONOMIC AREA

JOINT PARLIAMENTARY COMMITTEE

RESOLUTION

Adopted pursuant to Rules 11 and 13 of the Rules of Procedure

on 16 November 2020

on

The Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2019

Co-rapporteurs:

- *Mr Andreas Schwab, Member of the European Parliament, President of the EEA JPC*
- *Mr Svein Roald Hansen, Member of the Norwegian Parliament, Vice-President of the EEA JPC*

The Joint Parliamentary Committee of the European Economic Area (EEA JPC):

- Having regard to the EEA Agreement, and in particular Article 94(4) and Article 95(4) thereof,
- Having regard to the Annual Report of the EEA Joint Committee on the Functioning of the Agreement on the EEA in 2019,
- Having regard to Rules 11 and 13 of its Rules of Procedure,
- Having regard to its previous annual Resolutions on the Functioning of the EEA Agreement between 1994 and 2018¹,

While:

- A. Emphasising the importance of parliamentary oversight for the good implementation of the EEA Agreement,
 - B. Mindful of its mission to contribute to a better understanding between the European Union and the EEA EFTA States in the fields covered by the EEA Agreement, as laid out by Article 95(3) of the EEA Agreement,
 - C. Acting in accordance with its mandate to examine the Annual Report of the EEA Joint Committee, as laid out by Article 95(4) of the EEA Agreement,
 - D. Stressing that the EEA EFTA States are fully participating in the Internal Market,
 - E. Aware of the importance of maintaining homogeneity within the EEA:
1. Welcomes the publication of the 2019 Annual Report and agrees with the EEA Joint Committee (EEA JC) on the main issues of concern and makes the following remarks;
 2. Recalls that on 22 March 2019, the EU heads of State or Government met in Brussels with the Prime Ministers of Iceland, Liechtenstein and Norway to mark the 25th anniversary of the EEA Agreement; congratulates the EEA EFTA States for the exceptional cooperation maintained during all these years;

Incorporation of legal acts into the EEA Agreement

¹ Respectively dedicated to the Functioning of the EEA Agreement in 1994 (adopted on 29 May 1995), in 1995 (adopted on 3 June 1996), in 1996 (adopted on 14 April 1997), in 1997 (adopted on 25 May 1998), in 1998 (adopted on 19 April 1999), in 1999 (adopted on 16 March 2000), in 2000 (adopted on 24 May 2001), in 2001 (adopted on 20 June 2002), in 2002 (adopted on 20 May 2003), in 2003 (adopted on 27 April 2004), in 2004 (adopted on 25 April 2005), in 2005 (adopted on 22 May 2006), in 2006 (adopted on 27 June 2007), in 2007 (adopted on 29 April 2008), in 2008 (adopted on 25 March 2009), in 2009 (adopted on 29 March 2010), in 2010 (adopted on 12 April 2011), in 2011 (adopted on 4 May 2012), in 2012 (adopted on 30 May 2013), in 2013 (adopted on 17 December 2014); in 2014 (adopted on 19 November 2015); in 2015 (adopted on 14 December 2016); in 2016 (adopted on 23 May 2017); in 2017 (adopted on 7 May 2018); in 2018 (adopted on 13 March 2019).

3. Notes that 708 legal acts were incorporated into the EEA Agreement in 2019, compared to 433 in 2018, an increase of 63% compared to 2018;
4. Welcomes the fact that the number of legal acts awaiting incorporation where the compliance date in the EU had passed (“backlog”) decreased by 28% in 2019 compared to 2018²; reiterates the common interest of both the EU and the EEA EFTA States in the timely incorporation of these legislative acts and therefore urges them to pursue their efforts towards a significant reduction of the backlog; stresses that the incorporation of legislative acts requires administrative capacity both on the EU and the EEA EFTA States’ side and calls on the parties to ensure an adequate allocation of staff to this task;
5. Welcomes the incorporation of important legal acts in 2019, such as the Trade Secrets Directive, the Regulation on the portability of online services, implementing acts concerning Regulation on electronic identification, the geo-blocking Regulation, the Regulations on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry (LULUCF) and on effort-sharing. In the field of transport, 28 legal acts were incorporated covering inland, road, inland waterways, maritime and civil aviation transport. Likewise, a number of important acts were incorporated in the area of free movement of persons, in particular the Regulation revising the European network of employment services (EURES) as well as several related implementing and delegated acts on evidence of formal qualifications and the titles of training courses and several acts concerning social security coordination.
6. Underlines the urgent need to ensure the swift incorporation of some long outstanding legal acts, such as Ship Inspection and Survey Organisations, the Regulation establishing the Body of European Regulators for Electronic Communications (BEREC), the European Electronic Communications Code Directive, the Third Postal Directive, the Off-Shore Safety Directive, the Tobacco Products Directive, Directives pertaining to Energy Efficiency or Energy Performance of Buildings, the Regulation of genetically modified food or the Regulations on the Electricity Network Codes, in order to safeguard the homogeneity and the proper functioning of the Internal Market;
7. Welcomes the significant increase in the incorporation of acts in the field of financial services in 2019, with a total of 274 acts incorporated into the EEA Agreement. This includes the Financial Instruments Directive and Regulation (MiFIDII/MiFIR), the Benchmarks Regulation, the Capital Requirements Regulation and the Directive (CRR/CRDIV) and Market Abuse Regulation (MAR). The total backlog awaiting incorporation in the field of financial services at the end of 2019 amounted to 199, compared to 298 at the end of 2018, a decrease of 50%.
8. Regrets the increase of the average transposition deficit of the EEA EFTA States from 0.7% to 0.9%, according to the latest Internal Market Scoreboard published in September 2020. Since the December 2019 Scoreboard, the deficit of Iceland increased

² There were 435 outstanding legal acts in 2019. In 2018 there were 612, the highest number in the last few years. In comparison, there were 576 outstanding legal acts at the end of 2017, 522 for 2016, 435 for 2015, 428 for 2014, 506 for 2013 and 544 for 2012.

from 0.6 to 1.2%, the deficit of Norway from 0.3 to 0.6 % and the deficit of Liechtenstein remained at 0.9%.

EEA EFTA States participation in EU agencies and programmes

9. Welcomes the active participation of the EEA EFTA States in 14 EU programmes and 21 agencies, of which 16 were regulatory agencies and five executive agencies

Decision shaping

10. Notes the submission of five EEA EFTA comments in 2019. In 2018, they submitted 13 comments, which was a very high number in comparison with previous years;
11. Encourages the EEA EFTA States and the EU to continue sharing their views, assessments and information as early as possible in the decision-shaping process to ensure that each side's interest is duly taken into consideration;

EEA Financial Mechanism

12. Welcomes the progress made in the implementation of the Agreement on the EEA Financial Mechanism for the 2014-2021 period, with a total commitment of EUR 1548.1 million, and the Agreement on the Norwegian Financial Mechanism for the same period, with a total commitment of EUR 1253.7 million;
13. Takes note that Memoranda of Understanding on the EEA Grants have been signed at the end of 2019 with Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia;
14. Underlines EEA EFTA States' positive contribution to the reduction of social and economic disparities in the EEA, for the benefit of all EEA EFTA and EU citizens;
15. Stresses that a well-functioning internal market depends on mutual trust based on independent institutions and the respect for the rule of law;
16. Supports the requirement of the EEA EFTA States that an independent mechanism for allocation of grants to civil society organisations is a prerequisite for any memoranda of understanding and programmes with the beneficiary states, and that a lack of agreement regarding this could mean that no financial support under the EEA EFTA financial mechanisms is provided;
17. Regrets the decision by some municipalities in Poland to declare themselves as "LGBT ideology-free zones" and supports statements by the European Commission and European Parliament that such decisions is not compatible with basic European values and therefore asks the EEA EFTA States to ensure that such municipalities will not be eligible for support under the EEA financial mechanism;

Parliamentary oversight

18. Welcomes the reference made in the 2019 Annual Report of the EEA JC to the EEA JPC Resolution adopted in March 2019; and invites the EEA JC to continue to detail the activities of the EEA JPC in its future Annual Reports in order to highlight the contributions of the EEA JPC to the well-functioning of the EEA Agreement;
19. Welcomes the regular participation of the EEA JC representatives in the activities of the EEA JPC meetings and underlines in this regard the importance of upholding reciprocal high-level representation at both the political and the technical level in these meetings;
20. Emphasizes the fact that parliamentary oversight carried out in the EEA JPC provides for democratic scrutiny of the implementation of the EEA agreement and thus for its democratic legitimacy;
21. Stresses the role of the parliaments and parliamentarians in explaining the functioning and the benefits of the EEA Agreement to the citizens; is of the opinion that the importance of communicating on the EEA Agreement should not be underestimated;
22. Takes note of the enormous negative effects of the (on-going) COVID-19 crisis on the internal market and the four freedoms, including freedom of persons; calls on the EU and the EEA EFTA States to closely cooperate in order to mitigate those negative effects and to fully restore the EEA as soon as possible;
23. Calls on all parliamentary delegations to ensure the largest possible participation of their respective Members in future EEA JPC meetings with a view to safeguarding a meaningful democratic scrutiny of the EEA Agreement;
24. Instructs its President to forward this Resolution to the EEA Joint Committee and the EEA Council.