

EUROPEAN ECONOMIC AREA

JOINT PARLIAMENTARY COMMITTEE

RESOLUTION

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

on 28 April 2021

on

The Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2020

Co-rapporteurs:

- *Mr Günter Vogt, Member of the Liechtenstein Parliament, President of the EEA JPC*
- *Mr Andreas Schwab, Member of the European 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 2020,
- 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 2019¹,

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 2020 Annual Report and agrees with the EEA Joint Committee (EEA JC) on the main issues of concern.
 2. Welcomes the close cooperation between the EU and the EEA EFTA States to tackle the COVID-19 pandemic and to ensure the homogeneity and well-functioning of the EEA-agreement, in view of ensuring the swift recovery of the European economies;

Incorporation of legal acts into the EEA Agreement

3. Notes that 370 legal acts were incorporated into the EEA Agreement in 2020, compared to 708 in 2019, a decrease of 48% compared to 2019;

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); in 2019 (adopted on 16 November 2020)

4. Regrets the fact that the number of legal acts awaiting incorporation where the compliance date in the EU had passed (“backlog”) increased by 25% in 2020 compared to 2019²; 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 swift incorporation of COVID-19-related acts throughout 2020 such as the prolongation of the *de minimis* Regulation and the prolongation and amendment of the General Block Exemption Regulation as result of the COVID-19 outbreak as well as nine acts in the field of transport, including on derogations to the common rules for the allocation of slots at Community airports due to COVID-19 as well as on the temporary extension of these exceptional measures, on amendments of common rules for the operation of air services in the Community due to COVID-19 and on aviation security measures due to the COVID-19 pandemic. In the field of health, welcomes the incorporation of an act on the conduct of clinical trials with and supply of medicinal products for human use intended to treat or prevent coronavirus disease.
6. Welcomes the incorporation of important legal acts in 2020, such as the Trademark Directive and the incorporation of 77 acts in the field of financial services including the Directive on the prevention of money laundering and terrorism financing, the Regulation on key information documents for packaged retail and insurance-based investment products (PRIIPs), the Regulation on European long-term investment funds, the Regulation on money market funds and the Regulation on non-performing exposures. In the field of transport, 21 acts were incorporated on top of the 9 acts related to the COVID-19 pandemic. In the field of the environment, 12 legal acts were incorporated, notably the revision of the Emission Trade System (ETS).
7. Underlines the urgent need to ensure the swift incorporation of some long outstanding legal acts, such as the Directive on the energy performance of buildings, the Directive on energy efficiency, the Directive establishing a single European railway area and related acts (the Railway Package, recast), the Regulation on the European Union for Railways and related acts (the 4th railway package), the Regulation on common rules in the fields of civil aviation and establishing a European Union Aviation Safety Agency (EASA), the Regulation on common rules and standards for ship inspection survey organizations and related acts (the Ship Inspection Package) and the Directive concerning the provision of audiovisual media services (Audiovisual Media Services Directive);
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

² There were 577 outstanding legal acts in 2020. In 2019 there were 435. In comparison, there were 612 at the end of 2018, 576 for 2017, 522 for 2016, 435 for 2015, 428 for 2014, 506 for 2013 and 544 for 2012.

September 2020. Since the December 2019 Scoreboard, the deficit of Iceland increased 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%.

9. Notes that according to the 2020 edition of the Single Market Scoreboard, the average transposition deficit in the EU has decreased by 15% in 2020 and stands at 0.6% while the average conformity deficit has increased by 50% at 1.2% when the proposed target is 0.5%.

EEA EFTA States participation in EU agencies and programmes

10. Welcomes the active participation of the EEA EFTA States in 15 EU programmes and 22 agencies, of which 17 were regulatory agencies and five executive agencies.
11. Recalls that EEA EFTA participation in EU programmes is a key instrument for the EEA EFTA States' cooperation with EU institutions and Member States. The EEA JPC therefore encourages the EEA EFTA States to take an active part also in the EU programmes foreseen under the new financial framework of 2021-2027, and welcomes their preliminary expression of interest in doing so.
12. Underlines that the participation of the EEA EFTA States in the new EU programmes for 2021-2027 must remain based on the relevant provisions of the EEA Agreement and in particular article 81 thereof.

Decision shaping

13. Notes the submission of two EEA EFTA comments in 2020 compared to five in 2019. 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

14. 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 1 548.1 million, and the Agreement on the Norwegian Financial Mechanism for the same period, with a total commitment of EUR 1 253.7 million;
15. Takes note that in 2020 Memoranda of Understanding on the EEA Grants has been signed with Hungary and hence the process has been concluded with all beneficiary states;
16. 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;
17. Stresses that a well-functioning internal market depends on mutual trust based on independent institutions and the respect for the rule of law;

18. Reiterates its support to 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;
19. Welcomes the European Parliament resolution of 11 March 2021 declaring the EU a “LGTBIQ Freedom Zone” and asks the EEA EFTA States to ensure that only beneficiaries respecting the basic European values, including rights of LGTBIQ people, are eligible for funding under the EEA financial mechanism;
20. Calls on the EEA EFTA States and the EU to consider European values, independent institutions and the rule of law as prerequisite for funding under the next period of the EEA EFTA Financial Mechanism.

Parliamentary oversight

21. Stresses that despite the COVID-19 pandemic, the EEA JPC was able to carry out its parliamentary oversight via videoconference.
22. Welcomes the reference made in the 2020 Annual Report of the EEA JC to the EEA JPC Resolution adopted in November 2020; 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;
23. 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 political and technical level in these meetings;
24. 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;
25. 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;
26. 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 ensure the good functioning of the EEA agreement ;
27. 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;

28. Instructs its President to forward this Resolution to the EEA Joint Committee and the EEA Council.