

# EUROPEAN ECONOMIC AREA

## JOINT PARLIAMENTARY COMMITTEE

Ref. 23-2145

### RESOLUTION

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

on 15 December 2023

on

#### **The Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2022**

Co-rapporteurs:

- *Ms Trine Lise Sundnes, Member of the Norwegian 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 2022;
- 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 2021<sup>1</sup>;

While:

- A. Emphasising the importance of parliamentary oversight for the good implementation and functioning 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;

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<sup>1</sup> 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), in 2020 (adopted on 28 April 2021); in 2021 (adopted on 25 May 2022).

1. Welcomes the publication of the 2022 Annual Report; and agrees with the EEA Joint Committee (EEA JC) on the main issues of concern and make the following remarks;
2. Underlines the firm and united action of the EU and the EEA EFTA States regarding Russia's war of aggression against Ukraine in particular, and intensifying geopolitical challenges through attacks on rules-based order of non-democratic regimes, and terrorist actors in general;
3. Calls on the EU and the EEA EFTA States to work hand in hand to sustain their continued support to Ukraine and to address the adverse consequences on the good functioning of the EEA;
4. Acknowledges the contribution of EEA EFTA States in ensuring the resilience of the EEA and its energy security;

#### **Incorporation of acquis into the EEA Agreement**

5. Notes that 628 legal acts were incorporated into the EEA Agreement in 2022, compared to 662 in 2021, a decrease of 5% compared to 2021;
6. Regrets the fact that the number of legal acts awaiting incorporation where the compliance date in the EU had passed ("backlog") increased by 4% in 2022 compared to 2021<sup>2</sup>; 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 reduction of the backlog;
7. Welcomes the continued incorporation of a number of COVID-19-related acts in 2022 such as the temporary waiver allowing air carriers to maintain their slot series if demonstrated that they have operated their slot series for at least 75% of the time during the scheduling period; the adoption of 35 acts concerning the EU Digital COVID Certificate system; and one Administrative Commission Decision on the postponement of deadlines due to the COVID-19 pandemic in the field of coordination of social security;
8. Welcomes the incorporation of important legal acts in 2022 such as, in the field of state aid, the Regulation (EU) 2021/1237 amending the General Block Exemption Regulation

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<sup>2</sup> There were 612 outstanding legal acts in 2022. In 2021 there were 589. In comparison, there were 677 at the end of 2020, 435 at the end of 2019, 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.

by declaring certain categories of aid compatible with the Internal Market; 83 acts in the field of financial services, including the second Banking Recovery and Resolution Regulation (BRRD II), regulations on covered bonds, and acts on sustainable finance disclosure and taxonomy; 43 acts in the field of environment, including measures on waste electrical and electronic equipment (WEEE) and a directive on the landfill of waste; 2 acts in the field of energy, including Directive 2010/31/EU on the energy performance of buildings; 14 acts in the field of Electronic communication, audio-visual services, information society and data protection, including on Regulation (EU) 2022/612 on Data Roaming and the Audiovisual Media Services Directive (EU) 2018/1808; 33 legal acts in the field of transport; 5 acts on the free movement of persons; and the act establishing the InvestEU Programme;

9. Underlines the urgent need to ensure the swift incorporation of some legal acts long outstanding, such as the Directive 2018/844 amending the energy performance of buildings directive and the energy efficiency directive, Directives pertaining to the gas infrastructure and transmission, the Regulation on common rules in the fields of civil aviation and establishing the European Union Aviation Safety Agency (EASA), and the Regulation establishing a European Labour Authority;
10. Regrets the increase of the average transposition deficit of the EEA EFTA States from 0.9% to 1.3% - the highest since 2014 - according to the latest Internal Market Scoreboard published in November 2022 and reflecting the state of play on 31 May 2022. Since the December 2021 Scoreboard, the deficit of Iceland increased from 1.6% to 2%, the deficit of Norway from 0.8% to 1.3% and the deficit of Liechtenstein increased from 0.4% to 0.7%<sup>3</sup>;
11. Notes with concern that on 31 December 2022, the number of JCDs awaiting the fulfilment of constitutional requirements for more than six months stood at 31, compared to 22 on 31 December 2021;
12. Acknowledges that on 31 December 2022, the number of “linked” JCDs, where the entry into force depended on the entry into force of other JCDs that had already been or would be adopted, stood at 55, compared to 43 on 31 December 2020; and calls on the EEA Joint Committee to prioritise the work on Joint Committee Decisions which may

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<sup>3</sup> From 2009, ESA used the interim target of 1% set by the European Council in 2007 as a benchmark and is now looking towards a benchmark of 0.5% in line with the European Commission’s Single Market Act proposed in April 2011.

delay the adoption and the entry into force of other “linked” Joint Committee Decisions;

### **EEA EFTA States participation in EU agencies and programmes**

13. Welcomes the active participation of the EEA EFTA States in 13 EU programmes and 25 agencies, of which 19 were regulatory agencies and six executive agencies;
14. 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 welcomes that the EEA EFTA States are taking an active part in 13 EU programmes under the 2021-2027 financial framework such as Horizon Europe, European Defence Fund, Digital Europe, Life, Erasmus+, European Solidarity Corps, ESF+/EaSI, Single Market Programme, Union Civil Protection Mechanism/RescEU, European Space Programme, Creative Europe, EU4Health, and InvestEU;

### **Decision shaping**

15. Welcomes the submission of six EEA EFTA comments in 2022 compared to eight in 2021 and underlines that the EEA EFTA Comment on the Union Secure Connectivity Programme was extensively discussed at its 58<sup>th</sup> meeting on 19 October 2022 in Strasbourg;
16. Underlines that EEA EFTA Comments are useful tools to outline the EEA EFTA States’ position on EU initiatives and legislation bearing potential EEA relevance and therefore encourages EEA EFTA States to pursue with their drafting and broad dissemination;
17. 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**

18. Recalls that an Agreement on the EEA Financial Mechanism and the Agreement on the Norwegian Financial Mechanism for the period 2014-2021 amount to total contributions of EUR 1548.1 and 1253.7 million, respectively;

19. Acknowledges that the period of eligibility of expenditures under both Mechanisms run until April 2024 and takes note of the fact that 97 programmes had been approved by the donors by May 2021 and entered into force;
20. Encourages both the donors and the beneficiary states to work seamlessly towards the implementation of the programmes for reducing economic and social disparities across the EEA by the completion of the current period;
21. Regrets that no agreement was reached with Hungary on the appointment of a Fund Operator to manage the funding for civil society and therefore no programmes are implemented in Hungary under the EEA and Norway Grants during the 2014-2021 funding period;
22. Reiterates its full 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, as was the case with Hungary during the 2014-2021 funding period;
23. Stresses that a well-functioning internal market depends on mutual trust based on independent institutions and the respect for the rule of law;
24. Notes the launch on 16 June 2022 of the negotiations on a new period of the financial contribution of the EEA EFTA States to reduce the economic and social disparities in the EEA, and welcomes the conclusion of these negotiations on 30 November 2023;
25. Calls on the EEA EFTA States and the EU to continue to consider European values, independent institutions, and the rule of law as prerequisites for funding under the EEA EFTA Financial Mechanism 2021-2028;
26. Calls on the EEA EFTA States and the EU to strengthen the mechanisms of control and audit for beneficiary countries where the independence of the judiciary is being questioned; opines that misappropriation or frauds are at risk of not being independently prosecuted and judged in such beneficiary countries;

### **Parliamentary oversight**

27. Welcomes the reference made in the 2022 Annual Report of the EEA Joint Committee to the EEA JPC Resolution adopted in May 2022; and invites the EEA Joint Committee 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;

28. Encourages the regular participation of representatives of the EEA Joint Committee and of the EEA Council in the activities of the EEA JPC meetings and underlines the importance of upholding reciprocal high-level political representation in these meetings;
29. 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; 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 communication on the EEA Agreement should be fostered;
30. Mindful of the impact of the war in Ukraine and of the sanctions against Russia on the good functioning of the EEA and its internal market, calls on the EU and the EEA EFTA States to closely cooperate to mitigate adverse effects for EEA citizens and economic operators;
31. Calls on both EU and EEA EFTA parliamentary delegations to ensure the widest possible participation of their respective Members in future EEA JPC meetings with a view to safeguarding a meaningful democratic scrutiny of the EEA Agreement;
32. Instructs its President to forward this Resolution to the EEA Joint Committee and the EEA Council.