



ENLARGEMENT OF THE EEA IN 2007

▼ Background

The EEA Agreement explicitly states that a country which becomes a member of the EU shall also apply to become party to the EEA Agreement (Article 128). The terms and conditions for such a country to participate in the EEA Agreement shall be subject to an agreement. The latest enlargement of the EU took place on 1 January 2007 when Bulgaria and Romania joined the Union. Once the agreement on enlargement with these two countries becomes applicable, the EEA will comprise 30 countries with almost 500 million citizens.

▼ The negotiations

The negotiations to enlarge the EEA were launched in July 2006 in Brussels. They took place between the European Commission (also negotiating on behalf of the EU Member States), the EEA EFTA States, and Bulgaria and Romania. The negotiations were conducted in a plenary setting and assisted by technical working groups in the areas of fish and marine products and of financial contributions. The EEA Enlargement Agreement was signed on 25 July 2007 in Brussels.

▼ The main results

The negotiations focused on the financial contributions from the EEA EFTA States towards the reduction of social and economic disparities within the EEA and on questions of market access for fish exports from the EEA EFTA States to the enlarged EU.

▼ Trade in fish products

The duty-free quota system introduced as a result of the 2004 enlargement has been extended and enlarged. This system replaces the arrangements under the EFTA free trade regime with Bulgaria and Romania. The types of fish and marine products include in particular mackerel, herring and redfish, lobster and shrimp.

▼ Trade in agricultural products

There will be no new trade concessions for the new EU Member States in addition to the existing ones.

▼ The EEA Financial Mechanism and bilateral co-operation

A total of €72 million will be channelled to Bulgaria and Romania through the EEA Financial Mechanism. Norway, as the largest EEA EFTA State, will contribute €67.8 of that amount. The types of projects eligible for funding range from environmental protection to preservation of the European cultural heritage.

In addition to the Financial Mechanism, new bilateral co-operation programmes will be set up for Bulgaria and Romania. Under these programmes, Norway will contribute a total of €68 million to projects in Bulgaria and Romania for the period running from 1 January 2007 to 30 April 2009. Bulgaria will receive about €20 million and Romania will receive about €48 million of these funds. Norway will co-ordinate the bilateral co-operation programmes.

▼ Transition periods

All of the transitional arrangements for the Internal Market *acquis communautaire* contained in the EU Act of Accession for Bulgaria and Romania have been incorporated into the EEA Enlargement Agreement. Liechtenstein's special arrangement under the EEA with respect to the free movement of persons has been maintained. In addition, in line with the EU Act of Accession, it is possible to invoke an Internal Market safeguard clause in the event of a serious breach of the functioning of the Internal Market during the first three years.

▼ Structure of the EEA Enlargement Agreement

The EEA Enlargement Agreement package consists of a main agreement listing the amendments to be made to the existing EEA Agreement ("amending agreement") to take the participation of the two new parties to the EEA into consideration. The protocols and annexes to the EEA have also been amended so as to take into account the adaptations made to the *acquis communautaire* by the EU Act of Accession.

However, instead of having all the adaptations to the *acquis communautaire* contained in the EU Act of



Accession spelled out in the annexes to the EEA Agreement, a “reference technique” has been used in conjunction with one general article in the amending agreement. This general article (Article 3) states that all of the amendments made to *acquis communautaire* through the EU Act of Accession - those covered by the EEA Agreement - are to be “incorporated into and made part” of the EEA Agreement. Annex A to the amending agreement lists all of the acts referred to in the annexes of the EEA Agreement that have been amended by the EU Act of Accession and where these acts are to be found in the EEA Agreement. The objective of this reference technique was to make the exercise of enlargement as simple and straightforward as possible. Annex B of the main Agreement contains the accession countries' transitional arrangements for implementing the Internal Market *acquis*.

In addition to the amending agreement, four bilateral agreements form part of the EEA enlargement package. They are:

- an agreement in the form of an exchange of letters between the European Union and Norway on a Co-operation Programme for Economic Growth and Sustainable Development in Bulgaria;
- an agreement in the form of an exchange of letters between the European Union and Norway on a Co-operation Programme for Economic Growth and Sustainable Development in Romania;
- additional protocol to the Agreement (on trade in fish and fishery products) between the European Union and Iceland following the accession of Bulgaria and Romania to the European Union; and
- additional protocol to the Agreement (on trade in fish and fishery products) between the European Union and Norway following the accession of Bulgaria and Romania to the Union.

All these side agreements will enter into force simultaneously with the amending agreement.

▼ The main implications

The EEA EFTA States' old trade relations based on free trade agreements have been replaced with the more comprehensive EEA Agreement, which encompasses

the four freedoms and a number of areas of co-operation. The relations with Bulgaria and Romania have thus been put on a new and enhanced footing, to the benefit of economic operators and citizens.

The EEA EFTA States have access to an enlarged Internal Market comprising almost 500 million consumers. With the establishment of common rules and standards throughout the enlarged Area, the EEA Agreement will facilitate and expand trade and economic relations in general and provide a level playing field for businesses.

In addition, citizens will have the opportunity to work and live abroad, supported by the co-ordination of social security schemes and the mutual recognition of qualifications.

▼ Future enlargements

The EU candidate countries Croatia, the Macedonia and Turkey have started their accession processes. Other possible future members of the EU are Albania, Bosnia and Herzegovina, Montenegro and Serbia. As provided for in the EEA Agreement, in the future the EEA will possibly also be extended to these countries.