REPORT

of the Committee on Foreign Affairs and Security

on Norway's application for membership of the European Communities

Rapporteur: Mrs Marie JEPSEN

Part B: EXPLANATORY STATEMENT
## CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. EXPLANATORY STATEMENT</td>
<td>3</td>
</tr>
<tr>
<td>Annex: Motion for resolution B3-1133/93</td>
<td>6</td>
</tr>
</tbody>
</table>
I. INTRODUCTION

1. On 25 November 1992 the Norwegian Prime Minister, Gro Harlem Brundtland, submitted Norway's application for membership of the European Union. Although Norway's application for membership was submitted at a relatively late stage, the Commission was already able to deliver a favourable opinion on its application on 24 March 1993, and the Community opened accession negotiations with Norway on 5 April 1993 which were concluded in the early hours of 16 March 1994.

2. During the final phase of the negotiations transitional measures proved to be part of the key to harmonizing Norwegian aid arrangements in the agricultural and fisheries sector and the 'acquis communautaire'. The two sides also agreed on the necessary adjustment of Norway's rules on regional policy, state aid and state monopolies, for instance for alcoholic beverages. Lastly, agreement was also reached on the monitoring and management of fishery resources in the Norwegian sector of the North Sea and North Atlantic and on Norwegian access to the common market in fish and fishery products.

II. MAIN POLITICAL ISSUES IN THE MEMBERSHIP NEGOTIATIONS

A. REGIONAL POLICY

3. One of the main aims of Norway's regional policy is to ensure that the whole population enjoys the same economic, commercial and social conditions and hence to ensure that all areas of the country remain populated. This also applies to the peripheral and extremely thinly populated areas with a harsh climate in the northern and north-eastern parts of the country. It is precisely for this reason that aid is given to agriculture and fisheries as key elements in overall regional policy. This continues to be true, despite the fact that the Norwegian authorities have in recent years made a number of changes in regional policy in order to make regional assistance more general and less sector-oriented.

4. It is, in this connection, possible to point out certain similarities between the main aim of Norway's regional policy and those of the Swedish and Finnish regional development policies. It is therefore only natural that the EU's future regional policies for the Arctic and sub-Arctic regions of the Nordic countries should be developed on the basis of uniform criteria, i.e. remoteness, low population density (fewer than 8 inhabitants per km²) and low average per capita income. A new structural policy instrument, 'Objective 6', is to be created for those regions. Four regions in northern Norway (Finmark,
Troms, Nordland and Nord-Trøndelag) are granted Objective 6 status under the accession agreement.

5. The sparsely populated regions with a low average income in the area north and immediately south of the 62nd parallel will also be eligible for long-term economic aid provided it does not distort competition. Some of the aid could be financed by the Norwegian authorities. Other remote areas with a low average income will be eligible for Community aid under Objective 2 or Objective 5b.

B. AGRICULTURE

6. If a comparison is made between the existing support systems for agriculture and fisheries in the Community and Norway, it can be said that the Norwegian system has hitherto always differed from that of the Community in that a relatively large proportion of government sectoral and regional aid has been used specifically to safeguard employment in regions which depend on agriculture and fishing. However, there are no substantial differences with regard to the scale of government assistance in terms of sectoral and regional aid provided in Norway and the EU. In addition, the Norwegian authorities have in recent years redirected government sectoral and regional aid towards making agriculture in particular more cost-effective and allowing the market to play a greater role in determining prices for agricultural products. This process, which should also be seen in the context of the GATT agreement, has helped to reduce differences between the Norwegian and the common European policy on agriculture and rural districts as a whole.

7. Under the accession agreement Norway will have to adapt its agricultural prices once it accedes to the EU. In return for the lower prices Norwegian farmers will be eligible for direct incomes support over a five-year transitional period. Provision is also made for a number of protective mechanisms to enable the Norwegian foodstuffs industry gradually to adapt to the new competitive situation. Norway will for instance be able to restrict imports of foodstuffs for a three to five-year transitional period to prevent disruption of the market.

C. FISHERIES

8. The fisheries negotiations centred on access to resources (allocation of quotas between the Member States), the terms on which Norwegian fish and fishery products could be imported into the EU, the guidelines for monitoring and managing fishery resources in the Norwegian sector of the North Sea and North Atlantic and the terms on which nationals of other Member States could invest directly in the Norwegian fishing fleet.

9. The accession agreement regulates the quotas issue and lays down guidelines for the management of fishery resources both north and south of the 62nd parallel. The present arrangements will continue to apply north of the 62nd parallel for a transitional period up to 1 July 1998, after which they must be integrated into the common fisheries policy. Relatively stable fish stocks continues to be one of the basic objectives of the common fisheries policy.

10. Norway and the other Nordic countries will have free access to the common market in fish and fishery products. The Union and Norway have also concluded an agreement on the introduction of a system for monitoring sales of salmon, sea trout, herring, mackerel, Norway haddock, shrimps, mussels and lobster which will prevent disruption of the EU market for a four-year transitional period.
Lastly, Norway will be able to retain a number of restrictions on investment in its fishing fleet during a three-year transitional period.

D. ENERGY POLICY

11. In parallel with the accession negotiations, the EU and Norway concluded an agreement on the terms for allocating concessions for oil and natural gas exploration and production. The two parties agreed for instance that under Article 222 of the Treaty the Member States are entitled to manage their own natural resources. This means that when Norway joins the EU it will retain control of oil exploration, production and transport, and the state-owned company Statoil will still be able to participate in the administration of the concessions allocated to private companies in the Norwegian sector of the continental shelf. But it must be emphasized that there will be no discrimination against private operators from the other Member States when it comes to allocating concessions; they will enjoy exactly the same status as domestic (Norwegian) operators in the off-shore sector.

E. OTHER ISSUES

12. In addition to the four areas discussed above, there were also a number of other important issues, some relating to guidelines on the free movement of goods and some relating to various aspects of the EU's accompanying and horizontal policies, which occupied a central place in the membership negotiations. These issues related to the environment, working conditions, consumer protection, public health and social affairs and the labour market. Agreement was reached on the guidelines for harmonizing national and Community legislation in all these areas.

III. PARTICIPATION BY NORWAY IN THE COMMON FOREIGN AND SECURITY POLICY

13. As we know, Norway attaches great value and importance to participation in European cooperation on foreign and security policy, and participation by Norway, as a full member of the European Union, in the development of the Union's security policy, including its defence policy, has long been a powerful argument for applying for membership of the EU.

14. After accession, Norway will also be able to contribute to a strengthening of the Union's foreign policy in a large number of fields. Norway is already a very active member of various international organizations which serve as fora for cooperation, such as the OECD, the Council of Europe, the UN, the CSCE and NATO and is, in addition, an associate member of the WEU. Furthermore, Norway, like the other new Member States, makes a very substantial contribution to economic development in the Third World. As a full Member of the EU Norway will therefore also be able to make a major contribution to the strengthening of the Union's role in the field of aid policy.

IV. CONCLUSIONS

15. Norway's application for membership of the European Union, like that of Austria and those of the other Nordic countries, is not only motivated by the country's natural economic and commercial interests, but is based at least as much on political considerations. Before submitting the Norwegian application for membership, the Norwegian Government and the Norwegian authorities made no
secret of the fact that Norway would risk political marginalization if it did not play a full part in European cooperation like the other applicant countries.

16. During the Norwegian debate on membership, recognition of the economic and political interdependence of the countries of Europe, necessitating the development of a closer and more binding form of cooperation within the EU framework, has played a key role in the argument in favour of applying for membership. This is also true, of course, with regard to security and defence policy. Against this background, the current 12 EU States have every possible reason to expect that Norway, as a full member of the European Union, will work actively to achieve the necessary consolidation of European cooperation.
MOTION FOR RESOLUTION

pursuant to Rule 63 of the Rules of Procedure

by the following Members: BARON CRESPO, CASSANMAGNAGO CERRETTI and CRAMPTON

on the progress of accession negotiations with Norway

The European Parliament

A. whereas the assent procedure (Article 237 of the EEC Treaty, Article 0 of the Maastricht Treaty) only allows it to deliver an opinion for or against the outcome of negotiations without being able to amend the contents,

B. whereas it is vital to inform the Member States, the Council and the Commission of its point of view on certain aspects of negotiations of major importance, such as common security and foreign policy,

1. Considers it necessary to hold a public debate on the progress of negotiations and to forward all its observations on the subject in a resolution to the Member States, the Council and Commission;

2. Reserves the right to give or withhold its assent on the basis of the action taken by the latter states and institutions in response to its observations.