

ANNEX

DIRECTIVES FOR THE NEGOTIATION

for the adaptation in view of the enlargement of the EU to Croatia of the Agreement on the European Economic Area, the Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2009-2014, the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons and the Agreement on Cooperation and Customs Union with San Marino

1. GENERAL OBJECTIVE

Adaptation of the above mentioned agreements to allow for the accession of Croatia to these agreements upon its accession to the EU and revision of the relevant financial contributions for the alleviation of economic and social disparities in the enlarged EU.

2. START OF THE NEGOTIATIONS

The negotiations on the adaptation of the above agreements with the acceding country, on the one hand, and Iceland, Liechtenstein, Norway / Switzerland / San Marino, respectively, on the other hand, should start as soon as possible.

3. CONTENT OF THE INSTRUMENTS ADAPTING THE EXISTING AGREEMENTS

The incoming new Member State of the EU is to accede to the agreements.

Agreement on the European Economic Area (EEA Agreement) and the Agreement on the Norwegian Financial Mechanism

The derogations and transition periods agreed in the Act concerning the conditions of accession of the Republic Croatia should be taken over in the EEA Agreement. A proportional increase in the existing EEA and Norwegian financial mechanisms until 2014 should be obtained for Croatia, based on the same criteria as those applied for the existing mechanisms. Negotiations should as much as possible be limited to the main subjects indispensable for EEA enlargement.

Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons

The derogations and transition periods agreed in the Act of Accession should be taken over where relevant. Calculation of the Swiss quantitative limits should be obtained by taking account of existing migration from the acceding country and of its population.

Agreement on Cooperation and Customs Union with San Marino

This agreement has to be adapted to include Croatia upon its accession to the EU. No particular subjects have been identified that require substantial negotiation.

4. RATIFICATION AND ENTRY INTO FORCE

Negotiations should be concluded as soon as possible in order to allow for the instruments of adaptation to enter into force on the date of and subject to accession of Croatia. In case the instruments of adaptation cannot enter into force at the date of accession, a provisional application should be envisaged, taking into account the respective procedures in the EU and in the third countries concerned.

FINANCIAL STATEMENT					
				DATE:	
1.	BUDGET HEADING: n.a.			APPROPRIATIONS:	
2.	TITLE: Adaptation of the following mixed agreements in view of the enlargement of the EU to include Croatia: Agreement on the European Economic Area, Agreement between the Kingdom of Norway and the European Union on a Norwegian Financial Mechanism for the period 2009-2014 Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on Free Movement of Persons, Agreement on Cooperation and Customs Union with San Marino				
3.	LEGAL BASIS: Articles 207, 217 and 218 TFEU				
4.	AIMS:				
5.	FINANCIAL IMPLICATIONS None	12 MONTH PERIOD (EUR million)	CURRENT FINANCIAL YEAR [n] (EUR million)	FOLLOWING FINANCIAL YEAR [n+1] (EUR million)	
5.0	EXPENDITURE - CHARGED TO THE EU BUDGET (REFUNDS/INTERVENTIONS) - NATIONAL AUTHORITIES - OTHER	None	None	None	
5.1	REVENUE - OWN RESOURCES OF THE EU (LEVIES/CUSTOMS DUTIES) - NATIONAL	None	None	None	
		[n+2]	[n+3]	[n+4]	[n+5]
5.0.1	ESTIMATED EXPENDITURE				
5.1.1	ESTIMATED REVENUE				
5.2	METHOD OF CALCULATION:				
6.0	CAN THE PROJECT BE FINANCED FROM APPROPRIATIONS ENTERED IN THE RELEVANT CHAPTER OF THE CURRENT BUDGET?				YES
6.1	CAN THE PROJECT BE FINANCED BY TRANSFER BETWEEN CHAPTERS OF THE CURRENT BUDGET?				NO
6.2	WILL A SUPPLEMENTARY BUDGET BE NECESSARY?				NO
6.3	WILL APPROPRIATIONS NEED TO BE ENTERED IN FUTURE BUDGETS?				NO
OBSERVATIONS:					