

Norway in Europe

THE GOVERNMENT'S
WORK PROGRAMME FOR
COOPERATION WITH THE EU

2017



Norwegian Ministry
of Foreign Affairs

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Introduction



Norway cooperates closely with the EU and the EU member states. We share a common set of values, and we share many of the same challenges. It is vital that we work together to solve these challenges. We cooperate with the EU because it is in our own national interest to do so, and because it will make it easier to restructure the Norwegian economy.

The European Economic Area (EEA) Agreement is the most important agreement we have with our European partners. It gives Norwegian companies and citizens access to the EU's internal market and guarantees equal rights and conditions of competition, and greater security and predictability.

A whole generation has grown up with the opportunity to study, work and settle anywhere in the EEA, while enjoying the same rights to social security benefits and healthcare. Cooperation with our European partners on research and innovation also helps to promote growth and employment. However, we should not take the EEA Agreement for granted. More than ever before, it needs to be explained, understood, and defended. We must safeguard the EEA Agreement, and work systematically to ensure that the EEA cooperation continues to function well. This is in the interests of both Norway and the EU.

The Norwegian Government's strategy for cooperation with the EU 2014-2017 sets out the main lines of Norway's European policy. It identifies five priority areas, where the Government will make a particular effort to promote Norwegian interests when European policy and legislation are being developed. The five priorities are: increased competitiveness and growth, higher quality research and education, an ambitious climate and energy policy, a comprehensive approach to migration, and enhancing security. This work programme for cooperation with the EU sets out the Government's main priorities and the most important issues in the strategy that are to be followed up in 2017.

This will include taking part in constructive negotiations and discussions with the EU and our EEA EFTA partners Iceland and Liechtenstein on the incorporation of new legislation into the EEA Agreement. Reducing the backlog of legal acts adopted by the EU but not yet incorporated into the Agreement is still a top priority. At the same time, the Government will seek to ensure that the legislation does not create unnecessary burdens, and that new rules are only introduced where necessary.

We will help to strengthen our common external border and to further develop the Schengen cooperation, and we will work closely with the EU to address the threats posed by terrorism and transnational organised crime. Changes in the security landscape in and around Europe make our cooperation with the EU in the field of foreign and security policy increasingly important.

In 2017, Norway holds the Presidency of the Nordic Council of Ministers. The 'Nordic region in transition' pillar of our Presidency programme will promote competitiveness during the transition to a green, low-carbon economy. Under the 'Nordic region in Europe' pillar, the ambition is to further develop Nordic cooperation on European policy in strategically important areas such as climate and the environment, energy, and digitisation. These two pillars highlight the close links between the development of policy and legislation in the EU and the EEA and the ongoing efforts to remove barriers to growth in the Nordic region.

Our European policy is a collective national effort. The Government will continue to promote an open dialogue and an inclusive policy. We hope that the work programme for 2017 will be a useful tool for all those who are interested in developments in Europe and in how we can best contribute, while at the same time safeguarding Norway's interests in our cooperation with the EU.

Frank Bakke-Jensen
Minister of EEA and EU Affairs

Important negotiations in 2017

The UK's withdrawal from the EU (Brexit)

Once the United Kingdom has invoked Article 50 of the Lisbon Treaty, the UK and the EU will have two years to negotiate a withdrawal agreement. The negotiations on the UK's future relations with the EU will be conducted separately. It will be important to put in place transitional arrangements if a final agreement has not been reached by the time the UK leaves the EU.

Norway will not take part in the withdrawal negotiations, but we will be directly affected by the negotiations and their outcome. It is in Norway's interests to maintain the closest possible trade policy cooperation with the UK and the best possible access to the UK market. At the same time, we intend to maintain the EEA Agreement and Norway's other agreements with the EU.

The Government has an ongoing political dialogue and informal contact with the UK, the other EU member states and EU institutions. Norway would like to have the opportunity to be included in solutions agreed between the EU and the UK in areas that affect the internal market. It is important for the EU too that cooperation under the EEA Agreement continues to function well, and the EU has responded positively to the Government's request for a close dialogue and a good consultation process during the Brexit negotiations.

The Government has started work to map and analyse various aspects of the UK's withdrawal from the EU and the consequences of this for Norwegian interests in various sectors. This will be continued in 2017 as more information becomes available and the likely scenarios become clearer.

The EEA and Norway Grants

The agreement with the EU on a new funding period (2014-2021) was signed in May 2016. Under the agreement, Norway, together with Iceland and Liechtenstein, will provide EUR 2.8 billion to the 15 least prosperous EU member states. MoUs on the use of the grants were signed with Romania, Slovakia and Bulgaria in autumn 2016. The objective is to assist beneficiary countries in dealing with key social and economic challenges and to facilitate closer cooperation with Norway in a range of areas. The Government will negotiate MoUs with the remaining beneficiary countries in 2017.

The Government will continue to focus on stimulating growth by supporting innovation, research, education and increased mobility in the European labour market. The EEA and Norway Grants will also be used to enhance Europe's energy security and foster a proactive climate and environmental policy. The agreement also allows for closer cooperation between Norway and the beneficiary countries in the area of justice and home affairs, including joint efforts to deal with Europe's migration challenges. We will continue to support Roma inclusion and empowerment. We will also continue to support civil society through establishing separate NGO funds in all the beneficiary states. The Government will also seek to ensure that the EEA and Norway Grants help to strengthen cooperation between Norway and the beneficiary countries.

Trade in agricultural products

In 2015, Norway and the EU began a new round of negotiations on trade in agricultural products, with a view to liberalising agricultural trade, in accordance with Article 19 of the EEA Agreement. Two rounds of negotiations were held in 2016. Negotiations will continue in 2017. The Government will work to secure an agreement that safeguards Norway's overall interests as effectively as possible.

TTIP

The last round of negotiations between the EU and the US on the Transatlantic Trade and Investment Partnership (TTIP) were held in October 2016. Since the US presidential election, it is uncertain when and whether these negotiations will be resumed.

Norway's participation in the internal market and our trade with the US mean that a TTIP agreement would have direct implications for us. The Government is following developments and will maintain its dialogue with the EU and the US. In November 2016, the Norwegian Institute of International Affairs (NUPI) presented an independent report to the Government on the possible consequences for Norway of a TTIP agreement. This report will provide important input for our efforts to determine the most appropriate course of action for Norway.

Participation in the work of EU agencies and supervisory bodies

In the EU, the development and implementation of legislation is increasingly being transferred to agencies and supervisory bodies with greater formal decision-making and enforcement powers. It is important for Norway to participate in the work of EU agencies and supervisory bodies. This can, however, present challenges relating both to the transfer of powers from the national to the European level and to the two-pillar structure of the EEA Agreement.

In 2014, Norway, Iceland and Liechtenstein reached agreement with the EU on the principles for EEA adaptations to the EU's financial supervisory system. Following parliamentary approval in the EEA EFTA states and the approval of the European Council in summer 2016, the necessary EEA Joint Committee Decisions were made on 30 September 2016.

Talks are also being held with the EU on the terms and conditions for Norway's participation in the work of other agencies and bodies such as the Agency for the Cooperation of Energy Regulators (ACER) and the Body of European Regulators for Electronic Communications (BEREC). Both these bodies are important for Norwegian interests. The Government's aim is to complete these processes in 2017.

The Government will seek to ensure that cooperation between national competition authorities in the EU is expanded to include the EEA EFTA states, Norway, Iceland and Liechtenstein, so that the competition rules set out in the EEA Agreement are enforced as far as possible in the same way as the competition rules in the EU treaties.

Increased competitiveness and growth

Renewed growth and better framework conditions

The need to restructure the Norwegian economy makes it essential to implement measures to create growth and increase competitiveness. Our success will depend on close cooperation with neighbouring countries, and on common European rules that ensure genuine competition and enable Norwegian companies to compete on the same terms as those in EU countries.

The Government supports the EU's Single Market Strategy. The strategy covers trade in goods and services, public procurement, framework conditions for SMEs and start-ups, and challenges relating to new business models in the services sector. In 2016, the European Commission presented proposals for almost half of the areas covered by the strategy, and aims to present proposals for the remaining areas during the course of 2017. Norway is following this process, both at national level and vis-à-vis the EU, by providing input on relevant matters.

The Government will follow up the Commission's announced initiative to enhance competitiveness in the single transport market, including in the area of cabotage. In autumn 2016, Norway's and several other European ministers of transport sent a joint letter to the European Commissioner for Transport about this issue.

The EU's maritime policy is of great interest to Norway, and many of our interests coincide. In November 2016, the Commission launched an agenda for the future of our oceans. In spring 2017, the Norwegian Government will present its ocean strategy and a white paper on the oceans in the context

of foreign and development policy. These two documents will be key in our ongoing cooperation with the EU on economic growth opportunities in the blue economy as well as broader ocean issues.

Norway takes active part in the Commission's work to map, analyse and further develop the European market for defence-related products, including the evaluation of the Defence Procurement Directive.

In October 2016, the European Commission launched a new space strategy. The Space Strategy for Europe presents the EU's space programmes and infrastructure, and has a particular focus on business development and the opportunities that space data and services offer. The EU is becoming an increasingly important actor for the European space sector. It is therefore important for Norway to follow developments in the EU in this area, including the overarching, strategic discussions that are outside the scope of Norway's current cooperation with the EU.

The Government will continue to follow up the Commission's aviation package. Of particular interest are the focus on improving the competitiveness of European airlines operating on the global market, the new business models and the dynamics created by globalisation, the revision of EASA Regulation, and the forthcoming legislation on drones.

The use of new technology in the transport sector, including digitisation and intelligent transport systems (ITS) will be another important part of the Government's work in 2017. Among other things, we will follow the European Commission's preparation for the introduction of driverless cars. The Government will also follow developments regarding the EU strategy for low-emission mobility, including the revision of the road charging directive and the rules on electronic tolling.

The Commission is seeking to strengthen European cooperation on the development and re-use of health technology assessment (HTA) of new medical devices, medicines and the organisation of services in the health sector, with a view to improving the efficiency of the health system. In autumn 2016, the Commission launched a roadmap and a public consultation on the further work in this area, and the Government wants Norway to take part.

It is positive that the EU attaches importance to ensuring a good work-life balance for working families and promoting the participation of women in the labour market. At the same time, it is important that social rights are safeguarded in the efforts to promote growth. In 2016, Norway and Iceland presented their experiences in this area. When the Commission presents its new measures for reconciling work and private life, we will follow this up as appropriate.

Interests in the financial sector

The legislation on participation by the EEA EFTA states in the work of the EU's financial supervisory authorities was incorporated into the EEA Agreement in September 2016, after the Storting had given its prior consent. Norway is now working actively together with Iceland, Liechtenstein and the EU to reduce the backlog of EEA-relevant legislation relating to the financial markets that has not yet been incorporated into the EEA Agreement.

The Government will seek to ensure that the prudential requirements for banks are not weakened, and that countries may retain national requirements that promote solvency in the banking sector. Prudential requirements for loans from insurance companies and banks should be as similar as possible. In the interests of financial stability, we consider it important that host countries can set requirements for the activities of foreign banks with local branches in the country concerned.

The objective of the Capital Markets Union Action Plan is to improve access to capital markets for SMEs. We will continue our efforts to share Norway's experience of regulating the bond market, so that our experience can be made use of in this work.

Tax avoidance

Norway will continue to support the EU's ongoing work to make it more difficult to avoid tax and thus reduce the tax base. The EU and Norway are currently negotiating an agreement on preventing international VAT fraud. This agreement will strengthen cooperation to combat professional VAT fraud, which is common in international trade in goods and services.

The collaborative economy

In June 2016, the Commission presented a communication providing an extensive analysis of, and policy recommendations for, the collaborative economy. On the whole, the Commission takes a positive view of the opportunities offered by the collaborative economy, and highlights the role it can play in promoting effective use of resources and sustainable development. Market access requirements, working conditions, consumer rights and taxation are key issues. The Commission has not announced any new legislative measures at the EU level. The EU member states, and thus also the EEA EFTA countries, are encouraged to consider the need to amend their domestic legislation to bring it in line with the EU guidelines.

Many member states have started an extensive effort to clarify the status of these new services under existing legislation and identify any ambiguities. Norway's Sharing Economy Committee, which will present its report at the beginning of February, has been asked to follow and consider relevant aspects of the EU's work in this area.

Harmonisation of legislation between member states is important to ensure equal conditions of operation and competition for all the various platforms. It is therefore important that Norway follows up the Commission's agenda for the collaborative economy, but at the same time keeps an eye on how other countries are dealing with the collaborative economy, so as to avoid fragmentation of legislation on this issue in the EEA, as far as possible. The development of the collaborative economy in the Nordic region will be highlighted at a conference organised by the Nordic Council of Ministers in Oslo in May.

A digital single market

The development of a digital society and of a digital single market is one of the priorities of the EU's growth strategy, Europe 2020. The Commission has now presented around two-thirds of the proposals for this work, and the rest are expected early in 2017. One of the Government's top priorities is that Norway should be part of the digital single market, and the EU's Digital Single Market Strategy provided an important basis for the white paper on a digital agenda for Norway, which was presented in 2016. Norway is following the EU's work in this area closely, and will play an active role, presenting proposals and points of view to promote Norway's interests.

In spring 2016, the EU adopted a new General Data Protection Regulation. The Government has started the work needed to incorporate this legislation into the EEA Agreement. This work will continue over the course of 2017. The Government is also seeking to ensure Norway's participation in the new European Data Protection Board.

The Government supports the development of standard contracts, certification and joint data processing agreements at the European level, in order to promote the safe and effective use of cloud computing services, in both the public and the private sectors.

The Commission's proposed review of the regulatory framework for electronic communications is intended to stimulate competition as a driver of investment, increase access to and use of high speed networks throughout the EU, strengthen the single market, and strengthen consumer rights. It is important to ensure that Norway and the other Nordic countries can maintain their advanced position in terms of development and use of innovative electronic communication services under the regulatory framework.

The Government will seek to ensure that the ongoing reform of EU copyright rules strikes the right balance between the rights of copyright owners and the public's need for information, knowledge and access to cultural resources. The Government considers it particularly important to safeguard the Nordic extended collective licensing system. We intend to continue our close cooperation with the other Nordic countries in this area.

Better regulation

The Government's aim to make everyday life easier for Norwegian citizens and Norwegian companies is closely linked to efforts to reduce regulatory burdens and simplify rules at European level. The Commission has introduced new methods for ensuring the quality of new legislation and a procedure for reviewing and updating existing legislation (REFIT). These methods are highly relevant to Norway, as a large number of Norwegian laws are based on EU legislation. However, the work to cut red tape and simplify rules must not weaken standards in areas such as health, the environment, consumer protection and food safety.

The Government will ensure that we make use of the opportunities available in connection with the Commission's work in this area to provide input when new EU legislation is being developed and existing legislation is reviewed. Norway has been invited to take part in a meeting of the REFIT Platform in March 2017.

Circular economy

The EU's Circular Economy Package includes an action plan with 54 proposed actions and revised legislative proposals on waste. The action plan is cross-sectoral, and resource efficiency is the common denominator throughout. The Government will play a part in following up relevant parts of the plan, in cooperation with the business sector and local and regional authorities.

In 2017, Norway will give priority to seeking to influence the EU's strategy on plastics, which will cover areas such as marine litter and microplastics. We will also contribute to the EU's work to address the interface between chemicals, products and waste legislation. These initiatives are both expected to be presented towards the end of the year.

Market access for fish

Two-thirds of all Norwegian seafood exports go to the EU. In 2016, the value of these exports was more than NOK 60 billion. Customs duties on imports of important Norwegian seafood products to the EU are still high and a number of tariff-free quotas limit trade and opportunities to process products in Norway. The new agreement between Norway and the EU on market access for fish, which was entered into in 2016, will improve trade conditions for the industry. The Government will continue to work to secure free trade in seafood on the EU market.

Well-regulated labour market and a sustainable welfare state

Workers from EU/EEA countries contributes to growth and value creation in Norway. The Government will seek to ensure that the EU's measures to increase labour mobility promote a well-regulated labour market, equal conditions for all EEA nationals, and a sustainable welfare state in Norway. The Commission proposed amendments to the regulation on coordination of social security systems in December 2016. The Government is assessing on an ongoing basis the possible effects of labour migration on the Norwegian welfare state and will consider introducing measures within the scope of the EEA Agreement.

In 2016, the EU decided to establish a European platform to enhance cooperation in tackling undeclared work. Norway is taking active part in efforts in this area, in line with the Government's strategy for combating work-related crime.

In 2016, the Commission proposed a revision of the Posting of Workers Directive aimed at establishing the principle of equal pay for equal work at the same place. This would promote more equal treatment of posted workers and local workers. The Government is following developments in this area closely.

In spring of 2016, the Commission launched a public consultation on a draft European Pillar of Social Rights, which is to reflect new trends in work patterns and societies in Europe. Norway and the other Nordic countries have submitted a joint comment, and will consider on an ongoing basis the need to provide further input on the Pillar, and on any related initiatives that may follow.

A forward-looking and coherent consumer policy

Trade, value creation and growth in Europe are dependent on confident and well-informed consumers. The Government wishes to contribute to the development of a good and balanced European consumer policy. The rise in online shopping and sales of digital content increases the need for more and better common European consumer protection rules, and stronger and better coordinated enforcement of these rules. The collaborative economy creates some challenges in this respect. The Government attaches particular importance to product durability and safety, and consumer rights in connection with the purchase of defective products or services, including rules on guarantee periods.

A comprehensive approach to food safety

Food safety is important, both for individual consumers and for society as a whole, as is responsible use and labelling of medicines. The Commission updated its roadmap for dealing with antimicrobial resistance in autumn 2016, and has announced that a new action plan for this work will be launched in 2017. The Government has ambitious goals for the international efforts to combat resistance to antibiotics, and cooperates closely with the EU, especially in the areas of public health, animal health and the rules relating to veterinary medicines.

The EEA EFTA countries are now ready to incorporate the EU regulations on organic production and labelling of organic products of 2007 into the EEA Agreement and will start this work as soon as possible. A revision of these regulations is expected to be completed during the course of 2017. Norway will have to follow up this development.

There are major differences between the Commission's proposed new Fertilisers Regulation and Norway's legislation in this area. Norway is engaged in close cooperation with the other Nordic countries on the follow-up of this proposal. The EU has long been working to define scientific criteria for endocrine disruptors. Norway is critical to the proposed criteria for biocides and pesticides, and this will be followed up closely in 2017.

The revision of the Drinking Water Directive is a high priority for the Commission in 2017. Norway supports the proposal that legislation in this area should be based to a greater extent on a risk-based approach, as recommended by the World Health Organization in its Water Safety Plans.

Higher quality research and education

Education for all

If we are to succeed in our efforts to restructure the Norwegian economy, it is essential that people have the necessary knowledge and skills. Among other things, the education system must equip people with the tools to be able to think creatively, create jobs and participate in the labour market of the future.

In June 2016, the Commission presented its New Skills Agenda for Europe. The objective is to ensure that people gain a broad set of skills to enable them to fulfil their potential, and to make the most of human capital, which in turn will boost employment levels, and competitiveness and growth in Europe.

The Government is working to develop a national skills strategy. The Commission is expected to present a proposal for a renewed modernisation agenda for higher education in the EU in spring 2017. The Government has communicated Norway's views on this work to the Commission.

The Government has ambitious goals for Norway's participation in the education strand of Erasmus+. Participation in the programme is intended to help Norway to meet the goals of its education policy, enhance the quality of education, and strengthen international cooperation in the field of education at all levels. In 2017, the Commission will start a mid-term evaluation of Erasmus+. Norwegian actors will be able to take part in the evaluation process. In addition, Norway will draw up a national report, which will be presented to the Commission. The Government will make use of the evaluation process to promote Norwegian views on the next programme period, which will start in 2021.

Research for the future

Participation in EU research and innovation programmes enhances the quality of Norwegian research, and promotes innovation. The Government's aim is for Norwegian research groups and companies to succeed in the competition for Horizon 2020 funding, in line with the Government's strategy for research and innovation cooperation with the EU.

We will contribute to the development of the next EU framework programme for research and innovation for the period after 2020, to ensure that future European initiatives promote Norwegian and European research and business and social development. The Government will send its first input on the next framework programme in early 2017, and will provide further input at a later stage.

An ambitious climate and energy policy

The Energy Union is a key part of the EU's 2030 climate and energy framework. The EU is seeking to promote energy security, sustainability and competitiveness in the EU energy sector through measures and initiatives in five priority areas: energy security, a fully integrated European energy market, energy efficiency and moderation of demand, reduction of greenhouse gas emissions through decarbonisation of the economy, and research, innovation and competitiveness in the energy field.

Over the last couple of years, the Commission has held consultations and proposed measures in each of the five priority areas, particularly in 2016, which was regarded as the 'year of delivery' for the Energy Union. The Government has presented Norway's views during this process, and will continue to do so when the proposals are discussed in the European Council and the European Parliament.

The proposals presented by the Commission are extensive and cover all areas of the EU's climate and energy policy. They include a revised Emissions Trading Directive, a new Renewable Energy Directive, new market legislation, and a completely new legal mechanism in the form of a governance system for the Energy Union. A full overview of the Commission's proposals can be found in the appendix.

Norway has strong interests related to the development of the internal energy market, and the Government is continuing its close dialogue with EU institutions and member states on the development of the Energy Union. It is in Norway's interests that the energy markets function well and that the gas and electricity infrastructure in the EU is improved. Natural gas has an important role to play in Europe's energy security, it reduces emissions when it is used to replace coal, and it can provide balancing power in a system with an increasing share of intermittent renewable energy. Almost all existing and planned infrastructure for electricity exchange between Norway and other countries connects Norway to EU countries, and the infrastructure connects Norway to the European electricity market. The Government is also seeking to ensure that carbon capture and storage (CCS) becomes a key element of the EU's Energy Union.

Initiatives put forward as part of the Energy Union may effect EEA relevant legislation related to the internal energy market. Initiatives under the Energy Union will also affect the energy efficiency

legislation, which the Government considers to be in a grey area as regards EEA relevance. Work is underway to incorporate the current Energy Efficiency Directive and Energy Performance of Buildings Directive, but with the necessary adaptations. The Government is also working to incorporate the Third Energy Market Package into the EEA Agreement.

Legislative proposals are also being put forward under the Energy Union in areas which until now have not been considered EEA relevant. The Government will consider these initiatives and respond following the normal EEA EFTA procedures under the EEA Agreement.

The EU has undertaken to reduce greenhouse gas emissions by at least 40 % by 2030 compared with 1990 levels. Norway has adopted a similar emission reduction target as the EU with an intention to fulfilling this jointly with the EU and its member states.

The EU emissions trading system (EU ETS) is the main European instrument for reducing carbon emissions and is crucial for both the EU's and Norway's efforts to fulfil their climate commitments by 2030. Approximately 50 % of Norway's greenhouse gas emissions are covered by the EU ETS, which encompasses land-based industry, the oil and gas industry and aviation. Negotiations are currently being held on the revised Emissions Trading Directive for the period 2021-2030, including possible structural changes that could reduce the surplus of emission allowances and help to achieve a carbon price that better promotes technology development and the green transformation process. Norway has considered it important to ensure that the ETS functions smoothly, and will continue to follow developments in this area closely during the course of 2017.

Joint fulfilment between Norway and the EU would mean that from 2021, Norway would also be part of EU emissions reduction efforts in non-ETS sectors, such as transport, agriculture, buildings and waste management. The EU's Effort Sharing Regulation and the rules for land use, land-use change and forestry would in this case become of relevance for Norway. The draft Regulations in these areas were put forward by the Commission in July 2016.

The Commission's proposed Effort Sharing Regulation sets national targets for emissions cuts in non-ETS sectors. The Commission has indicated a preliminary reduction target for Norway of 40 % from 2005 to 2030, with access to the same flexibilities that will apply to EU member states.

The Commission's proposed Effort Sharing Regulation sets national targets for emissions cuts in non-ETS sectors. The Commission has indicated a preliminary reduction target for Norway of 40 % from 2005 to 2030, with access to the same flexibilities that will apply to EU member states. The draft regulation on including the land use, land-use change and forestry sector (LULUCF) in the EU's 2030 climate and energy framework sets out accounting rules for emissions and removals from the LULUCF sector. Each country must ensure that there are no net emissions from its LULUCF sector. These rules will have implications for the scope of Norway's climate commitment.

Norway has provided input on various elements of the EU's 2030 climate and energy framework and will continue to seek to ensure that the EU adopts legislation that assures environmental integrity and that is also in line with Norway's interests. Our dialogue with the Commission on Norway's national target and other issues and formalities relating to our intended joint fulfilment agreement with the EU will be continued and intensified in 2017. The Government has indicated that this agreement could be incorporated into Protocol 31 to the EEA Agreement on cooperation outside the four freedoms.

Transport is the main source of emissions in the non-ETS sectors. Norway supports the EU efforts to introduce tighter emissions standards for vehicle manufacturers. The proposed new revision of the Renewables Directive for the period after 2020 could also have consequences for the Norwegian transport sector, for example through its emphasis on alternative energy and sustainable biofuels. The strengthening of EU's sustainability criteria for biofuels will be important in this context.

Norway's participation in the Green Growth Group, which brings together the EU countries that are advocating an ambitious climate policy and strengthened ETS, provides excellent opportunities to promote Norwegian interests and views in the European arena.

Climate and energy is a priority sector for the EEA and Norway Grants in the period 2014-2021. The Government will work for strategic use of the Grants to support the efforts of the beneficiary countries in this area.

Enhancing security

Foreign and security policy

Changes in the security landscape in and around Europe mean that cooperation with the EU and the EU member states is becoming more and more important for Norway. This cooperation will be a priority area in the Government's white paper on the future course of Norwegian foreign and security policy, which will be presented in spring 2017.

The Government's foreign and security policy priorities are consistent with the overall direction of the EU Global Strategy, which was presented in 2016. In 2017, the Government will further develop cooperation with EU institutions and key member states in areas of common interest, such as stabilisation efforts in Europe's southern neighbourhood, relations with Russia, activities in the Arctic, and developments in the Western Balkans and in the Eastern Partnership countries. As regards Norway's participation in EU operations, the Government will give priority to participation in civil and military operations where Norway is particularly well placed, and has resources, to contribute.

In 2016, key EU member states took an initiative to intensify EU security and defence cooperation. Security and defence is also a priority area in the EU Global Strategy. Norway will follow developments in this area closely.

Norway will seek to ensure that European security and defence cooperation functions well. It is vital that the EU and NATO complement and reinforce each other. In 2016, the two organisations issued a joint declaration on strengthening EU-NATO cooperation. In 2017, the Government will contribute to practical implementation of the declaration.

The Government will continue its cooperation with the EU on the joint development of defence-related products. Closer European cooperation on defence-related research will enhance Europe's relevance as a strategic actor, and benefit NATO. We also want to participate in the EU's Preparatory Action on defence research.

Stability and cooperation in the EU's neighbourhood

Norway will participate actively in EU programmes that can promote sustainable development in the north, such as Horizon 2020 and Interreg Europe. In 2017, the Nordic countries and the regions in the European Arctic will play a key role in the EU's new initiative, the European Arctic stakeholder forum, which will identify ways of optimising the use of EU funding for research and development.

Stability and development in Eastern Europe and the Balkans are important for European security and welfare. Norwegian financial assistance to Eurasia has been targeted towards the three countries that have entered into association agreements with the EU (Ukraine, Georgia and Moldova) and is designed to support the efforts of these countries to move towards closer European integration. The Government will continue its dialogue with EU institutions and member states on cooperation with these countries, and on other instruments, such as restrictive measures against Russia.

Adaptation to the EU is one of the main drivers of reform in many of the EU's eastern neighbours. Norway's efforts in these countries must be based on consultations with EU institutions and member states. Norway's development cooperation with countries in the Western Balkans should be in line with the EU's efforts in the region. Efforts to deal with the flows of refugees and migrants will also be an important element of Norway's engagement in the region in 2017.

Internal security and preparedness

The Government will work to strengthen the common external border and further develop the Schengen cooperation. In 2016, Norway was involved in the work to develop rules to strengthen controls of EU and EEA nationals at the external borders, to expand the mandate of the EU's border agency, Frontex, and transform it into the European Border and Coast Guard Agency, and to develop new data protection rules for the police and prosecutorial service. In 2017, the Government will give priority to implementing these rules effectively. We will promote the development of a new European Travel Information and Authorisation System, one of the key functions of which will be to issue travel authorisations for visa-exempt third country nationals. We will also participate in the negotiations on the proposed Entry-Exit System for registering entry and exit data of third country nationals entering the Schengen area, and on the proposed improvements to the Schengen Information System.

The Government will cooperate closely with EU institutions and individual member states to address the threats posed by terrorism and transnational organised crime. This cooperation ranges from measures to combat the recruitment of foreign terrorist fighters, and improve border checks of people entering the Schengen area, to measures to improve internet security and combat cybercrime. It also includes the exchange of information between the police and prosecuting authorities in different countries. The Government will work to maintain Norway's close links with and participation in Europol.

The Government will continue its cooperation with the EU on preventing radicalisation and violent extremism by participating in relevant senior-official-level networks and in the informal ministerial group that meets regularly to discuss anti-terrorism measures.

It must be easy and straightforward to give and receive help across national borders in the event of a terrorist attack, natural disaster or serious accident. Norway will continue to participate in the EU Civil Protection Mechanism and in crisis management cooperation. By maintaining close contact with the other Nordic countries, Norway contributes to the development of regional search and rescue cooperation, in line with the EU's overall policy.

Norway's association to the European Arrest Warrant system, which provides a mechanism for the surrender of individuals suspected or convicted of crimes between European countries, will strengthen our judicial cooperation in criminal matters with the EU, and increase mutual trust in this area. Norway, Iceland and the EU have negotiated an agreement on the surrender procedure, and the Storting has approved Norway's participation. The Government will continue to work to ensure the rapid entry into force of the agreement.

Democracy and human rights in Europe

The Government will work to ensure that measures to address the changed security situation in Europe do not in themselves undermine the values and principles they are intended to protect, such as freedom of expression and assembly, the protection of privacy, and equal treatment.

The EEA and Norway Grants are intended to promote human rights, democracy and the rule of law in Europe. This is set out in all Norway's agreements with the beneficiary states on the use of the grants. The recent white paper on human rights in Norway's foreign and development policy provides a basis for this work. We give priority to efforts to strengthen civil society, freedom of expression and independent media, and to protect human rights defenders and other vulnerable groups. Domestic

violence is a key focus area. We will also intensify our cooperation with beneficiary states in the criminal justice sector, including the police, the courts and the correctional services.

A comprehensive approach to migration

Strengthening control of the external borders

The work to develop a comprehensive and effective asylum and immigration policy is a priority area in the Government's work programme for 2017. Effective control and registration of people crossing the common external border is essential for ensuring that the Schengen cooperation functions well and maintaining freedom of movement within Europe. The Government will work to strengthen the European Border and Coast Guard Agency (Frontex). We will continue to give priority to contributing to Frontex operations in the Mediterranean.

Refugees and asylum seekers

Fewer people sought protection in Norway in 2016 than in 2015. In 2016, there was an increase in the number of migrants crossing the Mediterranean to enter the Schengen area in Italy, but the number of migrants crossing the Aegean Sea to Greece fell. However, the situation could change rapidly as a result of developments in countries both in and outside Europe. It is in Norway's interests to ensure that we succeed in establishing a well-functioning mechanism for distributing asylum seekers between countries in Europe. We will continue to support the countries on Europe's southern periphery that are bearing the brunt of the refugee crisis, for example by participating in relocation schemes for asylum seekers, and by using the EEA and Norway Grants to fund efforts in this area. In 2017, we will also continue our support for the European Asylum Support Office (EASO) for example by providing expert assistance to European countries that are under severe pressure.

Norway will participate in the efforts to further develop European visa cooperation. We will also participate in discussions on the reform of the Dublin system, including discussions on the development of a mechanism for distributing asylum seekers (corrective allocation mechanism), and discussions on the further development of the fingerprint database for asylum seekers (EURODAC) and the establishment of a new EU asylum agency.

We will strengthen our cooperation with the EU on the rapid return of people who are not entitled to protection, and will give priority to European police cooperation to combat human smuggling. This is crucial for achieving the goal of reducing the number of asylum seekers who are not in need of protection. The Government will strengthen cooperation on returns with transit countries and countries of origin.

In 2017 and 2018, Norway will chair the Intergovernmental Consultations on Migration, Asylum and Refugees (IGC), an informal, non-decision making forum that brings together 16 like-minded countries in Europe and other parts of the world. Norway will make active use of the IGC to discuss how we can better manage migratory flows in the future, and to discuss trends and forecasts, preparedness, flexible procedures and international cooperation in this area.

The Government wishes to continue and increase the use of the EEA and Norway Grants to fund efforts in the asylum and migration sector. In the negotiations on the use of the funding, high priority is being given to measures to improve the capacity and quality of asylum systems in selected beneficiary states.

Causes of migration and cooperation with third countries

Refugees and migrants from Europe's neighbouring countries to the south and southeast have created a protracted humanitarian crisis in and around the Mediterranean Sea. The migratory pressure on Europe resulting from this situation poses a great challenge to European countries and European cooperation. The Government supports efforts to follow up the EU-Turkey joint action plan to combat

irregular migration, which the EU and Turkey agreed on in 2015. Migration to Europe via Turkey also affects the number of arrivals in Norway, and it is therefore in our interests that the action plan is implemented effectively. In 2017, the Government is planning to resettle 3 000 Syrians, including 850 from Turkey.

We need to recognise our common responsibility and establish cooperation with the countries of origin and transit. At the Valletta Summit in 2015, the EU member states, Norway and Switzerland, and the African countries north of the equator adopted an action plan on strengthening cooperation on migration. The EU Emergency Trust Fund for Africa was also launched at the Valletta Summit to finance efforts in the Horn of Africa, the Sahel, West Africa and North Africa. The Government will continue to play an active role in the Valletta cooperation and will contribute to the fund.

Norway supports efforts to find a political solution to the conflicts in Syria, Iraq and Libya. The Government will increase aid to refugees close to conflict areas both in the form of humanitarian assistance and longer-term support. Norway will provide NOK 10 billion to help refugees and people in need in Syria and its neighbouring countries in the period up to 2019. Stabilisation efforts in Europe's southern neighbourhood will be a key element in the white paper on the future course of security policy to be presented in spring 2017. An integrated approach to migration and development aid is essential if we are to find long-term solutions, and the Government will give greater priority to migration issues in its aid efforts.

The main aims of closer cooperation on migration with countries of origin and transit are to prevent irregular migration and enable the return of migrants who do not have the right to stay in Europe. Norway is supporting measures in certain countries to prevent secondary migration to Europe. These include both multilateral measures and bilateral measures that are in line with Norway's comprehensive approach to migration. The Government will continue to cooperate with countries of origin on returns and readmission. This should be an important and integral part of Norway's bilateral relations with key countries of origin.

Cooperation on integration

During Norway's Presidency of the Nordic Council of Ministers in 2017, Norway will maintain close contact with the other Nordic countries on migration issues and will promote concrete Nordic cooperation on integration. As part of its comprehensive approach to migration and its efforts to enhance security, the Government will seek to prevent radicalisation and violent extremism by working to ensure that people granted protection in Norway are well integrated into Norwegian society. Norway is a member of the recently established European Integration Network, which has been created to strengthen coordination, cooperation and exchange of experience on a wide range of integration-related issues, including work, education and gender equality.

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