EUROPEAN
COMMISSION

Brussels, 16.7.2021
COM(2021) 394 final

ANNEX

**ANNEX**

**to the**

**Proposal for a COUNCIL DECISION**

**on the position to be adopted on behalf of the European Union, within the EEA Joint Committee concerning an amendment to Protocol 31 to the EEA Agreement, on cooperation in specific fields outside the four freedoms**

**(Budget line PA 13 17 01 - Preparatory Action on Defence Research)**

**ANNEX**

**DECISION OF THE EEA JOINT COMMITTEE**

**No […]**

**of […]**

**amending Protocol 31 to the EEA Agreement,**
**on cooperation in specific fields outside the four freedoms**

THE EEA JOINT COMMITTEE,

Having regard to the Agreement on the European Economic Area ("the EEA Agreement"), and in particular Article 98 thereof,

Whereas:

(1) It is appropriate to continue the cooperation of the Contracting Parties to the EEA Agreement in Union actions funded from the general budget of the Union regarding the preparatory action on defence research.

(2) It is appropriate that this cooperation should continue beyond 31 December 2020, irrespective of when this Decision is adopted or whether the fulfilment of constitutional requirements for this Decision, if any, is notified after 10 July 2021.

(3) Protocol 31 to the EEA Agreement should therefore be amended in order to allow for that extended cooperation to take place from 1 January 2021,

HAS ADOPTED THIS DECISION:

*Article 1*

The following paragraph is added in Article 1 of Protocol 31 to the EEA Agreement:

'14. (a) The EFTA States shall, as from 1 January 2021, participate in Union activities related to the following budget line, entered into the general budget of the European Union for the financial year 2021:

- **PA 13 17 01**: "Preparatory action on defence research"

(b) The EFTA States shall contribute financially to the activities referred to in point (a) in accordance with Article 82(1)(a) of the Agreement.

(c) Iceland and Liechtenstein shall not participate in that preparatory action, and shall not financially contribute to the activities referred to in point (a).'

*Article 2*

This Decision shall enter into force on the day following the last notification under Article 103(1) of the EEA Agreement[*].

It shall apply from 1 January 2021.

[*] [No constitutional requirements indicated.] [Constitutional requirements indicated.]

*Article 3*

This Decision shall be published in the EEA Section of, and in the EEA Supplement to, the *Official Journal of the European Union*.

Done at Brussels, […].

*For the EEA Joint Committee*
*The President*
[…]

*The Secretaries*
*To the EEA Joint Committee*
[…]

**Declaration by the EFTA States**

**to Decision No […] amending Protocol 31 to the EEA Agreement to continue the cooperation of the Contracting Parties in the Union's preparatory action on defence research**

**[for adoption with the Decision and for publication in the OJ]**

This Decision extends the cooperation of the Contracting Parties to continue the participation of the EFTA States in the Union's preparatory action on defence research. The EFTA States consider that defence matters fall outside the scope of the EEA Agreement, and therefore that the adoption of this Decision does not extend the scope of the EEA Agreement to include defence matters beyond the participation of the EFTA States in that preparatory action. The EFTA States also stress that Iceland and Liechtenstein shall not participate in, and shall not financially contribute to, this preparatory action.