

PROGRESS REPORT

Subject: Progress Report by the EEA Joint Committee to the 41st meeting of the EEA Council

Decision making

1. The EEA Joint Committee has adopted 79 Joint Committee Decisions (JCDs) incorporating 157 legal acts since the EEA Council of 19 November 2013. In the period January to 1st May 2014, there have been 54 JCDs incorporating 109 legal acts. In the same period of 2013, 48 JCDs have been adopted incorporating 96 legal acts.
2. As of 22nd April 2014, there were 581 outstanding legal acts where the compliance date in the EU had passed (including 122 acts with a compliance date in the EU prior to the end of December 2011), compared to 469 acts in November 2013. Since November 2013 therefore the overall number of outstanding legal acts has increased by 24%.
3. Since the last EEA Council, the EFTA side has continued to identify further actions needed to permanently reduce the number of outstanding acts and avoid their re-emergence. Concrete steps in implementing these actions are to be expected by summer 2014.
4. In total 117 legal acts adopted by the EU in 2013 were incorporated into the EEA Agreement in 2013, as compared to 83 legal acts in 2012. This demonstrates an improvement in the management of new acts with their timely incorporation into the Agreement.

5. Another aspect of the joint process was to reduce the number of JCDs awaiting the fulfilment of constitutional requirements where the six-month period had expired. However, this number increased again as by 1st May 2014 this stood at 9, compared to 5 in May 2013. Additionally, there were 17 JCDs where the entry into force depended on the fulfilment of constitutional requirements of other already adopted JCDs or the incorporation of an EU legal act into the EEA Agreement, as compared to 8 in November 2013.

6. Important decisions incorporated since the 40th meeting of the EEA Council include:
 - Decision No 178/2013 on international accounting standards
 - Decision No 202/2013 on equivalences between categories of driving licences
 - Decision No 222/2013 on food intended for infants and young children
 - Decision No 236/2013 on the Requirements for the performance and the interoperability for the single European sky
 - Decision No 9/2014 on European standardisation
 - Decision No 21/2014 on European rail networks for competitive freight
 - Decision No 29/2014 on the period of application of Regulation (EC) No 800/2008 (prolongation of the so-called “general block exemption” for state aid)
 - Decision No 41/2014 on the selection of a symbol for identifying medicinal products for human use that are the subject to additional monitoring
 - Decision No 58/2014 on the European system of national and regional accounts in the European Union
 - Decision No 60/2014 on international credit entitlements under the Emissions Trading Scheme

Decision shaping

7. The EEA EFTA States are participating in 20 EU programmes and 18 agencies, of which 13 were regulatory agencies and five executive agencies.

8. Since the last EEA Council, the EEA Joint Committee has taken note of EEA EFTA Comments on the following subjects and the EU side provided oral reaction on two of them:

- Consumer Product Safety and Market Surveillance
 - Comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features
 - Certain rules governing actions for damages under national law for infringements of the competition law provisions of the Member States and of the European Union
 - Measures concerning the European single market for electronic communications and to achieve a Connected Continent
- Information accompanying transfer of funds
- Maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic
 - Package travel and assisted travel arrangements

Briefings in the Joint Committee

9. Briefings on the following subjects were provided in the EEA Joint Committee:

- Capital control in Cyprus
- Capital controls in Iceland
- The Regulatory Fitness and Performance Programme (REFIT)

Status of outstanding issues

10. The discussions on the following issues have not yet been concluded:

- the Regulations establishing the European Supervisory Authorities, and related pieces of legislation in the field of financial services,
- the Directive on the Deposit Guarantee Scheme,

- the Regulation on Novel Foods and Novel Food Ingredients,
- the Third Package for the Internal Energy Market,
- the remaining part of the 2009 TELECOM package including the Regulation establishing the Body of European Regulators for Electronic Communications (BEREC),
- the Third Postal Directive,
- the Regulation on Medicinal Products for Paediatric Use,
- the Marine Strategy Framework Directive,
- the Offshore Directive
- the EU legal acts in the area of organic production and
- the package of acts in the field of Plant Protection Products.

The Joint Committee has reiterated its determination to work towards the rapid conclusion of these issues.

Financial Mechanisms

11. For the period 2009-2014, 988.5 million euro has been set aside under the EEA Financial Mechanism and an additional 800 million euro under the Norwegian Mechanism to contribute to reducing economic and social disparities in 15 EU countries in Central and Southern Europe and to strengthening bilateral relations.
12. Programmes and projects under both Mechanisms may be implemented until 2016. By 1st May 2014, all of the 150 programmes had been approved by the donors compared with 93 by the end of April 2013.
13. The European Commission, being responsible for screening all programme proposals for their compatibility with EU cohesion policy, has by 1st May 2014 received the proposals for all the 150 planned programmes. The Commission consent has been given to 146 programmes.

14. Bilateral funds for common activities were set up in many beneficiary countries since the last EEA Council. By 1st May 2014, there were 87 donor partner programmes under the EEA and Norway Grants, involving 24 different public entities from Iceland, Liechtenstein and Norway, along with the Council of Europe.

15. In accordance with Article 9 of Protocol 38B on the EEA Financial Mechanism, a review of the need to address economic and social disparities within the European Economic Area was undertaken in 2013. The conclusion of the review, to which both the EU and the EEA EFTA sides contributed, was that there still was a need to alleviate social and economic disparities in the European Economic Area. Negotiations on the continuation of contributions were launched on 22 January 2014 and three rounds of technical discussions were already held by 1st May 2014.

Enlargement of the EEA to Croatia

16. Negotiations to include Croatia into the EEA upon its accession to the European Union were concluded in November 2013 and the draft EEA Enlargement Agreement was initialled on 20 December 2013. The signing of the Agreement on extending the EEA Agreement (and three related Protocols) to Croatia and its provisional application took place on 11 April 2014.