

EEE 1602/24

DRAFT MINUTES

Subject: Draft Minutes of the 57th meeting of the EEA Council (Brussels, 20
November 2023)

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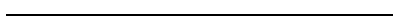
EEA COUNCIL

(Brussels, 20 November 2023)

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The EEA Council held its 57th meeting in Brussels on 20 November 2023.

The meeting was chaired by Ms Dominique HASLER, Minister of Foreign Affairs, Education and Sport of Liechtenstein, who led the EEA EFTA delegation. Minister HASLER was accompanied by Mr Bjarni BENEDIKTSSON Minister for Foreign Affairs of Iceland and Mr Espen Barth EIDE Minister of Foreign Affairs of Norway.

The EEA EFTA side also included Mr Henri GÉTAZ (Secretary-General of the European Free Trade Association – EFTA), and Mr Arne RØKSUND (President of the EFTA Surveillance Authority – ESA).

The EU side was led by Mr Pascual NAVARRO RÍOS Secretary of State for European Affairs of Spain. Minister NAVARRO RIOS was accompanied by Mr Maroš ŠEFČOVIČ, Executive Vice-President of the European Commission, and Mr Marko MAKOVEC, Deputy Managing Director for Europe, representing the European External Action Service (EEAS).

Opening statement of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Co-Chair, dear colleagues,

It is my great pleasure to welcome you to the 57th meeting of the EEA Council.

Before we start, I would like to thank the EU side for your excellent assistance in preparing for this meeting. I look forward to our discussions and exchange of views.

I suggest that we deal with items 1 to 3 on the agenda without further discussion and move directly to item 4.

Co-Chair, can you agree to this?

Intervention of Secretary of State Mr Pascual NAVARRO RIOS on behalf of the European Union

I would like to confirm that we agree to deal with items 1, 2 and 3 of our Agenda without discussion and move to the next items.

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Thank you, these items are then considered adopted. As agreed, we will now move to item 4:
Assessment of the overall functioning of the EEA Agreement.

1. **ADOPTION OF THE AGENDA**

The EEA Council adopted the Agenda, as set out in EEE 1604/23.

2. **APPROVAL OF THE MINUTES**

The EEA Council approved the minutes of the 56th meeting of the EEA Council, which took place in Brussels on 24 May 2023, as set out in EEE 1605/23.

3. **PROGRESS REPORT BY THE EEA JOINT COMMITTEE**

The EEA Council took note of the Progress Report by the EEA Joint Committee, as set out in EEE 1606/23.

4. ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EEA AGREEMENT

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Ministers, Colleagues,

In these challenging times for Europe, the EU and the EEA EFTA States remain the closest of partners, and our EEA Agreement is as solid as ever.

We are celebrating the 30th anniversary of the Single Market this year, and that of the EEA Agreement extending the Single Market to Iceland, Liechtenstein, and Norway next year. In these thirty years, we have built the world's largest Internal Market covering 30 countries, creating unprecedented prosperity and freedom for our citizens.

And when crises hit – from the COVID pandemic to the war of aggression against Ukraine – we stood together and provided a joint response. It is with this same firm determination that we should now look at the road ahead.

Our Internal Market is the launchpad for our societies and economies to embrace the green and digital transition. The EEA EFTA States are following Green Deal initiatives like the Net-Zero Industry Act and have noted the EU's intention to present a climate target for 2040. We are also paying particular attention to the Artificial Intelligence Act and the implementation of the DMA and the DSA. As partners in the Digital Internal Market, the EEA EFTA States would like to be invited to the Digital Decade Board as a part of working towards the 2030 Digital Targets.

At the same time, geopolitical challenges are forcing us to rethink the sources of our competitiveness and to strengthen our economic security. Here again, our partnership is our strength. Some of the EEA EFTA States are, as you know, significant suppliers of critical raw materials to the Internal Market. EU legislative priorities in this area are increasingly focused on economic security. This includes how to bolster the competitiveness of the Internal Market, making it attractive for green industry and securing supply to support the green transition. At the same time, it is important that we safeguard a fair and open Internal Market. We look forward to our orientation debate on the matter.

Turning to global initiatives – such as the US Inflation Reduction Act, or trade policy more generally – here it is as well essential that all parties are aware of, and take into account, that the EEA EFTA States are an integral part of the Internal Market.

This discussion on Europe's competitiveness will no doubt continue in the coming months. We have taken good note of the commissioning of a report by Enrico Letta on the future of the Single Market, to be presented at the European Council of March 2024, and of the forthcoming report by Mario Draghi on the future of European competitiveness. Both reports are highly relevant, and the EEA EFTA States would appreciate the opportunity to participate in the discussion on their findings.

We are also following closely the discussion on a possible enlargement of the EU, and the implications it may have on the Internal Market.

Ministers, Colleagues,

Our EEA Agreement is a living and evolving framework that adapts to the changing realities and needs of Europe. To enable this, the swift incorporation of legal acts remains a top priority.

Since the last EEA Council, we have incorporated 269 legal acts, thanks to our excellent cooperation. We have also launched an Action Plan to reduce the backlog further, focusing on acts which have been lagging. I am pleased to announce that one third of the acts on this list are expected to be incorporated by the end of 2023, including the Ship Inspection Package, the European Maritime Safety Regulation and the European Labour Authority Regulation.

The EEA EFTA States remain committed to further decrease the backlog. To achieve this goal, we are placing further focus on cooperation and coordination (among EEA EFTA and with EU).

Ministers, Colleagues,

One final word on the progress made with the negotiations on financial contributions. The EEA and Norway Financial Mechanisms contribute to reducing economic and social disparities throughout the EEA. Negotiations on a new period are on-going and advancing. For the EEA EFTA States it is crucial that the financial mechanism is based on respect for the rule of law and democracy.

Negotiations on market access for fish and marine products have been conducted in parallel and a solution will further contribute to a balanced strengthening of trade and economic relations.

We would also like to take this opportunity to thank the outgoing EU Chair, Spain, for our close and constructive cooperation during your Presidency. We appreciate your facilitation of our participation in informal EU Council meetings and political dialogues. We now look forward to working with the incoming Belgian Presidency in the new year.

Despite dedication and great efforts on both sides, we were not able to adopt formal EEA Council conclusions. I would like to thank the Spanish Presidency for their collaboration. As underlined in a fuller statement that has been made available, the EEA Agreement is as solid and important as ever and our cooperation is working well.

Thank you.

May I then invite the Presidency of the EU Council to make a statement?

Intervention of Secretary of State Mr Pascual NAVARRO RIOS on behalf of the European Union

Dear Colleagues,

Allow me to underline the importance of the regular meetings of the EEA Council, which give us the opportunity to jointly assess the implementation of our most important instrument of cooperation - the European Economic Area Agreement.

We welcome this meeting as a good opportunity to discuss, the recent developments as well as relations between the EU and the EEA EFTA States.

Against the backdrop of this year's 30th anniversary of the single market, let me highlight the importance of the EEA Agreement for our long-term shared prosperity and stability, guaranteeing equal treatment, legal certainty and predictable conditions for its citizens and businesses.

Next year we will also celebrate the 30th anniversary of the entry into force of the EEA Agreement. We look forward to the opportunity to mark that momentous occasion, and the success of our cooperation, together.

In the current geopolitical context created by Russia's war of aggression against Ukraine, and the recent Israel/Palestine crisis, the special partnership between the EU and the EEA EFTA States is - and will continue to be - more important than ever. We are standing together, defending our common values such as democracy, rule of law and the commitment to an international rules-based order, in solidarity and in unity.

Our Leaders had the opportunity to meet at the 3rd meeting of the European Political Community in Granada in October. This has offered us another occasion to deepen the European political dialogue and cooperation on a number of issues of common interest, such as multilateralism, energy,

environment and climate change, digital transition and artificial intelligence, but also more generally on the security, stability and prosperity of the European continent.

I would like to highlight some important developments that have taken place since our latest EEA Council in May 2023.

We would like to welcome the incorporation of certain important pieces of legislation into the EEA Agreement, such as the decisions concerning eco-design requirements, social security, market infrastructures, competition, telecommunications and free flow of data and legislation on marine equipment. We also welcome the upcoming incorporation of regulations in the area of Ship Inspection, Market Surveillance and Compliance of Products, the Regulations on the European Labour Authority and the European Maritime Safety Agency, as well as the package on emission reduction targets.

We hope for increased efforts to conclude discussions on some important pending legislations. To name some of them, the Presidency would like to specifically mention those related to the Digital Single Market, to genetically modified food and feed, online transmissions of broadcasting organisations, navigation and road safety, as well as still pending acts in the field of competition.

Furthermore, we would like to welcome the continued joint determination to incorporate the relevant EU acquis into the EEA Agreement. That said, efforts to reduce the existing backlog and the timely incorporation of legislation into national legal systems must continue, in order to ensure the good functioning of the EEA Agreement and a level playing field in the single market.

Efforts to drive the economic growth remain necessary for meeting our long-term challenges. Europe's strength, resilience and global standing depend on our economic output. It is also of utmost importance for the green transition and digital transformation ahead of us - without putting aside the social dimension, and the need for a proper boost in skills to meet the competence requirements in a greener and more digitalised world of work. On these, as well on other relevant policy areas, we would like to reiterate the importance of close cooperation between the EU and the EEA EFTA states.

As regards ongoing negotiations on the future financial grants, the Presidency hopes for a quick and successful finalization that would enable the accomplishment of the cohesion efforts we aim for.

Lastly, the Presidency notes with regret that the EEA Council is not in a position to adopt conclusions this semester. While unfortunate, this in no way detracts from our excellent relations

and close cooperation under the EEA Agreement. We remain, and will continue to be, as closer partners as ever.

Intervention of Executive Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission

Dear Ministers, Representatives of the EEA EFTA institutions, Ambassadors, ladies and gentlemen,

It is a pleasure to be back in the EFTA House.

Our cooperation is close, cordial, open and transparent. I welcome the new ministers from Iceland and Norway.

We are in very difficult times geopolitically, which requires a lot of hard work.

The Commission expresses its full solidarity with Iceland at this time.

Thanks to the Spanish presidency of the Council for sharing its assessment.

On behalf of the Commission, I am pleased to share with you our assessment of the functioning of the EEA Agreement.

I am pleased by our continued very close cooperation. You are, as you know, our closest and most integrated partners.

We need coordinated approaches in areas of common interest and concern, in particular in the current geopolitical situation in Europe and the world – notably with most recent developments in the Middle East. In the context of the Russian war against Ukraine, we continue to appreciate your continued close alignment with the EU, both in the sanctions regime against Russia and in support provided to Ukraine.

In this context, I would like to mention the ongoing work to bring Norway into the new EU Act in Support of Ammunition Production (ASAP) and the European defence industry reinforcement through common procurement act (EDIRPA).

In terms of our core business, the implementation of the EEA Agreement and the incorporation of the EU acquis into the EEA Agreement, I refer to the progress report of the EEA Joint Committee provided for this meeting.

Since the last meeting of the EEA Council on 24 May 2023, we have adopted 153 Joint Committee Decisions incorporating 269 legal acts.

In this period, we incorporated several important pieces of legislation in areas such as social security, ecodesign requirements in the field of energy, and the free flow of data in the field of telecommunications.

These developments are essential for the continued good functioning of the Agreement, and we need to continue the work to ensure the incorporation of the other outstanding pieces of legislation.

I mentioned in our previous meeting, and I will reiterate it now that there is no room for complacency, as both new EEA relevant EU acts need to be incorporated into the EEA Agreement without delay and we need to further intensify efforts to decrease the extensive backlog of old pending files.

In this respect, I am pleased with some positive developments over the past half year on files I mentioned in our previous meeting:

The discussions have been concluded on the Ship Inspection Regulation from 2009, and the European Maritime Safety Agency Regulation from 2013, as well as on two pending Regulations from 2019 – on the European Labour Authority and on Market Surveillance and Compliance of Products.

All these acts are now going through the last stages of adoption on our side by the EU Member States in the Council and should be ready for incorporation into the EEA Agreement in the next EEA Joint Committee meeting on 8 December.

When it comes to new acts related to the European Green Deal political priorities of this Commission, I am very glad that the revised Emission Trading Scheme for both aviation, as well as for maritime and stationary installations, should be incorporated into the EEA Agreement in the 8 December meeting too. This means that the more ambitious ETS framework will be launched from 1 January 2024 across the whole EEA.

Moreover, we have made great efforts to find solutions addressing the concerns of Iceland under the ETS for aviation, and those of Liechtenstein under the general ETS framework, while keeping the integrity of the regime.

These examples show that where you flag to us issues that you consider to be exceptionally important, we listen and we can achieve results and find solutions, on both old, complicated files that are part of the backlog, as well as new political priority files.

I would like to encourage you to keep up the momentum, and to continue the good pace of incorporating the new EEA relevant acts as well as tackling the still extensive backlog of old pending acts, keeping in mind the obligation in Article 102 of the EEA Agreement to incorporate “as closely as possible to the adoption by the Union” to permit simultaneous application in the EU and the EEA to fulfil the legal obligation to ensure a level playing field and homogeneity across the EEA.

The oldest and most extreme example showcasing the problem continues to be the Regulation on genetically modified food and feed from 2003, which has still not been incorporated into the EEA Agreement.

But there are several other examples where the backlog is substantial, notably in the areas of financial services and energy, as well as food chain and statistics.

If we were able to ensure the timely incorporation of the ETS package, we must find a way to address other outstanding acts. Let me just refer here to offshore safety, be it in the operation of platforms or helicopter traffic. Beyond formal discussions, we need to find concrete solutions.

And the work does not end with the adoption of Joint Committee Decisions. These decisions need to enter into force as soon as possible after their adoption to ensure a level playing field across the entire EEA.

Constitutional requirements are an integral part of the EEA framework, but their number continues to be at a very high level and has risen again to 30. Moreover, additional acts whose entry into force is linked to those with constitutional requirements are concerned too, thus the actual number of delayed acts is much higher.

Finally, as you know, in Articles 115 and 116 of the EEA Agreement, the Contracting Parties agreed on the need to reduce the economic and social disparities between their regions.

To this end, the EEA Agreement provides for a Financial Mechanism for the EEA EFTA States to contribute, in addition to the efforts already deployed by the EU in this regard.

The negotiations on a new EEA financial mechanism were launched almost one and half years ago. We need to make faster progress towards its establishment, in particular in the light of actual needs on the ground, increased EU investment into social and economic cohesion, and the time necessary for the setting up of the scheme and its implementation.

I hope that good progress can be made by the end of this month to ensure that the current negotiations on the next financial mechanisms can be concluded in a satisfactory manner. For its part, the Commission continues to invest in finding a balanced and realistic outcome.

We need to demonstrate our ability to find solutions on issues that are of interest either to the EU, or to the EEA / EFTA States, or to both, promoting a continuous strengthening of trade and economic relations, and expressing our continued solidarity.

Let's not prolong the negotiations in the current geopolitical circumstances. We need to find solutions.

With this in mind, I hope we make concrete progress on important outstanding files by then, and celebrate next year the excellent cooperation established over the last 30 years.

Thank you.

Intervention of Minister Ms Dominique HASLER on behalf of Liechtenstein

Dear Vice-President, dear Ministers, dear Managing Director,

Allow me to add some remarks in my national capacity.

A well-functioning Internal Market is the corner stone of the EEA, and we should all strive to ensure its good operation and competitiveness. I hence strongly welcome the EU's response to new challenges to Europe's competitiveness, for example with the already mentioned Critical Raw Materials Act or the Chips Act.

Especially given our highly industrialized economy – where the industrial sector contributes more than 42% of GDP – Liechtenstein welcomes these Acts that should ensure competitiveness and access to raw materials for all 30 EEA Member States. As these and further “geopolitically relevant” legislations are based on and have provisions that go beyond the internal market as such, a close exchange with our EU partners is clearly warranted to go forward.

The homogeneity and integrity of the Internal Market is essential. Only when EU acts are fully applicable in the EEA, our industry can participate in the Internal Market on an equal footing and our citizens enjoy the benefits thereof. Late incorporation is especially harmful in the extensively harmonised areas, such as the financial services sector. Gaps due to delays in incorporation lead to competitive disadvantages, in particular also where new market access regimes are created (EU passports), as is the case with MiCA.

Furthermore, having the same level playing field and regulatory standards is also important for the Liechtenstein financial sector. A swift incorporation and application of the upcoming EU Package on Anti-Money Laundering and on Countering the Financing of Terrorism as well as of the Capital Requirements Framework (CRD VI and CRR III) is therefore called for.

Not least for these reasons, the focus must remain on the core homework and tasks of our EEA membership: speeding up incorporation of EU legal acts, lifting constitutional requirements and implementing EEA law. During our current Chairmanship, we carefully looked at where we can improve our internal processes, focussing on coordination and open exchange both internally and with our EU partners. On implementation in Liechtenstein, I dare say we are on a very good track.

Having a highly innovative and export-oriented industry, digitalization is high on Liechtenstein's policy agenda. A very positive example of how we participate in EU programs (in this case Digital Europe), is that since June 2023, Liechtenstein has its first European Digital Innovation Hub: Digihub.li. This is just one aspect of how our digitalization policies contribute to the overall goal of the EU's Digital Decade Targets. When talking about digitalization, Artificial Intelligence cannot be left unmentioned. Liechtenstein is receptive to the EU's proposal for AI regulation, recognizing its importance for sustaining Europe's competitive edge as well as its potential benefits to our economy.

To conclude: It is crucial to nurturing the EEA Agreement and preserve its most valued achievements as they cannot be taken for granted. We are working hard, be it with regard to the bigger picture or to the nitty-gritty details, both are necessary to maintain the EEA Agreements much-lauded flexibility and robustness. In doing so we can hopefully pave the way for many more anniversaries after our big 30-year celebration next year. For the close partnership with the EU in these past soon thirty years and for the years to come – I would like to take this opportunity to also thank you personally.

Intervention of Minister Mr Bjarni BENEDIKTSSON on behalf of Iceland

Next year is a major landmark for our countries when we celebrate the 30th Anniversary of the EEA.

We are encouraged by the positive reaction from President of the European Council for the EEA leaders to gather at the European Council in March. It is important to make the best use of such an event to galvanise the special partnership between us during these challenging times.

Focusing on the unity of the EEA States in times of multi-dimensional global challenges (Environment, security landscape and the global economy) and looking forward is essential.

I therefore suggest that we engage our teams how this may best be done here in Brussels both in relation to the European Council in March and the EEA Council in May which will be held under the Icelandic chairmanship.

Many do not remember time without the EEA and tend to take the benefits for granted. We should in our respective constituencies use the anniversary to highlight the benefits the internal market and the Agreement has brought for our citizens.

Turning now to the negotiations on the financial mechanism, let me emphasise our interest in finding acceptable solutions.

We have engaged constructively throughout the negotiations since their beginning last year.

We remain committed to continuing our contribution to the reduction of economic and social disparities within the EEA. This we also see as an important tool to strengthen the bilateral relations between Iceland and the beneficiary states.

Overall acceptable outcome for Iceland must include improved market access for fisheries products.

For years we have been advocating for modernisation of our access for seafood – including the current TRQ system. This would benefit both sides, including on consumer benefits (EU imports 60% of total fish consumption), environmental benefits and simplifying overly complex arrangements for our market participants.

Falling short of this objective, we have brought forward constructive proposals where we base ourselves on the parameters laid down by the EU.

Make no mistake, this is a major climbdown from our original ambitions; which are based on a long held conviction and is already met with resistance at home.

As we now work on the basis of the current temporary managed system for limited number of products, we need to focus on those products entailing actual value based on our interests and priorities.

This in no way solves our broader concerns for a level playing field and balanced trade relations with our closest partner. We must therefore continue to address these in a different format going forward.

To conclude on this topic, we feel that we have made good progress in the negotiations. We stand ready to continue the process, while taking into account priorities on both sides, with the aim to conclude as soon as possible.

Mr. Chairman, in previous meetings of the EEA Council, my predecessor underlined the serious situation Iceland was faced with regarding the Emission Trading Scheme and aviation.

I want to thank you Executive Vice President Sefcovic and your team for the serious work undertaken to accommodate our specific situation and for the understanding shown by the Member States.

We look forward to the EEA Joint Committee decision being adopted in December and moreover following closely the developments in this field, so that we may jointly prepare the next steps before the end of 2025.

Intervention of Minister Mr Espen Barth EIDE on behalf of Norway

The Minister based his intervention on the following speaking points (check against delivery.)

The EEA agreement is our most important and comprehensive international agreement. It is Norway's mainstay in relation to the EU and Europe and has served us well.

Through the agreement we do not only participate in a rules-based market system, we also take part in a unity of values, and a system that is developing into many other aspects of our economy.

In addition to the core agreement, Norway has signed more than 70 agreements with the EU, the newest being on the Green Alliance.

The latest developments; pandemics, climate, war in Europe, underline the importance of sticking together. We strongly support the efforts that the EU has been conducting to strengthen the Green Deal, Digital Agenda and to enhance European resilience.

As facilitators in COP28: Mitigation is a key topic. What the EU has done and is doing in Europe and on the global scene is the gold standard of that work.

I would like to appreciate how the Green Deal has taken all the principles of the Paris Agreement and made it concrete, comprehensive. We do not only support it, we are also a part of it.

Therefore, I am glad we are moving fast towards incorporation of the revised and strengthened ETS and ETS II.

Norway has agreed to participate in funding the Social Climate Fund. We think this is appropriate. Pending parliamentary approval, and we will have this soon.

Norway is the number one energy provider to Europe after changes caused by the war in Ukraine. We would like to continue to be so in the future in a post-fossil world.

In the future, we will play a part in providing the clean molecules that are needed to replace the future fossil fuels; ammonia, hydrogen, CCS, and which are important elements that the Green Deal are delivering on.

We have started to look closer at how we would like to relate to CBAM. We have not considered it EEA relevant, but we are still interested in connecting to it.

Regarding the pandemic; there is going to be another one. We welcome what we were able to do in the cooperation on vaccines, but it was rather ad hoc. For the future, we would like to develop something more mutual and stable.

The 30th anniversary of the EEA agreement should be a good celebration of our cooperation. The first time I represented Norway in an EEA Council was as a young State Secretary.

The treaty is turning 30 and the first thing that strikes me is the breadth of what the EU does is immensely broader. The global circumstances are fundamentally different.

Back then the world was moving towards more free trade and openness, but now this is no longer the case. The general positive development is not here any longer. It makes it even more important to keep order in our own books, with a rules based and value based market.

One of the top priorities of my government is to reduce the backlog. This way we are able to focus on the issues that truly matter. I have appointed a new position as State Secretary which is responsible for the interministerial cooperation on this, and the person has been particularly selected for this role.

Intervention of Minister Ms Dominique Hasler on behalf of the EEA EFTA side

Would the EU side like to make any further comments?

Intervention of Executive Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission

Thank you to Liechtenstein for its good track record on timely implementation. Thanks to the Liechtenstein chair and her team for the work.

We are approaching 30 years of the EEA Agreement. In a troubled world, this is great grounds for celebration in the midst of tension elsewhere.

The EEA Agreement provides stability and predictability, the basis of the agreement. We can work on how to improve within that framework.

There has been good progress on clearing the implementation backlog.

The EEA financial mechanism needs to be agreed.

On aviation and the ETS, we wanted to solve the issue for Iceland. We came from very different perspectives and found a solution, respecting our common objectives.

With Norway, we have a lot of converging agendas – an important NATO member, preparing for COP 28 on climate, the Green Alliance, digital. This is a shared agenda, working on new standards for Europe and the global stage. We have to work hard on this.

Norway is the EU's number 1 energy supplier and we are a very lucrative customer for Norway.

We have been discussing hydrogen as an energy source this week in Brussels. Investment needs are gigantic. There is a big business reaction.

We take note of interest in the implementation of the carbon border adjustment mechanism.

On the negotiations on the financial mechanisms and the additional protocols on market access for fish, we have brought solid proposals. There are only on the table if the financial offer reflects inflation. We also take into account many things that have happened in the past two years.

Positions are not so far apart. Let's try to sort it out by the end of November.

Then, we can open avenues on all other topics. We are under the watchful eyes of Member States in the Council.

I am a big supporter of good preparation and thinking on all eventualities, to be supported by all in the EEA and EU Member States.

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Thank you. If there are no further comments, I hereby conclude the discussion on the functioning of the EEA Agreement.

5. ORIENTATION DEBATE: ECONOMIC SECURITY

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Dear colleagues,

The topic of economic security – and how to best achieve it – is high on our agendas.

At this critical point in time, it is key that we continue working together to ensure a resilient and competitive Internal Market. As I mentioned earlier: our partnership is our strength.

I look forward to our discussion.

I will first give the floor to the EU side I will first give the floor to the EU Council Presidency.

Intervention of Secretary of State Mr Pascual NAVARRO RIOS on behalf of the European Union

Dear Colleagues,

Our debate today is a valuable opportunity to discuss common challenges related to the security of our economies and economic resources, considering the geopolitical dynamics and the technological and environmental developments that we are facing.

These challenges have been addressed in a Joint Communication from the Commission and the High Representative on a European Economic Security Strategy, presented on 20 June this year.

Allow me to start by noting that economic security has been part of EU policy - supported by the European Economic Area - from the very beginning: trade defence, for example, already features in the Treaty of Rome.

However, recent global developments have seriously disrupted the global economy in which we operate. This has made it increasingly evident that we need to improve our economic security.

The COVID-19 pandemic, Russia's war of aggression in against Ukraine, as well as the global race for technological leadership in critical areas such as digital, health and defence/space, are all developments that have increased the risk of fragmentation between geo-political blocks, and led to an uneven playing field.

EU and EEA action to tackle these challenges has been ongoing for quite some time now.

One might argue that our Green and Digital transitions are guided by the goal of strengthening Europe's economic security.

A key pillar of strengthening our strategic autonomy is to better understand where our dependencies, weaknesses and risks lie – but also to fully use the strengths and opportunities the EEA offers us.

Openness and diversification have served the EU and the EEA well in the past and should continue to be our objective. Our overall political aim must be to maximise the benefits of openness while minimising the associated risks.

We should keep working on international partnerships to diversify and lower our risks. At the same time, we also need to strengthen our domestic capabilities in terms of projects and financing.

The Strategy proposed by the Commission and the High Representative in June is therefore welcome, as it draws together the different aspects I just mentioned and identifies existing gaps, as well as the ways to address them.

Our leaders in the European Council of October 26 and 27 emphasised the need to achieve strategic autonomy while preserving an open economy. To do that we need to continue working together to enhance our economic resilience, ensure our long-term competitiveness, and a level playing field, both internally and globally, with a full functioning Single market and its four freedoms at its core.

The foreign policy dimension of the Strategy will be discussed at the Foreign Affairs Council of December.

Intervention of Executive Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission

Thank you, chair, for the opportunity to speak on this very important issue.

Open, rules-based trade has shaped and benefited the EU – and by extension the EEA – since its beginning.

At the same time, growing geopolitical tensions and greater international competition, as well as shocks such as the COVID-19 pandemic, Russia's war of aggression against Ukraine, and cases of economic coercion, have highlighted the risks inherent in certain economic dependencies.

Such risks – unless properly managed – can challenge the functioning of our societies, our economies, our strategic interests, and our ability to act.

That is why the Commission and the High Representative adopted on 20 June this year a Joint Communication on a European Economic Security Strategy, which sets out a comprehensive EU strategic approach to economic security.

The aim is to provide a framework for a robust assessment and management of risks to economic security at EU, national and business level, while preserving and increasing our economic dynamism. Indeed, this is fundamentally about de-risking our economic relations.

The Communication is structured around three main pillars:

- o First, promoting the EU's competitiveness and growth, strengthening the Single Market, supporting a strong and resilient economy, and fostering the EU's research, technological and industrial base.
- o Second, protecting our economic security through a range of policies and tools, including targeted new instruments where needed.
- o And third, partnering and further strengthening cooperation with partners worldwide. This is certainly not about turning inward.

The strategy identifies four broad categories of risk that need to be taken into account:

- o the resilience of supply chains,
- o the physical and cyber-security of critical infrastructure,
- o technology security and technology leakage, and
- o weaponization of economic dependencies or economic coercion.

On this basis and to address the risks to technology security and technology leakage, on 3 October, the Commission adopted a Recommendation on critical technology areas for further risk assessment with Member States.

Out of the identified ten critical technology areas, the Commission recommended four technology areas for risk assessment where technology security and leakage are considered highly likely:

- o Advanced Semiconductors technologies
- o Artificial Intelligence technologies
- o Quantum technologies, and
- o Biotechnologies.

As regards the remaining critical technology areas, the Commission will continue monitoring the technological developments and, if necessary, propose additional technologies for further assessment.

Together with Member States, we have started a collective risk assessment of these four areas with the objective of finalising it by the end of the year. Once this process is complete, we will look at identifying the relevant protection and promotion measures.

In parallel, the Commission is making progress on several other initiatives announced in the Strategy. I would like to highlight five of them.

First, we are working on a legislative proposal for the revision of the Regulation on the screening of foreign direct investments into the Union. This will build on the practical experience that we and Member States have gained since October 2020 from reviewing more than 1,000 Foreign Direct Investment transactions.

Second, together with Member States, we are looking at strengthening our export controls regime and, in particular, how to improve the effectiveness and coordination of controls between Member States for our collective security.

Third, in the framework of a dedicated Expert Group, we are looking at developing a shared view of the risks stemming from outbound investment, regarding technology and know-how leakage to destinations that operate civil-military fusion strategies.

Fourth, we are exploring options at how to strengthen our research security both at national and EU level so that our research outputs and innovations remain genuine and are not misused.

This work is building, in particular, on the existing safeguards of the Horizon Europe programme and on the 2022 “Toolkit on Tackling R&I Foreign Interference”.

The Strategy also recognised the key role of the private sector in developing a collective understanding of economic security and, for this reason, we have been proactively engaging with private sector actors and encouraging them to conduct due diligence and risk management considering economic security concerns.

Fifth and finally, our Economic Security Strategy also illustrates many avenues for further international cooperation.

The EU cannot achieve economic security on its own. Neither can its policy response be unilateral. The global economy will remain integrated and interconnected, and effective EU action depends on cooperation and coordination with others.

We want to work with countries who share our concerns as well as those who have common interests and are willing to cooperate with us to achieve the transition to a more resilient and secure economy. In practice, this means working together with the broadest possible range of partners to reinforce economic security, foster resilient and sustainable value chains, and strengthen the international rules-based economic order and multilateral institutions.

It also means partnering with countries on similar de-risking paths, furthering and finalising free trade agreements, and investing in sustainable development and secure links throughout the world.

This approach includes efforts to reform multilateral institutions, such as the WTO, stronger cooperation with long-standing allies such as the members of the G7, but also outreach to the broadest range of partners possible via the EU network of Free Trade Agreements and Digital Partnerships, the Global Gateway, and new ad hoc partnerships such as the Critical Raw Materials Club.

I am confident that the EEA EFTA States will be close partners of the EU in a number of areas as we roll out the European Economic Security Strategy. For example, the strategy notes the importance of resilient and sustainable value chains, and risks to the physical and cyber-security of infrastructure – all areas of interest to you, where our close cooperation can develop further.

I look forward to further collaborating with you on these issues as we take the work forward.

Intervention of Deputy Managing Director Mr Marko MAKOVEC on behalf of the EEAS

The Joint Communication adopted by the Commission and the High Representative in June this year reflected the opening of a process to define a European economic security framework. Under

this framework, EU Member States and the European institutions are working to define actions to reinforce our security whilst always recalling the EU's commitment to the open, international rules-based system.

Our efforts to develop this new economic security paradigm are of course influenced by the increasing strategic rivalry between China and the US. But we have also observed recently how our connections and dependencies can be weaponised very much closer to home.

What we seek now is to achieve a strategic framework, which stays true to the DNA of the Union: maximising the benefits of our traditional openness and remaining committed to multilateralism, whilst minimising the risks from excessive dependencies. This is a delicate balancing act. And we are aware that de-risking presents its own risks and costs.

One of the first tasks we are undertaking is therefore a joint risk assessment in key technologies, to understand more precisely where we may need to act.

Our new approach to economic security will also have important links with the EU's bilateral relations with third countries. Indeed, ensuring economic security is fundamentally a function of the resilience of our integration into the global economy. I want to underline strongly that this is not about limiting the development or prosperity of any other country. We want only to ensure that the EU is equipped to protect its own security and interests, in cases where these could be threatened by external actors.

We want to work closely with like-minded partners – including those of the EEA – to align our actions and to ensure maximum benefits. De-risking is also an opportunity to build new relationships with partners in the Global South. Politically, our aim is to build the EU's reputation as a clear-sighted, independent, and reliable global actor. We play by the rules but we will not hesitate to protect our interests according to those rules. We demonstrate our commitment to transparency and sustainability through our actions. We work to favour multilateral solutions to major issues wherever possible. This is the core of our strategy and our offer to our partners.

The geopolitical environment around our Economic Security strategy, as assessed by the EEAS, is clearly an environment where alliances and allegiances are evolving. We see two significant and interrelated shifts: firstly, the emergence of new actors. This means not only a growing role for China and its increasingly assertive stance on a range of issues, but also by the rise of other

economies, such as Brazil, India, South Africa, and others, which all expect to have a significant voice and role in international economic matters.

These dynamics also generate new mini-lateral formats, reflecting the fragmentation of the global political scene. Most obviously the BRICS and the invitation to 6 new members (Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the UAE), but also the Quad, AUKUS, and the recent addition of the African Union to the G20 group.

And secondly, the changing nature of foreign policy. Geopolitical contest is not a new phenomenon. But the level of integration – and the speed and refinement of the supply chains built on this – has increased the potential for impact in case of disruptions. This means that the potential for weaponisation of our interconnections and dependencies is higher than previously. We can therefore no longer separate economic, foreign and security policy. These are all interlinked. This is the heart of the economic security debate.

The EU is looking to respond to this new context and find new ways of engaging. Economic security is one of the lenses for this. At the EEAS, we are therefore working to see how our foreign policy toolkits can be used to reinforce our economic security.

For the EU, this will include applying the tools of our Common Foreign and Security Policy – such as the Hybrid, Cyber and FIMI toolboxes, to react diplomatically or to signal concern, as well as making clear the likely consequences of continued threats to our economic security.

We are also looking to achieve resilience through diversity of our partnerships – to ensure that these are adapted to the nature of our needs and to the quality of our relations with both likeminded and with other countries.

We will be pursuing partnerships through traditional means – such as the political and security dialogues – but also using new tools, such as the Critical Raw Materials Club, or investment projects under the Global Gateways.

Intervention of Minister Ms Dominique HASLER on behalf of Liechtenstein

(Check against delivery).

Dear Vice-President, dear Ministers, dear Managing Director,

Let me start by welcoming the topic of this timely exchange; economic security, and how we can jointly work to ensure it.

Indeed – and not only when looking out the window here in Brussels – we find ourselves in a world that seems to be getting colder and colder. Colder, more adversarial, more split into different factions and regional groups. This is of course due to the geopolitical developments we all know and have also been discussing earlier today – the Russian war against Ukraine, the situation in the Middle East, the increasingly assertive and confrontational stance taken by China among them. But more generally, it is also due to our changing world in the face of climate change and its effects on our economies and lives.

The conclusion to draw from such a more hostile world should be clear to all of us: that it is more important than ever to stand together and coordinate with your like-minded partners – which includes our meeting today as members of the European Economic Area. Indeed, the EEA and its core element, our common Internal market, is one of the best examples of the benefits of international cooperation: the participation in the Single Market over the past 30 years has fuelled the growth of businesses, has increased prosperity and has made life better for citizens in all of our countries.

Speaking to you today as the representative of a country with a highly industrialized and export oriented economy, I cannot overstate the importance of the Single Market for Liechtenstein. As full members in this market thanks to the EEA, all its developments affect us directly and immediately – and, if I may add, may already affect us materially before they become part of the EEA-Agreement.

In the face of the cold winds we are facing today, I welcome the EU's new Economic Security Strategy and the EU's increased attention to geopolitical challenges and risks, in particular when it comes to supply chains.

Our common goal is to participate on an equal footing to a well-functioning and globally competitive Single Market. We also share the Commission's assessment that the green and digital transformation can only be achieved by a strong and competitive industry and fair and open trade. However, let me add here that we are convinced that the best way to achieve this is not to engage in new industrial policy-making, but to focus on promoting a stable, secure and fair economic environment – as the Liechtenstein government has done over the past decades.

As I have now talked much about the risks to economic security we all face, let me end on a more positive note. Indeed, we should not forget what treasure we have in the Single Market.

Only by truly making use of our European industries and markets will we be able to achieve our common goal of a green, smartly digitized and decarbonized economy in the future. Well aware of their role and responsibilities to achieve these goals – and with the 30th anniversary of the EEA Agreement coming up next year, I am also personally looking forward continuing our joint work on this. Thank you.

I will then give the floor to my colleagues from Iceland and Norway. Let us start with Iceland.

Intervention of Minister Mr Bjarni BENEDIKTSSON on behalf of Iceland

The current geopolitical climate has naturally increased our focus on economic security. We should certainly not be blue eyed towards developments around us, and in general the reactions we have seen are understandable. This includes how to ensure the competitiveness of the internal market and securing green industry and supply to support the green transition. And as we see energy being weaponised the green transition has also become a hard security matter.

I will focus my intervention on the three priorities of the recent European Economic Security Strategy from the Icelandic perspective.

On promoting competitiveness, we must remember that it is our people and our companies that are the forefront of our economies. We need to provide them with the right conditions to flourish. I can only echo the passage from the Strategy that „Our economies thrive on open and rules-based trade and investment, on secure cross-border connectivity and collaboration on research and innovation. “

The internal market needs to be conducive to healthy competition. A key aspect is to keep the regulatory and administrative burden for the economy at a minimum. I believe there is indeed room to reduce regulatory burden.

Much focus is on increasing own supply and building own industries. While increased own supply can be a good thing, there is always a risk of protectionism in trade which may lead to the contrary.

If we let our guard down, there is also a risk of a subsidies race between likeminded countries – where smaller states will have a hard time competing.

On economic security risks there are many to be mentioned. However, I would in particular like to touch upon one aspect – safeguarding economic infrastructure. As a remote and sparsely populated island, we do not only rely on physical transport but are more and more dependent on digital infrastructure and communication, including communication cables. Our markets, transactions and trade depend on it. In this regard, we highly value the cooperation within the EEA on cyber security. We are also currently exploring participation in the Secure Connectivity Programme to provide for back-up lines when needed.

As partners in the internal market, it is only logical that we work together on economic security. Like never before, it is important that like-minded countries safeguard free trade in essential goods for the green transition between them and collaborate on supply.

Here I would also highlight that we see risks in fragmentation if close partners like the EU and the US start to make supply chain deals without including the EEA EFTA States. Politically it sends the wrong signals and is not sensible from an economic perspective.

We have a lot to contribute as your partner. For example, Iceland produces about 40% of all aluminium within Europe with our green energy. Our industry is also an important source of ferrosilicon and silicon metal – also based on green energy.

We also see green tech companies flourishing. For example, Carbfix in the field of Carbon Capture, Utilisation and Storage and several companies in the field of maritime transport and fishing.

Then Iceland of course has a long history of utilizing geothermal resources and has actively shared know-how with countries who have also been blessed with this resource (Although it can also be a curse as recent events in Iceland demonstrate). We have greatly benefited from using green energy, not least geothermal energy.

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

And now we will hear from Norway.

Intervention of Minister Mr Espen BARTH EIDE on behalf of Norway

The Minister based his intervention on the following speaking points (check against delivery).

Crucially important topic on the agenda. Economic security has come back on the Western agenda. Did not expect a Slovak vice president of the European Commission when the early negotiations started on the EEA agreement.

Then came the end of the Cold War, the world started to trade and we argued that we should trade. The idea back then was that the more we integrated the more they would look like us.

We celebrated China's entry into the WTO and their shift towards semi-western – but then developments did not go as we expected. The population got richer, but the politics did not shift.

Now we are in a situation where we sanction Russia, as we should, de-risking relations to China, as we should.

Agree on the wording from decoupling to de-risking, a very different economy.

Supply chains, technology dominance, critical infrastructure, guard against undesired influence from parties that we do not wish to be part of.

Electric cars, batteries, windmills; we see Chinese dominance in one of them. We have to make sure we deal with it in a way that it enhances our security.

At the same time, we must not create a close club in which other countries (neutral, likeminded) are excluded. Would be bad for politics and the economy, particularly when we see the serious polarization going on.

We need to deal with the challenges in a way that enhances our security, without alienating the rest of the world. It requires a fine balance to get this right.

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Would the EU side like to add anything?

Intervention of Executive Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission

This has been a great opportunity to discuss this very sensitive and political topic.

We are cheerleaders for free and fair trade.

If caution is not exercised, we could slide into a post-free trade world.

The pace of the dynamic is fast, on issues such as wind power, solar, hydrogen.

We have to survive the double impact of US offers and how to make sure that our trade defence works against massive subsidies.

On green transition dialogues, if we do not help industry now, they will not cope within five years with untransparent subsidies elsewhere.

We have worked on batteries and an action plan on wind power, a new approach on qualitative criteria on products, including environmental sustainability, social issues. Price is not the only factor.

We pursue undistorted trade in the WTO. A lot depends on the G7 and the G20.

I share concerns about keeping the global south on board. It was not easy to get their support for resolutions on Ukraine. Now it is even more difficult.

There are alternatives on how to do investments. We want to use the Global Gateway to create jobs – a win-win. This will take time and financial firepower.

There is immense pressure on subsidies from China and the United States, up to the level of USD 1.2 trillion, which is enormous.

This is a good discussion to have. Leaders are aware of the challenge. Trade defence issues are permanently discussed.

On green and clean technologies, we need to be among the top three in the world as a strategic priority.

Intervention of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

If there are no further comments, I will conclude this item. Thank you all for this interesting debate.

6. OTHER BUSINESS

Intervention of Ms Minister Dominique HASLER on behalf of the EEA EFTA side

We now approach the last agenda item for today, namely, other business. The EEA EFTA States have no further issues to raise. Would the EU side like to raise anything?

Intervention of Secretary of State Mr Pascual NAVARRO RIOS on behalf of the European Union

No, thank you, we do not have any topics to raise under 'Other business'.

Closing remarks of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

Thank you. We have then concluded the items on our agenda.

I would like to express my appreciation for our constructive and useful dialogue in today's meeting.

On behalf of the EEA EFTA States, I thank the Spanish Presidency, the European Commission, the Council Secretariat, the European External Action Service and the EFTA Secretariat for participating and contributing to this meeting. We look forward to working with the Belgian Presidency in the months ahead.

Next year, we will celebrate the 30th anniversary of the EEA Agreement. It will be a unique occasion to highlight our longstanding EEA cooperation, and the benefits that the EEA Agreement has brought to our countries and citizens. We look forward to commemorating this milestone together with our EU partners.

Closing remarks of Secretary of State Mr Pascual NAVARRO RIOS on behalf of the European Union

I would like to thank you all for your attendance and your contributions to this very constructive meeting.

Closing remarks of Minister Ms Dominique HASLER on behalf of the EEA EFTA side

I then declare the meeting closed.

I would now like to invite you to step outside this meeting room and join us for a small reception, to raise a glass to our cooperation and to enjoy some Liechtenstein art.

57th meeting of the EEA COUNCIL

(Brussels, 20 November 2023)

INDICATIVE LIST OF PARTICIPANTS AT THE PLENARY SESSION

Liechtenstein Delegation (EEA EFTA Chair)

H.E. Ms Dominique HASLER	Minister of Foreign Affairs, Education and Sport
H.E. Mr Pascal SCHAFHAUSER	Ambassador, Mission of the Principality of Liechtenstein to the EU
Ms Alina BRUNHART	First Secretary, Mission of the Principality of Liechtenstein to the EU
Ms Daniela SELE	Second Secretary, Mission of the Principality of Liechtenstein to the EU
Ms Emma SCHWÄRZLER	Temporary Officer, Mission of the Principality of Liechtenstein to the EU

Icelandic Delegation

H.E. Mr Bjarni BENEDIKTSSON	Minister for Foreign Affairs
H.E. Mr Kristján Andri STEFÁNSSON	Ambassador, Mission of Iceland to the EU
Mr Hersir Aron ÓLAFSSON	Political Advisor to the Minister for Foreign Affairs
Mr Ingólfur FRÍÐRIKSSON	Deputy Director General, European Affairs, Ministry for Foreign Affairs
Ms Sesselja SIGURÐARDÓTTIR	Deputy Head of Mission, Mission of Iceland to the EU
Ms Katrín SVERRISDÓTTIR	Director of EEA Cooperation, Mission of Iceland to the EU

Norwegian Delegation

H.E. Mr Espen Barth EIDE	Minister of Foreign Affairs
H.E. Mr Anders Herrød EIDE	Ambassador, Mission of Norway to the EU
Mr Frode ANDERSEN	Director-General, Department for European Affairs and International Trade, Ministry of Foreign Affairs
Ms Milla Skaug ØDEGAARD	Political advisor, Ministry of Foreign Affairs
Mr Jørn GLOSLIE	Deputy Head of Mission, Mission of Norway to the EU

Ms Mette JØRANLI

Deputy-Director General, EEA Section, Department for European Affairs and International Trade, Ministry of Foreign Affairs

EU Council Presidency

H.E. Mr Pascual NAVARRO RIOS

Secretary of State for European Affairs

Mr Salvador RUEDA RABANAL

Director General for Integration and Coordination of EU General Affairs

Ms Elena RODRÍGUEZ DÍEZ

Advisor to the Secretary of State for European Affairs

Mr Borja CORTÉS-BRETÓN BRINKMANN

Counsellor Spanish Permanent Representation, Chair of EFTA WP

European Commission

Mr Maroš ŠEFČOVIČ

Executive Vice-President: European Green Deal, Interinstitutional Relations and Foresight, European Commission

Ms Virginie BATTU-HENRIKSSON

Member of Cabinet

Mr Nicolas VON LINGEN

EU Chair of EEA Joint Committee, Head of Unit SG.H3 - EEA, Switzerland, Andorra, Monaco, and San Marino

EU Council Secretariat

Ms Maryem VAN DEN HEUVEL

Director General, DG RELEX

Ms Helene HOLM-PEDERSEN

Director, DG RELEX, Enlargement and Europe

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Mr Marko MAKOVEC

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Policy Officer - Iceland, Liechtenstein and Norway

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Mr Henri GÉTAZ

Secretary-General

Ms Siri Veseth MELING

Deputy Secretary-General

Mr Andri LÚTHERSSON

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Ms Marit C. SCHAGE ANDRIA

Director, Internal Market Division

Mr Finnur Thor BIRGISSON

Head of EEA Legal Coordination, EEA Coordination
Division

Ms Heidi Kristina JAKOBSEN

Head of EEA Policy Coordination, EEA Coordination
Division

EFTA Surveillance Authority

Mr Arne RØKSUND

President

Mr Árni Páll ÁRNASON

College Member

Mr Stefan BARRIGA

College Member

EEE 1606/23

REPORT

From: European Commission

Subject: Progress report of the EEA Joint Committee

Decision making

7. The EEA Joint Committee has adopted 153 Joint Committee Decisions (JCDs) incorporating 269 legal acts since the 56th meeting of the EEA Council on 24 May 2023. In the period from 1 January to 27 October 2023, the EEA Joint Committee has adopted 294 JCDs incorporating 542 legal acts. In comparison, during the period from 1 January to 28 October 2022, the EEA Joint Committee adopted 287 JCDs incorporating 516 legal acts.
8. As of 4 October 2023, there were 573 legal acts outstanding where the compliance date in the EU had passed, compared to 612 acts on 5 April 2023. Since May 2023, therefore, the overall number of legal acts outstanding has decreased. Of the 573 legal acts, outstanding on 4 October 2023, 227 acts are still in the early stages of the incorporation process, where the compliance date in the EU has passed less than six months ago.
9. As of 4 October 2023, the number of JCDs awaiting the fulfilment of constitutional requirements where the six-month period had expired was 30, compared to 31 on 5 May 2023.

10. Important decisions incorporated since the 56th meeting of the EEA Council on 24 May 2023 include:
- Decisions No 154 and 155/2023 in the field of technical regulations and energy, on ecodesign requirements,
 - Decision No 174/2023 on a budget line for social security,
 - Decision No 185/2023 on a pilot regime for market infrastructures based on distributed ledger technology,
 - Decision No 188/2023 in the field of competition, on the categories of vertical agreements and concerted practices,
 - Decision No 240/2023 in the field of telecommunication, on the free flow of data,
 - Decision No 245/2023 on marine equipment.

Decision shaping

11. The EEA EFTA States are participating in 13 EU programmes and 25 agencies, of which 19 are decentralised agencies and 6 are executive agencies.
12. Since the last EEA Council, the EEA Joint Committee has taken note of EEA EFTA Comments on the following subjects:
- EEA EFTA Comment on the European Media Freedom Act,
 - EEA EFTA Comment on the Proposal for a Regulation establishing a framework for ensuring a secure and sustainable supply of critical raw materials (CRMA).

Briefings in the Joint Committee

13. In the period from 24 May 2023 to 20 November 2023 the EEA Joint Committee has received briefings on:

- [No briefings in this period]

Status of issues outstanding

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

- Regulation (EC) No 1829/2003 on genetically modified food and feed,
- Commission Delegated Regulation (EU) 2019/2122 supplementing Regulation (EU) 2017/625 as regards certain categories of animals and goods exempted from official controls at border control posts, specific controls on passengers' personal luggage and on small consignments of goods sent to natural persons which are not intended to be placed on the market,
- Directive 2012/27/EU on energy efficiency,
- Directive (EU) 2018/844 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency,
- Commission Regulations (EU) 2017/460, (EU) 2015/703, (EU) 2017/459 and (EU) No 312/2014 on gas Network Codes,
- Commission Regulation (EU) 2016/631 establishing a network code on requirements for grid connection of generators,
- Regulation (EU) No 1227/2011 on wholesale energy market integrity and transparency (REMIT),

- Commission Regulation (EU) 2017/2196 establishing a network code on electricity emergency and restoration,
- Council Regulation (EU) No 734/2013 amending Regulation (EC) No 659/1999 laying down detailed rules for the application of Article 93 of the EC Treaty,
- Directive (EU) 2019/789 laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes,
- Directive (EU) 2019/790 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC,
- Regulation (EU) 2016/1199 amending Regulation (EU) No 965/2012 as regards operational approval of performance-based navigation certification and oversight of data service providers (HOFO).
- Directive (EU) 2019/1 of the European Parliament and of the Council of 11 December 2018 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market (“ECN+ Directive”),
- Directive 2014/104/EU of the European Parliament and of the Council of 26 November 2014 on 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,
- Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (recast) - DGS III

- Directive (EU) 2015/413 of the European Parliament and of the Council of 11 March 2015 facilitating cross-border exchange of information on road-safety-related traffic offences (CBE Directive)
- Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC
- Regulation (EU) 2016/1952 of the European Parliament and of the Council of 26 October 2016 on European statistics on natural gas and electricity prices and repealing Directive 2008/92/EC
- Commission Implementing Regulation (EU) 2018/1799 of 21 November 2018 on the establishment of a temporary direct statistical action for the dissemination of selected topics of the 2021 population and housing census geocoded to a 1 km² grid
- Commission Implementing Regulation (EU) 2020/1148 of 31 July 2020 laying down methodological and technical specifications in accordance with Regulation (EU) No 2016/792 of the European Parliament and of the Council as regards harmonised indices of consumer prices and the house price index
- Regulation (EU) 2020/741 of the European Parliament and of the Council of 25 May 2020 on minimum requirements for water reuse

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

Financial Mechanisms

16. The Agreement on the EEA Financial Mechanism and the Agreement on the Norwegian Financial Mechanism for the period 2014-2021 amounts to total contributions of 1548.1 and 1253.7 million euro, respectively. As of December 2020, Memoranda of Understanding have been signed with Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, and Slovenia.
 17. The period of eligibility of expenditures in projects under both Mechanisms runs until April 2024. By May 2021, 97 programmes had been approved by the donors and entered implementation.
 18. Negotiations on a new period of the financial contribution of the EEA EFTA States to reduce the economic and social disparities in the EEA were launched on 16 June 2022.
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