

**EEE 1604/10**

**DRAFT MINUTES**

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Subject :       Draft minutes of the 33<sup>rd</sup> meeting of the EEA Council  
                  Brussels, 10 May 2010

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**DRAFT MINUTES**  
**of the 33<sup>rd</sup> meeting of the**  
**EEA COUNCIL**  
**(Brussels, 10 May 2010)**

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The EEA Council held its 33<sup>rd</sup> meeting in Brussels on 10 May 2010.

The meeting was chaired by Mr *Diego LÓPEZ GARRIDO* (Secretary of State for the European Union of the *Kingdom of SPAIN*), who led the Troika of the European Union composed of him, of Mr *Xavier DEMOULIN* (Ambassador, Director General for the Coordination of European Affairs at the Federal Public Service for Foreign Affairs, Foreign Trade and Development Cooperation of the *Kingdom of BELGIUM*), Mr *Karel KOVANDA* (Deputy Director General and Political Director in the Directorate General for External Relations of the *EUROPEAN COMMISSION*) and Mr *Paul CULLEY* (Director of DG E II of the *GENERAL SECRETARIAT OF THE COUNCIL*). At the political dialogue following the EEA Council meeting, participants included in addition Mr *Robert COOPER*, Director General of DG E of the *GENERAL SECRETARIAT OF THE COUNCIL*.

The EEA - EFTA side was chaired by Ms *Aurelia FRICK* (Minister for Foreign Affairs of the *Principality of LIECHTENSTEIN*), accompanied by Mr *Einar GUNNARSSON* (Permanent Secretary of State in the Ministry for Foreign Affairs of *ICELAND*) and by Mr *Jonas Gahr STØRE* (Minister for Foreign Affairs of the *Kingdom of NORWAY*). The EEA - EFTA side also included Mr *Kåre BRYN* (Secretary General of the *EUROPEAN FREE TRADE ASSOCIATION - EFTA*) and Mr *Per SANDERUD* (President of the *EFTA SURVEILLANCE AUTHORITY - ESA*).

**Opening statement of Secretary of State LÓPEZ GARRIDO, on behalf of the  
EUROPEAN UNION:**

Dear Colleagues from Norway, Iceland, and Liechtenstein, from the EFTA Secretariat, as well as from the EFTA Surveillance Authority,

First of all allow me, also on behalf of the Foreign Minister of Spain, Mr Miguel Angel MORATINOS (who, unfortunately, is unable to attend this meeting), to wish you and your delegations on behalf of the Spanish Presidency of the Council of the EU a very warm welcome.

We hold this meeting 50 years after the entry into force of the EFTA convention in May 1960 and we would like to congratulate you at this occasion on your long-standing and successful cooperation in the EFTA framework!

Let me also express my most sincere acknowledgement to you and to the EFTA Secretariat for the excellent co-operation in finalising the arrangements for this meeting.

Thank you.

**1. ADOPTION OF THE AGENDA**

The EEA Council adopted the Agenda, as set out in doc. EEE 1601/10.

**2. APPROVAL OF THE MINUTES**

of the 32<sup>nd</sup> meeting of the EEA Council, which took place in Brussels on 16 November 2009, as set out in doc. EEE 1609/09.

The EEA Council approved the minutes of the 32<sup>nd</sup> meeting, as set out in the above-mentioned document.

### 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 doc. EEE 1603/10.

### 4. **RESOLUTIONS OF THE EEA JOINT PARLIAMENTARY COMMITTEE ADOPTED AT ITS 34TH MEETING IN VADUZ ON 29 MARCH 2010**

The EEA Council took note of the Resolutions of the EEA Joint Parliamentary Committee adopted at its 34th meeting in Vaduz on 29 March 2010 on *The Annual Report on the Functioning of the EEA in 2009, The Common Fisheries Policy and the EEA and EEA and regional cooperation: New Channels for dialogue*.

### 5. **ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EUROPEAN ECONOMIC AREA (EEA) AGREEMENT**

(including maintaining and enhancing the homogeneity of the EEA; decision making and shaping; Energy and Climate Change; the Financial Mechanisms; the Financial crisis and implications for the EEA cooperation, including regulation of the financial system)

#### **Intervention of Secretary of State LÓPEZ GARRIDO, on behalf of the EUROPEAN UNION:**

Dear colleagues,

Let us now move on to item 5 on the Agenda, concerning the assessment of the overall functioning of the European Economic Area Agreement.

First of all, I would like to take this opportunity to emphasise, once again, the importance of the meetings of the EEA Council, which give us an opportunity to carry out a regular evaluation of the application of such an important instrument, as of the European Economic Area Agreement, and to hold a useful exchange of views on the various aspects of it.

I am pleased to take note of further positive developments in our relations, in particular the recent successful conclusion of negotiations in several areas.

The initialling of agreed minutes on the continuation of financial cohesion contributions of the EEA EFTA States for the period 2009-2014, as well as the conclusion of bilateral negotiations between the Commission and Iceland and Norway with regard to the review of the quota levels for certain fish and fishery products, deserve a particular mention. In addition, I would like to welcome the successful conclusion of negotiations between the Commission and Norway on further liberalisation of trade in agricultural products according to Article 19 of the EEA Agreement.

Even though negotiations may take sometimes longer than wished for, these developments strongly prove the will of the EEA members to compromise in order to find a common way ahead and to strengthen their relationship.

We are hoping for rapid progress of work in the Council on the Commission proposals so that we might sign the relevant Agreements and Protocols in the near future.

All in all, we consider that the evaluation of the internal co-operation between the Member States of the European Union and the EEA - EFTA States is positive and that the Institutions created within the framework of the European Economic Area Agreement are well functioning.

I would, however, like to highlight the particular importance of safeguarding the good functioning of the internal market in the current post-crisis phases. We need to preserve the achievements of the EEA and continue efforts to fulfil our obligations also at this economically difficult moment.

Against this background, allow me to underline the objective of a uniform interpretation and application of the EEA Agreement and those provisions of Union legislation which are substantially reproduced in this Agreement, in conformity with the four fundamental freedoms of the Internal Market and the principle of non-discrimination. The role of the EFTA Surveillance Authority and the European Commission as the institutions responsible for ensuring compliance with the EEA Agreement are of particular importance in this context.



As far as the different items under item 5 of the Agenda are concerned, I would now like to pass the floor to the European Commission, who, on the side of the European Union, is principally in charge of the day-to-day functioning of our European Economic Area Agreement.

Thank you.

**Intervention of Mr KOVANDA on behalf of the EUROPEAN COMMISSION:**

Mr. President, Ministers,

Last year we celebrated 15 years of EEA co-operation. This year, the EEA EFTA States and Switzerland can celebrate 50 years of EFTA co-operation, and even in this EEA forum, I find it appropriate to wish you a happy anniversary, especially since a large number of the original EFTA states are today members of the EU.

It is only six months since we last met on 16 November 2009, but much has happened on the EU side since then. The Lisbon Treaty has entered into force. Mr. Van Rompuy has taken office as President of the European Council. We have a new Commission under President Barroso. Baroness Ashton has taken up her new functions as EU High Representative for Foreign Affairs and Security Policy and Vice-President of the Commission, and the new EU External Action Services is being established to assist her.

Much work still needs to be invested in the implementation of the Lisbon Treaty, both at the institutional level and at the procedural level, taking into account also the strengthened role of the European Parliament.

Some concerns have been raised about the implications of all these changes for the EEA Agreement. I can assure you, and need to underscore repeatedly, that after we have sorted out the multitude of new internal procedures, nothing will change fundamentally in our co-operation.

But if ever there has been a time when there has been an occasion to demonstrate how solid the EEA Agreement is and how well it functions, it has been these past six months.

The EEA Joint Committee has adopted no less than 98 decisions since the last meeting of the EEA Council, incorporating 229 new legal acts into the EEA Agreement since our last meeting. This means that for the year 2009, 283 new legal acts were incorporated into the EEA Agreement through 159 Decisions of the EEA Joint Committee.

Among these decisions adopted since the last EEA Council, I would like to highlight the incorporation of the Directive on the National Emissions Ceilings for certain atmospheric pollutants, as the process has not been easy. We were optimistic about finalising the procedures at our meeting by November, and I am pleased that this was justified.

The decision on EEA EFTA participation in the European Agency for Safety and Health at work also deserves a particular mention. It took a while to get this far, but it was worth the efforts, as we appreciate how much knowledge and experience you can bring to the work of the Agency.

Concerning EEA Joint Committee Decisions adopted earlier, but only entered into force during the last six months, I would like to mention the so-called food law package and the services directive.

We have over the past years regularly expressed the importance that we attached to the incorporation and entry into force of the comprehensive food law package. It has been a long and difficult process. But now the basic food law package has finally entered into force and that we are rapidly catching up on the incorporation of follow-up acquis. With this, the agro-food sector will be able to operate under the same conditions throughout the EEA, and consumers will have equal protection.

The services directive is now also in force throughout the EEA. Services remain one of the core areas of the Internal Market, and despite the global financial crisis, we are confident that this sector will also in the future be a key source of growth and employment, which in turn underlines the importance of the acquis regulating the service sector.

The global financial crisis remains at the forefront of our minds. We appreciate the EEA EFTA States' continued interest in the EU initiatives concerning macro-financial supervision. This will entail establishing a European System of Financial Supervision, ESFS, based on close co-operation between national supervisors and as previously stated, once the ESFS structures have been established, we look forward to also including EEA EFTA supervisors in this system. Furthermore, a European Systemic Risk Board, ESRB, will be established to assess and prevent potential risks to financial stability in the EU properly and swiftly. Setting up the whole new system will take some time yet. As in the past, the Commission will be pleased to keep you up-to-date on the progress made.

I would also like to mention the successful conclusion of our bilateral negotiations with Norway on the basis of article 19 of the EEA Agreement concerning trade in agricultural products. We see this agreement as a new stepping stone in our continued quest for further liberalisation of trade in agricultural products.

So all told, I am convinced that we all once again come to the conclusion that also over the past six months and indeed throughout 2009, the EEA Agreement has functioned very well and that we have assured the continued homogeneity of the internal market. It goes without saying that the EU attaches much importance to a uniform interpretation and a uniform implementation of the internal market acquis in all its sectors throughout the EEA and to all contracting parties respecting their obligations under the Agreement.

As always, I would like to express our appreciation for the substantial and timely EFTA comments, which we regularly receive, and for all other input in the decision-shaping process.

Mr. President, Ministers,

On 18 December 2009, the negotiations on the future contributions from the EEA EFTA States to economic and social cohesion in the EEA were concluded at negotiators' level with the initialling of a set of agreed minutes.

I think that we managed to achieve a mutually satisfactory result, both with regard to the overall increase of the financial contributions, the priority areas for funding and also with respect to the implementation modalities.

I should add that we also lived up to our commitment to revise our bilateral fisheries protocols with Iceland and Norway in parallel to the negotiations on the financial contributions.

We will very shortly be in a position to formally transmit the negotiation results to the EU Council and the European Parliament, so that various relevant agreements can be processed by our Member States and the Parliament.

Thank you very much.

**Intervention of Minister FRICK, on behalf of the EEA – EFTA States:**

Mr. Chairman, dear colleagues,

After 16 years of EEA cooperation, we have certainly come a long way in deepening our relations, not only in creating more stability and predictability for economic operators throughout the EEA, but it has also given us the means to deal with various challenges in a manner of solidarity. By adding the efforts and the resources of the EEA EFTA States with the ones of the European Union, we all emerge stronger and better prepared for the future.

Common efforts are also needed in managing the challenges of the financial crisis. The EEA EFTA States support and encourage the efforts of the European Union in rebuilding trust between finance and society and we closely follow the related initiatives put forward by the Commission.

The regulatory framework needs to be strengthened to ensure an efficient and well functioning European financial market. And we also agree that we need a stronger framework for crisis management within the banking sector. To say it briefly, we fully support that the keywords for the EEA financial market should be: cooperation, supervision and a well regulated environment.

As you may know, the EEA EFTA States have particular interest in the future architecture of European Supervision consisting of a European Systemic Risk Board and three European Supervisory Authorities within Banking, Securities and Insurance. We hope that the timing of entry into force of the new supervisory architecture early 2011 will be kept, as we consider the matter urgent.

The legal acts establishing this new supervisory structure are EEA-relevant and should be incorporated into the EEA Agreement. On several occasions we have emphasised how important it is that adequate participation of our national authorities in these new authorities on an equal footing with the EU Member States are ensured. I use the occasion to underline this fact once more today. We are operating in an Internal Market where we in the recent past have experienced how problems in one or several member states can have effects beyond their borders. Therefore, we stress the importance of an integrated approach also in the area of supervision and of the EEA EFTA States' participation in it.

We will continue to follow the EU initiatives within financial regulation carefully and look forward to see how they will feed into the discussion at the international level on financial regulation in the G20 in June. In parallel, it is important to focus our efforts also on long term structural reform in the economy. With the Europe 2020 Strategy the EU introduces important measures to improve the long term prospects and aims at stronger economic coordination in Europe. Because of the comprehensive nature of the strategy, the EEA EFTA States will be involved in relevant parts of it, as was the case with the Lisbon Strategy. We are closely keeping track of further developments, in particular the flagship initiatives which we look forward to see formally presented later this year. It is already clear that most of these initiatives will be relevant for the EEA EFTA States.

The focus on creating a greener and more sustainable economy is an important aspect of Europe 2020 which will build on the important work already done within the area of energy and climate change in the EU. The main elements of the Climate and Energy Package are now being incorporated into the EEA Agreement. We will continue to closely cooperate with the EU, such as in the emission trading scheme and the renewable energy resources. The EEA EFTA countries have a high share of renewable energy which they aspire to increase even further. In this context we would like to emphasize that adaptations are necessary due to our different starting point compared to the EU countries.

Dear colleagues, since our last meeting we have managed to finalise some important matters within the EEA, which have already been mentioned by the Commission. I will only mention the conclusion of the negotiations on the EEA Financial Mechanism 2009-2014. The EEA EFTA States have through various mechanisms already contributed substantially to minimising economics gaps in the EEA which we believe will be of benefit to the EEA as a whole.

Before concluding, the EEA EFTA States would like to congratulate the EU on the entry into force of the Lisbon Treaty on 1 December last year. We are confident that among others these institutional changes will allow the EU to have a greater voice on the international stage.

We continue to follow the implementation process closely and look forward to see the proposals from the EU on how the EEA portfolio will find its place in the new set-up under the Lisbon Treaty. We emphasise the importance of continued good functioning of the EEA Agreement and of ensuring continued participation of the EEA EFTA States in the creation of EEA relevant EU legislation as the EEA Agreement provides for.

During this term we have enjoyed a really excellent cooperation with the Spanish presidency and appreciate how you have facilitated our participation in informal ministerial meetings and political dialogues. We now look forward to work with our Belgian hosts when they take over the Presidency of the EU.

Thank you.

**Intervention of Minister STØRE, on behalf of the Kingdom of NORWAY:**

Minister Støre started by underscoring the well functioning of the EEA agreement. He characterized the EEA agreement as a quite successful story through the last 16 years. The EU has however changed since the entering into force of the EEA agreement, but the EEA/EFTA-countries have adapted well to the changes in the EU pillar. There will be institutional changes with the Lisbon Treaty and the EEA/EFTA countries are interested to know where the responsibility for the EEA cooperation will be localized in the EU set-up. He underlined the need for a close dialogue and transparency around this issue. The challenging economic situation in the Euro countries entails also new institutional changes for this sector. Participation of the EEA/EFTA countries should therefore be facilitated in the relevant forum.

Moreover, we would also like to continue the political dialogue at the relevant level under the new External Action Service.

Concerning the climate and energy package, Minister Støre underlined the importance of Norway's high share of renewable energy. This would have to be taken into account when implementing the three directives into the EEA agreement. The Data Retention Directive is equally up for evaluation in Norway. A public hearing regarding the directive was finalized on 12 April and the results are now being assessed. Subsequently, the EEA relevance of the Directive will be considered. Norway is following closely the discussion and implementation process in the EU.

The text modalities for the EEA Financial Mechanism were initialled in December 2009. The negotiations resulted in a contribution from the EEA/EFTA countries of 357.7 million Euros annually to reduce the social and economic disparities in Europe. The result is now an issue for national procedures, and Norway encourages all parties to finalize the internal procedures as soon as possible to ensure the facilitation of the signing of the texts. This is important in order to be able to start the process of the MOUs with the different recipient countries.

Additionally, Minister Støre raised the subject of the new and more influential role of the EU agencies. He encouraged the EU to look at the possibilities to include the EEA/EFTA countries in the process.

As a concluding mark he mentioned the external evaluation process of the EEA agreement in Norway and that the result hopefully would give us food for thoughts and creates a debate.

## **6. ORIENTATION DEBATE: EUROPE 2020 - IMPLICATIONS FOR THE EEA**

### **Intervention of Secretary of State LÓPEZ GARRIDO, on behalf of the EUROPEAN UNION:**

Dear colleagues,

Let us now turn to the next item of the agenda, our orientation debate on Europe 2020 - implications for the EEA.

I am pleased to address an issue of high priority to the Council and the Spanish Presidency. Through the EEA Agreement, your participation in the EU internal market and relevant EU-programmes, the new EU Strategy for Growth and Jobs is by its very nature of common interest to our countries.

We are slowly emerging from the worst economic crisis since the 1930s. We have to do our utmost to secure a recovery and to mitigate the social consequences of the crisis. But this is not enough. We also need to act in the longer term, with the horizon of 2020 and beyond, to ensure the sustainability of our social model. This double challenge is at the heart of the new Strategy.

I would like to give you an update on the work on the Strategy, to which you have also contributed in the framework of the consultation undertaken by the Commission, before it presented its Communication in March.

At the March European Council, we had a broad agreement on the five headline targets of the Strategy:

- an investment of 3% of GDP in research and development, together with an indicator on
- a 75% employment rate for women and men;
- innovation intensity;
- the confirmation of the so-called 20/20/20 goals on climate and energy;
- a reduction of school drop-out rates and an increase in the share of population with tertiary education, and
- promoting social inclusion, in particular reducing poverty.



Significant progress has been achieved but what is even more important is the work ahead. This covers five main strands.

First, the integrated guidelines, including the employment guidelines and the broad economic policy guidelines, which are an essential tool to implement the new strategy. The Commission presented at the end of April its proposal on the guidelines. ECOFIN and EPSCO are expected to report on these guidelines to the European Council in June.

Second, the headline targets that remain to be finalised at EU level. It will be a complex task to set common targets in these areas, in which competences are shared between the EU and the national level and, in some cases, with the regional level. However, I am confident that the expert work currently ongoing will result rapidly in proposals that will gain the support of the political level.

Third, the national targets. We have two challenges: first, to set targets that are ambitious enough so that the EU as a whole can reach to its headline targets and, second, to remain realistic and reflect the specificities of EU Member States. It is clear that the national targets must be set by the Member State. But the Commission and the Council will support this process through a dialogue.

Fourth, the bottlenecks which constrain growth at national and EU level. These also represent a novelty vis-à-vis the Lisbon strategy and should help to better focus policy measures. The Spanish Presidency will concentrate on the ones affecting the Internal Market, the cornerstone of EU integration and of the EEA.

Fifth, the flagship initiatives that will implement the strategy at EU level. The areas to be addressed through the flagships are not new. All EU institutions have done substantial work on them. But we also know that not enough progress has been made. The new focus and visibility will give a new momentum to this work.

The European Council is expected to adopt the new Strategy at its meeting in June. In particular, it will be invited to endorse the Integrated Guidelines, finalise the headline targets in the fields of education and social inclusion, take stock of the national targets set by the Member States and assess work on the bottlenecks constraining growth.

But the work will of course not be over in June. We then enter into an even more crucial phase, implementation. Member States are to draw up, and implement, National Reform Programmes. As regards the EU level, I already mentioned the flagships. And finally, the European Council will play a stronger role in the follow-up of the Strategy.

We strongly welcome your interest in the Strategy and are happy to further discuss it with you, like we did at the Informal Ministerial Meeting in Granada in April, where we agreed on a common declaration on the European Digital Agenda. Many strands of the Strategy will directly concern your countries as members of the EEA. In particular the flagship initiatives and our work to re-launch and strengthen the single market will have significant implications for the EEA.

Thank you very much.

**Intervention of Mr KOVANDA on behalf of the EUROPEAN COMMISSION:**

Thank you, Mr. President.

Let me start by insisting on the urgency to have the Europe 2020 strategy in place. As President Barroso said at the Informal European Council last February, Europe has no choice but to put in place an ambitious new strategy. And Europe has no choice but to implement it jointly. This analysis was shared by EU Heads of States and Government.

If there is one positive lesson to be drawn from the crisis we are now living through, is that all Member States recognise that only joint EU solutions are capable of addressing the crisis – and thus recognise the need for stronger economic policy coordination which is of course the objective of the Europe 2020 strategy.

Unless we take action in a coordinated way at EU level, we put our competitiveness at risk and we'll face decline on the global scene. We need a strategy to exit the crisis but at the same time, we need a strategy to look at the medium-term. If we do not act now, we will lag behind. This is why the Commission proposed the Europe 2020 strategy, a strategy for smart, sustainable and inclusive growth.

But it is not only a vision – it is a programme underpinned by five measurable EU targets for 2020 for employment; for research and innovation; for climate change and energy; for education; and for combating poverty. It is a programme underpinned also by a series of actions to achieve those targets.

At the EU level the Commission will present 7 flagship initiatives such as the digital agenda and the innovation union to the European Council to underpin these objectives.

And Member States will need to do their share too by translating the EU targets into national ones and presenting a structural reform programme containing the measures to meet those objectives and to transform their economies.

These three objectives and five EU headlines targets were agreed by the Spring European Council. We are now working with Member States to finalise the strategy by agreeing on the remaining elements: the levels for the education and poverty targets as well as the Member States' national targets.

At the EU level, we will also work on re-launching the Single Market, an area of particular interest for the EEA. The Monti Report, that is actually being presented today, will be the start of this process. The Commission will then react to it in a Communication identifying missing links in the Single Market at the beginning of June.

As said, Europe 2020 is not just a vision it is also a reform programme. Where we must do much better than under the Lisbon strategy is in making sure we deliver on that programme. This implies putting the European Council in the steering seat not just for defining the strategy but also monitoring its implementation. The European Council and its permanent President, Mr. Van Rompuy, is committed to do so.

Let me just outline the next practical steps and the consequences for the EEA.

After the June European Council, all 27 Member States will draw up their National Reform Programmes to be submitted to the European Commission by the end of the year. This will be done simultaneously with the presentation of their stability or convergence programmes which cover the fiscal side in line with the Stability and Growth Pact. On that basis the Commission will present a country evaluation and thematic evaluation – to assess how the EU is progressing towards its 5 headline targets but also benchmarking ourselves with the rest of the world. These evaluations will form the basis for the monitoring at next years' Spring European Council. The Commission will also present country specific recommendations to make sure the Union moves in the right direction.

Structural funds must underpin structural reforms as set out by Europe 2020. Therefore candidate countries – in the same way as Member States - will have to prepare in that context a national strategic reference framework for Cohesion policy. The structural funds regulation is clear in specifying these documents must be aligned on the priorities identified in their Europe 2020 National Reform Programmes. The Commission stands ready to assist them in this process.

Finally, President Barroso decided to first present Europe's political priorities – i.e. those outlined in Europe 2020 – before engaging in the discussion on the future multi-annual framework. The Commission also made it clear those political priorities for the EU should be reflected in the future budgetary priorities.

The EEA EFTA States have already been very supportive of Europe 2020 Strategy. This support was reiterated as recently as last Tuesday by you, Minister Støre, in the Norwegian Parliament. But throughout the process, we have appreciated the engagement and the input from the EEA EFTA side in various forms and at all levels. As part of the on-going dialogue, the Commission has provided the EEA Joint Committee with a briefing on the 2020 Strategy in January this year.

As mentioned earlier, much of the concrete implementation of the Europe 2020 Strategy will be internal market relevant, and consequently EEA relevant. New acquis will be adopted, which will subsequently have to be incorporated into the EEA Agreement. Various programmes or similar initiatives will also be EEA relevant and open to EEA EFTA participation.

I look forward to our continued good co-operation, and I would like to thank you once again for your interest and support of the Europe 2020 strategy.

Thank you!

**Intervention of Minister FRICK, on behalf of the Principality of LIECHTENSTEIN:**

Mr. Chairman,

Let me just add some remarks as Liechtenstein Minister.

We welcome the 2020 strategy. We need a smarter, more sustainable and more inclusive growth. It addresses in a timely and positive manner the economic crisis in a longer term perspective.

Compared to the Lisbon strategy, „Europe 2020“ is more focused, more realistic. The more country specific approach is another good omen for success.

Certainly, the big challenge will be to implement the strategy. This will be the real up-hill battle.

In many ways, it is an EEA relevant initiative, demanding a constructive dialogue from EFTA and EU side.

It is too early to enter into a detailed discussion on the strategy as a whole. Let me just say that Liechtenstein compares well with the headline targets agreed by the European Council. Reducing green house gas emissions will remain a challenge for us, to remain within the established parameters.

I would like to share with you three thoughts on the way to the implementation of the targets originating from Liechtenstein business experience. First on research: it seems to me that, when increasing research investment, the main challenge will be to have mainly private and not public additional investment. It is mainly the enterprises themselves that need to make the right decisions on how and where such investments have to happen. So, the policies on research will have the main task to facilitate private research investment.

Secondly, on education: it is certainly good to increase the number of university absolvents. But be aware of the experience of countries like Austria, Germany, Switzerland and Liechtenstein that have a dual higher education system, combining apprenticeship with more formal education. There seems to be a marked correlation between this dual system and lower rates of youth unemployment. When looking at education and in particular the high school drop-out rates, we also have to be aware of the irreplaceable role of families in the education. Helping parents in their educational role without too much interference will have to be part of the policies.

Finally, our economic operators have the impression to be living in a world of over-regulation. Perhaps it would be a main achievement of 2020, if we could simplify the vast and detailed amount of internal market rules.

Thank you!

**Intervention of Secretary of State GUNNARSSON, on behalf of ICELAND:**

Mr Chairman,

As a member of the Internal market, Iceland supports the overall goal of the strategy.

In the current economic crisis, where Iceland was put to the test, my Government decided to launch preparations for an overall strategy for Iceland as a step in the nation's economic revival.

This challenging project has been named Moving Iceland Forward, 2020 and has the objective of Iceland once more joining the global leadership as regards education, welfare, value creation and genuine quality for life.

Putting forward such an overall long term strategy for Iceland is extremely important in the restructuring of our economy. Such national planning is necessary for further development and to build a basis for general prosperity.

Actually, moving Iceland Forward, aims for similar elements as laid down in Europe 2020, namely improving our regional policy and economic stability.

We will follow closely forthcoming elaborations in the Flagship Initiatives of Europe 2020 and look into possibilities to take part in the implementation, be it directly or indirectly, of various parts of this important strategy.

Europe 2020 is therefore without any doubt an important model for Iceland. We need to participate in its goals and implement its methodology. By doing so real benefits can be brought to us.

Thank you!

**Intervention of Minister STØRE, on behalf of the Kingdom of NORWAY:**

Minister Støre referred to the written contributions from Norway, and underlined that Norway and the EU have the same view on the content and the importance of the strategy. Minister Støre continued by underlining the importance of removing bottlenecks in the market and equally avoiding the introduction of new ones when preparing new legislation. In order to achieve the objectives of the strategy we also depend on various international processes. Progress in the WTO negotiations (Doha round) is needed. In addition, the G20 as a forum is equally important for further development. The G20 has proved to be an efficient body but could profitably evolve to including even more states. It is also desirable that the conclusions from the EU summits and the G20 meetings result in progress in the negotiations in Geneva.



**Intervention of Secretary of State LÓPEZ GARRIDO, on behalf of the EUROPEAN UNION:**

I think this brings us to the end of our orientation debate.

**7. ADOPTION OF THE CONCLUSIONS OF THE 31<sup>st</sup> EEA COUNCIL**

The EEA Council adopted its Conclusions, as set out in doc. EEE 1602/2/10 REV 2.

**8. OTHER BUSINESS**

The EEA Council noted that a debate on the Middle East, Russia and Iran had been held the same day within the framework of the Political Dialogue.

**Intervention of Secretary of State LÓPEZ GARRIDO, on behalf of the EUROPEAN UNION:**

We have then concluded the examination of the items on our Agenda.

Allow me to express my satisfaction at the closure of this 33<sup>rd</sup> EEA Council meeting and to thank all of you from the EEA EFTA States, the EFTA Secretariat, the EFTA Surveillance Authority and the EU Member States for your participation in this meeting.

**Intervention of Minister FRICK, on behalf of the EEA – EFTA States:**

We do share your satisfaction at the end of this 33<sup>rd</sup> meeting of our EEA Council.

**Intervention of Secretary of State LÓPEZ GARRIDO, on behalf of the EUROPEAN UNION:**

Hence, I declare the meeting closed.

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**33<sup>rd</sup> meeting of the  
EEA COUNCIL  
(Brussels, 10 May 2010)**

**LIST OF DELEGATIONS**

**I. The Governments of the EEA – EFTA States were represented as follows:**

**THE PRINCIPALITY OF LIECHTENSTEIN**

Ms. Aurelia FRICK	Minister for Foreign Affairs
Prince Nikolaus of LIECHTENSTEIN	Ambassador, Mission of Liechtenstein to the EU
Mr. Edgar NIPP	Government Officer
Mr. Georges BAUR	Deputy Head of the Mission of Liechtenstein to the EU
Mr. Pascal SCHAFHAUSER	Counsellor, Mission of Liechtenstein to the EU
Mr. Thomas BISCHOF	Second Secretary, Mission of Liechtenstein to the EU

**ICELAND**

Mr. Einar GUNNARSSON	Permanent Secretary of State, Ministry for Foreign Affairs
Mr. Stefán Haukur JÓHANNESSON	Ambassador, Icelandic Mission to the EU
Mr. Nikulas HANNIGAN	Deputy Head of the Icelandic Mission to the EU
Ms. Erna S. HALLGRÍMSDÓTTIR	Counsellor, Icelandic Mission to the EU

## **THE KINGDOM OF NORWAY**

Mr. Jonas Gahr STØRE	Minister for Foreign Affairs
Mrs. Oda Helen SLETNES	Ambassador, Mission of Norway to the EU
Mr. Christian SYSE	Director General, Ministry for Foreign Affairs, Department for Trade and Europe
Mr. Jørn GLOSLIE	Senior Adviser, Ministry for Foreign Affairs
Mr. Kristian BUAN	Adviser, Ministry for Foreign Affairs, Department for Trade and Europe, EEA/EFTA Section
Mr. Helge SKAARA	Minister, Mission of Norway to the EU
Mrs. Anne Sofie BJELLAND	Minister Counsellor, Mission of Norway to the EU
Mr. Rune BJÅSTAD	Counsellor, Information and press, Mission of Norway to the EU
Ms. Ingeborg DJUPVIK	Counsellor, Mission of Norway to the EU

## **II. The Troika of the European Union was represented as follows:**

### **KINGDOM OF SPAIN**

#### **(PRESIDENCY-IN-OFFICE OF THE COUNCIL OF THE EUROPEAN UNION)**

Mr. Diego LÓPEZ GARRIDO	Secretary of State for the European Union of Spain
Mr. Carlos FERNÁNDEZ-ARIAS	Ambassador of Spain to the PSC
Mr. Miguel Ángel NAVARRO PORTERA	Secretary General for the European Union
Mr. Francisco Javier DAGO ELORZA	Counsellor for the EEA, Chair of the EFTA Working Party at the Council of the EU
Ms. Carmen JORDÁN ASENSI	Economic Counsellor, Permanent Representation of Spain to the EU
Mr. Manuel CRESPO OTERO	Assistant, Permanent Representation of Spain to the EU

**THE KINGDOM OF BELGIUM**

**(INCOMING PRESIDENCY-IN-OFFICE OF THE COUNCIL OF THE EUROPEAN UNION)**

Mr. Xavier DEMOULIN

Ambassador, Director General for the Coordination of European Affairs at the Federal Public Service for Foreign Affairs, Foreign Trade and Development Cooperation

Mr. Hubert ROISIN

Counsellor, Permanent Representation of Belgium to the EU, Incoming Chair of the EFTA Working Party at the Council of the EU

Ms. Marie NEYRINCK

Attaché, Permanent Representation of Belgium to the EU

**EUROPEAN COMMISSION**

Mr. Karel KOVANDA

Deputy Director General and Political Director, DG External Relations

Mr. Lars-Olof HOLLNER

Principal Administrator, Western Europe Unit, DG External Relations

Mr. Peter MEYER

Principal Administrator, Western Europe Unit, DG External Relations

**EU DELEGATION**

Mr. Janos HERMAN

Ambassador, Head of the EU Delegation to Norway

## **COUNCIL OF THE EUROPEAN UNION - GENERAL SECRETARIAT**

Mr Paul CULLEY	Director of DG E II
Mr Massimo PARNISARI	Head of Unit Multilateral Economic Affairs - Non EU Western Europe
Mrs Bärbel DÜRHAGER	Desk Officer for Non-EU Western Europe

### **III. The European Free Trade Association (EFTA) was represented as follows:**

#### **SECRETARIAT**

Mr. Kåre BRYN	Secretary General, EFTA
Ms. Bergdís ELLERTSDÓTTIR	Deputy Secretary General, EFTA
Mr. Lars Erik NORDGAARD	Director, EEA Co-ordination Division, EFTA
Ms. Katrin SVERRISDÓTTIR	Director, Services, Capital, Persons and Programmes Division, EFTA
Mr. Gunnar SELVIK	Director, Goods Division, EFTA
Ms. Hrund HAFSTEINSDÓTTIR	Senior Officer, EEA Co-ordination Division, EFTA

#### **SURVEILLANCE AUTHORITY**

Mr. Per SANDERUD	President
Mr. Kurt JÄGER	College Member
Mr. Sverrir Haukur GUNNLAUGSSON	College Member

**EUROPEAN ECONOMIC AREA  
Council of the EEA**

**Brussels, 5 May 2010**

**EEE 1603/10**

## **DRAFT REPORT**

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Subject : Draft Progress Report by the EEA Joint Committee to the 33<sup>rd</sup> meeting of the EEA Council

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### **Decision-making**

1. Since the last EEA Council on 16 November 2009, the EEA Joint Committee adopted 98 Decisions incorporating 229 legal acts.
2. Important decisions taken by the EEA Joint Committee since the last EEA Council on 16 November included the following:
  - Decision 148/2009 Inclusion of monitoring and reporting guidelines for emissions in the aviation sector;
  - Decision 149/2009 National emission ceilings for certain atmospheric pollutants;
  - Decision 160/2009 European Agency for Safety and Health at Work.

### **Decision-shaping**

3. EEA EFTA experts continued to contribute to the work of the Commission's Working Groups, Agencies and Committees. Since November 2009, three EEA EFTA Comments were taken note of by the EEA Joint Committee:
  - EEA EFTA Comment on a proposal for a Directive on Aviation and Security Charges;
  - EEA EFTA Comment on the Commission's Green Paper "Promoting the learning mobility of young people";
  - EEA EFTA Comment on the EU 2020 Strategy by the Working Group on Education, Training and Youth and the Working Group on Research and Development.

### **Status of outstanding, ongoing and up-coming issues**

4. The Pharma Package entered into force on 23 December 2009 (except for Liechtenstein).
5. The Food Law Package was provisionally applied in the EEA from 1 March 2010 and entered into force on 1 May 2010.
6. The Services Directive entered into force on 1 May 2010.
7. The EEA EFTA States continued to follow closely the new European Architecture of Financial Supervision and the improved regulation of financial services. They continued their discussions with the Commission on the European System of Financial Supervision (ESFS) based on decentralised supervision with strengthened cooperation including the participation of supervisors from the EEA EFTA Member States in these new structures once they had been established. Furthermore, the EEA EFTA States continued their discussions with the Commission on the European Systemic Risk Board.
8. In the field of energy and environment, the dialogue between the EEA EFTA States and the Commission continued on the Emissions Trading Scheme Directive and on the Renewable Directive.
9. The EEA EFTA States followed closely the developments of the Europe 2020 Strategy with a view to participating in relevant parts. In the EEA Joint Committee meeting on 29 January 2010, the Commission provided a briefing on the Strategy.

### **Lisbon Treaty**

10. The EEA EFTA States welcomed the entry into force of the Lisbon Treaty on 1 December 2009 and underlined the importance that the implementation of the Treaty would have with regard to the continued good functioning of the EEA Agreement.

## **Participation in programmes**

11. The EEA EFTA States participate in and co-finance EEA-relevant EU programmes and initiatives. For example, the Galileo Satellite Navigation System and European Year for Combating Poverty and Social Exclusion 2010 are two of these important initiatives. The programmes and initiatives promote common interests towards a more competitive, sustainable and innovative Europe and play a significant role in Europe's economic recovery.

## **Financial Mechanisms 2004-2009 and 2009-2014**

12. Within the EEA and the Norwegian Financial Mechanisms 2004-2009, around 1100 projects are in the implementation phase. The implementation deadline is 30 April 2011.
  13. The negotiations on the financial contributions by the EEA EFTA States for the reduction of economic and social disparities in the EEA for the period of 2009-2014 were concluded at negotiators' level with the initialling of agreed minutes in December 2009.
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**EUROPEAN ECONOMIC AREA  
Council of the EEA**

**Brussels, 10 May 2010**

**EEE 1602/2/10  
REV 2**

**CONCLUSIONS**

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Subject : Conclusions of the 33<sup>rd</sup> meeting of the EEA Council  
Brussels, 10 May 2010

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1. The thirty-third meeting of the EEA Council took place in Brussels on 10 May 2010 under the Presidency of Mr Diego LÓPEZ GARRIDO, State Secretary for the European Union of Spain. The meeting was attended by Ms Aurelia FRICK, Minister for Foreign Affairs of Liechtenstein, Mr Einar GUNNARSSON, Permanent Secretary of State for Foreign Affairs of Iceland, and Mr Jonas Gahr STØRE, Minister for Foreign Affairs of Norway, by Members of the Council of the European Union and by the Representative of the European Commission.
2. The EEA Council noted that within the framework of the Political Dialogue, the Ministers discussed Middle-East, Iran and Russia.
3. The EEA Council welcomed the entry into force of the Lisbon Treaty on 1 December 2009 and underlined the importance that the implementation of the Treaty would have with regard to the continued good functioning of the EEA Agreement.

4. The EEA Council took note of the efforts made to coordinate a comprehensive action to restore global growth and to rebuild confidence in the financial markets. It underlined the need for continued focus on coordinated and timely action among governments with regard to exit strategies, in order to secure the medium- and long-term sustainability of public finances.
5. The EEA Council stressed the importance of safeguarding the good functioning of the internal market. In this context, Ministers welcomed the EU's initiative to deal with cross-border crisis management within the banking sector. They underlined that enhanced cooperation on the European level and worldwide was vital in order to strengthen financial supervision and to improve the regulation of financial services. Ministers welcomed the ECOFIN's agreement of October 2009 on the European Systemic Risk Board (ESRB) based on the need for a strengthened macro prudential oversight of the European financial system. Ministers also welcomed the ECOFIN's agreement of December 2009 on the European System of Financial Supervision (ESFS) based on decentralised supervision with strengthened cooperation and underlined the significance of the participation of supervisors from the EEA EFTA Member States in these new structures once they had been established. Furthermore, the EEA Council confirmed its support for the EU regulatory initiatives and reiterated the need to improve, where necessary, the practical application of supervisory and prudential rules provided for by the EU banking directives.
6. The EEA Council took note of the Commission Communication on the Europe 2020 Strategy as well as of the conclusions on the Strategy adopted by the EU Council on 16 March 2010. The EEA EFTA States are closely following the development of the Strategy, with a view to participating in relevant parts. The EEA Council welcomed the contribution of the EEA EFTA States to the Strategy.
7. The "Flagship Initiatives" set out in the Commission Communication on the Europe 2020 Strategy provide a good basis for reflections on how to focus efforts on the appropriate areas and could significantly contribute to the implementation of the Strategy.

8. The EEA Council reiterated the importance of the Third Liberalisation Package on energy, and underlined the importance of the involvement of the EEA EFTA States in an interconnected European energy market and in the establishment of new mechanisms between regulators and system operators on European level. The EEA Council welcomed the implementation of the Climate and Energy Package published in July 2009. The importance of continuous close cooperation between the EU and the EEA EFTA States in the area of energy and climate change was underlined, and especially on the emission trading scheme, the promotion of low carbon energy technologies, energy efficiency, renewable energy resources, as well as on carbon capture and storage (CCS).
9. The EEA Council welcomed the incorporation into the EEA Agreement of the Directive on National Emission Ceilings for Certain Atmospheric Pollutants.
10. The EEA Council noted the progress made on incorporating the Renewables Directive into the EEA Agreement. It noted that the EEA EFTA States already have a high share of renewable energy sources.
11. With around 1100 projects still in the implementation phase under the EEA and the Norwegian Financial Mechanisms 2004-2009, Ministers emphasised the importance of all parties focusing on the implementation of projects, funds and programmes to meet the implementation deadline of 30 April 2011.
12. The Ministers welcomed the initialling at negotiators' level of the agreed minutes on the EEA Financial Mechanism 2009-2014 with new financial contributions from the EEA EFTA States for the reduction of economic and social disparities in the EEA. They also welcomed the initialling at negotiators' level of agreed minutes on a new bilateral Norwegian Financial mechanism for the same period and underlined the importance of related agreements on provisional application in order to proceed in the implementation of the new mechanisms. The Ministers urged all contracting parties to finalise their internal procedures as soon as possible.

13. The Ministers welcomed the initialling at negotiators' level of agreed minutes resulting from bilateral negotiations between the European Commission and Iceland and Norway concerning the review of the quota levels for certain fish and fishery products, as laid down in the respective Additional Protocols to their bilateral Agreements with the European Economic Community.
14. Ministers took note that the Commission had recommended that negotiations for accession to the European Union should be opened with Iceland.
15. The EEA Council noted the Progress Report of the EEA Joint Committee and in particular:
  - welcomed the active participation of the EEA EFTA States in the relevant parts of the Single Market Review and looked forward to the upcoming 2012 initiative to complete the Single Market;
  - welcomed the incorporation of the Services Directive into the EEA Agreement;
  - welcomed the finalisation of the necessary national parliamentary procedures by all the EEA EFTA States regarding the Food Law Package and that the Package had entered into force on 1 May 2010;
  - noted the progress made on the Consumer Rights Directive;
  - on the ongoing issue of further liberalisation of trade in agricultural and processed agricultural products, welcomed the agreement reached at negotiators' level in the negotiations between the European Commission and Norway on further liberalisation of trade in agricultural products on the basis of Article 19 of the EEA Agreement, and hoped for an expedient formalisation and implementation of the outcome. It further encouraged the European Union and Norway to engage constructively in the review process within the framework of Article 2(2) of Protocol 3 to the EEA Agreement;

- welcomed the participation of the EEA EFTA States in EEA-relevant EU Programmes, promoting common interests towards a more competitive and innovative Europe. The programmes are co-financed by the EEA EFTA States. The EEA Council welcomed the participation of the EEA EFTA States in the European Year for Combating Poverty and Social Exclusion 2010 and looked forward to the European Year of Volunteering 2011, with the EEA EFTA States participating;
- welcomed the participation of the EEA EFTA States in the Galileo programme;
- welcomed the participation of the EEA EFTA States in the European Agency for Safety and Health at Work, i.e. the Bilbao Agency;
- welcomed further developments of the Integrated Maritime Policy and reiterated the importance of close involvement of the EEA EFTA States. It looked forward to the Commission's policy document outlining projects and initiatives aimed at further developing the policy;
- reiterated its commitment to the renewed social agenda, covering a wide range of areas such as employment, health, migration, social affairs, education and equal rights and underlined the importance of how these issues will be followed up. The EEA EFTA States will continue to follow closely the proposed directives and policy initiatives, within the scope of the EEA Agreement. The EEA Council underlined the importance of innovation to meet social needs during the economic crisis, and in particular the efforts to combat poverty and social exclusion.

16. The EEA Council welcomed the EEA EFTA contributions to the decision-shaping process of EEA-relevant EU legislation and programmes through their participation in relevant committees, expert groups and agencies and by submitting EEA EFTA Comments.

17. The EEA Council held an orientation debate on Europe 2020 – implications for the EEA.
18. The Ministers underlined the importance for the Contracting Parties to ascertain that relevant actors throughout the European Economic Area remain well informed about the EEA Agreement.
19. The EEA Council underlined the importance of inviting EEA EFTA Ministers to attend relevant informal EU Ministerial Meetings and Ministerial Conferences on the basis of EEA EFTA participation in the Internal Market, and expressed its appreciation to the incoming Belgian Presidency for the continuation of this practice. The EEA Council also recalled the practice of inviting the EEA EFTA States — at the level of officials — to political dialogue meetings at the level of relevant Council Working Parties.
20. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 34<sup>th</sup> meeting in Vaduz on 29 March 2010 on *The Annual Report on the Functioning of the EEA in 2009, The Common Fisheries Policy and the EEA* and *EEA and regional cooperation: New Channels for dialogue*.

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