

EEE 1605/23

**DRAFT MINUTES**

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Subject: Draft Minutes of the 56th meeting of the EEA Council (Brussels, 24 May 2023)

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**DRAFT MINUTES**  
**of the 56th meeting of the**  
**EEA COUNCIL**  
**(Brussels, 24 May 2023)**

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The EEA Council held its 56<sup>th</sup> meeting in Brussels on 24 May 2023.

The meeting was chaired by Ms Jessika ROSWALL, Minister for EU Affairs of Sweden, who led the delegation of the European Union. Minister ROSWALL was accompanied by Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission, and Ms Angelina EICHHORST, Managing Director for Europe, representing the European External Action Service (EEAS).

The EEA EFTA side was led by Ms Anniken HUITFELDT, Minister for Foreign Affairs of Norway, accompanied by Ms Thórdís Kolbrún Reykfjörd GYLFADÓTTIR, Minister for Foreign Affairs of Iceland and by Ms Dominique HASLER, Minister of Foreign Affairs of Liechtenstein.

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

### **Opening statement of Minister Ms Jessika ROSWALL on behalf of the European Union**

Dear colleagues from Norway, Iceland and Liechtenstein, from the EFTA Secretariat and from the EFTA Surveillance Authority,

First of all, on behalf of the Council of the European Union, allow me to wish you and your delegations a very warm welcome.

Before we start our meeting, I would like to express my thanks to you and to the EFTA Secretariat for the excellent cooperation in finalising the arrangements for this meeting.

I am looking forward to our discussions!

### **Intervention of Minister Ms Anniken HUITFELDT on behalf of the EEA EFTA side**

Thank you, Chair, for your words of welcome. We look forward to the discussion and an exchange of views with our EU partners.

### **Intervention of Minister Ms Jessika ROSWALL on behalf of the European Union**

Let us now move to the formal agenda of our EEA Council, as set out in document 1601/23. As we have done in the past, and in order to gain time, I hope that we can agree to deal with items 1 to 5 of our agenda without further discussion, and therefore note our agreement on the agenda and the other documents related to those items.

### **Intervention of Minister Ms Anniken HUITFELDT on behalf of the EEA EFTA side**

Thank you, we can agree to this.

#### **1. ADOPTION OF THE AGENDA**

The EEA Council adopted the Agenda, as set out in EEE 1601/23.

#### **2. APPROVAL OF THE MINUTES**

The EEA Council approved the minutes of the 55th meeting of the EEA Council, which took place in Brussels on 23 November 2022, as set out in EEE 1602/23.

#### **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 1603/23.

#### **4. RESOLUTIONS OF THE EEA CONSULTATIVE COMMITTEE**

The EEA Council took note of the Resolution of the EEA Consultative Committee adopted at its meeting in Stockholm on 14-15 March 2023 on *Energy resilience in the EEA in view of the geopolitical landscape*.

#### **5. RESOLUTIONS OF THE EEA CONSULTATIVE COMMITTEE**

The EEA Council took note of the Resolution of the EEA Consultative Committee adopted at its meeting in Stockholm on 14-15 March 2023 on *Future Cooperation of the European Political Community*

## **6. ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EEA AGREEMENT**

### **Intervention of Minister Ms Jessika ROSWALL on behalf of the European Union**

Let us move on to item 6 on the agenda, concerning the assessment of the overall functioning of the European Economic Area Agreement.

Allow me to start by underlining 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 - and to hold a useful exchange of views on its various aspects.

Against the backdrop of the 30 years of the single market, [established 1 January 1993], let me also emphasise the importance of the EEA Agreement for our long-term shared prosperity and stability.

In the current geopolitical context created by Russia's war of aggression against Ukraine, the special partnership between the EU and the EEA EFTA States is 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 are preparing a second meeting of the European Political Community to be held in Moldova on 1 June. This will be another occasion to deepen the European political dialogue and cooperation on issues of common interest, such as energy, security, stability and prosperity of the European continent.

On the EEA Agreement, Vice President Šefčovič will provide a detailed report on the day-to-day developments and on the concrete progress achieved since last November.

Before giving him the floor, I would like to highlight some important developments that have taken place since our latest EEA Council in November 2022.

We would like to welcome the incorporation of certain important pieces of legislation into the EEA Agreement, such as the decisions concerning Civil aviation, Cybersecurity and related acts, Fertilizers, the Radio Spectrum Policy Group and legislation establishing a European Centre for the Development of Vocational Training.

We hope for increased efforts to tackle important pending legislation, such as the Ship Inspection Package, the Helicopter offshore operations regulation, as well as pending acts in the area of energy.

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, and is also of utmost importance for the green and digital transitions ahead of us. 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.

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.

I will now give the floor to the Vice President of the Commission.

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

Congratulations to Iceland for the excellent organisation of the Council of Europe summit in Reykjavík.

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

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

On the broader scale, there is of course a continued need for very close cooperation between the European Union and our closest and most integrated partners, who are the three EEA EFTA States.

The past three years, in particular, have demonstrated the necessity of coordinated approaches in areas of common interest and concern, also in the context of the post-pandemic recovery and the

geopolitical situation in Europe and the world, namely, the Russian war against Ukraine, which is a threat to stability and predictability across our continent.

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 23 November 2022, we have adopted 207 Joint Committee Decisions incorporating 384 legal acts.

In this period, we incorporated several important pieces of legislation in areas such as audio visual media services, cyber security, aviation safety, single digital gateway, and the security of identity cards.

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.

There is, however, no room for complacency for two reasons: First, new EEA relevant EU acts come into force with an obligation to incorporate them into the EEA Agreement.

Second, there is an extensive backlog of old pending files: 51 pending acts date from before 2019, and an additional 52 from 2019 and 2020.

This means that there are now over 100 acts pending for over 2 years, despite the obligation in Article 102 of the Agreement to incorporate “as closely as possible to the adoption by the Union” to permit simultaneous application in the EU and the EEA.

The oldest and most extreme example showcasing the problem is the Regulation on genetically modified food and feed from 2003, with a package of related acts, 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, food chain, statistics, transport and energy.

In the transport area, we made progress with the adoption of the Regulation on aviation safety and the related acts. But there is still a number of important outstanding acts, such as the Regulations: on Helicopter Offshore Operations, on ship inspection and on the European Maritime Safety Agency (EMSA).



In the area of energy, we have seen very little progress, although we held an orientation debate on energy at our previous EEA Council meeting. This remains one of the most important and topical issues of these days, as seen in the recent visit of the Commission President von der Leyen to Norway.

I would ask you to prioritise this area, in particular in the context of the top political priorities of this Commission. New legislative packages are relevant for incorporation, while the previous ones are still pending.

Finally, the Fit for 55 package also requires all our attention and we cannot afford delays in incorporation. This is true across sectors, whether it be aviation, maritime or the environment.

What we need now is a plan with concrete and realistic timelines of how the EEA EFTA States aim to tackle the backlog and fulfil their legal obligation to ensure a level playing field and homogeneity across the EEA.

In some cases, the delay is the result of difference of view of substance, for instance on the territorial scope of the EEA Agreement. We should discuss and confront these differences, not try to sweep them under the carpet.

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 may be an integral part of the EEA framework, but their number is at a very high level. It is not only about the more than 30 decisions that are concerned, but all the additional acts whose entry into force is linked to those with constitutional requirements. The actual number of delayed acts is therefore much higher.

In this context, I would recall that the EEA Agreement provides for the possibility to provisionally apply Joint Committee Decisions with constitutional requirements.

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, they provide for a Financial Mechanism by 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 year 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 in the coming weeks and months to ensure that the current negotiations on the next financial mechanisms can be concluded without delay.

Our citizens expect us, in the current political and economic circumstances more than ever, to demonstrate our ability to find solutions promoting a continuous and balanced strengthening of trade and economic relations and expressing our continued solidarity.

Since the EEA Agreement constitutes the bedrock of our relationship, it needs to be implemented in a way that is fully consistent with its objectives, principles and the balance of rights and obligations it establishes. This is the condition for finding solutions, including possible adaptations.

It will also determine our ability to consider and find concrete and realistic solutions in areas that fall outside its framework, bearing in mind the limitations that come with being outside the Union.

With this in mind, I hope we can maintain the excellent cooperation established over the last 29 years.

Thank you.

## **Intervention of Minister Ms Anniken HUITFELDT on behalf of the EEA EFTA side**

Ministers, colleagues,

Russia's war on Ukraine continues at the cost of countless innocent lives.

The norms and rules for international relations and trade that have served Europe very well for half a century, are under pressure.

At the same time, the climate crisis requires that we succeed in the green transition.

- The situation requires a close, strong and dynamic cooperation in Europe. The EEA EFTA States remain the closest of partners of the EU.
- We stand together in our common response to the war.
- We cooperate closely on the energy crisis and towards a sustainable future.
- We fully support the green and digital transitions spearheaded by the EU.

Such solidarity and joint efforts are underpinned by the strong economic relations enabled by our Agreement.

Our joint EEA obligations bring legal certainty and a shared regulatory environment. This supports the EEA EFTA States' deep integration into crucial European value chains, which again facilitates European resilience.

The EEA Agreement is also the platform for cooperation on new sectors. This allows the EEA EFTA States to take part in various initiatives. These include Important Projects of Common European Interest and industrial alliances, as well as research and promotion of skills.

Let me add that we are studying new proposals from the Commission related to the green transition and European resilience. These include the Critical Raw Materials act, the Net-Zero Industry Act and state aid rule adaptations of the Green Deal Industrial Plan.

As the Single Market turns 30 this year, the initiatives are reminders of the dynamic nature of our agreement. We congratulate you on this anniversary.

Next year the EEA turns 30. We look forward to celebrating this milestone in cooperation with our partners.

This is also a time for reflection: on the fact that it is in our common interest to ensure the EEA's continued success in a rapidly changing world. It is therefore important that the entire Single Market is included in a solution that is found between the EU and the US in the context of the Inflation Reduction Act.

A well-functioning Single Market also requires that we continue to deliver on our core task: ensuring the timely incorporation of EU legal acts into the EEA Agreement. Since our last meeting we have incorporated a very solid 384 legal acts.

We continue to do our part in reducing the backlog. Vice-President Šefčovič, thank you for the excellent cooperation with you and your colleagues in these endeavours.

Ministers, Colleagues,

Negotiations on financial contributions are advancing. We want to reduce social and economic disparities in the EEA. 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 are also important to us. A solution will contribute to a balanced strengthening of trade and economic relations. We continue the negotiations with a view to finding swift conclusions.

Madam Chair,

The EEA EFTA States would like to thank the Swedish Presidency for the very good cooperation. We appreciate your facilitation of our participation in informal EU Council meetings and political dialogues, including those linked to the war in Ukraine. We now look forward to working with the incoming Spanish Presidency in the second half of the year.

Let me conclude by expressing our regret that the EU side was not in a position to have a dialogue with the EEA/EFTA States on the EEA Council conclusions. As a result, it was not possible to adopt EEA Council conclusions today. We would nevertheless like to thank the Swedish Presidency for their efforts. As underlined in a just published EEA EFTA Statement, we are committed to the continued good functioning of the EEA Agreement and the excellent relationship between the EEA EFTA States and the EU.

Thank you.

**Intervention of Minister Ms Anniken HUITFELDT on behalf of NORWAY**

Madam Chair,

At our meeting last November, we all spoke about being united with Ukraine in their fight against the Russian invasion. One year and three months into the war Ukraine's fight for survival and independence continues. We remain united with the European Union in making every effort we can to help Ukraine defend itself. I appreciate the discussions we had on this matter in our political dialogue right before this meeting.

I would like to express my thanks to the Swedish presidency for their work, as well as to the EEAS and the European Commission for excellent cooperation this term.

The EEA is the mainstay of my government's European policy. The European Economic Area (EEA) has united the EU Member States and the three EEA EFTA States into an Internal Market. An internal market which is governed by the same basic rules.

Democracy relies on a vibrant society. Not only because free ideas produce the best solutions to the challenges we face – civil society is needed to keep a check on governments. And to make sure that every voice is heard, and everyone's rights respected.

Looking forward, the EEA Agreement and our close cooperation will be paramount when facing some of the largest challenges we see today:

the need for a just green transformation.

Norway and the EU have ambitious goals for climate action and the green transition. Last month here in Brussels, Prime Minister Støre and President Von der Leyen signed a Green Alliance between Norway and the EU.

The aim is to strengthen:

- Joint climate action
- environmental protection, and

- clean energy and industrial transition

We will deepen our cooperation in research, education, and innovation on sustainable finance. The Green Alliance makes our bond even stronger. It allows us to design a better future together.

Before I conclude, let me also add that Norway cooperates in the Integrated Political Crisis Response of the EU. Common crisis response between the EU and Norway has turned out to be more important. It was important during the pandemic. Now it proves a valuable tool after Russia's attack on Ukraine.

We very much value our partnership with the EU. We must be vocal in highlighting the successes of the EEA Agreement. A common set of rules and obligations is beneficial to all parties concerned.

Thank you!

**Intervention of Minister Ms Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of Iceland**

Iceland hosted a historic leaders summit of the Council of Europe in Reykjavík last week. In solidarity with Ukraine, 40 European leaders came together to demonstrate their commitment to democracy, the rule of law and human rights.

There can be no peace without justice. We are convinced that the outcome of the summit will make a real difference for Ukraine. The Register of Damages contributes significantly to ensuring accountability for the crimes committed by Russia in Ukraine. The G7 have also signed up to participate in the Register.

The summit also adopted the Reykjavík principles for democracy, providing a clear common understanding on how we secure and strengthen democracy in Europe.

These shared values are the foundation of the EEA Agreement which has served as a solid basis for cooperation with the EU for almost 30 years.

Ministers, colleagues

Climate issues are pressing. The Icelandic government has an ambitious agenda when it comes to fighting climate change. We have committed to rendering Iceland carbon-neutral and independent of all fossil fuels by 2040. Iceland is in the fortunate position that 85% of all energy consumption

already comes from renewable sources, and near 100% of our electricity. Therefore, for the green transition our focus is on the transport sector and fossil fuels.

On earlier occasions in this Council, I have expressed concerns with respect to the effect the Act on ETS and Aviation could have in Iceland. I am therefore pleased that we have reached a common understanding with the Commission on an appropriate time-limited solution to address the matter. This is necessary due to our geographical situation and the importance of air connectivity for my country.

The solution preserves the integrity of the ETS while catering for our unique situation in the margins of the EEA internal market. We are working on the fine-tuning of the solution, which will then be processed through the normal EEA procedures.

The dynamic nature of the EEA Agreement is at the heart of our cooperation. The agreement has stood the test of time because we have safeguarded its principles, while finding innovative ways to overcome challenges.

We are now faced with important new proposals from the Commission related inter alia to the Green Deal Industrial Plan. It is important to analyse carefully potential implications of these initiatives for the internal market and for trade with countries outside the EEA. We must be thorough in our analysis and approach it in a holistic manner. At the same time, we must be mindful to safeguard the integrity of the EEA Agreement.

Madame Chair,

The EEA Grants have contributed to the reduction of economic and social disparities within the EEA. They have also contributed to the strengthening of bilateral relations between Iceland and the different EU Member States.

As before, when designing and developing a new financial mechanism we will learn from the past and take inspiration from the EU Cohesion Policy. However, it cannot dictate how we construct the new mechanism and its priorities.

When it comes to the parallel negotiations on market access for seafood, our request centres on three principles: Levelling the playing field, simplification of the system, and benefits for both consumers and the environment.

As a principle, trade should be frictionless and free between Iceland and the EU unless there are compelling reasons to maintain barriers. This should be our starting point.

We appreciate your understanding and willingness to work with us in trying to find a solution and advancing the overall negotiations. As stated by Vice-President Šefčovič at our last Council, both sides need to have realistic expectations. At the same time for us there is a clear link between the ambition on market for fish and the ambition on the new mechanism.

Dear colleagues,

As mentioned by my fellow Minister from Norway, the anniversary of the EEA Agreement next year will be an opportunity to bring visibility to the agreement. In their meeting in Reykjavík, our Prime Minister and President Von der Leyen discussed this as well and tasked themselves to celebrate this milestone.

Iceland will be in the chair on the EFTA side during the first half of 2024 and we will make sure we use this important occasion to showcase the value of the Agreement to our people and societies.

This milestone should reaffirm our close partnership with the EU and our shared values. Five years ago, our leaders attended the European Council. A similar event this time around would be very fitting. We should of course also make use of the EEA Council next year to celebrate our anniversary.

Thank you!

### **Intervention of Minister Ms Dominique HASLER on behalf of Liechtenstein**

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

The Internal Market turned 30. It has long outgrown its children shoes. It is a pinnacle of the European project and bedrock of Europe's prosperity. For Liechtenstein, the celebrations will continue in the two years to come:

In 2024, we will celebrate the 30th anniversary of the EEA Agreement and in 2025, the entry into force of the Agreement in our country. But besides celebrating our EEA membership, we are set to work hard to preserve its most valued achievements as they cannot be taken for granted.

Let me give you an example of a field where our full engagement will be required in the months to come: A part of the EU's response to a new quality and urgency of long-existing challenges to



Europe's economic competitiveness, are laws that raise challenges with regard to their relation to the Internal Market.

Examples of such EU legal acts are the Net Zero Industry, Critical Raw Materials or Chips Act or the Foreign Subsidies Act and Anti-Coercion Instrument.

Many of these strategically important acts pose a unique and novel challenge for the EEA/EFTA States: They are often multi-pronged. With multi-pronged I refer to their legal basis and/or effects.

This kind of legislation has a clear bearing on the Internal Market but often also relates to policy fields outside the EEA Agreement such as trade.

Some of the proposals were marked EEA-relevant by the Commission, others not.

For the EEA/EFTA States such legal acts raise the essential question of what it means to be in or out. We need to ask ourselves what non-inclusion would mean for our participation in and the integrity of the Internal Market versus the impact of our integration on trade relations with third countries.

More fundamentally, the question arises of how we adapt if EU legislative activity will increasingly be multi-dimensional.

Going ahead, we hope for constructive discussions with our EU partners on how to tackle the related legal and policy questions together in a way that prevents a fragmentation of the Internal Market and preserves the integrity of the EEA Agreement.

Besides addressing such fundamental questions, we are of course constantly engaging with the core homework of our EEA membership.

By that I mean: Speeding up incorporation of EU legal acts, lifting constitutional requirements and implementing EEA law.

In short: Making our national contribution to the homogeneity of the Internal Market.

If it comes to reducing the backlog, we stand ready to work closely and transparently with our EU partners, to reduce it with great efficiency.

We just lifted the two oldest of our constitutional requirements where the six months deadline has already passed and will lift the remaining four by the end of the summer. For the seven

constitutional requirements, where the six months deadline has not yet passed, we will continue our efforts to lift them within the 6-months period or – due to the summer recess – shortly thereafter.

If it comes to implementation, the most recent Internal Market Scoreboard states that Liechtenstein further reduced its transposition deficit from 0.7 to 0.4 per cent. Liechtenstein thereby now falls below the 0.5 per cent benchmark that ESA looks at in line with the European Commission's Single Market Act.

A field in which Liechtenstein has been investing much woman- and man power in recent years, is the digitalization. This is a big task for a small State with a lean national administration.

We expect our new cyber security law to enter into force this summer which will allow us to lift our constitutional requirements with regard to the NIS-1 Directive.

We want to use this tailwind to implement the NIS-2 Directive as quickly as possible.

Against this background, I would like to thank the EU once again for the inclusion of the EEA/EFTA States into the NIS Cooperation Group, which currently discusses the implementation of the NIS-2 Directive, thereby helping us greatly to prepare for our national implementation!

And then there is the area of financial services. An area where my Government tries to create the best conditions for our financial sector to unfold its full creative potential and be at the forefront of cutting-edge developments with the necessary legal certainty.

Accordingly, we were one of the first states in the world to comprehensively regulate token and trusted technology service providers. We will therefore not tire to emphasize that a simultaneous entry into force of the MiCA proposal in the EEA/EFTA- as in EU Member States is crucial for Liechtenstein to ensure our financial intermediaries have access to its passporting rights as of day one.

We also highly welcome the Commission's pilot regime for market infrastructures based on distributed ledger technology.

The trading of securities tokens is an important development of the financial market. The pilot regime advances this development and will allow us to gain initial experiences.

Liechtenstein supports this goal and we are eagerly working on the national entry into force of the pilot regime. As a state with an innovative financial center and corresponding regulation, we stand ready to share our experience and expertise with EU partners.

To conclude: While we are warming up for celebrating our own big anniversaries in the coming two years, we are working hard on nurturing the EEA Agreement, be it with regard to the bigger picture or the nitty-gritty details.

Both are necessary for it to maintain its much-lauded flexibility and robustness until its next anniversary. For the close partnership with the EU in both these tasks – the celebration and the hard work – I would like to take this opportunity to also thank you personally.

### **Intervention of Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission**

Thank you to Norway for the full overview, also in view of the important anniversary of 30 years of the single market. It is important to look at the single market from all aspects.

The areas mentioned are important. It is good to exchange on issues such as the green transition, critical raw materials, net zero. These can help to bring sustainability and competitiveness.

We are assessing state aid rules.

We need to present a vision for the coming decades.

We thank Iceland for close cooperation on the ETS / aviation file. We have found a common understanding for the specific situation of Iceland, but the compromise still needs the approval of EU Member States.

Thank you to Liechtenstein for efforts on transposition, alignment and timing.

I suggest that it would be good for respective teams to get together to look at timelines and priorities.

Reasons for slow transposition can be political, lack of understanding/knowledge. Discussion and explanation can help to solve problems. We can deliver results by our next meeting.

### **Intervention of Minister Jessika ROSWALL on behalf of the European Union**

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

**7. ORIENTATION DEBATE ON BUILDING LONG-TERM COMPETITIVENESS IN THE INTERNAL MARKET IN THE FACE OF GLOBAL CHALLENGES**  
**Intervention of Minister Ms Jessika ROSWALL on behalf of the European Union**

Dear colleagues,

Our debate today gives us an important occasion to discuss the competitiveness of our economy, building on the opportunities resulting from the internal market, against the backdrop of the global challenges we face.

The impact of the war in Ukraine and the significant increase in energy prices, which is felt most strongly in Europe, have highlighted our dependencies and competitive disadvantages. They have a very detrimental impact on Europe's economy and risk endangering the overall competitiveness of our industry.

In addition, the US Inflation Reduction Act is likely to have negative effects on our economy.

We must work together to address Europe's competitiveness challenges in the long term. Europe needs a strong, efficient and forward-looking approach for its economy.

Competitiveness is therefore one of the political priorities of the Swedish Presidency. Europe needs a long-term strategy to enhance its competitiveness and productivity, and to successfully address the mounting challenges that our economic operators are facing.

The European Council in December 2022 took note of the long-term challenges to our economy, in particular the growth and innovation gap between Europe and its global competitors. It invited the Commission to present, in early 2023, a strategy at EU level to boost competitiveness and productivity.

This request was further specified in the conclusions adopted by the European Council in February 2023: In the face of the new geopolitical reality, the EU will need to act decisively to ensure its long-term competitiveness, prosperity and role on the global stage. Europe needs to strengthen its strategic sovereignty and make its economic, industrial and technological base fit for the green and digital transitions.

At the same time, it is essential to deepen the Single Market and ensure a level playing field both internally and globally. The European Council called for a comprehensive strategy to further

harness the full potential of the Single Market, which has underpinned Europe's prosperity since its creation 30 years ago.

The European Council also invited the Council and the Commission to assess progress on all competitiveness-related aspects annually based on Commission input.

Taking up the requests made by the European Council, the Commission published on 16 March 2023 a communication on the long-term competitiveness of the EU looking beyond 2030, together with a communication on the Single Market at 30.

In the communication on long-term competitiveness, the Commission identified nine mutually reinforcing drivers, with a set of attached key performance indicators to track progress towards the intended targets. Moreover, the Commission committed itself in the communication to work towards a regulatory framework more suited for competitiveness and growth.

However, these measures alone will not be enough to strengthen Europe's competitiveness. We also need to look at other sectoral policies and existing tools and their potential impact on competitiveness and growth.

It is now urgent time to focus on the resilience of Europe's economy and its dependencies on third countries. We need to provide our industry, in the short and medium term, with the sufficient, affordable and clean energy it needs. And we must green our economy and boost the uptake of digitalisation.

We are at a crossroads in the process for delivering on our long-term commitments for a greener, digitalised and energy-efficient industry, while enhancing the competitiveness of our economy, and while maintaining and generating quality employment in Europe. A successful twin transition will be a decisive factor in strengthening our position in the global competitive arena and in securing our competitiveness and growth.

Under the current difficult challenges, companies need to be supported in a targeted and time-limited way, while avoiding any harm to the level playing field in the Single Market, both in the short and medium term. State aid, under its various formats, can under certain conditions also be a useful ad-hoc tool in supporting our enterprises and avoid their delocalisation. But on the other hand, it cannot be a long-term solution, and it can fragment the Single Market, unless the State aid is coordinated and balanced by other means, including at European level.

Dear Colleagues, given the current challenging geopolitical context, the EU welcomes the strong cooperation with Norway, Iceland and Liechtenstein. Let us all work together to secure the long-term economic growth needed for the future well-being of our citizens, for the creation of more and better jobs in Europe, for the green and digital transition of our economy, and for strengthening Europe's open strategic autonomy. We need to join forces even more and work for our common goal of building long-term competitiveness in the internal market.

### **Intervention of Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission**

Recent crises and the impact of the war in Ukraine have shown how costly our dependencies are. We have discovered the costs of outsourcing, for example on vaccines and health.

Our economy has been severely tested by the war in Ukraine. The peace dividend is no longer so sure.

Commissioner Breton is currently checking on capabilities to make the continent more secure. We need thorough analysis of what we import and where we are dependent.

Work on critical raw materials and the Chips Act is linked to future technology. We have to learn better from the past.

We are in an increasingly contested geopolitical world, which is harsher and where actors have sharp elbows.

The US Inflation Reduction Act was not good timing, coming on top of other issues. We should be much stronger and able to stand on our own feet.

We need to respond not only to the US IRA, but also to China and its state-subsidised entities.

Against the backdrop of geopolitical tensions and a global clean tech race, the European Union must take on the long-term challenges affecting the competitiveness of our industry.

The long-term competitiveness Communication adopted on 16 March sets the Commission's strategy to boost competitiveness and productivity at EU level.

The Communication underlines the broad consensus on the European model for inclusive economic growth, based on sustainable competitiveness, economic security, trade and open strategic autonomy and fair competition, as a source of prosperity.

In particular, we will focus on closing the growth and innovation gap between Europe and its global competitors and on tackling challenges that relate to the security of supply of inputs necessary for the EU economy.

We will work around nine reinforcing drivers and measure progress through Key Performance Indicators.

Among other issues, we will focus on access to capital markets for the necessary private investments, public infrastructure and skills for our workers.

In parallel, we must also make sure that regulatory and administrative frameworks are responsive to business needs.

The long-term competitiveness strategy sets out priorities to achieve this, including by reducing reporting obligations.

Among most urgent issues, let me underline energy.

To stop and reverse climate change as well as for the sustainable competitiveness of EU industry, we will need to make sure that we realise our “fit-for-55 goals”. By investing in renewable energy, by investing in energy saving measures, by replacing where possible combustion engines by electrical engines powered by renewable energy, we will realise these goals - a 55% reduction of green-house gas emissions before 2030 and carbon neutrality before 2050.

It is also for that reason that the Commission adopted on 16 March a proposal for the Net-Zero Industry Act: to make sure that European Industry is able to invest – and invest fast – in the necessary equipment for a carbon neutral or net-zero industry.

The Single Market aspect of our competitiveness must be further reinforced. We will continue working on our Single Market on all fronts: by addressing barriers, focusing on enforcement, and making progress on the green and digital dimensions of the Single Market

A collective effort of all actors – including EEA partners – is required to continue maintaining the Single Market, deepening it, harnessing its full potential, preserving a level playing field both internally and globally.



Finally, our competitiveness needs a more sovereign Europe, embracing open strategic autonomy for resilience. We are working on a number of solutions to make Europe less dependent on the rest of the world.

On 12 January 2023, the Foreign Subsidies Regulation entered into force. This new set of rules for addressing distortions caused by foreign subsidies will allow the EU to remain open to trade and investment, while ensuring a level playing field for all companies operating in the Single Market.

We have also tabled proposals for the Chips Act – aiming for 20% of worldwide semi-conductor production within the EU - and the Critical Raw Materials Act – aiming for increased amounts of mining and processing of critical raw materials inside the EU, such as of lithium, a key metal for batteries and therefore for the green transition.

As we share the internal market through the EEA Agreement with you, all the initiatives that are EEA relevant would be essential also from the point of view of their speedy incorporation into the EEA Agreement, and as I said in my previous intervention, I would like to encourage your preparations for taking these acts on board.

While the EEA Agreement creates a solid basis to respond to these common challenges, it also has its limitations. For instance, you on the EEA EFTA side and we on the EU maintain autonomous trade policies.

We need to continue our close collaboration.

I am happy to hear how you approach these challenges.

### **Intervention of Managing Director Ms Angelina EICHHORST on behalf of the EEAS**

This year the Single Market celebrates its 30th anniversary. Anniversaries are an opportunity not only to look back at past achievements, but to set the expectations and objectives for the future. A fully functioning Single Market is the essential foundation of the EU in the long-term.

The last years have been marked by a never-ending series of increasingly difficult global geostrategic challenges, testing both the EU and our trading partners, as well as the global community as such. War is at our doorstep; the global economy is still affected by the pandemic and uneven recovery; inflation, debt-levels and food (in) security is on the rise; the climate challenge is ever more pressing; and we see increasing protectionism, geopolitical tensions, and “weaponisation” of trade.

The EU's internal market is the key tool for our economic resilience and the main provider of economic security. At the same time, its protection requires an integrated EU-level strategy covering all tools at our disposal to ensure the single market is protected from external threats.

There is currently an active and evolving debate on the concept of economic security, and we are still engaging in it both domestically in the EU as well as with our partners around the world. We plan to present our strategy on economic security in June, and we are also discussing economic security in the G7.

At its core, economic security is not about isolation or self-sufficiency. On the contrary, interdependence – freely chosen and not imposed – can be a source of rather than a threat to economic security. We see that economic links can help to reinforce political bonds between countries. This brings its own security benefits.

Economic security for the EU is about boosting our own open strategic autonomy, and is about preserving the EU's openness as a source of strength, but it is also about managing specific risks and threats that have emerged. Our key notion here is de-risking.

The EU already has several tools to reinforce our economic security and to protect the single market. Few examples of new instruments, which will support us in making our own economy and industry more competitive and resilient, such as: The Net-Zero Industry Act, The Critical Raw Materials Act and The Chips Act.

We also have a toolbox of autonomous instruments: the Foreign Direct Investment screening, the EU 5G cybersecurity toolbox, the International Procurement Instrument and the Regulation on Foreign Subsidies. The European Parliament and the Council reached an agreement in principle on the Anti-coercion Instrument. The Parliament and the Council are negotiating the initiatives on Forced Labour and on Sustainable Corporate Due Diligence.

It is important to note that all these initiatives target no specific country but rather certain practices and distortions. As mentioned, we are working on an economic security Strategy (to be published before the end of the year) and is considering if and how screening of outbound strategic investments is necessary.

In parallel we are also diversifying our trade and working with partners by i) enhancing our network of free trade agreements, ii) strengthening cooperation with key partners on sectors related to digital and clean tech (e.g. TTC with US) and iii) making full use of Global Gateway.

Economic security is a shared concern. The global economy will – and should – remain integrated and interconnected.

**Intervention of Minister Ms Anniken HUITFELDT on behalf of Norway**

Madam Chair, colleagues,

The EEA agreement works. When we travel, when we work, and when we interact, the European Economic Area gives our citizens these freedoms. As politicians we know that we have a responsibility to ensure its well-functioning and continued success.

My government wants our cooperation to continue and develop. That is why the EEA Agreement is the mainstay of our European policy. For almost 30 years it has broadened and deepened the cooperation between the EU and Norway, Iceland, and Liechtenstein.

The EEA agreement ensures our place in the common market. It also covers cooperation in other important areas: research and development, education, social policy, the environment, consumer protection, tourism, and culture.

More than 72 percent of our exports go to the EU. But I would also like to highlight that more than 60 percent of Norway's imports come from EU countries.

Chair, colleagues,

“We are safe together”.

These words were written on the Troll A platform in the North Sea on the 17th of March this year. The Troll A platform alone delivers 10 per cent of the EU's gas consumption. Directly underneath those words are the signatures of Prime Minister Støre, NATO Secretary General Stoltenberg and EU Commission President Von der Leyen.

Security policy, energy policy and trade policy are becoming more closely intertwined. Trade and economic cooperation have long brought major economic benefits for all of us. Now we are seeing that greater weight is being given to the issues of dependence, vulnerability, and security.

This is all well and good. But these considerations must never be used as a pretext for a return to protectionism. I believe in free trade.

The Single market is an achievement that we must protect and develop further. A level playing-field, openness, transparency, and free trade must continue to guide the European Economic Area to secure long-term competitiveness.

Facing a changing geopolitical environment, technological developments, and the green and digital transitions, a key challenge is to promote a level playing field globally.

The impact of current trade conflicts and geopolitical tensions is worrying. This has negative effects on investments and economic growth. We recognize your efforts to address non-market practices and other market distortions.

We see three main developments that are reinforcing each other: the continuation of the energy crisis, the increasing momentum of the green shift and the increasing regionalization of the trade policy. These are all areas where we are being challenged and our cooperation is being put to the test.

But there are also opportunities for more cooperation and a potential for joint action. The energy crisis has led to a speeding up of our transition to renewable energy and energy conservation. We have also seen a renewed effort to look at European value chains both on green technologies and critical raw materials for the green shift. Norway is an integral part of these value chains.

The Inflation Reduction Act and the European Green Deal are, simultaneously, climate strategies and strategies for investment, jobs, and growth. We welcome this. It is of vital importance that the most advanced economies in the world have investment in green transition and clean tech at the top of their agenda.

Like the EU, we are concerned by certain aspects of the IRA. It has negative effects on maintaining a level playing field. We will continue to address our concerns with US authorities. We welcome and support your efforts in addressing common concerns in your dialogue with the US.

It is important that possible agreed solutions between the EU and the US should also take into account the EFTA/EEA countries. This is of utmost importance to maintain equal conditions in the internal market. By building the most efficient and resilient green supply chains together - we are best positioned to tackle climate change issues and maintain our position in the global competition.

The Green Alliance recently established between Norway and the EU will enable us to develop our cooperation in green industries even further. We are also in the process of finalizing a strategic partnership with the EU on sustainable raw materials and batteries value chains.

Considering this, we need to maintain and strengthen the internal market, but we also need to make sure that developments in other areas do not conflict with the functioning of the internal market.

Thank you.

**Intervention of Minister Ms Thórdís Kolbrún Reykjörd GYLFADÓTTIR on behalf of Iceland**

Ministers, colleagues,

We are faced with critical global issues requiring our attention. War is on our doorstep. Our values and way of life are being challenged by autocrats. Great power competition. Tendency towards isolation and protectionism.

These are not new challenges, and our predecessors have spent so much of the last 100 years fighting them in one form or another. A fight we must continue.

However, there is reason for optimism as well. The unity we have been able to demonstrate jointly and with Ukraine in the face of the aggressor. We are standing up for our values.

The internal market has performed in times of crisis. Unprecedented steps are being taken accelerating the green transition. In addition, we are seeing technological advances that rival the combustion engine and the personal computer.

This will all have to be taken into consideration as we build long-term competitiveness in the internal market. While old truths are as relevant as ever facing this reality, we also have to be agile in our approach in line with modern times.

I am a part of a generation that does not remember other reality than Iceland as a member the European Economic Area. Still, I realise the positive impact our participation of the internal market has had transforming Icelandic society.

As we develop the Internal Market we need to make sure that the rules are fit for purpose. Rules that are not overly burdensome. Rules which facilitate innovation, competitiveness, and trade. This will allow the free market to pursue growth, for the good of our societies.

The rules also must be appropriate for the whole of the internal market and provide a level playing field, including for Iceland. A case in point is how ETS and aviation would play out in Iceland. While harmful to our connectivity and the competitiveness of our economy, this would have been counter-productive to the objectives of the Fit for 55 package. As mentioned before, a solution has been found.

As for the external dimension, we need to be careful as we deal with global realities to safeguard the integrity of the internal market. We must avoid creating a two-tier internal market, mindful that Iceland together with the other EEA EFTA States does not share a common commercial policy with the EU. This is something we need to examine and solve based on the EEA Agreement. Because with new initiatives and proposals the boundaries between the internal market and external trade become blurred, while we may share the underlying goals.

The setup of the internal market also needs to be conducive to healthy competition. We are wary of an internal subsidies race and would prefer continued strong disciplines for state aid. At the same time, we should not turn a blind eye to what other major economies are doing in this regard. We should not pursue artificial competitiveness.

As we continue to build a strong internal market, we also have to safeguard international trade as it will remain a vital part of our future resilience. Iceland has always fared best when the liberal rule-based trading system has functioned well. And in today's world the competition comes from everywhere. Only if we manage to have the edge, competitiveness and the ensuing growth is truly secured.

I mentioned the green transition earlier, and there, competitiveness will be important. We also see significant advances such as the Artificial Intelligence revolution, which we all grapple to understand but will no doubt transform our economies. While we need to tread carefully with such powerful advances, I am sure this will be a tool for competitiveness, not least with our ageing populations.

These skills are key as well –to accommodate those whose jobs might be replaced by technology.

Dear colleagues,

We, the politicians, can only provide the conditions for competitiveness – not be in the way. It's the people and businesses who are the economic operators and will do the heavy lifting. If we are successful, economic growth will continue to enable public investment and fund our social models.

If we maintain competitiveness and safeguard our values, our liberal democracies will always have an edge on the competition.

**Intervention of Minister Ms Dominique HASLER on behalf of Liechtenstein**

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

Europe needs to transition into a greener, more digital future. In a globalized world, we can only do this with the right partners.

At the same time, the Russian war against Ukraine, China's increasing economic assertiveness and less dramatically the U.S. Inflation Reduction Act illustrate that Europe needs to increase its resilience and autonomy.

How this is best achieved is not only a matter of facts but also philosophy. What do we need more of – of what less? As a representative of a state with a liberal economic order and in light of increasing protectionism and state aid, I would say: Less is more.

I believe that competitiveness for a smartly digitized and decarbonizing economy hinges on the following aspects:

What skills and infrastructure do we provide?

How good is our research and development?

How fast and inclusive our Internet?

How much legal certainty do we ensure and how good is our vocational training?

These are areas where Europe should gather its strength, and this is where we should look closely if we want to increase our productivity.

Liechtenstein welcomes the EU's industrial policy measures in principle – with the caveat that the EEA/EFTA-States are not disadvantaged or considered third countries.

The same applies to the Green Deal Industrial Plan, even though here we sense a certain risk of a global subsidy race.

We would prefer to concentrate our efforts on simplifying regulation, shortening approval procedures, reducing administrative burdens and creating targeted incentives. This is, for example, provided for in the Net Zero Industry Act, and we hope will be implemented in practice.

What we need more of, is the Single Market. Here, the opposite logic applies: More is indeed more!

The EU has powerful levers it could use more in its competition with China and the U.S.:

We have a Single Market that is larger than the U.S. market, but often less attractive for companies because of the continued strong market fragmentation. In many areas, national rules still dominate, such as in the field of biotechnology. Also, the digital Single Market is far from complete.

We also need to find lasting solutions for the high energy costs in Europe if we want to compete with the U.S. that engages in fracking or China and India which open up coal power stations at record speed.

A study of the Boston Consulting Group notes that by 2030 green steel could be 35% more expensive in Europe than in the US. The production of many building materials is even expected to be 100% more costly by then.

While the goals of the green and digital transition are about nothing less than a livable future and our European values need to be preserved at all costs, Europe needs to also be street smart when competing with third countries which profit from lower or no ambitions at all in this respect.

One concrete example that keeps Liechtenstein enterprise leaders awake at night is the scope of the EU Directive on corporate sustainability due diligence.

It seems doubtful that the current proposal will further the intended goal of a level playing field:

Various unclear formulations and undefined legal terms result in legal uncertainty for companies and make a uniform implementation in the EEA Member States difficult. The additional bureaucratic burden and high liability risks may well result in less business, declining sales and ultimately job losses - both in Europe and abroad.

Especially in view of the current geopolitical challenges, it is important that bureaucratization does not gain the upper hand in the EEA. Many examples can be found in the area of labour law, which allows too little flexibility for today's real working world.



This issue is closely related to yet another big challenge: The shortage of labour and skilled workers.

The European Year of Skills 2023 with its focus on reskilling, upskilling and harnessing the right skills couldn't be more timely.

Liechtenstein is also affected. Contrary to original assumptions, technological development and digitalization are creating more jobs in Liechtenstein than are being lost. Climate change and the energy transition are also increasing the need for qualified personnel.

We are convinced, the problem can only be solved together with the business community. Accordingly, my Government set up a working group in which the private sector is well represented. The focus will be on measures for more flexible working models and working hours and for continuous education and training.

As I said at the outset, a promising response to the profound challenges to Europe's competitiveness is not only a matter of facts but also philosophy.

Such philosophy diverges between EEA Member States. It is tied to culture, mentality and history.

However, special times need special measures and the most important ingredient of Europe's success is its cohesion and political unity. This was impressively illustrated by the united European response to the Ukraine war.

It is the most precious asset we have – it should be the philosophy of all philosophies – which we must preserve at all costs if Europe is to emerge strong from the current crises.

The EEA/EFTA States are also keenly aware of their responsibility in this respect as a core obligation of their EEA membership.

### **Intervention of Vice President Mr Maroš ŠEFČOVIČ on behalf of the Commission**

Thank you to colleagues for their remarks, which underscore the perception of the problems.

On life-long learning, we need to focus on all age categories, also in view of dynamic labour markets.

We share concerns about a possible subsidy war.

The US Inflation Reduction Act has been very successful through its provision of subsidies beyond USD 1 trillion. That figure could even double.

Good cooperation and exchange is very important.

Answers lie in sustainable technology, the green future and renewable energy sources.

We need to find solutions to high energy prices, which are devastating to the EU economy. Energy intensive industries are currently operating at 30% below their capacity.

Artificial intelligence is a challenge for us all. We need a balanced approach.

**Intervention of Minister Ms Jessika ROSWALL on behalf of the European Union**

Thank you, all of you, for your interesting contributions!

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

## **8. OTHER BUSINESS**

### **Intervention of Minister Ms Jessika ROSWALL on behalf of the European Union**

Finally, that brings us to Item 8 on our agenda: 'Other business'. Would anyone wish to raise an issue under this item?

### **Intervention of Minister Ms Anniken HUITFELDT on behalf of the EEA EFTA side**

Thank you, Chair. The EEA EFTA side has no further issues to raise.

### **Closing remarks of Minister Ms Jessika ROSWALL on behalf of the European Union**

Thank you. We have come to the end of this session of the EEA Council.

I would like to thank you all for the interesting discussions and close this part of the meeting.

I would also like to thank everyone from the EEA EFTA States, as well as the EFTA Secretariat, the EFTA Surveillance Authority, the EU Member States and the EU institutions for contributing to and participating in this constructive and useful meeting.

### **Closing remarks of Minister Ms Anniken HUITFELDT on behalf of the EEA EFTA side**

Thank you, Chair. We would like to express our appreciation for the good dialogue we have had in this meeting, as on previous occasions.

Our thanks go in particular to the Swedish Presidency, the Council Secretariat, the Commission and the European External Action Service for their positive and constructive cooperation over the last months. We look forward to working with the Spanish Presidency in the second half of this year – and to welcome you to the next EEA Council in EFTA House on 20 November.

### **Closing remarks of Minister Ms Jessika ROSWALL on behalf of the European Union**

The meeting is closed.

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**56th meeting of the  
EEA COUNCIL****(Brussels, 24 May 2023)****INDICATIVE LIST OF PARTICIPANTS AT THE PLENARY SESSION****Norwegian Delegation (EEA EFTA Chair)**

H.E. Ms Anniken HUITFELDT	Minister of Foreign Affairs, Ministry of Foreign Affairs
H.E. Mr Rolf Einar FIFE	Ambassador, Mission of Norway to the EU
Mr Frode OVERLAND ANDERSEN	Director-General, Department for European Affairs and International Trade, Ministry of Foreign Affairs
Mr Jørn GLOSLIE	Director, Department for European Affairs and International Trade, Ministry of Foreign Affairs
Ms Audhild NYDAL ENGER	Senior Adviser, Ministry of Foreign Affairs
Ms Kaja Moe WINTHER	Counsellor, Mission of Norway to the EU

**Icelandic Delegation**

H.E. Ms Thórdís Kolbrún Reykþjörð GYLFADÓTTIR	Minister for Foreign Affairs
H.E. Mr Kristján Andri STEFÁNSSON	Ambassador, Mission of Iceland to the EU
Mr Ingólfur FRIÐRIKSSON	Deputy Director General, European Affairs, Ministry for Foreign Affairs
Ms Sesselja SIGURÐARDÓTTIR	Deputy Head of Mission of Iceland to the EU
Ms Katrín SVERRISDÓTTIR	Director of EEA Cooperation, Mission of Iceland to the EU
Ms Selma Sif Ísfeld ÓSKARSDÓTTIR	First Secretary, Mission of Iceland to the EU

**Liechtenstein Delegation**

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 Andrea ENTNER-KOCH	Director of the EEA Coordination Unit
H.E. Mr Martin FRICK	Director of Office for Foreign Affairs
Ms Alina BRUNHART	First Secretary, Mission of the Principality of Liechtenstein to the EU
Ms Katharina JÄGER	Temporary Officer, Mission of the Principality of Liechtenstein to the EU

### **Presidency of the Council of the EU**

H.E. Ms Jessika ROSWALL	Minister for EU Affairs
Mr Jonathan LUNDELL	Political Advisor to Minister Roswall
Ms Hilda SANDBERG	Chair of the EFTA Working Party
Mr Marcus MANGAN	Co-chair of the EFTA Working Party

### **European Commission**

Mr Maroš ŠEFČOVIČ	Vice-President, Interinstitutional Relations and Foresight
Ms Camille HUBAC	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

### **European External Action Service**

Ms Angelina EICHHORST	EEAS Managing Director for Europe
Ms. Clara GANSLANDT	Head of Division Western Europe EEAS
Ms. Luciana SANDU-PENKER	Deputy Head of Division Western Europe

### **EFTA Secretariat**

Mr Henri GÉTAZ	Secretary-General
Ms Siri Veseth MELING	Deputy Secretary-General
Mr Andri LÚTHERSSON	Deputy Secretary-General
Ms Marit C. SCHAGE ANDRIA	Director, Internal Market Division
Ms Elisabet OLAFSDÓTTIR	Officer, Internal Market Division
Mr August Rud JACOBSEN	Officer, EEA Coordination Division

### **EFTA Surveillance Authority**

Mr Arne RØKSUND	President
Mr Árni Páll ÁRNASON	College Member
Mr Stefan BARRIGA	College Member

**REPORT**

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From:	European Commission
Subject:	Progress report of the EEA Joint Committee

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**Decision making**

8. The EEA Joint Committee has adopted 207 Joint Committee Decisions (JCDs) incorporating 384 legal acts since the 55<sup>th</sup> meeting of the EEA Council on 23 November 2022. In the period from 1 January to 28 April 2023, the EEA Joint Committee has adopted 141 JCDs incorporating 273 legal acts. In comparison, during the period from 1 January to 29 April 2022, 164 JCDs incorporating 294 legal acts were adopted.
9. As of 5 April 2023, there were 612 legal acts outstanding where the compliance date in the EU had passed, compared to 574 acts on 12 October 2022. Since October 2022, therefore, the overall number of legal acts outstanding increased slightly. Of the 612 legal acts outstanding on 5 April 2023, 216 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.
10. As of 5 May 2023, the number of JCDs awaiting the fulfilment of constitutional requirements where the six-month period had expired was 31, compared to 32 on 12 October 2022.

11. Important decisions incorporated since the 55<sup>th</sup> meeting of the EEA Council on 23 November 2022, include:

- Decision No 333/2022 on a single digital gateway,
- Decision No 337/2022 on audiovisual media services,
- Decision No 353/2022 on Statistics,
- Decision No 20/2023 on an amendment to adaptation to 32014R0909 (Central Securities Depository - Liechtenstein),
- Decision No 21/2023 on network and information systems across the Union (NIS1),
- Decision No 22/2023 on information and communications technology cybersecurity certification (Cybersecurity Act),
- Decision No 27/2023 on the European Cybersecurity Industrial, Technology and Research Competence Centre,
- Decision No 28/2023 on establishing a European Centre for the Development of Vocational Training (Cedefop),
- Decision No 50/2023 on strengthening the security of identity cards of Union citizens and of residence documents issued to Union citizens and their family members exercising their right of free movement,
- Decision No 63/2023 on setting up the Radio Spectrum Policy Group and repealing Decision 2002/622/EC,
- Decision No 65/2023 on the technical information necessary for roadworthiness testing of the items to be tested, on the use of the recommended test methods, and establishing detailed rules concerning the data format and the procedures for accessing the relevant technical information,
- Decision No 77/2023 laying down rules on the making available on the market of EU fertilising products,



- Decision No 109/2023 establishing the European Agency for Safety and Health at Work (EU-OSHA),
- Decision No 114/2023 on common rules in the field of civil aviation and establishing a European Union Aviation Safety Agency,

### **Decision shaping**

12. The EEA EFTA States are participating in 13 EU programmes and 25 agencies, of which 19 are decentralised agencies and 6 are executive agencies.
13. 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 upcoming Commission proposal for a front-of-pack nutrition label
  - EEA EFTA Comment on the proposal for a Regulation establishing a Single Market Emergency Instrument

### **Briefings in the Joint Committee**

14. In the period from 23 November 2022 to 24 May 2023 the EEA Joint Committee has received briefings on:
  - The European Commission Work Programme for 2023,
  - EU's overall State aid policy for the internal market, including the EU response to the US Inflation Reduction Act

### **Status of issues outstanding**

15. The discussions on the following issues have not yet been concluded:
  - Regulation (EC) No 1829/2003 of the European Parliament and of the Council of 22 September 2003 on genetically modified food and feed
  - Directive 2012/27/EU on energy efficiency,

- Directive (EU) 2018/844 of the European Parliament and of the Council of 30 May 2018 amending Directive 2010/31/EU on the energy performance of buildings and Directive 2012/27/EU on energy efficiency
- Commission Regulations (EU) 2017/460 of 16 March 2017, (EU) 2015/703 of 30 April 2015, (EU) 2017/459 of 16 March 2017 and (EU) No 312/2014 of 26 March 2014 on gas Network Codes
- Commission Regulation (EU) 2016/631 of 14 April 2016 establishing a network code on requirements for grid connection of generators
- Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency (REMIT)
- Commission Delegated Regulation (EU) No 244/2012 of 16 January 2012 supplementing Directive 2010/31/EU of the European Parliament and of the Council on the energy performance of buildings by establishing a comparative methodology framework for calculating cost-optimal levels of minimum energy performance requirements for buildings and building elements
- Commission Regulation (EU) 2017/2196 of 24 November 2017 establishing a network code on electricity emergency and restoration
- Council Regulation (EU) No 734/2013 of 22 July 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 of the European Parliament and of the Council of 17 April 2019 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 of the European Parliament and of the Council of 17 April 2019 on copyright and related rights in the Digital Single Market and amending Directives 96/9/EC and 2001/29/EC
- Regulation (EU) 2016/1199 of 22 July 2016 amending Regulation (EU) No 965/2012 as regards operational approval of performance-based navigation, certification and

oversight of data services providers and helicopter offshore operations, and correcting that Regulation (HOFO Regulation)

- Regulation (EC) No 391/2009 on common rules and standards for ship inspection survey organizations and related acts (the Ship Inspection Package),
- Regulation (EU) No 100/2013 of the European Parliament and of the Council of 15 January 2013 amending Regulation (EC) No 1406/2002 establishing a European Maritime Safety Agency (EMSA)
- 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)
- Commission Delegated Regulation (EU) 2019/2122 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.
- Regulation (EU) 2019/1149 of the European Parliament and of the Council of 20 June 2019 establishing a European Labour Authority, amending Regulations (EC) No 883/2004, (EU) No 492/2011, and (EU) 2016/589 and repealing Decision (EU) 2016/344

- 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

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

### **Financial Mechanisms**

17. 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.

18. 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.

19. 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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