

EEE 1605/24

DRAFT MINUTES

Subject: Draft Minutes of the 58th meeting of the EEA Council (Brussels, 28 May 2024)

DRAFT MINUTES
of the 58th meeting of the
EEA COUNCIL
Brussels, 28 May 2024
(Check against delivery)

CONTENTS

Page

1.	Adoption of the Provisional Agenda (EEE 1603/1/24 REV 1)	5
2.	Approval of the minutes of the 57 th meeting held in Brussels on 20 November 2023 (EEE 1602/24).....	5
3.	Progress report by the EEA Joint Committee (EEE 1601/24)	5
4.	Resolution of the EEA Joint Parliamentary Committee adopted following its 60th meeting in Vaduz on 15 December 2023 on the Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2022.....	5
5.	Assessment of the overall functioning of the EEA Agreement	7
6.	Orientation Debate: <i>The role of the green transition in Europe's competitiveness: challenges and opportunities</i>	22
7.	Other business	37

Annex I:	List of Participants	39
Annex II:	Progress report by the EEA Joint Committee (EEE 1601/24)	42

The EEA Council held its 58th meeting in Brussels on 28 May 2024.

The meeting was chaired by Ms Hadja LAHBIB, Minister of Foreign Affairs, European Affairs and Foreign Trade and the Federal Cultural Institutions of Belgium. Minister LAHBIB was accompanied by Mr Maroš ŠEFČOVIČ, Executive Vice-President of the European Commission, and Mr Marko MAKOVEC, Deputy Managing Director for Europe, representing the European External Action Service (EEAS).

The EEA EFTA side was led by the Minister of Foreign Affairs of Iceland, Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR. Minister GYLFADÓTTIR was accompanied by Mr Espen Barth EIDE, Minister of Foreign Affairs of Norway and Ms Dominique HASLER, Minister of Foreign Affairs, Education and Sport of Liechtenstein.

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

Opening statement of Minister Ms Hadja LAHBIB on behalf of the European Union

Dear colleagues from Iceland, Norway, 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.

I take also the opportunity to welcome back again to this session Minister Gyolfadóttir as Minister for Foreign Affairs of Iceland, representing the Chair of the Standing Committee of the EFTA States.

Before we go into the substance of our agenda, I would like to express my thanks to you and to the EFTA Secretariat for the excellent cooperation in finalising the arrangements for this 58th session of the EEA Council.

I am looking forward to a fruitful exchange and discussions!

Opening statement of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Thank you, Chair, for the welcoming words. Let me also take the opportunity to congratulate everyone on the 30th anniversary of the EEA Agreement. We look forward to the discussion and exchange of views with our EU partners.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

Let us now move to the formal agenda of our EEA Council, as set out in document 1603/1/24 REV1.

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 4 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 Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Thank you, Chair, we can agree to this.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

Thank you very much.

Items 1, 2, 3, and 4 of the agenda are therefore adopted.

1. **ADOPTION OF THE AGENDA**

The EEA Council adopted the Agenda, as set out in EEE 1603/1/24 REV 1.

2. **APPROVAL OF THE MINUTES**

The EEA Council approved the minutes of the 57th meeting of the EEA Council, which took place in Brussels on 20 November 2023, as set out in EEE 1602/24.

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 1601/24.

4. **RESOLUTION OF THE EEA JOINT PARLIAMENTARY COMMITTEE adopted following its 60th meeting in Vaduz on 15 December 2023 on the Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2022**

The EEA Council adopted the Resolution.

5. ASSESMENT OF THE OVERALL FUNCTIONING OF THE EEA AGREEMENT

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

Let us move on to item 5 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.

This year is a historic one: we celebrate the 30th anniversary of the entry into force of the EEA Agreement. The Agreement which unites our countries in the internal market has been the bedrock of our close and special partnership. Looking back at these past 3 decades, I trust that we all share in the assessment of our EEA cooperation as a key factor in support of our continuous development, long-term shared prosperity, peace and stability.

Our leaders had opportunity to celebrate this exceptional milestone in Brussels, in the margins of the European Council on 22 March. We look forward to continue to mark that momentous occasion, and celebrate the success of our enduring cooperation together. A Joint Statement of the Parties to the EEA Agreement on the occasion of the 30th anniversary of its entry into force will be published at the end of our session.

In the current geopolitical context, marked by Russia's war of aggression against Ukraine, and the recent developments in the Middle East, the special partnership between the EU and the EEA EFTA States has proven itself to be more important than ever. We continue to stand 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.

In a world of resurgent nationalism and authoritarianism, in which geopolitical tensions create real threats to our citizens, we have stood firmly on the side of wisdom, cooperation and deeper integration among our nations. I would like to thank you for this today.

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 2023.

We would like to welcome the incorporation of certain important pieces of legislation into the EEA Agreement. A number of these have been long overdue pending, such as the decisions concerning Ship Inspection, Market Surveillance and Compliance of Products, and Regulations on the European Labour Authority and the European Maritime Safety Agency. At the same time, important new legislation on EU emission trading schemes came into force across the whole EEA on 1 January this year, an expression of our joint political priorities and ambitions in the climate field.

We hope for increased efforts to conclude discussions on some important pending legislations. The Presidency would like to specifically mention the energy and financial services sectors, as well as the oldest pending acts in the package on genetically modified food and feed, as well as still pending acts in the field of competition.

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

Efforts to drive 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 Commission Vice President Maroš ŠEFČOVIČ.

Maroš, you have the floor.

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

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

On behalf of the Commission, I am pleased to share with you our assessment of the functioning of the EEA Agreement. I am pleased by our continued very close cooperation. You are, as we keep repeating, our closest and most integrated partners.

Let me first recall – that this is the year that marks 30 years of the EEA Agreement – which has shown both its robustness, as well as its flexibility. I am glad that this occasion was marked also jointly by the EU and EEA EFTA States' leaders during the European Council meeting on 22 March.

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

In this context, I am pleased that since our previous EEA Council meeting, Norway has joined the EU Act in Support of Ammunition Production (ASAP) and the European Act on defence industry reinforcement through common procurement (EDIRPA). Moreover, with very successful results.

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 20 November 2023, we have adopted 158 Joint Committee Decisions incorporating 296 legal acts. In this period, we incorporated several important pieces of legislation in key areas such as transport, climate and financial services,

including several acts from the old backlog, which have been under discussion for years – such as ship inspection and the European Maritime Safety Agency file, as well as new political priority acts, such as the enhanced Emission Trading Scheme package, which came into force on 1 January 2024 simultaneously across the whole EEA, thanks to big efforts on both sides.

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

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

We found solutions for acts which had been stalled for years; this should serve as inspiration for the conclusion of discussions and incorporation of remaining pending acts into the EEA Agreement.

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

I would like to encourage you to keep up the momentum, keeping in mind the obligation in Article 102 of the EEA Agreement to incorporate “as closely as possible to the adoption by the Union” to permit simultaneous application across the EEA to fulfil the legal obligation to ensure homogeneity and a level playing field.

The example of sensitive and complicated ETS files shows that it is possible to adhere to the requirements of Article 102.

As mentioned previously, despite several successes in tackling the old backlog, the oldest and most extreme example showcasing the problem continues to be the Regulation on genetically modified food and feed from 2003, which has still not been incorporated into the EEA Agreement.

Other examples where the old backlog is substantial are concentrated in the energy field.

We appreciate your willingness to tackle the energy acquis backlog, as illustrated by the reply to the letter from Commissioner Simson specifically urging speedy incorporating of the Renewable Energy Directive, and we are looking forward to seeing the results.

Also, I appreciate the considerable progress in the area with the biggest, even if not necessarily oldest, backlog – financial services. This is well noted and we are looking forward to further reduction of this backlog.

Finally, let us also remind that our work on aviation safety is not over and that we still expect the integration of the Directive on Helicopter Offshore Operations.

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

Constitutional requirements are an integral part of the EEA framework, but their number continues to be at a very high level and has risen again to almost 30 [the exact number is 27].

Moreover, we have not seen any new notifications of fulfilment since 1 February 2024. Additional acts whose entry into force is linked to those with constitutional requirements are concerned too, thus the actual number of delayed acts is much higher – as well as the impact on homogeneity of our common European Economic Area.

Once in force, sufficient attention has to be paid to the proper enforcement of the acts incorporated into the EEA Agreement. This also is essential to safeguarding the rights guaranteed under the Agreement and its potential. With this in mind, since our previous meeting, we have launched regular Surveillance Policy Dialogues with the EFTA Surveillance Authority, and I am pleased that the next one will be taking place soon, on 4 June.

Finally, as you know, in Articles 115 and 116 of the EEA Agreement, the Contracting Parties agreed on the need to reduce the economic and social disparities between their regions. To this end, the EEA Agreement provides for a Financial Mechanism for the EEA EFTA States to contribute, in addition to the efforts already deployed by the EU in this regard.

The negotiations on new EEA and Norwegian financial mechanisms were completed following our previous meeting, still in November 2023. We need to make sure that implementation starts soon, and I would like to urge adoption procedures to be completed shortly.

This will address the actual needs on the ground, and reflect and accompany increased EU investment into social and economic cohesion. We need to be mindful of the time necessary for the setting up of the grants and their implementation.

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

Thank you.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Dear Ministers, Colleagues,

The 30th anniversary of the EEA Agreement represents a major milestone in the unique journey of cooperation between the EEA EFTA States and the EU.

On 22 March, our Prime Ministers met with the Heads of State and Government of the EU to celebrate this anniversary and the achievements made possible through our collective efforts and dedication to the EEA. As the closest of partners, they once again reaffirmed the shared values at the core of our cooperation: democracy, the rule of law and human rights.

We have faced several joint challenges since 1994, but we have always managed to solve these within the framework of the EEA Agreement. It has remained a solid framework for reliable and rules-based multilateral cooperation in Europe. Increasingly, we now see [also in Europe] that fundamental values are being undermined, and that multilateralism, free trade and international cooperation based on respect for common rules are increasingly under pressure.

The EEA EFTA States and the EU have cooperated closely on pressing issues such as climate change and the COVID-19 pandemic. Importantly, the EEA EFTA States have aligned themselves with the EU's efforts to support Ukraine, including EU sanctions against Russia and Belarus, and we will continue to stand in solidarity with Ukraine until victory. As we reflect on 30 years of EEA cooperation, we are again reminded that global challenges such as these are best tackled with unity.

Against this background, we take note of the European Council's decision to open accession negotiations with Ukraine, Moldova, and Bosnia and Herzegovina. We will continue to follow the discussion on EU enlargement and the implications this may have for the Internal Market and the EEA. We hope to have a continued dialogue with you on this in the time to come.

Ministers, colleagues,

The 30th anniversary of the EEA Agreement offers an opportunity to reflect on the future of the Internal Market. The new geopolitical reality in which we now find ourselves requires us to consider the resilience of the Internal Market carefully.

At our last meeting in November, we had a thorough discussion on economic security. It is our common goal to ensure a well-functioning and globally competitive Internal Market. One way to achieve this is to keep your strategic partners close. The EEA EFTA States are fully integrated in European value chains, and we continue to engage in collective efforts to support the twin green and digital transitions. With this in mind, we have noted the increasingly horizontal nature of EU legislation and the increased linkages between external trade and the Internal Market. It is important to keep in mind that the Internal Market covers 30 states, not only 27 states, and that the EEA EFTA States should be included in its strategic evolution.

In this context, we have taken good note of the recent report on the Future of the Single Market by Enrico Letta, who will participate in our anniversary conference later today. The EEA EFTA States provided input to his work, and the report contains much food for thought on how to better address new global challenges and contribute to increased competitiveness across the EEA. I would like to draw attention to the Letta report's discussion on the EEA Agreement, and its emphasis on the importance of our partnership in efforts to enhance Europe's economic security, resilience and competitiveness. Let me also express our agreement with the important statement in the report that it is crucial to ensure that developments in EU policy do not inadvertently erect barriers within the Single Market.

We also look forward to the upcoming report by Mario Draghi on the future of Europe's competitiveness. Looking ahead, we welcome the active and constructive dialogue on how to best adapt our common market to both current and future global contexts. The two reports provide an excellent starting point for exchanges between the EEA EFTA States and the EU on this topic.

Ministers, colleagues,

This is an important year for Europe, with European Parliament elections and the appointment of a new Commission President and College for a new five-year term. A new President of the European Council will also be appointed. With a view to the next legislature, we will continue engaging with you at an early stage to further develop our common market. This includes outreach activities that strengthen knowledge and awareness of the EEA Agreement.

In relation to this anniversary year, we have heard many success stories related to the EEA cooperation. Individuals and businesses across all 30 EEA States have benefited greatly from the legal certainty, equal treatment and predictable conditions that the Agreement provides.

The institutional framework of the EEA Agreement has remained stable, and we continue to base our cooperation on the two-pillar structure that has served us well.

The EEA Agreement thrives due to its dynamic nature. Since the last EEA Council meeting in November, we have incorporated 296 legal acts thanks to our excellent cooperation. Among these are several noteworthy files, including the Ship Inspection Package, the European Labour Authority Regulation, ASAP and EDIRPA.

Ensuring that the Internal Market continues to function well also requires us to reduce the number of EU legal acts pending incorporation into the EEA Agreement. This is a key priority for the EEA EFTA States. Whilst we have seen progress over the last months, the backlog remains high, and we will continue to target older files dating from before 2020 through a dedicated Action Plan. We have taken note of the ones mentioned by the EU today. We are hopeful that this approach will contribute to a further reduction of the old backlog. We can also note that the number of constitutional requirements of the EEA EFTA States has been reduced.

Let me also note that we are pleased that an Agreement was reached at negotiators' level on the EEA Financial Mechanism for the period 2021-2028 between the EEA EFTA States and the European Commission on 30 November last year, and in parallel on the Norwegian Financial Mechanism, for the same period between Norway and the Commission. Agreements at negotiators' level were also reached between the Commission, Norway, and Iceland on market access for fish and marine products for this period.

The EEA EFTA States stand ready to sign the Agreements. In view of the approval process in our Member States it is important that we gain clarity on the next steps ahead and timelines for the EU side as soon as possible. It is important that we move ahead to ensure sufficient time for implementation and any further delay will contribute to continued uncertainty for everyone, and in particular for the beneficiary states.

Ladies and gentlemen,

The reality confronting us today is very different from the situation we were in 30 years ago. Fortunately, the EEA Agreement has remained a strong platform for cooperation between like-minded partners. It has enabled us to extend our cooperation to important areas in today's context, such as defence. As we look towards the future, it is ever more important that we continue to stand together to address global challenges with unity and agility. Our close partnership and constructive cooperation are underlined in a joint celebratory statement that will be published after this meeting.

To conclude, we would like to thank the EU Presidency, Belgium, for the excellent cooperation during your term, and for your efforts in facilitating our participation in informal Ministerial meetings. We now look forward to working with Hungary during its Presidency in the second half of this year.

We thank you again for 30 years of excellent EEA cooperation, and we look forward to celebrating the anniversary at the conference after this meeting.

Thank you.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

I will now give the floor to the EEA EFTA states for their statements.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of Iceland

Dear Ministers, Colleagues,

Allow me now to make a statement on Iceland's behalf.

The EEA Agreement has demonstrated that it is both a durable and solid framework for our co-operation, while providing us with the flexibility to evolve in view of the fundamental changes that Europe has gone through during the last three decades. While strongly anchored in the four freedoms, it has also in recent years served as a platform for the co-operation between us in tackling as diverse challenges as climate change, the digital transition and a global pandemic.

Anniversaries are often a time of reminiscence. There is a lot that we can be proud of when reflecting on the past 30 years. However, we are currently living in times of increased uncertainty, volatility and conflict in global affairs. Russia's illegal war of aggression in Ukraine has of course fundamentally changed Europe. We are witnessing increased tension in world affairs, heightened competition between the major economic powers and a slide towards protectionism in international trade. It has never been more important to reaffirm our commitment to the rules-based international order, to free trade and to approaching international co-operation not as a zero-sum game but as a collaborative effort that benefits everyone.

Meanwhile, we - the 30 EEA States - that form the world's largest marketplace are increasingly faced with questions on how to maintain the strength of our economies in face of increased global competition, demographic challenges, and rapid technological changes. Policy makers across the

EEA are more and more preoccupied with questions on how to ensure the resilience and long-term competitiveness of their economies while also protecting their vital economic and strategic interests. These are the themes that run through the Letta report on the Future of the Single Market and will undoubtedly also guide the upcoming Draghi report on Europe's competitiveness.

We also note that the former President of Finland, Sauli Niinistö, has been tasked with reporting on Europe's civilian and defence preparedness and readiness. All valuable and timely contributions.

Under the present geopolitical circumstances, issues relating to protecting our economic security, ensuring the resilience and preparedness of our societies and promoting economic growth and increased competitiveness are all closely interlinked. We expect that these issues will remain high on the agenda of the new European Commission, as well as of the new European Parliament, with elections starting in just a few days.

With these issues increasingly shaping the EU's legislative agenda implies also that these issues will be high on the agenda of the EEA co-operation in the coming years. Let me emphasise two important considerations in this context. First of all, we need to approach these issues in the EEA context with the same spirit of pragmatism that has guided our work in the past 30 years, while at the same time respecting the fundamental tenets of the EEA Agreement. Secondly, we cannot lose sight of the fact that we are bound in a common internal market, based on free movement and equal conditions of competition. Measures taken to respond to increased protectionism and competition from other economic powers should not result in fragmentation of this internal market or raise new barriers within the EEA - which would inevitably lead to loss of our collective competitiveness and reduce our joint economic security.

Let me in this context emphasise that the EEA Agreement is based on equal access. This does not only apply to access to markets – but also to our participation in EU Programmes that have been included in the EEA Agreement. Indeed, the EEA Agreement explicitly states that our participation shall include all parts of any programme we participate in. Unfortunately, there have been instances where we have been excluded from certain projects in programmes, including in Horizon Europe, where we are participating in. This is not in our common interest and we must also work together to avoid causing fragmentation in this essential part of our relationship.

The EEA Agreement continues to function well. And while we often use procedural benchmarks to assess its functions, such as the numbers of decisions adopted by the EEA Joint Committee or acts incorporated into the Agreement, there are more important benchmarks that demonstrate its

robustness and relevance. These include the tangible benefits that the Agreement continues to deliver to our citizens and businesses, but also its more intangible value in promoting and protecting the fundamental values such as democracy, the rule of law and human rights upon which it is based. Rarely has the protection of these values been as important as it is today.

Allow me also to use this opportunity to express our thanks and gratitude to the Belgian Presidency for the excellent co-operation we have enjoyed with them during this anniversary year. In particular, I would note the effort in ensuring that we can adopt the celebratory joint statement on the anniversary of the EEA Agreement at this meeting. Also, a sincere thank you to the Secretariat-General for all its excellent work, the External Action Service and our EFTA Secretariat. Thank you also Hadja and Maroš for taking the time to participate in the EEA anniversary conference with us later this afternoon. Finally, let me emphasise that democracy is among the fundamental values of our co-operation. We are shocked by the appalling attack on Robert Fico, the Prime Minister of Slovakia, and there is no place for political violence of this sort in peaceful democracies. Our thoughts remain with the Prime Minister, his family and friends.

Thank you.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

I would now like to give the floor to my colleagues from Norway and Liechtenstein for additional thoughts from their national perspectives.

Intervention of Minister Mr Espen Barth EIDE on behalf of Norway

The Norwegian Minister of Foreign Affairs, Espen Barth Eide, based his statement on the following:

- EEA Agreement 30 years - the single market is the world's largest and our most important market –it has provided growth and development for 30 years for everyone.
- We are not just talking about an economic market, but a community of values with a common set of principles related to Rule of law, Democracy, Human Rights and so forth.
- This was important when the EEA Agreement was negotiated and entered into force. There were great expectations then: “What we did in Europe would matter”.

- It is even more important today.
- WTO was established a year after the EEA Agreement entered into force.
- In the 1990s the world opened up, we were optimistic and believed in a new era of cooperation on common solutions and a common set of rules for multilateral trade.
- The multilateral trading system is now under severe pressure.
- The WTO has major problems. We saw it during the WTO's Ministerial Conference in Abu Dhabi, where no agreement was reached: neither on a revised agreement on dispute settlement nor on fisheries subsidies.
- All this shows a system is in deep crisis. The main focus is not on cooperation in finding solutions. One rather sees bloc formation and protectionism.
- Therefore, the internal market and the cooperation we have with the EU through the EEA Agreement will become even more important.
- The relative share of our trade with each other will go up when trade with others goes down.
- The Norwegian report by the committee assessing the EEA Agreement and Norway's experience of cooperation over the past ten years also confirmed this.
- The report concluded that the Agreement has delivered on its promise.
- We need to deliver on the backlog. It is taken very seriously.
- The Agreement is the backbone of our relationship with the EU and our most important international agreement.
- Furthermore, as the scope of the EU expands, we will have to continue to develop the cooperation between Norway and EU.
- Norway has close to 100 agreements with the EU. In a few hours, another one: A Security and Defense Partnership.

- This year we also celebrate 20 years anniversary of the enlargement of the EU and the EEA with 10 new members. EU enlargement is also important for the EEA. New EU members will become parties to the EEA Agreement as well.
- Norway is ready to support accession of any country that fulfils the conditions.
- Satisfied that the negotiations on a new period for the EEA and Norway Grants have been completed. 15 Beneficiary States. Now we look forward to progressing with the approval to ensure timely implementation. Norway stands ready to sign.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

And now we will hear from Liechtenstein.

Intervention of Minister Ms Dominique HASLER on behalf of Liechtenstein

Dear Vice-President, dear Ministers, dear colleagues,

In 2024, we celebrate one of the most important Agreements my country ever entered into.

The Agreement on the European Economic Area gives us access to something that is – in Letta’s words – much more than a market. It gives us access to a room of prosperity, open borders, ideas, potential and minds. It is the most potent tool for Europe’s competitiveness.

Anniversaries are a good occasion to reflect upon what worked well and what may need revision. The Letta report provides important guidance in this regard and we are eager to see and to contribute where possible to its follow-up. It was interesting, reading the conclusions of the Competitiveness Council from last Friday in this regard.

One of the report’s most important messages for my country is certainly the re-flection that while the EU needs to brace itself for tougher geopolitics and fiercer competition with third states, it should prevent fragmenting the Internal Market while doing so. Here, the Foreign Subsidies Regulation comes to mind.

If the EU makes full use of the political potential and external dimension of the Internal Market, it should factor us in as we too are part of Europe’s competitiveness and have been for the past 30 years.

We should also be factored in when it comes to the evolution of the Internal Market by enlargement. If on its path to enlargement, the EU gradually integrates candidate countries into the Internal Market, such developments also need to be reflected in our relations with these countries.

The same logic applies to the extension of the Internal Market to Andorra and San Marino. Here too, we will have to look into how to ensure mutual market access between our respective economies. There is a lot of discussion on the strategy of an EU industrial policy.

The last European Council stated a need for a policy shift in light of geopolitical tensions and last Friday, the Council adopted conclusions on the future of the EU's industrial policy.

Whatever will be the outcome of this ongoing process, we hope the approach will be truly European when investing in strategic sectors and keep interferences with market forces at an absolute minimum. Commission Executive Vice-President Vestager's words come to mind that "Europe (...) needs to get back to basics: remove barriers, enforce existing rules." This too will strengthen EU industries and keep them on the continent.

In this context, Letta also underlined the need to scale up. And added that the vital link between large and small enterprises on which the European model thrives, must be preserved. Representing a country with a large number of SMEs, I am well aware what an important contribution to economic growth they can make if provided with the right conditions. And while we agree with Letta's assessment that size matters, Europe's competitiveness also depends on making full use of the potential of its SMEs and ensuring their successful participation in the Internal Market. Against this background, we welcome the recent conclusion of the Competitiveness Council to identify and withdraw obstacles for the growth of companies, including SMEs.

Talking about scale, I would also like to add a word on the EEA Grants. While our contribution is small in comparison to the total of EU cohesion funding, we have managed to make a difference in the past and are ready to continue the good cooperation with the Beneficiary States as soon as possible. To conclude: 2024 is a year to celebrate our participation in the EU Internal Market. Now that we move forward and attempt to modernise it and adapt it to new realities, we should be led by its core idea: Harmonise as much as possible, prevent fragmentation and expand it wherever possible.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

Maroš, do you have further comments on this topic?

Colleagues, would you like to add anything to the discussion?

As there are no further comments, we can close this item.

6. ORIENTATION DEBATE: The role of the green transition in Europe's competitiveness: challenges and opportunities

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

Let us now turn to the next item on the agenda, our orientation debate on “The role of the green transition in Europe's competitiveness: challenges and opportunities”.

Dear colleagues,

We are in a phase of significant technological, economic and geopolitical changes. These have far-reaching implications for Europe's competitiveness.

The crises of recent years, such as the COVID-19 pandemic and the Russian war of aggression against Ukraine, have put European companies and their supply chains under severe pressure.

In addition, the US Inflation Reduction Act with its discriminatory provisions is likely to have considerable negative effects on our economy, as it provides generous incentives for setting up the production of clean technologies in the US, partly in an unfair manner and discriminating against European players.

In the face of geopolitical tensions and more assertive policies from our international partners and competitors, but also with a view to our long-term productivity and technological and demographic trends, Europe needs a policy shift that builds on our competitive strengths.

Collective action at European level is crucial to strengthen the competitiveness of our industry, to increase the prosperity of our economy and the well-being of our citizens, and to secure Europe's leading role on the international stage.

This was also emphasised in the high-level report "Much more than a market" that Enrico Letta recently presented to the European Council. And in the coming weeks, another former Italian Prime Minister, Mario Draghi, will publish a report on competitiveness.

The EU has set itself ambitious goals to become a digital leader in the world and achieve climate neutrality by 2050. These intentions offer important opportunities for building industrial leadership and creating quality jobs in Europe.

At the same time, we need to take appropriate measures and promote a more innovation-friendly environment. Excellent science that accelerates market uptake and industrial implementation of innovations should be our basis to overcome Europe's innovation and growth gap with the rest of the world and regain our leading role compared to the other major economies.

The Commission tabled last year in February its “Green Deal Industrial Plan for the Net-Zero Age”. It can be seen as the starting point for defining a net-zero centred industrial strategy. The aim is to simplify, accelerate and align incentives to preserve the competitiveness and attractiveness of Europe as an investment location for net-zero industry.

I believe that by adopting the Net Zero Industry Act we have managed to contribute to accelerating the deployment of Europe’s net-zero industry, which is needed to support the transition to climate neutrality. It constitutes a coordinated policy response and should enhance Europe’s economic resilience.

Together with the Critical Raw Materials Act, the Net Zero Industry Act represents the EU’s regulatory response to the US Inflation Reduction Act and similar measures taken by China, Japan and other major international competitors of strong geostrategic interests.

The Net Zero Industry Act and other important legislative initiatives supporting the transformation of the European economy, such as the Chips Act, the Critical Raw Materials Act and the reform of the EU’s electricity market design, now need to be implemented in reality.

We also have strong legislation in place that more particularly targets greenhouse gas emissions. The newly adopted laws under the so-called “Fit for 55” package is intended to create the conditions for a 55% reduction of greenhouse gas emissions by 2030. It addresses a wide range of policy areas, from energy efficient buildings to zero-emission vehicles. Thanks to the clear, forward-looking rules, European industry benefits from a stable framework, creating investment security and regulatory certainty.

These various initiatives are intended to pave the way for Europe to achieve climate neutrality and become a global leader in the era of net zero industry, both in terms of technology and the fight against climate change.

In April 2024, the European Council set out the path towards a new European competitiveness deal. It emphasised the EU's commitment to act decisively to secure its long-term competitiveness, prosperity and leadership on the world stage and to strengthen its strategic sovereignty.

EU leaders called for decisive and swift action to develop and implement an effective industrial policy in dialogue with stakeholders. We aim to decarbonise our industry in a competitive manner, build the Union's competitive advantage in digital and clean technologies, and diversify and secure strategic supply chains.

Competitiveness is one of the political priorities of the Belgian 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.

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.

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, and for the green and digital transition of our economy.

I would like to particularly highlight the need to cooperate on the international stage. The next UNFCCC Climate change conference, COP29, in November this year will be an important stepping stone towards the next round of nationally determined contributions (NDCs). The EU is leading the push for all parties to adopt ambitious NDCs that are aligned with the 1.5°C pathway. Doing so will not only be beneficial for the climate, but also create a level playing field for business environments globally.

We need to join forces even more and work for our common goal of building long-term competitiveness in the internal market.

With that, I would like to pass the floor to the European Commission, followed by the EEAS, for their considerations on the subject.

Maroš, please you have the floor.

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

Thank you, chair, for the opportunity to speak on this very important issue, which is at the core of our ongoing cooperation.

The European Green Deal is the centrepiece of our fight to achieve climate neutrality with vibrant nature by 2050. It has set in motion the transformation of our society and economy. It aims to transform the EU – and the EEA – into a modern, resource-efficient, climate-neutral and competitive economy which addresses climate and environmental risks. But it is also our strategy for long-term growth and prosperity. And as such, it offers significant economic opportunity.

Four-and-a-half years since we started, we have made significant progress. We have largely finished putting in place a solid and comprehensive legislative framework for this transformation – one that many of our international partners look up to. And our efforts are increasingly producing concrete results.

We remain committed to our climate and environmental objectives despite challenges such as energy market volatility and geopolitical tensions.

The long-term success of the European Green Deal will depend on its effective implementation, which can only be achieved through the joint efforts of the EU, Member States and stakeholders – including our EEA partners.

It is imperative that we keep everyone on board with the ambitions of the European Green Deal. The EU's green transition can only be a success if it is fair and just. By providing support to workers and regions most affected by the shift to a low-carbon economy, the EU is demonstrating its commitment to building a sustainable and inclusive future for all Europeans.

With the Green Deal agenda, the EU has become a global standard setter, inspiring global partners also to embark on this path.

European Green Deal initiatives benefit EU citizens and EU companies and have already led to impressive results. To mention a few examples:

- The Fit for 55 package, an ambitious and extensive package of legislative measures to tackle the climate crisis, will accelerate our decarbonisation efforts and set us on a path to reach climate neutrality by 2050 at the latest, while leaving no one behind.
- We have shown that it is possible to decouple economic growth from emissions: since 1990, greenhouse gas emissions have dropped by 32.5%, and our economy has grown by close to 70%.
- With REPowerEU, we won the energy war waged by Russia against our economy: we avoided blackouts; brought energy prices down close to pre-war levels; and doubled down on clean, affordable and home-grown renewable energy. EEA partners helped us hugely in this challenge.
- In May 2023, for the first time in history, the EU produced more electricity from wind and solar than from fossil fuels.
- And we are refocusing on what European industry needs to win the global race to net zero, from the net-zero industry act to the critical raw materials act and the hydrogen bank – all game-changing legislative initiatives.

Going forward, Europeans will increasingly see clean electric vehicles and charging infrastructure on our streets, more and more renewable energy powering our lives, and more energy efficient products and homes, products fit for repair and recycling.

At the same time, we are putting our money where our mouth is. For instance, we are putting a price on polluting emissions in more sectors, and the money raised will be spent on the green transition and to assist citizens with the costs of the transition.

Secondly, with the Strategic Technologies for Europe Platform (STEP), we are supporting companies by mobilising the necessary funding available across various EU programmes to stimulate investments in critical technologies.

Meanwhile, the EU budget is on track to deliver its climate mainstreaming objectives, dedicating EUR 578 billion, or 32.6%, to climate mainstreaming. This is unprecedented in terms of scale and shows our collective dedication to implement our green goals.

The greening of the EU budget is not only a matter of how much we spend, but also about tangible results that are visible for EU citizens, for example:

- 459 362 households have improved their energy classification through the Regional Funds;
- A reduction of nearly 14.2 terawatt hours of annual energy consumption was achieved thanks to the unique Recovery and Resilience Facility;
- 3 640 gigawatts of additional renewable energy has been financed by the Regional Funds.
- 314 endangered species loss has been halted or reversed by the LIFE programme;

Following up on the review of the 23 Recovery and Resilience Facility plans in December last year, the programme is going to deliver an unprecedented EUR 275 billion, further increasing the climate results from the EU budget.

These are important signals to the rest of the world. At the same time, it is crucial that we continue to work together with Member States, businesses and civil society to implement what we have committed to, and to redouble our diplomatic efforts to ensure our international partners also step up to the plate. The outcome of COP28 has been encouraging in that regard, but now it comes down to making good on our promises.

The legislative building blocks for the transition are in place, but now we need to make sure that the green transition actually becomes a reality and delivers for everyone. We aim to collaborate closely with industry, Member States and other stakeholders to make this happen.

President von der Leyen has called for Clean Tech Industry dialogues to bring the entire value chain from suppliers to consumers to innovators to one table to discuss what it takes to unlock the investment, to seize the opportunity of increasing growing global demand.

A substantial number of clean transition dialogues have taken place over the last few months, including on hydrogen, energy-intensive industries, clean tech, critical raw materials, green infrastructure, forest-based bioeconomy, cities, steel, clean mobility and construction.

Dialogue participants highlighted the need to strengthen the business case for a resource-efficient and competitive economy. These insights confirm the need for a reinforced industrial approach and to accelerate and increase investment along entire value chains.

On 10 April 2024, the Commission published a Communication to take stock of what we have learned from these discussions and how these insights could inform future policy initiatives.

The Communication highlights a number of key building blocks that have been identified through the Dialogues and which could support a reinforced industrial approach to deliver on the European Green Deal:

- an effective and simplified regulatory framework for businesses to deliver on the transition;
- abundant and affordable clean energy;
- modern infrastructure;
- easier access to finance; and
- a stronger Single Market in a globally competitive environment.

The Communication also sets out actions. We have launched work on implementing the actions falling in our realm. While some are for the Commission to implement, others are for co-legislators. And Member States also need to do their part to reinforce our industrial policy, for example through swift implementation of the new permitting rules. We also call on co-legislators and Member States to prioritise delivery on the strengthening of the industrial approach.

The Commission will continue its engagement with industry and social partners through the Clean Transition Dialogues and it stands ready to engage in a thorough debate with the Council and the European Parliament on the key factors that need to be addressed.

Separately, we recently launched a Strategic dialogue on the future of agriculture. I look forward to seeing the results of this joint effort of key stakeholders from all segments of the agri-food value chain.

It is clear the Green Deal must also be an industrial decarbonisation deal. An enabling framework for decarbonised industry should complement a strengthened EU industrial policy with resilient value chains, notably for primary and secondary critical raw materials, and increased domestic manufacturing capacity in strategic sectors and the principle of competitive sustainability fully incorporated in public procurement.

This would require well-resourced funding mechanisms and, in particular, the mobilisation of private funding, as well as the creation of lead markets. This includes the use of public procurement

rules, market-based incentives, standards and labels to steer consumption towards sustainable, near-zero carbon materials and goods.

No matter what the European Parliament will look like after the elections in June, I believe these are issues that the next Commission will have to take a close look at, including in the context of the discussions on the EU's transition to a largely decarbonised economy by 2040, which have only just begun.

I will finish by underlining the importance of working with our EEA EFTA partners on all of these issues, strengthening our single market and our competitiveness. We have a shared interest in sustaining and multiplying our collective efforts within our common framework.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

I now wish to give the floor to the EEAS representative. Please Marko, you have the floor.

Intervention of Mr Marko MAKOVEC on behalf of EEAS

Russia's unprovoked military aggression against Ukraine massively disrupted the global energy system, affecting not only Europeans but people in all corners of the world. It demonstrated the fragility of the global fossil fuel economy and the risks of over-dependency on a single supplier.

The EU responded effectively, safeguarded the European Green Deal, and further accelerated its clean energy transition. The EU, which used to depend on Russia for half of its gas supply, embarked on an accelerated path of decarbonisation and supply diversification that reshaped global energy flows.

Reliable fossil fuel suppliers, such as Norway, have been instrumental in our immediate diversification efforts, finding alternative supplies and ensuring our energy security.

At the same time, the EU response to Russia's energy blackmail was to accelerate the clean energy transition:

- 1) First, by saving more energy. Our gas imports went down from nearly 400 billion cubic meters to under 300 billion cubic meters last year due to energy saving measures.
- 2) Second, by electrifying EU's economy through the rollout renewables – which, in 2023 alone, displaced an additional 13 billion cubic meters of gas demand in the EU on top of the energy savings.

- 3) And third, strengthening our green partnerships with long-standing and reliable partners, as for example the Green Alliance with Norway.

Over the past four plus years, we worked hard to deliver a state-of-the-art legislative framework on the European Green Deal.

While we move with implementation, we must ensure that the European Green Deal can respond to the geopolitical challenges, not least the fierce competition for investment in clean technologies – including through massive subsidy schemes and local content requirements.

The green transition which lies at the heart of tackling climate emergency, is increasingly becoming a foreign and security policy issue. Last March, EU Foreign Ministers underlined their strong commitment to work closely with partners to accelerate the global green transition, making it just and inclusive.

On these tasks, the EU and the EEA-EFTA partners are likeminded. We must work together as we move towards the 29th UN Climate Conference of the Paris Agreement at the end of the year, the COP29 in Azerbaijan.

We must be clear that the Green transition was never only about climate action. It is also our growth and security strategy. It is a necessity for saving our planet from the climate emergency, and for reinforcing our resilience while future proofing our economy. These are prerequisites to safeguard our competitiveness.

I wish to mention three challenging areas that stand out from a geopolitical perspective, on which we could better work together:

First, the security and sustainability of our supply chains. This concern is particularly strong in the field of critical raw materials, where few suppliers dominate global supply. With the Critical Raw Materials Act, we intend to boost domestic production along the value chain, diversify supply, and enable the development of our secondary market. Our dependency benchmark is that not more than 65% of our imports should come from a single third country for each strategic raw material at any relevant stage of processing.

We have already concluded 11 strategic Critical Raw Materials partnerships – the last one with Norway, and we launched the Minerals Security Partnership Forum last April. These Partnerships are mutually beneficial: they improve the EU's security of supply and foster sustainable

development in resource-rich countries, with due attention to human rights and Environmental, Social and Governance standards.

Second, Europe is a net importer of net-zero energy technologies. We run the risk of replacing our dependency on fossil fuels with industrial and technological dependencies in the field of clean technologies.

With the Net-Zero Industry Act, we wish to scale up the EU manufacturing of net-zero technologies, ensuring our security of supply and remaining an industrial leader. We have set a bold benchmark for EU manufacturing capacity, aiming to meet at least 40% of the anticipated EU demand for net-zero technologies by 2030.

This includes hydrogen and Carbon Capture Use and Storage (CCUS), but also wind energy, technologies where Norway in particular is a global leader. The message is clear – joining forces, avoiding distortions and channelling necessary investments, will allow us together to continue to drive the momentum on renewables domestically and globally.

Third, the oversupply, anticompetitive behaviour and export restrictions of third countries.

We do not start from zero. We already have instruments – such as for Foreign Direct Investment screening, the Anti-Coercion Instrument, or the Regulation controlling exports of dual use items – as the basis of our toolbox.

We have taken an approach on our economic security for maximising the benefits of our traditional openness, and remaining committed to multilateralism, whilst minimising the risks from excessive dependencies. This fundamentally about de-risking from our overdependencies and preventing the building up of new ones.

We know very well that these challenges cannot be overcome alone. That is why we have taken a three-pillared approach to responding to risks – aiming not only to protect against risks, but also to promote European competitiveness, and to partner around the world.

To conclude, our foreign, green and economic policies must meet here to ensure that our green transition, which is critical for protecting our planet and future generations, is in tandem with our competitiveness.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

And now I give the floor to the EEA EFTA states. Please Minister you have the floor.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of Iceland

Ministers, Vice-President, colleagues,

Reaching this ambitious goal depends not least on fostering the competitiveness of the internal market and providing the right conditions for green industry and securing supply to support the green transition.

It goes without saying that significant investments are needed to ensure a successful transition to green technologies and practices. This involves substantial upfront costs, which can initially impact competitiveness, especially for industries that currently rely on cheaper energy sources. Significant investment is also required in research, development and infrastructure, where industries need to invest in innovation in order to remain competitive. When engaging private capital for such investment we seem to struggle on the European side, compared to the US, for example.

Another important challenge presented by the green transition is that our industries may face competition from countries with less stringent environmental regulations, potentially putting them at a disadvantage if not managed strategically.

It is also important that we remain vigilant to avoid the risk of ending up in a situation of carbon leakage: where energy-intensive industries would see a benefit in relocating to countries outside the EEA with lower climate ambitions – and all our costly efforts would then be in wane. We must therefore ensure that measures adopted in order to facilitate for the green transition provide the right incentives to help speed up development and facilitate new and necessary energy projects – providing green energy at competitive prices.

We need to be realistic, given the current state of technological solutions and availability of alternative fuels.

It is therefore important to keep in mind that the pendulum could easily swing back if the measures taken only levy great costs to our citizens and economies, without meaningful gains for the environment.

Apart from the obvious environmental benefits, green technologies drive innovation and competitiveness. We have the opportunity to position ourselves as a global hub for green technology innovation, attracting investment and talent. This could lead to the development of new industries and job opportunities.

The further development of green industries is beneficial for us all. In particular for a small country like Iceland, it is essential to participate in the knowledge exchange and have access to larger markets for the green transition.

Let me also emphasise that it is the private sector that will provide the driving force behind the innovation and green technologies that our future competitiveness relies on. For 30 years, the EEA Agreement has succeeded because it has been focused on removing barriers and empowering our enterprises to do businesses across borders. The industrial revolutions required to meet the ambitious targets of the Green Deal will only succeed if we continue on this path of removing obstacles and making it easier to share and trade with new innovative ideas, technologies, and solutions. Here a key aspect is also to be vigilant about the regulatory burden for our companies and innovators.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

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

Intervention of Minister Mr Espen Barth EIDE on behalf of Norway

The Norwegian Minister of Foreign Affairs, Espen Barth Eide, based his statement on the following:

- Green transition - important to all of us. Not possible without the EU's initiatives and plans.
- Personally: Deeply involved in UNs work – COP and Montreal.
- COP15 United Nations Biodiversity Conference in Montreal, December 2022, agreed on a new Global Biodiversity Framework. Moved the work radically forward. Unanimity on direction is quite extraordinary. Not possible without the EU and its Green Deal.

- Impressive what this Commission has been able to do, supported by the European Parliament and Council. A gold standard for the world.
- The world looks a little bit better than before the Paris Agreement and the stocktaking in COP 28 in Dubai, December 2023.
- COP 28 said the right thing: “Transition away from fossil fuels in energy systems”. Now action is required. Important and directly related to competitiveness. The rest of the world also adapts (ex.: IRA).
- Norway as Europe’s largest fuel provider is conscious of our responsibility. Norway has both fossil and renewable energy.
- Fossil fuel will continue to be necessary in the short to medium term. In the long term: Norway is fully aware in our own thinking that this transition should and will happen.
- We need energy and energy must be secured when we need it. Must develop technology and storage systems as well as advanced regulatory frameworks.
- Must use the resources we have in a smarter way. Need for incentives to invest in green solutions, including storing CO2.
- Rewarding and not whipping will lead to a faster path to the goal.
- Also, trust between countries is necessary.
- The EU and the EEA family provide a basis for cooperation and trust. Norway signed the agreement on Green Alliance with the EU in 2023 and in March 2024, the agreement on green industrial partnership. From the beginning, we have an agreement on joint fulfilment of climate targets in non-ETS sectors with the EU and Iceland.
- The US is forward leaning. This is good for the atmosphere. However, the way they do it, with direct subsidies, creates a challenge that we need to deal with together.
- Climate and environment must be seen in context.
- The challenge is nature – we need both clean water and clean nature.

- And we cannot create more nature, so we need to focus on nature conservation. An element that only becomes more and more important.
- It seems to be increasingly difficult to get the citizens to support environmental and nature measures. But this should be a driver for industrial transformation.
- We need to go from fossil fuels to renewables and from linear to circular use of resources.
- These are topics on which we cherish working with you.

Thank you!

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

And now we will hear from Liechtenstein.

Intervention of Minister Ms Dominique HASLER on behalf of Liechtenstein

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

Let me share some critical reflections with you on the ongoing processes in my country. Because we need the public support and that still seems to be a challenge. This January, two draft laws were rejected by the Liechtenstein people. One foresaw a solar obligation and the other more stringent energy-rules for the building sector. The aim of both laws was to reduce the demand for fossil fuels and increase Liechtenstein's self-sufficiency in electricity. Important goals for the green transition obviously. It is now on us to draw lessons from this experience.

The feedback we received on the two proposed national laws, we often also hear from our industry and SMEs with regard to EU legislation: Too detailed rules and very little room to achieve goals by different means. They often argue that too many resources are tied up by reporting obligations that could be invested in research and development to drive innovation. They also admit that they do not always understand what exactly the laws require. We are glad to see that many of these concerns were reflected in the conclusions of the Competitiveness Council last Friday with a view to the future of the Single Market.

The parallels between our national and the EU experience are obvious: A green future depends on a running economy, as does our competitiveness. For that we need to not restrain the capacity of the actors that help us achieve our common goals!

Liechtenstein enterprises are already doing a lot not only because it is the right thing for our environment but also because it makes sense economically.

If we manage to develop policies that take the economic success of our operators as a starting point when moving towards a greener future, I have high hopes that we will achieve both: A green and a competitive Europe.

Intervention of Minister Ms Hadja LAHBIB on behalf of the European Union

Does the Commission and the EEA EFTA side wish to make any further comments?

This point is now closed.

7. OTHER BUSINESS

Intervention of Minister Ms Hadja LAHBIB 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? It does not seem to be case.

Intervention of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Thank you. The EEA EFTA States have no further issues to raise.

Closing remarks of Minister Ms Hadja LAHBIB 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.

Minister, please you have the floor.

Closing remarks of Minister Ms Þórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Thank you, Chair. On behalf of the EEA EFTA States, I would like to express our appreciation for the excellent dialogue we have had in this meeting, as on previous occasions.

Our thanks go in particular to the Belgian Presidency, the European External Action Service, the European Commission and the Council Secretariat for your positive and constructive cooperation over the last months. We look forward to welcoming you to the next EEA Council in EFTA House in the autumn.

We also look forward to continuing the 30th-anniversary celebrations, with the anniversary conference up next, which is another opportunity to continue our fruitful EEA dialogue. Thank you.

Closing remarks of Minister Ms Hadja LAHBIB on behalf of the European Union

The meeting is closed.

27 May 2024

58th meeting of the EEA COUNCIL

(Brussels, 28 May 2024)

INDICATIVE LIST OF PARTICIPANTS AT THE PLENARY SESSION

Icelandic Delegation (EEA EFTA Chair)

H.E. Ms Þórdís Kolbrún REYKFIJÖRÐ GYLFADOTTIR	Minister for Foreign Affairs
H.E. Mr Kristján Andri STEFÁNSSON	Ambassador, Mission of Iceland to the EU
Ms Inga Hrefna SVEINBJARNARDÓTTIR	Political Advisor to the Minister for Foreign Affairs
Mr Ingólfur FRIDRIKSSON	Deputy Director General, European Affairs, Ministry for Foreign Affairs
Mr Finnur Þór BIRGISSON	Deputy Head of Mission, Mission of Iceland to the EU
Ms Katrín A. SVERRISDÓTTIR	Director of EEA Cooperation, Mission of Iceland to the EU

Norwegian Delegation

H.E. Mr Espen Barth EIDE	Minister of Foreign Affairs
H.E. Mr Anders Herrød EIDE	Ambassador, Mission of Norway to the EU
Mr Frode ANDERSEN	Director-General, Department for European Affairs and International Trade, Ministry of Foreign Affairs
Ms Mette JØRANLI	Deputy-Director General, EEA Section, Department for European Affairs and International Trade, Ministry of Foreign Affairs
Mr Jørn GLOSLIE	Deputy Head of Mission, Mission of Norway to the EU
Ms Audhild Nydal ENGER	Senior Adviser, Ministry of Foreign Affairs

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 EEA Coordination Unit
H.E. Mr Martin FRICK	Director of Office of Foreign Affairs
Ms Nuscha WIECZOREK	Deputy Head of Mission, Mission of the Principality of Liechtenstein to the EU
Ms Nicola PFISTERER	Temporary Officer, Mission of the Principality of Liechtenstein to the EU

EU Council Presidency

H.E. Hadja LAHBIB	Minister of Foreign Affairs, European Affairs and Foreign Trade and the Federal Cultural Institutions
Mr Christophe DE NIJS	European Affairs Advisor of the Minister of Foreign Affairs
Mr Christophe DE BASSOMPIERRE	Director, External Relations of the EU, Ministry of Foreign Affairs
Mr Willem VAN DE VOORDE	Permanent Representative of Belgium to the EU

European Commission

Mr Maroš ŠEFČOVIČ	Executive Vice-President: European Green Deal, Interinstitutional Relations and Foresight
Mr Juraj NOCIAR	Head of Cabinet of EVP Šefčovič
Ms Virginie BATTU-HENRIKSSON	Member of Cabinet of EVP Šefčovič
Mr Nicolas VON LINGEN	EU Chair of EEA Joint Committee, Head of Unit SG.H3 - EEA, Switzerland, Andorra, Monaco, and San Marino
Mr Thomas McCLENAGHAN	Senior Expert, Secretariat-General
Mr Matúš MINÁRIK	Policy Officer, Secretariat-General

EU Council Secretariat

Ms Helene HOLM-PEDERSEN	Director, DG RELEX, Enlargement and Europe
Mr Efstratios PEGIDIS	Political Administrator, DG RELEX, Enlargement and Europe

European External Action Service

Mr Marko MAKOVEC	Deputy Managing Director, Directorate Europe
Ms Luciana SANDU-PENKER	Deputy-Head of Division Western Europe
Mr Krassimir NIKOLOV	Policy Officer - Iceland, Liechtenstein and Norway

EFTA Secretariat

Ms Siri Veseth MELING	Secretary-General
Mr Andri LÚTHERSSON	Deputy Secretary-General
Ms Marit C. Schage ANDRIA	Director, Internal Market Division
Ms Gunnthora ERLINGSDÓTTIR	Deputy Director, Internal Market Division
Mr Pétur GUNNARSSON	Head of EEA Policy Coordination, EEA Coordination Division
Mr Oli Dagur VALTYSSON	Acting Head of EEA Legal Coordination, EEA Coordination Division

EFTA Surveillance Authority

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

EUROPEAN ECONOMIC AREA
Council of the EEA

Brussels, 6 May 2024
(OR. en)

EEE 1601/24

REPORT

From: European Commission

Subject: Progress report of the EEA Joint Committee

Decision making

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

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

Decision shaping

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

Briefings in the Joint Committee

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

- [No briefings in this period]

Status of issues outstanding

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

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

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

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

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

Financial Mechanisms

- 10.** 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.
 - 11.** 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.
 - 12.** 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.
-