

EEE 1606/1/17
REV 1

CONCLUSIONS

Subject: Conclusions of the 48th meeting of the EEA Council
(Brussels, 14 November 2017)

1. The forty-eighth meeting of the EEA Council took place in Brussels on 14 November 2017 under the Presidency of Ms Aurelia Frick, Minister of Foreign Affairs of Liechtenstein. The meeting was attended by Mr Guðlaugur Þór Þórðarson, Minister for Foreign Affairs of Iceland, Ms Marit Berger Røsland, Minister of EEA and EU Affairs of Norway, and Mr Sven Mikser, Minister for Foreign Affairs of Estonia, representing the Presidency of the Council of the European Union, as well as by Members of the Council of the European Union and representatives of the European Commission and the European External Action Service. The EEA Council discussed the overall functioning of the EEA Agreement and held an orientation debate on *measures to develop the European data economy*.

Political Dialogue

2. The EEA Council recognised that the close partnership between the EU and the EEA EFTA States was the best guarantee of long-term shared prosperity and stability. In this context, the EEA Council noted that, within the framework of the Political Dialogue, the Ministers would discuss (1) *the implications for the EEA Agreement of the UK's withdrawal from the EU*, and (2) *the Eastern Partnership*. The EEA Council underlined the importance of continuing the practice of inviting officials from the EEA EFTA States to political dialogues held at the level of the relevant EU Council working parties.
3. With regard to the UK's withdrawal from the EU, the EEA Council underlined the importance of safeguarding the EEA Agreement, ensuring the continuation of a well-functioning, homogenous EEA and preserving the integrity of the Internal Market. The EEA Council welcomed the close dialogue and continuous exchange of information that has been established between the EU and the EEA EFTA States on the negotiations between the EU and the UK under Article 50 of the Treaty on European Union regarding the withdrawal of the UK from the EU. The EEA Council, aware of the EEA dimension of the UK's withdrawal from the EU, called for a continuation of this dialogue, to ensure continued homogeneity in the EEA.

Cooperation in the EEA

4. The EEA Council acknowledged the key role played by the Agreement on the European Economic Area (EEA Agreement) in advancing economic integration between the EU and the EEA EFTA States. The EEA Council recognised the positive contributions made by the EEA EFTA States to the decision-shaping process of EEA-relevant EU legislation and programmes through their participation in the relevant committees, expert groups, studies and agencies, as well as through the submission of EEA EFTA Comments. The EEA Council underlined the importance of inviting EEA EFTA Ministers to informal EU Ministerial meetings and Ministerial conferences relevant to EEA EFTA participation in the Internal Market, and expressed its appreciation to the current Estonian and incoming Bulgarian Presidencies for the continuation of this practice.

5. The EEA Council emphasised the importance of a well-functioning Internal Market as a driver in boosting economic growth and creating new jobs throughout Europe, and recognised that maintaining the four freedoms of the Internal Market is in the common interest of all Contracting Parties. The EEA Council welcomed the steps already taken to implement the proposals contained in the strategies for a Digital Single Market and for upgrading the Internal Market, with a view to exploiting in full its untapped growth and productivity potential. The EEA Council agreed that a holistic approach was required to tackle some of the main challenges facing the Internal Market, and stressed the importance of the close involvement of the EEA EFTA States in the further design and development of Internal Market policies and initiatives. Emphasising the fact that greater knowledge of the EEA Agreement throughout the EEA was in the interest of all Contracting Parties, the EEA Council urged the EU and the EEA EFTA States to ensure that information on the EEA Agreement was made readily and easily available.

Energy and climate change

6. The EEA Council placed great importance on continued close cooperation between the EU and the EEA EFTA States in environmental, energy and climate change policies, particularly in light of the 2030 Framework for Climate and Energy and the Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy. The EEA Council noted that the EEA EFTA States remain a key partner of the EU as a reliable supplier of energy and underlined that the close cooperation should continue in the areas of the Internal Energy Market, in addition to cooperation in the fields of energy security, emissions trading, the promotion of competitive, climate-resilient, safe and sustainable low carbon energy, energy efficiency, renewable energy resources, and carbon capture, utilisation and storage (CCUS), as well as other environmental issues, such as waste, chemicals, water resource management and industrial pollution.

Financial Mechanism

7. The EEA Council emphasised the importance of solidarity among the countries of Europe to overcome social and economic challenges within the EEA, which is in the common interest of all Contracting Parties. In this sense, it expressed concern regarding the continued high level of youth unemployment in some EEA Member States. The EEA Council commended the positive contribution made by the EEA and Norway Financial Mechanisms 2009-2014 and by their predecessors in reducing economic and social disparities throughout the EEA. Following the entry into force on 1 September 2017 of the agreements on an EEA and a Norwegian Financial Mechanism for the 2014-2021 period, the EEA Council welcomed the progress made in the negotiations on Memoranda of Understanding between the EEA EFTA States and the Beneficiary States in the EU.

Capital controls

8. The EEA Council noted that free movement of capital is a fundamental internal market freedom and an integral part of the EEA acquis and acknowledged that restrictions can be implemented only temporarily on the basis of the provisions of Article 43 of the EEA Agreement. The EEA Council welcomed the progress of the comprehensive plan of the Icelandic Government for removal of capital controls without threatening economic and financial stability of the country, particularly the recent steps to lift capital controls on individuals, companies and pensions funds.

EU programmes

9. Acknowledging the contribution made by EU programmes to building a more competitive, innovative and social Europe, the EEA Council welcomed the participation of the EEA EFTA States in EEA-relevant programmes to which they contributed financially. The EEA Council recognised in particular the active participation and full integration of the EEA EFTA States in the European Research Area and the successful association of Norway and Iceland in Horizon 2020, the EU's flagship programme for Research and Innovation. The EEA Council would continue to place high importance on the integration and policy alignment of EEA EFTA States with the EU in the area of research and innovation.

Incorporation of EEA-relevant EU acts

10. Noting the Progress Report of the EEA Joint Committee, the EEA Council expressed its appreciation for the work of the Joint Committee in ensuring the continued successful operation and good functioning of the EEA Agreement.
11. The EEA Council welcomed the ongoing efforts to reduce the number of EU acts awaiting incorporation into the EEA Agreement and to accelerate the incorporation process. While commending all the steps undertaken in the course of the last years, the EEA Council noted that the number of acts awaiting incorporation was still too high.
12. The EEA Council called for continued work in order to significantly and durably reduce the current backlog and thereby continue to ensure legal certainty and homogeneity in the EEA. This common goal can be achieved through political will and enhanced dialogue among the relevant experts and organs. The EEA Council urged all parties to engage constructively to find solution to pending difficult issues.
13. The EEA Council noted that progress was still needed on a number of important pending issues and encouraged the Contracting Parties to reach a conclusion as soon as possible. The EEA Council highlighted in particular the importance of promptly incorporating outstanding legislation in the field of financial services – representing more than one third of the backlog – in order to ensure a level playing field throughout the EEA in this important sector. The EEA Council looked forward to reaching a conclusion as soon as possible regarding the Third Postal Directive and Genetically Modified Organisms. It also underlined the need to incorporate the General Data Protection Regulation swiftly into the EEA Agreement.
14. The EEA Council further noted that there were a number of Joint Committee Decisions where the six-month deadline provided for in the EEA Agreement with regard to constitutional clearance had been exceeded. It encouraged the EEA EFTA States to strengthen their efforts to resolve the pending cases as soon as possible and to avoid such delays in the future.

Agricultural trade

15. As regards the Agreement in the form of an Exchange of Letters between the European Union and Iceland concerning additional trade preferences in agricultural products and the Agreement between Iceland and the European Union on the protection of geographical indications for agricultural products and foodstuffs, the EEA Council welcomed the finalisation by the two parties of their internal procedures and looked forward to the Agreements entering into force as soon as possible.
16. The EEA Council welcomed the initialling of the Agreement between the European Union and Norway earlier this year concerning additional trade preferences in agricultural products reached on the basis of Article 19 of the EEA Agreement and looked forward to its signing and entering into force as soon as possible.
17. The EEA Council acknowledged that the Contracting Parties had reaffirmed their commitment, in accordance with Article 19 of the EEA Agreement, to continue their efforts with a view to achieving the progressive liberalisation of agricultural trade. The EEA Council noted the suspension of the negotiations between the EU and Norway on the protection of geographical indications.
18. The EEA Council encouraged the Contracting Parties to continue the dialogue on the review of the trade regime for processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement in order to further promote trade in this area. In this regard, the EEA Council took note of the recent steps taken by the EU and Iceland to further liberalize trade in processed agricultural products, on reciprocal basis, within Protocol 3 of the EEA Agreement.

Fish and fisheries products

19. The EEA Council welcomed the entry into force on 1 September 2017 of the two protocols on trade in fish and fisheries products between Iceland and the EU and between Norway and the EU, respectively.

Parliamentary cooperation and cooperation between economic and social partners

20. Recognising the important role of parliamentary cooperation and cooperation between economic and social partners in the EEA, the EEA Council noted the Resolution of the EEA Joint Parliamentary Committee adopted at its meeting in Reykjavik on 23 May 2017 on the *Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2016*, and the Resolutions of the EEA Consultative Committee adopted at its meeting in Prague on 7 June 2017 on the *Social Dimension of the EEA and the European Pillar of Social Rights*, and on *Digitalisation and its impact on jobs and skills*.
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