

EEE 1606/19

DRAFT CONCLUSIONS

Subject: Draft Conclusions of the 52nd meeting of the EEA Council
(Brussels, 19 November 2019)

The fifty-second meeting of the EEA Council took place in Brussels on 19 November 2019 under the Presidency of Mr Guðlaugur Þór Þórðarson, Minister for Foreign Affairs of Iceland. The meeting was attended by Mr Pekka Haavisto, Minister for Foreign Affairs of Finland, representing the Presidency of the Council of the European Union, [*to be updated*], Minister for Foreign Affairs of Liechtenstein, and Ms Ine Eriksen Søreide, Minister of Foreign Affairs of Norway, 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 Agreement on the European Economic Area (EEA Agreement) and held an orientation debate on *the Single Market beyond 2019*.

25th anniversary of the EEA Agreement

1. On the 25th Anniversary of the entry into force of the EEA Agreement, the EEA Council recognised that the Agreement has been a solid basis for a broad and strong relationship among the parties. This unique Agreement has closely linked our societies and economies. It has promoted economic growth and ensured that a high level of social standards is applicable to all our citizens and workers. The positive spirit of cooperation has allowed for adaptations and solutions to be found in a world of constant change.

Political dialogue

2. The EEA Council recognised that the special partnership between the EU and the EEA EFTA States was the best guarantee of long-term shared prosperity. It has contributed to the construction of a Europe based on stability, peace, democracy, the rule of law, and human rights. In this context, the EEA Council noted that, within the framework of the Political Dialogue, the Ministers had held informal exchanges of views on current foreign policy matters of mutual interest. 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.

The withdrawal of the United Kingdom from the EU and the EEA Agreement

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.

Cooperation in the EEA

4. The EEA Council confirmed its support for the EEA Agreement as the continued basis for future relations between the EU and the EEA EFTA States, and stressed the importance of the two-pillar structure of the EEA Agreement. It 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, and the positive contribution of the EFTA Surveillance Authority and European Commission in monitoring the compliance with the EEA Agreement in all its Member States. 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 Finnish and incoming Croatian Presidencies for the continuation of this practice.
5. Recognizing the important role of parliamentary cooperation and cooperation between economic and social partners, the EEA Council noted the Resolutions of the EEA Consultative Committee adopted at its meeting in Brussels on 23-24 May 2019 on *the Benefits of 25 years of the EEA Agreement*, and on *the European Labour Authority*.
6. The EEA Council agreed on the need to further strengthen communication efforts on the EEA Agreement and on its benefits for citizens and businesses. Emphasising 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.
7. The EEA Council expressed concerns regarding the current challenges in international trade and reconfirmed its commitment to open and fair trade and rule-based trade relations. In particular, the EEA Council underlined the importance of predictable trade conditions for economic operators within the EEA. In this regard, the exemption of Iceland, Liechtenstein and Norway from the EU's safeguard measures concerning imports of a number of steel products is a good example.

The development of the Internal Market

8. The EEA Council emphasised the importance of a well-functioning Internal Market, including the Digital Single Market, and of the objective to develop it further, in order to create conditions for economic growth and new jobs throughout Europe. With almost 14 million unemployed young people in Europe, youth unemployment remained an important challenge for the internal market. The EEA Council also underlined the indivisibility and importance of the four freedoms and equal conditions of competition for the well-functioning of the Internal Market, which is in the common interest of all Contracting Parties.
9. The EEA Council stressed the importance of the close involvement of the EEA EFTA States in the further design and development of Internal Market policies and initiatives. In this context, the EEA Council welcomed the EEA EFTA Comment on the Single Market beyond 2019, in which the EEA EFTA States commit themselves to prioritising this long-term partnership, address the challenges that arise and work together with the EU to develop a Single Market fit for purpose, inter alia through new initiatives, better regulation, better implementation and enforcement of existing rules, and by protecting consumers.

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 recognised that the ongoing efforts to reduce the number of EU acts awaiting incorporation into the EEA Agreement and to accelerate the incorporation process had yielded good results, and significantly reduced the number of pending acts, especially in the area of financial services, since the beginning of this year. The EEA Council acknowledged that these positive developments were the result of joint efforts between the EU institutions and the EEA EFTA States. The EEA Council stressed that these efforts will be upheld in order to reduce significantly and durably the number of acts awaiting incorporation and thereby continuing to ensure legal certainty and homogeneity in the EEA.

12. The EEA Council further noted that for a number of Joint Committee Decisions, the six-month deadline provided for in the EEA Agreement with regard to constitutional clearance had been exceeded. It affirmed the willingness of the EEA EFTA States to strengthen their efforts to resolve pending cases as soon as possible.

EU programmes

13. 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 and noted their significant financial contributions under the current Multiannual Financial Framework (MFF) for 2014-2020. 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, as well as in Erasmus+ in the field of education, youth and sport, and Creative Europe for the cultural and audiovisual sectors. The EEA Council will continue to place high importance on integration and policy alignment in the area of research and innovation and in education and culture.
14. The EEA Council took note of the preparations for the next MFF for 2021-2027, including the European Commission's proposals for individual programmes. It welcomed submissions of EEA EFTA comments in this field and encouraged the EEA EFTA States to take an active part in EU programmes foreseen under the new financial framework. This participation is a means towards developing, strengthening and broadening cooperation on matters falling outside of the four freedoms, as provided for in the EEA Agreement. The participation of the EEA EFTA States in the future EU programmes for 2021-2027 shall remain based on the relevant provisions of the EEA Agreement.

The social dimension

15. The EEA Council underlined that the social dimension, including in relation to labour law, health and safety at work and gender equality, is an important part of the EEA Agreement. The EEA Council noted with satisfaction that a number of initiatives have been taken in recent years. Further efforts to ensure fair working conditions and equal opportunities in the labour market are essential, not only for the functioning of the Internal Market, but also to demonstrate and reinforce the benefits of the EEA to citizens. The EEA Council noted the establishment of the new European Labour Authority aimed at strengthening cooperation at the European level in connection with cross-border mobility.

Environmental protection, energy and climate change

16. The EEA Council emphasised importance of 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 and of the European Commission's Communication 'A Clean Planet for all - A European strategic long-term vision for a prosperous, modern, competitive and climate-neutral economy'.
17. The EU and the EEA EFTA States are deeply concerned by the new evidence in the Intergovernmental Panel on Climate Change (IPCC) Special Report on 1.5°C, which unequivocally confirmed the negative impacts of climate change and the need to reduce global emissions in all sectors and take further action in mitigation and adaptation to reach the temperature goal set out in the Paris Agreement. They reaffirm their steadfast commitment to the UNFCCC and the Paris Agreement as the essential multilateral framework governing global action to deal with climate change and they expressed their commitment to accelerate the transition to low greenhouse gas emissions, sustainable and climate-resilient economies and societies, to prevent irreversible and catastrophic climate disruption.

18. The European Union and the EEA EFTA States are determined to help raise global climate ambition and lead the way on accelerated climate action on all fronts, with a view to limiting global warming to well-below 2°C, pursuing efforts to limit the temperature increase to 1.5°Cs. In this context, the EEA Council welcomed the extension of the cooperation between Iceland, Norway and the EU under the EEA Agreement to adopt key EU climate legislation in order to take action to implement the Paris Agreement by bringing the Effort Sharing and Land Use, Land Use Change and Forestry (“LULUCF”) Regulations and certain elements of the Governance of the Energy Union and Climate Action Regulations into Protocol 31 of the EEA Agreement.
19. While respecting the Contracting Parties’ right to determine the conditions for exploiting their energy resources, their choice between different energy sources and the general structure of their energy supply, the EEA Council recognized the role of key partners of the EU among the EEA EFTA States as a reliable supplier of energy. Moreover, the EEA Council underlined that the close cooperation should be continued in the areas of the Internal Energy Market, in addition to the 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), circular economy including plastics, as well as other environmental issues, such as chemicals, water resource management, biodiversity and pollution.
20. The EEA Council recognised sustainable and green finance as an important complement to sustainable climate policy measures. Sustainable finance will also support economic growth and competitiveness in the EEA.

Financial Mechanism

21. The EEA Council emphasised the importance of solidarity among the countries of Europe to alleviate persistent social and economic disparities between their regions, which is in the common interest of all Contracting Parties. The EEA Council commended the positive contribution made by the EEA and Norway Financial Mechanisms in reducing economic and social disparities throughout the EEA and supporting a free and vibrant civil society.

22. With regard to the agreements on an EEA and a Norwegian Financial Mechanism for the 2014-2021 period, the EEA Council welcomed the conclusion of Memoranda of Understanding between the EEA EFTA States and almost all of the Beneficiary States. The EEA Council encouraged the Contracting Parties to continue the dialogue with a view to a swift conclusion of the remaining country-specific Memorandum of Understanding, a timely implementation of the Memoranda of Understanding, and a swift signing of the remaining programme agreements, while ensuring quality at entry for programmes and projects, flexibility and broad participation, in order to achieve the expected results. The EEA Council recalled the importance of maintaining a close cooperation between the Beneficiary States and the EEA EFTA States, in the spirit of equal partnership between the Contracting Parties to the EEA Agreement.

Agricultural trade

23. 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 welcomed the Contracting Parties' intention of conducting a review in autumn 2019 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.