

Report of the Liechtenstein Chair of the EFTA Standing Committee

Second half of 2023

Introduction:

A common understanding of the principles of the EEA is crucial for the good functioning and homogeneity of the Agreement. The Standing Committee of the EFTA States is committed to ensuring efficient coordination between the Parties of the EEA Agreement, adapting to a changing Internal Market and maintaining the level playing field. This background was the basis of the Liechtenstein Chairmanship.

Furthermore, in connection with its chairmanship, Liechtenstein organised EFTA House's first ever art exhibition. The exhibition showcased several pieces by four different artists, sparking many conversations and giving the public areas of EFTA House a Liechtenstein touch.

Incorporation of EEA-relevant legal acts

Strengthening cooperation and coordination to make further progress in reducing the backlog of legal acts awaiting incorporation ahead of the 30th anniversary of the EEA Agreement was a central priority of the Liechtenstein Chairmanship and emphasised by the three EEA EFTA Prime Ministers at a dedicated meeting in October 2024.

During the Liechtenstein Chairmanship, 168 Joint Committee Decisions (JCDs) were adopted incorporating a total of 296 legal acts into the EEA Agreement, reducing the number of outstanding acts after the last EEA Joint Committee meeting of 2023 to 472. Several notable legal acts were incorporated, including the Ship Inspection Package, the European Labour Authority, the Market Surveillance Regulation, and two JCDs concerning ETS Aviation and ETS Maritime and Stationary.

The Action Plan on files with a compliance date from before 2019 provided a key tool in this endeavour and was updated three times due to the EEA EFTA States managing to incorporate a third of the listed legal acts in the second half of 2023. The related briefings to the Standing Committee initiated by the Chair on the status of acts from before 2019 contributed to further coordination between the EEA EFTA States on areas where progress on old files could be made swiftly and the scope of the Action plan was extended to also cover acts from 2020.

Work was also carried out to streamline coordination between the EEA EFTA States on new cross-sectoral EU Internal Market legislation and measures through the establishment of the Task Force on Files with Distinct Horizontal Dimensions. Examples of files that are being assessed by the Task Force include the Carbon Border Adjustment Mechanism (CBAM), the Chips Act, and the Commission proposals for a Critical Raw Materials Act (CRMA) and a Net-Zero Industry Act (NZIA).

Furthermore, preparations for the incorporation of the Digital Services Act (DSA) and the Digital Markets Act (DMA) into the EEA Agreement continued. The Digital Platform Task Force met nine times during the second half of 2023, seeing a convergence of views on the main approach to two-pillar issues contained in the DSA and DMA while requesting the views of Subcommittee V on horizontal legal issues.

Emphasis was placed on files including the Markets in Crypto-Assets (MiCA) Regulation, the Green Bonds Regulation and the Review of the European Supervisory Authorities, where good progress was made at the Working Group level. The Task Force on Financial Services also held meetings in Liechtenstein, with a special focus on reducing the backlog.

Decision shaping

Another priority was to provide input to relevant EU legislation and measures such as the European Green Deal and the Commission proposals for a Net Zero Industry Act (NZIA) and a Critical Raw Materials Act (CRMA). During Liechtenstein's time as Chair, two EEA EFTA Comments were submitted to the European Commission, the European Parliament and the Council on these topics.

Additionally, three EEA EFTA Comments were submitted on the following:

- The Maritime Safety Package,
- The revised Driving Licence Directive,
- The proposal for a directive on common rules promoting the repair of goods.

To follow up on the EEA EFTA Comments, meetings were arranged between the European Commission and the relevant EFTA Working Groups, fostering further dialogue and feedback. For example, the EEA EFTA Comment on the CRMA was presented to DG GROW on 20 September and was followed up in several meetings at the Working Group level. The EEA EFTA Comment on the NZIA was presented to the incoming Belgian Presidency on 11 December and similarly, meetings took place at the Working Group level with DG Grow, the Spanish Presidency and the European Parliament Committee on Industry, Research and Energy (ITRE) on the proposed act.

EEA outreach

On several occasions, the Liechtenstein Chair highlighted the important political message that the EEA EFTA States are an integral part of the Internal Market, European supply chains, and the European twin transitions, emphasising that the EU should take into account its EEA obligations also in other areas of relevance and that the EEA EFTA States are clearly not “third countries” in this regard. Noteworthy examples include the 57th meeting of the EEA Council on 20 November and the 60th meeting of the Joint Parliamentary Committee in Vaduz on 15 December.

With the EU's increased focus on legislation and measures to strengthen the competitiveness and resilience of the Internal Market, the EEA EFTA States also made efforts to discuss these topics with their relevant EU counterparts. The Working Group on Enterprise Policy and Internal Market Affairs received a presentation on a Joint Communication on a European Economic Security Package by the European Commission, and attended meetings with the incoming Belgian Presidency on the Presidency's upcoming priorities and the future of the Single Market. The latter topic was also discussed in a meeting with Business Europe. Finally, the Working Group met with DG GROW to discuss international value chains and strategic autonomy.

Furthermore, several efforts to strengthen knowledge of the EEA Agreement were undertaken. A particular focus was placed on planning the 30th anniversary of the EEA Agreement in 2024, including preparations for high-level events to mark this milestone. A special reception

targeting diplomatic missions in Brussels was also organised following the EEA Council on 20 November.

EFTA House was further utilised as a dynamic platform for outreach activities to spread knowledge of the EEA, notably through the biannual EEA Seminar on 29 September, where the Spanish Presidency of the EU Council was invited to discuss the importance of the EEA Agreement in an ever more complex world.

Financial Mechanism

Finally, negotiations with the European Commission on a new period of the Financial Mechanisms, and in parallel on market access for fisheries products, were able to be concluded on 30 November. The agreements reached foresee a financial contribution from the EEA EFTA States through the EEA Financial Mechanism for the period 2021-2028 of EUR 1 805 billion, and from Norway through the Norway Financial Mechanism for the period 2021-2028 a contribution of 1 463 million.