

LIST OF CONTENTS

I	Introduction	p. 3
II	EEA EFTA States participation in EC Programmes	p. 3
III	Special problems related to EEA EFTA participation in programmes	p. 5
IV	Future developments	p. 6
	Resolution	p. 8

I INTRODUCTION

1. The EU has a long tradition of initiating programmes. At the outset, a programme was based on the voluntary participation of EU Member States grouping businesses and industries, universities, researchers, NGOs and other actors through project-like actions in order to develop policies across Europe in areas where the European Community had no legal competencies. Traditionally programmes were used to develop common European policies in 'soft' areas, like social policy, employment, education, culture and research that would underpin the development of a well-functioning Single Market.

2. The Maastricht and Amsterdam Treaties gave the EU more competencies in hereto-national domains. During the 1990s European legislation came into effect in areas that can be described as horizontal and flanking policies. Programmes may be used to facilitate the implementation of new legislation e.g. the anti-discrimination package. Furthermore, with the extended use of benchmark exercises, guidelines and best practices as a new working method within the EU, programmes have also come to support the implementation of soft law. A programme itself may take the form of an action plan to facilitate the implementation of a new policy. In research, where traditionally programmes were developed with a view to supporting European industries, the quality of life of citizens has been added as a major objective.

3. Programmes are evaluated mid-term and when they expire. There is today a trend to assess programmes continuously through the extended use of benchmark exercises and action plans.

II EEA EFTA STATES PARTICIPATION IN EC PROGRAMMES

Legal basis: Part VI and Protocol 31 of the EEA Agreement on co-operation in specific fields outside the four freedoms

4. Part VI of the EEA Agreement, concerning co-operation outside the four freedoms, establishes the principle of EFTA participation in a number of Community activities, such as research and technological development, education, information services, environment, social policy and the audio-visual sector (Article 78 EEA). EFTA States will normally realize the co-operation through participation in EC framework programmes, specific programmes, projects or other actions (Article 80 EEA). The formalisation of EEA EFTA participation in any given programme is made through an EEA Joint Committee Decision incorporating the legal act into Protocol 31 EEA, which deals with cooperation in specific fields.

Participation in specific fields

5. The fields in which the EEA EFTA States have programme-participation today includes R&D, education, training and youth, social policy, public health, environment, consumer protection, SMEs, culture, information services, audio-visual services, energy, employment, civil protection, statistics, and interchange of data between

administrations (IDA) (see Annex I for complete list of programmes and their total budget).

6. For new programmes it is for the EEA Joint Committee to add them within the relevant fields of Protocol 31, as provided for by Article 86 of the Agreement. The EEA EFTA States participate in a variety of programmes, usually at the initiative of the EEA EFTA States themselves. In addition, the EEA Joint Committee may extend Protocol 31 to new areas not listed in Article 78 of the Agreement, in accordance with Article 87, when such co-operation is considered likely to contribute to the attainment of the objectives of the EEA Agreement, or is otherwise deemed by the Contracting Parties to be of mutual interest. The EEA EFTA States may not participate in the programmes concerning external relations e.g. Tempus and Phare.

Participation in programme committees

7. The programme participation also involves participation in the committees that are responsible for the development and management of the Community programmes (Article 81 EEA). Committees set up to assist the Commission in executing EU programmes will normally be so-called Management Committees, but can in some cases be Advisory Committees. EEA EFTA States participation in these committees ensures a certain flow of information and is an important means to influence the development of policies in general and the programme in particular. The EEA EFTA States have the same rights as the EU Member States' in these committees, except voting rights.

Budget

8. Participation in programmes or other actions implies a financial contribution from the EEA EFTA States. Article 82 EEA lists three ways of establishing the financial contribution:

Article 82(1)(a): The contribution from the EFTA States is calculated proportionally to the commitment appropriations and the payment appropriations entered in the general budget of the Community which is "*the sum of the ratios between, on the one hand, the gross domestic product at market prices of each of the EFTA States and, on the other hand, the sum of the gross domestic products at market prices of the EC Member States and of that EFTA State*".

Article 82(1)(b): The financial contributions are based on the principle that each Contracting Party shall cover its own costs, with an appropriate contribution fixed by the EEA Joint Committee to the Community's overhead costs.

Article 82(1)(c): The EEA Joint Committee takes the decisions concerning the contribution of the Contracting Parties to the costs of the activity in question.

9. Up to now, the financial contribution to all activities covered in Protocol 31 EEA is done according to Article 82(1)(a). The detailed provisions for the

implementation of Article 82 EEA are given in Protocol 32 to the Agreement. This Protocol sets out, i.a. the procedure for determining the financial participation of the EFTA States, how and when the EFTA States shall pay their contribution and rules for calculating the interest rate if payments are delayed. The contributions of the three EEA States represent 1.6% of the Community expenses. Of the 1.6% that EFTA contributes, the Norwegian share represents 95%, the Icelandic 4% and the Liechtenstein share represents 1%. Contributions are based on the size of the population.

10. The EEA EFTA States also contribute to the administrative budget of the Commission. The amount of the contribution to the administrative budget, compared to the operational budget, may differ considerably from one programme to another. The Commission shall provide the EFTA side with information in order to justify the size of the administrative budget for all new budget lines. Thereafter, the contribution to the administrative budget is based on a 'simplified calculation method'. An important part of the EFTA contribution to the administrative budget is made as "payment in kind", i.e. the secondment of EFTA national experts. For each national expert seconded to the Commission, there is a reduction in the cash contribution from the EFTA States of 86 000 Euro (figure for 2000). Salaries and allowances are fully covered by the country sending the expert. The number of experts and the distribution of them on the different programme areas are agreed upon between the EFTA side and the Commission for each budget year. It should be mentioned that such an arrangement does not exist for the area of research and development.

III SPECIAL PROBLEMS RELATED TO EEA EFTA PARTICIPATION IN PROGRAMMES

11. In general, the co-operation between the EEA EFTA States and the EU in programme participation runs smoothly. However, there are a few problems that occur whenever one multi-annual programme ends and is replaced by another one. The proper legal basis for EEA EFTA participation in a specific programme is the EEA Joint Committee Decision incorporating the Decision on the programme into Protocol 31 EEA. Whenever a programme ends, the EU side will normally adopt a successive programme through a new (European Parliament and) Council Decision. This new Decision must then be incorporated into the EEA Agreement.

12. On the EU side, the Decision is often adopted very close to start-up of the programme itself. Since the decision-taking process in the EEA can only be completed after adoption on the EU side, the legal basis for EEA EFTA participation is often not in place when the programme activities are initiated, and in many cases the Joint Committee Decision enters into force several months after the start-up of the programme. This creates several problems for the EEA EFTA States. Firstly, the Commission has made it clear that from a legal point of view, no contracts with EEA EFTA partners can be signed and no activities with EEA EFTA participation can be undertaken before the legal basis is in place. In practice, this means that interested parties in the EEA EFTA States may not be able to participate in the first calls for proposals undertaken under the programme. Furthermore, the Commission has become rather restrictive as to the participation of representatives from the EEA EFTA States in the programme committees if the legal basis is not in place. In some cases, EEA EFTA

representatives have been excluded from participation, but more and more often pragmatic solutions have been found whereby the EEA EFTA States have been able to participate as silent observers. However, it is quite important to be able to take part in the work of the programme committees in the start-up phase of a programme, as it is in this period that priorities are decided upon and the work programme is formulated.

13. Until now, it has been the practice that a Joint Committee decision on a programme is taken with retroactive effect, meaning that the decision applies from the day of entry into force of the relevant act on the EU side. This has been done in order to allow for reimbursement of certain expenses, e.g. to national agencies, which have incurred in the transitional period between to programmes. However, the Commission has signalled that such retroactivity will no longer be possible.

14. The reason for the “delay” in the establishment of a legal basis in the EEA is to be found both in the internal procedures on the EU side as well as in national procedures on the EFTA side. Firstly, all Joint Committee Decisions amending Protocol 31 have to be approved by Council before the Joint Committee can adopt them. The Commission cannot present the draft decision to Council before the act establishing the programme has been published in the Official Journal.

15. Secondly, at least one EEA EFTA State, Norway, normally has constitutional requirements following the adoption in the Joint Committee, meaning that parliamentary procedures must be completed and notified before the decision enters into force. Efforts have been made both on the EU and on the EFTA side to make procedures as short as possible. In January 2000, the Standing Committee of the EFTA States came up with recommendations to streamline EFTA procedures, especially as concern participation in programmes. In its report, the Standing Committee states that EFTA States should seek Parliamentary approval before a Joint Committee Decision is adopted and continue its procedure to draft decisions before the final adoption on the EU side. It has, however, for formal and constitutional reasons proved difficult to get a substantial reduction of the time needed on both sides.

16. Another challenge for the EEA EFTA States is to influence new programme proposals. The Commission hardly ever invites EEA EFTA nationals to expert committees that are established to prepare for a new programme proposal or a new phase of existing programmes. In the other hand, the EEA EFTA States do present EFTA comments to Commission proposals, although in some cases the comments have been forwarded rather late in the decision shaping process. In the field of research and development, the tradition has been that the EEA EFTA States present national comments, given the size and political and economic importance of the R&D programmes.

IV FUTURE DEVELOPMENTS

17. Through EEA EFTA participation in EC programmes literally thousands of individuals and institutions have forged links and established relationships with partners in EU countries. One could claim that the programmes have constituted for many the

clearest manifestation of the EEA; they have become the familiar and friendly face of the EEA and, by extension, of Europe.

18. In several of its new programmes the Commission is introducing a more policy-oriented approach combined with new methods and working tools, such as benchmarking, national action plans, identification of best practices and mainstreaming. Member States are expected to play a more predominant role in the management of the programme e.g. through national action plans. Furthermore, the Commission is increasingly presenting proposals and recommendations to the Council and the European Parliament on policy issues related to areas where programme participation is the main tool of co-operation.

19. There is also a number of policy initiatives, many of a horizontal nature, that have an impact on current programmes in which EEA EFTA States participate e.g. BEST and e-Europe Action plan, where several of the actions are proposed to be carried out within existing programmes in areas such as R&D, education, enterprise policy.

20. This development represents new challenges for the EEA EFTA States and raises a number of questions related to the future involvement of the EEA EFTA States in certain EC programmes. The impact on Member States of the new methods and working tools and the role of the management committees should be considered. Will new committees be established and will there be a different division of tasks between Member States and the Commission, a situation in which administrations in the Member States will play a more dominant role?

21. It should however be noted that in the present programmes in the field of education, training and youth, which were initiated this year, as well as in the Framework Programme on R&D, the traditional working methods i.e. projects with partners from various European countries and exchanges of students, teachers and young persons, are still the main tool of implementation.

22. The question could also be raised to what extent new Community programmes influence relevant policies in Member States and if they represent a formulation of a common European policy in the areas.

23. To conclude, one could argue that some EC programmes are entering a new phase, reflecting the new working methods in the EU during the last decade. A general observation is that on the EFTA side some of the EEA EFTA countries have taken actions to monitor or seek participation in EU developments based on soft law and soft integration while exploring the possibilities of counteracting the evermore intertwined policies of the EU. The EEA EFTA States have a well-established tradition of EC programme participation, but it remains to be seen how developments in the use, content and scope of the new generation of EC programmes may influence the EEA EFTA States' participation and involvement. In addition, as this report has highlighted, there are still a number of unanswered challenges facing the EEA EFTA States' involvement in the current programmes.

Annex to
M/20/R/026-PE 295.687
14 November 2000

RESOLUTION

On EFTA participation in EC Programmes

The Joint Parliamentary Committee of the European Economic Area:

- A. having regard to the EEA Agreement Part VI concerning co-operation outside the four freedoms and Protocol 31 providing the legal basis for EEA EFTA participation in EC programmes,
- B. noting that the EEA EFTA States currently participate in 28 EC programmes in a variety of areas,
- C. noting that EEA EFTA participation in EC programmes involves participation in the relevant committees for the development and management of the Community programmes (Article 81 EEA) on equal terms as the EU Member States except voting rights,
- D. noting that several new programmes are based on soft working methods i.e. benchmarking, action plans and mainstreaming,
 1. welcomes the comprehensive participation of EEA EFTA States in EC programmes and underlines the benefits these programmes represent for EU and EEA EFTA citizens alike;
 2. underlines the importance of the EEA EFTA States' active contributions in the management of the EC programmes with EFTA participation;
 3. urges the Commission and the Council to consider possible simplifications of the procedures for the clearing of draft EEA Joint Committee Decisions on programmes, thus facilitating timely participation by the EEA EFTA States;
 4. calls on the Commission to maintain the practice that a Joint Committee Decision on a programme is taken with retroactive effect, meaning that the Decision applies from the day of entry into force of the relevant act on the EU side and thus allowing reimbursement of certain expenses;
 5. encourages the EEA EFTA States to take actively part in the decision-shaping when a new programme is proposed through submitting EFTA comments at an early stage in the process;
 6. calls on the Commission to consult experts from the EEA EFTA States when preparing for a new programme;
 7. calls on the Norwegian Parliament to find a solution regarding the procedure of constitutional requirements concerning EEA EFTA participation in EC

programmes, as the constitutional requirements after the adoption in the Joint Committee delay the entry into force of the EEA EFTA participation;

8. calls on the EEA EFTA States to closely monitor the development of EC programmes and the new working methods involved such as benchmarking, national action plans and mainstreaming, and calls on the readiness of the EEA EFTA administrations to implement and apply the same working methods when required;
 9. notes that new Community programmes may influence relevant policies in EU Member States and may represent a new formulation of European policy in the area concerned, and calls on the EEA EFTA States to seek participation in new programmes in order to safeguard the dynamic aspect of the EEA co-operation and to maintain the homogeneity of the EEA.
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EC PROGRAMMES WITH EFTA EEA PARTICIPATION 2000¹

	Total budget
Research and development:	
Fifth framework programme for R&D (1998-2002)	15.000 million Euro
Education, training and youth:	
Socrates II (2000-2007)	1.400 million Euro
Leonardo da Vinci II (2000-2007)	1.000 million Euro
Youth (2000-2007)	600 million Euro
Culture and audiovisual:	
Culture 2000 (2000-2005)	167 million Euro
MEDIA II (1996-2000)	310 million Euro
Energy:	
ALTENER - renewable energy sources (1998-2002)	77 million Euro
ETAP - Study, analysis and prevention in energy (1998-2002)	5 million Euro
SAVE – promotion of energy efficiency (1998-2002)	66 million Euro
SMEs and enterprise policy:	
Third multiannual programme for SMEs (1997-2000)	127 million Euro
Joint European Ventures (1998-2000)	100 million Euro

¹ The EEA EFTA States also participate in Eures (European Employment Services), the European Environmental Agency and the European Agency for the Evaluation of Medical Products.

Civil protection :

Civil protection programme (2000-2004) 7,5 million Euro

Information society :

INFO 2000 – information services (1996-2000) 65 million Euro

Information Society Programme (1998-2001) 25 million Euro

IDA – Interchange of data between administrations (1998-2000) 71,6 million Euro

Consumer protection:

Legal framework for financing consumer policy (1999-2003) 114 million Euro

Social policy:

Equal opportunities (1996-2000) 30 million Euro

DAPHNE - preventive measures to fight violence against children, young persons and women (2000-2003) 20 million Euro

Public health:

Health promotion (1996-2000) 35 million Euro

Action plan to combat cancer (1996-2000) 64 million Euro

Drugs prevention (1996-2000) 27 million Euro

Action on the prevention of AIDS (1996-2000) 49,6 million Euro

Health monitoring (1997-2000) 13,8 million Euro

Rare diseases (1999-2003) 14 million Euro

Employment policy:

Employment and labour market (1998-2000) 30 million Euro
