



53rd Annual Report of the European Free Trade Association

2013



Annual Report of the European Free Trade Association 2013

Editor: Tore Grønningsæter

Copy Editor: Juliet Reynolds

Concept and Layout by Tuuli Sauren,
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Editor's note:

For an overview of EFTA's activities and institutional framework, please see the publication "This is EFTA". Further information is also available on our website: www.efta.int.

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Foreword

In 2013, the European Free Trade Association (EFTA) continued to strengthen its network of free trade agreements (FTAs), which now extends to over 60 countries across the globe and accounts for some 80% of the total trade of the EFTA States: Iceland, Liechtenstein, Norway and Switzerland. In particular, an FTA was signed in June with Bosnia and Herzegovina, and another with the Central American States of Costa Rica and Panama. The EFTA Ministers also signed a joint declaration on cooperation with Myanmar and met with representatives of the Philippines to discuss options for developing closer trade relations.

The Agreement on the European Economic Area (the EEA Agreement) serves as the main instrument for cooperation between the three EFTA States that are parties to that agreement – Iceland, Liechtenstein and Norway – and the Member States of the European Union. In 2013, the EEA EFTA States launched efforts to find long-term solutions to reduce the overall time needed to incorporate acts into the EEA Agreement, which has provided for their participation in the Internal Market for more than two decades.

The so-called “Single European Sky II” package was among the significant legislative acts incorporated into the EEA Agreement during the year. Another important event was the initialling of an agreement on the enlargement of the EEA to Croatia on 20 December, following its accession to the European Union in July. Finally, a review for a new grants period beyond 2014 for the EEA Financial Mechanism concluded that further measures to reduce social and economic disparities in Europe were required.

Since it was founded in 1960, EFTA has proven to be a highly practical and flexible platform for promoting economic integration, and for ensuring competitive terms of trade for the EFTA States. Looking ahead, EFTA has an ambitious agenda for extending its FTA network, in terms of both geographical and substantive coverage. As always, the maintenance of a homogeneous Internal Market on the basis of the EEA Agreement will remain a priority.

Kristinn F. Árnason

Secretary-General



EFTA Council

EFTA Ministerial Meetings

The EFTA Council met twice at Ministerial level in 2013, on 24 June in Trondheim, Norway, and on 18 November in Geneva, Switzerland. The Council was chaired by Norway in the first half of 2013 and by Liechtenstein in the second.

The EFTA Ministers noted the uneven pace of global economic recovery and discussed the ongoing challenges faced by economic operators in an environment characterised by considerable macroeconomic and policy uncertainty. They stressed the importance of pursuing long-term growth strategies based on liberal trade and



EFTA held its summer Ministerial meeting in Trondheim under the chairmanship of Norway. Ministers of the EFTA States signed free trade agreements with the Central American States of Costa Rica and Panama, and with Bosnia and Herzegovina. A joint declaration on cooperation was signed with Myanmar. From left: Ricardo Quijano, Minister of Trade and Industry, Panama; Mirko Šarović, Minister of Foreign Trade and Economic Relations, Bosnia and Herzegovina; Pwint San, Deputy Minister of Commerce, Myanmar; Anabel González, Minister of Foreign Trade, Costa Rica; Kristinn F. Árnason, Secretary-General, EFTA; Trond Giske, Minister of Trade and Industry, Norway; Aurelia Frick, Minister of Foreign Affairs, Liechtenstein; Gunnar Bragi Sveinsson, Minister for Foreign Affairs and External Trade, Iceland; and Johann N. Schneider-Ammann, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research, Switzerland.

investment policies. In this context, they expressed strong hope that members of the World Trade Organization (WTO) would deliver tangible results at the ninth WTO Ministerial Conference in December in Bali, Indonesia. Ministers also discussed the negotiations between the European Union and the United States on a Transatlantic Trade and Investment Partnership and agreed to monitor future developments closely.

Ministers signed a free trade agreement (FTA) with Bosnia and Herzegovina, and with the Central American States of Costa Rica and Panama, as well as a joint declaration on cooperation with Myanmar. They also met with the Philippines to discuss options for developing closer trade relations. Ministers reviewed developments in EFTA's ongoing trade negotiation processes with partners worldwide, including the Customs Union of the Russian Federation, Belarus and Kazakhstan; Guatemala; India; Indonesia; Malaysia and Vietnam. Ministers reaffirmed EFTA's interest in developing closer trade relations with potential partners in Sub-Saharan Africa and reiterated EFTA's aim to expand existing FTAs.

At their June meeting in Trondheim, the EEA EFTA Ministers welcomed the reviews of the European Economic Area undertaken by the European Union and the EEA EFTA side in recent years. Whilst acknowledging the need for a further reduction in the number of EU legal acts pending incorporation into the EEA Agreement, Ministers welcomed the positive results produced by the joint efforts over the last year to reduce this number. Ministers expressed satisfaction that important legislation had been incorporated, thereby ensuring a level playing field for the EEA EFTA States in areas such as consumer rights, goods, telecommunications and environmental and climate issues. They noted with concern the challenges related to EEA EFTA participation in EU agencies and programmes, and underlined the importance of timely involvement of the EEA EFTA States in new EU programmes.

The communiqués from the 2013 Ministerial meetings can be found in the appendices to this report.



Monica Mæland, Minister of Trade and Industry, Norway, at the EFTA Ministerial meeting in November 2013.



Liechtenstein chaired the EFTA Council in the second half of 2013. Ambassador Norbert Frick, Liechtenstein, chairing a meeting of the Council in Geneva.



Eveline Widmer-Schlumpf, Federal Councillor, Head of the Department of Finance, Switzerland, and Michel Barnier, Commissioner for Internal Market and Services, at the EFTA ECOFIN meeting in October 2013. Photo: Council of the European Union



The EFTA Council

The EFTA Council met eight times in 2013 at the level of heads of permanent delegations to EFTA in Geneva. Delegates discussed EFTA's relations with countries outside the EU, including free trade negotiations and the management of existing FTAs. They also approved a number of technical cooperation projects and dealt with administrative and budgetary matters.

The EFTA Convention

The Council is responsible for the Vaduz Convention, which is updated regularly to reflect legislative developments in the EEA Agreement and the Swiss-EU agreements. In 2013, the Council adopted amendments to Annex Q on Air Transport and Annex K on Professional Qualifications, and further amendments were made by the Committee on Mutual Recognition in relation to conformity assessment under Annex I. Substantial amendments to the Convention's provisions in the field of agriculture were adopted in 2012, and following ratification by all Member States these amendments entered into force on 1 July 2013.

Annual Meeting of EFTA and EU Finance Ministers

The annual meeting of EFTA and EU Finance Ministers took place on 15 October in Luxembourg. The main topics for discussion were cooperation in the field of financial services and economic dynamics in Europe. The meeting was chaired by Mr Rimantas Šadžius, Minister for Finance, representing the Lithuanian Presidency of the EU Council. EFTA was represented by Mr Bjarni Benediktsson, Minister of Finance and Economic Affairs of Iceland, as EFTA Chair; Mr Adrian Hasler, Prime Minister and Minister of Finance of Liechtenstein; Ms Eveline Widmer-Schlumpf, Swiss Federal Councillor and Minister of Finance; and Mr Lorents Lorentsen, Director-General, Ministry of Finance of Norway.

Free Trade Relations

In 2013, EFTA continued its ambitious pursuit of a worldwide network of free trade agreements. Two new FTAs were signed: one with Bosnia and Herzegovina, and the other with the Central American States of Costa Rica and Panama. Meanwhile, the agreement with Croatia was terminated following that country's accession to the European Union.

By the end of the year, EFTA's network of preferential trade relations extended to 55 partner countries outside the EU through the following means of engagement:

Operational Free Trade Agreements

22 FTAs were operational with 26 partner countries: Albania, Canada, Chile, Colombia, Egypt, Hong Kong China, Israel, Jordan, Republic of Korea, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestinian Authority, Peru, Serbia, Singapore, the Southern African Customs Union (SACU; comprising Botswana, Lesotho, Namibia, South Africa and Swaziland), Tunisia, Turkey and Ukraine.

Signed Free Trade Agreements

Three FTAs with nine partner countries had not yet entered into force, pending ratification by all parties: one signed in 2009 with the six members of the Gulf Cooperation Council (GCC; comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), and two signed in 2013 (see above).

Free Trade Negotiations

EFTA took part in active negotiation processes with eight partner countries in 2013: Guatemala; India; Indonesia; Malaysia; Vietnam and the Customs Union of the Russian Federation, Belarus and Kazakhstan. Negotiations with three further partner countries were on hold, namely with Algeria, Honduras and Thailand.

Joint Declarations on Cooperation

Six joint declarations on cooperation (JDCs) were operational with nine partner countries: Georgia, Mauritius, Mongolia, MERCOSUR (comprising Argentina, Brazil, Paraguay and Uruguay), Myanmar and Pakistan.



Ricardo Quijano, Minister of Trade and Industry, Panama, and Anabel González, Minister of Foreign Trade, Costa Rica, signing the EFTA-Central America Free Trade Agreement.

Joint Declarations on Cooperation and Free Trade Agreements between EFTA and Non-EU Partners Fig. 1

Partner	Joint Declaration	Free Trade Agreement	
	Signing	Signing	Entry into Force
Albania	10 December 1992	17 December 2009	1 November 2010
Algeria	12 December 2002		
Bosnia and Herzegovina		24 June 2013	
Canada		26 January 2008	1 July 2009
Central American States	20 July 2010 (Panama)	24 June 2013 (Costa Rica, Panama)	
Chile		26 June 2003	1 December 2004
Colombia	17 May 2006	25 November 2008	1 July 2011
Egypt	8 December 1995	27 January 2007	1 August 2007
Georgia	28 June 2012		
Gulf Cooperation Council (GCC) ¹	23 May 2000	22 June 2009	
Hong Kong China		21 June 2011	1 October 2012
Israel		17 September 1992	1 January 1993
Jordan	19 June 1997	21 June 2001	1 September 2002
Republic of Korea		15 December 2005	1 September 2006
Lebanon	19 June 1997	24 June 2004	1 January 2007
Macedonia	29 March 1996	19 June 2000	1 May 2002
Malaysia	20 July 2010		
Mauritius	9 June 2009		
Mexico		27 November 2000	1 July 2001
MERCOSUR ²	12 December 2000		
Mongolia	28 July 2007		
Montenegro	12 December 2000	14 November 2011	1 September 2012
Morocco	8 December 1995	19 June 1997	1 December 1999
Myanmar	24 June 2013		
Pakistan	12 November 2012		
Palestinian Authority	16 December 1996	30 November 1998	1 July 1999
Peru	24 April 2006	24 June 2010	1 July 2011
Southern African Customs Union (SACU) ³		26 June 2006	1 May 2008

Partner	Joint Declaration		Free Trade Agreement
	Signing	Signing	Entry into Force
Serbia	12 December 2000	17 December 2009	1 October 2010
Singapore		26 June 2002	1 January 2003
Tunisia	8 December 1995	17 December 2004	1 June 2005
Turkey		10 December 1991	1 April 1992
Ukraine	19 June 2000	24 June 2010	1 June 2012

¹ Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

² Argentina, Brazil, Paraguay and Uruguay.

³ Botswana, Lesotho, Namibia, South Africa and Swaziland.



Mirko Šarović, Minister of Foreign Trade and Economic Relations, Bosnia and Herzegovina, signing the free trade agreement with EFTA.

Main Developments

Continued Priority Placed on Emerging Economies

EFTA pursued its efforts towards concluding free trade agreements with major partner countries experiencing significant economic growth.

Negotiations on a broad-based agreement with India proceeded through two full rounds and various additional meetings at the levels of heads and experts. The process gained momentum during the second half of the year.

Four comprehensive rounds of negotiations were conducted with the Customs Union of the Russian Federation, Belarus and Kazakhstan, achieving good progress in a range of areas.

The third year of negotiations with Indonesia saw three full rounds and progress on different parts of the draft “Comprehensive Economic Partnership Agreement”. A full assessment of this project is foreseen to be undertaken after the parliamentary and presidential elections scheduled in Indonesia in the course of 2014.

With Vietnam, following the start of negotiations in 2012, four rounds were conducted in the course of the year, reflecting the ambition of reaching an FTA with comprehensive coverage.

Other Processes

EFTA signed a free trade agreement with Bosnia and Herzegovina, with an emphasis on trade in goods and the protection of intellectual property rights (IPR). This FTA complements EFTA's network of agreements concluded with partners in the Balkans.

Negotiations which had started with several Central American States in 2012 were concluded with Costa Rica and Panama early in the year, allowing for the signing of the FTA in June. The process in view of Guatemala joining the agreement advanced towards the end of the year, with its finalisation expected in 2014.

The EFTA-Central America FTA covers trade in goods, rules of origin, trade facilitation, trade in services, investment, IPR, competition, government procurement and sustainable development. It is open to accession by further Central American States.

Also in the Americas, the possibility of updating and expanding existing free trade agreements was addressed notably with Canada, Chile, Mexico and Peru. EFTA Ministers furthermore confirmed their interest in exploring

options for increasing trade, investment and cooperation with the MERCOSUR States.

In light of the start of negotiations between the United States and the European Union on a Trans-Atlantic Trade and Investment Partnership (TTIP), EFTA Ministers agreed to follow this process closely through contacts with both sides. First discussions in this context with US Government and private sector representatives took place in November in Washington DC. Taken together, the EU and the US account for more than 75% of EFTA's total merchandise trade.

In Asia, in addition to the negotiations mentioned on page 10, EFTA signed a joint declaration on cooperation with Myanmar in June. A meeting also took place at Ministerial level with the Philippines in November, in view of the possible signing of a JDC in the first half of 2014. The start of negotiations with Malaysia, announced in 2012, was postponed to the first quarter of 2014, while EFTA's readiness to resume the negotiation process with Thailand was reconfirmed by Ministers in November.

On the African continent, negotiations with Algeria remained suspended during the reporting year. Meanwhile, EFTA Ministers agreed to continue to seek possibilities to deepen trade relations with countries in Sub-Saharan Africa, in addition to the existing FTA with the Southern African Customs Union.

Management of EFTA's Free Trade Agreements and Joint Declarations on Cooperation

In 2013, the EFTA States held joint committee meetings with five FTA partner countries (Albania, Republic of Korea, Peru, Singapore and Ukraine). On these occasions, the parties reviewed the functioning of the respective agreements and adopted several decisions to update existing rules, as well as setting out work plans towards further revisions. EFTA experts also convened with counterparts from several other FTA partner countries, in preparation for future amendments of agreements.

Finally, EFTA and Mauritius held a first joint committee meeting under their JDC signed in 2012.



EFTA and Myanmar sign a joint declaration on cooperation on 24 June 2013.

Joint Committee Meetings in 2013

Fig. 2

Free Trade Partner	Venue and Date of Meeting
Joint EFTA-Albania Committee (1 st)	Tirana, 5 February 2013
Joint EFTA-Peru Committee (1 st)	Geneva, 17 April 2013
Joint EFTA-Ukraine Committee (1 st)	Kyiv, 29 May 2013
Joint EFTA-Mauritius Committee (1 st meeting under JDC)	Geneva, 10 June 2013
Joint EFTA-Singapore Committee (4 th)	Geneva, 12 June, 2013
Joint EFTA-Korea Committee (4 th)	Geneva, 25 November 2013

Technical Cooperation

In the framework of technical cooperation funded by EFTA with partners outside the EU, activities in 2013 included:

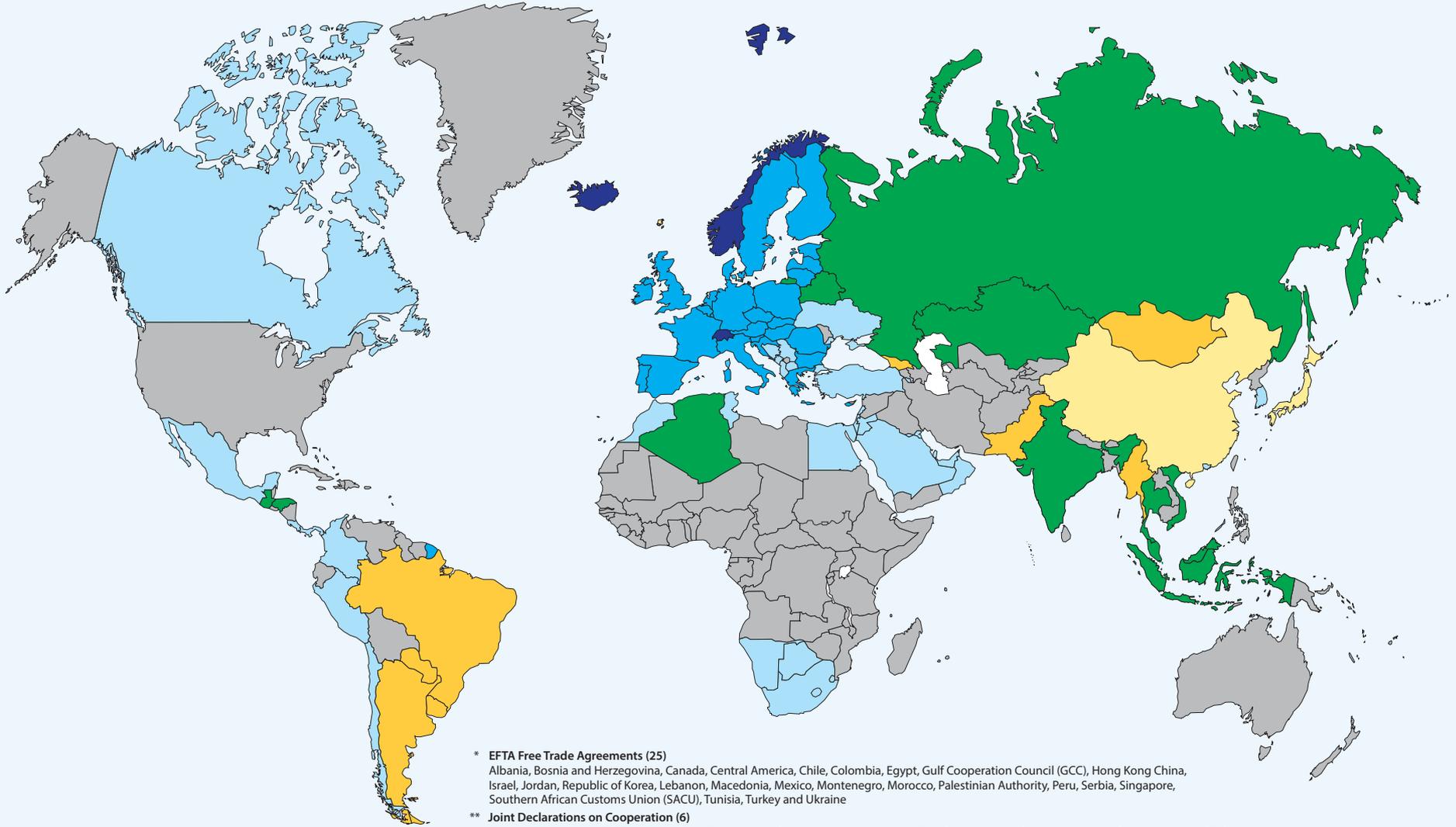
- An export promotion event and a customs seminar in Ukraine
- Seminars on sanitary and phytosanitary standards in two Vietnamese cities
- A seminar on government procurement in Russia

Relations with the WTO

Under the World Trade Organization's transparency mechanism for bilateral and regional trade agreements, EFTA continued to notify new free trade negotiations and ratification and entry into force of FTAs, as well as decisions adopted by joint committees under existing agreements. In September, EFTA's agreements with Hong Kong China, Montenegro, Peru and Ukraine were examined by the WTO's Committee on Regional Trade Agreements. In November, EFTA informed the WTO of the termination of the FTA with Croatia as a result of Croatia's accession to the EU.

EFTA'S Worldwide Network

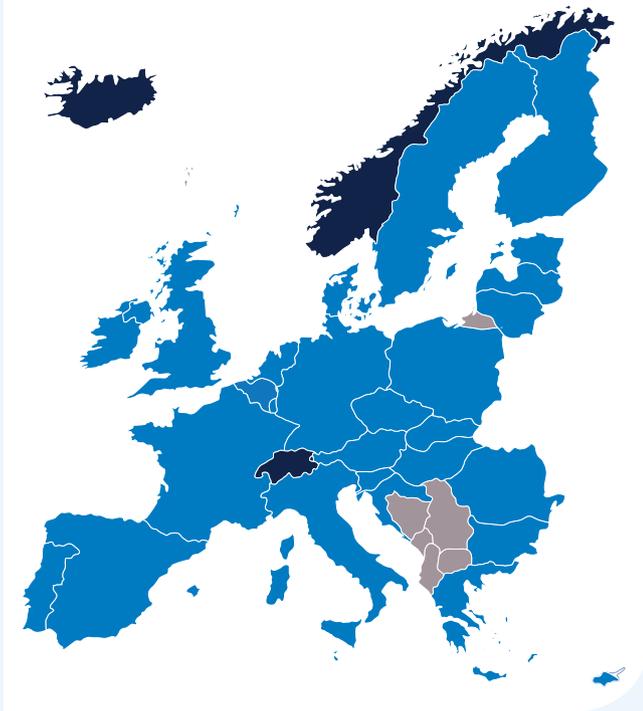
■ European Free Trade Association
 ■ European Union
 ■ Free Trade Agreement*
 ■ Joint Declaration on Cooperation**
 ■ Ongoing FTA negotiations***
 ■ FTA relations of individual EFTA States



* **EFTA Free Trade Agreements (25)**
 Albania, Bosnia and Herzegovina, Canada, Central America, Chile, Colombia, Egypt, Gulf Cooperation Council (GCC), Hong Kong China, Israel, Jordan, Republic of Korea, Lebanon, Macedonia, Mexico, Montenegro, Morocco, Palestinian Authority, Peru, Serbia, Singapore, Southern African Customs Union (SACU), Tunisia, Turkey and Ukraine

** **Joint Declarations on Cooperation (6)**
 Georgia, Mauritius, MERCOSUR (Southern Common Market; comprising Argentina, Brazil, Paraguay and Uruguay), Mongolia, Myanmar and Pakistan

*** **Ongoing FTA negotiations**
 Algeria, Guatemala, Honduras, India, Indonesia, Malaysia, Russia, Belarus, Kazakhstan, Thailand and Vietnam



The EEA Agreement

The EEA Council



The EEA Council, 19 November 2013. Aurelia Frick, Minister of Foreign Affairs, Liechtenstein; Vidar Helgesen, Minister of EEA and EU Affairs, Norway; and Gunnar Bragi Sveinsson, Minister for Foreign Affairs and External Trade, Iceland. Photo: Council of the European Union

The EEA Council was chaired by the EU in the first half of 2013 and by EFTA in the second half of the year. The EEA Council met on 21 May and 19 November to review the ongoing work in EEA cooperation and to note the progress reports of the EEA Joint Committee. The Ministers confirmed the positive overall functioning and development of the EEA Agreement and appreciated the fact that new acts were being incorporated quickly into the Agreement. They also discussed the current economic crisis and its implications for the EEA, the EEA Financial Mechanism, and decision making and shaping. In addition, the EEA Council held orientation debates on recent developments in financial services, including on the Banking Union and the Single Supervisory Mechanism, and on the 2030 Framework for Climate and Energy Policies. The conclusions from these meetings can be found in the appendices to this report.

The EEA Joint Committee

The EEA Joint Committee met eight times in 2013 and adopted 235 decisions incorporating 400 legal acts. Discussions in the Joint Committee focused on how to further improve the processing of acquis and reduce the number of outstanding legal acts, the EU acts and legislative proposals establishing the new EU system of financial supervision, the enlargement of the EEA to Croatia, and the review of the EEA Financial Mechanism. Among the more significant decisions adopted by the Joint Committee were those concerning the postponement of including international aviation in the EU Emissions Trading System, transfers of defence-related products, international accounting standards, and the performance and interoperability requirements for the Single European Sky.



Ambassador Thorir Ibsen, Mission of Iceland to the EU, chairing the EEA Joint Committee meeting in July 2013. On the left, Kristinn F. Arnason, EFTA Secretary-General.

Improving the Incorporation of Legal Acts into the EEA Agreement

In order to encourage the swifter and more efficient incorporation of EU acts into the EEA Agreement, thereby ensuring homogeneity throughout the EEA, the EEA EFTA States asked the Secretariat to establish a project with the aim of finding long-term measures to reduce the overall time needed to incorporate EEA-relevant acts into the Agreement.

Meetings were held in 2013 with the national authorities in Reykjavik, Oslo and Liechtenstein. Based on feedback received from the EEA EFTA States, the Secretariat worked on various measures, such as the early processing of implementing and delegated acts, a separate and faster procedure for simple acts, and a more formalised procedure for the assessment of Commission proposals for acts from the European Parliament and Council.

A report with recommendations will be issued by the Secretariat in 2014 and measures agreed upon by the EEA EFTA States will be implemented as soon as possible.



Initialling the Agreement on the Participation of Croatia in the European Economic Area in December 2013. From left: Joško Klisović, Deputy Minister of Foreign and European Affairs of Croatia; Gianluca Grippa, Head of Division, European External Action Service; and Ambassador Thorir Ibsen, Icelandic Mission to the EU.

The Standing Committee of the EFTA States

The Standing Committee was chaired by Liechtenstein in the first half of 2013 and by Iceland in the second half of the year. The agendas and conclusions of the Standing Committee meetings are available on the EFTA website. On 19 November, the EFTA Standing Committee held a joint meeting at Ministerial level in Brussels with the Committee of Members of Parliament of the EFTA States and the Consultative Committee, to discuss developments in the EEA.

Legal and Institutional Matters

Subcommittee V on Legal and Institutional Questions met five times in 2013. The Subcommittee was involved in discussions with the EU side on the criteria for establishing the EEA relevance of acts. Furthermore, criminal law sanctions in Internal Market legislation remained on the Subcommittee's agenda. The Subcommittee continued to monitor two-pillar issues in the EEA Agreement, as well as case law developments in the EEA.

Free Movement of Goods

A substantial part of EU legislation concerns the free movement of goods, a principle that is applied throughout the Single Market. Today, about 75% of trade in the Single Market is in goods, but this does not imply that all products can circulate freely. They must conform to requirements set for the protection of legitimate interests such as health, safety and the environment. Additionally, in order to ensure a fair and efficient market, a wide range of legislative measures have been established in the fields of competition, state aid and public procurement.

Subcommittee I prepares for the integration into the EEA Agreement of legislation relating to all aspects of the free movement of goods – competition, state aid, public procurement, intellectual property rights and energy matters. Subcommittee I is assisted by 11 working groups and 26 expert groups.

Three committees deal with issues related to goods under the EFTA Council: the Committee on Technical Barriers to Trade, the Committee of Origin and Customs Experts and the Committee on Trade Facilitation.

Veterinary, Food and Agricultural Issues

Veterinary and food legislation in the EEA Agreement apply to Iceland and Norway only. Since 2007, Liechtenstein has been subject to the Swiss-EU Agricultural Agreement pertaining to legislation in these areas.

Veterinary issues

Veterinary legislation covers animal and public health requirements for the production, trade and imports of live animals and animal products, as well as issues related to the control of these products. Arrangements for animal welfare and the control and prevention of animal diseases are also included.

In 2013, the EEA Joint Committee incorporated 33 legal acts in the veterinary area into the EEA Agreement. In addition, a number of legal acts were implemented by means of simplified procedure (see page 18).

Animal feed

Legislation in the area of animal feed concerns marketing and labelling, undesirable substances in feed, the authorisation of feed additives and the monitoring of feed-producing establishments.

In 2013, 61 legal acts related to animal feed were incorporated into the EEA Agreement.

Food

The Food Law Package ensures that the EEA EFTA States participate fully in the European Food Safety Authority (EFSA), including the possibility of employment for EEA EFTA nationals.

The EEA EFTA States continued to discuss the Novel Foods Regulation, as well as regulations on genetically modified food and feed, and on the traceability and labelling of genetically modified organisms (GMOs). These have not yet been incorporated into the EEA Agreement.

Preparation continued for the incorporation of the new legal framework on organic production.

In 2013, 58 legal acts were incorporated into the EEA Agreement in the foodstuffs area. A number of legal acts were also implemented by means of simplified procedure.

The Role of the EEA in a Multi-speed Europe

Jean-Claude Piris, former Director-General of the Legal Service of the Council of the European Union, was the keynote speaker at EFTA's seminar on the EEA: The role of the EEA in a multi-speed Europe. The event, which took place at the EFTA Secretariat on 21 March 2013, was attended by around 130 participants from both the public and private sectors across the EEA.



Following his speech, Mr Piris participated in a lively panel debate. From left: Christa Tobler, Professor of European Law, Universities of Leiden (NL) and Basel (CH); Kurt Jäger, Ambassador of Liechtenstein to the EU; Marc Maresceau, Professor of European Law, University of Gent; Oda Helen Sletnes, President, EFTA Surveillance Authority; and Jean-Claude Piris, former Director-General of the Legal Service of the Council of the European Union.

Simplified Procedure

The simplified procedure is a derogation from the normal procedure for the incorporation of acts into the EEA Agreement. Until the introduction of the simplified procedure in 2001, acts were only incorporated by EEA Joint Committee Decisions (JCDs), which in many cases took more than half a year. It is essential that many of the measures in the veterinary field are implemented and applied shortly after their adoption in the EU. This is of particular importance when it is necessary to put safeguard and protective measures in place urgently. The simplified procedure requires EEA EFTA States to “simultaneously with the EU Member States take measures corresponding to those taken by the latter”.

The following acts in the veterinary field are subject to simplified procedure:

- Texts of application concerning imports from third countries
- List of establishments in third countries
- Safeguard and protective measures concerning the EU territory or imports from third countries
- Safeguard measures and listing of countries and territories concerning the non-commercial movement of pet animals

In addition, the Food Law Regulation introduced the simplified procedure in the foodstuffs area for acts related to emergency measures concerning the EU territory or imports from third countries.

Trade in agricultural products

In May 2013, Iceland, Norway and the European Commission carried out their annual review of trade in processed agricultural products in accordance with Article 2(2) of Protocol 3 to the EEA Agreement. The parties exchanged information on developments in their respective agricultural policies, and on trade statistics. They also discussed the principles of Protocol 3 and concluded that the Protocol was functioning well.

Technical Barriers to Trade

EFTA deals with the removal of technical barriers to trade in two forums: the TBT Committee, which reports to the EFTA Council, and the Working Group on TBT, which coordinates the assessment of EEA relevance and acceptability of new EU legislation to the three EEA EFTA States. Switzerland is an observer in the Working Group on TBT.

In 2013, the TBT Committee monitored the EU implementation of the Regulation on European Standardisation. This regulation constitutes a new legal basis for cooperation between the three European standardisation organisations (ESOs), the European Commission and EFTA, and includes service standards. The Committee discussed policy and financial issues in relation to standardisation and accreditation, and horizontal TBT issues such as the revision of the Blue Guide (the guide to EU legislation on industrial products), notification and accreditation of Conformity Assessment Bodies, the European Commission’s review of the internal market for industrial products, the alignment of the New Approach Directives with the New Legislative Framework for Goods, the newly established multi-stakeholder platform for information and communication technologies (ICT) standardisation policy, market surveillance of goods, certification and CE marking, and technical barriers to trade in the Single Market. The Committee also worked on keeping the Vaduz Convention updated and continued to follow the two-year EU quality infrastructure project, IPA 2011.

The Working Group on TBT discussed the alignment of the New Approach Directives with the New Legislative Framework for Goods, the incorporation of the Regulation on European Standardisation, and mutual recognition agreements. Furthermore, the Working Group discussed mutual recognition in goods and participated in an event on mutual recognition where EFTA was represented in the panel.

Motor vehicles

In 2013, six technical acts on motor vehicles were incorporated into the EEA Agreement, including the Framework Directive for the approval of motor vehicles and trailers.

Medicinal products

The EEA EFTA States continued their discussions with the EU on the incorporation of the Paediatric Regulation into the EEA Agreement. Norway and Liechtenstein have agreed on a position in line with the EU side on allowing the EFTA Surveillance Authority the competence to impose fines. The Icelandic position is still awaited.

Dangerous substances

Trade in and use of dangerous substances are strictly regulated in order to protect consumers, workers and the environment. The EEA Agreement contains both general chemicals legislation and product-specific legislation. In total, 37 acts concerning dangerous substances were incorporated into the EEA Agreement in 2013.

The work on the Regulation on the placing of plant protection products on the market and its implementing acts has progressed significantly and should be incorporated into the EEA Agreement during the course of 2014.

The adoption of the Regulation on biocidal products is complete and this act has been incorporated into the EEA Agreement.

Mutual recognition agreements

Mutual recognition agreements (MRAs) facilitate market access by reducing the costs and time associated with obtaining product certification. Protocol 12 to the EEA Agreement ensures the smooth functioning of the EEA market with regard to MRAs. In this respect, the EEA EFTA States discussed EU developments related to new and revised MRAs, and assessed possible EEA EFTA follow-up.

Market surveillance and consumer product safety

The EFTA States are fully committed to the enhanced application of market surveillance under the terms of the new legislative framework for the marketing of products. 2013 saw a number of significant developments in the fields of product safety and market surveillance with the launch of a new Product Safety Package, which includes two new draft regulations. The EEA EFTA States participated actively in the discussions leading up to the publication of the package and participated in the European Parliament discussions in the Internal Market Committee. The EEA EFTA States prepared and distributed an EFTA Comment on the package and continue to liaise closely with the EU.

The EEA EFTA States continue to participate in the Internal Market for Products (IMP) Market Surveillance Group and General Product Safety Committee and Standardisation Committee.



In April 2013, the EU Regulation on Cosmetic Products was incorporated into the EEA Agreement. The aim of the new regulation is to ensure a high level of safety of cosmetic products by strengthening manufacturer responsibility and in-market control aspects, whilst cutting red tape.

European Standardisation

The EFTA States and the European Commission give financial support to the following three European standardisation organisations: the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC) and the European Telecommunications Standards Institute (ETSI). Like the Commission, the EFTA Secretariat has the formal status of European counsellor to these organisations and in 2013 participated in their administrative boards and general assemblies. In June 2013, EFTA addressed the first joint session of the general assemblies of CEN and CENELEC and the second Standardisation Summit in Copenhagen.

In 2013, the EFTA States cooperated closely with the European Commission to discuss the implementation of the new Standardisation Regulation and the state of the European Standardisation System. They also monitored the EU's implementation of the Standardisation Regulation and obtained the role of observer in the Committee on Standards, established by the Commission in 2013. For the first time, Switzerland was allowed to participate in the Commission meetings and was given the status of observer in the Committee on Standards.

As a result of the change in the management of the mandate system through the introduction of the Standardisation Regulation, the EFTA Secretariat closely monitored the development of the revised procedures and will continue to support the EFTA States in this area. In 2013, EFTA signed 42 agreements in the standardisation area.

EFTA continued its financial support to the European Cooperation for Accreditation (EA), the European Association for the Coordination of Consumer Representation in Standardisation (ANEC), the European Environmental Citizens Organisation for Standardisation (ECOS) and the European Organisation for Technical Approvals (EOTA). Furthermore, the EFTA States cofinance and contribute to projects with seconded European standardisation experts in China and India, as well as to the Europe-China Standards Information Platform (CESIP). This platform is an information tool that aims to strengthen mutual trade and investment flow between Europe and China by making standards and related technical regulations more accessible.

Energy

In 2013, 12 acts in the field of energy were incorporated into the EEA Agreement, more than half of which were implementing measures under the Ecodesign Framework Directive. Other acts incorporated relate to the Energy Labelling Directive, the labelling of tyres, and the information requirements for biofuels and bioliquids (related to the Renewable Energy Directive, which was incorporated in 2011).

The EEA EFTA States closely monitored the EU decision-making process concerning the Energy Infrastructure Package, as well as the consultations on Carbon Capture and Storage and the 2030 framework for climate and energy. They also formally submitted to the EU side a draft JCD for the incorporation of the Third Package for the Internal Energy Market.



State Aid

The EEA EFTA States participated in several multilateral state aid meetings related to the Commission's State Aid Modernisation (SAM) initiative, which was launched in 2012 and aims to fully reform and update the European state aid framework.

Public Procurement

One act was incorporated into the EEA Agreement in the field of public procurement: A directive concerning the award of contracts within the fields of defence and security. It will enter into force on 1 February 2014, due to constitutional requirements in Iceland, which were fulfilled in mid-December 2013.

The EEA EFTA States followed the EU decision-making process related to the reform of the public procurement legislative framework, following the presentation in 2011 of a reform package consisting of proposals for three directives. Two of the proposals will replace the existing procurement directives (the "Utilities" Procurement Directive and the "Classical" Procurement Directive) and the third is for a new directive concerning service concession contracts. The reform focuses on simplifying existing rules; facilitating SME access to public contracts; promoting green, social and innovation procurement; and increasing the use of electronic procurement. The adoption of the revision package is expected in early 2014.

Intellectual Property

In 2012, a directive for certain permitted uses of orphan works was adopted on the EU side. Orphan works are works that are still in copyright but whose owners cannot be identified or located. The EEA EFTA States are currently scrutinising the costs that will be incurred by the EFTA States as a result of this directive, mostly to do with the translations of the orphan works database, with the aim of incorporating the directive into the EEA Agreement.

The EU Council has agreed to a general approach to a unitary patent for Europe. Two regulations to that effect entered into force on 20 January 2013. In addition, discussions are currently taking place in the European Parliament on the establishment of what is now known as the "Unified Patent Court". An agreement on the Unified Patent Court was signed by 25 EU Member States in February 2013 and has so far been ratified by Austria. The EEA EFTA States are following this issue closely.

In 2012, the EU entrusted the Office for Harmonization in the Internal Market with the responsibility for the European Observatory on Infringements of Intellectual Property Rights. The EEA EFTA States followed the ongoing affairs of the Observatory closely and participated in its second plenary meeting in October 2013.

Trade Facilitation

Trade facilitation seeks to improve procedures and controls in merchandise trade across national borders by reducing associated cost burdens and maximising efficiency, whilst safeguarding legitimate regulatory objectives. Recent developments, such as the challenge of bringing trade facilitation in line with growing safety and security concerns, as well as rising concerns about the (mis)use of trade procedures as trade policy tools, have heightened the political profile of trade facilitation. The EFTA Committee on Trade Facilitation follows EFTA's trade negotiations and is continuously analysing the developments of trade facilitation within other international organisations such as the World Trade Organization, the United Nations Economic Commission for Europe, the Organisation for Economic Co-operation and Development, and the World Customs Organization, which have all added trade facilitation to their agendas.

In March 2013, the European Commission presented a package of initiatives to make trade mark registration systems cheaper, quicker, and more reliable and predictable across the EU. This reform would improve conditions for businesses to innovate and benefit from more effective trade mark protection against counterfeits. In November 2013, the Commission proposed new rules on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure. The EEA EFTA States are following both issues closely.

Customs Matters, Safety and Security Matters and Trade Facilitation

The first Joint Committee meeting under the Regional Convention on Pan-Euro-Mediterranean Preferential Rules of Origin (PEM Convention) was held in October 2013. The PEM Convention has already entered into force in all the EFTA States, the EU and some of the other Mediterranean and Western Balkan partner countries, whilst it remains to be ratified by other contracting parties. In parallel, the EFTA Committee of Origin and Customs Experts (COCE) and the EEA EFTA Working Group on Customs Matters started work to replace the current network of origin protocols in the various agreements aimed at the swift inclusion of the Western Balkan countries in the PEM cumulation system in the near future.

In their day-to-day work, the two EFTA bodies mentioned above addressed other customs and origin matters related to FTAs with third-country partners, and other technical customs issues to guarantee good relations between customs administrations and the smooth functioning of preferential trade relations.

Safety and security matters

With the conclusion of Norway's and Switzerland's bilateral agreements with the EU, these two countries were integrated into the EU's safety and security system, with the result that traders from those countries do not have to submit prearrival/predeparture declarations when trading with the EU. The Norwegian bilateral agreement was implemented in Protocol 10 to the EEA Agreement. A first meeting of the joint working group responsible for the implementation and monitoring of the safety and security measures addressed under the bilateral agreement was held in March 2013 and began its work to ensure the equivalence in legislation and implementation of the customs security provisions in Norway and the EU.

Meetings Held and EU Acts Incorporated in 2013

Fig. 3

	Number of meetings in 2013	Number of acts incorporated in 2013
EEA Joint Committee	8	400
Standing Committee of the EFTA States	8	-
SUBCOMMITTEE I	8¹	265
Working Groups		
Competition Policy	1	-
Customs Matters	3	-
Customs Security Measures	1	-
Energy Matters	5	12
Fisheries	-	-
Food Chain ²	3	158
Intellectual Property Rights	2	1
Processed Agricultural Products	1	-
Public Procurement	-	1
State Aid	-	-
Technical Barriers to Trade (TBT)	4	5
Expert Groups under TBT		
Agricultural and Forestry Tractors	-	2
Appliances Burning Liquid or Gaseous Fuels	-	-
ATEX (equipment for use in explosive atmospheres)	-	-
Cableway Installations	-	-
Chemicals	-	37
Ad Hoc Group on Plant Protection Products	-	-
Ad Hoc Group on Good Laboratory Practice	-	-
Construction	-	1
Cosmetics	-	4
Electrical Equipment	-	1
Explosives	-	1
Fertilisers	-	-
Machinery	-	2

	Number of meetings in 2013	Number of acts incorporated in 2013
Marine Equipment	-	1
Maximum Residue Levels (MRLs)	-	12
Measuring Instruments	-	-
Medicinal Products and Medical Devices	-	12
Motor Vehicles	-	6
Organic Production	-	-
Personal Protective Equipment	-	-
Pressure Equipment	-	-
Product Safety and Market Surveillance	3	3
Recreational Crafts	-	-
Telecommunications Equipment	-	-
Textiles	-	-
Tobacco	-	-
Wine and Spirit Drinks	-	6
SUBCOMMITTEE II	8	90
Working Groups		
Company Law	1	5
Electronic Communication, Audiovisual Services and Information Society	6 ³	8
Data Protection Expert Group	1	1
Financial Services	6	17
Postal Services	1	-
Transport	6 ⁴	59
SUBCOMMITTEE III	8	4
Working Groups		
Free Movement of Persons, Employment and Social Policy	1	1
Recognition of Professional Qualifications	2	-
Social Security	3	3
SUBCOMMITTEE IV	8	41
Working Groups		
Budgetary Matters	3	-
Civil Protection	2	-

	Number of meetings in 2013	Number of acts incorporated in 2013
Consumer Affairs	3	-
Cultural Affairs	1 ⁵	-
Education, Training and Youth	2	-
EFTA Consumers' Consultative Committee	-	-
Enterprise Policy and Internal Market Affairs	3	-
Environment	3	26
Gender Equality, Anti-Discrimination and Family Policy	2	-
Heads of National Statistical Institutes	1	15
Health and Safety at Work and Labour Law	1	-
Public Health	2	-
Research and Development	2	-
Social Security (Subcommittee III)	(see above)	- ⁶
SUBCOMMITTEE V	5	-

¹ In November 2009, the Standing Committee approved the practical merger of Subcommittees I, II, III and IV.

² Food Chain encompasses Veterinary Matters, Feedingstuffs, Plant Health and Foodstuffs.

³ Two meetings were held jointly, one with the Working Group on Cultural Affairs and the other with the Working Group on Transport and Working Group on Energy.

⁴ One meeting was held jointly with the Working Group on ECASIS and Working Group on Energy.

⁵ One meeting was held jointly with the Working Group on ECASIS.

⁶ As budget lines are incorporated under Protocol 31 to the EEA Agreement, related JCDs are formally adopted under the Subcommittee IV structure.

Free Movement of Capital and Services

Subcommittee II on the Free Movement of Capital and Services coordinates matters of financial services, company law, electronic communications, audiovisual services, information society and data privacy, postal services and transport. Five working groups report to Subcommittee II.



Katrin Sverrisdóttir, Director of the Services, Capital, Persons & Programmes Division, EFTA Secretariat, and Per Sjaastad, Deputy Director-General, Norwegian Ministry of Foreign Affairs (EEA EFTA Chair) at a meeting of Subcommittees I-IV in April 2013.

Financial Services

The EEA EFTA States are assessing the significant number of legislative acts issued by the EU in response to the 2008 financial crisis, in particular the regulations creating a European architecture of financial supervision. In addition to the European Systemic Risk Board, responsible for macro-prudential supervision, the EU established three new supervisory bodies at micro-prudential level:

- European Banking Authority
- European Insurance and Occupational Pensions Authority
- European Securities and Markets Authority

Discussions are ongoing between the EEA EFTA States and the EU on adequate EEA EFTA participation in these authorities.

In November 2013, the EEA EFTA States submitted an EEA EFTA Comment on the Commission proposal for a regulation on information accompanying transfers of funds.

Company Law

In 2013, the Directive on the interconnection of central, commercial and company registers was incorporated into the EEA Agreement.

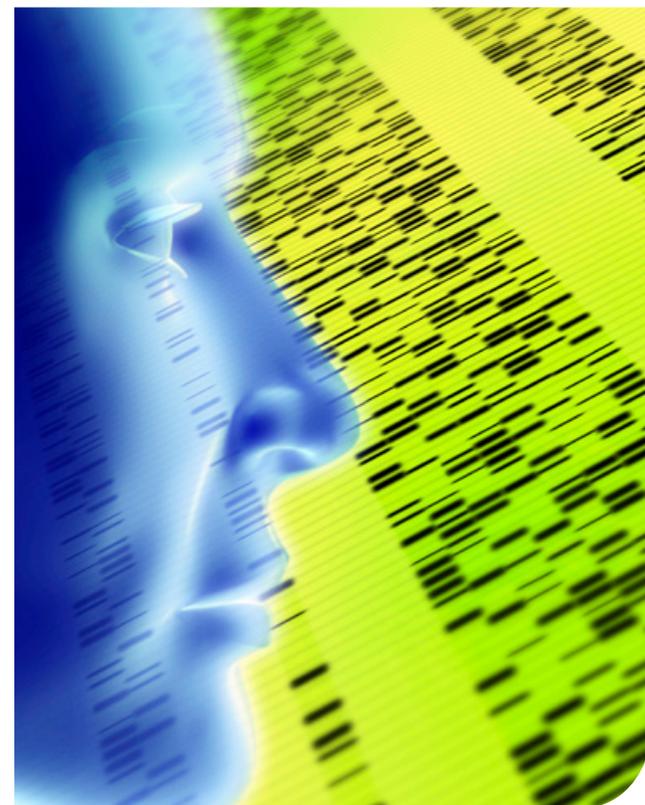
Electronic Communications, Audiovisual Services, Information Society and Data Privacy

In electronic communications, experts from the EEA EFTA States continued to work on the incorporation of the Telecom Package into the EEA Agreement, notably the role of the EEA EFTA States in the Body of European Regulators in Electronic Communications (BEREC).

An EEA EFTA Comment on the Commission proposal for a Single Market for Electronic Communications was submitted to the EU in November 2013. In the comment, the EEA EFTA States propose a specific text to replace the provision on observer status in the BEREC Regulation in order to ensure their full participation without the right to vote.

Postal Services

Norway lifted its reservation with respect to the incorporation of the Third Postal Services Directive into the EEA Agreement.



In an EEA EFTA Comment submitted to the EU in March 2013, Iceland, Liechtenstein and Norway express their concern about the proposed regulation on electronic identification and trust services for electronic transactions in the Internal Market.



Schematic indicative map of the Core Network Corridors of the Trans-European Transport Network (TEN-T).

Transport

The EEA EFTA States considered a significant number of proposals for new EU acts in the area of transport and discussed these in depth with the EU. An important development was the agreement reached regarding adaptations to the Single European Sky II Package and the subsequent incorporation of the relevant acts into the EEA Agreement.

Other important issues on the transport agenda were the six proposals forming the Fourth Railway Package and the proposal for a regulation on occurrence reporting in civil aviation. For the latter issue, an EEA EFTA Comment was submitted to the EU.

In the field of general transport, the main items on the agenda were the revision of the guidelines for the development of a trans-European transport network and a proposal on the deployment of an alternative fuels infrastructure.

In maritime transport, the EEA EFTA States prioritised the Commission Communication on the Blue Belt and the proposal for establishing a framework on market access to port services and financial transparency of ports.

The main items on the agenda in the field of air transport were legislation linked to aviation security and safety, and proposals for the Single European Sky II+.

Free Movement of Persons

Subcommittee III on the Free Movement of Persons coordinates matters related to all aspects of the free movement of persons, including social security and the recognition of professional qualifications.

Three working groups report to Subcommittee III.

Free Movement of Persons, Employment and Social Policy

The EEA EFTA States monitored the proposal for a directive to facilitate the free movement of workers, the proposal to enhance cooperation between public employment services, and the proposal for a regulation on promoting the free movement of citizens and businesses by simplifying the acceptance of certain public documents in the European Union. In 2013, a decision reforming the legal base of EURES, the European job mobility portal, was incorporated into the EEA Agreement.

EEA EFTA experts continued their informal cooperation with the Employment Committee (EMCO) and the Social Protection Committee (SPC). They also participated actively in the employment and social protection sections of the PROGRESS Programme and discussed participation in the new programme for Employment and Social Innovation (2014-2020).

Social Security

The EEA EFTA States closely monitored the ongoing partial revision of the social security coordination rules in the area of unemployment benefits and long-term care benefits, as well as the legislative progress made with the adoption of the Pension Portability Directive.

Recognition of Professional Qualifications

An important development in this field was the adoption of a modernised Professional Qualifications Directive in autumn 2013. The EEA EFTA States followed the procedure closely and are now preparing for the incorporation of this directive into the EEA Agreement.

Flanking and Horizontal Policies

Subcommittee IV on Flanking and Horizontal Policies coordinates matters related to all aspects of the horizontal provisions of the EEA Agreement, as well as cooperation outside the four freedoms. 13 working groups report to Subcommittee IV.

Research and Development

In the area of research and development, the EEA EFTA States continued to monitor developments related to the Commission proposal for the Horizon 2020 Research and Innovation Programme (2014-2020) and the amending regulation establishing the European Innovation and Technology Institute (EIT). Iceland and Norway intend to participate in the programme, subject to parliamentary approval in Norway. In order to ensure EEA EFTA participation in the programme's first call for proposals, a preliminary draft JCD was submitted to the EU.

The EEA EFTA States continued to discuss the possibility of incorporating the amended Council Regulation on the Community legal framework for a European Research Infrastructure Consortium (ERIC) into the EEA Agreement.

Environment

The EEA Joint Committee adopted several decisions in the field of environment in 2013, notably the incorporation of the Directive on the promotion of clean and energy-efficient road transport vehicles, the Timber Regulation, and the Stop-the-Clock Decision into the EEA Agreement. The latter postpones the inclusion of emissions from international aviation into the scope of the EU Emissions Trading System (ETS) by one year.

The EEA EFTA States also reached a common position on the non-EEA relevance of the Floods Directive and Marine Strategy Directive, which was communicated to the EU.





Furthermore, draft JCDs for the Directive on the protection of the environment through criminal law, the Fuel Quality Directive, the Regulation on the export for recovery of certain waste, and the Regulation on CO₂ emissions from new passenger cars, were submitted to the EU. Discussions between EFTA and the EU on these are ongoing.

With respect to the participation of the EEA EFTA States in the EU ETS, the EU acknowledged that the EEA EFTA States could auction their share of emission allowances on the Common Auction Platform as foreseen in the JCD incorporating the Auctioning Regulation.

Education, Training and Youth

In the area of education, training and youth, the EEA EFTA States continued to monitor developments within the EU related to the Commission proposal for the Erasmus for All Programme (2014-2020), which was adopted by the EU under the name Erasmus+. All three EEA EFTA States informed the EU of their intention to participate in this education, training, youth and sport programme, subject to parliamentary approval in Norway. In order to ensure EEA EFTA participation in the programme's first call for proposals, a preliminary draft JCD was submitted to the EU in 2013.

The EEA EFTA States also agreed to incorporate the Council Recommendation on the validation of non-formal and informal learning into the EEA Agreement.

Gender Equality, Anti-Discrimination and Family Policy

The EEA EFTA States continued to participate in the relevant strands of the PROGRESS Programme and in the Daphne III Programme on Community action to prevent violence against children, young people and women, and to protect victims and groups at risk (2007-2013). Experts also discussed participation in the new Programme for Rights, Equality and Citizenship within the Multiannual Financial Framework (2014-2020). The Working Group monitored plans for an accessibility act and the proposal to increase the representation of women on company boards, as well as non-discrimination policies such as Roma integration.

Consumer Affairs

The EEA EFTA States followed the revision of consumer acquis including the proposal on package travel and assisted travel arrangements. EEA EFTA experts followed up on the language issue of the Online Dispute Resolution (ODR) Platform established under the ODR Regulation. The translation tool used for translating complaints submitted by consumers from the different EU Member States does not translate Icelandic or Norwegian. Pending the outcome of this issue, further steps to incorporate the Regulation and Directive on Alternative Dispute Resolution (ADR) were put on hold.

EEA EFTA Comments were submitted on the proposal for the Payment Accounts Directive, which is expected to be adopted in 2014.

Another priority in 2013 was the preparation of the incorporation of the new Consumer Programme (2014-2020) into the EEA Agreement, in which Iceland and Norway plan to participate.

Enterprise Policy and Internal Market Affairs

The EEA EFTA States submitted an EEA EFTA Comment on the new Solvit Recommendation, as well as a follow-up comment on the Single Market Act I and Single Market Act II.

Experts monitored the progress made on a number of initiatives proposed by the Commission under the E-Commerce Package.

Civil Protection

The EEA EFTA States closely followed the adoption of the new EU Civil Protection Mechanism (2014-2020), which replaces the former Mechanism for Civil Protection and the Civil Protection Financial Instrument (2007-2013). The EEA EFTA States met twice with the EU to discuss the new mechanism, in which Iceland and Norway plan to participate.

Cultural Affairs

The EEA EFTA States' main priority in the field of culture and sport was to prepare for the participation of Iceland and Norway in the Creative Europe Programme (2014-2020).

Health and Safety at Work and Labour Law

In the area of health and safety at work, the EEA EFTA States prepared for the incorporation of the revised Electromagnetic Fields Directive into the EEA Agreement. They also submitted an EEA EFTA Comment on the new EU occupational safety and health policy framework (2013-2020).

In the area of labour law, experts paid particular attention to the proposal for an enforcement directive on the posting of workers, and submitted an EEA EFTA Comment on this proposal to the EU. The Working Group also followed a new proposal to include seafarers in the scope of several labour law directives.

The EEA EFTA States monitored relevant issues in the social dialogue and paid close attention to the Commission's Regulatory Fitness and Performance Programme (REFIT), which contains several initiatives falling under the Working Group's mandate.



The EEA EFTA States were included in the Ninth Consumer Scoreboard published in July 2013.

EEA EFTA Comments in 2013

One of the ways in which the EEA EFTA States participate in shaping EU legislation is by submitting comments to the EU on important policy issues. In 2013, 12 EEA EFTA Comments were sent to the Commission, the European Parliament and the Council on:

- The proposal for a regulation of the European Parliament and of the Council on information accompanying transfers of funds
- The proposal for a directive of the European Parliament and of the Council 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
- The proposal for a regulation of the European Parliament and of the Council laying down measures concerning the European single market for electronic communications and to achieve a connected continent
- The proposal for a directive of the European Parliament and of the Council on the comparability of fees related to payment accounts, payment account switching and access to payment accounts with basic features
- The proposals for regulations on consumer product safety and market surveillance of products
- The public consultation on the new EU occupational safety and health policy framework
- The follow-up to the Single Market Act I and Single Market Act II (see page 33)
- The proposal for a regulation of the European Parliament and of the Council on occurrence reporting in civil aviation
- The proposal for a regulation of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the Internal Market
- The elements for a new SOLVIT recommendation
- The proposal for a directive of the European Parliament and of the Council on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online uses in the Internal Market
- The proposal for a directive of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services

The full list of EEA EFTA Comments can be found at: <http://www.efta.int/eea/eea-efta-comments>.

Public Health

In 2013, EEA EFTA experts attended the meetings of the EU's Committee on Cross-Border Healthcare. Particular attention was given to the revision of the Tobacco Products Directive, challenges facing Europe's health workforce and health inequalities overall. The Working Group also focused on the proposal for a new Health for Growth Programme (2014-2020) and the Directive on Serious Threats to Health.

Budgetary Matters

The annual EEA EFTA Budget covers the EEA EFTA countries' contribution to the EU Budget and allows for EEA EFTA participation in EU programmes, actions and agencies.

In 2013, the priority of the Working Group on Budgetary Matters was to prepare for EEA EFTA participation in the new Multiannual Financial Framework (MFF) (2014-2020). A number of preliminary draft JCDs for participation in the new programmes were prepared, including Horizon 2020.

As for EEA EFTA participation in the current programme framework (2007-2013), the EEA EFTA States' commitment to EU operational costs in 2013 was EUR 372 million, an increase of EUR 60 million from 2012. The EEA EFTA payment in 2013 amounted to EUR 307 million, adjusted for the 2011 credits.

The EEA EFTA States also contribute to the administrative costs of the European Commission, an important part of which is the contribution in kind of seconded national experts. In 2013, 33 EEA EFTA national experts were seconded to the various directorates within the European Commission dealing with EEA-relevant programmes and activities.

EFTA-EU Cooperation in Statistics

The EFTA Statistical Office (ESO) was created in the context of the EEA Agreement to liaise between Eurostat and the EFTA National Statistical Institutes (NSIs). It is located at the premises of Eurostat in Luxembourg.

Priorities for 2013 in the field of statistics were:

- Developing the 2013 EEA Annual Statistical Programme based on the European Statistical Work Programme of the European Commission.
- Preparing the incorporation of the European Statistical Programme 2014-2017 into Protocol 30 to the EEA Agreement.
- Preparing the incorporation of the EU Regulation on the European System of National and Regional Accounts into the EEA Agreement.
- Ensuring EFTA's participation in the new European Statistical Forum, which brings together members of the European Statistical System (ESS) with members of the European System of Central Banks.

Integration of EFTA Statistics into the European Statistical System

In addition to their core activities, ESO and the EFTA NSIs ensured EFTA's presence in the ESS by:

- Monitoring the inclusion of EFTA data in Eurostat's databases and publications.
- Ensuring the active involvement of EFTA and the EFTA NSIs in EU technical cooperation programmes in statistics with European and non-European third countries.
- Contributing substantially to the European Statistical Training Programme (ESTP).

Production and Dissemination of EFTA Statistics

Protocol 30 to the EEA Agreement and the Swiss-EU Agreement in the field of statistics provide for statistical information from all EFTA States to be transmitted to Eurostat for storage, processing and dissemination. ESO continues to strive for the regular inclusion of EFTA data in Eurostat databases and publications as well as in the new dissemination channels like the online platform Statistics Explained and Eurostat apps (see page 34). The tangible result of this joint initiative between ESO, the EFTA NSIs and Eurostat is that the inclusion of EFTA data in Eurostat databases and publications was at a high level in 2013.

EEA EFTA Comment on the follow-up to the Single Market Act I and the Single Market Act II



Photo: European Commission

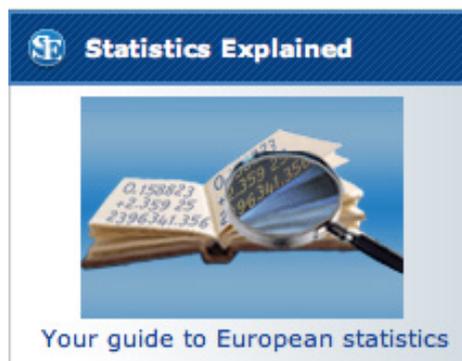
In an EEA EFTA Comment submitted to the EU in June 2013, the EEA EFTA States present their views on the follow-up to the Single Market Act I and the Single Market Act II.

As equal partners through the EEA Agreement, the EEA EFTA States welcome the Commission's initiative to further develop the Single Market with a second set of priority actions. Key issues raised by the EEA EFTA States relate to better governance of the Single Market, the Digital Single Market, integrated networks in the Single Market, cross-border mobility of citizens and businesses, and consumer confidence in the Single Market.

New Tools for Easy Access to European Statistics

Your guide to European statistics

The online platform, **Statistics Explained** (http://epp.eurostat.ec.europa.eu/statistics_explained), was launched by Eurostat in 2009. With a structure similar to Wikipedia, it contains statistical data and explanations, as well as direct links to recent figures and all kinds of relevant background information which may be useful to understand these statistics. Since its creation, Statistics Explained has continued to expand and has integrated the contents of several traditional statistical books, becoming one of Eurostat's main dissemination tools for non-specialists.



Country statistics at your fingertips

The **Country Profiles app** gives mobile access to the main statistical data on the EFTA States, the European Union and its Member States, the euro area, the EU candidate countries and other selected countries. The app presents key statistical indicators relating to economic and social topics of high interest. It offers a comparison between two countries, or between a country and the EU/euro area totals or averages, and the data can be displayed as interactive graphs and maps or as complete tables. The update function allows the freshest data to be downloaded from the Eurostat website.

http://epp.eurostat.ec.europa.eu/portal/page/portal/help/first_visit/extraction_tools#APP2

The European economy in your hand

The **EU Economy app** gives mobile access to the most important short-term macroeconomic indicators for the EU Member States as well as for the EFTA States. It gives an instant insight into the latest data on economic growth, labour markets, price developments in international trade, government debt and deficit, interest rates and economic sentiment in lists, graphs and maps.

http://epp.eurostat.ec.europa.eu/portal/page/portal/help/first_visit/extraction_tools#APP1

The apps are free of charge and downloadable via the Apple App Store or Google Play.



EFTA Participation in Eurostat Working Groups and Committees

Eurostat organised more than 100 meetings in 2013 to prepare and implement new legislation, exchange and develop methodologies and follow up on data collection. Statisticians from the EFTA States participated actively in the relevant meetings on an equal footing with colleagues from the EU Member States.

Technical Cooperation in the Field of Statistics

EFTA works closely with Eurostat on technical cooperation in the field of statistics. This is based on a Memorandum of Understanding (MoU) which has the general objective of ensuring close collaboration between the EFTA States and Eurostat in a number of programmes. The last MoU came to an end in 2013 and was replaced by a so-called "Administrative Arrangement" for the period 2014-2016.

EFTA's involvement gives priority to countries that have concluded joint declarations on cooperation or free trade agreements with EFTA. Support is granted mainly to countries covered by the European Neighbourhood Policy (ENP) East and South, Central Asia including Mongolia, the Western Balkans and Turkey, but can also include current and prospective free trade partners of EFTA in other regions of the world.

The main activities and projects in 2013 were:

- Organisation of the joint EFTA/Eurostat/UNECE high level seminar on "Global assessments and peer reviews – follow-up and next steps" in

Alushta, Ukraine. For the first time in the area of statistics it brought together the Western Balkans, Turkey, Eastern Europe, Caucasus and Central Asia (EECCA) countries including Mongolia, as well as the non-European Mediterranean countries, while many donor countries, e.g. Norway, and international organisations active in the region also participated. The objectives of the seminar were to take stock of the assessments, to discuss their outcomes and benefits, to exchange experiences, and to identify future action and modalities of further assessments. This seminar was a continuation of a similar event initiated in 2009 by EFTA in Yalta, Ukraine, which launched the 2009-2013 round of global assessments and peer reviews.

- Organisation of the workshop on “Implementation and links between the System of National Accounts 2008 and the Government Finance Statistics Manual” in Istanbul, Turkey, in cooperation with UNECE, Eurostat and the International Monetary Fund (IMF). The workshop brought together directors of government finance statistics from ministries of finance, and heads of national accounts from national statistical institutes, from South-East Europe and EECCA countries. Its purpose was to discuss the main challenges in the production of national accounts and government finance statistics in the participating countries, with a view to formulating priorities and plans for improving government sector statistics.
- Organisation and financing of a training course on “price statistics” in Belgrade, Serbia, for experts from the NSIs of ENP South, the Western Balkans and Turkey, conducted jointly by Norway and Switzerland.
- Organisation and financing of a training course on “dissemination” in Chisinau, Moldova, for experts from the NSIs of the Western Balkans and ENP East countries, conducted by Norway.
- Funding of experts’ participation in international and regional events in the field of statistics.

European Statistical Training Programme

An exchange of letters between the EFTA Secretariat and Eurostat stipulates that the EFTA Secretariat finances at least two ESTP courses per year in return for EFTA statisticians having the right to participate in all courses.

In 2013, the EFTA Secretariat financed three of the 34 ESTP courses held: two organised by Statistics Norway on the use of geographic information systems in national statistical offices – basic level and on business registers; and one by the Swiss Federal Statistical Office on survey methodology and sampling techniques.

EFTA National Experts Seconded to Eurostat

At the end of 2013, four experts from Statistics Norway and one expert from the Swiss Federal Statistical Institute were seconded to Eurostat within the framework of the EEA Agreement and the Swiss-EU Agreement respectively. Two Norwegian experts were seconded to Eurostat as a contribution in kind within the framework of EFTA-EU technical cooperation in order to ensure continuity of support and EFTA visibility in the overall programming and management of EFTA-EU activities.

EEA Grants and Norway Grants



Reducing economic and social disparities among people in 16 European countries. Poland is the largest beneficiary of the EEA Grants and Norway Grants. Photo: Maciek Nabradalik.

Through the EEA Grants and Norway Grants, Iceland, Liechtenstein and Norway contribute to reducing disparities in the European Economic Area and to strengthening bilateral relations with 16 EU countries in Central and Southern Europe: Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.

Around EUR 1.798 billion in funding has been agreed for the period 2009-2014. The EEA Grants amount to EUR 993.5 million, of which Norway provides 95.8%, Iceland 3% and Liechtenstein 1.2%. The Norway Grants amount to EUR 804.6 million and are funded by Norway alone. The Financial Mechanism Office (FMO) of the EFTA Secretariat in Brussels administers the grant schemes on behalf of Iceland, Liechtenstein and Norway.

Reducing Disparities and Strengthening Bilateral Relations

Since funding from the EEA EFTA States to the less wealthy countries of the European Union started in 1994, the Grants have contributed to areas such as reducing greenhouse gas emissions, protecting biodiversity, improving health services, promoting social inclusion,

strengthening civil society, strengthening the rule of law and preserving cultural heritage. An end review of projects implemented during the 2004-2009 funding period concluded that they had contributed to reducing social and economic disparities at local level.

The Grants have increasingly contributed to developing mutual cooperation and strengthening bilateral relations. Under the 2004-2009 Grants, more than one in five projects were implemented in partnership with entities from Iceland, Liechtenstein and Norway. Under the 2009-2014 Grants, 150 programmes have been received and 148 grant documents have been sent to the donors, providing a recommendation and overall assessment for each programme. Of these, 143 have been approved by the donors, while three have been withdrawn/rejected. Over 600 projects were launched in 2013.

Bilateral funds at national and programme level also stimulate bilateral contacts, networking and project cooperation. Networks and partnerships that build up through the Grants are expected to create sustainable cooperation in the political, institutional, cultural and academic fields, as the programmes developed are in areas of special interest to both the beneficiaries and donors. There are 87 programmes with a donor programme partner, involving 24 public entities from the donor countries as well as the Council of Europe. Furthermore, 98 pre-defined projects had a partner from the donor countries by the end of 2013.

International Partnerships

Partnerships have also been established with international organisations to ensure that funding is allocated with maximum efficiency and transparency. In the 2009-2014 period, the Council of Europe is contributing with expertise on human rights, democracy and rule of law. The global anti-corruption organisation, Transparency International, is collaborating with the EEA Grants and Norway Grants in identifying and addressing corruption risks in the implementation of the grant schemes.

2013: High Completion Rate with Positive Results

In 2013, 139 projects from the 2004-2009 financial period were formally closed, bringing the total number of closed projects to 1 171. Disbursements at the end of 2013 totalled EUR 1.05 billion. This is equivalent to an overall disbursement rate of 88.4% (compared to net allocations).

The Grants focused on areas of need and common interest, in line with wider European interests and goals. All available funding was committed in all beneficiary countries and the implementation rate was very high.

Ex-post monitoring of 40 projects produced positive findings, with most activities implemented as planned, targets largely met and high value for money achieved. A number of evaluations and reviews provided important lessons and guidance for the next funding period.

2013: New Funding Available

The EEA Grants and Norway Grants 2009-2014 are providing funding to larger programmes with clearer objectives and more strategic partnerships, thereby strengthening their results-oriented approach. Emphasis is being laid on results, as well as on risk management. Strategic partnerships are being established to contribute to strengthening bilateral cooperation and relations between the donor and beneficiary countries.

More than a third of the funds have been earmarked for “green programmes”: environmental protection, climate change and renewable energy, and green industry innovation. Funding is also targeting vulnerable groups such as minorities, including the Roma, and children and youth at risk. Particular emphasis is being placed on gender issues.

With the ongoing economic climate having created a fertile breeding ground for growing intolerance and incidences of hate speech, the Grants are also contributing to combating racism and xenophobia. This is not only achieved by promoting the values of democracy, tolerance and rule of law, but also by helping to reduce social and economic disparities.

By the end of 2013, 143 out of 150 programmes had been approved by the donors, several calls for projects had been launched and the first projects had started. Most programmes are now in the implementation phase. Programmes and projects may be implemented until 2016.

In the 2009-2014 period, the EEA Grants and Norway Grants are financing programmes in the following sectors:

EEA Grants

- Environmental protection and management
- Climate change and renewable energy
- Civil society
- Human and social development
- Protecting cultural heritage
- Research and scholarship

Norway Grants

- Carbon capture and storage
- Green industry innovation
- Decent work and tripartite dialogue
- Research and scholarship
- Human and social development
- Justice and home affairs



Allocation per country.

Advisory Bodies

The Parliamentary Committee

The EFTA Parliamentary Committee continued its active involvement in issues of relevance to EFTA cooperation in free trade relations with countries outside the European Union and matters pertaining to the EEA Agreement. The Chair of the Committee on third-country issues was Árni Thór Sigurdsson (Iceland).

Third-Country Relations

In January 2013, representatives of the Parliamentary Committee visited Costa Rica and Panama to support the ongoing free trade negotiations by strengthening ties with stakeholders and exchanging views on the merits of free trade.

The Parliamentary Committee met with EFTA Ministers in Trondheim in June and in Geneva in November, receiving updates on third-country relations and raising points of interest. Among other issues, the Committee discussed the FTA negotiations with the Customs Union of the Russian Federation, Belarus and Kazakhstan, and the linkages between EFTA and EU free trade negotiations.

The Committee continued its active engagement with respect to sustainable development provisions in FTAs.

EEA and European Affairs

The EEA Joint Parliamentary Committee met twice in 2013, in May in Brussels and in November in Vaduz. The Committee took a highly active role in the reflections on the EEA Agreement and, as at previous meetings, its members engaged in a fruitful dialogue with the EEA Council, the EEA Joint Committee and the EFTA Surveillance Authority (ESA) on the functioning of the EEA. The Committee adopted a resolution on the EEA Joint Committee's Annual Report on the Functioning of the EEA, as well as the following resolutions:

- Citizens' Rights in the European Union and in the European Economic Area
- Arctic Policy
- The future of the EEA and the EU's relations with the small-sized countries and Switzerland
- Transport Policy in the EEA



On 20 November 2013, the EFTA Parliamentary and Consultative Committees met for a joint conference to discuss the free movement of persons and its impact on the welfare state. In the panel (from left): Katharina Eisele, Researcher, Centre for European Policy Studies in Brussels; Jörg Tagger, Deputy Head of Unit, Free Movement of Workers Coordination of Social Security Schemes, DG Employment, European Commission; and Anne Britt Djuve, Head of Research, Fafo Institute for Labour and Social Research.



The Speaker of the Costa Rican Parliament, Victor Granados, addressing the delegation from the EFTA Parliamentary Committee in January 2013.



40th meeting of the EEA Joint Parliamentary Committee, 29 May 2013. Photo: European Parliament



Professor Marc De Vos, University of Ghent, at the Consultative Committee seminar on the possible conflicts between labour law and Internal Market law, May 2013.

- The EFTA parliamentarians continued their active dialogue with the EFTA Ministers on EEA affairs, and met with the Standing Committee at Ministerial level in Brussels in November, on the margins of the EEA Council meeting. These joint meetings include the EFTA Consultative Committee and constitute an increasingly important dialogue between Ministers and advisory bodies on developments in the EEA.

EFTA Consultative Committee

In 2013, the EFTA Consultative Committee* focused on various EEA-relevant topics: developments in the Internal Market with specific emphasis on the free movement of persons and the challenges for the welfare state, labour law issues, smart regulation and the REFIT Programme, youth unemployment, cooperation in the Arctic region and dialogue with social partners in Croatia. The Committee continued its work on international trade developments, focusing especially on EFTA's third-country relations and sustainable development. The Chair of the Committee in 2013 was Mr Thomas Angell (Federation of Norwegian Commercial and Service Enterprises).

The Committee met with the Standing Committee of the EFTA States in May, the EFTA Ministers and EFTA Parliamentary Committee in June, and the Ministerial Chair of the Council in November. Concerning the EEA, the

Committee invited the President of ESA to give a briefing in June on ESA's most recent activities, and met with the EFTA Standing Committee at Ministerial level in November in Brussels. The Committee members emphasise the importance of holding such joint meetings, which contribute to enhancing dialogue with the relevant EFTA authorities at political, parliamentary and diplomatic level in the four EFTA countries.

In May, the Committee invited a wider audience to a seminar on the relationship between labour law and Internal Market law, focusing in particular on the Posting of Workers Directive. The Committee also exchanged views with Croatian social partners on enlargement and social dialogue.

In November, the EFTA Parliamentary and Consultative Committees met for a joint conference to discuss the free movement of persons and its impact on the welfare state. A panel of distinguished speakers from the EU and academia focused on policy challenges regarding the linkages between welfare and migration, a relationship that has become more strained in the context of the current economic crisis.

* Representatives of the social partners' organisations in the EFTA countries.

Joint Work with the EU

At its meeting in October in Rovaniemi, Finland, the EEA Consultative Committee adopted two resolutions on:

- The opportunities and challenges in a changing Arctic region
- The role of social partners in the transition of young people from education to the labour market

The Committee also focused on recent developments in the EEA and current issues in the Arctic cooperation, and received a presentation on the situation of education and vocational training in Finland. The EEA Consultative Committee is co-chaired by Ms Liina Carr (Confederation of Estonian Trade Unions) and Mr Thomas Angell.

Cooperation between social partners in the EEA was further reinforced in 2013 through the so-called “osmosis” procedure, which allows representatives of the EFTA side to participate in the work of the European Economic and Social Committee and vice versa. Cooperation in 2013 included EFTA participation in meetings with Croatia, Iceland, Macedonia, Montenegro and Turkey; the Steering Committee on Europe 2020; and the Single Market Observatory.

The EEA EFTA Forum

The EEA EFTA Forum of Elected Representatives of Local and Regional Authorities was established by the EFTA Standing Committee in 2009 as an informal body to involve elected representatives from local authorities and regions in EEA matters. It currently has 12 members – six from Iceland and six from Norway. Ms Hilde Onarheim (Norway) chaired the Forum in the first half of 2013, while the Chair in the second half of the year was Mr Halldór Halldórsson (Iceland).

The Forum held two meetings in 2013, in June in Bergen, Norway, and in November in Brussels. The Forum adopted opinions on:

- Revised EU Directive on the re-use of public sector information
- Revision of European waste policy, legislation and targets
- European Port Policy review
- Review of European State Aid Framework
- EEA & Norway Financial Mechanisms

The Forum continued its dialogue on relevant issues with the Committee of Regions of the European Union, and discussed topics of common interest with the EFTA Parliamentary Committee in a joint meeting in November.



The EEA EFTA Forum of Local and Regional Authorities at its meeting in Bergen on 21 and 22 June 2013.

Information Activities

EFTA informs its stakeholders and the general public about its activities through a website, seminars and various publications. Members of the public can access or order EFTA documents through a link on the site. Presentations are also given to visitors to the Secretariat offices in Geneva, Brussels and Luxembourg. In Brussels alone, approximately 75 groups (nearly 1 600 people) visited EFTA in 2013.

Website and Social Media

In September, EFTA's website migrated to a new software platform (open source). The website contains news and general information on EFTA's work, as well as legal texts related to EFTA's free trade agreements and the EEA Agreement. The site has approximately 1 200 visitors per working day. EFTA also expanded its use of social media (Twitter, Facebook and LinkedIn).

Seminars

EFTA held several seminars and conferences in 2013, including:

- In March, EFTA held a seminar on the EEA Agreement. At the seminar, Mr Jean-Claude Piris, former Director-General of the Legal Service of the Council of the European Union, gave a keynote speech on the role of the EEA in a multi-speed Europe. The seminar was attended by approximately 130 participants.
- In June, in cooperation with Eurostat and the United Nations Economic Commission for Europe (UNECE), EFTA organised a high-level seminar for South-East Europe, Eastern Europe, Caucasus, Central Asia and non-EU Mediterranean countries on global assessments of their national statistical systems. The seminar attracted some 70 participants.
- In November, the EFTA Parliamentary and Consultative Committees met for a joint conference to discuss the free movement of persons and its impact on the welfare state. Speakers included Katharina Eisele, Centre for European Policy Studies (CEPS) in Brussels; Jörg Tagger, DG Employment, Social Affairs and Inclusion, European Commission; and Anne Britt Djuve, Norwegian Fafo Institute for Labour and Social Research.

Publications

The latest editions of all of EFTA's brochures are available on the website. Paper copies can be ordered free of charge, subject to availability. The following were released in 2013:

- This is EFTA 2013: An annual publication providing an overview of EFTA and its activities, together with useful trade and economic statistics
- The EFTA Bulletin: EFTA Free Trade Relations

In addition, the fact sheet "EFTA at a Glance" provides a brief introduction to the organisation and its activities.

The EEA Supplement

The EEA Supplement to the Official Journal of the European Union is a translation into Icelandic and Norwegian of EEA-relevant texts. The EEA Supplement contains material from:

- The EEA Joint Committee
- The Standing Committee of the EFTA States
- The EFTA Surveillance Authority
- The EFTA Court
- The European Commission

The EEA Supplement is published on the EFTA website once a week. Since 2008, the Icelandic and Norwegian versions of the EEA Supplement have not been synchronised with regard to content.

In 2013, the EFTA Secretariat published 74 issues of the EEA Supplement. The publication of acts incorporated into the EEA Agreement increased in 2013 compared to the previous year for the Icelandic version, whilst the Norwegian version maintained approximately the same figures as in 2012.

Publication in the EEA Supplement Fig. 4 2013

	Number of pages	
	Icelandic	Norwegian
EEA Joint Committee Decisions	317	317
EU Acts	7 488	1 459
EFTA Standing Committee	11	11
EFTA Surveillance Authority	624	624
EFTA Court	73	73
EU Institutions	1 407	1 407
Other	10	10
Total	9 930	3 900

The Secretariat

At the end of 2013 there were 22 fixed-term staff and two trainees based in Geneva, and 59 in Brussels and Luxembourg, plus five trainees. The Financial Mechanism Office in Brussels employed 54 staff and six trainees. All figures are on a full-time equivalent basis.

The Secretariat's budget is prepared according to the framework budgeting principle used by the Member States' public administrations. This approach aims to increase awareness of budgetary spending at all levels. The budget is accompanied by a performance plan in which the activities of the Secretariat are divided into projects. The plan and subsequent reports keep the Member States informed of the costs and outcomes of the Secretariat's various activities.

EFTA's budget is prepared in two currencies: Swiss francs (CHF) and euros (EUR). The total budget for 2013 was equivalent to CHF 22 298 000.

The EFTA Board of Auditors

The EFTA Board of Auditors (EBOA), established in May 1992, is the auditing authority of EFTA. It is a permanent committee which, in cooperation with external auditors, performs an annual audit of the three EFTA institutions: the EFTA Secretariat, the EFTA Surveillance Authority (ESA) and the EFTA Court. For matters related to the Secretariat, EBOA meets "at four" (one representative from each EFTA State) and reports directly to the EFTA Council. For matters related to the EEA Agreement (ESA and the EFTA Court), EBOA meets "at three" (Iceland, Liechtenstein and Norway) and reports to the ESA/Court Committee. EBOA also works in cooperation with the European Court of Auditors. EBOA's annual audit report is made available on the EFTA Secretariat's website once the relevant Council procedures for the year in question have been finalised.

In 2013, EBOA launched a tender for an external auditor to assist the Board in the annual audits of the EFTA institutions for the financial years 2013 -2017. Following the evaluation of nine bids, a contract was awarded to Baker Tilly Belgium.

2013 EFTA Budget (CHF)

Fig. 5

Budget Post	2013 Budget (in CHF)
EFTA Council and horizontal activities	2 097 000
Administration and management	3 924 000
Trade relations with countries outside the EU	4 749 000
EU/EFTA and EFTA cooperation programmes	3 173 000
EEA-related activities	7 621 000
EFTA-EU statistical cooperation	734 000
	22 298 000

Contributions from the EFTA States to the 2013 EFTA Budget

Fig. 6

Member State	Contribution (in CHF)	Share (as %)
Iceland	684 000	3.07
Liechtenstein	207 000	0.93
Norway	12 454 000	55.85
Switzerland	8 953 000	40.15
Total	22 298 000	100.00

Appendices

EFTA Parliamentary Committee Members 2013*

Iceland

Mr Guðlaugur Þór Þórðarson	Independence Party (Chair)
Mr Árni Páll Árnason	Social Democratic Alliance
Mr Árni Þór Sigurðsson	Left-Green Movement
Mr Vilhjálmur Bjarnason	Independence Party
Mr Willum Þór Þórsson	Progressive Party

Liechtenstein

Mr Albert Frick	Progressive Citizens' Party
Mr Harry Quaderer	Independent

Norway

Mr Svein Roald Hansen	Labour Party (Vice Chair)
Mr Gunnar Gundersen	Conservative Party
Ms Marianne Aasen	Labour Party
Mr Nikolai Astrup	Conservative Party
Mr Jørund Rytman	Progress Party
Mr Geir Toskedal	Christian Democratic Party

Switzerland

Ms Kathy Riklin	Christian Democratic Party
Mr Didier Berberat	Social Democratic Party
Mr Ignazio Cassis	FDP. The Liberals
Mr Konrad Graber	Christian Democratic Party
Mr Thomas Aeschi	Swiss People's Party

* Committee members as at December 2013.

EFTA Consultative Committee Members 2013

Iceland

Mr Róbert Trausti Árnason	Confederation of Icelandic Employers
Mr Haraldur Ingi Birgisson	Iceland Chamber of Commerce
Mr Halldór Grönvold	Icelandic Confederation of Labour
Mr Bjarni Már Gylfason	Federation of Icelandic Industries
Ms Helga Jónsdóttir	Federation of State and Municipal Employees (First Vice Chair)

Liechtenstein

Mr Josef Beck	Liechtenstein Chamber of Commerce and Industry
Mr Sigi Langenbahn	Liechtenstein Employees Association (Bureau member)

Norway

Mr Thomas Angell	Federation of Norwegian Commercial and Service Enterprises (Chair)
Mr Vidar Bjørnstad	Norwegian Confederation of Trade Unions
Ms Liz Helgesen	Norwegian Confederation of Unions for Professionals
Mr Christopher Navelsaker	Norwegian Confederation of Vocational Unions)
Ms Trine Radmann	Confederation of Norwegian Enterprise
Ms Bente Stenberg-Nilsen	Norwegian Association of Local and Regional Authorities

Switzerland

Mr Jan Atteslander	economiesuisse
Ms Ruth Derrer Balladore	Confederation of Swiss Employers
Mr Vasco Pedrina	Union Syndicale Suisse
Mr Kurt Regotz	Swiss Workers' Federation
Mr Marco Taddei	Swiss Association of Small and Medium-sized Enterprises (Second Vice Chair)
Mr Pierre Weiss	Fédération des Entreprises Romandes Genève

Members of the EEA EFTA Forum of Elected Representatives of Local and Regional Authorities 2013

Iceland

Mr Geir Kr. Aðalsteinsson	Regional Municipal Federation of North East Iceland
Mr Björn Blöndal	Reykjavik City Council
Mr Ásgeir Eiríksson	Regional Municipal Federation of South West Iceland
Mr Halldór Halldórsson	Icelandic Association of Local Authorities (Chair)
Mr Valdimar O. Hermannsson	Regional Municipal Federation of Eastern Iceland
Mr Gunnar Þorgeirsson	Regional Municipal Federation of Southern Iceland

Norway

Mr Christian Haugen	Hedmark County Council
Mr Nils A. Røhne	Municipality of Stange
Ms Hanne Braathen	Storjord Municipal Council
Ms Hilde Onarheim	Bergen City Government
Ms Eva Kristin Andersen	Fredrikstad City Council
Ms Torhild Bransdal	Municipality of Vennesla

EFTA Ministerial Communiqués and EEA Council Conclusions

EFTA Ministerial Meeting, Trondheim, 24 June 2013

Communiqué

On 24 June 2013, the European Free Trade Association (EFTA) held its summer Ministerial meeting in Trondheim, Norway. The meeting was chaired by Mr Trond Giske, Minister of Trade and Industry of Norway.

Ministers of the four EFTA States (Iceland, Liechtenstein, Norway and Switzerland) signed free trade agreements with the Central American States of Costa Rica and Panama, represented by Ms Anabel González, Minister of Foreign Trade of Costa Rica and Mr Ricardo Quijano, Minister of Trade and Industry of Panama; and with Bosnia and Herzegovina, represented by Mr Mirko Šarović, Minister of Foreign Trade and Economic Relations.

A joint declaration on cooperation was signed with Myanmar, represented by Mr Pwint San, Deputy Minister of Commerce.

The international economic and trade environment

The EFTA Ministers noted the uneven pace of global economic recovery and discussed the ongoing challenges faced by economic operators in an environment characterized by considerable macroeconomic and policy uncertainty. They recalled the essential role of open markets in supporting sustainable growth in the increasingly interconnected global economy.

Ministers discussed the launch of negotiations between the European Union and the United States on a Transatlantic Trade and Investment Partnership. They noted the significance of this initiative and agreed to monitor future developments closely.

The EFTA Ministers reiterated their strong commitment to the rules-based multilateral trading system of the World Trade Organization. They expressed their concern about the state of play in the WTO negotiations. The Ministers called on all WTO Members, particularly major players, to work with flexibility and realism in order to ensure significant outcomes in Bali with a view to creating momentum towards a successful conclusion of the Doha Development Agenda.

Preferential trade relations

The EFTA Ministers welcomed the addition of the free trade agreements with the Central American States of *Costa Rica* and *Panama* and with *Bosnia and Herzegovina* to EFTA's expanding network of preferential trade relations. EFTA now has 26 such agreements with 36 partner countries and territories outside the European Union. This world-wide network is further complemented by six joint declarations on cooperation. In this context, Ministers welcomed the signing of a joint declaration with *Myanmar*.

Concerning EFTA's ongoing negotiating processes, Ministers welcomed the progress achieved since the beginning of the year in the negotiations with the Customs Union of *Russia, Belarus and Kazakhstan*.

Ministers noted the continued active engagement with partners in Asia and reiterated the priority accorded to enhancing trade relations with this dynamic region. They took stock of developments in the negotiations with *India* and confirmed their willingness to move this process forward to its conclusion as soon as possible. They noted the progress made in the negotiations with *Indonesia* and *Vietnam*. Ministers expressed their satisfaction that negotiations are imminent with *Malaysia* and reaffirmed their strong interest in resuming talks with *Thailand* this autumn.

Ministers reiterated EFTA's interest in further developing existing free trade agreements, such as the agreements with *Canada, Chile, Korea and Mexico*. They agreed to continue exploring possible options for resuming negotiations with *Algeria*, as well as developing closer trade relations with *Pakistan, the Philippines* and potential partners in the Sub-Saharan African region.

Relations with the European Union

The EEA EFTA Ministers welcomed the reviews of the European Economic Area (EEA) undertaken by the European Union (EU) and the EEA EFTA side in recent years, and appreciated the fact that all of the reviews underlined that the EEA Agreement had proven to be a solid platform for EEA EFTA participation in the Internal Market, as well as for the EEA EFTA States' relations with the EU.

Whilst acknowledging the need for a further reduction in the number of EU legal acts pending incorporation into the EEA Agreement, the Ministers welcomed the positive results produced by the joint efforts over the last year to reduce this number. Almost 500 legal acts were incorporated into the Agreement in 2012 – the highest number in a single year since 1999. Ministers noted with satisfaction that important legislation had been incorporated thereby ensuring a level playing field for the EEA EFTA States in areas such as consumer rights, goods, telecommunications and environmental and climate issues.

Ministers noted with concern the challenges related to EEA EFTA participation in EU agencies and programmes, and underlined the importance of timely involvement of the EEA EFTA States in new EU programmes, in order for EEA EFTA applicants to be included in the first calls for proposals.

A key priority this last year has been to find a solution, together with the EU, regarding the EEA EFTA States' participation in the European Financial Supervisory Authorities, which will ensure that the structure of the EEA Agreement is respected. Ministers called on all parties to maintain the focus on this issue.

The EEA EFTA Ministers welcomed the 2012 results of the EEA Financial Mechanism and the Norwegian Financial Mechanism for the 2004-2009 period. The funding has had a positive impact at local level and a majority of the projects exhibited good quality for the grant money spent.



Finally, Ministers were informed on the state and the perspectives of the relations between Switzerland and the European Union, especially on the possible solutions in order to develop and strengthen the bilateral way.

Advisory bodies

Ministers held meetings with EFTA's two advisory bodies, the Consultative Committee and the Parliamentary Committee. They discussed various issues related to the functioning of the EEA Agreement and recent developments in the EEA, third-country relations, and the relationship between the EU and Switzerland.

Attending

Norway: *Mr Trond Giske*, Minister of Trade and Industry (Chair)

Iceland: *Mr Gunnar Bragi Sveinsson*, Minister for Foreign Affairs and External Trade

Liechtenstein: *Ms Aurelia Frick*, Minister of Foreign Affairs

Switzerland: *Mr Johann N. Schneider-Ammann*, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research

EFTA: *Mr Kristinn F. Árnason*, Secretary-General

EFTA Ministerial Meeting, Geneva, 18 November 2013

Communiqué

On 18 November 2013, the European Free Trade Association (EFTA) held its biannual Ministerial Meeting in Geneva. The meeting was chaired by Ms Aurelia Frick, Minister of Foreign Affairs of Liechtenstein. The EFTA Ministers met with the Undersecretary for Industry Development and Trade Policy of the *Philippines*, Mr Adrian S. Cristobal Jr, to discuss options for developing closer trade relations between the two sides.

Ministers discussed the prospects for the global economy, stressing the importance of pursuing long-term growth strategies based on liberal trade and investment policies. In this context, they expressed strong hope that WTO Members would deliver tangible results at the Ninth WTO Ministerial Conference, taking place in December in Bali, Indonesia. They also exchanged views on the ongoing negotiations between the European Union and the United States on a Transatlantic Trade and Investment Partnership.

Ministers reviewed the state of affairs in EFTA's free trade relations. They welcomed the positive developments in the free trade negotiations with *India* and looked forward to their timely conclusion. Ministers noted the progress made in the negotiations with the Customs Union of *Russia, Belarus and Kazakhstan* and exchanged views on how to advance this process to its closing stages. They reviewed developments in the negotiations with *Indonesia and Vietnam*, reiterating their commitment to these processes. They noted the positive engagement with *Guatemala* and discussed the prospects for that country joining the EFTA-Central America Free Trade Agreement. Ministers look forward to starting negotiations on a free trade agreement with *Malaysia* early next year. Welcoming *Thailand's* readiness to resume free trade negotiations, they looked forward to the organisation of a first round in early 2014.

Ministers reaffirmed EFTA's interest in developing closer trade relations with potential partners in *Sub-Saharan Africa* and with the *Philippines*. They agreed to continue evaluating the potential for developing preferential trade relations with the *MERCOSUR* States and with *Pakistan* and for resuming free trade negotiations with *Algeria*. They also exchanged views on the prospects for extending EFTA's free trade network in the broader European neighbourhood and for updating and further developing existing free trade agreements, notably the agreements with *Canada and Turkey*.

EFTA's network of preferential trade relations outside the European Union currently comprises 25 free trade agreements with 35 countries and territories. This network is complemented by 6 joint declarations on cooperation.

Ministers met with the *EFTA Parliamentary Committee* to discuss recent developments and priorities in EFTA's trade relations with the world.

Attending

Liechtenstein: *Ms Aurelia Frick*, Minister of Foreign Affairs (Chair)

Iceland: *Mr Gunnar Bragi Sveinsson*, Minister for Foreign Affairs and External Trade

Norway: *Ms Monica Mæland*, Minister of Trade and Industry

Switzerland: *Mr Johann N. Schneider-Ammann*, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research

EFTA: *Mr Kristinn F. Árnason*, Secretary-General

Conclusions of the 39th meeting of the EEA Council, Brussels, 21 May 2013

1. The thirty-ninth meeting of the EEA Council took place in Brussels on 21 May 2013 under the Presidency of Mr Eamon Gilmore, Tánaiste (Deputy Prime Minister) and Minister for Foreign Affairs and Trade of Ireland, representing the Presidency of the Council of the European Union. The meeting was attended by Ms Aurelia Frick, Minister for Foreign Affairs of Liechtenstein, Mr Espen Barth Eide, Minister of Foreign Affairs of Norway, and Mr Thórir Ibsen, Ambassador, Head of the Mission of Iceland to the EU, as well as by Members of the Council of the European Union and Representatives of the European Commission and the European External Action Service.
2. The EEA Council noted that within the framework of the Political Dialogue the Ministers discussed the situation in *Mali*, *Syria*, and *DPRK*.
3. The EEA Council held an orientation debate on *Recent Developments in Financial Services, including Banking Union and the Single Supervisory Mechanism*.
4. The EEA Council welcomed the EU Council Conclusions on EEA cooperation and the publication of the Commission Staff Working Document on the review of the functioning of the EEA, both from December 2012. The EEA Council also welcomed the comprehensive EEA Review commissioned by Liechtenstein, published in March 2013, and noted that both reviews have shown that the EEA Agreement is a durable and well-functioning instrument, which has extended, by comprehensive means, the EU's internal market to the EEA EFTA States while at the same time ensuring the integrity of that internal market.
5. Welcoming the extensive and far-reaching economic relations of soon 31 states covered by the EEA Agreement, the EEA Council acknowledged the important role the Agreement has played in ensuring the development of this strong trade relationship for the last 20 years, and looked forward to deepening relations with a view to improving market access for the mutual benefit of EEA partners.
6. The EEA Council recalled that the EU side had continued the practice of inviting officials from the EEA EFTA States to political dialogue meetings at the level of relevant Council working parties, and underlined the importance of continuing this practice.
7. 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 Irish and incoming Lithuanian Presidencies for the continuation of this practice.
8. The EEA Council agreed that the current economic crisis is a common concern, and reaffirmed the need for responsibility and solidarity among the countries of Europe in tackling the challenges ahead. In this context, the EEA Council welcomed the increased emphasis on competitiveness and growth measures in

the Multiannual Financial Framework 2014-2020 to put the economies on the path towards renewed and sustainable growth in the European Economic Area. The EEA Council underlined however, the need to take into account both budgetary discipline and shared social objectives in the measures taken to combat the crisis. The EEA Council underlined its full support for the calls by the G20 to avoid a repetition of the historic mistakes of protectionism of previous eras, as well as the G20 standstill commitment and the pledge to roll back any new protectionist measures that may have arisen, and voiced its intention to resist all forms of protectionism in order to help safeguard the global economic recovery.

9. The EEA Council acknowledged the progress made in the implementation of the Single Market Acts I and II and recognised that a fully functioning Single Market is crucial, not least in order to overcome the current economic crisis. The EEA Council welcomed that the EEA EFTA States had contributed to the consultations on the SMAs and share its goals. The EEA Council moreover welcomed the initiative of better governance in the Single Market and emphasised the need for further strengthening the internal market as a key driver for growth and jobs facilitating cross-border trade and the social dimension.
10. In acknowledging the contribution made by the EU programmes in building a more competitive, innovative and social Europe, the EEA Council underlined the importance of timely adoption of the new programmes and welcomed the measures taken by the EEA EFTA States to participate in and contribute financially to such programmes. The EEA Council encouraged the timely inclusion of the EEA EFTA States in relevant programmes in order to ensure continuity and facilitate the eligibility of EEA EFTA applicants under the first calls.
11. In the context of the crisis, the EEA Council underlined the significance of the EEA and Norwegian Financial Mechanisms 2009-2014 as a means of reducing economic and social disparities in the EEA and emphasised the importance of using the supported programmes actively to develop closer cooperation and relations between the EEA EFTA States and the beneficiary countries.
12. In the context of the forthcoming enlargement of the EEA, the EEA Council looked forward to the accession of Croatia to the European Union on 1 July 2013 and urged all parties to ensure that the parallel negotiations which will allow for Croatia to become a Party to the EEA Agreement are completed by this time.
13. The EEA Council welcomed the progress being made towards Iceland's accession to the European Union following the Eighth Intergovernmental Conference in December 2012.
14. The EEA Council noted the Progress Report of the EEA Joint Committee and expressed its appreciation for the work of the EEA Joint Committee in ensuring the operation and well-functioning of the EEA. In 2012, nearly 500 acts were incorporated into the EEA Agreement, the highest number since 1999.

15. In order to ensure the continued well-functioning of the EEA Agreement, in particular a homogenous internal market and fair competition for all operators, and the timely incorporation of EU legal acts, the EEA Council welcomed the ongoing joint efforts to further improve the process of preparation and incorporation of EEA relevant EU acquis into the EEA Agreement. The EEA Council noted that around 400 acts have yet to be incorporated into the EEA Agreement and urged both sides to increase their efforts with the aim of reducing the number of outstanding acts, in particular those acts subject to a protracted period of delay in incorporation.
16. The EEA Council welcomes the reduction in the number of EEA EFTA notifications of Joint Committee decisions for which the constitutional requirements have exceeded the six month period stipulated in the EEA Agreement. The EEA Council encouraged the EEA EFTA States to continue their efforts to solve the pending cases as soon as possible and to avoid such delays in the future.
17. The EEA Council noted the urgency for both sides to find mutually acceptable solutions ensuring the inclusion into the EEA Agreement of the significant volume of legislation being adopted in the EU in the financial services field. The EEA Council emphasised the need to ensure the timely incorporation of such legislation, including the Regulations establishing the EU supervisory framework for financial markets, on which to date, limited progress has been noted. The EEA Council recognised the complexity of the issues and the constitutional challenges for the EEA EFTA States raised by the specific role and powers vested in these supervisory authorities, welcomed the first steps towards a constructive and result-oriented dialogue and urged all sides to accelerate their efforts to reach that end without further delay.
18. The EEA Council noted that progress is required on a number of outstanding issues. These include the processing of the Data Retention Directive, the Third Postal Directive, the TELECOM Package (including the Regulation on the Body of European Regulators for Electronic Communications – BEREC), the Directive on Deposit Guarantee Schemes, the Regulation on Novel Foods and Novel Food Ingredients, the Marine Strategy Framework Directive, the Regulation on Medicinal Products for Paediatric Use and the EU legal acts in the area of organic production. The EEA Council restated the need for a conclusion of these processes in the coming months. In addition, the EEA Council expressed the expectation that tangible progress can be made to allow the rapid processing by the EEA Joint Committee of recent specific financial market legislation, including the Directive on Alternative Investment Fund Managers and the European Market Infrastructure Regulation.
19. The EEA Council reiterated the importance of maintaining close cooperation between the EU and the EEA EFTA States in environment, energy and climate change policies, in particular in the areas of emissions trading, the promotion of competitive, safe and sustainable low carbon economy, energy efficiency, renewable energy resources, carbon capture and storage (CCS), as well as in the development of the internal energy market. The EEA Council welcomed the joint successful efforts on the incorporation into the

EEA Agreement of the Union Registry which centralises the operations of the EU emissions trading system. The EEA Council noted the important work on derived legislation of the Third Package for the Internal Energy Market currently being undertaken by the new bodies: the Agency for the Cooperation of Energy Regulators (ACER) and the European Network(s) for Transmission System Operators (ENTSOs). The EEA Council underlined the importance of ensuring appropriate EEA EFTA participation in the new bodies in line with the Third Package and the EEA Agreement. The EEA Council emphasised the importance of stepping up efforts to implement the Third Package.

20. The EEA Council took note of the recently adopted Regulation on Energy Infrastructure, as well as the related financing mechanism for infrastructure proposed under the Connecting Europe Facility, and agreed on the importance of infrastructure as a means of completing the Internal Energy Market for electricity and natural gas.
21. The EEA Council recognised the importance of Horizon 2020 with respect to Europe's enhanced priority on research and innovation cooperation for the creation of growth and jobs. It underlined the significance of support for common research and development projects, cross-border exchanges of knowledge and scientific cooperation, as well as the free flow of intellectual capital, while fully taking into account the rights of the respective property rights holders in accordance with European and international intellectual property legislation.
22. The EEA Council acknowledged that the Contracting Parties, pursuant to Article 19 of the EEA Agreement, had undertaken to continue their efforts with a view to achieving the progressive liberalisation of agricultural trade. To this end, it welcomed the negotiations on the further liberalisation of agricultural trade between the EU and Iceland that were launched in 2012. The EEA Council looked forward to the upcoming review in 2013/2014 of the conditions of trade in agricultural products between Norway and the EU, with the aim of opening negotiations on a new agreement within the framework of Article 19. The initial contacts between the EU and Norway in February and April 2013 were welcomed. At the same time however, the EEA Council took note that the EU deeply regrets that the Norwegian Government had increased customs duties by switching from earlier applied specific duties to ad valorem duties for some agricultural products as well as by reclassification of one specific product. The EEA Council noted that the EU has strongly encouraged Norway to reverse these measures, as the EU considers that they are not in compliance with Norway's international obligations under Article 19 of the EEA Agreement, and constitute a source of deep concern for the EU. At the same time, the EEA Council also took note that Norway regards the switch from specific duties to ad valorem duties to be fully consistent with its international obligations and that Norway regards the reclassification to be a purely technical measure, rectifying an earlier wrongful classification.

23. The EEA Council welcomed that 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 will continue at the meeting of the EEA Joint Working Group on Processed Agricultural Products scheduled to take place in Reykjavik on 30 May 2013.
24. The EEA Council welcomed the EEA EFTA States' contributions to the decision-shaping process of EEA relevant EU legislation and programmes through their participation in relevant committees, expert groups and agencies, and through the submission of EEA EFTA comments.
25. The EEA Council reiterated that it is in the common interest of all Contracting Parties that the EEA Agreement is well known throughout the EEA, and urged all to ensure that appropriate information on the EEA Agreement be made available.
26. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 39th meeting in Brussels on 27 November 2012 on: *EU programmes 2014-2020 and the participation of the EEA EFTA States; The Reform of EU Common Fisheries Policy; The future of EU Energy Policy and its Implications for the EEA; and the EEA EFTA States' participation in EU agencies and the decision-making mechanisms*. The EEA Council looked forward to the 40th meeting of the EEA Joint Parliamentary Committee on 29 and 30 May 2013, and the meeting of the EEA Consultative Committee on 10 and 11 October 2013.

Conclusions of the 40th meeting of the EEA Council, Brussels, 19 November 2013

1. The fortieth meeting of the EEA Council took place in Brussels on 19 November 2013 under the Presidency of Mr Gunnar Bragi Sveinsson, Minister for Foreign Affairs of Iceland. The meeting was attended by Ms Aurelia Frick, Minister for Foreign Affairs of Liechtenstein, Mr Vidar Helgesen, Minister of EEA and EU Affairs at the Office of the Prime Minister of Norway, and Mr Linas Linkevičius, Minister of Foreign Affairs of Lithuania, 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.
2. The EEA Council noted that, within the framework of the Political Dialogue, the Ministers discussed *Eastern partnership, Syria and Egypt*. An orientation debate was held on *A 2030 Framework for Climate and Energy Policies - challenges and next steps*.
3. The EEA Council welcomed the accession of Croatia to the EU on 1 July 2013 and urged all sides to complete all procedures relevant for the enlargement of the EEA with Croatia.
4. The EEA Council welcomed the signs of economic recovery in Europe and emphasised the need for responsibility and solidarity among the countries of Europe to overcome the social and economic challenges that had arisen from the economic crisis, including the alarming increase of youth unemployment in some EEA Member States.
5. In acknowledging the contribution made by EU programmes in building a more competitive, innovative and social Europe, the EEA Council called for the timely participation of the EEA EFTA States in relevant EU programmes in order to ensure continuity and facilitate the eligibility of EEA EFTA applicants under the first calls for proposals. The EEA Council emphasized that this was particularly important for those programmes, which will launch first calls for proposals already this year, such as Horizon 2020.
6. The EEA Council recognised the significance and the positive impact of the EEA and Norway Financial Mechanisms 2009-2014 and the previous Financial Mechanisms in reducing economic and social disparities in the EEA. The EEA Council encouraged the Joint Committee to conclude the review under Article 9 of Protocol 38 B of the EEA Agreement as soon as possible.
7. Recognising the extensive economic relations that exist between all the States covered by the EEA Agreement, the EEA Council acknowledged the importance of the Agreement in advancing the unique economic and market integration between the EU and EEA EFTA States.
8. The EEA Council reiterated the need to continue efforts towards better governance of the Internal Market as a key driver for growth and quality jobs creation in Europe. It recognised the value of the EEA EFTA States' continued contribution to the development and implementation of the Single Market Acts I and II.

9. 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.
10. The EEA Council welcomed the efforts made in the past two years to reduce the number of outstanding EEA relevant EU acts to be incorporated into the EEA Agreement and to accelerate the incorporation process. The EEA Council noted that despite progress in the recent past, the number of outstanding acts had increased again. It urged both sides to take the necessary steps with the aim of reducing the number of outstanding acts, in particular those that were subject to a protracted period of delay in incorporation. The EEA Council deemed that in order to guarantee the legal security and the homogeneity of the EEA, more needs to be done to significantly and durably reduce the time gap between the adoption of EEA relevant acquis by the EU and its application by the EEA EFTA States.
11. The EEA Council noted that progress is still needed on a number of outstanding issues and looked forward to reach a conclusion in particular regarding the Data Retention Directive, the Third Postal Directive, the 2009 TELECOM Package (including the Regulation on the Body of European Regulators for Electronic Communications – BEREC), the Directive on Deposit Guarantee Schemes, the Regulation on Novel Foods and Novel Food Ingredients, the Marine Strategy Framework Directive, the Regulation on Medicinal Products for Paediatric Use and the EU legal acts in the area of organic production as soon as possible.
12. The EEA Council also noted the increase of the number of EEA EFTA notifications of Joint Committee decisions for which the constitutional requirements have exceeded the six month period stipulated in the EEA Agreement. The EEA Council encouraged the EEA EFTA States to strengthen their efforts to solve the pending cases as soon as possible and to avoid such delays in the future.
13. Cognisant of the constitutional challenges for some of the EEA EFTA States raised by the specific role and powers vested in the European Supervisory Authorities for the financial services sectors, the EEA Council welcomed the ongoing constructive dialogue aimed at finding a solution to the large amount of EU legislation in the field of financial services. The EEA Council stressed the high importance of a swift incorporation of this legislation into the EEA Agreement hereby allowing the EEA EFTA States to participate on an equal footing in the internal market for financial services and ensuring homogeneity in this important economic sector.
14. With regard to the Third Package for the Internal Energy Market, the EEA Council underlined the importance of stepping up efforts to incorporate this Package into the EEA Agreement, and encouraged the parties to identify the appropriate level of EEA EFTA participation in the Agency for the Cooperation of Energy Regulators (ACER).

15. The EEA Council acknowledged the significance of the on-going process of establishing a Transatlantic Trade and Investment Partnership between the European Union and the United States. It also took note of the wish expressed by the EEA EFTA States to have a regular exchange of information with the EU on this process bearing in mind inter alia Protocol 12 to the EEA Agreement.
16. The EEA Council placed great importance on continued close cooperation between the EU and the EEA EFTA States in environment, energy and climate change policies, in particular in the areas of emissions trading, the promotion of competitive, climate resilient, safe and sustainable low carbon economy, energy efficiency, renewable energy resources, carbon capture and storage (CCS) and marine environment issues.
17. The EEA Council acknowledged that the Contracting Parties, pursuant to Article 19 of the EEA Agreement, had undertaken to continue their efforts with a view to achieving the progressive liberalisation of agricultural trade. The EEA Council welcomed that negotiations on the further liberalisation of agricultural trade and on the protection of geographical indications between the EU and Iceland had been launched in 2012. It also looked forward to the review in 2013/2014 of the conditions of trade in agricultural products between Norway and the EU with the aim of opening negotiations in 2014 on a new agreement within the framework of Article 19. The EEA Council recalled that at its last meeting, the issue of increased Norwegian customs duties for certain agricultural products had been raised. The EEA Council noted that the EU had expressed its disappointment on the fact that these measures had not been revoked in the meantime and that the EU had encouraged Norway to reverse these measures.
18. The EEA Council welcomed the dialogue that had taken place on 30 May 2013 in the EEA Joint Working Group on Processed Agricultural Products 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, and encouraged the Contracting Parties to continue these discussions in order to further promote trade in processed agricultural products.
19. The EEA Council underlined the importance of continuing the practice of inviting officials from the EEA EFTA States to the political dialogues at the relevant Council working parties.
20. 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 Lithuanian and incoming Greek Presidencies for the continuation of this practice.
21. The EEA Council recognised the positive contributions of 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 and agencies, as well as through the submission of EEA EFTA Comments.

22. Emphasising the fact that greater knowledge of the EEA Agreement throughout the EEA would be in the interest of all Contracting Parties, the EEA Council urged them to ensure that the appropriate information on the EEA Agreement was made readily and easily available to all.
23. The Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its meeting in Vaduz on 28 October 2013 on *Arctic Policy* and on *Citizens' rights in the EU and the EEA EFTA States*. It also noted the Resolutions adopted by the EEA Consultative Committee on 10 October 2013 on *Arctic Policy* and on *The role of the social partners in the transition of young people from education to the labour market*.

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EFTA Secretariat, Geneva (Headquarters)

Rue de Varembé, 9-11
1211 Geneva 20
Switzerland

Tel. +41 22 33 22 600
Fax: +41 22 33 22 677
Email: mail.gva@efta.int

EFTA Secretariat, Brussels

Rue Joseph II, 12-16
1000 Brussels
Belgium

Tel. +32 2 286 17 11
Fax: +32 2 286 17 50
Email: mail.bxl@efta.int

EFTA Statistical Office, Luxembourg

Bâtiment Bech
Office F2/908
5 Rue Alphonse Weicker
L-2721 Luxembourg

Tel. +352 4301 37775
Fax: +352 4301 32145
Email: efta-lux@ec.europa.eu

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