



47<sup>TH</sup> ANNUAL REPORT ——— ● 2007  
OF THE EUROPEAN FREE  
TRADE ASSOCIATION



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*Cover picture: Lake Silser, Engadin, Switzerland*

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Dear Reader,

2007 was an eventful year for EFTA. Important milestones were reached both in the European Economic Area and in free trade relations, the two principal fields of activity of our organization. Three of the highlights of the year were the finalisation of the negotiations on a free trade agreement with Canada, the enlargement of the EEA Agreement to Bulgaria and Romania, and the inclusion of the EEA EFTA States in the new EU programmes for the period 2007-2013.

The agreement with Canada finally received its political blessing by both Canada and the EFTA States at the Vaduz Ministerial meeting in June and was signed in January 2008, almost a decade after talks were launched. The negotiations on expanding the EEA to include the two new EU Member States were formally concluded in July 2007, having reached agreement on the EEA EFTA States' financial contribution to Romania and Bulgaria and on market access for EEA EFTA fish exports, the two key issues during the one-year negotiations.

In a time of globalisation, it is important that EFTA maintain an active free trade policy in order to avoid having our operators receive less favourable market access conditions than their non-EFTA competitors. This being said, bilateral agreements must be seen as complementing the multilateral trading system. The EFTA States remain strong supporters of the World Trade Organisation, and they are giving high priority to concluding the Doha Round.

Besides the agreement with Canada, EFTA was engaged in several other free trade processes. Free trade negotiations with Peru, Colombia and Algeria were launched in 2007, and negotiations continued with the Gulf Cooperation Council. The free trade agreements with Lebanon and Egypt entered into force in 2007.

EFTA also turned its attention to other major economic powers such as India and Russia. A Joint EFTA-India Study Group finalised its work in December 2007 and concluded that both parties would benefit from a broad-based trade and investment agreement. The Ministers launched the negotiations on such an agreement in January 2008. Towards the end of 2007, EFTA also established a Joint Study Group with Russia that will examine closer trade and investment relations, which we hope will lead to free trade negotiations once Russia has joined the WTO.

The EEA Agreement continues to be a solid framework for the participation of Iceland, Liechtenstein and Norway in the ever growing Internal Market of the European Union. As of 2007, the enlarged EEA

consists of 30 countries and almost 500 million people.

Every year, hundreds of legal instruments are integrated into the EEA Agreement. The most important additions in 2007 were the decisions on food law, greenhouse gas emissions trading, the free movement of persons, and professional qualifications.

The incorporation of the Food Law package provides the legal basis for the long-awaited EEA EFTA participation in the European Food Safety Authority (EFSA). The integration of the Directive on the Greenhouse Gas Emission Trading Scheme enables the participation of the EEA EFTA States for the period 2008-2012.

Through the EEA Agreement, the EEA EFTA States are included in a number of EU programmes and agencies which play an increasingly important role in the EU. The States contributed almost € 132 million to the EU budget in 2007 for their participation in the 15 new programmes, including the Lifelong Learning Programme, the Competitiveness and Innovation Programme (CIP) and the Seventh Framework Programme for Research and Development (FP7). Switzerland also participated in many of the EU programmes through its bilateral agreements with the EU.

The EEA Agreement is also the framework for contributions by the EEA EFTA States through the Financial Mechanisms to reduce social and economic disparities throughout the EEA. Bulgaria and Romania, the new Member States of the EU and the EEA, were included in the EEA Financial Mechanism in 2007 as a result of the EEA enlargement negotiations.

Throughout the year I and the two Deputy Secretaries-General made further efforts to streamline and improve the efficiency of the EFTA Secretariat in order to provide timely and high-quality services to the Member States. Our efforts to further integrate the three duty stations of the Secretariat in Brussels, Geneva and Luxembourg have made good progress, and these efforts will be pursued in 2008 as well.



Kåre Bryn

A handwritten signature in blue ink that reads "Kåre Bryn". The signature is written in a cursive, flowing style.

Secretary-General

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# EFTA COUNCIL

## EFTA Ministerial meetings

Liechtenstein served as EFTA Chair in the first half and Norway in the second half of 2007. The EFTA Council met twice at Ministerial level. A full-fledged meeting was organised in Vaduz, Liechtenstein on 28 June and an informal Ministerial meeting took place in Geneva, Switzerland on 3 December. In general, the Ministers were pleased with the developments in EFTA's free trade relations and the EEA Agreement.

At the meeting in Vaduz, the EFTA Ministers celebrated the conclusion of free trade negotiations with Canada together with Mr Ted Menzies, representative of the Canadian Government. EFTA Ministers and Mr David Emerson, Canadian Minister of International Trade, signed the agreement during the World Economic Forum (WEF) in Davos, Switzerland on 26 January 2008. At this event, EFTA Ministers and India's Minister of Commerce and Industry, Mr Kamal Nath, also launched negotiations on a broad-based Trade and Investment Agreement between EFTA and India.

At their summer meeting, the EFTA Ministers signed a Declaration on Cooperation with Mongolia together with the Mongolian Minister of Industry and Trade, Mr Tseren Davaadorj. At the December meeting in Geneva the Ministers signed a Record of Understanding

establishing a Joint Russia-EFTA Study Group to examine closer trade and investment relations. For practical reasons the document was signed the next day in Moscow by the Russian Minister of Economic Development and Trade, Ms Elvira Nabiullina, and the Norwegian Minister of Trade and Industry, Mr Dag Terje Andersen.

In general, the EFTA Ministers intend to expand EFTA's network of Free Trade Agreements (FTAs) as these agreements continue to serve EFTA's economic operators well in their relations with countries outside the EU. They constitute a solid basis for the development of a more advanced level of economic relations and cooperation between EFTA and its partners. In this regard, EFTA Ministers welcomed the commencing of free trade negotiations with Colombia and Peru in June, and the entry into force of the Free Trade Agreement with Egypt in August. The Ministers also noted the launch of EFTA-Algeria negotiations in November and the successful completion of a Joint Feasibility Study with India.

At their meeting in December, the EFTA Ministers expressed the wish to finalise the ongoing negotiations with the Gulf Cooperation Council (GCC),<sup>11</sup> and with Columbia and Peru in 2008. The Ministers were satisfied with the work accomplished in the context of the Joint Working Group on trade and investment with Indonesia and reiterated EFTA's readiness to open negotiations.



Press conference 28 June 2007 on EFTA free trade agreement with Canada: Björgvin G. Sigurdsson, Minister of Commerce of Iceland, Doris Leuthard, Federal Councillor, Head of the Department of Economic Affairs, Switzerland, Ted Menzies, Parliamentary Secretary to the Minister of International Trade of Canada, Rita Kieber-Beck, Minister of Foreign Affairs of Liechtenstein, Kåre Bryn, Secretary-General of EFTA, and Dag Terje Andersen, Minister of Trade and Industry of Norway.

<sup>11</sup> Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

The Ministers also expressed their interest in deepening trade ties between EFTA and Malaysia, as well as with other potential partners in Southeast Asia. Moreover, the EFTA Ministers noted that good progress had been made in preparing for future free trade negotiations with Albania and Serbia. They also agreed to consider the possibility of strengthening trade relations with Montenegro. Furthermore, the Ministers recalled their interest in preparing the ground for opening free trade negotiations with Russia and Ukraine, once their respective accession negotiations to the WTO have been finalised.

The Ministers reaffirmed that EFTA should have ambitious goals in its trade relations with third countries, not only aiming at equivalent market conditions for EFTA's economic operators as compared to their main competitors, but seeking to achieve even more favourable trading conditions where possible. At the same time, they underlined their continued strong commitment to the multilateral trading system, reiterating their determination to contribute constructively to the WTO Doha Round and stressing the importance for the global economy of a successful conclusion to the ongoing negotiations.

At the summer meeting, the Ministers discussed the EEA Agreement and welcomed the conclusion of the negotiations on the enlargement of the EEA with Bulgaria and Romania. They also emphasised the importance of timely participation of EEA EFTA States in EU programmes and noted with satisfaction that preparations for the EEA EFTA participation in EEA-relevant EU Programmes for the period 2007 to 2013 were on track. The EFTA Ministers were satisfied with the progress made in the implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism. The Ministers further reaffirmed the importance of continued EEA EFTA contributions to the decision-shaping process of EEA-relevant EU legislation and programmes.

At the summer meeting, the EFTA Ministers also met with EFTA's two advisory bodies, the Parliamentary Committee and the Consultative Committee. Members of the committees presented their resolutions and had an active exchange of views on current EFTA affairs with the Ministers. The full text of the Communiqués from the Ministerial meetings can be found in the Appendices to this Report.

## The EFTA Council at Ambassadorial Level

The Council met eleven times at the level of Heads of Permanent Missions to EFTA in Geneva in 2007. The Council discussed EFTA's relations with regard to potential new partners, the management of existing agreements and ongoing free trade negotiations. The Council approved a number of technical cooperation projects and agreed on administrative and budgetary matters.

## The EFTA Convention

The EFTA Council is responsible for the Vaduz Convention, which is regularly updated to reflect legislative developments in the EEA Agreement and the Swiss-EU agreements. In 2007, the Council amended Annex K, Appendix 2 to the Convention on the Co-ordination of social security schemes, as well as Annex K, Appendix 3 on mutual recognition of professional qualifications. Furthermore, the Council amended Annex Q to the Convention on Air Transport.



EFTA family photo. Ingibjörg Sólrún Gísladóttir, Minister of Foreign Affairs of Iceland, Rita Kieber-Beck, Minister of Foreign Affairs of Liechtenstein, Dag Terje Andersen, Minister of Trade and Industry of Norway, Doris Leuthard, Federal Councillor, Head of the Department of Economic Affairs, Switzerland and Kåre Bryn, Secretary-General of EFTA.

# FREE TRADE RELATIONS

## Overview

In 2007, EFTA pursued its active policy of expanding trade relations and concluding free trade agreements (FTAs) with partners worldwide. By the end of the year, EFTA's formal trade relations outside the European Economic Area extended to 41 countries at various levels of engagement:

- **Joint Declarations:**  
EFTA concluded Joint Declarations on Cooperation with eight countries (Albania, Mongolia, Serbia, Ukraine, as well as MERCOSUR covering Argentina, Brazil, Paraguay and Uruguay), without, to date, having entered into negotiations.

## Joint Declarations and Free Trade Agreements between EFTA and Third Countries

Fig. 1

Partner	Joint Declaration	Free Trade Agreement	
	Signature	Signature	Entry into force
Albania	10 December 1992		
Algeria	12 December 2002		
Canada		26 January 2008	
Chile		26 June 2003	1 December 2004
Colombia	17 May 2006		
Croatia	19 June 2000	21 June 2001	1 April 2002
Egypt		27 January 2007	1 August 2007
Gulf Cooperation Council (GCC) <sup>[1]</sup>	23 May 2000		
Israel		17 September 1992	1 January 1993
Jordan	19 June 1997	21 June 2001	1 September 2002
Korea, Republic of		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
Mexico		27 November 2000	1 July 2001
Mongolia	28 June 2007		
Southern Common Market (MERCOSUR) <sup>[2]</sup>	12 December 2000		
Morocco	8 December 1995	19 June 1997	1 December 1999
Palestinian Authority	16 December 1996	30 November 1998	1 July 1999
Peru	24 April 2006		
Southern African Customs Union (SACU) <sup>[3]</sup>		26 June 2006	
Serbia	12 December 2000		
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		

<sup>[1]</sup> Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

<sup>[2]</sup> Argentina, Brazil, Paraguay, Uruguay.

<sup>[3]</sup> Botswana, Lesotho, Namibia, South Africa, Swaziland.



- **Joint Feasibility Studies:**  
 Joint Study Groups were established with three partners (India, Indonesia and Russia) with the mandate to examine the feasibility of intensified trade and investment relations. An EFTA-Indonesia Study Report was endorsed by EFTA ministers in June 2007. In the case of India, a joint report was finalised at the end of 2007, preparing the ground for the launch of negotiations in January 2008.
- **Free trade negotiations:**  
 EFTA was in FTA negotiations with ten countries (Algeria, Colombia, Peru, Thailand, and the Gulf Cooperation Council comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates).
- **Signed Free Trade Agreements:**  
 The FTA with the five Member States of the South African Customs Union (SACU), comprising Botswana, Lesotho, Namibia, South Africa and Swaziland, was signed and is awaiting entry into force. In addition, negotiations with Canada were successfully concluded in 2007 and the agreement signed in January 2008.
- **Free Trade Agreements in force:**  
 The number of fully operational FTAs reached fourteen in 2007 (Chile, Croatia, Egypt, Israel, Jordan, Republic of Korea, Lebanon, Macedonia, Mexico, Morocco, Palestinian Authority, Singapore, Tunisia and Turkey).

## Main Developments

### Canada

The EFTA States and Canada concluded their long-standing free trade negotiations in June 2007. The Free Trade Agreement was duly signed on 26 January 2008. Canada is, outside Europe, the largest economy with which EFTA has negotiated a FTA to date. The Agreement creates new linkages between European and North American supply and value chains.

### Pan-Euro-Mediterranean Protocol on Rules and Origin

The Pan-Euro-Mediterranean Protocol on Rules of Origin (Euro-Med Protocol) was adopted in 2003. The Protocol is part of the follow-up to the so-called Barcelona Process to create a Euro-Mediterranean free trade area by 2010. Although not formally part of the Barcelona Process, the EFTA countries support the initiative and are expanding their own network of free trade agreements with Mediterranean countries.

In this context, a common model in the field of rules of origin was developed by customs experts from the countries participating in the Pan-European cumulation system, including EFTA, and the Mediterranean countries. The system interlinks European and Mediterranean FTAs and generates significant advantages for economic operators and customs administrations. The same rules of origin apply for all partner countries in the zone. Producers are allowed to use inputs originating anywhere in the zone for originating products.

The introduction of the Euro-Med Protocol on Rules of Origin in existing EU association agreements is well advanced. As for the EFTA States, the new provisions have been included in the relevant annexes to the EFTA Convention, the EEA Agreement and in the bilateral relations with the Faroe Islands. The provisions have also been integrated into the FTAs with Lebanon, Tunisia and Egypt. EFTA's agreements with Jordan, Morocco, Turkey and Israel were amended accordingly. Once all relevant agreements have been updated, 44 European and Mediterranean countries will participate in the network.

In autumn 2007, the "Pan-Euro-Med Working Group" decided to extend the zone to the Western Balkan countries and territories (Albania, Bosnia-Herzegovina, Croatia, Kosovo, Macedonia, Montenegro, and Serbia). Strongly supporting this initiative, EFTA aims at including these countries in the cumulation system at the earliest possibility. EFTA also supports the project endorsed by the Working Group in autumn 2007 to create a multilateral Convention on Rules of Origin replacing the current Protocols of Origin in the FTAs of the countries participating in the zone.

According to the terms of the FTA, most industrial goods, including fish and other marine products, will benefit from duty-free access to the respective markets as of the entry into force of the Agreement. For the import of ships, Canada will dismantle its tariffs over a maximum period of 15 years. The FTA also provides for tariff concessions on processed agricultural goods. Basic agricultural products are covered by agreements concluded bilaterally between Canada and each EFTA State.

The FTA contains provisions on trade disciplines in line with respective WTO rules. In the area of services and investment, the Parties agreed to create the most favourable conditions for expanding investment and further liberalising trade in services. These issues will be jointly reviewed three years after the FTA has entered into force. A Joint Committee will supervise the application of the Agreement, which also provides for binding arbitration.

Canada is, after the EU, the US, China and Japan, the fifth largest trading partner of EFTA. Two-way

merchandise trade (total imports and exports of goods) between the EFTA countries and Canada amounted to 8.7 billion USD in 2006, with EFTA exports reaching 6 billion USD. EFTA's main exports to Canada include mineral fuels and oil, pharmaceutical products, organic chemicals, and machinery and mechanical appliances.

## Egypt

The Free Trade Agreement between the EFTA States and the Arab Republic of Egypt was signed in January 2007 and entered into force on 1 August. It is the eighth FTA concluded by the EFTA States with a Mediterranean country which is party to the Barcelona process, which was launched in 1995 by the EU with a view to creating an Euro-Mediterranean free trade area by 2010.

The Agreement liberalises trade in industrial products, including fish and other marine products, and processed agricultural products. Basic agricultural products are



In Davos on 26 January 2008 the EFTA Ministers met Kamal Nath, Minister of Commerce and Industry of India, to launch negotiations on a broad-based Trade and Investment Agreement.

covered by bilateral agreements between Egypt and the individual EFTA States. Egypt benefits from duty-free access to EFTA markets as of the entry into force of the Agreement, while customs duties on EFTA exports to Egypt are to be eliminated progressively.

The Agreement contains provisions on trade disciplines, including in the fields of competition, state monopolies and subsidies. Moreover, it provides for separate chapters on the protection of intellectual property, on investment and services, as well as on economic co-operation. Parties recognise the importance of cross-border investment and technology flows as a means for economic growth and development and foresee cooperation in this respect in several ways.

Bilateral trade in goods between the EFTA States and Egypt totalled 430 million USD in 2006, with EFTA exports reaching 380 million USD, and imports from Egypt to the EFTA States amounting to 50 million. In 2006, EFTA's main export products to Egypt were machinery, pharmaceuticals and chemicals, while the main products imported from Egypt were aircrafts, textiles, and edible fruits and nuts.

## Other Partners

Within the Mediterranean region, the FTA with Lebanon, signed in 2004, entered into force on 1 January 2007. In November 2007, EFTA started free trade negotiations with Algeria, with the objective of further expanding its network of FTAs with Mediterranean countries. Total merchandise trade in 2006 between the EFTA States and Algeria amounted to approximately 300 million USD.

In the Middle East, substantial progress was achieved during the third and fourth rounds of negotiations, as well as through intersessional work, with the six member states of the Gulf Cooperation Council (GCC), bringing the partners closer to the conclusion of a comprehensive FTA.

In South America, joint negotiations were launched with Colombia and Peru in the first half of the year, with the aim of finalizing broad free trade agreements with each of the partners in the course of 2008. Three full rounds were held in Bogotá, Lima and Geneva,



Customs experts discussing during the GCC negotiations.

and promising progress in all fields was achieved. Combined bilateral trade in goods between EFTA and the two Andean countries amounted to just under 800 million USD in 2006. Moreover, significant levels of foreign direct investment by EFTA companies have been recorded, notably in Colombia.

In Asia, the Joint Study Group established between EFTA and India at the end of 2006 undertook a thorough analysis of bilateral economic linkages, covering trade in goods and services, investment flows and other areas of economic cooperation, and examined the feasibility of a broad-based Trade and Investment Agreement. The recommendation by the Group to enter into negotiations on such an agreement was endorsed by Ministers from both sides in Davos, Switzerland in January 2008.

Already in 2006, an EFTA-Indonesia Joint Study Group provided a positive assessment of the feasibility of a comprehensive free trade agreement between the partners. With respect to Thailand, the free trade negotiations commenced in 2005 have remained suspended through 2007. EFTA Ministers confirmed their readiness to start negotiations with Indonesia and expressed the hope that the talks with Thailand could be resumed in the near future. Furthermore, a Joint Declaration was signed by EFTA Ministers in June 2007 with Mongolia, with a view to strengthening economic cooperation and trade relations between the two sides.

In another important development, a Joint Study Group was established between EFTA and Russia in December 2007 to examine the potential for closer

## Joint Committee Meetings in 2007

Fig. 2

Free Trade Agreement	Venue and date of meeting
Joint EFTA-Tunisia Committee (1 <sup>st</sup> )	Tunis, 28 Feb 2007
Joint EFTA-Morocco Committee (4 <sup>th</sup> )	Geneva, 13 Mar 2007
Joint EFTA-Singapore Committee (2 <sup>nd</sup> )	Geneva, 14 Mar 2007
Joint EFTA- Jordan Committee (2 <sup>nd</sup> )	Geneva, 18 Dec 2007

trade and investment relations. The Ministers also confirmed EFTA's interest in starting free trade negotiations with Ukraine after accession of the country to the WTO. Moreover, EFTA is reviewing the possibility of FTAs with Albania and Serbia, as well as with other countries in Southeastern Europe, and is pursuing contacts with several other partners in various regions of the world.

## Management of Existing Free Trade Agreements

In 2007, the EFTA States held Joint Committee meetings with four free trade partners (Jordan, Morocco, Singapore and Tunisia). On these occasions, EFTA and its partner countries reviewed the

functioning of the respective agreements and assessed the need for adjustments in the light of recent trade policy developments, including within the framework of the WTO. As a result, several decisions to update the legal texts of the FTAs concerned were taken.

## Technical Cooperation

Within the framework of EFTA's technical cooperation activities, projects undertaken in 2007 included:

- a seminar in Ukraine on standards regarding fish and other marine products;
- seminars on rules of origin and verification procedures in Colombia and Peru;
- seminars in Colombia, Lebanon and Peru on how to export to the EFTA States;



### EFTA's Technical Cooperation

EFTA's economic cooperation and technical assistance activities cover a series of projects and programmes funded through the Association's budget. The main objective of these activities is to prepare prospective trading partners for free trade relations with EFTA and to assist current partners in the implementation of EFTA free trade agreements. The programmes and projects are essentially directed towards developing countries and economies in transition.

EFTA arranges trainings, seminars, workshops and study visits adapted to the particular needs of the individual partner countries. Areas where EFTA provides assistance include trade facilitation and trade promotion, customs and origin matters, technical barriers to trade, sanitary and phytosanitary measures, intellectual property rights, public procurement, competition, services, and statistics. Moreover, EFTA participates in EU technical assistance programmes and projects aimed at third countries, especially with regard to customs matters, standardisation and statistics.

Technical cooperation activities are organized by the EFTA Secretariat and/or the relevant EFTA Committee. In most cases, experts and consultants from the EFTA Member States, the Secretariat and the partner countries participate in the preparation and execution of the projects.

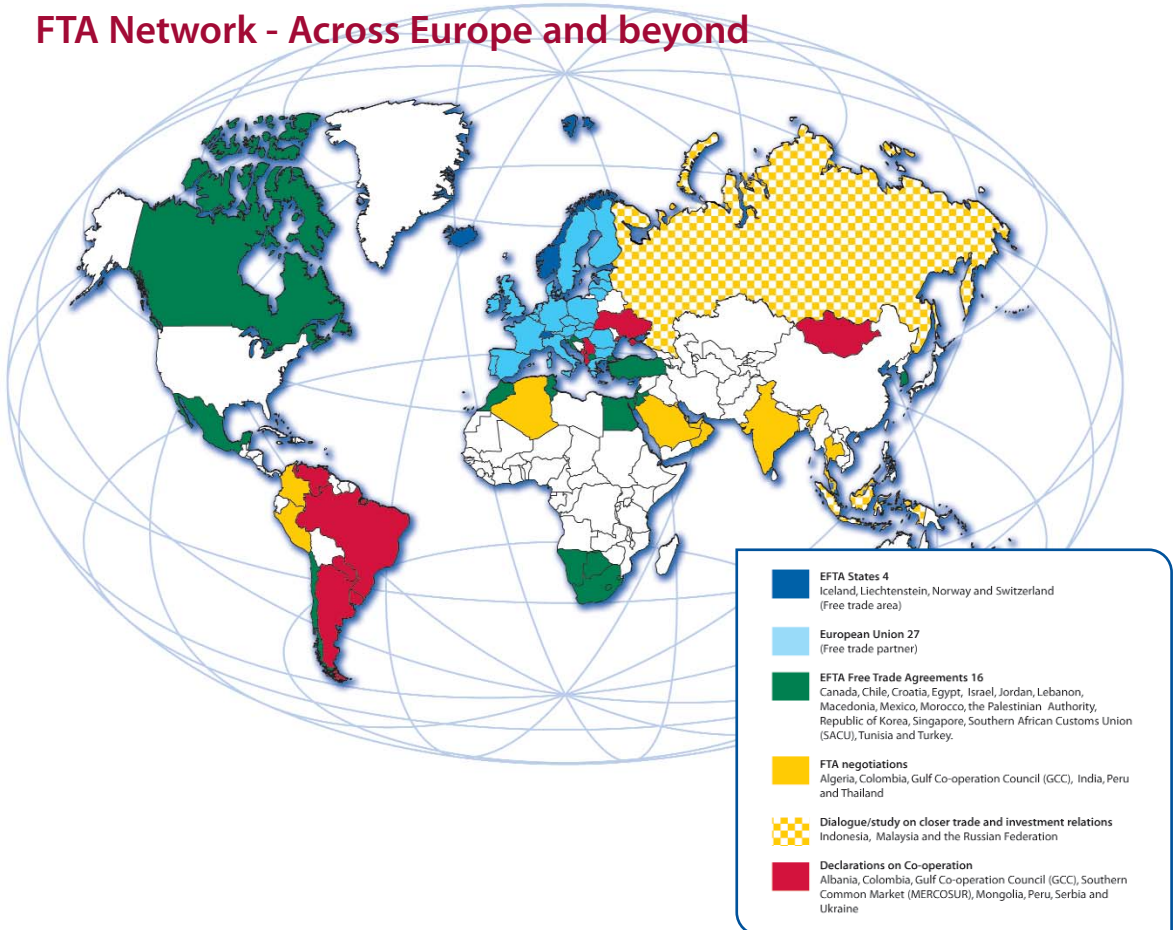
- scholarships at the World Trade Institute (WTI) in Berne, Switzerland for the capacity building of Indonesian and Lebanese representatives;
- technical visits to Oslo and Berne by Lebanese delegates, as a follow-up from a seminar on piracy and counterfeited goods;
- continued support to the Eurocustoms Secretariat in Paris;
- involvement of EFTA experts in EU projects; and
- quality infrastructure projects.

The budget allocated for these activities amounted to 500 000 CHF. The figure does not include bilateral initiatives by individual Member States in addition to EFTA activities.

## Relations with WTO

At the end of 2006, the WTO General Council established a revised, provisional transparency mechanism for bilateral and regional trade agreements. Under this new mechanism, the EFTA States sent two early notifications in 2007, regarding the start of negotiations with Colombia and Peru. The EFTA States also notified the entry into force during the year of the EFTA-Lebanon and EFTA-Egypt Agreements. The EFTA-Chile Agreement was examined by WTO's Committee on Regional Trade Agreements in September 2007.

## FTA Network - Across Europe and beyond



## Free Trade Agreements and Multilateral Trade Liberalisation - Twin Tracks Towards the Same Goal

When EFTA was established in 1960, the organisation's objective was to set up a free trade area and eliminate tariffs and quantitative restrictions for industrial products. This was in contrast to the more ambitious project of creating a common market as set out by the European Economic Community through the Treaty of Rome in 1957. These two parallel, but distinct, methods of integration were the first important examples of regional economic integration. They were also the first major exceptions to the most favoured nation (MFN) principle of the GATT.

MFN treatment is the key principle of the multilateral trading system. It states that member countries of the WTO are not allowed to discriminate against other members. In practice, this means that if one member country opens up a market or grants another member special treatment, such as a lower customs duty rate for one of its products, it must do the same for all other members. But there are exceptions to this rule. Most notably, countries that have established free trade areas or customs unions can give preferential treatment to goods or services traded within that group or region without affording others the same privilege.

With the proliferation of FTAs in recent years, the debate on the relationship between bilateral and regional integration agreements and the multilateral trading system has gained momentum. The number and world trade share of such agreements have strongly increased since the beginning of the decade. According to the WTO, there are now approximately 300 regional trade agreements in force or under negotiation. The agreements in operation are estimated to already cover some 40% of world trade. Accordingly, FTAs have become a major feature of the global trading system, and the trend seems to be continuing.

Does this mean that countries negotiating free trade agreements are abandoning the multilateral framework? Certainly not as far as the EFTA States are concerned. All four EFTA Member States hold the view that FTAs are a complement to the WTO - not an alternative. At the same time, the growing interest in FTAs in practically all parts of the world must be acknowledged. Given the fact that practically all WTO members are now members of at least one such agreement, the question of compatibility between both tracks deserves attention.

While FTAs have the capacity to complement the multilateral trading system, they may also be a source of trade diversion and practical difficulties. Mindful of such potential shortcomings, the former GATT, and subsequently the WTO, have imposed disciplines on members relating to the way they design their bilateral or regional trade accords. These disciplines seek to ensure that FTAs do indeed complement the WTO system. The further improvement of the WTO surveillance system in this regard is an important part of the ongoing negotiations within the framework of the Doha Development Agenda.

# THE EEA AGREEMENT

## The EEA Council

The EEA Council was chaired by the EU side in the first half of 2007, and by EFTA in the second half. At its meetings on 15 May and 20 November, the Council reviewed the state of affairs under the EEA Agreement and noted the progress reports from the EEA Joint Committee. The Ministers approved of the overall functioning and development of the EEA Agreement and expressed their appreciation that new acts were being incorporated into the Agreement at a good pace. They also discussed the accession of Bulgaria and Romania to the EU and the EEA, the EEA Financial Mechanism and the Norwegian Financial Mechanism, and energy and climate change. The full text of the Conclusions from these meetings is found in the appendices to this Report.

In the case of Bulgaria and Romania, which became members of the European Union as of January 2007, both countries had applied to become Contracting Parties to the EEA Agreement in July 2005. Consequently, negotiations on EEA enlargement to Bulgaria and Romania were launched in July 2006 and the EEA Enlargement Agreements were signed on 25 July 2007. The Enlargement Agreements were applied provisionally as of 1 August, and therefore Bulgaria and Romania are considered Contracting Parties to the EEA Agreement from that date.

## The EEA Joint Committee

The EEA Agreement continued to function well in 2007. The Joint Committee met 8 times during the year and adopted 170 decisions incorporating 416 acts.

In the first half of 2007, the Joint Committee discussed and finalized the EEA enlargement. Among the more noteworthy decisions adopted were those relating to EEA EFTA participation in the European Food Safety Authority (EFSA), EEA EFTA participation in the EU Programmes, the Greenhouse Gas Emission Trading Scheme, and the free movement of persons.

## The Standing Committee

The Standing Committee was chaired by Liechtenstein in the first half of the year, and Iceland in the second half. The Chair's work programmes can be found on the EFTA website. The agendas and conclusions of the Standing Committee meetings are also available on the website. At its last meeting of the year, the Standing Committee adopted a decision on public access to EFTA documents; accordingly, the Secretariat is to establish a register with lists of EFTA documents on its website.

## EEA Enlargement

Simultaneous accession of new members to the EU and to the EEA is a shared objective of the EU and the EEA EFTA States as it contributes to the homogeneity and good functioning of the European Economic Area.



With the accession of Bulgaria and Romania to the European Union, the population of the EEA was also enlarged by around 30 million citizens.

## Horizontal Policy Issues

In 2007, the Horizontal Group focused in particular on three ongoing processes in the EU: the development of Single Market Review; the negotiations on the new Lisbon Treaty; and the preparations for the launch of the second cycle of the renewed Lisbon Strategy for Growth and Jobs. The Group received briefings from the Commission and the EU Presidency on these issues. On the basis of these presentations as well as information notes developed by the Secretariat, the Group held internal discussions on the potential implications for the EEA Agreement and how the EEA EFTA States may best contribute to these processes.

Beyond these three major issues, the Horizontal Group also received briefings on a range of multi-sector and horizontal policy developments in the EU, such as the initiative on Better Regulation, the energy and climate policy package, and the Commission's work programme for 2008. There were also a number of presentations on external relations and the EU Neighborhood policy, including transatlantic economic relations, EU-Russia relations, and enlargement.

## Legal and institutional matters

Subcommittee V devoted considerable efforts in finalising the 2007 EEA enlargement with Bulgaria and Romania.

Also, Subcommittee V discussed and concluded proposals relating to a Directive of the European Parliament and of the Council Establishing a Framework for Community Action in the field of Marine Environmental Policy (Marine Strategy Directive) as well as on a simplification of the structure of Protocol 31 to the EEA Agreement.

In addition, the Subcommittee analysed and addressed a number of other issues, in particular competition rules in the coal and steel sectors, the EEA two-pillar system, and the possibility of a streamlining of the procedure regarding Declarations and Statements.

The Subcommittee also continued to analyse provisions in the EEA Agreement that relate to criminal law, in light of the judgment rendered by the European Court of Justice in Case C-440/05, the crucial "ship-source" pollution case.

## Free Movement of Goods

A substantial part of EU legislation concerns the free movement of goods, which is applied throughout the Single Market. However, this does not mean that all products can circulate freely. Products must conform to requirements that protect legitimate interests, such as health, safety and the environment. In addition, a wide range of horizontal measures have been put in place in the fields of competition, state aid and public procurement to ensure a fair and efficient market.

Subcommittee I prepares for the integration into the EEA Agreement of legislation that relates to the free movement of goods, competition, state aid, public procurement and energy. Subcommittee I is assisted by 14 Working Groups and 25 Expert Groups.

Under the EFTA Council, the Committees on "Technical Barriers to Trade" and "Origin and Customs Experts" - both composed of representatives from the four EFTA countries - met several times in 2007. These Committees deal with revisions to the EFTA Vaduz Convention, standardisation and conformity assessments, requests for funding of joint EU-EFTA quality infrastructure projects geared towards third countries, and the coordination of positions on relevant customs matters.

## Veterinary and Food Issues

Since 2003, Liechtenstein has had a permanent derogation from the veterinary legislation of the EEA Agreement, and has instead been subject to the bilateral Swiss-EU Agreement on Agriculture. In 2007, Liechtenstein was also given a permanent derogation from the legislation covering feedingstuffs, seeds, foodstuffs, wine and spirit drinks. Liechtenstein will now be subject to the Swiss-EU Agreement for these areas as well.

## The European Food Safety Authority (EFSA)

EFSA was established by Regulation (EC) No. 178/2002, which was incorporated into the EEA Agreement in October 2007. EFSA's mission is to carry out independent and scientific-based risk assessments related to the food chain, covering areas such as food and feed safety, animal health and welfare, nutrition, plant protection and plant health. EFSA's tasks include scientific advice and communication activities on risks associated with food. Following the incorporation of the EFSA Regulation into the EEA Agreement, the EEA EFTA Member States may participate in the work of EFSA, and EEA EFTA citizens may be hired by the Authority.



### *Veterinary Issues*

After several years of discussions, the Food Law Package was incorporated into the EEA Agreement in 2007. The package included legislation on general food law and the establishment of the European Food Safety Authority (EFSA), a regulatory framework for the handling and disposal of animal by-products, and legislation on hygiene and official food and feed control.

The Food Law Package also included a review of Chapter I of Annex I on Veterinary Issues for Iceland. All veterinary legislation will now apply to Iceland, with the exception of legislation concerning live animals other than fish and aquaculture animals. There will be a transitional period of 18 months to allow for the implementation of the new legislation.

In 2007, the EEA Joint Committee also incorporated new framework legislation on animal health requirements for aquaculture animals and products. The aim is to prevent, control and eradicate aquatic animal diseases.

During 2007, 69 acts under simplified procedures were identified.

### *Feedingstuffs*

The Regulations on feed hygiene and official food and feed control were incorporated into the EEA Agreement in 2007. Most other acts incorporated during the year concerned authorisations for additives under the legal framework for additives in animal feed. During 2007, the Working Group on Feedingstuffs focused on the development of legislative proposals regarding the circulation of feedingstuffs,

microbiological criteria for feedingstuffs and guidelines for the authorisation of additives.

### *Foodstuffs*

Ending more than five years of negotiations, the highlight of 2007 was the incorporation into the EEA Agreement of the Regulation on general food law and on the European Food Safety Authority (EFSA).

The EEA EFTA Member States continued to consult with the Commission on the integration of the Novel Foods Regulation of 1997, and the Regulations of 2003 on genetically modified food and feed, and the traceability and labelling of GMOs.

The Expert Group on Organic Production started work on the new framework legislation regarding organic production, which was adopted by the EU in 2007. The Expert Group on Foodstuffs followed the developments in the EU regarding new legislation on flavourings, enzymes and food supplements, as well as food and nutrition labelling.

## Trade in Agricultural Products

Norway began discussions with the European Commission on trade in agricultural products, based on Article 19 of the EEA Agreement. Negotiations will continue in 2008. Meanwhile, Iceland started negotiations with the Commission with regard to processed agricultural products.

## Technical Barriers to Trade (TBT)

One major objective of the Single Market is to reduce the non-tariff barriers to trade, also referred to

	Number of meetings in 2007	Number of acts incorporated in 2007
<b>The Joint Committee</b>	8	416
<b>The Standing Committee</b>	8	416
The Group on the Lisbon Strategy and Other Horizontal Issues	9	-
<b>SUBCOMMITTEE I</b>	7	251
<b>Working Groups</b>		
Competition Policy	2	-
Customs Matters	5	-
Energy Matters	5	2
Feedingstuffs	1	31
Fisheries	-	-
Intellectual Property Rights	2	2
Plant Health	-	9
Processed Agricultural Products	-	-
Product Liability	-	-
Public Procurement	1	-
State Aid	-	3
Veterinary Matters	-	115
Technical Barriers to Trade (TBT)	5	89
<b>Expert Groups under TBT</b>		
Motor Vehicles	-	16
Agricultural and Forestry Tractors	-	2
Motor Vehicles	-	3
Agricultural and Forestry Tractors	-	-
Machinery	-	1
Appliances Burning Gaseous or Liquid Fuels	-	-
Construction	-	-
Pressure Equipment	-	-
Measuring Instruments	-	-
Electrical Equipment	-	1
Foodstuffs	-	35
Medical Products	2	10
Chemicals	2	28
Fertilisers	-	1
Good Laboratory Practice	-	-
Cosmetics	-	6
Telecommunications Equipment	-	-
Medical Devices	-	-
Personal Protective Equipment	-	-
Consumer Product Safety and Toys	-	-

	Number of meetings in 2007	Number of acts incorporated in 2007
Wine and Spirit Drinks	-	-
Explosives	-	-
Recreational Crafts	-	-
Marine Equipment	-	-
ATEX (equipment for use in explosive atmospheres)	-	-
Precious Metals	-	-
Cableway Installations	-	4
Other	-	4
<b>SUBCOMMITTEE II</b>	8	67
<b>Working Groups</b>		
Financial Services	2	8
Company Law	0	5
Information and Telecommunication Services	5	6
Ad hoc Expert Group Telecom Package	1	-
Ad hoc Working Group on Data Privacy	1	-
Audio-Visual Services	2	2
Postal services	2	-
Transport	6	46
<b>SUBCOMMITTEE III</b>	8	9
<b>Working Groups</b>		
Free Movement of Workers and Employment	2	2
Social Security	5	5
Mutual Recognition of Professional Qualifications	9	2
<b>SUBCOMMITTEE IV</b>	8	54
<b>Working Groups</b>		
Research and Development*	2	1
Environment	4	28
Education, Training and Youth	2	2
Gender Equality and Family Policy	2	1
Disabled, the Elderly and Social Exclusion*	-	1
Health and Safety at Work and Labour Law	2	3
Consumer Protection	1	1
EFTA Consumers' Consultative Committee	1	-
Enterprise Policy*	3	2
Civil Protection	3	1
Cultural Affairs	3	1
Public Health	2	-
Budgetary Matters	4	-
Heads of National Statistical Institutes	1	13

\* Some of the acts incorporated in 2007 cover different Working Groups in several Subcommittees.

as technical barriers to trade (TBT). For many product sectors, this is achieved by harmonising product requirements. Products that are in conformity with EEA harmonised requirements may circulate freely within the Single Market. When requirements are not harmonised, the principle of mutual recognition applies.

EFTA deals with the removal of technical barriers to trade in two fora: **the EFTA Committee on Technical Barriers to Trade (TBT)**, which reports to the EFTA Council (i.e. including Switzerland), and **the Working Group on Technical Barriers to Trade**, which coordinates the assessment of EEA relevance and acceptability of new EU legislation to the three EEA EFTA Member States. Switzerland is an observer within this Working Group. The TBT Committee met three times in 2007 and the Working Group met five times.

The main issues on the agenda in 2007 were: standardisation, the EFTA study on certification and marks, a CE marking information campaign, technical assistance to third countries, a mutual recognition agreement with Turkey, and the European Commission's three proposals known as the "goods package", which concerns horizontal legislation for industrial products, as well as the procedures for the mutual recognition principle.

A report on the EFTA study on certification and marks in Europe was finalised at the end of the year. A Steering Committee, with representatives from ANEC, BUSINESSEUROPE, EUROLAB, the three European standardisation organisations (CEN, CENELEC, ETSI), the European Commission and EFTA, provided valuable advice throughout the project. The report provides information on the driving forces in the European market for certification and marks. The next stage of the project is the organisation of a workshop, to include a policy discussion on certification and marks in Europe.

In July 2007, the EFTA countries issued written comments on the "goods package", aimed at the discussion within the European Parliament and the Council of the European Union. These comments actively supported the main objectives of the proposals, which include the improvement of the system behind CE marking. One key issue is improved

market surveillance; another is the strengthening of accreditation at both national and European level.

A joint EU-EFTA quality infrastructure project in Bulgaria and Romania came to a successful conclusion in May 2007. The overall objective was to improve the quality infrastructure in the two countries to enable them to operate at the same high standards as the equivalent bodies in the EU and EFTA. In summer 2007, a similar joint quality infrastructure project with EFTA involvement commenced in the Western Balkan countries.

### *Motor Vehicles*

In 2007, new requirements concerning two- and three-wheel motor vehicles were integrated into the EEA Agreement. More importantly, the EU adopted a new framework directive on type approval of motor vehicles and trailers. The EU also adopted the new Euro 5 and Euro 6 emission limits. Preparation for the incorporation of this legislation into the EEA Agreement commenced in 2007.

### *Electrical Equipment*

A new framework directive on low voltage equipment was incorporated into the Agreement in 2007.

### *Medicinal Products*

On 26 June 2007, the EFTA Secretary-General participated in the second meeting of the Pharmaceutical Forum on behalf of the EFTA countries. The Forum was established in 2005 by the European Commission in order to examine the competitiveness of the European-based pharmaceutical industry and related public health issues. Turnout was particularly high, with 25 out of the 27 EU Member States represented, mostly at Ministerial level. Furthermore, ten other stakeholders from industry and patient organisations took part in the active exchange of views.

In September 2007, after several rounds of discussions and a request for clarification triggered by the adaptations proposed by the EEA EFTA Member States, the Secretariat officially sent the 2004 Pharmaceutical Package to the Commission. The Package consists of a set of EU legislation,

## EFTA Contribution to European Standardisation

Based on the Luxembourg Declaration of 9 April 1984, the EFTA countries and the Commission of the European Communities support the work carried out by the European Standardisation Organisations (ESOs) - CEN (European Committee for Standardisation), CENELEC (European Committee for Electrotechnical Standardisation) and ETSI (European Telecommunications Standardisation Institute). Like the Commission, EFTA has the formal status of Counsellor to CEN and ETSI, and is entitled to participate in the Administrative Boards of these organisations, as well as the General Assemblies of the three ESOs.

In 2007, the Working Group on TBT continued to be involved in the preparation of mandates for the ESOs for new standardisation activities to facilitate the functioning of the Single Market. The 98/34 Committee on Standards and Technical Regulations discusses and approves the mandates. The EFTA Standing Committee gives approval on behalf of the EFTA countries. The mandates that were approved in 2007 mainly concerned consumer product safety, telecommunications, ICT, construction products and environmental issues. The mandates are followed by grant agreements relating to standardisation activities, financed on the EFTA side by all four countries.

In parallel with the EC, EFTA also signed Annual Operating Grants with the three ESOs to contribute to the operational costs of the Central Secretariats of the organisations. EFTA's 5% financial commitment to standardisation activities amounted to almost one million euros in 2007. EFTA continued its financial support to ANEC, the European Association for the Coordination of Consumer Representation in Standardisation, and ECOS, the European Environmental Citizens Organisation for Standardisation, which represents consumers and environmental interests in standardisation. It also continued to provide financial support to EOTA, the European Organisation for Technical Approvals (relating to the Construction Sector). Together with the European Commission, EFTA is currently engaged in the negotiation of new Framework Partnership Agreements with the European Standardisation Organisations.

essentially updating rules on the authorisation and supervision of medicinal products. One last remaining hurdle, which is delaying the long-awaited incorporation into the EEA Agreement, is expected to be cleared in early 2008.

### **Chemicals**

Twenty-eight acts concerning dangerous substances were integrated into the Agreement during 2007. They include a regulation on persistent organic pollutants, and restrictions on hazardous substances in tyres and toys. A directive on hazardous chemicals in batteries and waste batteries was also incorporated. The main focus in 2007 was the preparations for the incorporation of the REACH Regulation. A draft decision was submitted to the Commission in October 2007 and is expected to be adopted during the first half of 2008. The regulation will require producers and importers of chemicals to register substances and to provide a set of safety testing results before the products are placed on the market. The most hazardous

substances will require authorisation in order to be legally placed on the market.

### **Market Surveillance and Consumer Product Safety**

The EFTA countries participate in the work of PROSAFE, the product safety enforcement forum of Europe, which consists of an informal network of market surveillance enforcement authorities. This organisation was successful in its application for EU financing for an extensive three-year project entitled EMARS - enhancing market surveillance through best practices - which commenced in 2006 and is due to be completed at the end of 2008. The Secretariat for this project is located in the EFTA Secretariat building in Brussels. A very successful two-day workshop on the EMARS project was held at the EFTA premises on 29-30 October and was attended by representatives from the EEA EFTA Member States participating in the project, as well as interested stakeholders. The EEA EFTA Member States participate as observers in the Commission's Committee of Directive 2001/95 on

Consumer Product Safety, which issues opinions on draft Commission decisions related to products presenting serious and immediate risks.

### ***Mutual Recognition Agreements***

Mutual Recognition Agreements (MRAs) are instruments that facilitate market access to third countries by reducing the costs and time associated with obtaining product certifications. Protocol 12 of the EEA Agreement ensures the smooth functioning and the homogeneity of the EEA market with regard to MRAs. In late November 2007, the EEA EFTA Member States and Canada began revising some parts of their MRA, in particular the chapters on Telecommunications Terminal Equipment and Electromagnetic Compatibility. This work is scheduled to be completed in the first half of 2008. The EFTA Committee on TBT continued its negotiation with Turkey on a protocol to the EFTA-Turkey Free Trade Agreement on Mutual Recognition of Conformity Assessment.

## **Energy**

The EEA EFTA Member States closely followed the Energy Package which the Commission launched on 10 January 2007. They also monitored the first legislative proposal deriving from the Energy Package, the 3rd liberalisation package, launched by the Commission on 19 September 2007.

Renewables and energy efficiency were priorities on the agenda of the EFTA Working Group on Energy Matters in 2007. The Cogeneration Directive entered into force in the EEA EFTA Member States on 1 October 2007. The Working Group examined the Eco-design Directive, the Decision on harmonisation of efficiency standards and the Directive on energy end-use efficiency and energy services. The EEA EFTA Member States followed up on developments within the framework of the Directive by participating in the Eco-design Consultative Forum. The Competitiveness and Innovation Programme, which includes the Intelligent Energy Europe Programme, entered into force on 30 June 2007. The Working Group also worked towards incorporating the second Energy Star Agreement into the EEA Agreement. This is a voluntary labelling system that aims at identifying

certain standards regarding energy efficiency in office equipment. The new Agreement is likely to enter into force in the first half of 2008.

The Working Group on Energy Matters examined the act on access to the natural gas transmission networks and the amendments to the Regulation on cross-border exchange in electricity. The Directive on measures to safeguard security of supply and infrastructure investment was incorporated into the EEA Agreement in 2007.

## **Competition Policy**

Protocol 23 to the EEA Agreement concerning cooperation between the surveillance authorities was amended in 2007 in order to facilitate access for the EEA EFTA Member States and the EFTA Surveillance Authority to the meetings of the European Competition Network. The Working Group on Competition Policy worked on a draft agreement amending the structure of Protocol 4 to the Surveillance and Court Agreement on the functions and powers of the EFTA Surveillance Authority in the field of competition. The structural revision was deemed necessary, given the numerous changes to Protocol 4 over the past years. The work on the draft agreement will be finalised in 2008.

## **State Aid**

The EEA EFTA Member States continued to closely follow the State Aid Action Plan which was launched by the Commission in 2005 and is effective until 2009. Within the framework of the State Aid Action Plan, the revised *de minimis* Regulation was incorporated into the EEA Agreement on 28 April 2007. Furthermore, the state aid rules for employment, small and medium-sized enterprises and training aid were extended until 30 June 2008. The aim is to then have in place one general block exemption regulation that covers these areas. The Directive concerning financial transparency was incorporated into the EEA Agreement on 9 June 2007.

The EEA EFTA Member States participated actively in multilateral state aid meetings in 2007, concerning the revision of the Enabling Regulation, the revision of the Environmental Guidelines and the revision of the Commission Notice on Guarantees.



## Public Procurement

The Working Group on Public Procurement monitored progress with the Commission's proposal for the revision of the remedies directive and the proposal for a directive on defence and sensitive security procurement. The EEA EFTA Member States participated in the Advisory Committee meetings, where the topics discussed included: procurement and concessions to the founding and operation of Institutionalised Public Private Partnership (IPPPs), and measures to make access to public works contracts easier for small and medium-sized enterprises (SMEs).

### Pan-Euro-Med Cumulation Area

The pan-Euro-Med Cumulation System, based on the Barcelona Declaration, will operate, when fully implemented, between the EU, the EFTA countries, Turkey, the Faroe Islands and the following Mediterranean Partner countries: Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria, Tunisia and the West Bank and Gaza Strip.



Map of the pan-Euro-Med Cumulation area.

## Intellectual Property

The Working Group on Intellectual Property followed the developments of the work for a levy reform and the review of the EC legal copyright acquis. It also monitored the Commission's work on the future of the Patent Policy in Europe. The Working Group closely monitored the progress of various EU initiatives against counterfeiting, particularly the EU's Action Plan against Counterfeiting and the Anti-Counterfeiting Agreement (ACTA) and counterfeiting of medicines.

## Customs Matters

### *Safety and security matters (pre-cargo information)*

In 2007, the Committee of Origin and Customs Experts kept up to date with developments regarding the Commission's initiative to implement the World Customs Organisation's security standards in the international supply chain. The most critical element of these standards for the EFTA countries is the implementation of a system of security data (pre-arrival/pre-departure declarations) to be submitted to the EU customs authorities before goods physically arrive in or leave the customs territory of the Union. Norway, Switzerland and the Commission held bilateral negotiations aimed at agreeing on acceptable simplifications, thus preventing the security requirements from having a negative impact on trade between the EFTA countries and the Union.

### *Free Trade Agreements*

The continued integration into the pan-Euro-Med free trade system of the Mediterranean partner countries, i.e., Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, West Bank and Gaza Strip, Syria, Tunisia and Turkey was an important topic for the Committee of Origin and Customs Experts in 2007. At a meeting in Lisbon on 21 October, the Ministers of the Euro-Mediterranean Partnership decided to extend the Pan-Euro-Med cumulation system to include the Western Balkan countries. At the same meeting, the Ministers decided to begin working on a regional convention on preferential rules of origin. The Committee addressed

customs matters related to free trade agreements with third country partners and open technical customs issues among EFTA countries.

### ***Conventions on Common Transit and the Simplification of Formalities in Trade in Goods***

The purpose of the conventions is to simplify the customs clearance formalities upon border-crossing. The EFTA countries and the EU Member States are contracting parties to the Conventions. Due to the accession of Bulgaria and Romania to the EU, technical adaptations to the appendixes of the Convention, which were required for this accession, were adopted on 16 April 2007.

The use of the computerised system of common transit has been mandatory since 1 July 2005. Therefore, provisions for the common transit procedure needed to be aligned with the new system, i.e. to move from a paper-based to a fully computerised procedure. The modifications were finalised, adopted by written procedure and will enter into force on 1 July 2008.

## **Efficient Trade Procedures**

The EFTA Group of Experts on Efficient Trade Procedures (GEETP) discussed cooperation on trade facilitation matters with EFTA partner countries. In November 2007, the Secretariat gave a presentation during a seminar on trade facilitation in Amman, Jordan, which was organised by the United Nations Economic Commission for Europe (UNECE) and four other regional UN bodies.

## **Free Movement of Services and Capital**

Subcommittee II on the Free Movement of Capital and Services under the EFTA Standing Committee coordinates matters of financial services, transport, information and telecommunications services, audiovisual services, postal services and company law, as well as data protection. In 2007 the Working Group on Information and Telecommunication Services, the



Officer Sverre Trulssen representing EFTA at the UNECE trade facilitation seminar.

Working Group on Audiovisual Services and the Expert Group Data Privacy were merged into the Working Group on Electronic Communication, Audiovisual Services and Information Society (ECASIS).

Five Working Groups report to Subcommittee II. In addition, an Ad Hoc Working Group on Services in the Internal Market reports to Subcommittees II, III and IV.

## Services

The Ad Hoc Working Group on Services was established in March 2004 to follow and assess the Directive on Services in the Internal Market in the context of the EEA Agreement. The Directive aims to create a real internal market in services by removing administrative and legal barriers to the cross-border provision of services between Member States. After actively following the political developments in 2006, the Working Group now coordinates the necessary implementation work. The Group's mandate was prolonged to May 2008.

## Financial Services

Over the year, the Working Group on Financial Services assisted in the incorporation of the implementing measures of the Transparency Directive, the Prospectus Directive, the UCITS (Undertakings for Collective Investment in Transferable Securities) and the MiFID (Markets in Financial Instruments Directive).

One important challenge that remains for the Working Group is to find an effective way to deal with the increased workload from the new comitology procedures for the regulation of the financial markets (the Lamfalussy process), as they result in a relatively large number of highly technical implementing directives and regulations.

During 2007, the Working Group and the Commission discussed EU initiatives of importance to the EEA EFTA States, including Solvency II and the Green Paper on Retail Financial Services.

## Company Law

Company law and corporate governance are priority areas for the EU. In 2007, the Working Group on Company Law considered a number of new policy initiatives and proposals emanating from the Company Law and Corporate Governance Action Plan.

The Working Group's agenda covers a number of EU policy initiatives, such as the Directive on Shareholders' Rights and the simplification of Company Law. The Group also dealt with a series of EC regulations covering the application of international accounting standards; three of these regulations were integrated into the EEA Agreement in 2007.

## Information and Telecommunications Services

The Working Group devoted much attention to reviewing the legal framework on electronic communications. The EEA EFTA States participated in preliminary discussions held by the Commission with stakeholders. After publication in November, the EEA EFTA States began preparing EEA EFTA Comments on (1) two Commission proposals to amend the existing regulatory framework for electronic communications networks and services, and (2) a proposal establishing the European Electronic Communications Authority.

A second priority was the participation of EEA EFTA experts in the discussion on the further harmonisation of spectrum on a European level, which is needed to boost the markets of electronic communications services.

## Audio-visual Services

The EEA EFTA States continued their active participation in the review process of the Television Without Frontiers Directive initiated by the Commission in 2003. In July, they submitted EEA EFTA Comments to the revised proposal of the Commission amending the Television Without Frontiers Directive which was finally adopted in December 2007. They also had direct contact with the two legislative bodies of the EU and with the

Commission in order to communicate their stand on the matter.

The Working Group closely followed the discussion on the proposal for the new MEDIA 2007-2013 programme and prepared the necessary steps for the EFTA States' timely participation in the programme.

## Postal Services

The Working Group on Postal Services coordinated its meetings with the Consultative Committee for the Postal Services Directive 2002/39/EC, in which the EEA EFTA States participate as observers. In collaboration with the Commission unit responsible for postal services, the Working Group discussed the Commission's proposal to amend the Postal Service Directive, which confirms the full opening of the market for postal services by 2009. The EEA EFTA States are contributing to the yearly data collection exercise on postal services, which the Commission had relaunched in 2006. They are also co-financing the two external studies on the impact of the full accomplishment of the postal internal market in 2009, and on universal services and on the main developments in the European postal sector, which was published in 2007.

## Transport

A significant number of proposals for new EU acts were considered and discussed in depth with the Commission. The Working Group also met with the EU Presidencies. The EFTA States have actively participated in the various EU working groups in the transport field.

### *Land Transport*

The Working Group closely monitored and discussed the developments of the proposals in this field, especially concerning the Third Railway Package, the revised proposal for a regulation on public transport services by rail and road. Several acts on rail safety requirements were incorporated into the EEA agreement in 2007. New proposals such as the commercial road transport legislative package and a

new railway package will also be high on the agenda for 2008.

### *Maritime Transport*

One EEA EFTA Comment was handed over to the Commission regarding the proposal for a Directive amending Directive 2002/59 establishing a Community vessel traffic monitoring and information system.

The maritime safety legislation package, introducing seven proposals, was also high on the agenda for the Group in 2007.

A significant event in 2007 was the publication of the Communication of an Integrated Maritime Policy for the EU, including several communications and an extensive action plan. This issue will be high on the agenda for the Working Group in 2008.

### *Air Transport*

The most important achievement of 2007 in this field was the incorporation of the Regulation concerning the rights of disabled persons and persons with reduced mobility when travelling by air, and the Regulations concerning a Community list of air carriers subject to an operating ban (the so-called black list) into the EEA agreement. Furthermore, several other regulations concerning aviation safety and security were discussed and incorporated into the EEA Agreement.

The Working Group considered a number of policy initiatives and proposals; the issues with the highest profile in this area were the new airport legislative package and the initiative concerning a regulation on common rules for the operation of air transport services.

## Other Transport Issues

The most important achievement of 2007 in this field was the incorporation of the MARCO Polo II programme into the EEA agreement.

The major development in this field was the publication of the Green Paper on Urban Mobility and the communication on the EU's Freight Transport Agenda,

including communications concerning railway freight, port policy and an extensive action plan.

One EEA EFTA Comment was handed over to the Commission regarding the mid-term review of the White Paper: "Keep Europe Moving – Sustainable mobility for the European continent".

## Free Movement of Persons

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

## Free Movement of Workers and Employment

One significant event in 2007 was the incorporation into the EEA Agreement of Directive 2004/38/EC on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States. This act merges into a single instrument all the legislation on the right of entry and residence for EU citizens and their family members and codifies the case law of the European Court of Justice in this field. The incorporation of this directive into the EEA Agreement should simplify the exercise of the right of EEA nationals to move and reside freely within the EEA.

The Working Group on the Free Movement of Workers and Employment followed up on the Transitional Arrangements set out in the 2003 and 2007 EEA Enlargement Agreements regarding the free movement of workers across the enlarged EEA.

In June, the EEA EFTA side met for the fifth time with the EU Employment Committee (EMCO), whose task is to monitor the employment situation and employment policies in the EU Member States. At this meeting, the EEA EFTA States informed the EMCO of their respective labour market situations and the participants then exchanged views on women's participation in the labour market, the policy mix which could promote their participation, and possible

reforms to address the salary gap. The Working Group on the Free Movement of Workers and Employment also informed the EMCO that it would be interested in observing EMCO's discussions regarding EU Employment policy on a more regular basis, as the EEA EFTA States share the same challenges as the EU Member States. EMCO agreed to invite the EFTA States to their informal meetings. The first such meeting in which EFTA States participated was held in October 2007.

The EEA EFTA States continued to participate in the Technical Committee dealing with the free movement of workers. They also attended the meetings of the Advisory Committee on free movement of workers, which is made up of representatives of governments and social partners.

The EEA EFTA States participated in the Employment section of the PROGRESS Programme, which supports the implementation of the European Employment Strategy through promoting "flexicurity" strategies and the life-cycle approach to work.

## Social Security

The main task of the Working Group on Social Security was to continue to compare Regulation 883/2004 simplifying the co-ordination of the social security systems with Regulation 1408/71, which it will replace. The Working Group also closely followed developments concerning the Commission's proposals to amend Regulation 883/2004 or complete its Annexes, and the Commission proposal for a new Implementing Regulation to replace existing Regulation 574/72. Finally, the Working Group also discussed the developments regarding the Commission's proposals on supplementary pension rights.

The EEA EFTA States continued to take part in the meetings of the Administrative Commission on Social Security for Migrant Workers and in its various working parties, as well as in the Technical Commission on Data Processing and the Audit Board.

The EEA EFTA States continued to be members of the MISSOC network, a mutual information system on social protection in the European Union, which is now

part of the PROGRESS Programme (2007-2013) in which the EEA EFTA States participate.

## Recognition of Professional Qualifications

Another significant event in 2007 was the incorporation of Directive 2005/36/EC on the recognition of professional qualifications, on which the Working Group on the Recognition of Professional Qualifications has focused its work for the last few years. This Directive clarifies and simplifies the rules on the recognition of professional qualifications, and aims to make the labour markets more flexible by further liberalising the provision of services, encouraging a more automatic recognition of qualifications, and simplifying administrative procedures.

The EEA EFTA States continue to take part in the Committee on the recognition of professional qualifications and also participated in the newly established Group of Coordinators for the recognition of professional qualifications. They also followed the meetings of the 'Diplomas Architecture' Working Party and the Advisory Committee on Education and Training in the Field of Architecture.

## European Employment Services (EURES)



In January 2007 Liechtenstein joined the EURES (EUROpean Employment Services) network, in which Iceland and Norway have been fully integrated since the EEA Agreement entered into force in 1994.

## Flanking and Horizontal Policies

Subcommittee IV on Flanking and Horizontal Policies under the Standing Committee coordinates matters related to all aspects of the horizontal provisions of the EEA Agreement as well as



Odile Quintin, Director-General of DG Education and Culture, together with Asta Magnúsdóttir, Director SCD, EFTA.

cooperation outside the four freedoms. Fifteen Working Groups report to Subcommittee IV.

In 2007, Subcommittee IV worked actively towards ensuring EEA EFTA participation as early as possible whenever new and successive programmes were adopted by the EU.

In 2007, four Working Groups prepared for EEA EFTA participation in the Competitiveness and Innovation Programme (CIP) for the period 2007 to 2013. This work has been coordinated by the Working Group on Enterprise Policy, in cooperation with the Working Groups on Information and Telecommunication Services (SC II), Environment, Research and Energy matters (SC I). The Secretariat met several times with the Commission in this regard. CIP merges six existing programmes in the field of competitiveness and innovation and is targeted towards small and medium-sized enterprises.

The Working Group on Research and Development, together with the international news service ScienceBusiness, organized a conference on 28 November 2007. The theme of the conference, held at the EFTA Secretariat, was "New Perspectives on Education and Skills for the 21st Century". Here the experts in the Working Group had the opportunity to

meet with 35 leading international representatives of research organizations, business and academia.

Three Working Groups (the Disabled, the Elderly and Social Exclusion; Gender Equality and Family Policy; and Health and Safety at Work and Labour Law) agreed to the participation of the EEA EFTA States in the PROGRESS Programme with the two other concerned Working Groups under Subcommittee III.

## Research and Development

In 2007, two key focuses for the Working Group on Research and Development were the preparations on the Seventh Framework Programme (FP7) for Research and Technological Development (2007-2013), and the Commission Green Paper on a European Research Area (ERA), where the working group is preparing an EFTA Comment.

Since June 2007, all four EFTA States have been participating in FP7. The two main strategic objectives of FP7 are to strengthen the scientific and technological base of European industry and to encourage its international competitiveness. These broad objectives have been grouped into four main categories: cooperation, ideas, people, and capacities. For each type of objective, there is a specific programme that corresponds to a main area of EU research policy. All these programmes work together to promote and encourage the creation of European clusters of scientific excellence.

The Secretariat published an EFTA Bulletin entitled “Guide to the new EU Programmes (2007-13)”, as a tool for citizens, organizations, and companies in the EFTA Member States.

As a result of the EEA Agreement, the EEA EFTA States (Iceland, Norway, and Liechtenstein) now have full access to 17 new EU programmes in areas such as innovation, lifelong learning, employment, youth, health, culture and consumers. The publication presents the new programmes, good practice examples, information on national contact points, and advice on how to apply. EFTA’s objective behind the publication is to make information on the new programme more easily available to the public. The Guide is introduced by Geir Haarde, Prime Minister of Iceland and Jose Manuel Barroso, President of the European Commission.



Finally, the Working Group followed the developments with regard to the establishment of a European Research Council.

## Environment

The EEA Joint Committee adopted a broad range of decisions in the field of the environment, including eco-labels, the deliberate release into the environment of genetically modified organisms, the water framework directive, and the greenhouse gas emission trading scheme. The incorporation of the greenhouse gas emissions directive into the EEA Agreement gives companies in Iceland, Liechtenstein and Norway the opportunity to participate in the EU greenhouse gas emissions trading scheme. The trading scheme is based on the recognition that creating a price for CO<sub>2</sub> through the establishment of a market for emission reductions offers the most cost-effective way for countries to meet their Kyoto obligations and move towards a low-carbon economy. The Water Framework Directive is another important tool to be incorporated into the EEA Agreement. It serves as an operational tool, setting the objectives for water protection for the future. The aim is to make polluted waters clean again, and ensure that clean waters are kept clean.

On several occasions the Working Group on the Environment discussed policy documents and progress in the field of environmental legislation with the Commission. Among the topics discussed were the 6th Environment Action Programme and the proposal for

the protection of the environment through criminal sanctions and related proposals for legislation. The Group discussed the proposal for a Directive on marine strategy, air quality, the greenhouse gas emission trading scheme and the inclusion of aviation in the trading scheme.

## Education, Training and Youth

The EFTA participation in the Lifelong Learning Programme (2007-2013) and the Youth in Action Programme (2007-2013) were the main priority areas of the Working Group in 2007.

The Lifelong Learning Programme is the successor of the earlier Socrates, Leonardo da Vinci and eLearning Programmes. All the EEA EFTA States have participated in these programmes and will do so in the new programme. Switzerland plans to join in 2008. The programme's objectives are to first support the development of quality lifelong learning and then help Member States develop their own education and training schemes.

The Youth in Action Programme was adopted by the EU on 15 November 2006 and incorporated into the EEA Agreement on 16 June 2007, with a total EEA budget of €885 million. The programme aims to promote active citizenship by encouraging young people's participation in the democratic life of Europe and fostering mobility, intercultural learning, initiative, enterprise and creativity within a framework of non-formal (out of school) learning.

The Working Group also followed the development of a European Qualification Framework (EQF), which is a translation tool for comparing and transferring qualifications across the EEA. The Working Group is preparing EFTA's participation in the new legal framework for educational statistics, the recommendation for key competences for lifelong learning, and the European Quality Charter for Mobility. Another key issue for 2008 is EFTA's participation in the upcoming European Institute of Technology, the "Rights of the Child" initiative and other initiatives in the area of education, training and youth.

## The Disabled, the Elderly and Social Exclusion

In 2007, the EEA EFTA States continued active participation in the European Year of Equal Opportunities for All as well as in the anti-discrimination and social exclusion policy strands under the PROGRESS Programme. In particular the Working Group monitored developments on the EU side with regard to the plans for a European Year for combating poverty and social exclusion in 2010, the Action Plan 2008-2009 on the situation of disabled in the European Union, and the upcoming proposal for a Directive on anti-discrimination outside the labour market.

## Gender Equality and Family Policy

In the field of gender equality, the EEA EFTA States continued their active participation in the Gender Equality strand of the PROGRESS Programme. The EFTA Working Group on Gender Equality and Family Policy also adopted the Decision to participate 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). A key focus for the Group has been the discussions with the Commission concerning possible EEA EFTA participation in the European Institute for Gender Equality. The Group also met with the Slovenian Presidency to discuss the Presidency's priorities for the first half of 2008.

## Health and Safety at Work and Labour Law

In 2007, in the field of health and safety at work and labour law, three directives were incorporated on protection from optical radiation and indicative exposure limits and an agreement on working conditions in the railway sector.

The experts continued to follow the development of the revision of the Working Time Directive, and likewise the proposal for a Temporary Agency Directive.

Another key focus for the Working Group was the follow-up to the Commission's Green Paper on Labour Law. The Working Group also closely followed developments with regard to the flexicurity debate on the EU side. A priority issue for the Group was discussions with the Commission on possible EEA EFTA participation in the Bilbao Agency on Health and Safety at Work.

## Consumer Protection

The EEA Joint Committee adopted the Decision establishing a programme of Community action in the field of consumer policy (2007-2013) into the EEA Agreement. The aim of this Programme is to complement, support and monitor national consumer policies and to contribute to protecting consumer rights to health, education, and information. The EEA EFTA States have participated fully in the EU Consumer Programme since 1994.

The EEA EFTA States closely followed the developments of the revision of the Consumer acquis. The Commission issued a Green Paper on the Revision of the Consumer Acquis, on which the EEA EFTA States drafted a comment.

The group has also tracked progress on the proposal for a Directive on the protection of consumers in respect of certain aspects of timeshare, long-term holiday products, resale and exchange.

The EEA EFTA States continued their participation in the EU's Consumer Policy Network (CPN).

## Consumers' Consultative Committee

The Consumers' Consultative Committee, made up of representatives of the consumers' organisations in the EEA EFTA States, has an advisory role on consumer issues. The Committee met in June in connection with a meeting of ANEC, an organisation responsible for coordinating consumer participation in European standardisation.

## Enterprise Policy

The main issue followed by the group in 2007 was the inclusion of the Competitiveness and Innovation Programme (CIP) into the EEA agreement. The Working Group is coordinating the four EFTA Working Groups which are affected by CIP.

The Competitiveness and Innovation Programme is a brand new EU programme that targets small and medium-sized enterprises (SMEs) and helps them innovate. CIP aims to boost energy efficiency and renewable energy sources, environmental technologies, entrepreneurship and a better use of information and communication technology (ICT). CIP also aims to provide 400 000 SMEs with €3.6 billion in EU support during the period 2007-2013, to be invested in all forms of innovation and growth. CIP has integrated a large number of earlier EU programmes into three sub-programmes: the Entrepreneurship and Innovation Programme (EIP) focusing on SMEs, the ICT Policy Support Programme (ICT PSP) to support the adoption of ICTs in businesses, administrations and public sector services, and the Intelligent Energy Europe Programme (IEE).

On 30 June 2007, CIP was incorporated into the EEA Agreement, thereby ensuring the continuation of EFTA participation in these EU activities. Switzerland plans to participate later.

The Working Group has continuously followed the development of SOLVIT, an on-line problem-solving network through which the authorities work together to solve problems caused by the misapplication of Internal Market law by public authorities without legal proceedings.

The Working Group also monitors the EU Better Regulation, the development of the Your Europe portal, the EU innovation agenda and the development of the Internal Market Information (IMI) system, which will provide Member State administrations with a multilingual, open and flexible database tool to support the mutual assistance and information exchange required to implement Internal Market legislation efficiently.



The Working Group on Enterprise Policy organized a conference on the new financial instruments available under FP7 and CIP in Luxembourg on 28 June 2007. The purpose of the seminar was to inform stakeholders of the possibilities that the new financial instruments could offer to banks and industry. The seminar involved presentations from the European Commission (DG ECFIN and Eurostat), the European Investment Bank and the European Investment Fund.

30 EFTA stakeholders participated, from banks, financial institutions, business organizations, trade unions and ministries.



The Working Group followed the EU Better Regulation agenda in 2007 and held presentations by the Council and the Commission on the issue. The new EU innovation strategy was also monitored by the Working Group during 2007.

## Civil Protection

The EEA EFTA States continued to participate actively in two programmes in the field of civil protection: the Community Mechanism for Civil Protection and the second Community Action Programme in the field of civil protection.

In 2007, one significant event was the incorporation of the Civil Protection Financial Instrument 2007-2013 into the EEA Agreement. The Working Group continued to follow closely the developments on the EU side regarding the revision of the Community Mechanism for Civil Protection with a view to incorporation into the EEA Agreement. The new horizontal proposals concerning European Critical Infrastructure, including the EU programme “Prevention, Preparedness and Consequence Management of Terrorism and Other Security-related Risks”, are being monitored and coordinated by the Working Group on Civil Protection. On 21 November 2007, the Working Group organised a Workshop on Critical Infrastructure Protection with participation of several EFTA Chairs of Working Groups, EFTA Councillors and Officers from the Secretariat. The Workshop involved key speakers from the Commission and the UK and Danish Permanent Representations to the EU.

## Cultural Affairs

The main issue followed by the Working Group on Cultural Affairs in 2007 is the start up of the Culture 2007 Programme. The Culture Programme aims to facilitate mutual understanding, stimulate creativity and contribute to the mutual enrichment of European cultures.

In 2007 the Working Group also followed closely the recently proposed Commission initiative to link the cultural sector more closely to the Lisbon Strategy through three major objectives that form a “common” cultural strategy for the European institutions, the EU Member States, and the cultural and creative sector: promotion of cultural diversity and intercultural dialogue; promotion of culture as a catalyst for creativity in the framework of the Lisbon Strategy; and the promotion of culture as a vital element in relations with countries outside the European Union.

The Working Group, together with the Working Group on Audiovisual Services, kept apprised of developments regarding the EU recommendation on the digitization and online accessibility of cultural material and digital preservation.

The Working Group monitored the preparations for the “Europe for Citizens” programme (2007-2013) as well as the proposal for a European Year for Intercultural Dialogue (2008) and organised meetings with the Commission, the Council and the Parliament in these areas.

## Public Health



In May 2007, the Working Group submitted EEA EFTA Comments on the Commission's Green

Paper on a Smoke-free Europe. Throughout the year, the Working Group primarily concentrated its work on preparations for incorporation of the new Public Health Programme 2007-2013 and the new EU Programme on Drug Prevention and Information 2007-2013. On 15 November 2007, the Working Group organised a Seminar on these new programmes in Oslo, hosted by the Norwegian Ministry of Health and Care Services. The Seminar included three key presentations from the Commission and examples of Norwegian project coordinators under previous EU health programmes. 65 stakeholders participated from NGOs, public sector, research institutes, etc. The Group closely monitored the preparations on the EU side for a Directive on cross-border health care/health-services and held many discussions with the Commission on this issue. The EEA EFTA States continued active participation in the current Public Health Programme (2003-2008) and in the numerous experts groups and networks financed by the Programme. The EEA Decision on the European Centre for Disease Prevention and Control (ECDC) entered into force on 19 May 2005 and the EEA EFTA States have subsequently taken part in the Management Board and the Advisory Forum of the ECDC.

## Budgetary Matters

The main task of the Working Group is to monitor and coordinate the preparation of the yearly EEA EFTA budget covering the EEA EFTA contributions to the EU budget in return for participation in EU programmes, actions, services and agencies. The principles applied in relation to the contributions are set out in Article 82 and Protocol 32 of the EEA Agreement. The Working Group meets regularly with the European Commission to ensure the timely and correct execution of the budgetary procedures.

The contributions to the operational costs of the joint EU activities are defined by applying the "proportionality factor" to the relevant EU budget lines. In 2007, the

proportionality factor was 2.28% compared to 2.06% in 2006. The EEA EFTA States committed themselves to contributing EUR 165 million to the operational costs of the EU budget in 2007, an increase of 29 million over the 139 million in 2006. The corresponding EEA EFTA payments in 2007 were EUR 131.8 million, which constituted an increase from EUR 128.1 million in 2006.

Within the EEA programme cooperation, the EEA EFTA States also contribute to the Commission's administrative costs. The amount of this contribution is negotiated yearly for each programme. An important part of this contribution is provided in-kind through the secondment of national experts, cost-free for the Commission.

The arrangement of secondment of national experts provides for an extremely valuable exchange of expertise both for the Commission and the EEA EFTA States. In 2007 it was agreed through the budgetary procedure to second 35 EEA EFTA national experts to the various Directorates within the European Commission dealing with the joint EU programmes and activities.

## Heads of EFTA National Statistical Institutes

In 2007, the Working Group of the Heads of EFTA National Statistical Institutes (EFTA NSIs) dealt in particular with:

- the renewal of Protocol 30;
- the development of the 2007 EEA Annual Statistical Programme based on an assessment of the EEA relevance of the EC Annual Statistical Programme;
- synergies in the implementation of the EEA statistical cooperation and the Swiss-EC Agreement in the field of statistics.

## EFTA-EU Cooperation in the Field of Statistics

The EFTA Statistical Office (ESO) was created in the perspective of the EEA Agreement to liaise between Eurostat - the Statistical Office of the European Communities - and the EFTA National Statistical Institutes (NSIs). In 2007, the bilateral Swiss-EC statistical agreement



## EEA EFTA Payments to the EU budget 2006 - 2007 per sector

(all amounts in € 000)

Fig. 3

Sectors of Activity	EEA EFTA Contributions (EUR)	
	2006	2007
Research	97,870	87,637
Information services	1,109	1,101
Environment programmes	661	677
Education, training and youth	15,974	22,925
Social policy	725	1,988
Consumer protection	367	553
Enterprise, Innovation, SMEs	2,935	6,442
Audio-visual sector	1,923	1,960
Civil protection	132	410
Culture	957	1,082
Energy	635	1,096
Employment	433	-14
Public health	665	1,597
Telematic Interchange of Data between Administrations	169	551
Statistics	834	1,058
Technical regulations, standards, testing and certification	698	957
Transport	2,015	1,790
<b>Total EEA EFTA Contribution (EUR)</b>	<b>128,102</b>	<b>131,810</b>

entered into force. This will contribute to the comparability of EFTA statistics. ESO will provide technical support to Switzerland for the implementation of this agreement.

### *Role and Visibility of EFTA in the European Statistical System*

Continuous EU enlargements and continued increased demand for high quality statistics have changed the environment in which the European Statistical System operates. Subsequently, the legal framework governing the production of statistics at a European level has for the last year undergone a process of revision in order to be able to continue delivering high quality statistical services for the benefit of the Member States. The EFTA National Statistical Institutes and ESO have been active in the revision process of the basic legal act to secure the interests of the EFTA States.

In addition to its core activities, EFTA's visibility was ensured by the ESO and the EFTA NSIs through:

- EFTA's active involvement in EU technical

cooperation programmes in the field of statistics toward European and non-European third countries; and

- significant contribution to the running and development of the European Statistical Training Programme.

Furthermore, the well-functioning and extensive working relationship between Eurostat and EFTA was confirmed at a meeting between Hervé Carré, Director General of Eurostat, and Kåre Bryn, Secretary General of EFTA.

### *Production and Dissemination of EFTA Statistics*

Protocol 30 of the EEA Agreement specifies that statistical information from EEA EFTA States is 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.

This activity requires constant monitoring of the treatment of EFTA data in Eurostat's dissemination process.

The tangible result of this joint initiative between ESO, the EFTA NSIs and Eurostat was that more EFTA data than ever before were included in Eurostat databases and publications. For example, one major achievement in 2007 was the inclusion of EFTA data in the database for foreign trade statistics. For the first time, after nearly two years of ongoing work, detailed trade data for the EFTA States are easily accessible through Eurostat's website.

Another key accomplishment in 2007 was the inclusion of Swiss data in the Eurostat Yearbook, mainly as a result of the bilateral EU-Swiss Agreement in statistics.

### ***EFTA Participation in Eurostat Working Groups and Committees***

In 2007, Eurostat organised more than 200 meetings to prepare and implement new legislation, exchange and develop methodologies, and follow up on data collection. The EFTA Member States participate actively in the EEA-relevant meetings. For the first time Swiss delegates participated in Eurostat meetings on an equal footing with colleagues from EEA EFTA countries.

## **Technical cooperation in the field of statistics**

In December 2007, the EFTA Secretariat and Eurostat signed a new Memorandum of Understanding (MoU) on technical co-operation in the field of statistics. The MoU, which will cover a three-year period (2008-2010), involves funds totalling 1.9 million euros.

The general objective of the new MoU is to ensure further close cooperation between EFTA States and Eurostat in a number of programmes for technical cooperation within the field of statistics. In doing so, EFTA aims at active and visible participation in the planning, execution and revision of joint EFTA-EU projects.

### ***Technical co-operation activities and projects in 2007***

The main technical cooperation activities and projects in the field of statistics were:

- Seminar on Economic Globalisation: a Challenge for Official Statistics in Kiev. The main purpose of the Seminar was to raise awareness of users and producers of official statistics in Ukraine concerning distortions and biases that economic globalisation could cause in traditional statistical information. About 60 producers and users of official statistics participated in the seminar. It was attended by more than 25 statisticians from EFTA, Eurostat, OECD, UNECE and the national statistical institutes of Armenia, Bulgaria, Canada, Czech Republic, Ireland, Netherlands, Norway, Poland, Russian Federation, Slovenia, Switzerland and the United Kingdom.
- Measuring the non-observed economy in Western Balkan countries (WBCs). The aim of this major project, financed by the EFTA Secretariat, was to enable the WBCs to tackle the problem of the non-observed economy in a sustainable and systematic manner in the production of official statistics, in particular their national accounts.
- Training course on advanced sampling surveys supporting the overall MEDSTAT programme. The course was designed for statisticians from Mediterranean countries using sample survey techniques in the production of official statistics. The course was given by the Swiss Federal Statistical Office and the University of Neuchâtel, Switzerland.
- Strategic Management Seminar for National Statistical Institutes (NSIs) of the Western Balkan Countries on how to organise the work of the statistical institutes in order to meet the demands for harmonised quality statistics with restricted human and financial resources.

### ***EFTA Experts at Eurostat***

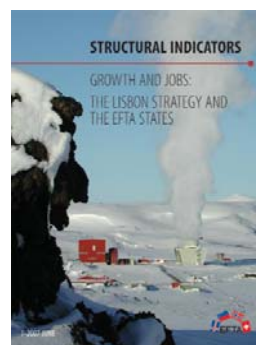
Statistical experts from EFTA countries have been working at Eurostat as seconded national experts



(SNEs). These secondments are important since they secure the transfer of knowledge and promote the integration of the European Statistical System. Eurostat continually expresses its interest in maintaining this high level of EFTA expert involvement. At the end of 2007, two experts from Norway were seconded to Eurostat within the framework of the EEA agreement in the area of public finance statistics and national accounts. In 2008, two additional EEA EFTA experts will be sent to Eurostat. Also, for the first time in 2007, two Swiss experts were seconded to Eurostat under the umbrella of the Swiss-EC Bilateral Agreement in the field of statistics.

In addition, one Norwegian and one Swiss expert were seconded to Eurostat as a contribution in kind to the EFTA-EU technical cooperation programme in the Balkans (CARDS) and the Mediterranean (MEDSTAT) areas. Technical cooperation programmes and related secondments are governed by a Memorandum of Understanding between the EFTA Secretariat and Eurostat and therefore concern all four EFTA Member States.

In 2007, ESO and the EFTA National Statistical Institutes issued a new booklet on EFTA-EU Statistical Cooperation. This publication builds on a previous manual published by Statistics Norway. It is designed as a handbook and covers the institutional and legal framework of the EEA statistical cooperation, as well as the statistical cooperation outside the EEA agreement. Furthermore, readers can find information about the Swiss-EC Bilateral Agreement, the European Statistical System and a practical guide to the implementation of the cooperation of EFTA and Eurostat. This handbook is intended as a tool and consulting document for experts active in the field of statistics, as well as for any interested person.



The electronic version of these publications can be downloaded from EFTA's Website. To obtain a paper copy please contact ESO (Lux@efta.int).

Another major publication from ESO in 2007 was on Structural Indicators for growth and jobs. This report is based on the same headline structural indicators as in the annual progress report of the Commission, but it also includes data from the three EEA EFTA States - Iceland, Norway and Switzerland. Consequently, the readers can compare how these EFTA States measure up against the EU States and in many cases against the USA and Japan as well.

# FINANCIAL MECHANISMS

## Financial Mechanisms 2004-2009

In 2007 the EEA Financial Mechanism and the Norwegian Financial Mechanism entered the commitment phase, the project start-up phase and the disbursement phase all in one single year. This brought the €1.24 billion of financial assistance significantly closer to the people, groups and activities it is intended to support within the overall aim of reducing social and economic disparities.

One of the highlights of 2007 was the inclusion of EU and EEA newcomers Bulgaria and Romania in the EEA financial scheme, with the EEA Financial Mechanism being expanded to make €21.5 million available to Bulgaria and €50.5 million to Romania. Additionally, Bulgaria and Romania will benefit from separate Norwegian bilateral cooperation programmes, which will make €20 million available to Bulgaria and €48 million to Romania. Both programmes will run until April 2009. The EEA Financial Mechanism will follow the same procedures as for the rest of the beneficiary states of this mechanism and will be administered by the Financial Mechanism Office (FMO), the day-to-day secretariat for the financial mechanisms. The Norwegian cooperation programmes will be handled by Innovation Norway and also enable Norwegian players to apply directly for support, provided that they are in partnership with players from Romania or Bulgaria.

Three years into their implementation, the financial mechanisms have made more than €700 million available to applicants through open calls for proposals in all beneficiary states except Greece, Bulgaria, and Romania. During the first half of 2008, the remaining sum of around €230 million earmarked for this open form of support will be made available to potential applicants and their partners from the EEA EFTA states. Based on the very high number of applications generated by the more than 20 calls for proposals made

to date, it is clear that the mechanisms represent a highly popular and accessible contribution within the wider European cohesion efforts in the beneficiary states - something which has also given the donor states of EFTA a much higher profile in these Member States.

So far, more than 600 applications with a total value of 700 million euros have been forwarded by the beneficiary states to FMO for detailed appraisal, European Commission screening and final approval by the EEA EFTA states. Of these, over 350 applications with a total value of €400 million have already been approved by Iceland, Liechtenstein and Norway.

Of the over 600 applications received by the FMO by year-end, more than 535 were submitted to the EC for screening. The EC screening process is running smoothly, largely due to a national expert from Norway who oversees the process and liaises between the EEA EFTA states in issues related to the financial mechanisms.

In addition to the individual projects, block grants - i.e. funds - are being established within the beneficiary states to channel support to groups or interests that may otherwise have had difficulty in gaining support, such as non-governmental organisations (NGOs), students and researchers. So far, the EEA EFTA states have approved 37 funds with a total assistance of more than €105 million euros from the financial mechanisms. Of these, 17 have been made operational, while the others are expected to be launched shortly.

The most notable example is the Polish NGO fund which was launched at the end of April 2007 and will provide more than €40 million to Polish NGOs and their partners in the EEA EFTA states. To illustrate the impact of this, it is likely that this fund alone will support more than 1 000 NGO projects that will involve several thousand people in the activities that these grants will generate.

Hence, the funds have attracted significant interest among stakeholders in the beneficiary states, the EEA EFTA states and beyond, and have firmly placed the



EEA EFTA states on the map among potential civil society partners in Central and Southern Europe. As several of these funds explicitly target partnerships with entities in the EEA EFTA states, they are also instrumental to the aim of strengthening bilateral relations between the EEA EFTA states and the beneficiary states.

In conclusion, the mechanisms are firmly on track and well into the implementation stage. They have been developed in close cooperation and dialogue with the beneficiary states and a multitude of stakeholders, ensuring a strong sense of ownership both in the beneficiary states and the donor states. This model of cooperation and mutuality is now bearing fruit in the form of a diverse portfolio of high-quality projects across Central and Southern Europe and direct cooperation between players in the beneficiary states and the EEA EFTA states.

Instrument Committee had approved 25 projects (17 in Spain, 5 in Greece, and one each in Ireland, Northern Ireland and Portugal). One of the approved projects was later withdrawn by Spain, as the project promoter was unable to fulfill the conditions for co-financing. During 2007, the Financial Instrument disbursed a total €15.5 million towards 14 projects. Altogether, the Financial Instrument has disbursed €60.2 million, equaling around 60 percent of the total amount committed. Of the 24 approved projects, seven Spanish projects and one Irish project have been completed.

## Financial Mechanism 1994-1998

In January 2006 the European Investment Bank made its last project disbursements under the Financial Mechanism 1994-1998. In total, funds for 54 projects have been fully disbursed out of the total 56 projects. Funding for the remaining two projects has been withdrawn. The total grant disbursements were approximately EUR 450 million. During 2007 the FMO issued the Financial Mechanism 1994-1998 final report and prepared for the closure of the fund.

## Financial Instrument 1999-2003

By the end of the commitment period, the Financial



Conservation of Malbork Castle: The cultural heritage project at the medieval fortress in Northern Poland, supported with a €2.6 million grant from Norway, will protect one of the most important examples of Gothic brick architecture in Europe.

# ADVISORY BODIES

## Parliamentary Committees

In 2007 the Parliamentary Committees held four meetings and focused its work on a variety of topics such as: developments in EFTA third-country relations; developments in the Internal Market; energy and climate change; the EU Reform Treaty; and the European Neighborhood Policy, to name only a few.

### *EFTA Parliamentary Committees*

The members of the Parliamentary Committees (the Parliamentarians) meet with the EFTA Ministers biannually, at the summer Ministerial meetings and the informal Ministerial meetings in late autumn each year. At this year's joint meetings the Parliamentarians received updates from the Ministerial Chair on the main developments in EFTA third-country relations and, in respect of the EEA, Committee members inquired about specific issues. These meetings constitute an increasingly important dialogue between the EFTA Council and the Members of Parliament of the EFTA Countries.

In addition to its regular meetings, the Parliamentarians visited Canada in February. At the Canadian Parliament, the delegation, led by Mr Gudlaugur Thór Thórdarson (Independence Party, Iceland), met with the International Trade Committee and the Foreign Relations Committee of the Senate. In



Facing the Parliamentarians. EFTA Ministers receiving questions from the EFTA Parliamentary Committee.

addition to parliamentary meetings, the delegation spoke with officials at the International Trade Ministry and visited the NAFTA Secretariat in Ottawa. The purpose of the visit was to strengthen EFTA-Canada trade relations and to facilitate the speedy conclusion of a free trade agreement. The visit to Canada was the first which the Parliamentarians have undertaken for the sole purpose of strengthening EFTA's third-country policies.

In October the Committee of Members of Parliament of the EFTA countries also had its first bilateral meeting in the European Parliament when the Committee met with the Parliament's International Trade Committee. The meeting, which was entitled 'Comparing approaches to Free Trade Agreements' and co-chaired by Ms Katrín Júlíusdóttir (Social Democratic Alliance, Iceland) and Mr Helmuth Markov (GUE/NGL, Germany), offered a very fruitful exchange of views between Members of the European Parliament and EFTA Parliamentarians.

### *EEA Joint Parliamentary Committee*

The EEA Joint Parliamentary Committee (JPC) met twice in 2007. As with previous meetings, the EEA JPC engaged in a dialogue with the EEA Council, the EEA Joint Committee and the EFTA Surveillance Authority on the functioning of the EEA and on progress regarding prior resolutions of the JPC. The EEA JPC discussed and adopted resolutions on: the functioning of the EEA Agreement during 2006; the EU's future maritime policy and the EEA; energy and climate change and their implications for the EEA; and the open method of coordination and the EEA. The Committee forwarded its resolutions to the EEA Council, the EEA Joint Committee, the European Parliament and EEA national parliaments.

The EEA JPC also discussed working papers on soft law and the EEA, and perspectives for the future of the European Economic Area. In addition the Committee exchanged views with Mr Joe Borg, Commissioner for Fisheries and Maritime Affairs, on EU maritime



policy. The EEA JPC summer meeting was held in Vaduz, Liechtenstein, while the autumn meeting was held in Strasbourg, during the November Plenary session of the European Parliament. The Chair of the MPS, Ms Katrín Júlíusdóttir, served as the President of the EEA JPC in 2007.

## Consultative Committees

In 2007, the EFTA Consultative Committee met four times and focused on topics such as EFTA's third-country relations, energy and climate, the EEA and Norwegian financial mechanisms, the Single Market Review, labour market policies (e.g. flexicurity), the EU Reform Treaty, the Northern Dimension policy, and the free movement of workers and migration.

### *EFTA Consultative Committee*

In March 2007, the Committee produced a discussion paper on migration which was presented to the Standing Committee of the EFTA States and later to the EFTA Ministers. This served as a contribution to what the Committee considers a very important debate on economic migration in and beyond the EEA. In June 2007, as a follow-up to its work in 2006, the Committee adopted a statement on the Northern Dimension in which it underlined the need for a much stronger social dimension in the new policy. Finally, in October 2007, as a follow-up to its work on energy and climate earlier that year, the Committee adopted a statement on the greenhouse gas emission trading scheme in which it underlined the importance of ensuring equal conditions for emission trading throughout the EEA.

In June 2007, the Committee met with the EFTA Ministers and discussed developments in the EEA and in EFTA's third-country relations. In addition, the Committee met with the Standing Committee of the EFTA States in March 2007 and with the EFTA Parliamentary Committee in June 2007.

The Committee continues to attach importance to these joint meetings, which contribute to enhancing the dialogue with relevant EFTA authorities at a political level and with the parliamentarians in the four EFTA countries.

### *EEA Consultative Committee*

At its meeting in May 2007, the Committee engaged in dialogue with representatives of the EEA Joint Committee on latest EEA developments. The delays in incorporating decisions into the EEA Agreement on EEA EFTA participation in EU programmes was of specific concern to the EEA CC and featured high on the agenda.

The Committee also discussed and adopted resolutions on "An Energy Policy for Europe" and on "The EEA and Norwegian Financial Mechanisms".

### *Osmosis*

Cooperation between social partners in the EEA was further reinforced in 2007 through the Osmosis procedure, which allows representatives of the EFTA Consultative Committee to participate in the work of the European Economic and Social Committee (EESC) and vice-versa. Cooperation in 2007 included, among others, EFTA participation in the EESC Joint Consultative Committee meetings with Croatia and Turkey, the EESC Lisbon Strategy Group, the EESC Single Market Observatory, the EESC Sustainable Development Observatory, and the EESC plenary session. In addition, the Co-chairs of the EEA CC, Ms Liina Carr (EESC) and Ms Wenche Paulsrud (EFTA Consultative Committee) participated in the EEA JPC meeting in June 2007 and in November 2007. This reflects a more active and positive working relationship between the social partners and the parliamentarians in the EEA.

# INFORMATION ACTIVITIES

One of EFTA's important tasks is to inform its stakeholders and the general public of its activities in an open and transparent manner. Within the area of public communication, 2007 was an active year:

- A large number of seminars and workshops were held in the EFTA Member States, at EFTA's locations in Brussels and Geneva, and elsewhere around Europe;
  - Several new publications were prepared, updated and translated;
  - Websites were launched and continuously updated throughout the year;
  - Presentations were given to visiting groups. In Brussels alone, around 130 groups (2 500 people) visited the Secretariat during 2007; and
  - The Member States laid down new rules on public access to all EFTA documents.
- An EFTA seminar on the financial instruments under the Competitiveness and Innovation Programme (CIP), which was arranged in Luxembourg one day before the integration of CIP into the EEA Agreement;
  - EFTA's bi-annual two-day EEA Seminar, which provided over 200 professionals with a thorough overview of the EEA, offering particular focus on current issues such as the new Lisbon Treaty;
  - An open discussion of new ideas for reforming Europe's knowledge base, hosted by Science-Business in cooperation with EFTA's Working Group on Research and Development, with Odile Quintin, the Commission's Director-General of the Directorate General Education and Culture; and
  - A meeting with the Commission in Oslo and EFTA's Working Group on Public Health, mainly focusing on the newly adopted EU health strategy, the upcoming proposal for a Directive on health services, and the EU reform treaty and its possible impact on future EU health policy.

## Public Access to Documents

Based on the principle that openness is to be applied to the greatest extent possible, both the EFTA Council and the Standing Committee of the EFTA States laid down new rules on public access to EFTA's documents. Both decisions come into effect 1 April 2008. The new rules can be found on EFTA's website.

## Websites

In 2007 the Secretariat further developed its online presence. In June, a new Intranet was launched. It keeps all staff current on important internal news, and provides easy access to necessary documents.

In the second half of the year, work on a new public website commenced, which was launched in February 2008.

## Seminars

In 2007, EFTA held several seminars and workshops, of which the most notable were:



During 2007, many high representatives from the Member States visited EFTA. In November, Þorgerður Katrín Gunnarsdóttir, Minister of Education, Science and Culture of Iceland, met with Kåre Bryn, Secretary-General of EFTA.

## EFTA at Free Trade Expo in Korea

The Republic of Korea organised an FTA Expo in Seoul, which ran from 28 November to 1 December 2007. For this event, Korea's FTA partners were invited to participate with a stand. The purpose of the Expo was to inform Korean companies and the public at large about FTAs.



Han Myeong-Sook, Prime Minister of the Republic of Korea, visiting the EFTA stand.

## Publications

The latest versions of all EFTA publications are available online on EFTA's website, where paper copies can also be ordered free of charge (subject to availability). Several publications were released throughout the year:

- This Is EFTA: An annual publication which provides an easy overview of EFTA and its activities, together with useful trade and economic statistics;
- The EFTA Bulletin: The New EU Programmes (2007-2013), presenting all the new EU programmes with EFTA participation.

- EFTA/EU Statistical Cooperation Handbook: Designed to serve as a handbook, it covers the institutional and legal framework of EEA statistical cooperation, as well as that outside the EEA Agreement.
- The EFTA Bulletin: Structural Indicators: An update of the structural indicators presented in the EFTA Bulletin on the Lisbon Strategy (2006).

In addition to the new publications, EFTA continued publishing several fact sheets.

## 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 EEA Joint Parliamentary Committee;
- the EEA Consultative Committee, and
- the European Commission.

The EEA Supplement is published on the EFTA website once a week. Additional issues which include EEA Joint Committee Decisions and EC Acts are also made in paper copies and distributed to subscribers.

In 2007, the EFTA Secretariat published 62 issues of the EEA Supplement.

## Publication in the EEA Supplement 2007

Fig. 4

	Number of pages	
	Icelandic	Norwegian
<b>EEA Joint Committee</b> (Joint Committee Decisions and EC acts)	2 602	2 879
<b>EFTA Standing Committee</b>	19	19
<b>EFTA Surveillance Authority</b>	247	247
<b>EFTA Court</b>	19	19
<b>EU institutions</b>	1 068	1 068
<b>Total</b>	<b>3 955</b>	<b>4 232</b>

# ADMINISTRATION

At the end of 2007 there were 24 fixed-term and short-term staff based in Geneva and Paris, and 64 in Brussels and Luxembourg. The Financial Mechanism Office employs 36 staff in Brussels.

On 1 August 2007 Bergdis Ellertsdottir, the new Deputy Secretary-General in Brussels, took office and joined Kåre Bryn, Secretary-General, and Didier Chambovey, Deputy Secretary-General in Geneva, who had already begun their assignments in September 2006.

The Secretariat's budget is worked out according to the framework budgeting principle established in public administrations in Member States. This approach aims to increase awareness of budgetary spending at all levels. The budget is accompanied by a performance plan where the Secretariat's activities are divided into projects. The plan and the ensuing reporting raises the Member States' awareness of the costs and outcomes of the Secretariat's various activities. EFTA's budget for 2007 was prepared in two currencies:

Swiss francs (the base currency) and euros. The total budget was 24 027 848 Swiss francs.

## The EFTA Board of Auditors

The EFTA Board of Auditors (EBOA) is a permanent Committee of EFTA auditors established in 1992. It is the supreme audit authority of EFTA and reports directly to the EFTA Council. In cooperation with external auditors the EFTA Board of Auditors performs a yearly audit of the three EFTA institutions, the EFTA Secretariat, the EFTA Surveillance Authority and the EFTA Court. The EFTA Board of Auditors also works in cooperation with the European Court of Auditors. In 2007, EBOA met four times.

The yearly audit report which the EBOA issues on the EFTA Secretariat will be available on the Secretariat's website at the end of the audit in spring 2008.

## EFTA Budget 2007 (in CHF)

Fig. 5

Budget Posts	Budget 2007
Council Activities	1 003 955
Managing and developing free trade relations with non-EU countries	3 387 357
Managing and developing the EEA Agreement	8 084 655
Statistical co-operation in Luxembourg	862 557
Organisation management	2 436 335
Administration	3 560 393
Information activities	1 251 368
Co-operation programmes	3 441 228
<b>Total EFTA Secretariat</b>	<b>24 027 848</b>

## Contributions to the EFTA Budget 2007 (in CHF)

Fig. 6

Member State	Contribution	Total in %
Iceland	1 022 193	4.25
Liechtenstein	242 757	1.01
Norway	12 785 704	53.21
Switzerland	9 977 194	41.52
<b>Total</b>	<b>24 027 848</b>	<b>100.00</b>



# APPENDICES

## EFTA Parliamentary Committee Members

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### Iceland

<b>Katrín Júlíusdóttir</b> (CMP/MPS Chair),	Social Democratic Alliance
<b>Bjarni Benediktsson</b>	Independence Party
<b>Árni Þór Sigurdsson</b>	Left-Green Movement
<b>Illugi Gunnarsson</b>	Independence Party
<b>Arnbjörg Sveinsdóttir</b>	Independence Party

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### Liechtenstein

<b>Renate Wohlwend</b>	Progressive Citizen's Party
<b>Henrik Caduff</b>	Patriotic Union

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### Norway

<b>Svein Roald Hansen</b> (CMP/MPS Vice-Chair),	Labour Party
<b>Laila Dávøy</b>	Christian Democratic Party
<b>Marianne Aasen Agdestein</b>	Labour Party
<b>Gjermund Hagesæter</b>	Progress Party
<b>Børge Brende</b>	Conservative Party
<b>Lena Jensen</b>	Socialist Left Party

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### Switzerland

<b>Brigitta Gadiant</b>	Swiss People's Party
<b>Didier Burkhalter</b>	Liberal Democratic Party
<b>Eugen David</b>	Christian Democratic Party
<b>Hans Kaufmann</b>	Swiss People's Party
<b>Hans Widmer</b>	Social Democratic Party

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## EFTA Consultative Committee Members

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### Iceland

<b>Guðlaugur Stefánsson</b> (Vice-Chair)	Confederation of Icelandic Employers
<b>Haraldur Ingi Birgisson</b>	Iceland Chamber of Commerce
<b>Halldór Grönvold</b>	Icelandic Confederation of Labour
<b>Páll H. Hannesson</b>	Federation of State and Municipal Employees
<b>Jón Steindór Valdimarsson</b>	Federation of Icelandic Industries

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### Liechtenstein

<b>Josef Beck</b>	Liechtenstein Chamber of Commerce and Industry
<b>Sigi Langenbahn</b>	Federation of Liechtenstein Employees

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## Norway

**Wenche Paulsrud** (Chair)  
**Thomas Angell**  
**Liz Helgesen**  
**André Nerheim**  
**Bente Stenberg-Nilsen**  
**Espen Søylen**

Norwegian Confederation of Vocational Unions  
Federation of Norwegian Commercial and Service Enterprises  
Norwegian Confederation of Unions for Professionals  
Norwegian Confederation of Trade Unions  
Norwegian Association of Local and Regional Authorities  
Confederation of Norwegian Enterprise

## Switzerland

**Vital G. Stutz** (Vice-Chair)  
**Ruth Derrer Balladore**  
**Gregor Kündig**  
**Marco Taddei**  
**Hans-Peter Tinguely**  
**Pierre Weiss**

Swiss Federation of Employees  
Swiss Union of Employers  
economiesuisse  
Swiss Union of Small and Medium-sized Enterprises  
Swiss Workers' Federation  
Fédération des Entreprises Romandes Genève

## EFTA Ministerial Meeting, Vaduz, 28 June 2007

### Communiqué

The EFTA Ministers welcomed the conclusion of the free trade negotiations with Canada. They noted the good progress made in the negotiations with the Gulf Cooperation Council (GCC) and by the Joint Feasibility Study Group with India. They also expressed their satisfaction with the successful start of negotiations with Colombia and Peru and the signing of a Joint Declaration on Cooperation with Mongolia. Ministers furthermore welcomed the conclusion of the negotiations on the enlargement of the EEA with Bulgaria and Romania. They emphasised the importance of timely participation of EEA EFTA States in EU programmes.

On 28 June 2007, the European Free Trade Association (EFTA) held its Spring Ministerial meeting in Vaduz, Liechtenstein, under the Chairmanship of Ms Rita Kieber-Beck, Minister of Foreign Affairs of Liechtenstein.

### *Preferential trade relations*

The EFTA Ministers were pleased with the expansion of EFTA's network of Free Trade Agreements. They continue to serve EFTA's economic operators well and constitute a solid basis for the further development of economic relations and cooperation between EFTA

and its partners. Ministers also expressed their continued satisfaction with the Vaduz Convention and intra-EFTA relations.

### *Americas*

Ministers welcomed the successful conclusion of the free trade negotiations with Canada. Canada is one of EFTA's main trading partners, and the Agreement is expected to bring further growth and diversification in trade and investment flows between the Parties. Ministers also welcomed the launch of the free trade negotiations with Colombia and Peru earlier this month, expressing their optimism that these negotiations could be swiftly concluded.

### *Asia*

Ministers signed a Declaration on Cooperation with Mongolia with a view to strengthen economic cooperation and trade relations.

They recalled that improving trade relations with leading partners in Asia was a priority for all EFTA States. Ministers further recalled the importance of building free trade relations with China and Japan.

Ministers expressed their satisfaction with the good progress made in negotiations with the six countries of the Gulf Cooperation Council<sup>[1]</sup> and looked forward to the successful conclusion of the negotiations, possibly



<sup>[1]</sup> Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

by the end of this year. Ministers expressed hope that talks regarding the FTA with Thailand could be resumed on a technical level in the near future.

They were pleased to note good progress by the Joint Feasibility Study Group with India. The report is due by November 2007, and the result is expected to pave the way for swiftly opening the negotiations between India and the EFTA States. EFTA Ministers recalled the positive outcome of the joint feasibility study with Indonesia recommending negotiations on a comprehensive free trade agreement between EFTA and Indonesia. They declared their readiness to start negotiations with Indonesia as soon as possible. Furthermore, Ministers expressed their interest in deepening trade ties between EFTA and Malaysia, as well as with other potential partners in South-East Asia.

#### *Europe and the Mediterranean Region*

Ministers welcomed the signing of the free trade agreement with Egypt at the end of January 2007 in Davos. The forthcoming entry into force of the agreement with Egypt will broaden the basis for the participation of the EFTA States in the Euro-Mediterranean Free Trade Area. To this end, Ministers were also confident that the negotiations on a free trade agreement with Algeria could be opened without further delay. They also underlined the importance of including the Western Balkan countries into the pan-Euro-Med cumulation zone as soon as possible and of EFTA's inclusion throughout this process.

Ministers reconfirmed their interest in establishing free trade relations with Russia and Ukraine once these countries accede to the WTO. Ministers recalled the readiness of the EFTA States to further develop and deepen the cooperation and trade relations with the countries of South-Eastern Europe. The EFTA States are reviewing the possibility of establishing a Free Trade Agreement with Albania.

#### *Relations with the European Union*

Ministers welcomed the conclusion of the negotiations on the EEA Enlargement, including Bulgaria and Romania as Contracting Parties to the EEA Agreement. In this context, Ministers noted that the EEA Joint Committee had resumed its work, thus

maintaining the homogeneity in the Internal Market and the good functioning of the EEA Agreement.

The Ministers expressed their satisfaction with the progress made in the implementation of the EEA Financial Mechanism and the Norwegian Financial Mechanism. Around €640 million have been made available through calls for individual project proposals in 12 of the 13 beneficiary states, and more than €300 million have been committed to 220 projects, programmes and funds.

On energy and climate change Ministers underlined the importance of close coordination between the EEA EFTA States and the EU.

The Ministers recalled the importance of timely participation of the EEA EFTA States in EU Programmes and noted with satisfaction that the preparations for the EEA EFTA participation in EEA-relevant EU Programmes for the period 2007 to 2013 were on track. This participation contributes to enhanced EEA cooperation outside the four freedoms of the Internal Market, promoting the common political and economic goals of the EEA Agreement.

Ministers reaffirmed the importance attached to continued EEA EFTA contributions to the decision-making process of EEA-relevant EU legislation and programmes through participation in appropriate Committees and Working Groups, and by submission of EEA EFTA Comments.

Ministers looked forward to a Decision by the EEA Joint Committee on EEA EFTA participation in the European Food Safety Authority (EFSA), which was close to being finalised and welcomed the progress made in expanding the scope of the EEA veterinary legislation to Iceland.

Ministers welcomed the progress made on linking the EEA EFTA States to the Greenhouse Gas Emission Trading Scheme as of January 2008.

## WTO

The EFTA Ministers took stock of the WTO Doha negotiations and underlined their continued strong commitment to the multilateral trading system. Ministers stressed the importance for the global economy of a successful conclusion to the ongoing negotiations and reiterated their determination to contribute constructively to such an outcome.

## Advisory Bodies

Ministers held meetings with EFTA's two advisory bodies: the Parliamentary Committee and the Consultative Committee. Ministers appreciated the high-quality input and welcomed the useful work undertaken by the Committees. The Committees take an active interest in EFTA's work and continue to enjoy the fruitful co-operation with their counterparts in the EU and other EFTA partner countries.

## Appointment of Deputy Secretary-General, Brussels

Ministers confirmed the appointment by the EFTA Council of Ms Bergdís Ellertsdóttir as Deputy Secretary-General in Brussels. She will take up her duties on 1 August 2007.

## Ministers attending:

Liechtenstein:	Ms. Rita KIEBER-BECK, Minister of Foreign Affairs (Chair)
Iceland:	Mr Björgvin G. SIGURÐSSON, Minister of Commerce
Norway:	Mr Dag Terje ANDERSEN, Minister of Trade and Industry
Switzerland:	Ms Doris LEUTHARD, Federal Councillor, Head of the Federal Department of Economic Affairs

## EFTA Ministerial Meeting, Geneva, 3 December 2007

### Communiqué

EFTA Ministers welcomed the Joint Study between India and EFTA which could lead to future negotiations on a free trade agreement. Furthermore, the Ministers expressed satisfaction with the good progress in the free trade negotiations with the countries of the Gulf Cooperation Council (GCC), Colombia and Peru and looked forward to a successful conclusion of those negotiations. Ministers also welcomed the entry into force of the Free Trade Agreement with Egypt on 1 August 2007 and the forthcoming entry into force of the Free Trade Agreement with the Southern African Customs Union (SACU).

On 3 December 2007, the European Free Trade Association (EFTA) held a Ministerial meeting in Geneva under the Chairmanship of Mr Dag Terje Andersen, Norwegian Minister of Trade and Industry.

The Ministers renewed their strong commitment to the multilateral trading system and to the successful

conclusion of the WTO Doha round and regretted that not more progress had been made in the Doha negotiations so far. At the same time, they confirmed that free trade agreements provide a good basis to improve access to important foreign markets and to attain a more advanced level of economic cooperation between EFTA and its partners.

The EFTA Ministers endorsed a Joint Study between India and EFTA that concluded that both parties would benefit from a broad based Trade and Investment Agreement.

Ministers looked forward to signing the Free Trade Agreement with Canada early in 2008. Furthermore, they welcomed the progress made in the negotiations with Colombia and Peru. They also noted that the negotiations with the countries of the Gulf Cooperation Council<sup>[2]</sup> (GCC) were progressing well. They expressed the wish to finalise these negotiations in 2008. Ministers looked forward to resuming free trade negotiations with Thailand in 2008 after that a democratic election had taken place.

<sup>[2]</sup> Gulf Cooperation Council: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

Ministers noted the launch of the EFTA-Algeria negotiations in November with satisfaction and confirmed the aim to finalise these negotiations as soon as possible.

The Ministers noted that good progress had been made in preparing for future free trade negotiations with Albania and Serbia. Furthermore, Ministers agreed to consider the possibility of strengthening trade relations with Montenegro. Ministers also recalled their interest in preparing the ground for opening free trade negotiations with Russia and the Ukraine, once their respective accession negotiations to the WTO are finalised.

Regarding Indonesia, Ministers expressed their satisfaction with the work done in the context of the Joint Working Group on trade and investment, and they recalled EFTA's readiness to open negotiations on a comprehensive trade agreement as soon as possible. Ministers furthermore reconfirmed their interest in deepening trade and investment relations between EFTA and Malaysia.

Ministers exchanged views with regard to building free trade relations with China and Japan. They underlined the high importance of these countries for the individual EFTA members and EFTA.

Ministers welcomed the entry into force of the Free Trade Agreement with Egypt on 1 August this year and the forthcoming entry into force of the Free Trade Agreement with the Southern African Customs Union (SACU)<sup>31</sup>.

The EFTA Ministers also met with the EFTA Parliamentary Committee and discussed free trade relations and developments under the EEA Agreement.

#### *Ministers attending:*

Norway:	Mr Dag Terje ANDERSEN, Minister of Trade and Industry (Chair)
Iceland:	Ms Ingibjörg Sólrún GÍSLADÓTTIR, Minister for Foreign Affairs
Liechtenstein:	Ms Rita KIEBER-BECK, Minister of Foreign Affairs)
Switzerland:	Ms Doris LEUTHARD, Federal Councillor, Head of the Federal Department of Economic Affairs

## Conclusions of the 27<sup>th</sup> meeting of the EEA Council Brussels, 15 May 2007

### Conclusions

1. The EEA - EFTA States congratulated the European Union on its 50th anniversary this year. They recognised the vital and stabilising role the European Union has played in Europe the past 50 years, which was also reflected in the Berlin Declaration on that occasion. The EEA Council appreciated that the European Union has contributed to economic prosperity and overcoming the division of our continent. It welcomed that European unity has promoted democracy and the rule of law by different enlargement processes.
2. The twenty-seventh meeting of the EEA Council took place in Brussels on 15 May 2007 under the

Presidency of Mr. Gernot Erler, Minister of State of Germany. The meeting was attended by Ms Rita Kieber-Beck, Minister for Foreign Affairs of Liechtenstein, by Mr. Jonas Gahr Støre, Minister for Foreign Affairs of Norway, Mr. Þorsteinn Ingólfsson, Ambassador, Special Representative of the Minister for Foreign Affairs of Iceland, by Members of the Council of the European Union and by a Representative of the European Commission.

3. The EEA Council noted that within the framework of the Political Dialogue, the Ministers and Commissioner Ferrero Waldner discussed the situation in the Middle-East, in Afghanistan and in Kosovo.
4. The EEA Council welcomed the conclusion of

<sup>31</sup> Botswana, Lesotho, Namibia, South Africa and Swaziland.

the negotiations on the EEA Enlargement, with a view to include Bulgaria and Romania as Contracting Parties to the EEA Agreement. In this context, the Ministers underlined the importance of the EEA Joint Committee having resumed its work, in order to maintain the homogeneity in the Internal Market and the good functioning of the EEA Agreement.

5. The Ministers underlined the increased importance for all Contracting Parties to ascertain that public authorities and other relevant actors throughout the European Economic Area remain well informed about the EEA Agreement.
6. The EEA Council noted that the Lisbon Strategy for Growth and Jobs has entered a more focused phase with integrated guidelines for growth and jobs, trusting that a more effective Strategy will continue to yield results. The EEA - EFTA States have produced national reports on performance and policies relevant to the Strategy, identifying achievements as well as potentials for improvement. With the launch of the next cycle of the Strategy in 2008, the EEA - EFTA States look forward to providing their input.
7. The Ministers welcomed the integrated Energy and Climate Change Package adopted by the European Council in March and underlined the importance of close co-operation between the EEA - EFTA States and the EU. The Ministers also recalled the importance of the Internal Energy Market in view of the prominent position that energy issues currently hold on the political agenda of the contracting parties.
8. The Ministers appreciated the progress made in the implementation of the EEA Financial Mechanism and of the Norwegian Financial Mechanism. The Financial Mechanisms are now in the stage of project generation and implementation. The importance of openness, transparency, broad participation and efficiency in their implementation was underlined. The EEA Council noted that a total of 17 calls for proposals in 12 of the 13 beneficiary states had made close to 650 million euros available to applicants across Central and Southern

Europe and welcomed that the EEA - EFTA States have already approved applications for around 250 million euros. The EEA Council reiterated that an important aspect of the Financial Mechanisms is to provide opportunities to strengthen relations between the EEA - EFTA States, Norway and the beneficiary EU Member States. The EEA Council looked forward to receiving at its next meeting an up-date on the implementation of the EEA Financial Mechanism in Bulgaria and Romania as well as on the implementation of the Norwegian Co-operation Programmes for promoting economic growth and sustainable development for Bulgaria and Romania.

9. The EEA Council noted the Progress Report of the EEA Joint Committee.

#### *The EEA Council in particular:*

- Welcomed the preparations for the EEA - EFTA participation in EEA-relevant EU Programmes for the period 2007 to 2013. This participation is co-financed by the EEA - EFTA States. The activities under such new EU Programmes have been substantially increased and will contribute to an enhanced EEA co-operation outside the four freedoms of the Internal Market, thereby promoting the common political and economic goals attached to the EEA Agreement. The EEA Council noted that the EU legislative acts on some of the Programmes were still pending and encouraged all parties to make every effort to ensure timely participation of the EEA - EFTA States also in these EU Programmes;
- Looked forward to a Decision by the EEA Joint Committee on EEA - EFTA participation in the European Food Safety Authority (EFSA), which was close to being finalised;
- Welcomed the progress made in expanding the scope of the EEA veterinary legislation to Iceland;
- Welcomed the progress made on linking the EEA - EFTA States to the Greenhouse Gas Emission Trading Scheme from January 2008;



- Emphasised the importance of maintaining the good functioning of the Internal Market also in the area of the free movement of persons and called for a rapid integration of the Directive on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States, according to the provisions of the EEA Agreement;
  - Welcomed the new EU Innovation Strategy, in particular the ten priority actions set out at national and European levels;
  - Welcomed the continued dialogue on the development of a future Single Market Policy and the ongoing Single Market Review;
  - Acknowledged the EEA - EFTA stake in the efforts to establish an improved general framework for services in the Internal Market;
  - Welcomed the proposal for a broad package of measures concerning the free movement of goods, adopted by the European Commission on 14 February 2007;
  - Welcomed the continued EEA - EFTA contributions to the decision-shaping process of EEA-relevant EC legislation and programmes through i.a. participation in appropriate Committees and Working Groups, and through EEA - EFTA Comments.
10. The EEA Council held an orientation debate on energy and climate protection.
  11. The EEA Council recognised the importance of inviting EEA - EFTA Ministers to attend relevant informal EU Ministerial Meetings and Ministerial Conferences on the basis of the EEA - EFTA participation in the Internal Market. The EEA Council also recalled the practice of inviting the EEA - EFTA States - at the level of officials - to political dialogue meetings with relevant Council Working Parties in troika format and expressed its appreciation to the incoming Portuguese Presidency for the continuation of this practice.

## Conclusions of the 28<sup>th</sup> meeting of the EEA Council Brussels, 20 November 2007

1. The twenty-eighth meeting of the EEA Council took place in Brussels on 20 November 2007 under the Presidency of Ms. Ingibjörg Sólrún Gísladóttir, Minister for Foreign Affairs of Iceland. The meeting was attended by Ms. Rita Kieber-Beck, Minister for Foreign Affairs of Liechtenstein and by Ms. Elisabeth Walaas, State Secretary, Ministry of Foreign Affairs of Norway from the EEA - EFTA side, as well as by Mr. Manuel Lobo Antunes, State Secretary for European Affairs, attached to the Minister for Foreign Affairs, representing the Portuguese Presidency of the Council of the European Union, by Members of the Council of the European Union and by the Representative of the European Commission responsible for EEA Council matters, from the EU side.
2. The EEA Council noted that within the framework of the Political Dialogue, the Ministers discussed the situation in Kosovo, in the Middle East and in Sudan/Darfur (Chad and the Central African Republic).
3. The EEA Council welcomed the signing of the EEA Enlargement Agreement in July and its provisional application, thus including Bulgaria and Romania as Contracting Parties to the EEA Agreement. The EEA Council urged Member States to conclude the ratification procedures as soon as possible.
4. The EEA Council welcomed the Interim Report on the second cycle of the Lisbon Strategy and the participation of the EEA - EFTA States in the subsequent consultations. It looked forward to the final Strategic Report in December, setting out the next cycle of the Strategy starting in 2008.

5. The Ministers welcomed the major orientations, adopted by the European Council in March 2007. They agreed that well functioning electricity and gas markets are essential for producers and consumers in the European Energy Market and underlined the importance of continuous close co-operation between the EU and the EEA - EFTA States in the further development of legislation to this effect.
6. The Ministers expressed their appreciation regarding the progress made in the implementation of the EEA Financial Mechanism and of the Norwegian Financial Mechanism, which are now firmly in the stage of project implementation. The importance of openness, transparency, broad participation and efficiency was underlined. The Ministers noted that a total of 22 calls for proposals in 12 out of the 13 beneficiary States had made more than 700 million euros available to applicants across Central and Southern Europe. The EEA - EFTA States had approved applications for about 400 million euros. The EEA Council welcomed the signing of the Memoranda of Understanding with Bulgaria and Romania for the implementation of the EEA Financial Mechanism and of the Memoranda of Understanding for the implementation of the Norwegian co-operation Programmes with Bulgaria and Romania.
7. The EEA Council noted the Progress Report of the EEA Joint Committee.

***The EEA Council in particular:***

- Welcomed the successful inclusion of the EEA - EFTA States in EEA-relevant EU Programmes for the period 2007 - 2013. This participation is co-financed by the EEA - EFTA States. It also looked forward to EEA - EFTA States' active participation in the new generation of Programmes, thus promoting common interests, towards a more competitive and innovative Europe;
- Welcomed the adoption of a Decision by the EEA Joint Committee on the Food Law Package, thus formalising EEA - EFTA participation in the European Food Safety Authority (EFSA);
- Welcomed expanding the scope of the EEA veterinary legislation to Iceland;
- The Ministers welcomed the entry into force of new trade concessions in agricultural products on the basis of Article 19 of the EEA Agreement between the European Community and Iceland and the resumption of trade negotiations between the European Community and Iceland in processed agricultural products within the framework of Protocol 3 to the Agreement. They noted the on-going negotiations between the European Community and Norway on further liberalisation of trade in agricultural products on the basis of Article 19 of the EEA Agreement and the review process between the European Community and Norway within the framework of Protocol 3 to the Agreement. The EEA Council looked forward to being kept informed of progress in these fields;
- Welcomed the foreseen integration of the Directive on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States, according to the provisions of the EEA Agreement;
- Welcomed the progress made on incorporating the EU Directive on the Greenhouse Gas Emissions Trading Scheme into the EEA Agreement in order to enable participation of EEA - EFTA States' installations in the scheme for the period 2008 - 2012;
- Welcomed the ongoing consultations on the incorporation of the new EU Chemicals legislation - REACH, and agreed that every effort should be made to ensure EEA - EFTA participation in the new system as from 1 June 2008;
- Welcomed the implementation of the new EU Innovation Strategy, in particular the priority to establish a European Institute of Technology;

- Welcomed the publication of the Communication from the European Commission on an Integrated Maritime Policy and the close involvement of the EEA - EFTA States in its preparation;
  - Welcomed the newly adopted Single Market Review;
  - Acknowledged the EEA - EFTA stake in the efforts to establish an improved general framework for services in the Internal Market;
  - Welcomed the EEA - EFTA contributions to the decision-shaping process of EEA-relevant EC legislation and programmes through i.a. participation in relevant Committees and Working Groups, and by submitting EEA - EFTA Comments.
8. The EEA Council held an orientation debate on Energy and climate change.
  9. The EEA Council underlined the need for a long term goal of limiting the average global temperature increase to a maximum of 2 degrees Celsius compared to the pre-industrial level. Negotiations under the UN Climate Convention should be guided by this or similar goals. The EEA Council recognised the need for a more ambitious and global climate regime post-2012. The EEA Council further recognised the importance of the Parties to the UN Framework Convention on Climate Change agreeing on a comprehensive negotiating process at the UN Climate Change Conference in Bali in December, a process which should result in a global and comprehensive agreement by 2009. The EU and the EEA - EFTA States will work together to achieve these goals.

The EEA Council agreed that increased energy efficiency, increased use of renewable energy resources and carbon capture and storage (CCS) alongside other technologies, have the potential to provide substantial contributions to emission reductions. The world will be dependent on fossil fuels also in the future. It is therefore important to focus on the development and implementation of CCS technologies in relation to power production

from fossil fuels. These technologies are currently at a stage of research and demonstration, and these activities need to have priority in order to make the technology commercially available and to prove to be a feasible means to achieve a more environmentally friendly fossil fuels future.

10. The Ministers underlined the increased importance for all Contracting Parties to ascertain that public authorities and other relevant actors throughout the European Economic Area remain well informed about the EEA Agreement.
11. The EEA Council recognised the importance of inviting EEA - EFTA Ministers to attend relevant informal EU Ministerial Meetings and Ministerial Conferences on the basis of the EEA - EFTA participation in the Internal Market. The EEA Council also recalled the practice of inviting the EEA - EFTA States - at the level of officials - to political dialogue meetings with relevant Council Working Parties in troika format and expressed its appreciation to the incoming Slovenian Presidency for the continuation of this practice.
12. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 28<sup>th</sup> meeting in Vaduz, Liechtenstein on 27 June 2007 on The Annual Report on the Functioning of the EEA Agreement in 2006 and on The EU Future Maritime Policy: Implications for the EEA, as well as the Resolutions adopted at its 29<sup>th</sup> meeting in Strasbourg, France on 15 November 2007 on Energy and Climate Change: Implications for the EEA and on The Open Method of Coordination and the EEA.

The EEA Council also noted the Resolutions of the EEA Consultative Committee adopted at its 15<sup>th</sup> meeting in Gdansk, Poland on 16 May 2007 on An Energy Policy for Europe and on The EEA and Norwegian Financial Mechanisms.

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