

**Joint Statement of the Members of the EEA Council**

The members of the EEA Council held a video conference on 25 May 2020 at the initiative of Mr. Gordan Grlić-Radman, Minister of Foreign and European Affairs of Croatia. The video conference was attended by Ms. Ine Eriksen Søreide, Minister of Foreign Affairs of Norway, Mr. Guðlaugur Þór Þórðarson, Minister of Foreign Affairs and International Development Cooperation of Iceland, Ms. Katrin Eggenberger, Minister of Foreign Affairs of Liechtenstein, as well as representatives of the European Commission and the European External Action Service. The members of the EEA Council discussed the overall functioning of the Agreement on the European Economic Area (EEA Agreement) and the effect of COVID-19 on the Internal Market, and held an orientation debate on the European Green Deal in the context of the EEA Agreement.

Following the videoconference, the members of the EEA Council adopted the following joint statement:

**Response to the COVID-19 pandemic**

1. We fully acknowledge the gravity of the COVID-19 pandemic, and stress the need to meet this unprecedented challenge in a spirit of solidarity. Recalling the crucial importance of the EEA Agreement in closely linking our societies and economies, we stress the importance of considering how to help alleviate the serious socio-economic impact of the COVID-19 pandemic and to make full and commensurate use, in the future, of all available instruments. Furthermore, we reaffirm the importance of close consultations on de-escalation/recovery strategies and on efforts to ensure the continued integrity and smooth functioning of the Internal Market and the EEA Agreement.

## **Cooperation in the EEA**

We confirm our support for the EEA Agreement as the continued basis for future relations between the EU and the EEA EFTA States, and stress the importance of the two-pillar structure of the EEA Agreement. We recognise the positive contributions made by the EEA EFTA States to the decision-shaping process of EEA-relevant EU legislation and programmes through their participation in the relevant committees, expert groups, studies and agencies, as well as through the submission of EEA EFTA Comments. Furthermore, we stress the positive contribution of the EFTA Surveillance Authority and of the European Commission in monitoring the compliance with the EEA Agreement in both EEA EFTA States and EU Member States. We underline the importance of inviting EEA EFTA Ministers to informal EU Ministerial meetings and Ministerial conferences, organised by the Presidency, relevant to EEA EFTA participation in the Internal Market and express our appreciation to the current Croatian and incoming German Presidencies for the continuation of this practice.

We agree on the need to further strengthen communication efforts on the EEA Agreement and on its benefits for citizens and businesses. Emphasising that greater knowledge of the EEA Agreement throughout the EEA at all levels is in the interest of all Contracting Parties, we urge EU and the EEA EFTA States to ensure that information on the EEA Agreement is made readily and easily available.

We reiterate our concerns regarding the current challenges in international trade and reconfirm our commitment to open, transparent and fair trade, and rule-based trade relations. We also reiterate our support for the modernisation of the World Trade Organization, in order to adapt it to the rapidly changing economy and to ensure a level playing field on world markets, and highlight the role of ambitious bilateral agreements that can complement and advance the multilateral trading system. In this context we note that the EEA Agreement is the deepest and most dynamic agreement the EU and the EEA EFTA States have signed to date.

### **EEA Agreement Article 19 and Protocol 3**

We recall the commitment of the Contracting Parties of the EEA Agreement in accordance with Article 19 of the EEA Agreement, as well as Article 2(2) and Article 6 of its Protocol 3, and call on the parties to pursue the dialogue.

### **Political dialogue**

We recognise that the close partnership between the EU and the EEA EFTA States is the best guarantee of long-term shared economic prosperity and stability, and that this partnership has contributed to the construction of a Europe based on stability, peace, democracy, the rule of law and human rights. In this context, within the framework of the Political Dialogue, we held informal exchanges of views on current foreign policy matters of mutual interest. We underline the importance of continuing the practice of inviting officials from the EEA EFTA States to political dialogues held in conjunction with the relevant EU Council working parties.

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

We take note of the withdrawal of the UK from the EU and the EEA on 31 January 2020, the entry into force of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, as well as the signing of the EEA EFTA-UK Separation Agreement on 28 January 2020. We note that during the transition period and unless otherwise provided in the Withdrawal Agreement the UK shall continue to be treated as if it were a Member State of the EU in terms of rights and obligations, also for the purposes of the EEA Agreement, and that references to EEA nationals or companies or institutions shall, during the transition period, be understood to continue to include nationals or companies or institutions from the UK. This is without prejudice to the conditions provided for by the Withdrawal Agreement, notably as regards the UK's participation in the decision-making and governance of the bodies, offices and agencies of the Union. We encouraged the EU and the EEA EFTA States to continue their close dialogue on issues relevant for the EEA Agreement and related to the UK's withdrawal during the transition period and beyond.

## **The development of the Internal Market**

We underline the indivisibility and importance of the four freedoms and of the common rules and equal conditions of competition and state aid in the Internal Market. We stress the importance of the close involvement of the EEA EFTA States in the further design and development of Internal Market policies and initiatives, particularly linked to the digital transition and the Green Deal. We furthermore encourage active cooperation on initiatives for better enforcement and implementation of Internal Market rules and on eliminating remaining barriers, in particular in the field of services.

We emphasise the importance of a well-functioning Internal Market fit for the digital age and able to maximise the benefits of digital technologies for citizens and businesses. We underline that data sharing can play a key role in improving public services and mobility, tackling climate and environment-related challenges and creating new job opportunities. In this context we recall the initiative of the European Commission on key digital technologies and in strengthening Europe's industrial base including the dedicated focus on small and medium sized enterprises (SMEs). Against the backdrop of the negative consequences of the COVID-19 pandemic, we stress that youth unemployment remains an important challenge for the Internal Market.

In that context, we emphasise the importance of addressing the solidarity among the countries of Europe to alleviate persistent social and economic disparities between their regions, as a well-functioning Internal Market is in the common interest of all Contracting Parties.

## **Incorporation of EEA-relevant EU acts**

Noting the Progress Report of the EEA Joint Committee, we express our appreciation for the work of the Joint Committee in ensuring the continued successful operation and good functioning of the EEA Agreement.

We note the significant progress made in 2019 in reducing the number of EU acts awaiting incorporation into the EEA Agreement, especially in the field of financial services. We acknowledged that these positive developments are the result of joint efforts between the EU institutions and the EEA EFTA States. We stress the need to make necessary resources available in order to continue to significantly reduce the number of acts awaiting incorporation thereby ensuring legal certainty and homogeneity in the EEA.

### **The European Green Deal - environmental protection, climate change and energy**

With a view to making the EU climate-neutral and transforming the EEA EFTA States into low-emission societies by 2050 while safeguarding and enhancing competitiveness, we take note of the communication of the European Commission for a European Green Deal and support its aim to put climate change, the loss of biodiversity and the protection of the environment at the heart of a renewed ambition to achieve sustainability. We emphasise that delivering on such an ambition calls for a cross-sectoral, multilevel approach including cities and regions, and that the success of climate policies requires, among other things, also an effective employment policy.

We remain fully committed to addressing climate change and pursuing energy transition and the prevention of pollution. In this regard, we emphasise the importance of continued close cooperation between the EU and the EEA EFTA States in environment, energy and climate change policies, including within the framework of the European Green Deal. In particular, we note the importance of the EU and the EEA EFTA States working together on key initiatives with EEA relevance.

Recognising that climate change is a global problem with negative impact, we reiterated our commitment to reduce global emissions in all sectors, take further action in mitigation and adaptation and to implement the UN's 2030 Agenda and the Paris Agreement as the essential multilateral framework governing global action against climate change. We remain determined to help raise global climate ambition and lead the way on accelerated climate action on all fronts, with a view to limiting global warming to well below 2°C, pursuing efforts to limit the temperature increase to 1.5°C. In that regard, we underline the need for enhanced global efforts and ambition in 2020 before COP26.

Moreover, we underlined that close cooperation should be continued in the areas of the Internal Energy Market in addition to the cooperation in the fields of energy security, emissions trading, the promotion of competitive, climate-resilient, safe and sustainable low carbon energy, energy efficiency, renewable energy resources, and carbon capture, utilisation, storage and mineralisation (CCUSM). We take note that the role of nature based solutions in mitigating and adapting to climate change and in support of biodiversity protection, restoration and sustainable use is increasingly important and that increased efforts to reduce pollution, and improve ecosystem resilience are urgently needed. In addition, close cooperation should continue on environmental issues, in particular circular economy, plastics, waste, chemicals, air and water resource management, biodiversity and pollution.

### **Social Dimension**

We underline that the social dimension, including in relation to labour law, health and safety at work and gender equality, is an important part of the EEA Agreement. We note that several initiatives have been taken in recent years, including the Communication of the European Commission on a Strong Social Europe for Just Transition, which sets out the road towards an Action Plan to implement the European Pillar of Social Rights. We underline the importance that all wages shall be set in a transparent and predictable manner according to national practises and respecting the autonomy of the social partners.

Further efforts to ensure fair working conditions and equal opportunities in the labour market, including education and capacity building in digitalisation, where needed, are essential, not only for the functioning of the Internal Market, but also to demonstrate and reinforce the benefits of the EEA to citizens. We note that the EEA EFTA States are assessing their participation in the new European Labour Authority aimed at strengthening cooperation at the European level in connection with cross-border mobility.

We emphasise that gender equality is a critical component to social cohesion and economic growth and we take note of the European Commission's Communication on '*A Union of Equality: Gender Equality Strategy 2020-2025*'.

### **EU programmes**

Acknowledging the contribution made by EU programmes to building a fair, digital and climate-neutral Europe, we welcome the participation of the EEA EFTA States in EEA-relevant programmes and note their significant financial contributions under the current Multiannual Financial Framework (MFF) for 2014-2020. We recognise in particular the active participation and full integration of the EEA EFTA States in the European Research Area and the successful association of Norway and Iceland in Horizon 2020, as well as in the Erasmus+ and Creative Europe programmes. We will continue to place high importance on integration and policy alignment in the areas of research and innovation, and in education and culture.

We take note of the preparations for the next MFF for 2021-2027, including the European Commission's proposals for individual programmes. We encourage the EEA EFTA States to take an active part in EU programmes foreseen under the new financial framework and welcomed their preliminary Expression of Interest. This participation is a means towards developing, strengthening and broadening cooperation on matters falling outside of the four freedoms, as provided for in the EEA Agreement. The participation of the EEA EFTA States in the future EU programmes for 2021-2027 shall remain based on the relevant provisions of the EEA Agreement.

## **Financial Mechanisms**

We commend the positive effects for both Beneficiary States and EEA EFTA States of the contribution made by the EEA and Norway Financial Mechanisms in reducing economic and social disparities throughout the EEA and supporting a free and vibrant civil society.

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

We emphasise the importance of mitigating risks in the implementation of the EEA and Norway Mechanisms 2014-2021 caused by the COVID-19 pandemic, which could put in jeopardy the timely realisation of the programmes and the achievement of the best results. We ask the EEA EFTA States to undertake mitigation measures in cooperation with the Beneficiary States in order to achieve the results. We furthermore underline the need for increased flexibility, including also during the mid-term review, *inter alia* concerning the allocation of the country specific reserve to meet COVID-19 related needs in the Beneficiary States within the frame of the EEA and Norway Mechanisms 2014-2021. We state the importance of reviewing the mitigation measures, including possible extensions, at a later stage when the precise extent and impact of the COVID-19 related delays could be properly assessed.

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