

# EUROPEAN ECONOMIC AREA

## JOINT COMMITTEE

J/00/R/001  
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Brussels

### ANNUAL REPORT TO THE EEA COUNCIL FOR THE YEAR 1994

#### Introduction

1. The EEA Joint Committee has, since 1 January 1994, been charged with ensuring the effective implementation and operation of the Agreement on the European Economic Area. It has served as a forum for discussion and consultation as well as carrying out its executive functions in the management of the Agreement. Further to its interim report to the EEA Council on 17 May 1994 and pursuant to Article 94(4) of the EEA Agreement, the EEA Joint Committee submits the following report for the year 1994 to the EEA Council.

#### Annual report

2. The EEA Joint Committee held its first meeting on 11 January 1994 under the EC Presidency. The President and EFTA Chairman welcomed the entry into force of the Agreement and underlined the commitment on both sides to fulfil their respective obligations under the Agreement in accordance both with its letter and spirit.

3. At this inaugural meeting, no formal Decisions were taken but many administrative matters were settled. These included agreement on the observer status of Liechtenstein in the Committee, a full programme of meetings, nomination of secretaries and exchange of information on budgetary matters.

4. The arrangements for concluding the negotiations on the so-called "Interim Package" were discussed. This package contains *acquis* relevant to the EEA which was adopted by the Community between 1 August 1991, the cut-off date for the Agreement signed in Oporto in 1992, and its entry into force on 1 January 1994.

5. At the second meeting, on 8 February 1994, the EEA Joint Committee adopted by Decision No 1/94 its rules of procedure. These rules lay down *inter alia* the formal structure of Subcommittees, responsible for the following areas of the Agreement:

- I free movement of goods, competition, state aid, state monopolies, intellectual property and procurement;
- II free movement of capital and services;
- III free movement of persons;
- IV horizontal and flanking policies;
- V legal and institutional matters.

Four further Decisions were taken, to amend and update Protocols 1, 21, 30 and 37 of the Agreement respectively.

6. The EC side also notified the Committee of safeguard measures taken by the Community to establish reference and minimum import prices in relation to certain species of fish. Consultations between the Contracting Parties were held at the request of the EFTA side in specially convened meetings of the EEA Joint Committee on 16 February and 1 March 1994. In particular, the second of these meetings was devoted to the subject of control measures being applied by the authorities of the French Republic to imports of fish. At the seventh meeting, the President confirmed that steps were being taken by the Commission to verify compliance by the European Union with the provisions of the Agreement.

7. On 8 March 1994, the EEA Joint Committee took Decision 6/94 amending Protocol 4 to the EEA Agreement on rules of origin. The aim of this Decision was to revise the EEA rules of origin in order to maintain the possibility for producers in the EEA States to cumulate with material originating in Switzerland. Without such an amendment, this possibility, which existed before the entry into force of the EEA Agreement under the bilateral Free Trade Agreements, would have been jeopardised as a result of Switzerland's non-participation in the EEA.

8. At its sixth meeting, on 21 March 1994, the EEA Joint Committee adopted Decision 7/94, amending Protocol 47 and certain Annexes to the EEA Agreement adding more than 400 new Acts of EC *acquis* to the EEA Agreement. The Decision entered into force on 1 July 1994. The integration of this large body of EC *acquis* represented another important step towards achieving the prime objective of the EEA Agreement - the creation of homogenous market conditions across the whole Area.

9. At the seventh meeting of the EEA Joint Committee, on 19 April, the Joint Committee discussed trade measures concerning fish and the EFTA request concerning the participation of EFTA States in EC Committees.

10. At its eighth meeting on 19 May, the EEA Joint Committee invited its subcommittees to study pragmatic arrangements for the participation by the EFTA States in EC Committees where this would contribute to the good functioning of the Agreement and in such a way that the Agreement would not need to be amended. The Joint Committee invited its subcommittees to study the recommendations from the Joint Parliamentary Committee in order to provide input for a response.

11. At its ninth meeting on 7 June, the EEA Joint Committee adopted Decision No 8 amending Protocol 31 and furthering co-operation in areas such as education, audio-visual services, trade facilitation and tourism. The EFTA side requested the EU side to examine measures by the authorities of the Republic of France concerning import licences.

12. The tenth meeting of the Joint Committee, on 8 July, was the first under the Presidency of EFTA. The Joint Committee adopted Decision No 9 amending Annex XXII (company law) to the EEA Agreement. The Committee agreed that, due to the summer recess, the decision amending Protocol 31 to incorporate the Fourth Framework

Programme should be taken by written procedure. At the request of the EFTA side the Joint Committee agreed to institute formal consultations on a proposal for a Council directive amending and updating Directive 64/432/EEC on health problems affecting intra-Community trade in bovine animals and swine.

13. At its eleventh meeting on 28 September, the EEA Joint Committee noted the adoption by written procedure of Decisions Nos 10 and 11 and joint statements regarding Decision 11. Decision No 10 extends co-operation under the EEA Agreement to the Fourth Framework Programme. Decision No 11 provides for the full participation by the EFTA States in the European Environment Agency and in its management board, without voting rights. The Joint Committee adopted Decision No 12, which integrates certain measures in the fields of plant health, medicinal products and dangerous substances from the interim period between finalisation of the Oporto agreement and entry into force of the EEA Agreement. The EFTA side welcomed the postponement of Commission Decision 94/360/EC on harmonisation of veterinary checks on animal products from third countries and hoped that this would provide time to find a more durable solution to the question of veterinary border controls. An exchange of letters on participation by the EFTA States in EU programmes for 1995 was noted by the Joint Committee. The Joint Committee invited its Secretaries to consult on the preparation of a joint reply to the JPC recommendations at the next meeting of the JPC.

14. At the meeting of the Joint Parliamentary Committee, on the 13 October, the President of the EEA Joint Committee replied on behalf of the Joint Committee to the recommendations of the JPC.

15. At its twelfth meeting, on 28 October, the Joint Committee adopted Decisions Nos 13 to 23 amending Annexes II, IX, XIII, and XX to the EEA Agreement. The Joint Committee invited all parties to continue their efforts to solve outstanding issues in order that the Agreement could enter into force for Liechtenstein as soon as possible.

16. At its thirteenth meeting, on 2 December, the Joint Committee adopted 6 decisions extending EC legislation to the EEA in the fields of social security, mutual recognition of diplomas, telecommunications and transport.

17. At its fourteenth meeting, on 12 December, the Joint Committee adopted 15 decisions extending EC legislation to the EEA relating to technical regulations, standards, testing and certification. The Joint Committee also agreed on the substance of the necessary adaptations to the Protocols and Annexes of the EEA Agreement for the purposes of entry into force of the Agreement for Liechtenstein.

## **Conclusions**

18. The EEA Joint Committee notes with satisfaction:

- the entry into force and implementation of the EEA Agreement;
- the creation of effective structures for managing the EEA;

- the good functioning of the Agreement and further development of co-operation between the Union and the EFTA side;
- the close co-operation between the European Commission and the EFTA Surveillance Authority;
- the 44 Decisions adopted so far, including an agreement on the integration of the interim acquis package;
- the involvement of representatives of the EFTA States in EC Committees;
- the adoption by the Council of Ministers of the internal implementation regulation which streamlines decision making in the EEA and therefore contributes to its homogeneity;
- development of a good working relationship with the Joint Parliamentary Committee as evidenced by President's statement on the JPC's recommendations at its meeting of 13 October 1994;
- the comprehensive preparations for the entry into force of the Agreement for Liechtenstein.

19. On the following outstanding matters, the EEA Joint Committee:

- notes agreement to revert to Protocol 3 to the EEA Agreement at a later date;
- notes the opinion of the EFTA side that further pragmatic means have yet to be found for the involvement of the non-acceding EFTA EEA States in EU committees where this would enhance the functioning of the EEA Agreement;
- notes the necessity to incorporate into the EEA Agreement as soon as possible those EC acts adopted during the interim period which are still subject to discussions between the EU and EFTA sides due to the technical complexity of the matters concerned.

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