

# EUROPEAN ECONOMIC AREA

## JOINT COMMITTEE

**Restricted**

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Annex I, II and III

### **Annual Report of the Joint Committee 2007 Functioning of the EEA Agreement**

**(Article 94(4))**

#### **General overview**

1. This report assesses the work of the EEA Joint Committee in 2007. The main part of the report provides an overview and Annex I a review of the activities of the Subcommittees under the EEA Joint Committee. Annex II contains an overview of the state of decision-making in 2007 and Annex III a list of Joint Committee Decisions adopted by the EEA Joint Committee in 2007.

#### **Decision-making**

2. The EEA Joint Committee met 8 times in 2007 and adopted 170 decisions incorporating 416 legal acts: 150 in the veterinary field and 266 in the non-veterinary field. These figures are comparable to those of 2006, when 159 decisions incorporating 342 legal acts were adopted. (See Annex II State of decision-making 2007).

3. The Joint Committee adopted several significant Decisions in 2007 concerning:

- the Food Law package providing the legal basis for EEA EFTA participation in the European Food Safety Authority (EFSA), introducing the concept of horizontal food law into the EEA Agreement, and expanding the scope of the EEA veterinary legislation to Iceland;
- the Directive on the Greenhouse Gas Emission Trading Scheme to enable participation of EEA - EFTA States' installations in the scheme for the period 2008 – 2012;
- 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;
- the Directive on mutual recognition of professional qualifications of EEA nationals when moving in the European Economic Area;
- the Regulation on roaming providing all consumers in the EEA travelling within the 30 EEA countries to communicate across borders at affordable and transparent prices.
- the Water Framework Directive.

The Committee also had consultations on a number of issues related to these and other important decisions.

4. The EEA Enlargement Agreement was signed on 25 July 2007 by the EEA EFTA Member States, the European Commission, Bulgaria and Romania, making Bulgaria and Romania Parties to the EEA Agreement, as provided for in Article 128 of the EEA Agreement. Also concluded in 2007 was a Memorandum of Understanding with Bulgaria and Romania for the implementation of the EEA Financial Mechanism and a Memorandum of Understanding for the implementation of the Norwegian co-operation Programmes with Bulgaria and Romania. Through the two mechanisms, the EEA Financial Mechanism will make available €21.5 million to Bulgaria and €50.5 million to Romania, while the Norwegian bilateral cooperation programmes will make available €20 million to Bulgaria and €48 million to Romania until April 2009.

5. The Joint Committee received a briefing by the Commission on the transatlantic open sky agreement.

6. The Internal Market Scoreboard published by the EFTA Surveillance Authority in February 2008 shows that the EEA EFTA States transposition deficit increased to 1.7% from 1.2% six months ago and is now above the average for the EU Member States, which is 1.2%.

#### **EEA EFTA participation in EU agencies and programmes**

7. The EEA EFTA States were successfully included in most of the EEA-relevant programmes and agencies that they wished to participate in for the period 2007-2013. The total EEA EFTA payment contribution amounted to €31,8 million in 2007, and the proportionality factor was 2.28%.

8. The Joint Committee adopted decisions on the EEA EFTA participation in the 7th Research Framework programme, Youth in Action, Lifelong Learning Programme, Progress, Consumer protection, Competitiveness and Innovation Framework Programme, MEDIA 2007, Culture and the Internal market Budget lines. Concerning the Daphne III programme and the Drugs Prevention and Information programme, the incorporation had to be postponed to 2008. Regarding the European Institute for Gender Equality, the participation in 2007 was excluded because of a pending issue concerning EFTA participation in the management board.

## Decision-shaping

9. The EEA EFTA States submitted seven Comments to the EU on the following:
- a proposal laying down procedures relating to the application of certain national technical rules to products lawfully marketed in another Member State and repealing Decision 3052/95/EC, COM(2007) 36;
  - a proposal for a regulation setting out the requirements for accreditation and market surveillance relating to the marketing of products, COM(2007) 37, and on a proposal for a decision on a common framework for the marketing of products, COM(2007) 53;
  - the Green Paper on the Review of the Consumer Acquis;
  - the proposal for a directive amending Directive 2002/59/EC establishing a Community vessel traffic monitoring and information system;
  - the Commission Green Paper “Towards a Europe free from Tobacco smoke: Policy options at EU level”;
  - the mid-term review of the Commission 2001 White paper on European Transport Policy – Keep Europe Moving – Sustainability for our Continent;
  - the proposal for a Directive of the European Parliament and of the Council amending Directive 89/552/EC; Television without Frontiers Directive (TVWF Directive).
10. The EEA EFTA States contributed to the work of a large number of the European Commission’s committees and working groups. Along with the comments submitted, this is an important channel for taking part in the shaping of EU decisions.

## Advisory bodies under the EEA

11. The EEA Consultative Committee held its annual meeting on 15-16 May 2007 in Poland. The Committee adopted two resolutions at the meeting: on “An Energy Policy for Europe” and on “The EEA and Norwegian Financial Mechanisms”. The Committee also debated EEA developments with the EU and EFTA representatives of the EEA Joint Committee and, through the Osmosis procedure, took an active part in a number of European Economic and Social Committee meetings.

12. The EEA Joint Parliamentary Committee held two meetings in 2007, in Vaduz on 28 June and in Strasbourg on 14 November. The EEA JPC discussed a working paper on the Future Perspectives for the European Economic Area. It also discussed and adopted resolutions on the following topics, which were forwarded to the EEA Council: The EEA and Energy and Climate Change: Implications for the EEA; The Annual Report on the Functioning of the EEA Agreement in 2006; The EU Future Maritime Policy: Implications for the EEA; and the Open Method for Coordination.

## The Financial Mechanisms (2004-2009)

13. In 2007 the Financial Mechanisms and their €1.2 billion financial assistance came significantly closer to the overall aim of reducing social and economic disparities in the European Economic Area (EEA). Across Central and Southern Europe a diverse portfolio

of 375 projects and funds contributing towards aims such as protection of the environment, conservation of cultural heritage, improved health and childcare and strengthened civil society development were, by end-2007, already being implemented or ready to be started.

14. Through calls for individual project proposals, close to €15 million euro have been made available in 12 of the 15 beneficiary states. During the first half of 2008, the remaining €30 million earmarked to this open form of support will be made available to potential applicants. In addition, more than 40 block grants - or funds - are established within the beneficiary states to channel over €120 million in grants to groups or interests that may otherwise have had difficulty in gaining support, such as NGOs, students and researchers.

## ACTIVITIES OF JOINT SUBCOMMITTEES IN 2007

### FREE MOVEMENT OF GOODS

#### General

1. In 2007, 251 EC legal acts in the area of Subcommittee I were incorporated into the annexes and protocols of the EEA Agreement through 77 Joint Committee Decisions. The Subcommittee sent 2 EEA EFTA Comments to the Commission and registered positive results with the inclusion in the EEA Agreement of:

- The 'Food Law Package', including the Regulation on general food law and EFSA, the hygiene and control Regulations and the Regulations on animal by-products
- Low voltage directive
- Regulation on Persistent Organic Pollutants
- Directive on batteries and accumulators
- Machinery Directive
- Directive on eco-design of energy using products
- Directive on the security of energy supply
- 2 Directives on copyrights
- Amendment of Protocol 23 in order to facilitate access to the European Competition Network

#### Veterinary, feeding stuffs and phytosanitary matters

2. In the veterinary field, 115 legal acts were incorporated into the Agreement.

3. The main achievement in the veterinary field in 2007 was the incorporation of the Food Law Package into the EEA Agreement. 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. The Food Law Package will enter into force when the parliamentary procedures are completed in the EEA EFTA countries.

4. The EEA Joint Committee also incorporated new framework legislation on animal health requirements for aquaculture animals and products.

5. Each year, a number of acts are subject to simplified procedures. This implies that certain acts are applicable to the EEA EFTA States without first being incorporated into the Agreement. Instead, the EEA Joint Committee takes note of the acts for purposes of transparency. During 2007, 69 acts falling under simplified procedures were identified.

6. In total, 31 acts regarding feeding stuffs were incorporated into the Agreement. Apart from the Regulation on feed hygiene, most acts concerned the authorisation of feed additives.

7. In the phytosanitary field, 9 acts were incorporated into the Agreement.

### **Technical regulations, standards, testing and certification**

8. The EEA Joint Committee incorporated a total of 89 acts into Annex II of the EEA Agreement. Most of the new acts relate to foodstuffs (35), dangerous substances (28), medicinal products (10) and cosmetics (6).

9. Key issues that were discussed during 2007, but which would require follow-up in 2008 are:

- Integration of the novel food Regulation from 1997, the Regulations on GM food and feed, and the traceability and labelling of GMOs.
- Integration of the revised European Community framework legislation on pharmaceuticals.
- Integration of the REACH Regulation

10. Twenty-six new mandates were considered for presentation to the European Standards Organisations. The mandates approved mainly concerned consumer health and product safety, ICT and environmental issues. The mandates are followed by grant agreements relating to standardisation activities, financed on the EFTA side by all 4 States. In addition to the three Annual Operating Grant Agreements signed between EFTA and the ESOs in parallel to the EC, thirty-nine grant agreements were signed in 2007. EFTA also signed Annual Operating Grants with ANEC and ECOS. EFTA's 5% financial commitment to standardisation activities in 2007 amounted to almost one million euros.

### **Competition**

11. 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.

12. 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.

### **Public procurement**

13. In 2007 the EEA EFTA States monitored progress on the Commission's proposal for the revision of the remedies Directive and the proposal for a Directive on defence and sensitive security procurement.

14. The EEA EFTA States participated in the meetings of the Advisory Committee of Public Contracts, during which some of the topics discussed were: procurement and concessions to the founding and operation of Institutionalised Public Private Partnership (IPPPs), and possible measures to make access to public works contracts easier for SMEs.

## **State aid**

15. During 2007, the EEA EFTA Member States closely followed the State Aid Action Plan which was launched by the Commission on 7 July 2005. In this regard, the EEA EFTA Member States participated in the committee meetings concerning the Enabling Regulation, the General Block Exemption and the Environmental Guidelines.

16. The revised de minimis Regulation was incorporated into the EEA Agreement on 28 April 2007.

## **Energy**

17. On 10 January 2007 the Commission launched the Energy Package. This package was built upon three principles: completion of the internal market, sustainability and security of supply. With regard to the completion of the internal market, a third liberalisation package was published on 19 September 2007. The EU proposed a plan to accelerate energy technologies for a low-carbon future, the Strategic Energy Technology Plan (SET-Plan) on 22 November 2007.

18. During 2007 the eco-design Directive and the Directive on security of electricity supply and infrastructure were incorporated into the EEA Agreement. The EEA Joint Committee Decision regarding the Cogeneration Directive entered into force on 1 October 2007.

## **Intellectual property**

19. During 2007, the EEA Joint Committee incorporated a new Directive on rental right and lending right and on certain rights related to copyright. By the same decision they also incorporated a Directive on the term of protection of copyright and certain related rights.

20. 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.

## **Internal Market Advisory Committee (IMAC)**

21. The EEA EFTA States monitored the Single Market Review, adopted by the Commission in 2007. The EEA EFTA Member States co-financed Internal Market related activities of DG Internal Market and DG Enterprise and Industry.

## **Protocol 3 – Trade in processed agricultural products**

22. Iceland and the Commission met three times in 2007 for bilateral negotiations on processed agricultural products. The Commission presented a proposal for extending the scope of Protocol 3. The proposal contains three elements: immediate full exemption of duties, immediate liberalisation of the ad valorem part and annual quotas. The parties will

continue their negotiations based on the Commission's proposal. Since Iceland has a limited production of processed agricultural products, the possibility to merge Article 19 and Protocol 3 negotiations will be explored during the continued negotiations.

### **Article 19 - Trade in Agricultural Products**

23. Norway started discussions with the Commission on trade in agricultural products, in accordance with Article 19 of the EEA Agreement. The real negotiations have, however, not yet been initiated and the first negotiation meeting is foreseen to take place in the spring of 2008.

### **Customs matters and rules of origin**

24. In 2007 the Working Group on Customs Matters kept abreast of 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 EEA 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 initiated bilateral negotiations with the Commission 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. The result of these negotiations is foreseen to be anchored in Protocol 10 of the EEA Agreement.

25. The continued implementation 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 another important topic for the Working Group on Customs Matters in 2007. During 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.

### **Protocol 12 – Extension of the Internal Market to third countries – Mutual Recognition Agreements for industrial products**

26. The EEA EFTA Member States and Canada have started to revise two chapters of their MRA Agreement. This current revision follows closely the work done in the framework of the EU-Canada MRA.

27. The EFTA Committee on TBT continued its work on a draft Protocol to the EFTA-Turkey Free Trade Agreement on Mutual Recognition of Conformity Assessment.



## **FREE MOVEMENT OF CAPITAL AND SERVICES**

28. In 2007, 67 EC legal acts in the area of Subcommittee II were incorporated into the annexes and protocols of the EEA Agreement. The acts relate to the fields of financial services, transport, information and telecommunications services, audio-visual services and company law.

### **Financial services and company law**

29. 8 new legislative acts were integrated into Annex IX (financial services) and five into Annex XXII (company law) in 2007.

30. In the area of financial services, the following incorporated acts were of particular importance: 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).

31. Among the company law-related acts that were incorporated are Directive 2006/46/EC which amends the so-called 4<sup>th</sup> and 7<sup>th</sup> Company Law Directives as well as the accounting directives for banks and insurance undertakings and aims among others to clarify the responsibility of board members for financial statements and key non-financial information, Directive 2006/68/EC amending the so-called 2<sup>nd</sup> Company Law Directive as regards the formation of public limited liability companies and the maintenance and alteration of their capital and several Commission regulations regarding international accounting standards.

32. EEA EFTA experts continued to participate in a number of experts groups, which assist the Commission in the preparation of new legislative proposals. EEA EFTA experts also attended meetings of i.a. the European Securities Committee, the European Banking Committee and the European Insurance and Occupational Pensions Committee and the European Company Law Experts Group as observers.

### **Information and telecommunications services and postal services**

33. 6 new legislative acts were integrated into Annex XI (telecommunications services) in 2007.

34. The incorporated Joint Committee Decisions related to the further harmonisation of spectrum for radio frequency bands and the participation of the EFTA States in the high level Expert Group on the implementation and management of the i2010 strategy. The EEA EFTA States also incorporated the Roaming Regulation into the EEA Agreement, thus applying the Euro tariff to international calls throughout the EEA.

35. Under Protocol 31 the Joint Committee incorporated Decision 1639/2006/EC establishing a Competitiveness and Innovation Framework Programme (CIP 2007-2013). The ICT Policy Support Programme units actions supported by earlier EU programmes dealing with information technologies (ISTs) such as MODINIS or the eTEN programme, most of which the EEA EFTA States had participated in.

### **Audio-visual services**

36. With the Recommendation 2005/865/CE on film heritage 1 act was integrated into Annex X (audio-visual services).

37. The EEA EFTA States continued their participation in the Contact Committee of the Television without Frontiers Directive and followed closely the discussion in Council and Parliament on the review of the directive. They also submitted an EEA EFTA Comment on the Commission's proposal to amend Directive 89/552/EC Television Without Frontiers Directive.

38. Under Protocol 31, the Joint Committee incorporated Decision 1718/2006/EC concerning the implementation of a programme of support for the European audiovisual sector (MEDIA 2007). The incorporation of MEDIA 2007 within the set time allowed the EEA EFTA States to continue their participation in actions started under the former MEDIA Plus programme.

### **Transport**

39. In the field of transport, 46 legal acts were incorporated into Annex XIII (Transport). EEA EFTA experts participated actively in the various EU committees as well as experts meetings (chaired by the Commission) in this field.

40. A significant event in the field of aviation in 2007 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.

41. In the field of maritime transport, a number of policy initiatives and proposals related to maritime safety and security were considered. The maritime safety legislation package, introducing 7 new proposals, was high on the agenda 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.

42. Two EEA EFTA Comments were handed over to the Commission on the proposal for a Directive amending Directive 2002/59 establishing a Community vessel traffic monitoring and information system and regarding the mid-term review of the White Paper: "Keep Europe Moving – Sustainable mobility for the European continent".

43. Furthermore an important achievement of 2007 was the incorporation of the Marco Polo II programme into the EEA agreement.

### **FREE MOVEMENT OF PERSONS**

44. In the field of the free movement of persons (Annex V and VI), including the mutual recognition of professional qualifications (Annex VII) and social security (Annex VI), nine acts were incorporated into the EEA Agreement in 2007.

### **Free movement of workers and employment**

45. A key development in 2007 was the incorporation into the EEA Agreement of Directive 2004/38/EC of the European Parliament and the Council on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States.

46. The functioning of the transitional arrangements applied to the movement of workers from 8 countries which joined the EEA in 2004 and to workers from Bulgaria and Romania was also discussed in 2007.

### **Recognition of professional qualifications**

47. A significant event in 2007 was the incorporation into the EEA Agreement of Directive 2005/36/EC of the European Parliament and the Council on the recognition of professional qualifications, an act on which the Working Group on the Recognition of Professional Qualifications has focused its work on for the last few years.

### **Social security**

48. The EEA Joint Committee adopted five decisions in the field of social security. These Joint Committee Decisions incorporated one EP/Council Regulation amending Regulation 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community, one Commission Regulation amending Regulation 574/72 laying down the procedure for implementing Regulation 1408/71 and three decisions of the Administrative Commission on Social Security for Migrant Workers.

## **HORIZONTAL AND FLANKING POLICIES**

49. In the field of horizontal and flanking policies, the Joint Committee integrated 53 acts into the EEA Agreement.

### **Budgetary matters**

50. In the framework of participation in Joint EU programmes, agencies and activities, the 2007 proportionality factor was 2.28%. The EEA EFTA commitment contributions amounted to €165 million in 2007, an increase from €139 million in 2006, while the total EEA EFTA payment contribution amounted to €31,8 million in 2007, and an increase from €28.1 million in 2006. In addition, the EEA EFTA States agreed on an in-kind contribution to the European Commission's administrative costs through the secondment of 35 national experts.

### **Social policy**

51. Social policy covers the fields of health and safety at work and labour law, gender equality and family policy, the disabled, the elderly and social exclusion. In June 2007, a Joint Committee Decision was adopted on EEA EFTA participation in the EU Programme for Employment and Social Solidarity – PROGRESS, which integrates four

previous programmes in the field of social policy where the EEA EFTA States have participated.

52. 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.

53. 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.

54. In the field of gender equality, a Joint Committee Decision was adopted on participation 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).

55. A key focus for the Group was discussions with the Commission concerning possible EEA EFTA participation in the European Institute for Gender Equality.

### **Public health**

56. In May 2007, the Working Group handed over an EEA EFTA Comment 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 2008-2013 and the new EU Programme on Drugs 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 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.

### **Consumer protection**

57. The Joint Committee Decision concerning the Consumer Programme (Community action in the field of consumer policy 2007-2013) was adopted by the EEA in June 2007. EEA EFTA experts followed the developments of the Programme

58. The EEA EFTA States closely followed the developments of the "Revision of the Consumer Acquis"; and a Joint EEA EFTA Comment on the Green Paper was agreed upon. They also followed the amended proposal for a revised Consumer Credit Directive which is expected to be adopted beginning of 2008.

### **Research and development**

59. A Joint Committee Decision allowed for EEA EFTA participation in the Seventh Framework programme (FP7) for Research and Technological Development (2007-

2013). This programme accounts for approximately three quarters of the costs of EEA EFTA participation in EU programmes.

60. The Working Group also followed the developments with regard to the establishment of a European Research Council and the European Institute of Innovation and Technology, in particular the issue of employment of EEA EFTA nationals. The WG prepared an EFTA Comment on the Commission Green Paper on a European Research Area (ERA), where the working group prepared an EEA EFTA Comment.

### **Education, training and youth**

61. A Joint Committee Decision allowed for EEA EFTA participation in the Lifelong Learning programme (2007-2013) and the Youth in Action programme (2007-2013).

62. The Working Group followed the development of a European Qualification Framework (EQF), which is a translation tool for comparing and transferring qualifications across the EEA.

63. The Working Group also monitored the new legal framework for educational statistics, the proposal for key competences for lifelong learning and the proposed European Quality Charter for Mobility.

### **Culture**

64. A Joint Committee Decision allowed for EEA EFTA participation in the next framework programme for culture, Culture 2007 (2007-2013).

### **The environment**

65. In the field of the environment, 28 legal acts were incorporated into the EEA Agreement. EEA EFTA experts participated actively in the various EU committees as well as experts meetings (chaired by the Commission) in this field.

66. A significant event in the field of the environment in 2007 was the incorporation of the greenhouse gas emission trading scheme, giving 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.

67. The Water Framework Directive is another important tool incorporated into the EEA Agreement in 2007. It serves as an operational tool, setting the objectives for water protection for the future. The aim is to get polluted waters clean again, and ensure that clean waters are kept clean.

68. Other important achievements in 2007 include the incorporation of the directive on the deliberate release into the environment of genetically modified organisms and several acts in the field of eco-labelling.

## **Enterprises and entrepreneurship**

69. The main issue followed by the group in 2007 was the inclusion of the Competitiveness and Innovation Programme (CIP) into the EEA agreement, thereby ensuring the continuation of EFTA participation in these EU activities. The CIP Programme is a new EU programme that targets small and medium-sized enterprises (SMEs) and helps them to 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 aims at providing 400 000 SMEs with €3.6 billion in EU support during the period 2007-2013. The Working Group also coordinates the four EFTA Working Groups which are affected by CIP.

70. The Working Group continues to follow 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.

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

72. The Working Group organized in 2007 a conference on the new financial instruments available under FP7 and CIP. 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, the European Investment Bank and the European Investment Fund.

## **Civil protection**

73. In 2007, a significant event was the incorporation of the Civil Protection Financial Instrument 2007-2013 into the EEA Agreement. The Working Group also prepared for incorporation of the revised Community Mechanism for Civil Protection and followed closely developments with regard to the new horizontal proposals concerning European Critical Infrastructure, including the EU programme "Prevention, Preparedness and Consequence Management of Terrorism and Other Security related Risks".

## **Statistics**

74. The Joint Committee incorporated 13 acts in the field of statistics into the EEA Agreement in 2007. The good level of EEA cooperation in the field of statistics was maintained. EEA EFTA participants attended 113 Eurostat meetings in 2007 and 6 national seconded experts worked in Eurostat; 4 through the EEA Agreement and 2 through the Memorandum of Understanding on technical cooperation between EFTA and Eurostat. The EEA EFTA States participated in the operation of a number of joint projects with the EU.

Annex II 1080915 - State of Decision-making 2007

Annex III 1081802 - List of Joint Committee Decisions 2007