



60th Annual Report of the European Free Trade Association

2020





Annual Report of the European Free Trade Association 2020

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Foreword

By all standards, 2020 was a year unlike any other we have experienced. Just by looking at the picture gallery in this Annual Report, we can see the explicit difference in the way EFTA and its partners operated before the COVID outbreak and during the pandemic.

But even though we had to transform our working habits – almost overnight – from the traditional methods to videoconferences and virtual meetings, it was quite remarkable how our institutional framework still worked and remained fully operational. Whether it was expanding and developing EFTA's worldwide free trade network or managing the continuous update of the EEA Agreement, all the governing bodies in the EFTA structure managed to deliver on their duties for the benefit of the EFTA Member States. I am both proud and thankful to all those who contributed to such a smooth changeover in unprecedented circumstances.

In this historic year 2020, EFTA celebrated its 60th anniversary. Considering the conditions, initial planned events had to be adapted to new realities and formats. This did, however, not stop us from celebrating how important EFTA has been to its members throughout the last six decades. This is well displayed in video addresses from ministers, where they underline how EFTA has boosted international trade and facilitated economic prosperity for citizens and businesses. These video statements can be found in this report.

Despite a somewhat more limited format of celebrations, we managed to reach out to a larger audience through our EFTA Channel, allowing stakeholders to watch debates from different parts of the world. Post-COVID, we will certainly hold future

events in such a hybrid format, by mixing in-house events with audio-visual channels.

The EEA Agreement proved, once again, to be a robust and adaptable instrument. On several occasions, the EEA Joint Committee adopted COVID-related decisions on extremely short notice – such as on official controls and state aid – allowing the EEA EFTA States to align measures with the EU and maintain a functioning Internal Market also in times of crisis. This was extremely important for our societies and economies. Further highlights in the EEA cooperation included important debates on the transformation of our economies – more precisely on the European Green Deal and on Europe's digital future – within the framework of the EEA Council.

In 2020, the EFTA Secretariat also dedicated considerable efforts to prepare the EEA EFTA States for the UK's departure from the EU and the EEA, as well as to assist the ongoing EEA EFTA–UK free trade negotiations.

We also prepared for the move of the Brussels staff to a new office building, which will be shared with two sister organisations working on the EEA Agreement: the EFTA Surveillance Authority and the Financial Mechanism Office. The new building has been named EFTA House and will create great opportunities for promotion of EFTA, its Member States, and the EEA.

COVID-related restrictions aside, the world trading system remains in crisis mode and issues of the past years remain unaddressed. Yet, there are signals for hope, with the US elections and a new administration dedicated to values and ways of approaching international relations with which we at EFTA are more comfortable. There is also a new head of the



WTO, who is deemed capable of building bridges and addressing urgent issues currently at stake in the multilateral trading system.

The search for a fresh consensus on free trade will change the way we do business. There will be a new focus on monitoring and implementing our agreements, a strong focus on sustainability, more proactivity in negotiating processes with technical assistance, more participation and teaming up with our advisory bodies, and more transparency towards our civil society and the general public. I believe that EFTA has, and continues to be, instrumental in anticipating these developments and shaping new policies to address them.

The global pandemic is imposing a heavy toll on world trade. However, now that we can see light at the end of the tunnel, EFTA will build on what it has done best over the last 60 years and be ready to contribute to a swift economic recovery.

Henri Gétaz
Secretary-General

About EFTA

The European Free Trade Association (EFTA) is the intergovernmental organisation of Iceland, Liechtenstein, Norway and Switzerland, set up for the promotion of free trade and economic cooperation between its members, within Europe and globally.

The Association has responsibility for the management of:

- > The EFTA Convention, which regulates economic relations between the four EFTA States
- > The Agreement on the European Economic Area (EEA Agreement), which brings together the Member States of the European Union (EU) and three of the EFTA States – Iceland, Liechtenstein and Norway – in a single market, also referred to as the Internal Market
- > EFTA's worldwide network of free trade and partnership agreements



EFTA Ministers, clockwise from top left: Guðlaugur Þór Þórðarson (Iceland); Katrin Eggenberger (Liechtenstein); Guy Parmelin (Switzerland); Iselin Nybø (Norway), .

The EFTA Council

The EFTA Council is the highest governing body of EFTA. The Council usually meets eight times a year at the ambassadorial level (heads of permanent missions to EFTA in Geneva) and at least once a year at ministerial level. The Council discusses substantive matters, especially relating to the development of EFTA relations with third countries and the management of free trade agreements. The Council also manages relations between the EFTA States under the EFTA Convention, monitors EFTA relations with the EU and decides upon important administrative matters. The Council has a broad mandate to consider possible policies to promote the overall objectives of the Association and to facilitate the development of links with other states, unions of states or international organisations. Each Member State is represented, and decisions are taken by consensus.



EFTA Council meeting in Geneva in February 2020.
From left: Désirée Von Hohenlohe, EFTA Secretary-General's Officer, Henri Gétaz, EFTA Secretary-General, Pascal Schafhauser, Deputy Secretary-General and Secretary-General's Office Director, Didier Chambovey.



Delegates at the EFTA Council in November 2020.

Top row: Andri Lúthersson, Deputy Secretary-General, Peter Matt, Ambassador of Liechtenstein, Harald Aspelund, Ambassador of Iceland.
Mid row: Hege Marie Hoff, Deputy Secretary-General, Henri Gétaz, Secretary-General, Didier Chambovey, Ambassador of Switzerland and Council Chair. Lower row: Pascal Schafhauser, Deputy Secretary-General, Krisztina Bende, Director of Trade Division, Dagfinn Sørli, Ambassador of Norway.

EFTA Ministerial Meeting

The meeting of the EFTA Council at ministerial level in 2020 was held through videoconference on 27 October. Switzerland chaired the Council for an originally foreseen period of 6 months which was prolonged until the end of 2020.

During the meeting, EFTA Ministers discussed EFTA trade policy and emphasised their firm belief that the economic disruption caused by the COVID-19 pandemic reinforces the case for open and rules-based international trade. This fuels economic recovery and ensures stable trading conditions, including supply chain security, with the multilateral system at its core. Ministers reiterated their consistent commitment to the rules-based trading system, both at the WTO and through free trade agreements.

Ministers also reiterated their commitment to the development of international trade relations that contribute to sustainable development. They assessed EFTA's experience in negotiating and implementing provisions on trade and sustainable development. On this occasion Ministers discussed a new [report](#) on EFTA's 10 years of experience of negotiating and including chapters on trade and sustainable development in EFTA's free trade agreements. The report which was published on the EFTA website includes discussions on developments in this field over the last 10 years, new updates as well as measures on monitoring and implementation. Ministers also discussed EFTA's priorities in this field for the future and welcomed the conclusion of work towards the revision of the model chapter for trade and sustainable development.

During the Ministerial meeting, the ongoing development of a new chapter on e-commerce was welcomed. Work on this chapter reflects EFTA's

willingness and ability to adapt trade agreements to new economic needs and changing technology.

Transparency in trade negotiations was another important topic during this year's Ministerial meeting, and a series of new initiatives were adopted to enhance the information for the general public, and to foster cooperation with the EFTA Parliamentary Committee and the EFTA Consultative Committee.

Regarding third-country negotiations, there was a clear willingness to continue negotiations with India, Malaysia and Vietnam as well as the review processes of existing agreements with the Southern African Customs Union (SACU) and Chile. Ministers also confirmed their readiness to resume negotiations to modernise the agreement with Mexico and to update the agreement with the Palestinian Authority. Furthermore, preparations for negotiations with Pakistan, Kosovo and Moldova would be continued and the desire to resume negotiations soon with Thailand was expressed.

Regarding EU matters, the EEA EFTA States would continue their close cooperation with the EU on all matters related to the COVID-19 crisis, including the swift incorporation of relevant and urgent measures into the EEA Agreement. Participation of the EEA EFTA States in future EU programmes was also a main priority for the EEA EFTA States.

The negotiations on the future relationship with the United Kingdom after its withdrawal from the EU and the EEA were discussed, and Ministers reported about their respective regimes applicable as of 1 January 2021. They underlined the importance of establishing comprehensive frameworks for their future trade relations with the UK while safeguarding the existing relationships with the EU.



EFTA Ministers met on the same day in a joint meeting with the EFTA Parliamentary and the EFTA Consultative Committee. The parliamentarians together with the representatives from trade unions and employers' organisations from the four EFTA States met with EFTA Ministers to discuss EFTA's trade policy in general, and in particular ongoing work on e-commerce, trade and sustainable development and transparency in trade negotiations.

The [communiqué](#) from the 2020 Ministerial meeting can be found in the appendices to this report.

In addition to the formal Ministerial meeting in October, EFTA Ministers held an informal exchange through videoconference on 8 June 2020 to discuss EFTA third-country relations and cooperation with the EU, including in the context of COVID-19. The videoconference focused on the current crisis due to the COVID-19 pandemic, including possible policy responses. Ministers emphasised the importance of maintaining an open rules-based multilateral trading system. Ministers also took stock of various ongoing third-country processes including Mercosur, India, Malaysia, Vietnam, the Southern African Customs Union (SACU), Chile and Indonesia.

Following the internal discussion, the EFTA Ministers continued with an exchange with the EFTA Parliamentary Committee and the EFTA Consultative Committee. Both committees provided Ministers with policy recommendations regarding trade, cooperation with the EU, health and sanitary policies, employment and social policies and development aid. Discussions included an exchange of information on the latest developments in third-country relations.



EFTA Ministerial in June 2020. Clockwise from top left: Lucie Katrine Sunde-Eidem (Norway, State-Secretary at the Ministry for Trade and Industry), Guy Parmelin (Switzerland), Katrin Eggenberger (Liechtenstein), and Guðlaugur Þór Þórðarson (Iceland).



Advisory Bodies meet with EFTA Ministers in October 2020. Clockwise from top left: Guðlaugur Þór Þórðarson (Iceland), Katrin Eggenberger (Liechtenstein), Jan Atteslander (CC Chair), Svein Roald Hansen (PC Chair), Guy Parmelin (Switzerland), and Lucie Katrine Sunde-Eidem (Norway, State-Secretary at the Ministry for Trade and Industry).

Other Meetings of the EFTA Council

The EFTA Council met eight times in 2020 at the level of heads of permanent delegations to EFTA in Geneva. Delegates discussed EFTA's relations with countries outside the EU, including free trade negotiations and the management of existing free trade agreements. The Secretariat wrote several policy papers for the EFTA Council. They ranged from a note on *Global Trade at a Crossroads* which tackled open issues in EFTA's third-country policy in the context of the global trade policy environment, a note on transparency in trade relations, the report on trade and sustainable development, to a note on EFTA and Africa, exploring possibilities for a new approach towards possible partners on the African continent.

The Council also approved a number of technical cooperation projects and dealt with administrative and budgetary matters.

The EFTA Convention

The Council is responsible for the EFTA Convention, which is updated regularly to reflect legislative developments in the EEA Agreement and the Swiss-EU agreements. One change to the Convention was made in 2020 regarding the free movement of goods by amending Annex A on rules of origin and administrative cooperation (PEM Convention).



EFTA Council meeting in July 2020.



EFTA Council in December 2020. Top row, from left: Hege Marie Hoff, EFTA Deputy Secretary-General; Didier Chambovey, Ambassador of Switzerland and Council Chair; Andri Lúthersson, EFTA Deputy Secretary-General. Mid row: Peter Matt, Ambassador of Liechtenstein; Henri Gétaz, EFTA Secretary-General; Harald Aspelund, Ambassador of Iceland. Low row: Pascal Schafhauser, EFTA Deputy Secretary-General; Dagfinn Sørli, Ambassador of Norway; Martin Zbinden, Deputy Head of Swiss mission.

Annual Meeting of EFTA and EU Finance Ministers

The annual meeting of EFTA and the EU Finance Ministers took place on 4 November. Due to the ongoing Corona pandemic, this year's meeting took place via videoconference. The meeting's topic for discussion, as decided between the EFTA Economic Committee, the EU Council presidency and the EU Commission was Addressing the Corona Crisis – How to rebuild a resilient, sustainable and thriving European Economy. The meeting started with an address by Mr Olaf Scholz, Federal Minister of Finance for Germany, who also chaired the meeting. Mr Paolo Gentiloni, European Commissioner for Economy presented the Commission's view on the topic and noted that the virus had forced EU Member States to take drastic measures and effectively put their economies in hibernation. Although the pandemic had caused a deep recession, Mr Gentiloni noted that the Commission expected a gradual recovery. The EFTA Economic Committee was chaired by Norway this year and therefore the EFTA Common Paper on the topic was presented by Mr Jan Tore Sanner, Minister of Finance for Norway. Among the main issues Mr Sanner noted in his address was the necessity for cooperation and unity between neighbours and friends during exceptional times like these. Following Mr Sanner's address, interventions were made by Mr Bjarni Benediktsson, Minister of Finance and Economic Affairs for Iceland; Mr Markus Biedermann, Secretary General of the Ministry of General Government Affairs and Finance for Liechtenstein; and finally by Ms Marie-Gabrielle Ineichen-Fleisch, State Secretary for Foreign Economic Affairs for Switzerland.

The interview with Ministers Scholz and Sanner can be found here: <https://youtu.be/mSJNWSfEH18>.



Top row: German Federal Finance Minister Olaf Scholz; Finance Minister Jan Tore Sanner (EFTA Chair, Norway).



The Annual Meeting of EFTA and EU Finance Ministers from the Council of the EU.



Free Trade Relations

Free Trade Relations in a COVID-19 Year

Despite the COVID-19 outbreak that could have prevented most of its activity, EFTA's trade relations division continued its work on expanding, updating and developing EFTA's worldwide network of free trade agreements (FTAs) in 2020. As the following chapters show, very few files were put on hold due to the situation, while most activities were simply pursued virtually, producing results and numerous follow-ups for 2021. On the monitoring and evaluation front, EFTA has set the basis for further work, which will be rolled out fully from next year on.

All in all, two rounds of negotiations, eight meetings among heads of delegations, 49 meetings among experts, three joint committee meetings and two subcommittee meetings took place in 2020. In addition, 22 other meetings with EFTA States and partner countries' representatives were held during the year. On the technical cooperation front, EFTA organised a webinar with Ecuador, which successfully prepared the ground for further work next year. Most of these gatherings were organised virtually. Work on a business manual for the Philippines was also started in the Trade Relations Division and discussed among the Parties to the EFTA-Philippines FTA during a joint meeting in 2020.

EFTA's network of preferential trade relations outside the EU was organised through the following means of engagement:

Free Trade Agreements

In 2020, 29 FTAs were in place with 40 partner countries and customs territories: Albania; Bosnia and Herzegovina; Canada; the Central American States of Costa Rica and Panama (entry into force pending for Guatemala); Chile; Colombia; Ecuador (entry into force on 1 November 2020); Egypt; Georgia; the Gulf Cooperation Council (GCC) comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates); Hong Kong, China; Indonesia (entry into force pending); Israel; Jordan; the Republic of Korea; Lebanon; North Macedonia; Mexico; Montenegro; Morocco; Palestinian Authority; Peru; the Philippines; Serbia; Singapore; the Southern African Customs Union (SACU comprising Botswana, Eswatini, Lesotho, Namibia, and South Africa); Tunisia; Turkey and the Ukraine. The negotiations with Mercosur were concluded in principle. Last remaining issues are expected to be resolved in 2021.

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

Partner	Joint Declaration	Free Trade Agreement	
		Signing	Entry into Force
Albania	10 December 1992	17 December 2009	1 November 2010
Algeria	12 December 2002		
Bosnia and Herzegovina		24 June 2013	1 January 2015
Canada		26 January 2008	1 July 2009
Central American States	20 July 2010 (Panama)	24 June 2013 (Costa Rica and Panama)	
		22 June 2015 (Guatemala)	19 August (Norway, Costa Rica and Panama), 29 August (Liechtenstein and Switzerland) and 5 September 2014 (Iceland)
Chile		26 June 2003	1 December 2004
Colombia	17 May 2006	25 November 2008	1 July 2011
Ecuador	22 June 2015	25 June 2018	1 November 2020
Egypt	8 December 1995	27 January 2007	1 August 2007
Georgia	28 June 2012	27 June 2016	1 September 2017
Gulf Cooperation Council (GCC)*	23 May 2000	22 June 2009	1 July 2014**
Hong Kong, China		21 June 2011	1 October 2012
Indonesia		16 December 2018	
Israel		17 September 1992	1 January 1993
Jordan	19 June 1997	21 June 2001	1 September 2002
Kosovo	23 November 2018		
Republic of Korea		15 December 2005	1 September 2006
Lebanon	19 June 1997	24 June 2004	1 January 2007

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

** The Member States of the GCC informed EFTA that the EFTA-GCC FTA is applied by their authorities as of 1 July 2015.

Continued Expansion of EFTA's Free Trade Network

Throughout 2020, EFTA pursued its efforts towards the conclusion of FTAs, especially with emerging economies in the Asian and South American continents.

In the negotiation process with **Vietnam**, meetings amongst heads of delegations and experts on intellectual property rights, trade in goods and government procurement were conducted.

After three years without any round due to a lack of mandate on the Malaysian side, the ninth round of negotiations with **Malaysia** took place between 25-28 February in Kuala Lumpur. However, on the eve of the ninth round the Malaysian government stepped down, turning the meeting into a stocktaking round. Malaysia later informed EFTA of the need to re-confirm the negotiation mandate before proceeding with negotiations. EFTA has proposed to hold technical meetings to replace the 10th round which had been planned for November 2020. Following a discussion with the Malaysian Minister of Trade on the sidelines of the ASEAN Economic Council in November, the Swiss Federal Councillor, acting as EFTA Chair, confirmed in a letter EFTA's ambition to continue and conclude the FTA negotiations as soon as the re-confirmation of the mandate takes place.

Contact was maintained with **India**, including through a few telephone calls between the two spokespersons. A few positions and proposals were exchanged in written form, notably a request by India for market access in the area of services addressed to EFTA.

The agreement with **Indonesia**, still not in force, was the object of discussions among experts on issues regarding the update of the agreement to the harmonised system of tariffs (HS) 2017 to be adopted on the day of entry into force of the agreement.

Fig. 1 – Joint Declarations on Cooperation and Free Trade Agreements between EFTA and Non-EU partners (continued)

Partner	Free Trade Agreement		
	Joint Declaration	Signing	Entry into Force
North Macedonia	29 March 1996	19 June 2000	1 May 2002
Malaysia	20 July 2010		
Mauritius	9 June 2009		
Mexico		27 November 2000	1 July 2001
Mercosur***	12 December 2000		
Moldova	24 November 2017		
Mongolia	28 July 2007		
Montenegro	12 December 2000	14 November 2011	1 September 2012
Morocco	8 December 1995	19 June 1997	1 December 1999
Myanmar	24 June 2013		
Nigeria	12 December 2017		
Pakistan	12 November 2012		
Palestinian Authority	16 December 1996	30 November 1998	1 July 1999
Peru	24 April 2006	24 June 2010	1 July 2011
Philippines	24 June 2014	28 April 2016	1 January 2020
Serbia	12 December 2000	17 December 2009	1 October 2010
Singapore		26 June 2002	1 January 2003
Southern African Customs Union (SACU)****		26 June 2006	1 May 2008
Tunisia	8 December 1995	17 December 2004	1 June 2005
Turkey		10 December 1991 Comprehensive update: 25 June 2018	1 April 1992
Ukraine	19 June 2000	24 June 2010	1 June 2012

*** Argentina, Brazil, Paraguay and Uruguay.

**** Botswana, Eswatini, Lesotho, Namibia, and South Africa.

A scoping exercise for possible free trade negotiations with **Pakistan** continued. Discussions on the resumption of negotiations with **Thailand** took place throughout the year. A Heads meeting took place in March, technical discussions on modalities continued since then and formal negotiations are expected to start in the first half of 2021. Negotiations on new FTAs with three partners remained on hold, namely Algeria, Honduras and the Customs Union of the Russian Federation, Belarus and Kazakhstan.

Management, Modernisation and Expansion of Existing FTAs

EFTA and **Chile** held their second round of negotiations towards the modernisation and expansion of their FTA, among others to cover sustainable development. Further, they held two series of intersessional meetings in all areas under modernisation and a Heads meeting, to the extent of full negotiation rounds. The agreement currently covers trade in goods including market access, rules of origin, trade remedies, technical barriers to trade, sanitary and phytosanitary measures and trade facilitation, trade in services, investment, intellectual property rights, government procurement and competition as well as horizontal and institutional provisions. A chapter on trade and sustainable development will be added to the agreement in the update. The next negotiation round was confirmed for March 2021.

EFTA and **SACU** corresponded on the issue of trade and sustainable development with a view to organising meetings for 2021 and finalising their renegotiation process.



Meeting with Thai representatives on the resumption of the free trade negotiations in November 2020.

EFTA held joint committee meetings with two FTA partners in 2020: **Republic of Korea** and **Singapore**. On these occasions, the Parties reviewed the functioning of their respective agreements and adopted several decisions to update existing rights and obligations. They also established work plans towards further revisions.

EFTA experts also had exchanges and meetings with counterparts from other FTA partners, such as **Lebanon, North Macedonia** and **the Philippines** (at heads level in lieu of a Joint Committee), in preparation for future amendments of the respective agreements or in preparation for joint committee meetings. In addition, EFTA worked at maintaining and updating other FTAs at a technical level.

Work continued on the preparation towards adding a legal link to the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (**PEM Convention**) in some FTAs, in order to replace the current texts of Protocol B or Annex I of the relevant agreements. The EFTA draft decisions providing the links to the PEM Convention have been updated to take into account the transitional approach of the PEM Convention (containing the revised PEM rules), which was agreed only among the PEM contracting parties ready to start applying those on a bilateral basis. The transitional approach entails that the revised PEM rules can be applied as alternative rules to the current rules of the PEM Convention, while awaiting the possible adoption and entry into force of the revised PEM Convention. While updating the draft decision text at experts' level, the text was also aligned with the EU model decision text published by the EU Commission in their role as PEM Secretariat, in addition to including an article on electronic certification.

Joint Declarations on Cooperation and Other Processes

EFTA has a Joint Declaration on Cooperation (JDC) with seven partner countries: **Kosovo, Mauritius, Moldova, Mongolia, Myanmar, Nigeria** and **Pakistan**. Regarding the **East African Community** (EAC, comprising Burundi, Kenya, Rwanda, South Sudan, Tanzania and Uganda), the aim remains to agree on a JDC and contacts were pursued in 2020. Building on previous communication with the **Association of South East Asian Nations** (ASEAN)¹, EFTA continued to explore the establishment of closer relations. In November, a joint committee meeting under the Joint Declaration on Cooperation was held with **Kosovo**, which allowed them to confirm the start of negotiations in 2021. The meeting with Moldova, which took place in December, also confirmed that both sides were ready to launch negotiations in 2021. Regarding **Nigeria**, EFTA explored the possibility of holding the first joint committee meeting under the Joint Declaration of Cooperation virtually, but without success.

Monitoring International Trade Developments

EFTA follows the progress of so-called mega-regional free trade agreements closely. This has become particularly relevant in the context of: the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership** (CPTPP), the uncertain future of the negotiations on a **Transatlantic Trade and Investment Partnership** (TTIP) between the US and the EU, and the signing of the **Regional**

Fig. 2 – Joint Committee meetings in 2020

Free Trade/Joint Declaration Partner	Date and Venue
Republic of Korea (7 th meeting)	5 June, videoconference
Singapore (5 th meeting)	15 October, videoconference
Kosovo (1 st meeting)	19 November, videoconference
Moldova (Heads meeting)	3 December, videoconference

¹ Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Vietnam

Comprehensive Economic Partnership (RCEP), comprising 15 countries, among which the ASEAN partners².

The EEA EFTA States and the UK started negotiations on a comprehensive free trade agreement in 2020, covering *inter alia* trade in goods, services and investment, IPR and trade and sustainable development. Though negotiations accelerated during the second half of 2020, they could not be successfully concluded and will thus continue into 2021.

In light of international developments and experience gained in its FTA negotiations, EFTA reviewed and updated its model text on trade and sustainable development. Model references on equality and gender issues, sustainable forest management and associated trade, climate change, biological diversity, sustainable management of fisheries and aquaculture as well as a provision on a panel of experts were developed for inclusion into EFTA's FTAs.

EFTA furthermore established model provisions regarding e-commerce that will be included in its FTAs in the future.

EFTA Ministers and the advisory bodies of EFTA welcomed the conclusion of the trade and sustainable development chapter and the soon to be finalised text on e-commerce³.

Discussions are also ongoing on possible measures to monitor the implementation of the trade and sustainable chapter in the free trade agreements, based on recommendations contained in a report looking at EFTA's experience in negotiating trade and sustainable development chapters over the last ten years. The report was published on EFTA's website in November on a newly created dedicated tab.

Technical Cooperation

In the framework of technical cooperation funded by EFTA with partners outside the EU, activities in 2020 included a webinar with **Ecuador** and further work on the webtool in favour of **the Philippines**. EFTA further corresponded extensively with SACU and Peru on possible projects to take place virtually or when conditions allow. Discussions are ongoing internally in EFTA with regard to a new and possibly more pro-active approach to technical cooperation.

Relations with the WTO

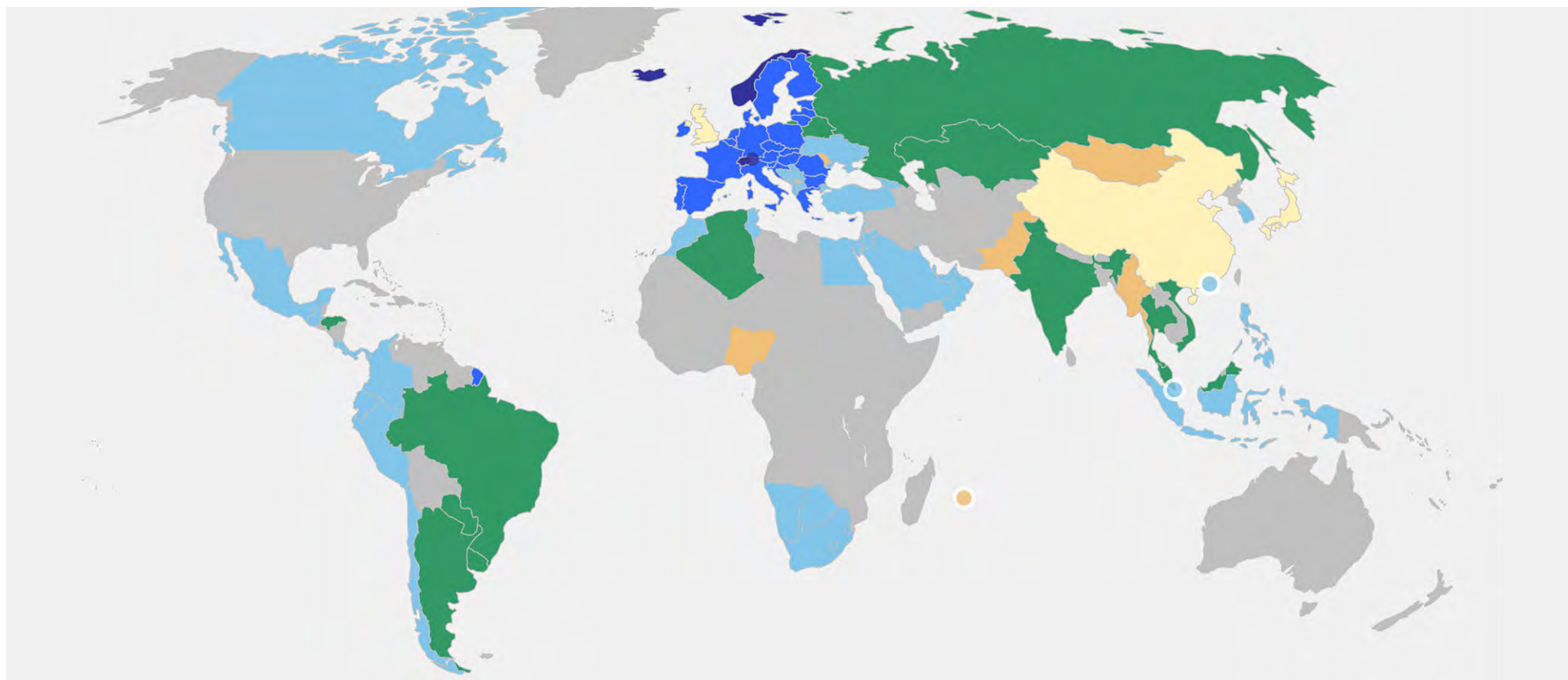
Under the WTO's transparency mechanism for bilateral and regional trade agreements, EFTA continued to notify decisions adopted by joint committees under existing FTAs. The factual presentation of the Agreement with the Philippines was presented in November and the EFTA Secretariat assisted with data, comments to the report as well as with replies to questions from WTO Member States.

2 The ten members of ASEAN (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and the six countries with which ASEAN has existing FTAs (Australia; China; Hong Kong, China; Japan; Republic of Korea; and New Zealand). India withdrew from the RCEP negotiations in November 2019.

3 The e-commerce chapter could indeed be finalised in December allowing for its use in future negotiations as of 2021.



EFTA's Worldwide Network (as at 1 January 2021)



European Free Trade Association

EU (European Economic Area)

EFTA Free Trade Agreements (29)

Albania; Bosnia and Herzegovina; Canada; Central America; Chile; Colombia; Ecuador; Egypt; Georgia; Gulf Cooperation Council (GCC); Hong Kong, China; Indonesia; Israel; Jordan; Republic of Korea; Lebanon; North Macedonia; Mexico; Montenegro; Morocco; Palestinian Authority; Peru; the Philippines; Serbia; Singapore; Southern African Customs Union (SACU); Tunisia; Turkey; and Ukraine

Ongoing FTA negotiations

India; Mercosur; Malaysia; Vietnam

FTA negotiations on hold

Algeria; Honduras; Customs Union of the Russian Federation; Belarus; Kazakhstan; Thailand

Joint Declarations on Cooperation (7)

Kosovo; Mauritius; Moldova; Mongolia; Myanmar; Nigeria and Pakistan

FTA relations of individual EFTA States

Faroe Islands: FTAs with Iceland, Norway and Switzerland
China: FTAs with Iceland and Switzerland; FTA negotiations with Norway
Japan: FTA with Switzerland
UK: FTA with Switzerland and ongoing FTA negotiations with the EEA EFTA States



The EEA Agreement

The Agreement on the European Economic Area, which entered into force on 1 January 1994, brings together the EU Member States and the three EEA EFTA States – Iceland, Liechtenstein and Norway – in a Single Market, also referred to as the Internal Market.

The EEA Council

The EEA Council meets twice a year at ministerial level and provides political impetus for the development of the EEA Agreement. In 2020, it convened on 25 May under the chairmanship of the Croatian Presidency of the EU Council and on 18 November under the chairmanship of Liechtenstein. Both meetings took place online due to the COVID-19 pandemic. In 2020 the EEA Council reviewed ongoing work in EEA cooperation and issued joint statements (conclusions).

Main topics covered by the EEA Council in 2020 were:

- > The overall functioning of the EEA Agreement; and
- > The effect of COVID-19 on the Internal Market;
- > The future relationship with the UK;
- > EU Programmes, the EEA and Norway Grants;
- > Energy and climate change;
- > Agricultural trade; and
- > The incorporation of EU legal acts into the EEA Agreement.

In addition, the EEA Council held orientation debates on the European Green Deal and on Europe's digital future. In informal political dialogues held on the margins of the EEA Council, ministers discussed Brexit, COVID-19, the situation in Belarus, relations with China and transatlantic relations.

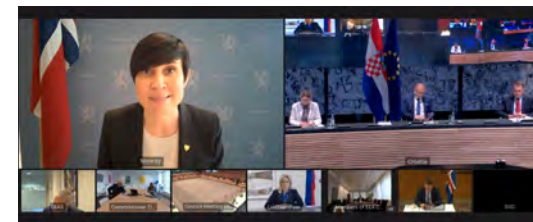
The joint statements from the EEA Council meetings can be found in the appendices to this report.

The EEA Joint Committee

The EEA Joint Committee is the main decision-making body of the EEA Agreement, and consists of the ambassadors of the EEA EFTA States to the EU and a representative of the European External Action Service. It is a forum in which views are exchanged and decisions are taken by consensus to incorporate EU legislation into the EEA Agreement.

The EEA Joint Committee met nine times in 2020. Eight of the meetings took place online due to the COVID pandemic, including one urgent meeting on export restrictions on medical equipment. In 2020 the EEA Joint Committee adopted 240 JCDs, incorporating 370 legal acts into the EEA Agreement. A number of these were urgent acts related to COVID-19 and to the UK's withdrawal from the EU and the EEA, which were incorporated through written procedure. Discussions in the EEA Joint Committee focused on how to reduce the number of legal acts awaiting incorporation into the EEA Agreement, the COVID-19 pandemic and the EEA EFTA States' participation in EU programmes 2021–2027. The Joint Committee received briefings on the priorities of the new EU Commission, Europe's digital future and the European Green Deal. EEA EFTA Comments on Artificial Intelligence and Data and on Smart and Sustainable Mobility were presented.

A number of important decisions were adopted by the EEA Joint Committee in 2020 concerning a wide range of policy areas including intellectual property and trademarks, financial services, anti-money laundering, climate change, postal services and Brexit.



EEA Council in May 2020. The meeting was co-chaired by Foreign Ministers Ine Eriksen Søreide (Norway) from the EEA EFTA side and Gordan Grlić-Radman (Croatia) from the EU side.



EEA Ministers meeting co-chaired by Katrin Eggenberger (Liechtenstein, right) and Michael Roth (Germany, left), with the participation of Ine Eriksen Søreide (Norway) and Guðlaugur Þór Þórðarson (Iceland), seen below.



EEA Joint Committee, clockwise from top left: Per Strand Sjaastad, Ambassador to the Kingdom of Belgium as well as Deputy Head of Norway's Mission to the European Union; Clara Ganslandt, Head of Western Division at the EEAS and EU Chair in the Joint Committee; Chair Sabine Monauni, Head of Liechtenstein's Mission to the EU; and Kristján Andri Stefánsson, Head of Iceland's Mission to the EU.

The Standing Committee of the EFTA States

The Standing Committee of the EFTA States serves as a forum in which the EEA EFTA States consult one another and arrive at a common position before meeting with the EU in the EEA Joint Committee. It consists of the ambassadors to the EU of Iceland, Liechtenstein and Norway, and observers from Switzerland and the EFTA Surveillance Authority.

Priorities of the Standing Committee in 2020 and the two presidencies, Norway and Liechtenstein, were:

- > To ensure the swift incorporation of EEA-relevant legal acts into the EEA Agreement;
- > To continue decision-shaping efforts of the EEA EFTA States by the issuing of EEA EFTA comments and by engaging and promoting EEA EFTA views on relevant policy areas.

Relations with the United Kingdom were also prioritised. For the second half of 2020. Focus on close cooperation with the EU in response to the COVID-19 pandemic continued. The Standing Committee also worked on preparations for EEA EFTA participation in relevant EU programmes under the new Multiannual Financial Framework 2021–2027.

The agendas and conclusions of the Standing Committee meetings are available on the EFTA website. The work programmes of the Norwegian and Liechtenstein chairmanships of the Standing Committee in the first and the second half of 2020 can be found in the appendices to this report.

Legal and Institutional Matters

Subcommittee V on Legal and Institutional Matters assists the Standing Committee of the EFTA States in horizontal and substantive legal and institutional issues relating to the EEA Agreement. It is composed of legal experts from the EEA EFTA States.

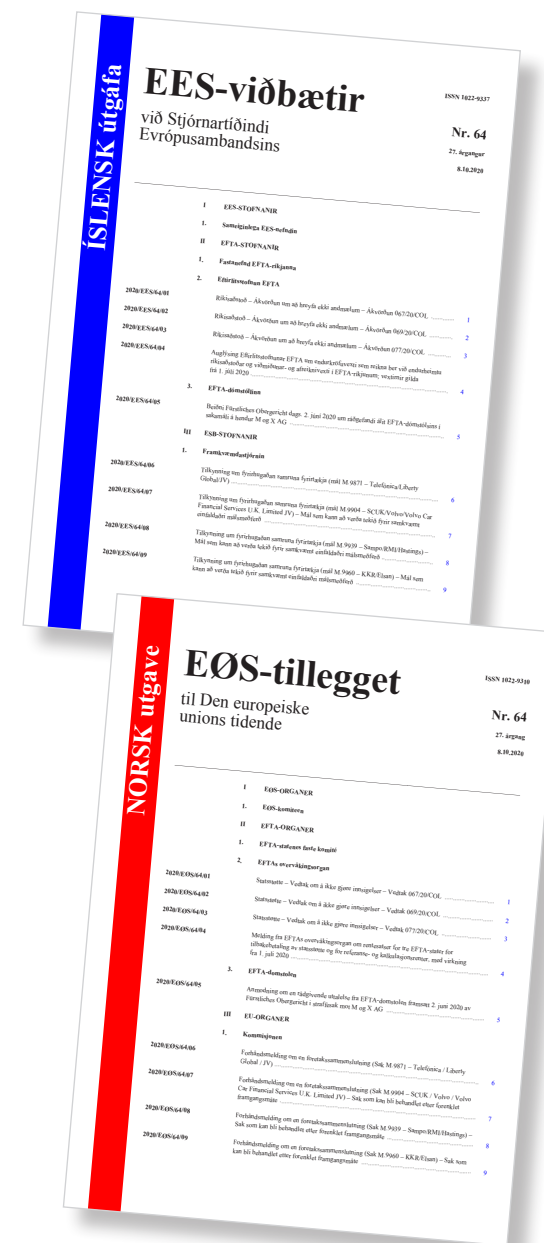
Subcommittee V held five meetings in 2020. The Subcommittee monitored two-pillar issues and third-country provisions in the EEA Agreement.

The Subcommittee also discussed:

- > Legal issues related to the United Kingdom's withdrawal from the EU and the EEA Agreement;
- > Revision of the EFTA Court's rules of procedure;
- > Cases of interest for the EEA EFTA States before the EFTA Court and the Court of Justice of the European Union and;
- > Corrigenda to published translations in Icelandic and Norwegian of legal acts incorporated into the EEA Agreement.

The United Kingdom's Withdrawal from the EEA

The United Kingdom (UK) ceased to be a Contracting Party to the EEA Agreement after its withdrawal from the EU on 31 January 2020. Nevertheless, the EU–UK Withdrawal Agreement provided for a transition period until 31 December 2020 and the EEA EFTA States agreed to treat the UK as an EU Member State during this period, including for the purpose of the EEA Agreement. This transition period expired at the end of 2020.



The EEA EFTA States and the United Kingdom signed on 28 January 2020 an agreement on arrangements between them following the UK's withdrawal from the EU, the EEA and other agreements applicable between them by virtue of the UK's membership of the EU. This agreement is usually referred to as the EEA-UK Separation Agreement and mirrors the relevant parts of the EU-UK Withdrawal Agreement. Following the signature of the Separation Agreement, in 2020 the EEA EFTA States signed two amendments to the Surveillance and Court Agreement. The first amendment was signed in January and provided for the necessary arrangements for ESA and the EFTA Court during the transition period. The latter was signed in November and establishes the mandate of both institutions to monitor the implementation and enforcement of the provisions of the EEA Agreement on Citizens' Rights.

Both the EU-UK Withdrawal Agreement and the Separation Agreement provide for the protection of social security rights in cross-border situations involving the UK and either the EEA EFTA States or the EU Member States. However, these agreements also acknowledge the need to establish arrangements between the EEA EFTA States and the EU, in order to close the circle for protection of rights of UK nationals that have accrued such rights. For this purpose, the EEA Joint Committee adopted a decision at its meeting on 11 December 2020 amending Annex VI of the EEA Agreement. Furthermore, the Joint Committee, established under the EEA EFTA UK Separation Agreement, held its first meeting on 18 December, where it confirmed that the triangulation arrangements would be applicable as of 1 January 2021.

The EEA EFTA States and the UK started negotiations on a comprehensive Free Trade Agreement in 2020, covering *inter alia* trade in goods, services and investment and trade and sustainable development.

The negotiations will continue in 2021. As the trade preferences that apply for trade between the EEA EFTA States and the EU, notably the EEA Agreement, ceased to apply to the UK at the end of the transition period, Iceland, Norway and the United Kingdom signed in December an agreement. This will extend the Parties' previous trade preferences for goods until the Free Trade Agreement has been negotiated.

At the end of the transition period, the UK became a third country vis-à-vis the European Union. This required certain amendments to EU legislation, as well as to the EEA Agreement to the extent such amendments are EEA relevant. To ensure simultaneous application throughout the EEA as of 1 January 2021, the EEA Joint Committee adopted by written procedure on 30 December nine decisions incorporating legal acts. These were related to the end of the UK's transition period, including in the fields of sanitary and phytosanitary requirements (SPS), organic products, transport and financial services.

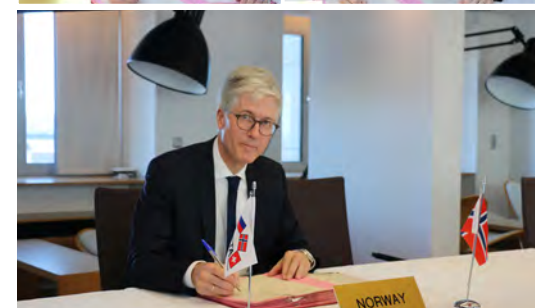
The EEA Supplement

The EEA Supplement to the *Official Journal of the European Union* contains translations into Icelandic and Norwegian of EEA-relevant texts. The EEA Supplement consists of material from:

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



EEA EFTA Ambassadors in January 2020. From left: Ambassador Rolf Einar Fife, Ambassador Gunnar Pálsson, Ambassador Sabine Monauni.



From top left: Ambassador Kristján Andri Stefánsson, Ambassador Sabine Monauni, and Ambassador Rolf Einar Fife.

The regular issue of the EEA Supplement is published on the EFTA website once a week, all year round. These weekly publications will always include merger notifications from the European Commission. Due to the short deadline for third parties to submit their possible observations on the proposed merger to the Commission, these texts, as well as some other Commission texts, need to be translated and published quickly.

In addition to the regular weekly issues, there are also separate issues containing translations of EEA Joint Committee Decisions (JCDs) and of EU legal acts which have been incorporated into the EEA Agreement.

Since 2000, the publication of JCDs has been separated from the publication of the relevant EU legal acts. This year, there were fewer JCD publications than last year, in part because there have been no ad hoc publications, as there were last year. However, the publications of legal acts reached an all-time high in 2020.

Shortly after the translations of the EU legal acts into Icelandic and Norwegian are ready, they are published in the EEA Supplement. However, since 2008, the Icelandic and Norwegian versions of the EEA Supplement have not been synchronised with regard to the publication of the translated EU legal acts.

All published issues are available at <http://www.efta.int/publications/eea-supplements>.

The EFTA Secretariat published 88 issues of the EEA Supplement in 2020. The publication of translated EU legal acts incorporated into the EEA Agreement remained at a high level. The EFTA Secretariat has published a record number of pages in 2020, even surpassing the previous top year of 2019. This is not

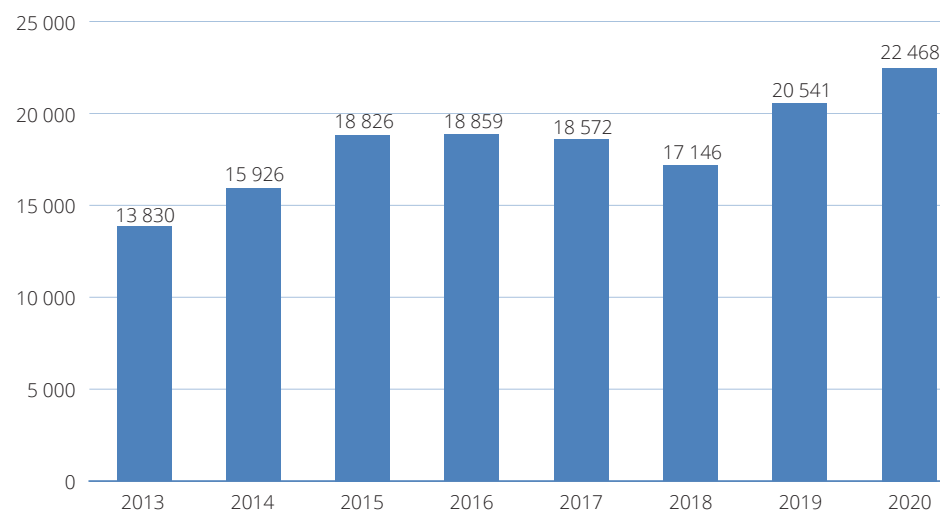
Fig. 3 – Publication in the EEA Supplement 2020

	Number of pages	
	Icelandic	Norwegian
EEA Joint Committee Decisions	436	436
EU Acts	8 573	10 679
EFTA Standing Committee	41	41
EFTA Surveillance Authority	139	139
EFTA Court	107	107
EU Institutions	885	885
Total	10 181	12 287



EFTA's web-based legal database, EEA-Lex, is an important tool for monitoring the incorporation of EU acts into the EEA Agreement.

Fig. 4 – Total EEA Supplement pages published



only because of the very high numbers of legal acts published for both Icelandic and Norwegian language, but also because of a higher flow of texts from the European Commission and the EFTA Surveillance Authority as a consequence of the COVID-19 pandemic.

Much of the material from the EEA Supplement is available on EEA-Lex.

The Incorporation of EU Acts into the EEA Agreement

Since 2014, work has continued with the aim of increasing efficiency in the incorporation of EEA-relevant EU legal acts into the EEA Agreement. The presentation of acts outstanding has been improved and simplified and now allows all stakeholders at one glance to see the development and status ahead of Subcommittee and Standing Committee meetings. An effort has been made to improve the basis for cooperation between the different parties in the EEA process by sharing and discussing the details of national, Secretariat and EU procedures for incorporation and how they interact. The Secretariat has also taken the initiative to better target all information sent out to the EEA EFTA States with regard to the incorporation process. In addition, it promotes and improves the EEA reporting tool available on the EFTA extranet for the EEA EFTA States. A final initiative has been to gather data showing performance and compliance with procedures for both the EEA Member States and the Secretariat over the last three years. These key performance indicators provide a good basis for a targeted approach to further improving the efficiency of the EEA incorporation process.

Free Movement of Goods

Subcommittee I on the Free Movement of Goods coordinates matters relating to all aspects of the free movement of goods – harmonised technical legislation, the food chain, intellectual property rights and energy matters in addition to competition, state aid and public procurement. Subcommittee I is assisted by 11 working groups and 24 expert groups which are subgroups under the Working Group on Technical Barriers to Trade.

In addition, three committees deal with issues related to goods under the EFTA Council: the Committee on Technical Barriers to Trade (TBT), the Committee of Origin and Customs Experts and the Committee on Trade Facilitation.

Veterinary, Food and Agricultural Issues

Veterinary and food legislation in the EEA Agreement only applies to Iceland and Norway. Since 2007 the Swiss–EU Agricultural Agreement has been extended to Liechtenstein as regards legislation in these areas. The Working Group on the Food Chain evaluates all legislation concerning organic production, food, animal feed and veterinary issues. The full Working Group met three times in 2020. The Working Group also met regularly in a smaller setting working on specific and urgent files. The Working Group has been preparing the incorporation of new framework regulations regarding animal health and organic production, as well as measures related to COVID-19 and the preparations for the end of the UK transition period.



Working group on food chain, February 2020.

Veterinary issues

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

In 2020, 61 legal acts in the veterinary area were incorporated into Annex I, Chapter I of the EEA Agreement. In addition, 93 legal acts were implemented by means of simplified procedure (see box).

Animal feed

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

In 2020, 30 legal acts related to animal feed were incorporated into Annex I, Chapter II of the EEA Agreement.

Food

The legislation concerning food in the EEA Agreement includes general principles for food law and deals with a wide range of matters related to food safety, food quality and information for consumers. Some of the areas covered are food hygiene, food contact materials, labelling, contaminants and residues, as well as food additives, food flavourings and novel foods.

In 2020, 37 legal acts relating to foodstuffs were incorporated into Annex II, Chapter XII of the EEA Agreement.

Trade in agricultural products

Protocol 3 to the EEA Agreement regulates preferential trade in processed agricultural products. It was last amended in 2017 following bilateral negotiations between Iceland and the EU. In a [joint statement](#) made by the members of the EEA Council during their meeting on 18 November 2020, Contracting Parties were called on to pursue the dialogue with a view to reviewing the conditions of trade in agricultural products.

Technical Barriers to Trade

EFTA deals with the removal of technical barriers to trade in two forums: the Working Group on TBT, which coordinates the assessment and incorporation into the EEA Agreement of new EU legislation for the three EEA EFTA States, and the TBT Committee which reports to the EFTA Council. While Switzerland is a full member of the TBT Committee, it participates as an observer in the Working Group on TBT and its many underlying expert groups.

Working Group on TBT

The Working Group on TBT continued to coordinate the incorporation of new acquis into Annex II to the EEA Agreement, and to follow various legislative proposals, supported by its many expert groups. The Group finalised its work on the incorporation of Regulation (EU) 2019/515 on the mutual recognition of goods lawfully marketed in another Member State and also made good progress as regards the incorporation of Regulation 2019/1020 on market surveillance and compliance of products. Considerable efforts have also been made regarding the possible updates of mutual recognition agreements (MRAs), which are explained separately.

Simplified Procedure

Due to specific needs in the veterinary and food safety fields, certain acts under the Working Group on the Food Chain are subject to a simplified procedure. This is a derogation from the normal procedure for the incorporation of acts into the EEA Agreement which is used when it is necessary to put safeguard and protective measures in place urgently. It requires that the EEA EFTA States, “simultaneously with the EU Member States take measures corresponding to those taken by the latter”. Until the introduction of the simplified procedure in 2001, an act could only be incorporated by a decision by the EEA Joint Committee, which in many cases took more than half a year.

The following acts are subject to the simplified procedure:

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

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

Motor vehicles

The Expert Group on motor vehicles follows policy initiatives and legislation on type-approval for motor vehicles and detailed, technical manufacturing specifications. The Expert Group finalised the assessment of the incorporation of Regulation (EU) 2018/858 on the approval and market surveillance of motor vehicles into the EEA Agreement. The new rules on market surveillance aim at tackling the manipulation of exhaust emissions, revealed by the “dieselgate” scandal in 2015. Another important area, which involves several legal acts currently in the process of being incorporated, concerns CO₂ emission targets. These acts cover cars, vans and heavy-duty vehicles, including the surveillance of relevant obligations by national authorities and manufacturers.

Dangerous substances

Trade in and use of dangerous substances are strictly regulated in order to protect consumers, workers and the environment. The EEA Agreement contains both general chemicals legislation and product-specific legislation (for example in the fields of electrical equipment, biocides and plant protection products). In total, 48 acts concerning dangerous substances were incorporated into the EEA Agreement in 2020.

Medicinal products and medical devices

The Expert Group on Medicinal Products and Medical Devices met twice in 2020. The Expert Group also met regularly in a smaller setting working on specific and urgent files. The Expert Group has been preparing for the incorporation of a new legislative framework on veterinary medicinal products and it has also processed a number of important COVID-19 related measures.



Working Group on medicinal products and medical devices, October 2020.

The prospects of an EEA EFTA-US Mutual Recognition Agreement (MRA) on Good Manufacturing Practices (GMP) continued to be an important matter for the Member States (see separate section).

Tobacco

The Expert Group on Tobacco deals with the incorporation of EU legislation on the manufacture, presentation and sale of tobacco products, as well as advertising and sponsorship of such products. In 2020 the Expert Group finalised their work on the incorporation of Directive 2014/40/EU concerning the manufacture, presentation and sale of tobacco and related products. The incorporation of the Directive into the EEA Agreement was still awaited at the end of the year, pending the finalisation of procedures on the EU side. The Expert Group has also processed several secondary acts which are linked to Directive 2014/40/EU.

Market surveillance and consumer product safety

The Expert Group on Product Safety, Market Surveillance and Product Liability met three times in 2020 and finalised assessing the incorporation of Regulation 2019/1020 on market surveillance and product compliance. The objective of this Regulation is to improve the functioning of the internal market and keep non-compliant products from being placed on the internal market by strengthening market surveillance of products and promoting closer cross-border cooperation among enforcement authorities, including customs authorities. The EEA EFTA States continued to participate in the Commission's Internal Market for Products – Market Surveillance Group (IMP-MSG), the Consumer Safety Network (CSN) and the General Product Safety Directive (GPSD) Committee.

Mutual recognition agreements

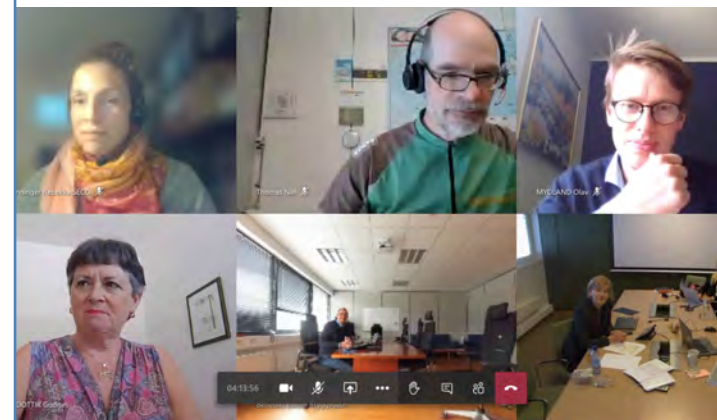
MRAs facilitate market access by reducing the costs and time associated with obtaining product certification. Protocol 12 to the EEA Agreement foresees that the EEA EFTA States should conclude parallel MRAs with third countries to those of the EU. In this respect, the EEA EFTA States discussed EU developments related to new and revised MRAs and assessed possible EEA EFTA follow-up.

The EEA EFTA States upheld their efforts with a view to concluding an MRA on Good Manufacturing Practices (GMP) with the US.

TBT Committee

The TBT Committee met three times in 2020 to discuss issues relating to the EFTA Convention, in particular Annexes I and H, harmonisation of technical legislation, technical barriers to trade, standardisation and third-country relations. The Committee's second and third meetings in May and October were held online.

In 2020, the Committee followed: the developments of a new EU Goods Package focusing on market surveillance and the principle of mutual recognition, developments within European accreditation and conformity assessment, the effects of Brexit for the European standardisation and accreditation systems, mutual recognition agreements and the European Commission's proposal for a Single Market Programme. The members considered the ongoing negotiations on free trade agreements and other third-country issues.



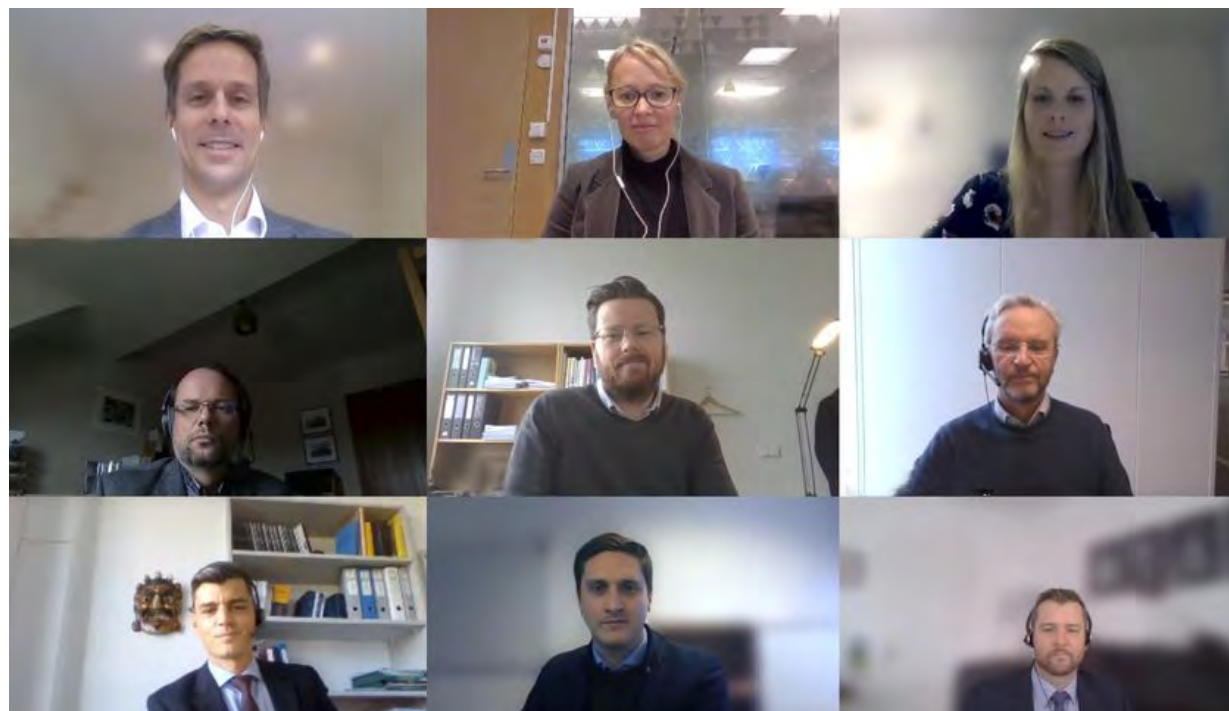
Working group on technical barriers to trade (TBT) in a joint meeting with the Expert Group on product safety, market surveillance and product liability, May 2020.

Standardisation

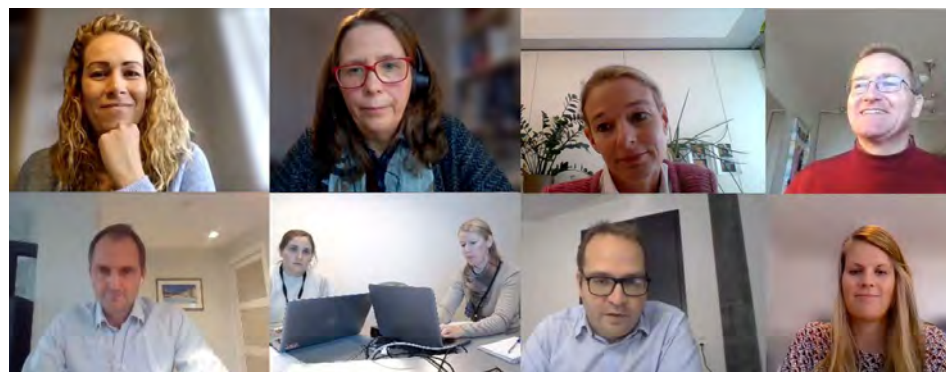
In the area of European standardisation, EFTA continued to support European standardisation and the existing public-private partnership between the Commission/EFTA and the European Standardisation Organisations and stakeholders. In 2020, the standardisation policy issues discussed were: a principal ruling from the Court of Justice of the European Union in the area of harmonised standards, including its effect on the standardisation process; and the follow-up of the two EFTA co-financed projects with seconded European standardisation experts in India (SESEI) and China (SESEC). The EFTA Secretariat participated at the General Assemblies of the European Committee for Standardization (CEN), the European Committee for Electrotechnical Standardization (CENELEC), the European Telecommunications Standards Institute (ETSI) and the European Cooperation for Accreditation (EA), all held online. The EFTA Secretariat has the formal status of European Counsellor in all these organisations.

Financial contribution to standardisation

The EFTA States and the European Commission provide financial support to the three European standardisation organisations (ESOs): CEN, CENELEC and ETSI. EFTA continued to co-fund the three ESOs as well as four recognised stakeholder organisations that participate in European standardisation. These are the European Association for the Coordination of Consumer Representation in Standardisation (ANEC), the European Environmental Citizens' Organisation for Standardisation (ECOS), Small Business Standards (SBS) and the European Trade Union Confederation (ETUC). In 2020, EFTA signed 29 agreements relating to standardisation. EFTA also continued its financial support to the European Cooperation for Accreditation (EA).



Working Group on competition policy, October 2020.



Working group on intellectual property, October 2020.

Energy

The Working Group on Energy Matters, responsible for the energy-related legislation incorporated into Annex II, Chapter IV, and Annex IV of the EEA Agreement, met four times in 2020.

The main items in 2020 were the finalisation of negotiations on and subsequent incorporation of the Electricity Network Codes under the third Energy Package and subsequent progress on the Clean Energy Package.

The Working Group progressed in the incorporation of the Energy Performance of Buildings Directive (2010), REMIT (2011) and the Energy Efficiency Directive (2012). The Working Group monitored developments related to the energy aspects of the European Green Deal, including the Energy System Integration and Hydrogen Strategies, the Renovation Wave initiative and the new Strategy for Offshore Renewable Energy.

Competition

The Working Group on Competition Policy is responsible for the competition-related legislation incorporated into Annex XIV of the EEA Agreement. The Working Group met twice in 2020.

Important issues were the possible incorporation of the Directive on Action for Damages and the Directive empowering the competition authorities of the Member States to be more effective (ECN+), COVID-19 related measures, the incorporation of the prolongation of the consortia block exemption regulation and ongoing FTA negotiations with the EU.

State Aid

The Working Group on State Aid follows all EU actions in the field of state aid and ensures that relevant legislation is incorporated into Annex XV of the EEA Agreement. The Working Group met twice in 2020.

The main focus of the Working Group has been to follow closely and assess COVID-19 related measures. The EEA EFTA States also participated in several multilateral state aid meetings related to the development of new legislation and guidance and to the State Aid Modernisation initiative.

Public Procurement

The Working Group on Public Procurement, responsible for public procurement-related legislation incorporated into Annex XVI of the EEA Agreement, focused on COVID-19-related measures and the incorporation of the Implementing Regulation establishing standard forms for the publication of notices in the field of public procurement.

Intellectual Property

The Working Group on Intellectual Property met twice in 2020 to discuss intellectual property legislation to be incorporated into Annex XVII of the EEA Agreement and to exchange information with the European Commission in the areas of copyright, industrial property rights, enforcement and multilateral development.

The Working Group followed closely the process of adopting a unitary patent for Europe. They also took an active interest in the ongoing affairs of the European Observatory on Infringements of Intellectual Property Rights (IPR) and participated in its plenary meeting, as well as in the public stakeholder meeting.



Working group on energy matters, March 2020.

Customs Matters, Safety and Security Matters and Trade Facilitation

Customs and origin matters

Although in force in all EFTA States, the EU and some of the Mediterranean and Western Balkan partner countries, the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (PEM Convention) has not yet been applied with all partners. EFTA customs experts are currently working on replacing the existing origin protocols in EFTA's various free trade agreements with the PEM Convention. In parallel, experts have been working with the other PEM partners on revising the PEM Convention in order to modernise and simplify the origin legislation and to adjust the PEM origin rules to today's trade needs.

The revised PEM Convention was foreseen to be adopted by consensus at the 9th PEM Joint Committee meeting in Brussels on 27 November 2019. Unfortunately, consensus could not be reached and EFTA is, together with most of the other PEM contracting parties, ready to adopt and apply the revised rules on a bilateral basis as alternative rules to the current rules of the PEM Convention. This solution would be applied on a transitional basis, allowing for the application of the alternative rules until the revised PEM Convention can be adopted.

This bilateral solution of the revised PEM rules entails that both the EEA Agreement and the EFTA Convention will have to be amended to incorporate the alternative rules. Technical work is currently ongoing to this effect with the aim to finalise amendments to the rules of origin of the EEA Agreement and the EFTA Convention by the end of 2020.

Fig. 5 – Meetings held and EU Acts incorporated in 2020

	Number of meetings in 2020	Number of acts incorporated in 2020
EEA Joint Committee	8	370
Standing Committee of the EFTA States	8	-
SUBCOMMITTEES I-IV	8*	-
Meetings under Subcommittee I	46	228
Working Groups		
Competition Policy	2	1
Customs Matters	2	0
Customs Security Measures	1	0
Energy Matters	4	7
Fisheries	0	0
Food Chain**	19***	130****
Intellectual Property Rights	2	2
Processed Agricultural Products	1	0
Public Procurement	0	5
State Aid	1	1
Technical Barriers to Trade (TBT)	3	5
Expert Groups under TBT		
Agricultural and Forestry Tractors	0	0
Appliances Burning Liquid or Gaseous Fuels	0	0
Chemicals	0	28
Plant Protection Products	0	20
Construction	0	0

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

** Food Chain encompasses veterinary matters, animal feed, phytosanitary matters and foodstuffs.

*** Three meetings of the WG Food Chain, nine meetings of the Sub-Group on Animal Health Law, seven meetings of the Sub-Group on Organic Production

**** In addition, 93 acts were implemented through the simplified procedure.

EFTA customs experts continued to address other customs and origin matters related to FTAs with third-country partners, as well as technical customs issues to guarantee good relations between customs administrations and the smooth functioning of preferential trade relations.

Customs, safety and security matters

Norway and Switzerland are bilaterally integrated with the EU's safety and security system. Thus, traders from these countries do not have to submit pre-arrival/pre-departure declarations when trading with the EU and vice versa. The Norwegian bilateral agreement is implemented in Protocol 10 EEA.

The joint Working Group responsible for the implementation and monitoring of the safety and security measures addressed under Protocol 10 EEA had its last meeting in June 2019. The participation of Norway in the Import Control System (ICS2) project and review process of the protocol has been ongoing between Norway and the EU and a Joint Committee Decision amending the Protocol is expected to be adopted early 2021. Previous meetings in the Working Group have been held jointly with Switzerland as provisions under Protocol 10 EEA and the CH-EU Safety and Security Agreement are similar.

Trade facilitation

Trade facilitation (TF) seeks to improve procedures and controls in merchandise trade across national borders by reducing associated cost burdens and maximising efficiency, whilst safeguarding legitimate regulatory objectives. Recent developments, such as the challenge of bringing trade facilitation into line with growing safety and security concerns, and rising concerns about the (mis)use of trade procedures as trade policy tools, have heightened the political profile of trade facilitation.

Fig. 5 – Meetings held and EU Acts incorporated in 2020 (continued)

	Number of meetings in 2020	Number of acts incorporated in 2020
Cosmetics	0	4
Electrical Equipment	0	0
Explosives	0	0
Fertilisers	1	1
Machinery	0	2
Marine Equipment	0	1
Maximum Residue Levels (MRLs)	0	3
Measuring Instruments	0	0
Medicinal Products and Medical Devices	7*****	6
Motor Vehicles	0	12
Personal Protective Equipment	0	0
Pressure Equipment	0	0
Product Safety and Market Surveillance	3	0
Recreational Crafts	0	0
Telecommunications Equipment	0	0
Tobacco	0	0
Wine and Spirit Drinks	0	0
Meetings under Subcommittee II	17	115
Working Groups		
Company Law	0	3
Electronic Communication, Audiovisual Services and Information Society	3	3
Data Protection Expert Group	1	0

***** Two meetings of the EG on Medicinal Products and Medical Devices, five meetings of the Sub-Group on Veterinary Medicinal Products

The conclusion of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) underlines the importance that the international trade community places on this topic. The Committee on Trade Facilitation follows EFTA's trade negotiations and continuously analyses developments in trade facilitation within the WTO and other international organisations. These include the United Nations Economic Commission for Europe (UNECE), the Organisation for Economic Co-operation and Development (OECD) and the World Customs Organization (WCO), which have all added trade facilitation to their agendas.

In the Committee on Trade Facilitation's meeting in October 2020, trade facilitation initiatives deriving from the COVID-19 crisis were discussed with colleagues from the European Commission and the Central European Free Trade Agreement (CEFTA) Secretariat. The Committee's work on the legal review of EFTA's adopted model text on TF, mentioning only provisions that go further than the WTO TFA (WTO-plus elements), continues. This text is used in third-country negotiations and updates of existing free trade agreements with partners that have adopted the WTO TFA.

The responsibility for issues pertaining to customs (i.e. rules of origin, trade facilitation, customs cooperation and customs security matters) lies with the Trade Relations Division in Geneva.

Fig. 5 – Meetings held and EU Acts incorporated in 2020 (continued)

	Number of meetings in 2020	Number of acts incorporated in 2020
Financial Services*****	8	77
Postal Services	0	2
Transport	5	30
Meetings under Subcommittee III	6	3
Working Groups		
Free Movement of Persons, Employment and Social Policy	2	0
Recognition of Professional Qualifications	1	1
Social Security	3	2
Meetings under Subcommittee IV	22	24
Working Groups		
Budgetary Matters	3	0
Civil Protection	0	0
Consumer Affairs	3	0
Cultural Affairs	0	0
Education, Training and Youth	4	1
Enterprise Policy and Internal Market Affairs	2	0
Environment	2	15
Gender Equality, Anti-Discrimination and Family Policy	1	0
Heads of National Statistical Institutes	1	1
Health and Safety at Work and Labour Law	2	5
Public Health	2	2
Research and Innovation	2	0
SUBCOMMITTEE V	5	-

***** Two WGFS meetings, six Task Force meetings. The summer meeting of the WGFS, which was supposed to be held in Switzerland, was postponed until summer 2021.

Free Movement of Capital and Services

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

Financial Services

The Working Group on Financial Services is responsible for the legislation in the field of banking, insurance, pensions and securities, incorporated into Annex IX of the EEA Agreement and for legislation in the field of free movement of capital, incorporated into Annex XII of the EEA Agreement. In 2020, the Working Group met two times, with a physical meeting in January and an online meeting in October while a planned summer meeting in Switzerland was postponed until summer 2021. Additionally, the Financial Services Taskforce met with EU representatives at bi-monthly technical meetings, online since March, to discuss and agree on the draft decisions to incorporate legal acts outstanding.

Following the considerable progress from previous years in reducing the number of acts outstanding in the field of financial services, the Working Group put emphasis on finalising the incorporation of some older acts and preventing the accumulation of a new backlog of acts awaiting incorporation into the EEA Agreement.

While work on finalising the remaining acts outstanding in financial services continued, the Working Group also worked on preparing new legislation for incorporation, such as the review of the European Financial Supervisory Authorities and monitored new legislative proposals on the EU side.

The Group also processed measures related to the COVID-19 crisis and the preparations for the end of the UK transition period.

Company Law

The Working Group on Company Law covers legislation which enables businesses to be set up and to operate anywhere in the EEA and provides protection for shareholders and other stakeholders. Rules on company reporting, auditing and transparency rules are also covered under this legal framework. The relevant acts are incorporated into Annex XXII of the EEA Agreement.

The Working Group continued examining and preparing for the incorporation of recent relevant legislation in the field of company law, including by finalising for incorporation the second Shareholder Rights Directive and relevant secondary legislation.

Electronic Communications, Audiovisual Services and Information Society

The Working Group on Electronic Communication, Audiovisual Services and Information Society (ECASIS) is responsible for acts that cover a broad area of services. These include telecommunications, access to data, artificial intelligence, audiovisual media and information society, which are incorporated into Annex XI of the EEA Agreement. The Working Group met three times in 2020.

The Working Group progressed with the incorporation of the Regulation establishing the Body of European Regulators for Electronic Communications (BEREC) and the Directive establishing the European Electronic Communication Code. These two acts will replace the current regulatory framework for electronic communications. A group of experts had frequent meetings, including with the EU side, to prepare for the incorporation of the acts into the EEA Agreement.



Working group on electronic communications, audiovisual services and information society (ECASIS), November 2020.

The Working Group developed an EEA EFTA Comment on the Commission's strategies for artificial intelligence and data and engaged with the EU side on upcoming initiatives in these areas. It continued working on the incorporation of the amendments to the Audiovisual and Media Services Directive (AVMSD), the reporting and monitoring obligations under the Web Accessibility Directive, the Regulation on free flow of non-personal data and the Regulation on promoting fairness and transparency for business users of online intermediation services.

The Working Group followed closely the development of a new regulatory framework for digital services (Digital Services Act) and digital markets (Digital Markets Act), as well as the revision of the rules on privacy and electronic communications (ePrivacy), the potential participation of EFTA States in the Digital Europe Programme for 2021–2027 and the proposal for the Connecting Europe Facility. The Working Group followed up on EFTA participation in two new expert groups on connectivity and in the security of network and information systems (NIS) Cooperation Group.

Data Protection

The Expert Group on Data Protection is responsible for the incorporation of relevant acts in the field of data protection into Annex XI of the EEA Agreement. The Expert Group is a subgroup of the Working Group on ECASIS.

The Expert Group worked on the deletion of the Privacy Shield decision for EU–U.S. data transfer from the EEA Agreement following the Schrems II judgement. The Joint Committee Decision deleting the Privacy Shield from the EEA Agreement was adopted by the EEA Joint Committee in December 2020. The experts also engaged with the Commission in an EFTA–EU workshop on international data flows and analysed the first [report](#) on the evaluation and review of the [General Data Protection Regulation \(GDPR\)](#).

This report comes after two years of application of the GDPR.

Postal Services

The Working Group on Postal Services is responsible for the incorporation of acts concerning the regulatory framework for European postal services, into Annex XI of the EEA Agreement. The Working Group continued working towards the incorporation of the third Postal Services Directive which was adopted by the EEA Joint Committee in September 2020. The Working Group started the development of an EEA EFTA Comment on the evaluation of the Directive. It also continued working on the incorporation of the Regulation on cross-border parcel delivery services, adopted by the EU in spring 2018.

Transport

The Working Group on Transport covers all modes of transport, including road, rail, aviation, maritime, inland waterway transport and horizontal transport issues. The relevant acts are incorporated into Annex XIII of the EEA Agreement. The Working Group met five times in 2020. The Working Group decided to prepare for the set-up of a Task Force on Transport, with the aim of facilitating an effective processing of EU transport acts and ensuring timely incorporation of EEA-relevant transport acquis into the EEA Agreement.

The Working Group followed and discussed the initiatives published by the Commission in relation to the European Green Deal and issued an EEA EFTA Comment on the European Strategy for Sustainable and Smart Mobility.

In addition, the Working Group followed and processed EU measures related to the COVID-19 crisis and the UK's withdrawal from the EU.



Working group on transport at the EFTA Secretariat in January 2020.



Working group on transport.

General Transport

The Working Group continued to follow and assess the Regulation on electronic freight transport information, and the discussions and negotiations on the Space Programme and the European Union Agency for the Space Programme. The Working Group met with the European Commission to discuss aspects of possible participation in parts of the programme.

Road

The Working Group continued to follow the discussions and negotiations on the road-related acts in the first, second and third Mobility Packages. The Commission has adopted two regulations and one Directive under the first Mobility Package, related to posting of drivers, minimum requirements on breaks and rest and maximum driving times, which are under assessment in the EEA EFTA States.

Rail

The Working Group continued its work on incorporating the acts establishing the Single European Railway Area and the Fourth Railway Package. Discussions are ongoing between the EEA EFTA States and with the Commission on the necessary adaptations to the EEA Joint Committee decisions incorporating these two legislative packages which include a high amount of secondary legislation. A draft Joint Committee Decision for the incorporation of the fourth Railway Package was submitted to the EU in March 2020.

Maritime

A Regulation on the European Maritime Single Window environment was adopted in 2019 and is being assessed by the Working Group.

The EEA EFTA States and the EU continued their discussions on possible adaptations to the Regulation on common rules and standards for ship inspection and survey organisations. The Working Group also continued its assessment of three acts related to amendments of the mandate of the European Maritime Safety Agency.

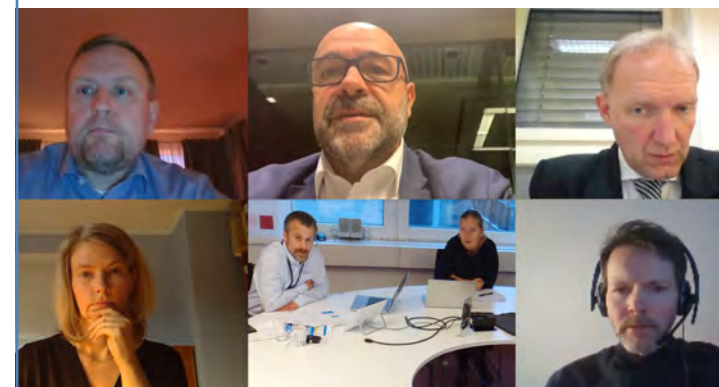
Civil Aviation

A draft Joint Committee Decision for the incorporation of the new basic Regulation for the European Aviation Safety Agency into the EEA Agreement was finalised by the Working Group and submitted to the EU. The Working Group continued its assessment of secondary legislation based on the basic Regulation, with the aim of incorporating a majority of the acts simultaneously.

The Working Group assessed and prepared for urgent incorporation into the EEA Agreement of several legislative measures related to the COVID-19 outbreak, including derogations to the rules on airport slots.

The Working Group maintained its preparations for the EFTA Standing Committee for the designation of a Performance Review Body of the Single European Sky for the EFTA States, and a draft Standing Committee decision was sent to the Performance Review Body with the Commission for comments.

The Working Group discussed and assessed the proposal for a Regulation on the implementation of the Single European Sky (SESII). The proposal includes transfer of the tasks of the Performance Review Body of the Single European Sky to the European Aviation Safety Agency. The Working Group met with the Commission which gave a presentation of the proposal.



Working group on transport, December 2020.

Free Movement of Persons

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

Free Movement of Persons, Employment and Social Policy

The Working Group on Free Movement of Persons, Employment and Social Policy follows initiatives that relate to one of the core freedoms of the Internal Market: free movement of persons. It is responsible for the incorporation of relevant acts into Annexes V and VIII of the EEA Agreement. The Working Group met twice in 2020 in joint meetings with the Working Group on Health and Safety at Work and Labour Law. Both meetings were organised as videoconferences.

The Working Group continued to follow closely the establishment of the European Labour Authority and the developments with regard to the European Social Fund Plus (ESF+). The Working Group discussed possible EU programme participation under the Multiannual Financial Framework 2021–2027 with a particular focus on the Employment and Social Innovation strand of the ESF+. Further, the Working Group assessed and discussed a number of contingency measures, guidelines and recommendations launched by the European Commission in response to the COVID-19 pandemic in the field of free movement of persons.

Finally, the Working Group followed the development of key actions launched in the communication of the European Commission on A Strong Social Europe for just transitions.

Social Security

The Working Group on Social Security is responsible for monitoring any amendments in the EU rules on the coordination of social security systems and their incorporation into Annex VI of the EEA Agreement. The Working Group met three times in 2020, all meetings organised as videoconferences.

The Working Group continued to follow closely the developments of the Commission proposal to revise the social security coordination rules, pending in the EU since 2016.

The Working Group followed the COVID-19 related measures in the field of social security and exchanged information of development at national level in general and on measures taken due to the COVID-19 pandemic.

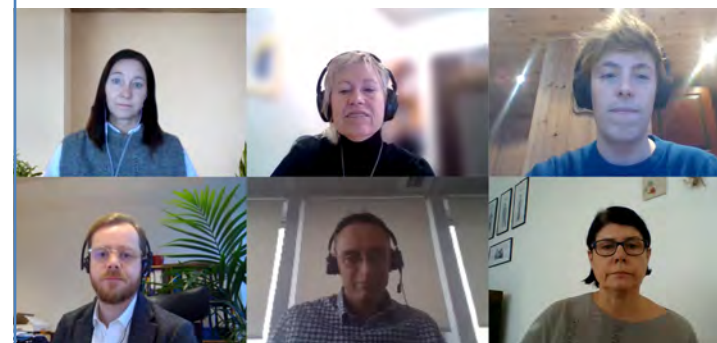
The experts of the Working Group participated in the process between the EEA EFTA States and the European Union on reaching a triangulation agreement on social security coordination rules due to the United Kingdom's withdrawal from the European Union.

The experts in the Working Group participated actively in meetings of the Administrative Commission for the Coordination of Social Security Systems.

Recognition of Professional Qualifications

The Working Group on Recognition of Professional Qualifications covers acts that facilitate the recognition of professional qualifications in the Internal Market, which are incorporated into Annex VII of the EEA Agreement. The working group had one meeting in 2020.

The Working Group prepared updates to Annex VII in relation to the incorporation of Commission Delegated Decisions from 2019 and 2020 concerning



Working group on social security, December 2020.

evidence of formal qualifications and titles of training courses. Directive (EU) 2018/958 which obliges Member States to undertake a proportionality test when they intend to introduce a new regulated profession, is in the process of being incorporated into the EEA Agreement. Furthermore, the Working Group continued examining Commission Delegated Regulation (EU) 2019/907 establishing a common training test for ski instructors.

Flanking and Horizontal Policies

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

Research and Development

The Working Group on Research and Innovation monitors the EU's research and innovation policy and initiatives which are covered by Protocol 31 to the EEA Agreement. The Working Group had two meetings in 2020.

The Working Group continued preparation for the EEA EFTA States' participation in Horizon Europe, the EU's ninth Framework Programme for Research and Innovation 2021–2027. Furthermore, the Working Group examined new EU policy initiatives in the areas of research and innovation, such as Commission proposals for achieving the European Research Area and the Horizon Europe Research and Innovation Missions. In addition, the group examined the impact of the European Recovery Instrument, NextGenerationEU, on the EEA EFTA States' participation in European research and innovation collaboration.

Environment

The Working Group on Environment covers legislation contained in Annex XX of the EEA Agreement. It covers, for example, acts on reports in the field of the environment, quality standards for water, protection from air pollution, harmful impacts of chemicals and acts regulating the waste sector. The Working Group met twice in 2020.

An important item in 2020 was the incorporation of Directive (EU) 2018/410 amending the emission trading scheme (ETS) Directive and the accompanying act on the Modernisation Fund into the EEA Agreement.

Progress was made on the incorporation of the Waste Package with the submission of draft Joint Committee Decisions incorporating acts on the landfill of waste and packaging of waste.

The Working Group followed discussions related to the European Green Deal and the initiatives for a new Circular Economy Action Plan, a Biodiversity Strategy for 2030, a revised 2030 Climate Target Plan and the seventh Environmental Action Programme.

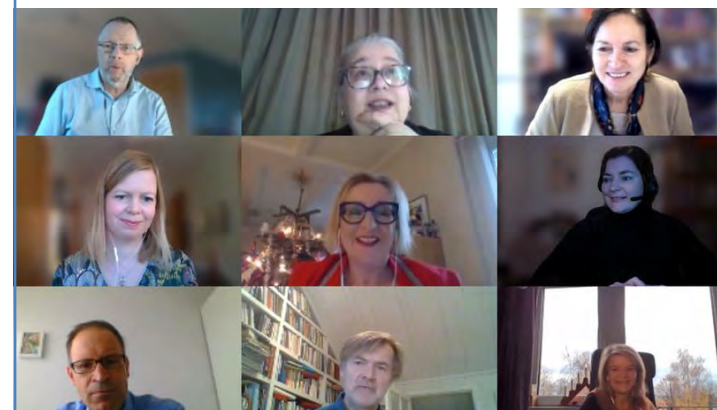
Education, Training and Youth

The area of education, training and youth is reflected in Protocol 31 to the EEA Agreement. The Working Group on Education, Training and Youth follows the EU's policies and initiatives in these fields. The Working Group had four meetings in 2020.

The Working Group continued preparations for EEA EFTA States' participation in the Erasmus+ and European Solidarity corps programmes 2021–2027. The group was actively engaged in monitoring and assessing proposals for several new policy initiatives such as the European Education Area, Digital Education Action Plan and European Skills Agenda.



Working group on research and innovation, November 2020.



Working group on education, training and youth, December 2020.

Gender Equality, Anti-Discrimination and Family Policy

Legislation on equal treatment between men and women is contained in Annex XVIII of the EEA Agreement. The Working Group on Gender Equality, Anti-Discrimination and Family Policy follows developments within the EU in the area of gender equality, anti-discrimination, family policy and the rights of the child. The Working Group had two meetings in 2020.

The Working Group prepared for the incorporation of the European Accessibility Act, which sets common accessibility requirements for certain key products and services that will help people with disabilities, and the Directive on Work-Life Balance for Parents and Carers, which sets minimum standards for parental and carers' leave. Furthermore, it prepared for possible EEA EFTA States' participation in the Citizens, Equality, Rights and Values programme 2021–2027. In addition, the Working Group assessed new policy initiatives, such as the European Gender Equality Strategy 2020–2025, which was published in March 2020.

Consumer Affairs

The Working Group on Consumer Affairs follows initiatives in the field of consumer protection and policies and is responsible for the incorporation of relevant legislative acts in this area into Annex XIX to the EEA Agreement.

The Working Group held three meetings in 2020, all online. For acts adopted in the EU, the Working Group contributed to the process leading to the incorporation into the EEA Agreement of:

- > Directive (EU) 2019/770 on contract rules for digital content and services and Directive (EU) 2019/771 on contracts for the sale of goods.

- > Directive (EU) 2019/2161 on better enforcement and modernisation of EU consumer protection rules.
- > Directive (EU) 2020/1828 on representative actions for the protection of the collective interests of consumers.
- > The proposed Consumer Protection Programme in the New Single Market Programme under the EU Multiannual Financial Framework (MFF) for 2021–2027.

The Working Group followed the European Commission's reviews of the Consumer Credit Directive and the Distance Marketing of Consumer Financial Services Directive. The Group furthermore started the discussions on the New Consumer Agenda (2020–25) adopted by the Commission in November 2020.

The Working Group met with representatives of the EU institutions and Member States/Council presidencies to discuss several of these acts and the New Consumer Agenda.

Enterprise Policy and Internal Market Affairs

The Working Group on Enterprise Policy and Internal Market Affairs has the responsibility inter alia for policies and legislation related to the Services Directive, the Internal Market Information System (IMI) and the problem-solving mechanism (SOLVIT), see Annex X to the EEA Agreement. The Working Group met two times in 2020, both times online.

The Working Group met with the European Commission to discuss the Commission's report on remaining barriers in the Single Market, the Single Market implementation and enforcement plan, and the New Industrial Strategy for Europe, all adopted in March 2020.

EEA EFTA Comments in 2020

One of the ways in which the EEA EFTA States participate in shaping EU legislation is by submitting comments to the EU on important policy issues. In 2020, two EEA EFTA Comments were sent to the Commission, the European Parliament and the Council on the following issues:

- > Artificial Intelligence and Data Strategy
- > The New European Strategy for Sustainable and Smart Mobility

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

For acts adopted in the EU, and the annual financial contribution to several Internal Market activities of the Europe Commission, the Working Group contributed to the process leading to the incorporation into the EEA Agreement of:

- > The Geo-blocking Regulation which was incorporated into the EEA Agreement by a Joint Committee Decision in December 2019 and entered into force in the EEA in August 2020.
- > The Regulation on the Single Digital Gateway (SDG), entering gradually into force in 2020, 2022 and 2023.
- > The EEA EFTA States' financial contribution to two Internal Market budget lines of DG GROW in 2020.

The Working Group furthermore coordinated the assessment of future participation in the Single Market Programme (SMP) for the period 2021–2027, proposed by the Commission in June 2018. The new programme will support an effective Single Market, including the Internal Market Information System (IMI), the SDG and SOLVIT, competitiveness of SMEs, European statistics, food safety and the protection of consumers. Financial support to the European standardisation system will also be a part of the SMP from 2021. The four EFTA States will, however, continue to finance the European standardisation system outside the SMP.

Civil Protection

The Working Group on Civil Protection is responsible for monitoring the participation in EU activities in the field of civil protection, in particular as regards the Union Civil Protection Mechanism (UCPM) included in Protocol 31 to the EEA Agreement and in which Iceland and Norway take part. The UCPM proved a useful tool during the COVID-19 pandemic, inter alia for the repatriation of citizens during the first part of the pandemic.

The Working Group assessed participation in the proposed civil protection mechanism under the EU Multiannual Financial Framework (MFF) for 2021–2027. To this end, the Working Group met online with DG ECHO. Experts in the Working Group participated in the work of the Commission's Civil Protection Committee.

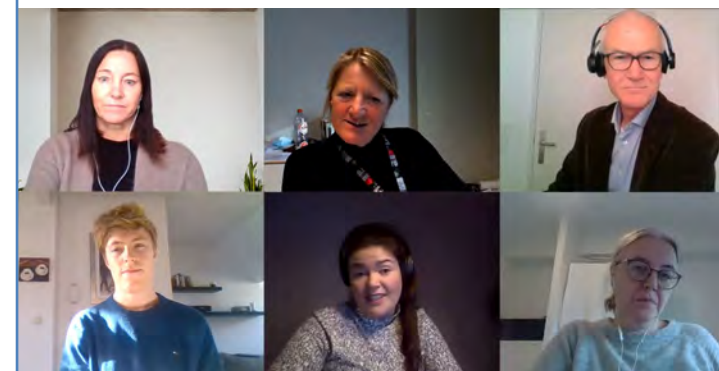
Health and Safety at Work and Labour Law

Legislation in the fields of health and safety at work and labour law is incorporated in Annex XVIII of the EEA Agreement. The Working Group on Health and Safety at Work and Labour Law is responsible for monitoring and incorporating acts in this field. It met twice in 2020 in joint meetings with the Working Group on Free Movement of Persons, Employment and Social Policy.

Close attention has been paid to the initiative on fair minimum wages in the European Union, launched by the European Commission in January 2020. The Working Group has followed closely the ongoing discussions at national and European level and the consultations with the social partners, businesses and trade unions. In October 2020 the Commission proposal for a Directive on adequate minimum wages in the European Union was adopted and the Working Group started the process on assessing the proposal for a possible incorporation into the EEA Agreement.

Progress was made on the Regulation on establishing a European Labour Authority (ELA). The Working Group continued to follow closely the establishment of the Authority.

Close attention has also been paid to the Directive on transparent and predictable working conditions, on the implementation of the revised Posting of Workers Directive and to the Directive on Whistleblower Protection.



The working group on health and safety at work and labour law, and the working group on free movement of persons, employment and social policy met jointly in November 2020.

The Working Group discussed the COVID-19 related measures in the field of health and safety at work and the delegations exchanged information on measures taken due to the COVID-19 pandemic.

Finally, the Working Group followed the development of key actions launched in the communication of the European Commission on A Strong Social Europe for just transitions.

Public Health

The Working Group on Public Health met twice in 2020. EEA EFTA experts followed relevant EU policy developments, e.g. related to health technology assessments, health in the future EU budget and medicines and intellectual property.

The Working Group has followed closely numerous measures launched by the European Commission due to the COVID-19 pandemic in the field of public health, e.g. the EU Strategy for COVID-19 vaccines and the Council Recommendation on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic. Close attention has also been paid to the discussions on the EU4Health Programme and Europe's Beating Cancer Plan.

The Working Group started the work on assessing the Commission proposals on Building a European Health Union. The proposals amend the Regulation on establishing the European Centre for Disease Prevention and Control (ECDC) and propose a regulation on serious cross-border threats to health.

The Working Group followed the Commission initiative for revised rules on blood, tissues and cells for medical treatment and therapies. Finally, the Working Group followed the Commission's Farm to Fork Strategy in relation to public health aspects.

Cultural Affairs

The Working Group on Cultural Affairs has as its key priority to ensure participation of all three EEA EFTA States in the Creative Europe programme in the period 2021–2027. The Working Group continued its assessment of the programme, in particular with regard to the Creative Europe Committee's work on the revision of the level playing field mechanism of the programme's media strand and the work programme for 2021.

Budgetary Matters

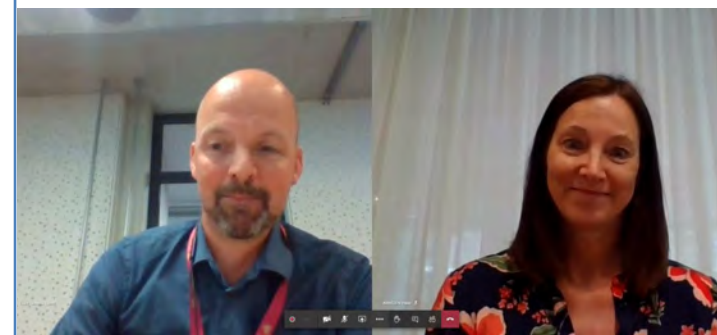
The Working Group on Budgetary Matters is responsible for the timely and correct application of the budgetary provisions set down in Article 82 of the EEA Agreement and Protocol 32 to the EEA Agreement. The Working Group also plays a coordinating role when it comes to the assessment of the EU's Programme portfolio in the EU's future Multiannual Financial Framework 2021–2027.

In 2020 the Working Group has been engaged in dialogue with the EU on practical arrangements for the EEA EFTA States' participation in EU Programmes in the period 2021–2027.

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

EEA EFTA participation continued under the 2014–2020 Multiannual Financial Framework, with participation in 14 EU programmes. The EEA EFTA States' commitment to EU operational costs in 2020 was EUR 491.9 million; an increase from EUR 435 million in 2019.

The EEA EFTA net payment in 2020 amounted to EUR 429.3 million, adjusted for 2018 credits; an increase from EUR 392.7 million in 2019.



Working group on public health, June 2020.

The EEA EFTA States also contribute to the administrative costs of the European Commission, an important part of which is the contribution in kind of seconded national experts. Twenty- six EEA EFTA national experts were seconded in 2020 to the various directorates within the Commission dealing with EEA-relevant programmes and activities.

Cooperation in Statistics

The EFTA Statistical Office (ESO) in Luxembourg is a central bridging body between the EFTA National Statistical Institutes (NSIs) and Eurostat. Monitoring new EU legislation in the field of statistics, assisting NSIs in assessing the EEA relevance of new legal acts and incorporating these into the EEA Agreement are at the core of ESO's activities.

Furthermore, ESO works closely with Eurostat on the development of the EEA Annual Statistical Work Programme and monitors the inclusion of EFTA data in Eurostat publications. As part of its cooperation with Eurostat and the EFTA NSIs, ESO co-organises courses for statisticians in the framework of the European Statistical Training Programme (ESTP) and supports statistical training and capacity building in third countries, primarily in Europe's border regions to the east and south. ESO is located at the same premises as Eurostat in Luxembourg.

The COVID-19 pandemic had a major impact on activities in the European Statistical System (ESS) during 2020. Luckily, the ESS proved to be remarkably resilient in the face of crisis, with ESO, Eurostat and the NSIs of the EU and EFTA States adapting successfully to the changing circumstances. For ESO, the biggest challenge was in the area of ESTP and third-country cooperation, where several courses and events had to be either postponed or recast in an online format at short notice.

Fig. 6 – EEA EFTA financial contributions to EU programmes, agencies and other activities (payments in thousand EUR)

Sectors of activity	2019	2020
Research	259 670	278 284
Education, training and youth	69 970	76 162
Transport	41 140	42 067
Audiovisual sector	5 038	5 717
Public health	4 826	5 680
Information services	3 158	3 295
Social policy and employment	2 429	3 105
Product requirements (chemicals, food, medicines)	1 846	2 745
Statistics	1 741	2 158
Civil protection	1 288	6 290
Environment	950	1 022
Consumer protection	549	775
Enterprise, innovation, SMEs	62	1 615
Culture	–	
Energy	–	399
Total EEA EFTA contribution	392 667	429 314

Legal and Institutional Developments

The initial priorities in 2020 were the following:

- > The continuous integration of the EFTA States at all levels of the European Statistical System (ESS), by monitoring new legal initiatives from the Commission, by providing assistance to the EEA EFTA NSIs in the assessment of new legal acts, and by ensuring the timely incorporation of these acts into the EEA Agreement.
- > Developing the 2020 EEA Annual Statistical Work Programme based on the European Statistical Programme (ESP), in close cooperation with Eurostat.
- > Preparing for the planned incorporation of the ESP into the 2021–2027 Single Market Programme and ensuring the continued participation of the EEA EFTA States in European statistical cooperation under similar conditions as in the past.
- > Assisting the EEA EFTA NSIs in assessing the challenging new framework regulations on social statistics and business statistics and identifying potential need for adaptations.
- > Enhancing the visibility and knowledge of EFTA and the EEA Agreement within Eurostat.

An additional priority that came up out of necessity early in the year was obviously the need to adapt to the situation caused by COVID-19.

Only one new act (Regulation (EU) 2019/516 on gross national income) was incorporated into Annex XXI of the EEA Agreement in the course of 2020. 32 acts, including four acts of the European Parliament and the Council, were pending at expert level or with Subcommittee IV at the end of the year. One important reason for this is that experts in the EEA

EFTA NSIs prefer to analyse the framework regulations on business statistics (Regulation (EU) 2019/2152) and social statistics (Regulation (EU) 2019/1700) together with the associated implementing and delegated acts. Institutional reorganisation could also play a role.

Important acts adopted by the EU in 2020 include Regulation (EU) 2020/851 on migration and international protection statistics, and the general implementing act on business statistics (Regulation (EU) 2020/1197).

ESO has been working with the EEA EFTA NSIs in order to ensure continued frictionless participation in European statistical cooperation when statistics ceases to be a separate EU programme and becomes integrated into the new Single Market Programme 2021–2027.

Other Priority Areas

In addition to its core activities, ESO contributed to EFTA's presence and visibility in the ESS by:

- > Monitoring the inclusion of EFTA data in Eurostat's databases and publications;
- > Working closely with Eurostat management and staff on a day-to-day basis;
- > Maintaining the active involvement of EFTA and the EFTA NSIs in EU statistical assistance projects, mostly in the framework of the European Neighbourhood Policy (ENP); and
- > Contributing substantially to the European Statistical Training Programme (ESTP).



ESO published an article in May 2020 entitled: Labour market vulnerability in the EU and EFTA Member States.



ESO published an article in June with the title: Transaction data in the consumer price index.

Production and Dissemination of EFTA Statistics

Protocol 30 to the EEA Agreement and the Swiss–EU Statistical Agreement provide for statistical information from all EFTA States to be transmitted to Eurostat for storage, processing and dissemination. In dialogue with the EFTA NSIs and Eurostat, ESO continues to strive for the regular and complete inclusion of EFTA data in Eurostat databases and publications. ESO presents the results of the inclusion monitoring in an annual report to the EFTA NSIs and to Eurostat's top management. Several changes to the methodology and format of the inclusion report have been made in recent years, and ESO seeks to introduce further improvements in order to keep pace with Eurostat's evolving dissemination policy.

EFTA Participation in Eurostat Working Groups and Committees

In a normal year, Eurostat organises more than 100 meetings to prepare and implement new legislation, exchange and develop methodologies and follow up on data collection. In spite of the difficult circumstances created by the global pandemic, Eurostat managed to stick to the planned meeting schedule, although all meetings after March 2020 were held online. Statisticians from the EFTA States participate actively in the relevant meetings on an equal footing with their counterparts from the EU Member States.

Statistical Assistance and Cooperation with Third Countries

EFTA works closely with Eurostat on statistical assistance projects in third countries. In 2020, this cooperation was based on an Administrative Arrangement (AA) between the two institutions, covering the years 2020–2022 which entered into force on 1 January 2020.

Statistical technical cooperation with third countries outside the ESS almost came to a standstill in 2020 due to the COVID-19 crisis. Travelling is still not possible and gatherings with more than a few people are still prohibited in many countries. However, ESO together with its partners like Eurostat and the United Nations Economic Commission for Europe (UNECE) managed to convert some of its activities foreseen as physical meetings in 2020 into virtual online events.

Priority is given to the countries in the East European, Caucasus and Central Asian (EECCA) region, which includes the countries of the European Neighbourhood Policy (ENP) East. The countries covered by ENP South (countries in North Africa and the Near East), and the EU enlargement countries, are included as well. Assistance can also be provided to countries in other regions that have concluded free trade agreements or joint declarations of cooperation with EFTA.

The main activities and projects in 2020 were:

- > The first mission of the Global Assessment of the statistical systems of Kyrgyzstan, in cooperation with Eurostat and UNECE in early 2020; EFTA provided expertise from ESO and from the EFTA NSIs. The second mission is still outstanding. A peer review to the Palestinian Statistical Office (PCBS), as well as a requested IT-sector review in the statistical office of Namibia had to be postponed to 2021 due to COVID-19 measures.
- > The High-Level Group (HLG) on Statistical Cooperation with EECCA countries was jointly hosted for the first time online by EFTA, Eurostat and UNECE in September 2020. EFTA provided the online platform, interpretation, expertise from ESO and general logistical support.



Global Statistical Assessment meeting with Belarus.



Global Statistical Assessment meeting with Kyrgyzstan.

- > EFTA provided the online platform and interpretation for a joint three-day UNECE/EFTA workshop on population censuses.
- > The annual workshop to assist the EECCA countries in implementing the 2008 System of National Accounts (SNA 2008), which is a joint initiative of EFTA, UNECE and Eurostat, had to be postponed to 2021.
- > Several statistical training courses were re-organised as webinars. ESO together with UNECE organised a series of three webinars during November/December 2020 on climate change related statistics. A training course on human resources management training (HRMT) was given as an online event. Planned training courses on the production and use of geospatial data (GIS) and on producing official statistics with the software R had to be postponed to 2021.
- > An online expert support for using a mix of survey and register based data in the census in Armenia was jointly organised with UNECE and the statistical office of Belarus.
- > A counter visit of the Serbian Statistical Office to Statistics Norway on Health Accounts had to be postponed to 2021.

EFTA also provided funding for some UN publications.

European Statistical Training Programme

An exchange of letters between the EFTA Secretariat and Eurostat stipulates that EFTA shall finance two to four ESTP courses per year. In return, statisticians from the EFTA States have the right to apply for participation in all ESTP courses.

Due to the COVID-19 situation, the ESTP courses had to be re-organised. EFTA financed 3 ESTP courses in 2020: A course by Statistics Iceland introducing R and the Generic Statistical Business Process Model (GSBPM) and a course on statistical indicators by the Swiss Federal Statistical Office (FSO) were held online. The course on geospatial information systems (GIS) by Statistics Norway had to be postponed to 2021.

EFTA National Experts Seconded to Eurostat

The secondment of national experts to Eurostat ensures the continued visibility of EFTA and the EFTA NSIs in EFTA–EU general statistical cooperation and in joint projects. In 2020, four experts from Statistics Norway and two experts from the Swiss FSO were seconded to Eurostat within the framework of the EEA Agreement and the Swiss–EU Statistical Agreement. One Icelandic and one Norwegian expert were seconded to Eurostat as a specific contribution in kind to EFTA–EU statistical cooperation with third countries, financed by EFTA through the Administrative Arrangement.

One of the Swiss experts left Eurostat in May, when his six-year term came to an end, and was immediately replaced. One of the Norwegian experts seconded under the EEA Agreement left in November, after four years. The process to find a replacement has been initiated.



The United Nations Economic Commission for Europe (UNECE) together with Elena Friso, at the EFTA Statistical Office (ESO) which co-organised the Human Resources Management Training in September 2020.



EEA and Norway Grants

Reducing Disparities and Strengthening Bilateral Relations

The EEA and Norway Grants are funded by Iceland, Liechtenstein and Norway. The main goal of the Grants is to reduce economic and social disparities in the EU and strengthen bilateral relations between the donor states and 15 beneficiary states in Central and Southern Europe and the Baltics: Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia. The Grants are directly linked to the EEA Agreement.

Supported by the Norway Grants, two new community centres in Iasi and Ploiesti provide vulnerable families with better access to basic services in education, health and social protection, including an afterschool programme for children. Author: Kristianne Marøy © Krigsropet.

Working towards a green, competitive and inclusive Europe

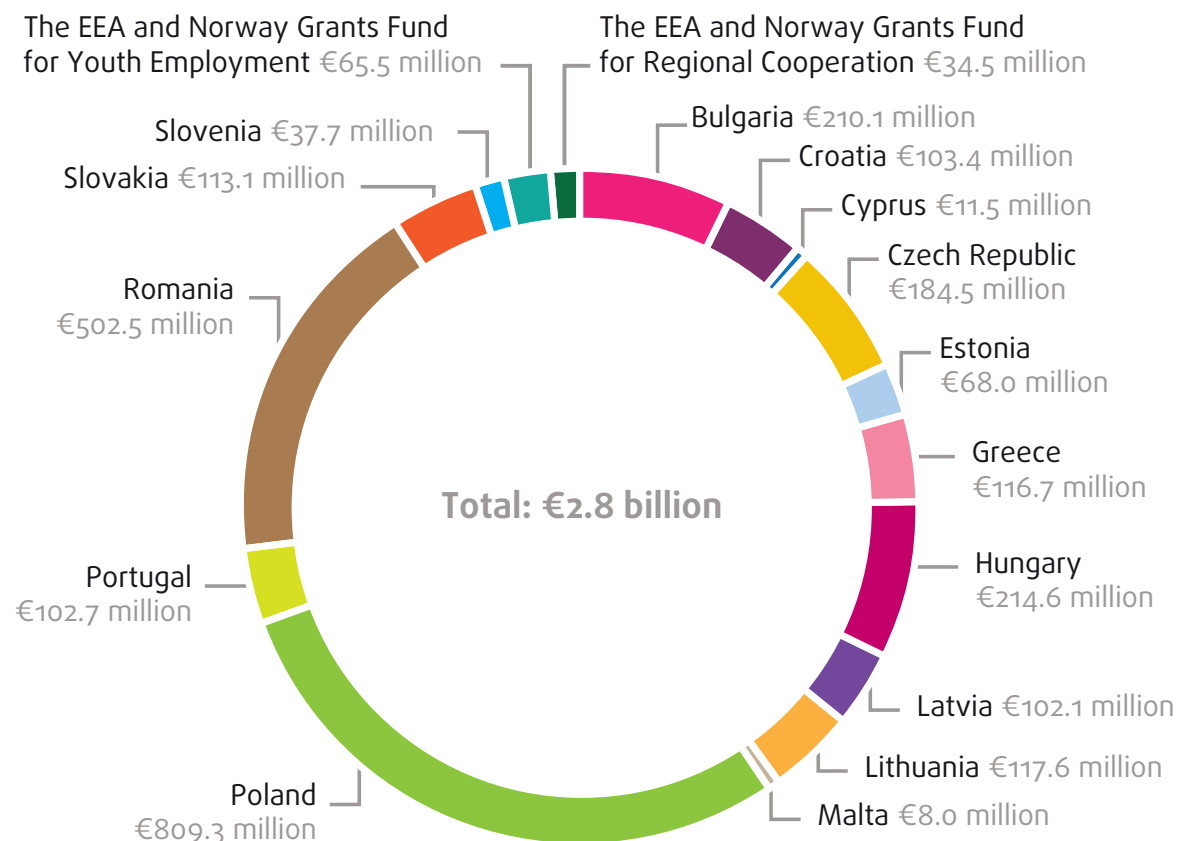
For the funding period 2014–2021, Iceland, Liechtenstein and Norway will contribute with a total amount of €2.8 billion. Five priority sectors have been agreed between the donor states and the EU to help build a greener, more competitive and inclusive Europe. The different priority sectors aim to respond to the shared challenges Europe is facing:

- > Innovation, research, education and competitiveness
- > Social inclusion, youth employment and poverty reduction
- > Environment, energy, climate change and low carbon economy
- > Culture, civil society, good governance and fundamental rights
- > Justice and home affairs

There are currently over 90 programmes and two Regional Funds formally agreed between the donor states and beneficiary states. These programmes support areas ranging from civil society to SMEs and innovation, research, scholarships, green energy, adaptation to climate change, improved rule of law, strengthened asylum and migration systems, reduced youth unemployment, social inclusion, cultural heritage and improved bilateral and regional cooperation.

More details on the programme areas eligible for support can be found here: <https://eeagrants.org/resources/eea-and-norway-grants-2014-2021-blue-book-overview-supported-programme-areas>

Fig. 7 – EEA and Norway Grants 2014–2021



2020: A Snapshot of Results and Achievements

2020 was marked by the COVID-19 pandemic and its human and socio-economic toll. The health crisis had unprecedented effects on our lives, societies and ways in which we work together and collaborate across countries. Both donor states and beneficiary states had to quickly adapt to the changes and overcome unforeseen obstacles in their work with the Grants, such as lockdowns, curfews, quarantine and closure of borders.

During 2020, and despite the challenges posed by the COVID-19 pandemic, the current funding period entered the implementation phase, meaning that most of the programme agreements have now been signed. This brought the total number of programmes in the beneficiary states to 95. Programme and fund operators successfully launched 277 calls and signed 1 296 new projects under the EEA and Norway Grants.

By the end of 2020, the EEA and Norway Grants had supported over 400 civil society organisations through funding. This led, among other things, to more than 3 000 people actively engaging in civil society activities, such as standing up for human rights, democracy, social justice and gender equality.

Well-functioning healthcare systems are fundamental for maintaining healthy populations and essential for a country's economic productivity and social development. To that end, funding from the EEA and Norway Grants helped over 7 500 people benefit from social and health services (such as medical services, legal advice and counselling, informal, education, helplines, shelters, etc).

Supporting businesses and investing in education is essential for ensuring social inclusion and strengthening Europe's competitiveness in an increasingly globalised world. By the end of 2020, over 900 professional staff had been trained through the Grants, over 90 jobs had been created, and over 60 SMEs had received support from the Grants, just to name a few results.

Preserving cultural heritage is key to Europe's future. The EEA and Norway Grants help make culture more accessible and contribute to local jobs, skills development, and resilience in local communities. To date and pre-COVID-19, over 20 000 people had attended cultural performances supported by the Grants in the beneficiary states.

Finally, the EEA and Norway Grants aim to have an impact, not only socially and economically but also by strengthening cooperation between the donor and beneficiary states. Bilateral involvement in programmes and projects help contribute to awareness raising, changes in attitudes and the development of trust between cooperating organisations across borders. By the end of 2020, over 200 projects involved a partner from the donor states. Cooperation under the Grants help lay the foundation for further collaboration, with many partners planning to develop future projects together.



The Molde 50 project, funded by the EEA Grants, promotes employability and social inclusion of vulnerable women above 50 years of age in Portugal. During the COVID-19 pandemic, they used their newly acquired skills to sew masks for those who needed it the most.

Photo credit: Márcia Lessa

Planned Results

By focusing on people and societies, fostering sustainable economic growth and encouraging collaboration and partnerships across sectors and countries, the EEA and Norway Grants are building the foundation for a greener, more competitive and inclusive Europe.

By the end of the current funding period, Iceland, Liechtenstein and Norway aim to have involved more than 200 000 people in civil society activities, created more than 8 000 jobs, supported over 1 600 researchers and reduced the annual CO₂ emissions by 700 000 tonnes (equivalent to emissions from approximately 400 000 cars).

Combating regional and social disparities and strengthening bilateral relations between the donor and beneficiary states is at the heart of the EEA and Norway Grants and now more important than ever.

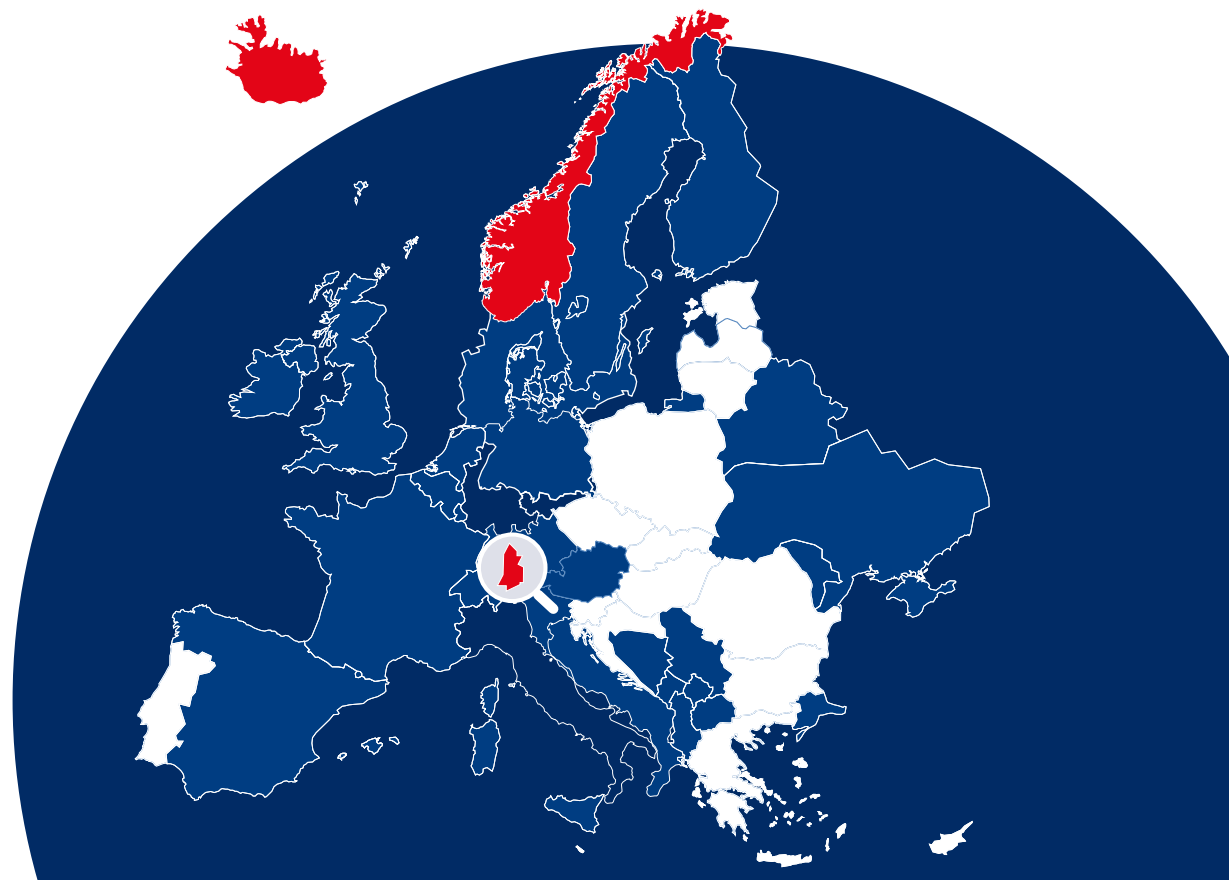
[Find out more about our programmes and goals here.](#)

The EEA and Norway Grants: Working together to reduce social and economic disparities in Europe and strengthen cooperation between European countries

15
beneficiary
countries

3
donor
countries

2.8
billion
euro





Advisory Bodies

EFTA has two advisory bodies. The EFTA Parliamentary Committee (EFTA PC) is composed of parliamentarians from the parliaments of the four Member States, while the EFTA Consultative Committee (EFTA CC) consists of representatives from trade union confederations and employers' organisations.

The two advisory bodies scrutinise EFTA's trade relations with third countries as well as relations with the EU through the EEA Agreement. They issue opinions to the EFTA decision-making bodies and meet regularly with the EFTA Ministers. The scrutiny of the EEA cooperation is also done in joint bodies with their counterparts in the EU. The EEA Joint Parliamentary Committee (EEA JPC) is composed of Members of the European Parliament (MEPs) and parliamentarians from the EEA EFTA States while the EEA Consultative Committee (EEA CC) is composed of representatives from the EFTA CC and the European Economic and Social Committee (EESC).

EFTA PC trade seminar in February, from left: Svein Roald Hansen, Chair of the Parliamentary Committee; Eric Nussbaumer; Hans-Peter Portmann.

Dialogue between the Advisory Bodies and the EFTA Ministers

Despite the COVID-19 pandemic, the EFTA Parliamentary and Consultative Committees held several online meetings with EFTA Ministers throughout the year to discuss third-country relations and EEA affairs.

In June, the advisory bodies discussed with the EFTA Council at ministerial level the consequences of the COVID-19 pandemic on EFTA States' economies. The discussion built upon opinions and policy recommendations addressed both by the EFTA PC and the EFTA CC to the Ministers outlining the advisory bodies' suggestions to overcome the crisis and sustain EFTA's economies in the future. Relations with trade partners as well as with the United Kingdom were also thoroughly discussed.

In October, the advisory bodies and the ministers discussed the opinions sent by both the EFTA PC and the EFTA CC on the new draft EFTA model chapter on e-commerce. The revision of the draft EFTA model chapter on trade and sustainable development as well as EFTA's experiences after 10 years of negotiating and implementing trade and sustainable provisions in EFTA's free trade agreements were discussed at large. The ministers also informed the members of the advisory bodies about new concrete measures EFTA was about to implement to increase the transparency of EFTA free trade negotiations and the involvement of the advisory bodies in these processes. The state of play of relations with third countries and with the United Kingdom were also on the agenda.

In November, the EFTA PC and CC also met with the EEA EFTA Ministers of Foreign Affairs on the margins of the biannual EEA Council. The meeting provided the opportunity to discuss cooperation with the EU

amid the COVID-19 pandemic and the functioning of the EEA agreement. The state of play as regards the relations with the United Kingdom was also thoroughly discussed.

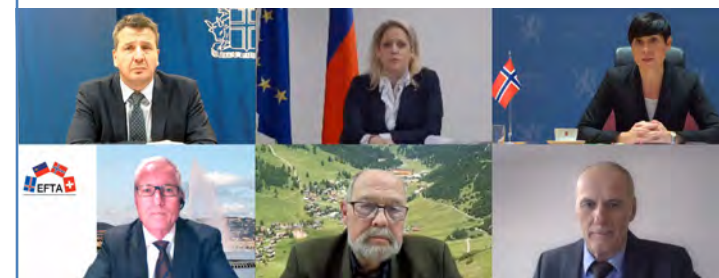
The EFTA Parliamentary Committee

The EFTA Parliamentary Committee was chaired by Mr Svein Roald Hansen, Member of the Norwegian Parliament.

Third-Country Relations/Trade

Before the outbreak of the COVID-19 pandemic, the EFTA parliamentarians held on 4 February 2020 their annual trade seminar in Brussels. On this occasion, they met with Phil Hogan, the European Commissioner for Trade as well as with Ms Heidi Hautala and Ms Karin Karlsbro, Members of the European Parliament and Coordinators for the Greens/European Free Alliance, respectively for the Renew Europe Political Groups in the Committee on International Trade of the European Parliament. They also discussed relations with the United Kingdom with Ms Clara Martinez-Alberola, Deputy Head of the European Commission's task force on the relations with the UK and representatives of the UK Mission to the EU. The project of introducing a Carbon Border Adjustment Mechanism was also discussed with representatives of think tanks.

In April, the EFTA PC convened for its first online meeting and discussed the measures taken by the governments in their respective countries to cope with the impact of the COVID-19 pandemic. This was followed by an exchange of views on the political situation in each country.



EFTA advisory bodies with Foreign Ministers. Clockwise from top left: Guðlaugur Þór Þórðarson, Icelandic Minister for Foreign Affairs; Katrin Eggenberger, Liechtenstein Minister for Foreign Affairs; Ine Marie Eriksen Søreide, Minister of Foreign Affairs of Norway; Co-chair Sigi Langenbahn, Co-Chair Svein Roald Hansen; and Henri Gétaz, Secretary General of EFTA.



EFTA parliamentarians meet jointly with EFTA social partners. Clockwise from top left: Kira Marie Peter-Hansen, Coordinator for the Greens/European Free Alliance political group; Barbara Kauffmann, Director Employment and Social Governance at the Directorate for Employment, Social Affairs and Inclusion of the European Commission; Smári McCarthy, member of the Icelandic Parliament; Elfried Hasler, member of the Liechtenstein Parliament; Chair Svein Roald Hansen, member of the Norwegian Parliament; and Eric Nussbaumer, member of the Swiss Parliament.

In June, the parliamentarians discussed the impact of the COVID-19 pandemic on the global value chains and what it meant for the EU and EFTA's trade policies. On this occasion, the EFTA PC met with Sandra Gallina, Deputy Director-General of the Directorate General for Trade (DG TRADE) in the European Commission. Transparency in trade negotiations was also discussed jointly with the EFTA CC and prominent experts in the field.

In August, the EFTA PC convened jointly with the EFTA CC to discuss with key experts in the field of digital trade. They assessed the new EFTA draft model chapter on e-commerce and subsequently addressed opinions to the EFTA Council.

In October, the parliamentarians met with Mr Pascal Lamy, former EU Trade Commissioner and WTO Director-General. They discussed the current challenges posed to the multilateral trading system.

Throughout the year, the members of the EFTA PC attended some of the webinars organised by the EFTA CC (see below).

Joint Meetings with the European Parliament

The first meeting of the EEA Joint Parliamentary Committee (EEA JPC) was scheduled to take place from 19 to 20 May 2020 in Reykjavik. Due to the outbreak of the COVID-19 pandemic, the meeting had to be cancelled. As a replacement, the EFTA PC organised a meeting on 19 May to discuss the impact of the COVID-19 pandemic on the Internal Market and the EEA as well as the cooperation between the EU and EFTA countries during the crisis. The President of the EEA JPC, Mr Andreas Schwab, as well as Ms Kerstin Jorna, Director-General of the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs in the European Commission addressed the parliamentarians on these issues.

On 16 November, the EEA JPC convened formally via videoconference under the Chairmanship of Mr Andreas Schwab, President of the EEA JPC and Head of the EP delegation for relations with EFTA countries and the EEA. On this occasion, EU and EFTA parliamentarians discussed the latest developments in the EEA and adopted a resolution on the functioning of the EEA in 2019. The EEA JPC also discussed the state of the Internal Market and the EEA amid the second wave of the COVID-19 pandemic. They also took stock of their respective ongoing negotiations with the UK on a free trade agreement.

The EFTA Consultative Committee

Mr Jan Atteslander (from the Swiss employers' organisation *economiesuisse*) was Chair of the Committee throughout 2020.

The EFTA CC held a wide range of online meetings throughout the year. The physical committee meetings planned for March and June had to be cancelled due to the COVID-19 pandemic. However, while regular meetings were replaced with online videoconferences, the Committee also organised over a dozen webinars to continue to discuss topical EEA/EFTA issues and measures adopted in EFTA States in countering the health and socio-economic impact of the pandemic. The main issues on the agenda of the EFTA CC in 2020 were:

- > Trade and sustainable development;
- > E-commerce;
- > Transparency in trade negotiations;
- > The UK's withdrawal from the EU/EEA; and
- > New EU initiatives such as the European Green Deal and the New Industrial Strategy.



EFTA parliamentarians discuss resumption of free trade negotiations with Thai representatives. Clockwise from top left: Elfried Hasler (MP Liechtenstein); Chair Svein Roald Hansen (MP Norway); Dr Sansern Samalapa, Thai Vice-Minister of Commerce; Honourable Chuan Leekpai, President of the National Assembly and Speaker of the House of Representatives of the Thai Parliament; Smári McCarthy (MP Iceland); Eric Nussbaumer (MP Switzerland).



EEA Joint Parliamentary Committee. Clockwise from top left: Ambassador Sabine Monauni, EFTA Chair of the EEA Joint Committee; MEP Andreas Schwab, President of the EEA JPC and Chair of the D-EEA delegation; Christel Schaldemose, Member of IMCO committee; Smári McCarthy, MP and Chair of the Icelandic delegation; Svein Roald Hansen, Vice President of the EEA JPC and Chair of the EFTA PC; Kathleen Stranz, German Presidency of the EU Council and EU Chair of the EEA Council.

Under the chairmanship of Jan Atteslander, the Committee organised a series of webinars in the first half of the year (on 26 March; 2 April; 16 April; 23 April; 7 May; 14 May; 4 June). These were on the impact of the pandemic on the EFTA States' economies, labour market, health policy, EFTA trade policy, developing countries and on the coordination of COVID-19 measures between EFTA and the EU. Members of the EFTA PC were also invited to these webinars.

The EFTA CC also held several videoconferences jointly with the EFTA PC. In June, they discussed the new draft e-commerce model chapter for EFTA FTAs, the monitoring of TSD chapters, new measures aiming at improving transparency in EFTA trade negotiations, and artificial intelligence. The EFTA CC also convened with the EFTA PC in August to exchange with e-experts in the field of digital trade and assess the new e-commerce EFTA model chapter. Subsequently, the Committee addressed its opinion on the new model chapter to the EFTA Council.

The e-commerce model chapter was also discussed by Committee members in the CC meeting that took place in October, in addition to an exchange on COVID-19 measures and views on the socioeconomic situation in each country.

In November, the EFTA CC held its last meeting of the year where it adopted its Work Programme for 2021 and elected its next chair and bureau members. It also discussed how the EEA and Single Market was coping with the second wave of the pandemic and the EU's proposal on minimum wages.

Joint Work with the EU

The EEA Consultative Committee is composed of members of the EFTA CC from Iceland, Liechtenstein and Norway and members from the European Economic and Social Committee (EESC). The Committee meets once a year.

The EEA Consultative Committee took place on 18 September 2020 via videoconference. Members of the EFTA CC and the EESC discussed the impact of the COVID-19 pandemic on the EEA labour market, the European Green Deal, circular economy, current EU/EFTA issues and the EU's new Industrial Strategy

The EEA CC also adopted a report and resolutions on:

- > The European Green Deal; and
- > The EU's New Industrial Strategy and the EEA.

The EEA EFTA Forum

The EEA EFTA Forum of Elected Representatives of Local and Regional Authorities was established by the EFTA Standing Committee in 2009 as an informal body to involve elected representatives from local authorities and regions in EEA matters. It currently has 12 members (six from Iceland and six from Norway) and Switzerland participates as a permanent observer. Ms Rakel Óskarsdóttir (Iceland) chaired the Forum in 2020.

Under normal circumstances the EEA EFTA Forum organises two plenary meetings every year but due to COVID-19, the Forum held one meeting in June 2020 via videoconference. During this 21st meeting of the Forum, representatives exchanged views on the EEA Agreement and the EU-Switzerland bilateral relationship in relation to the COVID-19 crisis in Europe. Ambassador Rolf Einar Fife, Norway's Ambassador to the EU, and Ambassador Urs Bucher, Switzerland's Chief of Mission to the EU, participated in the debate. Members of the EEA EFTA Forum also discussed the main policy topics currently on the EU agenda that were of relevance to the EFTA Member States and of importance at the local and regional level and exchanged views on these issues with Mr Odd Godal, Counsellor of local government and regional development at the Norwegian Delegation in Brussels. The Forum did not adopt opinions in 2020.



EFTA Consultative Committee in November. Clockwise from top left: Bente Angell-Hansen, President of the EFTA Surveillance Authority; Jan Atteslander, CC Chair; Reto Wyss, CC Chair elected; Carles Esteva Mosso, Deputy Director-General of DG Competition in the European Commission.



EFTA CC in April: Clockwise from top left: Brigitte Haas, Managing Director of the Liechtenstein Chamber of Commerce; Finn Denstad, Senior Officer EFTA CC; Jan Atteslander, EFTA CC Chair; Henrik Munthe, Attorney at law NHO.

60th Anniversary celebrations

Video statements from Ministers

EFTA Ministers also delivered 60th anniversary greetings, to highlight the importance of the EFTA cooperation for all the EFTA Member States.



From top left to bottom right: Norwegian Minister Iselin Nybø; Swiss Minister Guy Parmelin; Icelandic Minister Guðlaugur Þór Þórðarson; Liechtenstein Minister Katrin Eggenberger.

Information Activities

EFTA informs its stakeholders and the general public about its activities through a website, social media, videos, electronic newsletter, seminars, its annual report and various other publications. Members of the public can access or order EFTA documents through a link on the site. Presentations were also given to visitors to the Secretariat's offices in Geneva, Brussels, and Luxembourg before the spread of the COVID-19 pandemic.

EFTA 60 Year Anniversary

2020 was a historic year in the history of the EFTA States, as they celebrated 60 years of the EFTA Convention, which was signed in Stockholm on 4 January 1960 and entered into force on 3 May that year. To mark the occasion, the EFTA Secretariat organised a series of high-level events and promotional activities throughout the year, which were modified or delayed because of the COVID-19 pandemic.

On 29 October, a panel discussion on global trade in times of – and post – COVID-19 was held online to replace the conference planned previously on 27 and 28 October in Geneva.

The panel, moderated by Swiss Ambassador Didier Chambovey, welcomed three speakers with thorough knowledge of the global trade environment: João Aguiar Machado, Ambassador of the EU to the WTO; Pamela Coke-Hamilton, Executive Director of the International Trade Centre and Abdel-Hamid Mamdouh, former Director of the Trade in Services and Investment Division of the WTO.

Various topics were tackled during the one-hour discussion. Mr Chambovey asked the panellists to give their views on the impact of COVID-19 on global trade, on how to encourage SMEs in developing countries to benefit from free trade agreements and also on the EU Green Deal.

On 3 December, EFTA held an online live event to present academic papers on the occasion of its 60th anniversary.

Three grants were provided to young researchers for the purpose of studying EFTA's history, economic impact, and politics from 1960 to 2020 and beyond, making use of EFTA's archives.



We received presentations from Johannes Hendrik Fahner: Settling Inter-State Trade Disputes: Lessons from the EFTA Complaints Procedure, Magdalena Friedrich: Subsidies and State aid in the Context of Free Trade – Roles and Obligations of EFTA and its Member States in WTO and European Subsidy Regimes, and Cristina Dans Iglesias: EFTA as an actor in the transition towards a carbon-neutral economy. In addition, Matthew Broad, Lecturer at the University of Leiden, presented his own paper: Democracy Promotion and the European Free Trade Association (EFTA): Four Case Studies.

Videos of both events are available on EFTA's YouTube channel. EFTA also published a bulletin presenting the four academic papers (see Publications).



60th anniversary panel discussion, clockwise from top left: Moderator Didier Chambovey, Abdel-Hamid Mamdouh, Pamela Coke-Hamilton and João Aguiar Machado.

Norwegian Minister Iselin Nybø:

“ EFTA membership allowed us to negotiate the EEA, which has guaranteed equal treatment, legal certainty and predictable conditions for citizens and businesses throughout the entire European Internal Market. I believe EFTA will remain a cornerstone of Norway's trade policy, both on a European and international level. ”

Watch the full statement [here](#).

Icelandic Minister Guðlaugur Þór Þórðarson:

“ Since Iceland joined EFTA in 1970, we have enjoyed a period of extraordinary prosperity and growth with regard to the economy, business environment and opportunities for our citizens. Put simply, EFTA was our gateway to becoming a modern economy. It is Iceland's firm belief that EFTA is much more than the sum of its members. We are simply stronger together. ”

Watch the full statement [here](#).

60th Anniversary celebrations

Video statements from Ministers

EFTA Ministers also delivered 60th anniversary greetings, to highlight the importance of the EFTA cooperation for all the EFTA Member States.



From top left to bottom right: Norwegian Minister Iselin Nybø; Swiss Minister Guy Parmelin; Icelandic Minister Guðlaugur Þór Þórðarson; Liechtenstein Minister Katrin Eggenberger.

Swiss Minister Guy Parmelin:

“ Being a member of EFTA has served Switzerland well over the years, boosting our international trade and prosperity. Keeping borders open for trade and investment is key to enabling the world economy to recover swiftly in these challenging times. ”

Watch the full statement [here](#).

Liechtenstein Minister Katrin Eggenberger:

“ EFTA's 60th anniversary is an excellent occasion to celebrate the success story. The EFTA States have negotiated one of the most extensive networks of free trade agreements in the world, and it is still growing. All EFTA States have innovated, high-tech and sophisticated economies. I count on the continuing cooperation within EFTA. ”

Watch the full statement [here](#).

Website, Newsletter and Social Media

EFTA's website contains news and general information on EFTA's work, legal texts related to the EFTA Convention, EFTA's free trade agreements and the EEA Agreement.

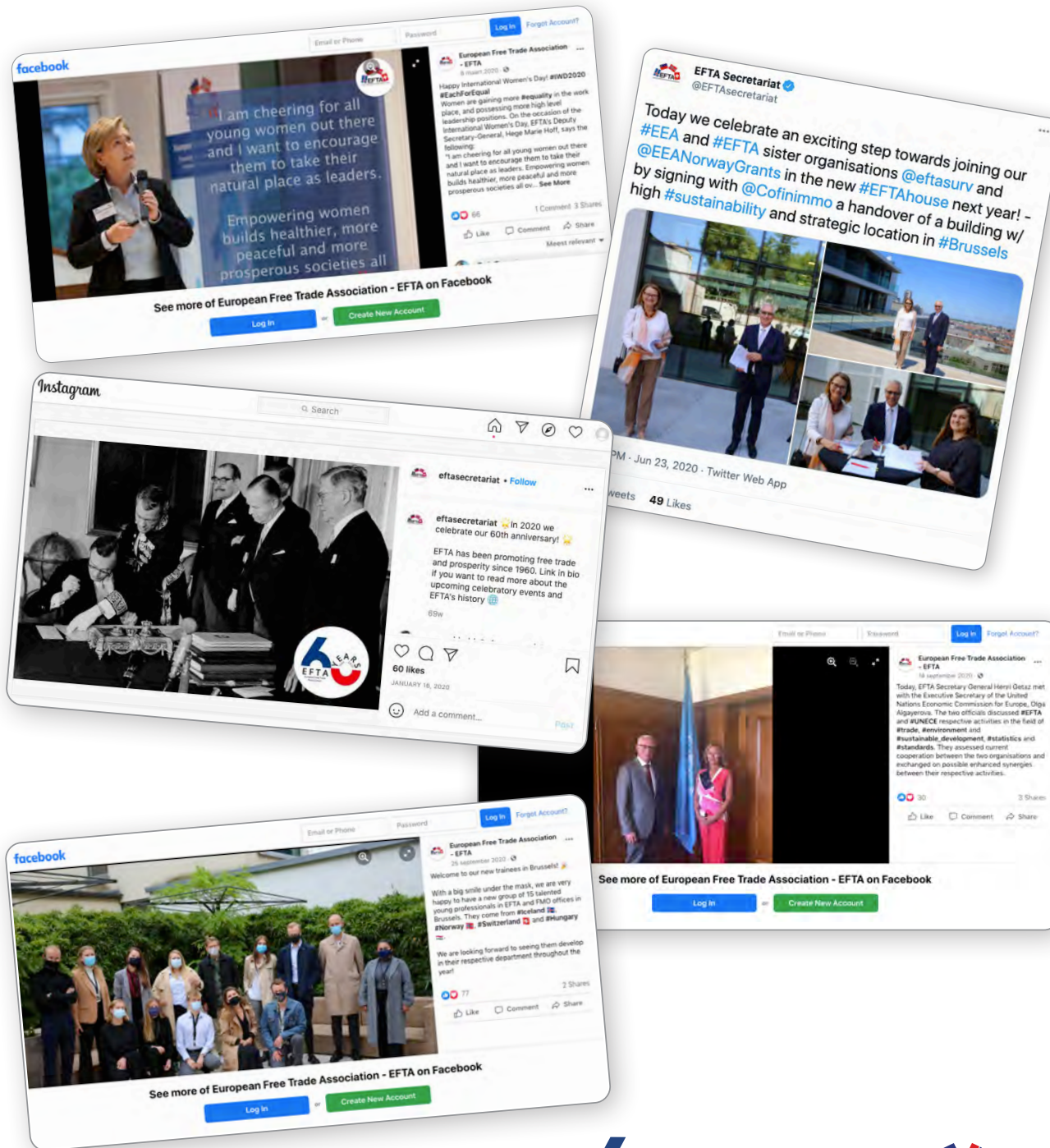
The website is fully responsive for tablets and mobile devices. The main navigation menu is based on the three main pillars of the Association: The EFTA Convention (About EFTA), Relations with the EU (EEA Agreement), and EFTA's Global Trade Relations (FTAs). The website also has photo galleries from all major EFTA events and features more interactive material and videos. Video interviews have therefore been added to multiple news stories, sometimes by embedding from social media channels, such as Twitter.

In 2020, approximately 2 000 active users on average visited the site each working day.

EFTA's web-based legal database, EEA-Lex, includes Icelandic and Norwegian translations of EU acts incorporated into the EEA Agreement. With advanced search functionalities and individual web pages for each legal act, EEA-Lex is now among the most visited pages on the EFTA website.

EFTA distributes a monthly electronic newsletter, which, in addition to summarising recent news and details about incoming and outgoing staff, offers feature articles on timely topics.

EFTA used social media to deliver information continuously throughout the year. As a result, EFTA's followers on social media channels grew 50 to 100% in 2020. This has allowed us to publish photos and videos as well as live stories, in order to attract a broader audience. Facebook and Twitter are the most effective platforms for core audiences and Instagram is growing. LinkedIn has also been used, not only to publish current vacancies, but also to promote the work of EFTA.



Seminars

EFTA held several seminars and conferences in 2020, including:

In February and September, introductory seminars on the EEA Agreement, with presentations by the EFTA Secretariat, the EFTA Surveillance Authority, the EFTA Court, and the Financial Mechanism Office (EEA & Norway Grants). In addition, at the February seminar, special attention was given to a) EU Programmes and EU Agencies, and b) how EEA and Norway Grants reduce disparities and strengthen cooperation.



EEA Seminar at the EFTA Secretariat in February, from left: Thorfinnur Omarsson, Head of Communications; Hege Marie Hoff, Deputy Secretary-General; Henri Gétaz, Secretary-General; Brit Helle, Director of Internal Market Division.

The September edition became a webinar and included extraordinary sessions on a) Brexit, b) the EU strategy for Artificial Intelligence and Data and c) the European Green Deal. The two seminars attracted nearly 400 participants.



Brit Helle, Director of Internal Market Division; and Hege Marie Hoff, Deputy Secretary-General, explain the functioning of the EEA Agreement to a video audience.



Andri Lúthersson, Deputy Secretary-General, briefed the audience on UK's departure from the EEA.

EFTA Channel

EFTA Channel

In October, EFTA kicked off the EFTA Channel on the occasion of the online panel discussion organised to celebrate the 60 year anniversary.

The EFTA Channel explores the current and future outlook in European and global economy, with regards to the four EFTA Member States and its closest partners. The Channel includes a series of online interviews and panel debates with high-level stakeholders, including EFTA Ministers.

Among other events on the EFTA Channel in 2020:

- > **Interview** with Pascal Lamy, former EU Trade Commissioner and WTO Director-General, who gave his views on global trade at a crossroads to the EFTA Parliamentary Committee.
- > **Interview** with Norwegian Finance Minister Jan Tore Sanner and German Finance Minister Olaf Scholz, on the occasion of the annual EFTA-ECOFIN meeting.



Thorfinnur Omarsson, Head of Communications at EFTA, interviewing Pascal Lamy on the EFTA Channel.



Finance Ministers Jan Tore Sanner and Olaf Scholz on the EFTA Channel.

Other activities

On 5-6 March, EFTA participated in one of the year's major conferences on European policy issues, the CEPS Ideas Lab in Brussels. Three of the EFTA Member States took part in a panel discussion. Norwegian Ambassador Per Strand Sjaastad gave an overview of the EEA and Norway's European policies in a post-Brexit debate, and María Mjöll Jónsdóttir from Iceland's Ministry of Foreign Affairs (MFA) spoke about "Women in power: Will it advance gender equality in Europe?" The EFTA Secretariat also had an information stand at the conference, see photos from the event [here](#).

As the EFTA Secretariat is preparing to move the Brussels office to a new building (see page 59), it was decided to name it EFTA House. As part of the branding, a competition for a new EFTA House logo was launched, where young talents in the graphics field in the EFTA Member States could submit proposals. A selection of the winning logos was due to take place early in the new year.



María Mjöll Jónsdóttir speaks about gender equality.



Per Strand Sjaastad gives Norway's perspective in the post-Brexit debate.



From left: Henri Gétaz, Secretary-General; Anna Pála Sverrisdóttir, Icelandic Mission; Thorfinnur Omarsson, Head of Communications.

Publications

Whilst the focus is very much on expanding EFTA's online communications, the Secretariat continues to provide numerous printed publications, and the latest editions of all of EFTA's brochures can be found on the website. Paper copies can be ordered free of charge, subject to availability.

In December, EFTA published a bulletin presenting the four academic papers on the role and value of the European Free Trade Association in various fields and times (see EFTA 60 Year Anniversary above).

You can find the publication here: [EFTA Bulletin – 60th Anniversary Papers](#)



EFTA has updated its versions of brochures in a Q&A format, focusing on three of the organisation's core pillars:

- > The EFTA Convention: containing general information on EFTA, explaining the objectives of the EFTA Convention and how it established the European Free Trade Association.
- > The European Economic Area: general information on EFTA, its main activities and its institutional framework, with a special focus on the functioning of the EEA Agreement and the Internal Market, which allows for the free movement of goods, services, capital and persons across the EEA.
- > EFTA's Free Trade Relations: providing an overview of EFTA's free trade relations with partner countries outside the European Union. It contains statistics on the EFTA States and their trading products, as well as key characteristics of the EFTA economies. All are available in paper format or electronically.
- > In addition, a new edition of the European Economic Area: Selected Legal Instruments is available in hard copy.





The Secretariat

At the end of 2020, the Secretariat employed 53 fixed-term staff, 4 temporary staff and 5 trainees in Brussels, 19 fixed-term staff and 2 trainees in Geneva, and 4 fixed-term staff and 2 trainees in Luxembourg. The Financial Mechanism Office in Brussels employed 64 fixed-term staff and 11 trainees.

Throughout 2020, the Secretariat was preparing the move of the Brussels office to a new building, which will be shared with two sister organisations, the EFTA Surveillance Authority and the Financial Mechanism Office. The move was initially scheduled for October 2020 but was postponed to 2021 due to the COVID-19 pandemic. The new building has been named EFTA House.

Budget and Annual Financial Reporting

The Secretariat's budget is prepared according to the framework budgeting principle used by the Member States' public administrations. This approach aims to increase awareness of budgetary spending at all levels. The budget is accompanied by a performance plan in which the activities of the Secretariat are divided into projects. The plan and subsequent performance reports keep the Member States informed of the costs and outcomes of the Secretariat's various activities. EFTA's budget is prepared in two currencies: Swiss francs (CHF) and euros (EUR). The total budget for 2020 was equivalent to CHF 23 733 000.

The Secretariat's annual statement of accounts, prepared in accordance with the International Public Sector Accounting Standards (IPSAS), is made available on the EFTA website once the relevant Council procedures for the year in question have been finalised.

The EFTA Board of Auditors

The EFTA Board of Auditors (EBOA), established in May 1992, is the auditing authority of EFTA. It is a permanent committee which, in cooperation with external auditors, performs annual audits of the three EFTA institutions: the EFTA Secretariat, the EFTA Surveillance Authority (ESA) and the EFTA Court. For matters relating to the Secretariat, EBOA meets at four (one representative from each EFTA State) and reports directly to the EFTA Council. For matters relating to the EEA Agreement (ESA and the EFTA Court), EBOA meets at three (Iceland, Liechtenstein and Norway) and reports to the ESA/Court Committee. EBOA also works in cooperation with the European Court of Auditors.

Fig. 8 – 2020 EFTA budget

Budget Post	Budget (in CHF)
EFTA Council and horizontal activities	2 062 000
Administration and management	4 194 000
Trade relations with countries outside the EU	5 262 000
EU/EFTA and EFTA cooperation programmes	3 146 000
EEA-related activities	8 374 000
EFTA-EU statistical cooperation	695 000
Total	23 733 000

Fig. 9 – Contributions from the EFTA States to the 2020 EFTA budget

Member State	Contribution (in CHF)	Share (as %)
Iceland	1 046 524	4.39
Liechtenstein	262 374	1.10
Norway	11 698 878	48.55
Switzerland	10 725 224	45.96
Total	23 733 000	100.00

2020: A year of major economic disturbance

Due to the time lag involved in the production and dissemination of official statistics, most statistical data in the 2020 EFTA Annual Report refer to the year 2019.

The COVID-19 pandemic which hit the world in 2020 produced major disturbances in the global economy. These disturbances had a big impact on the economies of the EFTA States, but are obviously not reflected in the statistical data for 2019. The two charts below illustrate the impact of COVID-19 during the first three quarters of 2020.

The bar chart shows the change in quarterly GDP in constant prices compared to the same quarter of the previous year. For example, the bars for the second quarter 2020 (2020 Q2) show the percent change between the second quarter of 2019 and the second quarter of 2020.

The line chart shows the development of monthly unemployment between January 2019 and November 2020 as measured by the EU Labour Force Survey. It should be kept in mind that staff temporarily laid off are generally not classified as unemployed if they have an assurance of return to work within a period of three months or receive a significant wage or salary from their employer.

Eurostat has developed a COVID-19 Recovery Dashboard with several indicators related to the pandemic: <https://ec.europa.eu/eurostat/cache/recovery-dashboard>.

Fig. 10 – Quarterly GDP, Q3 2019 - Q3 2020.
Percent change from same quarter of previous year

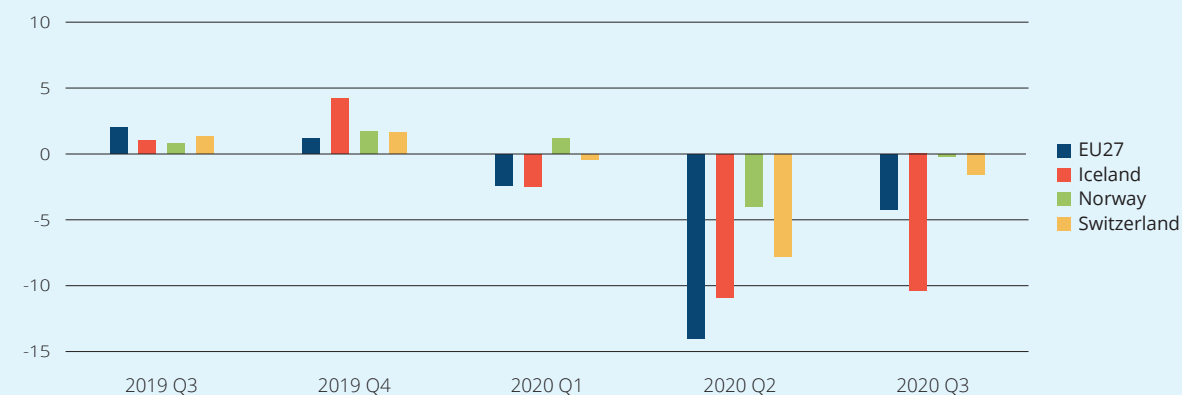
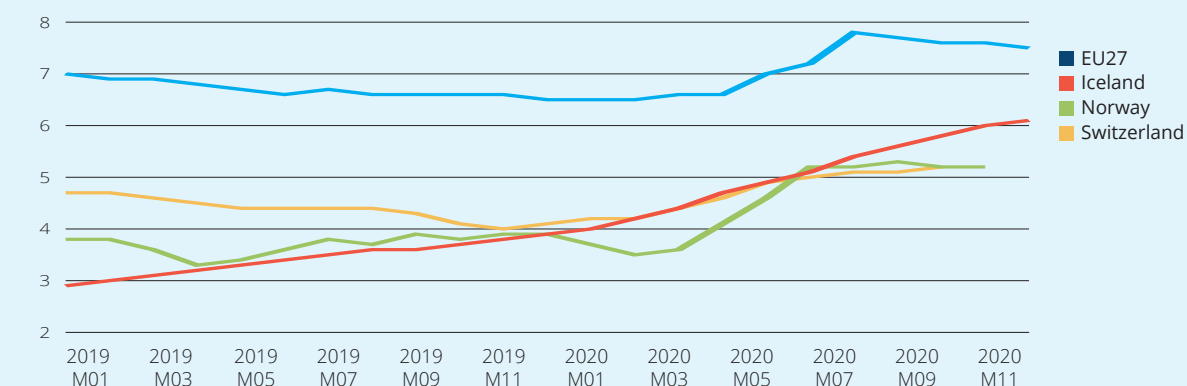


Fig. 11 – Monthly unemployment, January 2019 - November 2020 (in %)



Data for Liechtenstein were not available.

Source: Eurostat

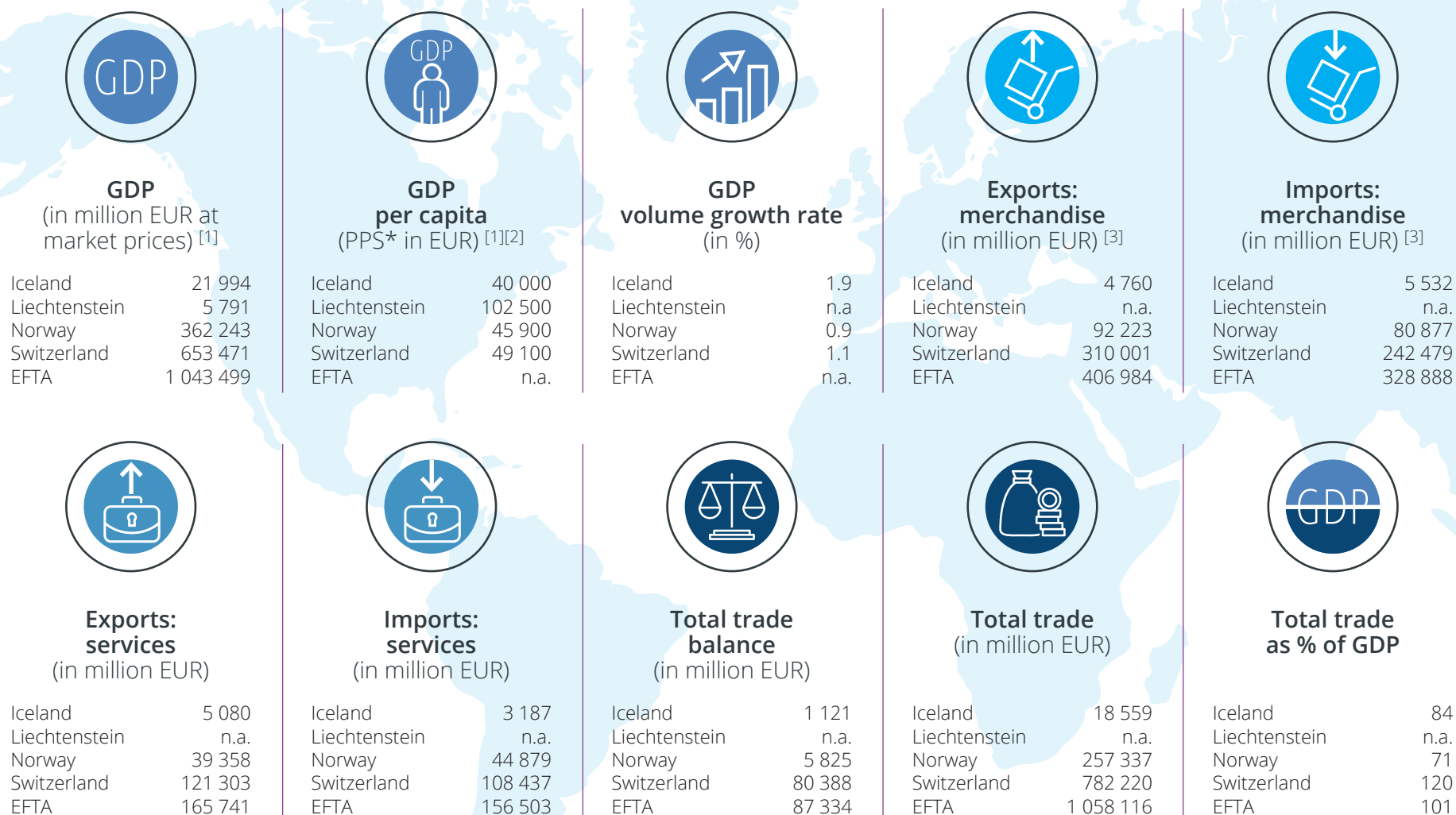
EFTA in Figures

Fig. 12 – General information: 2020

	Iceland	Liechtenstein	Norway	Switzerland
Name	Iceland	Principality of Liechtenstein	Kingdom of Norway	Swiss Confederation
Government	Constitutional republic	Constitutional monarchy	Constitutional monarchy	Federal republic
Head of State (end 2020)	President Guðni Th. Jóhannesson	Prince Hans-Adam II of Liechtenstein	King Harald V	President of the Swiss Confederation Simonetta Sommaruga
Head of Government (end 2020)	Prime Minister Katrín Jakobsdóttir	Prime Minister Adrian Hasler	Prime Minister Erna Solberg	President of the Swiss Confederation Simonetta Sommaruga
Official languages	Icelandic	German	Norwegian, Sami	German, French, Italian, Romansh
Capital	Reykjavík	Vaduz	Oslo	Bern
Area	103 000 km ²	160 km ²	385 180 km ²	41 291 km ²
Population (01.01.2020)	364 134	38 748	5 367 580	8 606 033
Population density (inhabitants per km ²)	3.5	242	14	208
Currency	Icelandic króna (ISK)	Swiss franc (CHF)	Norwegian krone (NOK)	Swiss franc (CHF)
National holiday	17 June	15 August	17 May	1 August

Sources: Official government websites and Eurostat

Fig. 13 – Economic indicators 2019



Source: Eurostat

[1] Figures for Liechtenstein refer to 2018

[2] The high GDP per capita for Liechtenstein is partly explained by the fact that a large number of foreign residents are employed in Liechtenstein and thus contribute to its GDP, while they are not included in the resident population

[3] As Liechtenstein is in a customs union with Switzerland, its foreign trade is included in the Swiss data

[*] Purchasing power standard (PPS) is an artificial currency unit which neutralises the effect of price level differences across countries

Fig. 14 – EFTA's FTA network – merchandise trade: 2019 (in million EUR)

	Total trade	Exports	Imports	Trade balance
EFTA's 40 FTA partners outside the EU	88 410	46 737	41 673	5 065
Albania	78	54	24	31
Bosnia and Herzegovina	240	107	133	-27
Canada	7 984	5 027	2 958	2 069
Central American States	873	521	351	170
Costa Rica	337	189	149	40
Guatemala	100	43	57	-15
Panama	435	290	145	145
Chile	1 277	447	831	-384
Colombia	980	539	441	98
Ecuador	414	97	316	-219
Egypt	1 585	1 474	112	1 362
Georgia	124	59	65	-6
Gulf Cooperation Council	22 372	7 841	14 531	-6 690
Bahrain	420	315	105	211
Kuwait	497	461	36	425
Oman	266	247	18	229
Qatar	1 467	1 088	379	709
Saudi Arabia	2 237	1 765	472	1 293
United Arab Emirates	17 484	3 964	13 520	-9 557
Hong Kong, China	12 704	9 161	3 542	5 619
Indonesia	1 635	576	1 060	-484
Israel	1 948	1 267	681	586

Fig. 14 – EFTA's FTA network – merchandise trade: 2019 (in million EUR) (continued)

	Total trade	Exports	Imports	Trade balance
Jordan	308	258	50	208
Republic of Korea	6 678	4 363	2 314	2 049
Lebanon	1 406	417	989	-572
Mexico	2 633	1 509	1 124	386
Montenegro	25	22	3	19
Morocco	758	418	341	77
North Macedonia	135	57	78	-21
Palestinian Authority	33	32	1	31
Peru	2 445	166	2 279	-2 113
Philippines	938	332	606	-273
Serbia	552	326	226	100
Singapore	8 986	6 243	2 743	3 500
Southern African Customs Union	3 805	811	2 995	-2 184
Botswana	66	6	60	-54
Eswatini	8	4	4	0
Lesotho	64	0	64	-64
Namibia	41	17	24	-7
South Africa	3 627	784	2 843	-2 060
Tunisia	448	212	236	-24
Turkey	6 193	3 777	2 416	1 361
Ukraine	852	623	228	395

Sources: Eurostat (COMEXT), Statistics Norway

Fig. 15 – Global leaders in merchandise trade 2019 (in billion USD)

Rank	Economy	Total	Share (as %) of world total	Exports	Imports
1	China	4 576	14.6	2 499	2 077
2	EU27 ^[1]	4 553	14.5	2 386	2 166
3	US	4 214	13.4	1 646	2 568
4	Japan	1 426	4.6	706	721
5	United Kingdom	1 161	3.7	469	692
6	Hong Kong, China ^[2]	1 113	3.6	535	578
7	Republic of Korea	1 046	3.3	542	503
8	Mexico	928	3.0	461	467
9	Canada	911	2.9	447	464
10	India	808	2.6	324	484
11	EFTA	779	2.5	417	362
12	Singapore ^[2]	750	2.4	391	359
13	Russian Federation	673	2.1	419	254
14	Chinese Taipei	618	2.0	331	287
15	United Arab Emirates	542	1.7	280	262
16	Vietnam	518	1.7	264	254
17	Australia	493	1.6	272	222
18	Thailand	483	1.5	246	237
19	Malaysia	443	1.4	238	205
20	Saudi Arabia	410	1.3	269	142
	Top 20 combined	2 644	84.4	1 314	1 330
	World	31 339	100.00	15 462	15 877

Source: WTO Secretariat

[1] Excludes intra-EU trade

[2] Includes significant re-exports or imports for re-export

Fig. 16 – Global leaders in commercial services trade 2019 (in billion USD)

Rank	Economy	Total	Share (as %) of world total	Exports	Imports
1	EU27 ^[1]	2 134	22	1 123	1 010
2	US	1 350	14	853	497
3	China	976	10	412	564
4	United Kingdom	483	5	282	202
5	Singapore	415	4	214	202
6	Japan	484	5	205	279
7	India	315	3	201	114
8	EFTA	322	3	165	157
9	Republic of Korea	226	2	101	125
10	Canada	226	2	101	125
11	Hong Kong, China	172	2	99	73
12	Russian Federation	260	3	82	178
13	United Arab Emirates	145	1	72	73
14	Thailand	122	1	69	53
15	Australia	131	1	64	67
16	Chinese Taipei	129	1	62	67
17	Turkey	75	1	55	20
18	Israel	80	1	51	28
19	Malaysia	96	1	43	53
20	Philippines	68	1	41	27
	Top 20 combined	8 209	84	4 295	3 914
	World	9 736	100	5 007	4 728

Source: WTO Secretariat

^[1] Excludes intra-EU trade

Fig. 17 – EFTA: a major trading partner for the EU ^[1] (in million EUR and %)

Merchandise trade: 2019						
Rank	Partner	Export	Import	Total Trade	Balance	As % of EU's external trade
	Extra-EU ^[2]	2 037 141	2 057 670	4 094 811	-20 529	100.0
1	United States	449 529	294 590	744 120	154 939	18.2
2	China	225 138	420 906	646 044	-195 768	15.8
3	EFTA	220 685	208 558	429 243	12 127	10.5
4	Russian Federation	90 763	157 809	248 571	-67 046	6.1
5	Turkey	74 007	80 131	154 138	-6 125	3.8

Trade in commercial services: 2018 ^[3]						
Rank	Partner	Export	Import	Total Trade	Balance	As % of EU's ^[2] external trade
	Extra-EU ^[2]	960 991	774 729	1 735 720	186 262	100.0
1	United States	257 373	236 403	493 776	20 970	28.4
2	EFTA	152 360	90 723	243 083	61 637	14.0
3	China	51 838	31 853	83 691	19 985	4.8
4	Singapore	34 532	26 328	60 860	8 204	3.5
5	Japan	36 252	21 016	57 268	15 236	3.3

Source: Eurostat

[1] EU including UK

[2] Extra-EU trade includes imports/exports of goods and services which enter or leave the statistical territory of the EU from a third country

[3] 2019 data not available in March 2021

Fig. 18 – EFTA's merchandise trade: 2019 (in million EUR and %)

Country	Total trade	Total trade with the EU27 and UK	EU27 and UK share of total trade in %	Total exports to the world	Exports to the EU27 and UK	EU27 and UK share of total exports in %	Total imports from the world	Imports from the EU27 and UK	EU27 and UK share of total imports in %
Switzerland ^{[1][2]}	528 786	286 857	54.2	280 751	140 344	50.0	248 035	146 513	59.1
Norway	169 772	119 855	70.6	92 846	73 229	78.9	76 926	46 626	60.6
Iceland	10 414	6 306	60.6	4 677	3 317	70.9	5 737	2 989	52.1
Liechtenstein ^[2]	5 093	3 138	61.6	3 322	1 751	52.7	1 771	1 387	78.3
EFTA Total	714 065	416 156	58.3	381 596	21 8641	57.3	332 469	197 515	59.4

Sources: Eurostat (COMEXT), Statistics Norway

[1] Trade in non-monetary gold included

[2] Trade between Liechtenstein and Switzerland is not included due to the existence of the Switzerland–Liechtenstein Customs Union.

Fig. 19 – EFTA merchandise trade with the EU27 and UK: 2019 (in million EUR)

	EFTA			Iceland			Liechtenstein			Norway			Switzerland		
PARTNER	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade	Exports to	Imports from	Total trade
EU27 and UK	218 641	197 514	416 155	3 317	2 989	6 305	1 751	1 387	3 138	73 229	46 626	119 855	140 344	146 513	286 856
Germany	57 287	60 787	118 074	277	478	755	705	645	1 350	13 438	8 300	21 738	42 867	51 364	94 232
United Kingdom	44 725	18 922	63 648	487	360	848	69	34	104	18 698	3 819	22 516	25 472	14 709	40 180
France	23 661	19 436	43 097	331	135	466	252	22	274	5 514	2 535	8 049	17 564	16 744	34 308
Italy	15 820	22 570	38 390	32	166	198	94	74	169	1 271	2 399	3 671	14 422	19 930	34 353
Netherlands	16 648	8 402	25 050	884	405	1 289	26	21	47	10 307	2 894	13 202	5 431	5 081	10 513
Sweden	8 708	10 722	19 430	27	250	277	42	12	54	7 130	9 030	16 160	1 509	1 430	2 939
Spain	9 969	7 365	17 334	783	112	894	54	7	62	2 104	1 587	3 690	7 028	5 660	12 688
Austria	6 318	8 790	15 108	1	30	32	314	420	734	290	725	1 014	5 713	7 615	13 328
Belgium	8 863	6 243	15 106	69	78	147	8	10	19	3 892	1 208	5 101	4 893	4 946	9 839
Denmark	5 361	5 454	10 815	109	348	457	5	7	12	4 162	4 323	8 485	1 085	777	1 862
Poland	4 704	5 422	10 126	100	176	276	56	21	77	2 149	2 954	5 103	2 400	2 271	4 671
Ireland	1 627	7 296	8 923	16	85	101	1	2	3	663	455	1 118	946	6 755	7 701
Czech Republic	1 884	3 385	5 269	3	47	50	14	19	33	210	843	1 053	1 657	2 477	4 134
Finland	1 909	2 727	4 636	6	62	68	20	8	28	1 312	1 734	3 046	571	924	1 495
Slovenia	2 969	680	3 648	0	8	8	4	6	10	12	152	164	2 953	513	3 466
Portugal	1 746	1 358	3 104	86	16	102	1	1	2	632	307	940	1 026	1 034	2 061
Hungary	1 085	1 643	2 728	33	19	52	34	33	67	76	333	409	942	1 258	2 201
Romania	1 078	1 214	2 292	2	12	14	12	3	15	94	440	534	970	759	1 729
Slovakia	633	1 379	2 012	6	21	28	13	22	36	58	372	430	556	963	1 518
Lithuania	770	1 204	1 974	40	68	108	2	0	2	601	952	1 552	128	184	312
Greece	870	293	1 164	4	5	10	5	0	6	185	94	279	676	194	870
Estonia	337	724	1 060	1	41	42	0	1	1	168	607	774	168	76	243
Bulgaria	425	396	821	2	6	8	9	1	10	29	81	110	385	308	693
Luxembourg	385	312	697	1	6	8	1	2	3	36	80	116	347	224	570
Latvia	244	426	670	8	49	57	1	0	1	115	326	441	120	50	170
Croatia	316	304	620	0	3	3	6	16	22	49	52	101	261	233	494
Malta	144	36	180	2	2	4	1	0	1	10	8	18	131	26	157
Cyprus	154	23	177	5	1	6	1	0	1	24	15	40	123	7	130

Sources: Eurostat (COMEXT) and Statistics Norway

Fig. 20 – EFTA's top 25 trading partners in merchandise trade (counting the EU27 and UK as one): 2019 (in million EUR and %)

Rank	Economy	Total trade	Share (%)	Export	Share (%)	Import	Share (%)	Trade balance
	World	714 065	100.0	381 596	100.0	332 469	100.0	49 128
	EFTA's 40 FTA partners (excluding EU) ^[1]	88 410	12.4	46 737	12.2	41 673	12.5	5 065
	– Intra-EFTA	3 923	0.5	1 772	0.5	2 151	0.6	-379 ^[2]
1	EU27 and UK	416 155	58.3	218 641	57.3	197 514	59.4	21 126
2	United States	67 690	9.5	44 043	11.5	23 647	7.1	20 396
3	China	45 281	6.3	23 372	6.1	21 909	6.6	1 464
4	India	19 053	2.7	16 467	4.3	2 586	0.8	13 881
5	United Arab Emirates	17 484	2.4	3 964	1.0	13 520	4.1	-9 557
6	Japan	14 077	2.0	8 432	2.2	5 645	1.7	2 786
7	Hong Kong, China	12 704	1.8	9 161	2.4	3 542	1.1	5 619
8	Singapore	8 986	1.3	6 243	1.6	2 743	0.8	3 500
9	Canada	7 984	1.1	5 027	1.3	2 958	0.9	2 069
10	Thailand	7 622	1.1	2 227	0.6	5 396	1.6	-3 169
11	Korea, Republic of	6 678	0.9	4 363	1.1	2 314	0.7	2 049
12	Turkey	6 193	0.9	3 777	1.0	2 416	0.7	1 361
13	Brazil	5 537	0.8	2 777	0.7	2 759	0.8	18
14	Russian Federation	5 495	0.8	3 256	0.9	2 239	0.7	1 018
15	Australia	4 216	0.6	2 541	0.7	1 675	0.5	866
16	Vietnam	4 175	0.6	888	0.2	3 287	1.0	-2 399
17	Chinese Taipei	3 784	0.5	2 065	0.5	1 719	0.5	347
18	South Africa	3 627	0.5	784	0.2	2 843	0.9	-2 060
19	Mexico	2 633	0.4	1 509	0.4	1 124	0.3	386
20	Malaysia	2 460	0.3	1 460	0.4	1 000	0.3	460
21	Peru	2 445	0.3	166	0.0	2 279	0.7	-2 113
22	Uzbekistan	2 417	0.3	103	0.0	2 314	0.7	-2 210
23	Ghana	2 327	0.3	101	0.0	2 227	0.7	-2 126
24	Saudi Arabia	2 237	0.3	1 765	0.5	472	0.1	1 293
25	Argentina	2 185	0.3	635	0.2	1 550	0.5	-915
	Rest of the world	36 694	5.1	16 055	4.2	20 639	6.2	-4 584

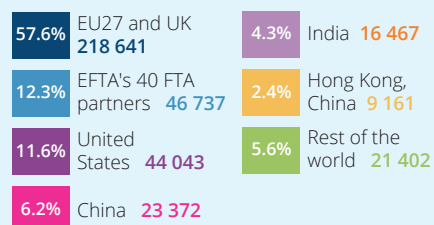
Sources: Eurostat (COMEXT) and Statistics Norway

[1] EFTA's 40 FTA partners (excluding EU) include: Albania; Bosnia Herzegovina; Canada; Central American States (comprising Costa Rica, Guatemala and Panama); Chile; Colombia; Ecuador; Egypt; Georgia; Gulf Cooperation Council (GCC comprising Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates); Hong Kong, China; Indonesia; Israel; Jordan; Lebanon; North Macedonia; Mexico; Montenegro; Morocco; Palestinian Authority; Peru; Philippines; Republic of Korea; Serbia; Singapore; Southern African Customs Union (SACU comprising Botswana, Eswatini, Lesotho, Namibia, South Africa); Tunisia; Turkey and Ukraine.

[2] Not equal to zero due to statistical discrepancies.

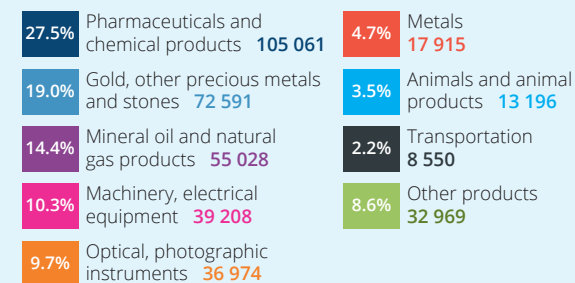
Fig. 21 – EFTA's top export destinations of merchandise trade: 2019

(in million euro)



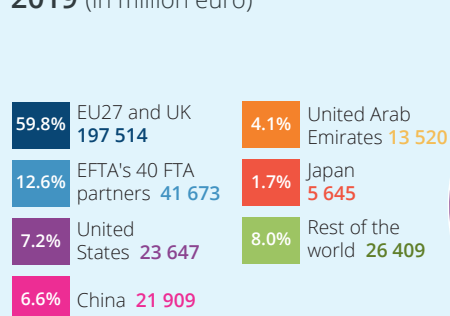
Sources: Eurostat (COMEXT) and Statistics Norway.
Intra-EFTA trade excluded.

Fig. 23 – EFTA's key exports by commodity HS* section 2019 (in million euro)



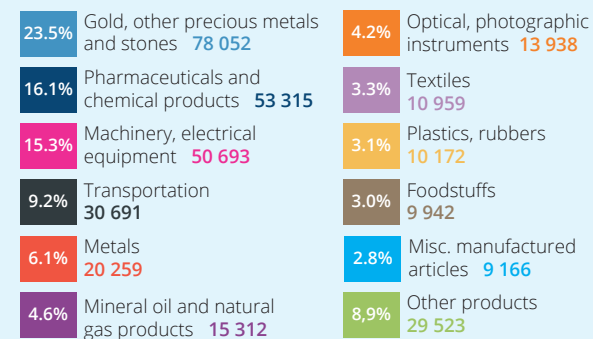
Sources: Eurostat (COMEXT) and Statistics Norway
* HS: Harmonised System for Product Classification

Fig. 22 – EFTA's top import sources of merchandise trade: 2019 (in million euro)



Sources: Eurostat (COMEXT) and Statistics Norway.
Intra-EFTA trade excluded.

Fig. 24 – EFTA's key imports by commodity HS* section 2019 (in million euro)



Sources: Eurostat (COMEXT) and Statistics Norway
*HS: Harmonised System for Product Classification.

Fig. 25 – Global FDI* stocks, inward 2019 (in billion USD)

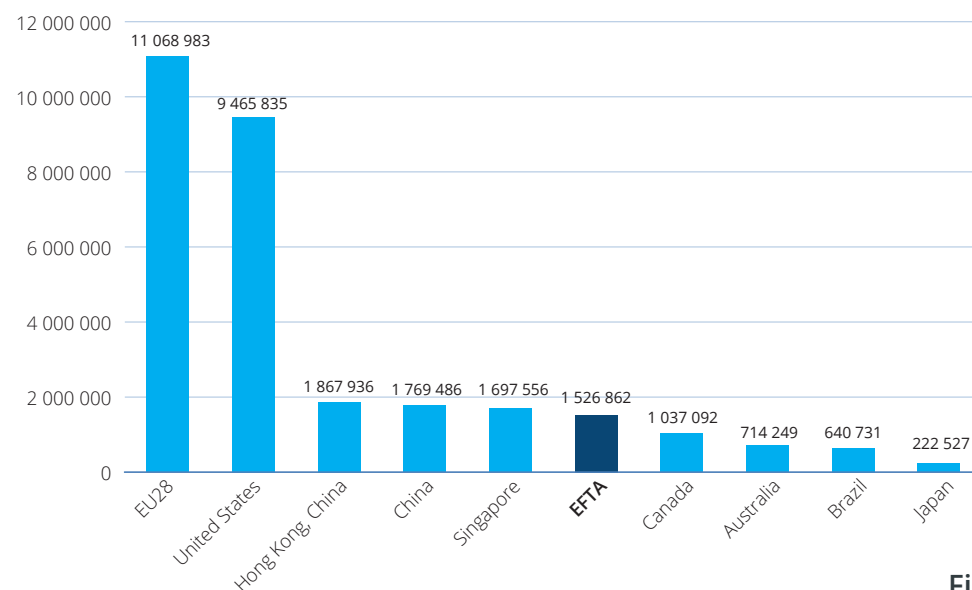
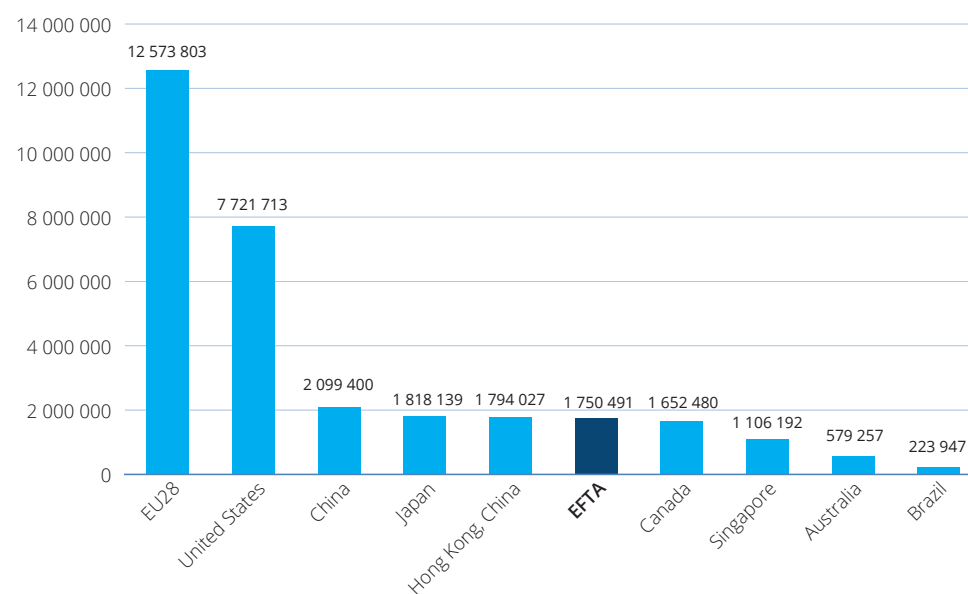


Fig. 26 – Global FDI* stocks, outward 2019 (in billion USD)



Source: United Nations Conference on Trade and Development (UNCTAD)

* FDI: Foreign Direct Investment. EU and EFTA figures include FDI between Member States

Fig. 27 – The World Competitiveness Scoreboard: 2020

Rank	Country
3 (4)	Switzerland
7 (11)	Norway
21 (20)	Iceland

Source: Institute for Management Development (IMD),
World Competitiveness Yearbook 2020

The IMD World Competitiveness Scoreboard measures how well economies manage their resources and competencies to facilitate long-term value creation. The overall ranking of 63 economies is based on statistical indicators (two-thirds) and IMD survey data (one-third). (2019 rankings are in brackets)

Fig. 28 – The Global Competitiveness Index: 2019

Rank	Country
3 (5)	Switzerland
17 (16)	Norway
26 (24)	Iceland

Source: World Economic Forum (WEF),
The Global Competitiveness Report 2019

The Global Competitiveness Index measures the set of institutions, policies and factors that set the sustainable current and medium-term levels of economic prosperity. (2018 rankings are in brackets)

Fig. 29 – The Global Sustainable Competitiveness Report: 2020

Rank	Country
3 (3)	Iceland
5 (5)	Switzerland
9 (6)	Norway
12 (18)	Liechtenstein

Source: Solability, The Global Sustainable Competitiveness Report 2020

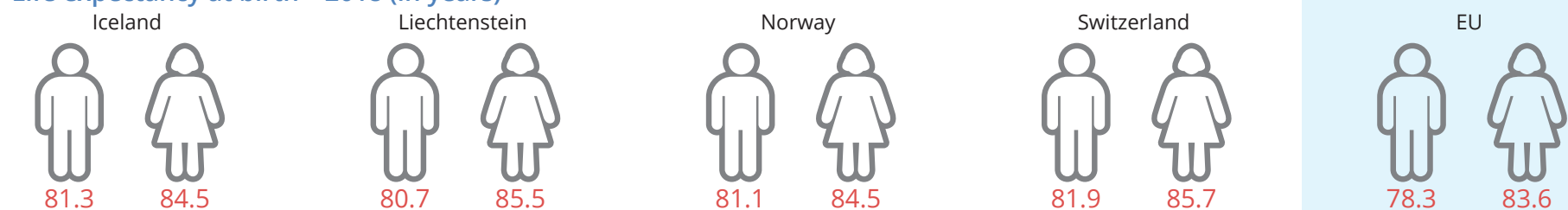
The Global Sustainable Competitiveness Index measures current and future capability of countries (nation-economies) to generate and/or sustain financial and non-financial income and wealth for its population.

The Global Sustainable Competitiveness Index is based on 109 quantitative performance indicators, grouped in the five pillars of sustainable competitiveness: natural capital, resource intensity, intellectual capital, social cohesion, and governance.

(2019 rankings are in brackets)

Fig. 30 – Social indicators

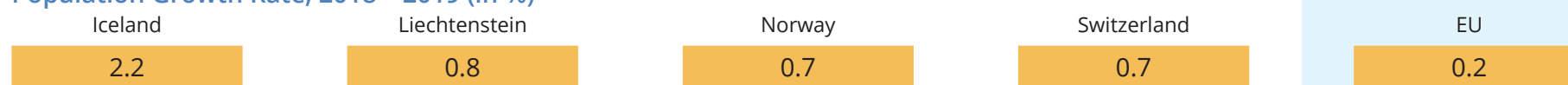
Life expectancy at birth – 2018 (in years)



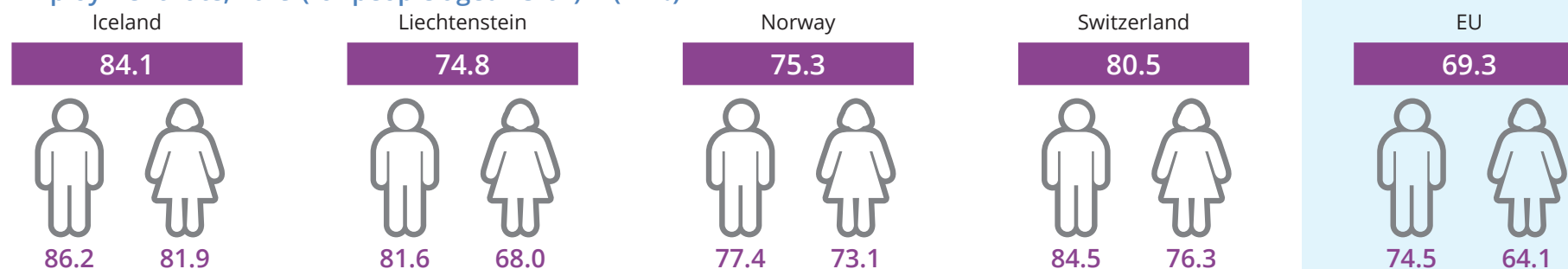
Infant mortality rate (per 1000 live births), 2018^[1]



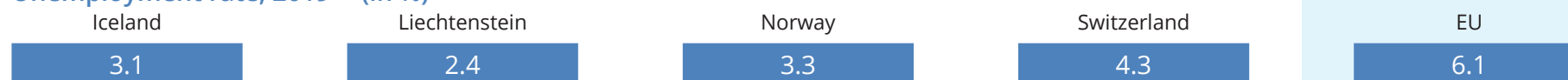
Population Growth Rate, 2018 – 2019 (in %)



Employment rate, 2019 (for people aged 15-64)^[2] (in %)



Unemployment rate, 2019^[3] (in %)



Sources: Eurostat and national statistical offices

[1] Liechtenstein infant mortality rate is a five-year average (2014-2018)

[2] Total Employment (resident population concept – Labour Force Survey)

[3] Percentage of active population

Appendices

Members of the EFTA Parliamentary Committee 2020*

Iceland

Mr Smári McCarthy
Ms Hanna Katrín Friðriksson
Ms Bjarkey Olsen Gunnarsdóttir
Mr Jón Gunnarson
Mr Brynjar Nielsson

Pirate Party (CMP/MPS Chair)
Liberal Reform Party
Left-Green Movement
Independence Party
Independence Party

Alternate members

Ms Halldóra Mogensen
Mr Þorsteinn Víglundsson
Mr Andrés Ingi Jónsson
Mr Páll Magnússon
Mr Vilhjálmur Árnason

Pirate Party
Reform Party
Left-Green Movement
Independence Party
Independence Party

Liechtenstein

Mr Elfried Hasler
Mr Harry Quaderer

Progressive Citizens' Party
Independent

Alternate members

Mr Manfred Kaufmann
Mr Michael Ospelt

Patriotic Union
Progressive Citizens' Party

Norway

Mr Svein Roald Hansen
Ms Heidi Nordby Lunde
Ms Rigmor Aasrud
Ms Ingunn Foss
Mr Morten Ørsal Johansen
Mr Sigbjørn Gjelsvik

Labour Party (CMP/MPS Vice-Chair)
Conservative Party
Labour Party
Conservative Party
Progress Party
Centre Party

Alternate members

Mr Espen Barth Eide
Mr Fredric Holen Bjørdal
Mr Tage Pettersen
Ms Margunn Ebbesen
Mr Terje Halleland
Mr Per Olaf Lundteigen
Mr Steinar Reiten
Mr Carl-Erik Grimstad
Ms Solfrid Lerbrekk

Labour Party
Labour Party
Conservative Party
Conservative Party
Progress Party
Centre Party
Christian Democratic Party
Liberal Party
Socialist Left Party

Switzerland (observer in the MPS)

Mr Thomas Aeschi
Mr Hans-Peter Portmann
Mr Benedikt Wüth
Mr Hannes Germann
Mr Eric Nussbaumer (Chair)

Swiss People's Party
FDP. The Liberals
Christian Democratic Party
Swiss People's Party
Social Democratic Party

Alternate members

Mr Carlo Sommaruga
Mr Thomas Matter
Mr Damian Müller
Ms Elisabeth Schneider-Schneiter
Mr Nicolas Walder

Social Democratic Party
Swiss People's Party
FDP. The Liberals
Christian Democratic Party
Green Party

*As at 1 December 2020

Members of the EFTA Consultative Committee 2020

Iceland

Ms Dagný Aradóttir Pind (Vice Chair)	Federation of State and Municipal Employees (BSRB)
Mr Halldór Árnason	Confederation of Icelandic Employers (SA)
Mr Halldór Grönvold/Halldór Oddsson	Icelandic Confederation of Labour (ASÍ)
Mr Björg Ásta Þórðardóttir	Federation of Icelandic Industries (SI)

Liechtenstein

Ms Brigitte Haas	Liechtenstein Chamber of Commerce and Industry (LCCI)
Mr Sigi Langenbahn (Bureau Member)	Liechtenstein Employees Association

Norway

Ms Trine Lise Sundnes	Norwegian Confederation of Trade Unions (LO)
Mr Jarle Hammerstad (Vice Chair)	Federation of Norwegian Commercial and Service Enterprises (Virke)
Ms Liz Helgesen	Norwegian Confederation of Unions for Professionals (UNIO)
Mr Tore Myrhe	Confederation of Norwegian Enterprise (NHO)
Mr Christopher Navelsaker	Norwegian Confederation of Vocational Unions (YS)
Ms Thea Forsberg	Norwegian Association of Local and Regional Authorities (KS)

Switzerland

Mr Jan Atteslander (Chair)	economiesuisse
Mr Hans-Ulrich Bigler	Swiss Association of Small and Medium-sized Enterprises
Ms Catherine Lance Pasquier	Fédération des Entreprises Romande Genève (FER Genève)
Mr Reto Wyss	Swiss Trade Union Confederation (USS)
Mr Kurt Regotz	Swiss Workers' Federation
Mr Marco Taddei	Swiss Union of Employers

Permanent observers

Mr Óttar Freyr Gíslason	Icelandic Association of Local Authorities
Ms Ingebjørg Harto	BusinessEurope
Ms Liina Carr	European Trade Union Confederation (ETUC)

Members of the EEA EFTA Forum of Elected Representatives of Local and Regional Authorities 2020

Iceland

Ms Þórdís Lóa Þórhallsdóttir	Reykjavík City Council
Mr Þorleifur Karl Eggertsson	Regional Municipal Federation of North West Iceland
Hafþís Gunnarsdóttir	Regional Municipal Federation of the Westfjords
Mr Eggert Kjartansson	Eyja- og Miklaholtshreppur Municipal Council
Ms Rósa Guðbjartsdóttir	Hafnarfjörður Town Council
Ms Rakel Óskarsdóttir	Akraneskaupstaður Town Council

Norway

Members

Ms Hilde Onarheim	Member of the city council, Bergen municipality
Ms Lise Selnes	Mayor of Nord-Odal municipality
Ms Mette Gundersen	Member of city council, Kristiansand municipality
Mr Tom Myrvold	Mayor of Ørland municipality
Mr Ivar B. Prestbakmo	Mayor of Troms and Finnmark county
Mr Hallstein Bjercke	Member of the city council, Oslo municipality

Substitutes

Mr Ådne Naper	Member of the county council, Vestfold and Telemark county
Mr Nils A. Røhne	Mayor of Stange municipality
Ms Gunn Marit Helgesen	Member of the county council, Vestfold and Telemark county
Mr Tore Opdal Hansen	Member of the county council, Viken county
Mr Arne Bergsvåg	Deputy Mayor of Rogaland county

Switzerland (Observer)

Mr David Eray	Canton of Jura
Mr Didier Castella	Canton of Fribourg

Permanent observers

Ms Anna G. Björnsdóttir	Icelandic Association of Local Authorities
Mr Óttar Freyr Gíslason	Icelandic Association of Local Authorities
Ms Åse Erdal	Norwegian Association of Local and Regional Authorities

EFTA Ministerial Communiqué and EEA Council Joint Statements

EFTA Ministerial Meeting Malbun, 27 October 2020

Communiqué

60 years after the establishment of EFTA in 1960, Ministers from Iceland, Liechtenstein, Norway and Switzerland met on 27 October under Swiss Chairmanship through video conferencing for the annual EFTA Ministerial meeting.

EFTA Trade Policy

Ministers expressed their firm belief that the economic disruption caused by the COVID-19 pandemic reinforces the case for open and rules-based international trade to fuel the economic recovery and ensure stable trading conditions, including supply chain security, with the multilateral system at its core. Ministers reiterated their consistent commitment to the rules-based trading system, both at the WTO and through free trade agreements.

Ministers also reiterated their commitment to the development of international trade relations that contribute to sustainable development. They assessed EFTA's experience in negotiating and implementing provisions on trade and sustainable development and discussed EFTA's priorities for the future. In this context, they also welcomed the conclusion of work towards the revision of the model chapter for trade and sustainable development. The revised chapter features additional provisions on climate change, biological diversity, sustainable fisheries, aquaculture, forest management, agriculture, inclusive trade, responsible business conduct, as well as a reinforced mechanism to settle possible disputes. Ministers further welcomed the progress made in developing a new chapter on e-commerce, which reflects EFTA's willingness and ability to adapt trade agreements to new economic needs and changing technology.

Regarding transparency in trade negotiations, Ministers agreed on a series of new initiatives which will enhance the information for the general public and the cooperation with the EFTA Parliamentary Committee and the EFTA Consultative Committee.

Ministers further underlined the importance of continuity in EFTA's trade policy, as well as their willingness to continue negotiations with India, Malaysia and Vietnam, and the review of the existing agreements with the Southern African Customs Union (SACU) and Chile. They confirmed their willingness to continue negotiations with Mexico on modernising the agreement as well as updating the agreement with the Palestinian Authority to include revised agricultural protocols. Ministers further agreed to continue the preparations for negotiations with Pakistan, Kosovo and Moldova and expressed the desire to resume negotiations with Thailand shortly.

EFTA Advisory Bodies

EFTA Ministers met on the same day in a joint meeting with the EFTA Parliamentary and the EFTA Consultative Committee. The parliamentarians from the four EFTA States together with the representatives from trade unions and employers' organisations from the four EFTA States met with EFTA Ministers to discuss EFTA's trade policy in general, as well as ongoing work on e-commerce, trade and sustainable development and transparency in trade negotiations in particular.

Relations with the European Union

Ministers underlined their intention to continue a close cooperation with the EU on all matters related to the COVID-19 crisis. This included the swift incorporation of relevant and urgent measures into the EEA Agreement in order to maintain coherence of the Internal Market.

Ministers noted with concern the rise in the backlog of legal acts awaiting incorporation into the EEA Agreement. They stressed the importance of legal certainty and homogeneity in the EEA and called for action to be taken to remedy the situation.

Ministers discussed the participation of the EEA EFTA States in future EU programmes which are part of the 2021–2027 EU's multiannual financial framework. Final decisions on participation will be taken once there is clarity on the corresponding modalities.

Ministers also took stock of the negotiations on the future relationship with the United Kingdom after its withdrawal from the EU and the EEA. In this context, the Ministers informed about their respective regimes applicable as of 1 January 2021 and the status and ongoing work related to comprehensive frameworks for their future trade relations with the UK.

Ministers were informed by Switzerland on the state and prospects of the relations between Switzerland and the European Union (after the popular vote of 27 September on the free movement of persons). Switzerland aims at consolidating and further developing its bilateral relations with the EU. This requires the search for solutions to the institutional mechanisms of mutual market access

Attending

Iceland:	Mr Guðlaugur Þór Þórðarson, Minister for Foreign Affairs and International Development Cooperation
Liechtenstein/Chair:	Ms Katrin Eggenberger, Minister for Foreign Affairs, Justice and Culture
Norway:	Ms Iselin Nybø, Minister of Trade and Industry
Switzerland/Chair:	Mr Guy Parmelin, Federal Councillor, Head of the Federal Department of Economic Affairs, Education and Research
EFTA:	Mr Henri Gétaz, Secretary-General

Joint Statements of the Members of the EEA Council

Joint Statement from the informal video conference of the members of the EEA Council on 25 May 2020

(Due to the online format, the meeting had status as informal and therefore not counted as the 54th EEA Council and the conclusions were named 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

2. 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.
3. 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 the EU and the EEA EFTA States to ensure that information on the EEA Agreement is made readily and easily available.
4. 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

5. 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

6. 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

7. 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

8. 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.
9. 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.
10. 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

11. 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.
12. 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

13. 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.
14. 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.

15. 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.
16. 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

17. 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 practices and respecting the autonomy of the social partners.

18. 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.
19. 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

20. 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.
21. 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

22. 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.
23. Regarding the agreements on EEA and 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.
24. 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.

Joint Statement from the informal video conference of the members of the EEA Council on 18 November 2020

(Due to the online format, the meeting had status as informal and therefore not counted as the 55th EEA Council and the conclusions were named Joint Statement.)

The members of the EEA Council held a video conference on 18 November 2020 at the initiative of Ms Katrin Eggenberger, Minister of Foreign Affairs of Liechtenstein. The video conference was attended by Mr Michael Roth, Minister of State for Europe of Germany; Mr Guðlaugur Þór Þórðarson, Minister for Foreign Affairs and International Development Cooperation of Iceland; Ms Ine Eriksen Søreide, Minister of Foreign Affairs of Norway, 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 held an orientation debate on Europe's Digital Future.

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

COVID-19

1. We acknowledge the far-reaching effects of the COVID-19 crisis and stress the need to meet this unprecedented challenge in a spirit of solidarity. Furthermore, we welcome the particularly close cooperation between the EU and the EEA EFTA States. We highlight the joint efforts on free movement of persons, border management and the repatriation of nationals stranded abroad, on the acquisition of medicines, medical and protective equipment, as well as on the research and development of a vaccine. Reaffirming the central role of the EEA Agreement in closely linking our societies and economies, we continue to stress the need for such close cooperation and the importance of considering how to help alleviate the serious

socio-economic impact of the COVID-19 pandemic through all available instruments. Ensuring the integrity of the Internal Market and a smooth functioning of the EEA Agreement remain essential priorities in this context.

Cooperation in the EEA

2. 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 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 all its 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 German and incoming Portuguese Presidencies for the continuation of this practice.
3. Recognising the important role of parliamentary cooperation and cooperation between economic and social partners, we note the Resolution of the EEA Joint Parliamentary Committee adopted at its meeting on 16 November on the **Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2019** and the Resolutions of the EEA Consultative Committee adopted at its meeting on 18 September 2020 on **the Green Deal**, and on **the Industrial Strategy**.
4. 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 the EU and the EEA EFTA States to ensure that information on the EEA Agreement is made readily and easily available.

5. We express concerns regarding the current challenges in international trade at a time where global supply chains are under strain due to the COVID-19 pandemic. We reconfirm our commitment to open and fair trade and rule-based trade relations. We reiterate our support for the modernisation of the World Trade Organisation in order to adapt it to the rapidly changing economy and to ensure a level playing field on world markets.

Political dialogue

6. We recognise that the special partnership between the EU and the EEA EFTA States is the best guarantee of long-term shared prosperity and stability. It shall contribute to 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 EU Council working parties.

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

7. We welcome the dialogue between the EU and the EEA EFTA States on issues related to the implications of UK's withdrawal from the European Union that are relevant for the EEA Agreement and encourage the continuation of this dialogue until the end of the transition period and beyond. In this context, we underline the importance of safeguarding the EEA Agreement, ensuring the continuation of a well-functioning, homogenous EEA and preserving the integrity of the Internal Market.

The development of the Internal Market

8. 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, while noting that due to the COVID-19 crisis,

it has in some cases been necessary to temporarily adapt the rules on state aid. We reiterate the importance of the close involvement of the EEA EFTA States in the design and development of Internal Market policies and initiatives, particularly in relation to the green and digital transitions. We encourage active cooperation on initiatives for better enforcement and implementation of Internal Market rules, including the EEA EFTA States' participation in the Single Market Enforcement Task Force (SMET), and on eliminating remaining trade barriers, particularly in the field of services.

9. We welcome the focus on further strengthening the Internal Market. We commend that the European Commission's COVID-19 recovery efforts put emphasis on ensuring that the Internal Market works properly again, whilst becoming greener and more digital.

Incorporation of EEA-relevant EU acts

10. 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.
11. We recognise that the efforts to reduce the number of EU acts awaiting incorporation into the EEA has continued in 2020 and that important progress on complex files has been achieved. We acknowledge that these positive developments were the result of joint efforts between the EU Institutions and the EEA EFTA States. We however note with regret that the total volume of acts incorporated in 2020 was considerably smaller than in previous years. We stress the need to make necessary resources available to increase the speed and volume of incorporation of EU legal acts and thereby continue to ensure legal certainty and homogeneity in the EEA.

The European Green Deal – climate change, environmental protection and energy

12. We reiterate the ambition of making the EU climate-neutral and transforming the EEA EFTA States into low-emission societies by 2050 while safeguarding and enhancing competitiveness. We agree that it is essential to put climate change, the loss of biodiversity and the protection of the environment at the heart of a renewed ambition to achieve sustainability. In this context, we note that a number of key initiatives have been launched this year within the framework of the European Green Deal, such as the European Climate Law, a new Circular Economy Action Plan, the Biodiversity Strategy, the Farm to Fork Strategy, and the Green Deal Investment Plan, the 2030 Climate Target Plan and the Chemicals Strategy.
13. We remain fully committed to addressing climate change, pursuing energy transition and protecting the environment, and emphasise the importance of continued close cooperation between the EU and the EEA EFTA States on climate change, environment and energy matters hereunder on renewable energy, hydrogen and carbon capture and storage and mineralisation (CCSM), including within the framework of the European Green Deal and on key initiatives with EEA relevance.
14. Recognising that climate change is a global problem, we reiterate our commitment to implement the UN's 2030 Agenda and the Paris Agreement as the essential multilateral frameworks governing global action against climate change. We remain determined to raise global climate ambition 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, the need to put forward enhanced global efforts and ambitions by 2020 is underlined.
15. We note the high ambitions stated in the communications of the European Commission on an Energy System Integration Strategy and the EU Hydrogen Strategy and agree on the necessity of a long-term, efficient and market-based approach to the energy transition.

A Europe fit for the digital age

16. Underlining the importance of making the digital transformation work to the benefit of the whole of society, we take note of the communication of the European Commission on Shaping Europe's digital future and its accompanying White Paper on Artificial Intelligence and European data strategy. We furthermore recognise the key role new technologies will play in making our societies smarter and greener.
17. We stress the importance of the EU and the EEA EFTA States working together in building the European Data Economy and welcome the EEA EFTA Comment on the Commission's strategies for Artificial Intelligence (AI) and data. In this Comment, the EEA EFTA States support the vision of Europe becoming a role model for a society empowered by data, a risk-based approach to regulation of AI, and recognise the need for a common European approach in order to reach sufficient scale and avoid fragmentation of the Internal Market.
18. We confirm our commitment to facilitate the free flow of data across the entire EEA, underlining the importance of effective implementation and harmonized enforcement of legislation such as the General Data Protection Regulation (GDPR). We support the proposal to establish common European data spaces to modernise the economy, combat the COVID-19 pandemic and meet climate objectives.
19. We recognise that the emergence of large online platforms creates distinct challenges and stress that the main aim of the upcoming Digital Services Act package should be to strengthen the Internal Market for digital services while protecting the rights of citizens.

The Social Dimension

20. 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 with satisfaction that a number of initiatives have been taken in recent years, including the Communication of the European Commission on a Strong Social Europe for Just Transition, setting out the road towards an Action Plan to implement the European Pillar of Social Rights. We note the newly launched European Skills Agenda and support its aim of ensuring that the right to training and lifelong learning becomes a reality across Europe.

EU programmes

21. Acknowledging the contribution made by EU programmes to building a more competitive, innovative and social 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.
22. We encourage the EEA EFTA States to take an active part in EU programmes foreseen under the new financial framework and welcome their preliminary Expression of Interest. 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

23. We commend the positive contribution made by the EEA and Norway Financial Mechanisms in reducing social and economic disparities throughout the EEA and in supporting a free and vibrant civil society, as this contributes to a well-functioning Internal Market.
24. With regard to the agreements on EEA and 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.

25. We note that, in the face of the COVID-19 crisis, a number of steps have been undertaken to mitigate risks for the timely realisation of the programmes. We ask the EEA EFTA States to continue to assess the situation and undertake appropriate mitigation measures in cooperation with the beneficiary states in order to achieve the best results in the implementation of the EEA and Norway Financial Mechanisms 2014-2021.

Agricultural trade

26. We recall the commitment of the Contracting Parties in accordance with Article 19 of the EEA Agreement and call on the parties to pursue the dialogue with a view to reviewing the conditions of trade in agricultural products. We note Contracting Parties' intention of conducting a new review of the trade regime for processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement, in order to further promote trade in this area.

Work Programmes of the EFTA Standing Committee for 2020

Priorities of the Norwegian Chair

First half of 2020

The purpose with this document is to highlight the priorities of the Norwegian Chair for the EFTA Standing Committee during the first half of 2020. The priorities are supplemented by the work programmes prepared for the EFTA Subcommittees and EFTA Working Groups.

Incorporation of legal acts

Building on the progress achieved and based on the shared responsibility between the parties of the EEA Agreement, continue the good dialogue and the systematic efforts to ensure the timely incorporation of new EEA-relevant EU acts. Particular focus on critical acts, including acts within financial services (EMIR CCP Supervision, Anti-Money Laundering, Banking Package).

Decision shaping

To closely follow the new European Commission and European Parliament with the aim of identifying, following and promoting EEA EFTA views on development of new legislation and measures. Main priorities for the first half of 2020 include:

To maintain and further develop EEA EFTA cooperation with the EU on EEA-relevant initiatives under the European Green Deal, including the new climate law, financing mechanisms, transport, the circular economy action plan.

Engage and promote EEA EFTA views related to EU cooperation on labour issues, including collective bargaining/minimum wage, working standards, social dumping, gender equality and non-discrimination.

Identify and engage with EU cooperation in overarching areas such as maritime issues, competitiveness, knowledge (research and education), industrial policy and digitalisation.

Continue to focus on key issues in the pre-pipeline and pipeline stage, including through meetings with officials from EU institutions and written statements. Actively use EEA EFTA comments as an instrument for influencing the EU decision-making process, including on key legislation arising in the next six months.

EEA Outreach

Strengthen the knowledge in the EU institutions, including European Parliament and MEPs of the EEA Agreement and the EEA and Norway Financial Mechanisms, through full use of the available tools and arenas to disseminate EEA information. In addition to the biannual EFTA seminars, organize an event on EEA EFTA States participation in EU Agencies to increase knowledge, identify opportunities and share experiences on the EEA EFTA States participation in the different agencies. In cooperation with the FMO, organize specific exhibition on the EEA and Norway Grants in the European Parliament.

New EU Programmes 2021–27

Continue the preparations for EEA EFTA participation in relevant EU programmes under the new Multiannual Financial Framework, with the aim to ensuring participation in line with priorities in the EEA EFTA States and the provisions in the EEA Agreement. Submit indicative positions on individual programme participation in February 2020.

Other activities

Relations with the UK

Contribute to a robust management of relevant agreements in the transitional period.

Continue a close dialogue between the EEA EFTA States and the EU UK Task Force, in order to preserve the interest of all parties concerned and the integrity of the internal market when negotiating the future treaty relationship with the UK.

Priorities of the Liechtenstein Chair

Second half of 2020

The purpose of this document is to highlight the priorities of the Liechtenstein Chair for the EFTA Standing Committee during the second half of 2020. The priorities are supplemented by the work programmes of the EFTA Subcommittees and Working Groups.

1. Response to the COVID-19 pandemic

Continue close consultations with the EU on the response to the COVID-19 pandemic, in particular regarding recovery strategies and efforts to ensure the continued integrity and smooth functioning of the Internal Market. Ensure swift incorporation of EEA-relevant legal acts in this area.

2. Prepare EU programme participation 2021–27

Continue preparations for EEA EFTA participation in relevant EU programmes under the new Multiannual Financial Framework, with a view to preserving the interests of the EEA EFTA States and the provisions of the EEA Agreement (in particular regarding equal participation). Ensure smooth progress in drafting JCDs on programme participation with a view to their timely submission in early 2021.

3. Timely incorporation of EEA-relevant legal acts

Continue work among the EEA EFTA States and with the EU institutions to reduce the number of adopted EU acts awaiting incorporation into the EEA Agreement. Particular focus on critical acts (e.g. the Banking Package (CRR II/CRD V), the NIS Directive and Cybersecurity Act, the European Labour Authority Regulation, Regulations on CO₂ emission standards for cars and vans, the de minimis Regulation and the General Block Exemption Regulation, the revision of social security coordination rules) as well as on areas with relatively large numbers of outstanding acts (transport, financial services). Finalise incorporation of older acts and packages where

good progress has been made in recent months (e.g. Tobacco Products Directive, Ship Inspections, Third Postal Services Directive, Energy Efficiency Directive, Railway Packages, BEREC). Assess challenges related to major pieces of new EU legislation at an early stage, especially regarding possible two-pillar issues (cf. Early Action List). Further improve vertical cooperation among Working Groups, Subcommittees and Standing Committee, in particular in respect of horizontal challenges.

4. Continue efforts on decision shaping

Continue to place great emphasis on decision shaping, in particular by issuing further EEA EFTA Comments in appropriate cases (in particular on the European Green Deal) and ensuring follow-up, including through the EEA EFTA Comment Tracker.

5. Brexit-related activities

Continue the close dialogue between the EEA EFTA States and the EU UK Task Force in order to preserve the interests of all parties concerned in the context of the future relationship with the UK, in particular the good functioning of the internal market. Finalise arrangements to ensure the full implementation of the EEA Separation Agreement upon expiration of the transitional period.

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