



EUROPEAN FREE TRADE ASSOCIATION

CONSULTATIVE COMMITTEE

Ref. 23-1856

19 March 2024

Work Programme 2024

I Introduction

1. The main objectives of the EFTA Consultative Committee (EFTA CC) in 2024 are threefold:
 - 1) To actively shape EFTA and EEA agendas, and influence EFTA and EEA-related policies in the areas that affect the social partners;
 - 2) To be a forum for dialogue among social partners from all EFTA countries, and a link to social partners in the EU and EU accession countries;
 - 3) To raise awareness of the social, economic and environmental aspects of EFTA's free trade agreements and the European Economic Area, and the role of the social partners.
2. To achieve these objectives, the EFTA CC will organise various activities throughout the year. These activities may take the form of meetings in person, virtual meetings or the issuance of opinions or resolutions based on the many policy areas mentioned in the Work Programme. The Work Programme is a flexible working document and can be adapted to new developments in EFTA and the EU. The EFTA social partners will continue to work closely with EFTA parliamentarians in the EFTA Parliamentary Committee to achieve these goals.
3. The EFTA social partners also share a close working relationship with the European Economic and Social Committee (EESC). At least one meeting will be organised with EU counterparts in 2024. Through close cooperation between the EFTA CC and bodies of the EESC, members of the Consultative Committee may participate in relevant meetings of the EESC, and vice versa, where mutual benefits can be derived therefrom, especially by avoiding the duplication of work in the two committees as described in the EFTA CC Rules of Procedure.
4. The Icelandic Employers will chair the EFTA CC in 2024, as set out in the Note on the Rotation System of the EFTA Consultative Committee Chair and Bureau 2024-2029, which was adopted at the meeting of the Committee on 21 November 2023.

II List of priorities in 2024

a. European Economic Area

Short summary: The EEA Agreement turns 30 in 2024, so the Committee will draft a resolution and report with EU colleagues on 30 years of EEA cooperation to mark the occasion. The anniversary serves as a good point to take stock of the relationship and look towards the future. The EEA Agreement is a vital instrument for the cooperation between the EEA EFTA countries and the EU, and should be prioritised. Many EU initiatives have become more horizontal in nature, complicating the work of the EEA EFTA countries. Green and digital policies remain of interest.

EEA cooperation: three decades on

5. The year 2024 is a monumental year for the Agreement on the European Economic Area (EEA Agreement). The Agreement – which entered into force on 1 January 1994 – will celebrate its 30th anniversary in 2024. Considering this, the EFTA social partners will give a special focus to the Agreement and the important cooperation between EFTA and the EU over the past 30 years, its basis and its prospects.
6. The EEA Agreement has shaped the lives and work of both EFTA and EU social partners in myriad ways in the past 30 years. It has provided a solid cooperation framework and a strong basis for the relationship between the EU and EEA EFTA States in times of both relative calm and increasing geopolitical turbulence. The EEA Agreement has provided market access for economic operators, while creating rights for individuals and governments.
7. Now, after three decades of formalised cooperation, it is an appropriate junction to take stock. The EFTA and EU social partners in the EEA Consultative Committee (EEA CC) will therefore draft a resolution reviewing the 30-year experience of the EEA Agreement, while looking forward to future opportunities and challenges of the cooperation. It is timely and relevant to review what has occurred in the past three decades, and to look closely at the relationship between the EEA EFTA States and the EU with the EEA Agreement as its basis. The resolution will also look beyond this, and examine how the EEA EFTA States and the EU can forge a stronger relationship and retain a strong and vibrant Single Market ensuring economic and social progress.

Horizontal issues in the EEA cooperation

8. The EEA Agreement serves as the bedrock of the EEA EFTA States' cooperation with the EU. Recently, many EU decisions, rules and policies that are horizontal in nature have had an impact on the Single Market, meaning that they are relevant to the EEA EFTA States, but have also influenced other policy fields – such as trade – that fall outside the EEA cooperation. These have become increasingly complicated for EEA EFTA States to process, since they are full members of the Single Market but not party to the EU's common trade policy. These policies and acts include files such as the

Carbon Border Adjustment Mechanism (CBAM) and the revision of the EU Emissions Trading System (ETS), corporate sustainability due diligence, and the proposal on prohibiting products made with forced labour. The increasing horizontal nature of EU legislation and the linkage of external trade and the Single Market have made it less clear which legislation falls under the EEA Agreement, and which does not. The EFTA CC, as a body that deals with both EFTA's trade cooperation and the EEA Agreement, has a good overview and understanding of these two topics, which must increasingly be viewed and understood together. The Committee will therefore continue to monitor developments in this field closely, and will work to bring clarity when developments arise. It will take an active part in discussions on the increasingly horizontal nature of the EEA acquis and provide advice to the EEA EFTA States when relevant.

9. Another topic that has been high on the EU's agenda in the past years is its industrial strategy. The EU is increasingly trying to boost its strategic autonomy by building capacity within strategically important policy areas to reduce its dependence on third countries. This has resulted in policies and legislation such as the Green Deal Industrial Plan, Net Zero Industry Act and Critical Raw Materials Act. It remains crucial that the EFTA countries are viewed as fully integrated members of the Single Market and therefore European value chains, and not as third countries. The EU's response to the increased global subsidies race should respect the current multilateral rules-based system and avoid negative externalities for the EFTA countries. The good functioning of the multilateral system and rules-based cooperation is integral to the economies of smaller export-oriented countries, a point the EFTA CC has and will continue to stress in its work.

Priority areas for the social partners in the EEA cooperation

10. The European elections will take place in 2024, and a new European Commission and Parliament will be constituted with a fresh mandate. The EFTA social partners will work with the EFTA Member States and EFTA parliamentarians to remind our counterparts on the EU side of the important relationship between the EEA EFTA countries and the EU, based on the EEA Agreement. It is highly important to prioritise this cooperation to ensure the good functioning of the EEA Agreement. The Single Market is a joint endeavour of the EU and EEA EFTA countries. It is important to keep the adoption backlog of EU legal acts to a minimum for the competitiveness of EEA EFTA economic operators and workers, making sure that the playing field is level within the EEA. The EFTA social partners will follow the first steps and priority areas of the new Commission and Parliament closely.
11. In 2024, regardless of the composition of the European Parliament and Commission, the focus on climate-friendly policies and legislation will remain in place. The implementation of the European Green Deal and Fit-for-55 package will continue, and their adoption into the EEA Agreement will be discussed in the relevant groups in the EEA cooperation. Furthermore, the digital transition will not slow down, and the EFTA CC will continue to follow developments in artificial intelligence and the adoption and implementation of important legal acts related to the digitalisation of Europe –

including the discussions between European social partners on the right to disconnect and telework. Finally, the Committee will continue to direct its attention towards social and labour market-related developments in the EU. On all of these workstreams, the EFTA CC will advise and scrutinise the EEA EFTA States and their EU counterparts on the adoption and implementation of the relevant EU legislation.

12. The EU is currently at a crossroads with several countries that have an interest in joining the Union. Any EU enlargement would directly affect the EEA Agreement, since all countries that join the EU shall also apply to become a member of the EEA. In the summer of 2022, Ukraine and Moldova were granted EU candidate status. Western Balkan countries are continuing with their negotiations with the EU. It is important that the EFTA social partners monitor and give advice on enlargement-related prospects. The Committee will also follow any possible discussions on institutional reform on the EU side.
13. European competitiveness will remain a priority for the EU in the coming years. The EFTA CC will take due note of, and support, EU measures to increase the competitiveness of Europe and the Single Market. There is a real risk that Europe will fall behind other regions. As the European Commission has pointed out in its communication on *long-term competitiveness of the EU: looking beyond 2030*, the average productivity growth in the EU has been weaker than in other major economies since the mid-1990s. The EU wants to use the Single Market, of which the EEA EFTA States are an integral part, as an engine for increased competitiveness. In its communication, the Commission proposes many ways to address this issue, such as increased R&D, faster rollout of digital infrastructure, enhancing the regulatory framework, boosting skills and other important ventures. The Committee will encourage the EEA EFTA States to take note of this and to make sure that they are part of this push towards ensuring and enhancing the competitiveness of Europe as a region.

EEA CC resolutions and reports and possible EFTA CC opinions in 2024

14. The EEA CC will prepare a resolution and report on the following topic to present at the EEA CC plenary meeting in Iceland in the first half of 2024:
 - EEA cooperation 30 years on: past, present and future
15. The EFTA CC will consider issuing an EFTA CC opinion on the future of EFTA trade cooperation in a changed geopolitical context. It also reserves the right to opine on the EEA, EU developments or free trade-related issues relevant to the EFTA social partners.

b. Trade relations (third-country relations)

Short summary: The geo-politicisation of trade continues to have an impact on the work of EFTA. The Committee encourages the Member States to continue to expand their trade network to strengthen resilience. EFTA should do all it can to champion the rules-based system. Trade and sustainable development and transparency are important topics for EFTA trade. The social partners will follow important negotiations with partners such as India, Thailand and Mercosur.

Horizontal trade priorities

16. The Committee continues to monitor, scrutinise and advise the EFTA countries on developments in EFTA's trade relations and policy. It remains imperative for EFTA to continue to seek new avenues to expand our already ambitious free trade agenda with trade partners, and to consider the changed geopolitical landscape and its relation to EFTA trade cooperation. This helps to strengthen the resilience and diversification of supply chains. A rules-based multilateral trade system is critical for the EFTA countries, and the EFTA countries would do well to use all opportunities to champion this system both bilaterally and multilaterally. An increasingly power-based and protectionist world does not bode well.
17. The geo-politicisation of trade will continue to affect EFTA's position in the world. In 2023, much of the Committee's meetings revolved around three themes related to the complicated geopolitical environment in which EFTA trade policy is being implemented: 1) the relationship between trade and climate-friendly policies; 2) the increased regionalisation of trade policy; and 3) the impact of security on trade. The Committee will continue to focus on these areas and to systematically raise the importance of cooperation and coordination of the EFTA countries to counter the difficult geopolitical environment.
18. Two key policy developments have been high on the agenda of the social partners in the past years and remain of importance. First, the EFTA social partners will continue to follow sustainability developments in trade with great interest, and will actively provide policy advice to the EFTA countries. This applies to both climate-friendly and labour-related policies to promote social, economic and environmental sustainability. A good balance between trade liberalisation and sustainability must be found when institutionalising trade with third countries. The social partners have in the past and continue to encourage the EFTA countries to modernise their trade agreement with their new trade and sustainable development (TSD) provisions. The social partners remain committed to the monitoring of TSD chapters in EFTA free trade agreements. They will review the experience from the TSD monitoring mechanism in the next years. Further the Committee will continue to follow and actively contribute to EFTA sustainability impact assessments. Second, transparency in trade negotiations and information sharing with the EFTA social partners remain a key priority. The EFTA social partners will do all they can to proactively share information with the EFTA countries and contribute to the public debate on trade.

19. EFTA social partners expect the inclusion of a chapter on small and medium-sized enterprises in future EFTA free trade agreements and modernisations. The Committee values the work being carried out to evaluate the utilisation of EFTA free trade agreements, and hopes that the data being assembled can be used in a constructive manner to facilitate trade based on the preferential conditions created by EFTA trade agreements.

Third-country processes (trade partners)

20. The EFTA social partners will continue to closely monitor, scrutinise and consult the EFTA countries on various ongoing processes that EFTA has with trade partners and potential trade partners. Priority will be given to the following negotiations: the conclusion of negotiations with India, finalisation of the process with Mercosur where there is already a political agreement but a solution must be found with regard to sustainability issues, and the conclusion of negotiations with Thailand, not excluding the possibility of new developments throughout the year with new partners. With the conclusion of these three processes (India, Mercosur and Thailand) EFTA would have preferential market access and a clearer trade framework with close to 1.7 billion new individuals. Other negotiations that will be of interest include Kosovo, Malaysia and Vietnam. The social partners encourage the EFTA countries to conclude balanced and beneficial agreements for the benefit of EFTA economies and to encourage our partner countries to involve social partners in the negotiation process.
21. The modernisation of agreements, where applicable, also remains a key concern. This is important not only to gain even more preferential market access but also to make sure that the EFTA free trade network is up to date and reflects the most relevant TSD commitments. The social partners will follow processes towards modernisation with Chile, Mexico and SACU, and hopefully the beginning of the modernisation process with Ukraine.

III Implementation and follow-up

22. This Work Programme for 2024 will be implemented throughout the year, with guidance from the Chair of the EFTA CC and its Bureau. At the last meeting of the year, usually held in December, the Committee will review this document, mindful of the progress that has been made throughout the year in addressing the objectives stated in the first chapter. A yearly review report will be drafted by the outgoing Chair with assistance from the EFTA Secretariat, and will be shared with the Committee and made public by the end of the year. The reasoning behind such a review is to further strengthen the execution of the work of the Committee; identify areas of future improvement; and help increase continuity in the work of the Committee.

ANNEX I

Ref. 23-1541

19 March 2024

Meeting schedule for 2024

Dates	Place	Meeting
7-8 February	Geneva, Switzerland	<p>EFTA advisory bodies trade seminar</p> <p>Joint meeting with the Committee on Third-Country Relations (TCC)</p> <p>Joint meeting with the EFTA Parliamentary Committee</p> <p>EFTA Consultative Committee meeting</p> <p>EFTA Consultative Committee Bureau</p>
10 April	Brussels, Belgium	<p>Meeting with the EFTA Standing Committee</p> <p>Seminar with EFTA Working Groups</p> <p>EFTA Consultative Committee meeting</p> <p>EFTA Consultative Committee Bureau</p>
23-24 May	Reykjavik, Iceland	<p>EEA Consultative Committee</p> <p>EEA Consultative Committee Bureau</p>
24-25 June	Geneva, Switzerland	<p>Joint meeting with EFTA Ministers</p>

		<p>Joint meetings with EFTA Parliamentary Committee</p> <p>EFTA Consultative Committee meeting</p> <p>EFTA Consultative Committee Bureau</p>
12 September	Videoconference	EFTA Consultative Committee
14-15 October	Hungary	<p>EEA Consultative Committee</p> <p>EEA Consultative Committee Bureau</p>
November	Brussels, Belgium	<p>Meeting with EEA EFTA Foreign Affairs Ministers</p> <p>Meeting with EFTA Ministerial Chair</p> <p>Joint meeting with EFTA advisory bodies</p> <p>EFTA Consultative Committee Bureau</p> <p>EFTA Consultative Committee meeting</p>
11 December	Videoconference	EFTA Consultative Committee