

DRAFT CONCLUSIONS

Subject : Draft Minutes of the 20th meeting of the EEA Council on 14 October 2003

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The EEA Council held its 20th meeting in Luxembourg on 14 October 2003. The meeting was chaired by Mr. *Ernst WALCH* (Minister for Foreign Affairs of *LIECHTENSTEIN*), who led the EEA - EFTA side composed of Mr. *Halldór ÁSGRÍMSSON* (Minister for Foreign Affairs of *ICELAND*) and Mr. *Jan PETERSEN* (Minister for Foreign Affairs of *NORWAY*).

Mr. *Roberto ANTONIONE* (State Secretary in the Ministry for Foreign Affairs of *ITALY*) led the EU Troika composed of Mr. *Dick ROCHE* (Minister of State for European Affairs of *IRELAND*) and Mr. *Michael LEIGH* (Deputy Director General in RELEX of the *European Commission*).

The EFTA Surveillance Authority was represented by its President Mr. *Einar BULL*.

Opening statement of Mr. WALCH, on behalf of the EEA - EFTA States:

Ladies and Gentlemen,

It is a pleasure for me to open this 20th meeting of the EEA Council. I suggest that, in order to gain time, we deal with items 1, 2, 3, 4 and 7 of the Agenda without discussion. That means that we by this also adopt the Conclusions of this meeting. Is this agreeable to you?

Intervention of Mr. ANTONIONE, on behalf of the European Union:

Ladies and Gentlemen,

We, too, are pleased to meet you here in this EEA Council meeting.

To save time, we would like to confirm that there is agreement on dealing with items 1, 2, 3, 4 and 7 on our Agenda without prior discussion. Furthermore, we would like to express our satisfaction at our consensus on the draft Conclusions in item 7 on the Agenda.

1. ADOPTION OF THE AGENDA

The EEA Council adopted the Agenda as set out in EEE 1605/03.

2. APPROVAL OF THE MINUTES

- of the 19th meeting, which took place in Luxembourg, on 15 April 2003 (EEE 1604/03).

The EEA Council approved the minutes of its 19th meeting as set out in the above-mentioned document.

3. **PROGRESS REPORT BY THE EEA JOINT COMMITTEE**

The EEA Council noted the Progress Report as set out in EEE 1608/03.

4. **RESOLUTIONS OF THE EEA JOINT PARLIAMENTARY COMMITTEE
ADOPTED AT ITS 20th MEETING IN ÅLESUND, NORWAY, ON 20 MAY 2003.**

The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 20th meeting in Ålesund, Norway, on 20 May 2003, on *The Annual Report on the functioning of the EEA Agreement in 2002* and on *The Future of an Enlarged Europe*.

5. ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EEA AGREEMENT

Assessment of the overall functioning of the EEA Agreement

(i.a. enlargement of the European Economic Area; maintaining and enhancing the homogeneity of the European Economic Area; decision making and shaping; EEA - EFTA participation in Agencies of the European Union; the Lisbon Process and the European Economic Area):

Intervention of Mr. WALCH, on behalf of the EEA - EFTA States:

Mr Chairman,

In parallel with the enlargement negotiations, we have continued to manage the day to day running of the European Economic Area Agreement. The institutional set-up functions well. The EFTA Surveillance Authority and the EFTA Court are performing their tasks in an exemplary and independent way, as foreseen. The advisory bodies, both the Consultative Committee and the Joint Parliamentary Committee, have actively commented upon and followed the enlargement process. They also take an active and constructive interest in the functioning of the European Economic Area Agreement.

The EEA Joint Committee continues its regular work and the integration of new acts is maintained at a high level. As we can read from its Progress Report, there are few long outstanding issues and no major delays in the system.

I am pleased that the EEA Joint Committee has, since our last meeting adopted the Decision to integrate the Money Laundering Directive, and that we found practical solutions when preparing this Decision.

Let me now turn to the issue of the participation of the EEA - EFTA States in the new Agencies of the European Union. We already participate in a large number of Agencies

relevant to the European Economic Area Agreement and over the last couple of years there have been preparations for the participation in three new and important Agencies.

I am very satisfied that the EEA Joint Committee recently adopted the Decision on our participation in the European Maritime Safety Agency. This has, as you may well understand, for natural reasons not been a main priority for my Country. But let me recall that this is an extremely important issue for my two colleagues representing two of the most important maritime Nations in Europe.

Having said this, I am disappointed that we have not yet adopted the Decisions on the European Food Safety Authority (EFSA) and the European Aviation Safety Agency (EASA). These issues have been discussed now for quite some time, and the decisions are long overdue. One of the tasks of the EEA Council is to provide political guidance to the EEA Joint Committee. I would like to take this opportunity to appeal to all parties to settle outstanding issues and finalise the Decisions without delay.

Let me conclude on the actual functioning of the European Economic Area Agreement with a positive note. The European Commission has in its Internal Market Strategy (2003-2006) made a very good job in identifying future challenges for the Internal Market. We welcome any effort to improve the functioning of the Internal Market. Most of the initiatives will later manifest themselves in acts relevant to the European Economic Area, which will be integrated into the European Economic Area Agreement. Furthermore, the EEA - EFTA States continue to monitor and follow up the Lisbon Strategy. The ambition to make Europe the most competitive economy in the world is as relevant as ever, and fully supported by us.

The fact that we managed to reach a solution on the enlargement of the European Economic Area despite the initial differences, shows the solidity and viability of the European Economic Area Agreement. The EEA - EFTA States look very much forward to further develop our cooperation with the Acceding States in the future.

Thank you.

Intervention of Mr. ANTONIONE, on behalf of the European Union:

Mr Chairman,

First of all, I would like to take this opportunity to emphasise the importance of the meetings of the EEA Council, which give us an opportunity to carry out a periodic evaluation of the application of the European Economic Area Agreement and to hold a useful exchange of views on its various aspects.

We consider that the evaluation of the internal co-operation between the Member States of the European Union and the EEA - EFTA States is globally very positive. We are nevertheless prepared to improve such cooperation further.

On the various topics listed under item 5 of the Agenda, I should like to give the floor to the European Commission, the Community Institution mainly responsible for the day-to-day operation of our European Economic Area Agreement.

Thank you.

Intervention of Mr. LEIGH, on behalf of the European Commission:

Mr. President,

Since our last EEA Council meeting in April, we have naturally focused much effort on finalising the negotiations on the enlargement of the European Economic Area and engaged in all necessary procedures and activities to prepare for the signature of the Enlargement Agreement of the European Economic Area.

Naturally, I am disappointed that we were not able to conclude the signing procedure today due to problems independent of the substance of the Enlargement Agreement of the European Economic Area. I sincerely hope that this issue can be settled between the concerned parties

in the very near future, and I wish to stress the continued importance of simultaneous enlargement of the European Union and the European Economic Area.

Mr. President,

In 2003, during this challenging period with the negotiations on the enlargement of the European Economic Area as priority number one, we have also had to ensure the continued good functioning of the European Economic Area Agreement. We have over the past years made excellent progress in eliminating the backlog of the *acquis* to be incorporated and in accelerating the incorporation speed. These efforts could very easily have been compromised this year, investing all the resources necessary for the enlargement process to succeed.

This has not happened, and I am very pleased that the European Economic Area Agreement continues to function at its utmost efficiency and that we have managed, through our joint efforts, to maintain the high degree of homogeneity of the Internal Market.

The Progress Report from the EEA Joint Committee on the functioning of the Agreement, which we adopted today, is telling this by its brevity. Preparing and adopting 135 Joint Committee Decisions, incorporating 228 acts into the European Economic Area Agreement, is no small achievement, and I fully accept the Report, noting that the new legislation is incorporated rapidly, and that only a small number of issues remain outstanding for reasons of substance or procedure.

In addition, the EEA - EFTA side has also managed to continue their active decision shaping efforts through the participation in a range of Community Working Groups and Committees, and by submitting EEA - EFTA comments.

On the question of extending the “dot-EU” Regulation to the European Economic Area, allowing EEA - EFTA operators to use “dot-EU” as a top-level domain, I don’t wish to pre-empt the discussions that take place at a technical level, but would encourage you to reflect on the, as I see it, quite ingenious solution to integrate both the EU and the EEA notions, and

adapt the Regulation in such a manner, that the EEA - EFTA operators can use the top level domain in conjunction with the second level domain, which then reads “dot-EEA-dot-EU”.

While we managed to reach agreement on the EEA - EFTA participation in the European Maritime Safety Agency (EMSA) in June, talks are still ongoing on the European Food Safety Authority (EFSA), and the European Aviation Safety Agency (EASA).

The modalities for EEA - EFTA participation in the European Food Safety Authority (EFSA) is a complicated matter, and I can ensure you that the Services of the European Commission have invested much effort in establishing the comments on the draft Joint Committee Decision, which you have recently received. I hope that, on this basis, we can soon come to an agreement.

With respect to the European Aviation Safety Agency (EASA), this is much less complicated. After much internal verification, the European Commission has confirmed its position on the only outstanding issues:

- 1) the European Aviation Safety Agency (EASA) model for third country financial participation must apply also to the EEA - EFTA States, and
- 2) non-EU Member States cannot be given the right to vote.

So, in this case, it is for the EEA - EFTA States to decide, whether you choose to accept these modalities for participation in the European Aviation Safety Agency (EASA).

On a positive note, I would like to express my appreciation for the continued support of the EEA - EFTA States to the Lisbon Process and your engagement in achieving its objectives. Furthermore, I would, on behalf of the concerned Member States, also like to thank you for your flexibility in your reply to two specific requests from Spain and Portugal regarding the administration of the current financial instrument. This is much appreciated.

Finally, let me mention our “Wider Europe Initiative”. The European Commission has now begun its consultation process, which will lead to a series of action plans by May next year. The overriding objective is for neighbouring States to share in the benefits of the Enlargement of the European Union. In this process we will i.a. be scrutinising the Internal Market, which

would, of course, be relevant to the European Economic Area. I would, therefore, very much welcome a dialogue in the European Economic Area on the “Wider Europe Initiative”.

Thank you.

6. **ORIENTATION DEBATE: THE DRAFT TREATY ESTABLISHING A CONSTITUTION FOR EUROPE, AND THE INTERGOVERNMENTAL CONFERENCE (IGC).**

Introduction of Mr. WALCH, on behalf of the EEA - EFTA States:

Mr Chairman,

We have requested to have an orientation debate on your discussions on a Draft Treaty establishing a Constitution for Europe. Changes in the European Union may also affect the Internal Market and the European Economic Area Agreement, and we are therefore very interested in this subject. We, of course, followed the work of the Convention very closely, and we are now very eager to hear your views on the further work of the Intergovernmental Conference.

Thank you.

Intervention of Mr. ANTONIONE, on behalf of the European Union:

Mr Chairman,

The Intergovernmental Conference, which opened on 4 October, differs from its predecessors in that it follows the Convention on the future of the European Union.

For the first time, the Institutions of the European Union, National Parliaments and representatives of civil society have undertaken a structured, comprehensive, transparent discussion on the future of Europe.

The Convention has shown that European Treaties can be prepared and negotiated in an entirely new way. The success of the new method was demonstrated by the fact that, on the most controversial issues, solutions that could reconcile the positions of the Member States were sought right up to the last day.

The final result was the preparation of a Draft Treaty establishing a Constitution for Europe, which has the merit of including suggestions from the various structures of civil society, takes account of the sectoral discussions in the various Working Groups, and, above all, succeeds in reconciling the expectations of Countries with different-sized populations. The consensus reached is "far from being the lowest common denominator"; it is the very most that could be achieved in the present circumstances.

It should be noted that this Intergovernmental Conference is in no way comparable with the ones that have preceded it. Italy is determined to defend the constitutional value of the text drawn up by the Convention, of which the Intergovernmental Conference is the ideal continuation.

The Draft Treaty establishing a Constitution for Europe enables important results to be achieved, of which I shall mention just a few:

- The conferring of international legal personality upon the European Union.
- A better distribution of competences between the European Union and its Member States.
- A reduction of legislative procedures and simplification of legal instruments.
- Increased use of qualified majority voting within the ordinary law-making procedure.

- The widest possible application of the subsidiarity principle and a greater involvement of National Parliaments in the decision-making processes of the European Union.
- Strengthening of the institutions of the European Union to enable them to operate effectively in an enlarged Union.
- A more coherent External Policy for the European Union, as a result, among other things, of the introduction of a Foreign Minister of the Union.
- New provisions on Defence.
- Significant advances in regard to the Area of Freedom, Security and Justice.
- Incorporation of the Charter of Fundamental Rights into the Constitution and the provision of a legal basis allowing the European Union to accede to the European Convention on Human Rights.
- A new title concerning the relations of the European Union with its neighbours.
- A simplified budget procedure.

The Intergovernmental Conference must not dissipate the store of constitutional wisdom developed by the Convention itself, nor must it scale down the contribution which the Governments, National Parliaments and the European Parliament have made in drawing up the Constitutional Treaty.

In this connection, it is necessary to ensure compliance with the timetable established by the European Council of Thessaloniki, which requires a positive outcome to be achieved in time for the European Parliament elections next June. The Italian Presidency, therefore, hopes that an agreement will be reached by the end of the year. It will, thus, be possible for the new Treaty to be signed sometime between 1 May 2004, the date of the formal entry of the Ten new Member States, and the election of the new European Parliament next June.

Thank you.

Intervention of Mr. ROCHE, on behalf of Ireland:

Thank you Chair, for affording me the opportunity to briefly address this topic.

I believe the Draft Treaty is a very good document. It seeks to simplify the European Union, make it more understandable, bring it closer to its citizens etc.

Of course, there are details to be finalised, but I am confident that this will be achieved.

The Italian Presidency of the European Union has done excellent work towards this end to date, and I wish them every success in concluding before the end of the year.

If not however, Ireland stands ready to shoulder its burden in bringing things to a conclusion.

Thank you.

Intervention of Mr. WALCH, on behalf of the EEA - EFTA States:

Mr Chairman,

Thank you very much for this interesting overview. We are, of course, aware of the fact that you only opened the Intergovernmental Conference some ten days ago and that these comments are only very preliminary observations. Indeed, the Italian Presidency has a very demanding task ahead, and I wish you all success in your efforts. This constitutional process is truly historical and crucial for Europe's future. The changes you are discussing will also affect your closest partners in Europe.

Seen from the perspective of the European Economic Area, we will have to analyse closely how the final outcome may influence the European Economic Area Agreement. We have noted with interest the proposal to give a legal personality to the European Union. In this regard, we

welcome the wording in the draft constitutional text presented by the Convention. This text allows for legal continuity of International Agreements entered into by the European Community. We will take a close look at the final formulation of such a continuation clause, assuming that it guarantees the continued good functioning of the European Economic Area Agreement.

Any changes that affect the Internal Market are, of course, of interest to us. In this respect the possible merging of the pillar structure or changes in the competences should be assessed more closely to determine any relevance to the European Economic Area.

We also observe the very interesting discussions on institutional reform, whether it is the European Council Presidency or a new Foreign Minister. We eagerly await the outcome of these negotiations to see if the communication channels between the EEA - EFTA side and the European Union side might be affected.

Needless to say, the articles on neighbourhood policy are of great relevance to us, and we can only subscribe to any attempt at promoting long term stability and security in the immediate environment.

I will end my comments here and turn to my EEA - EFTA colleagues and ask if they would like to elaborate on any of these issues, before I give the floor back to the European Union side.

Thank you.

Intervention of Mr. PETERSEN, on behalf of Norway:

Mr. Chairman,

I would also like to thank you for your excellent overview concerning the work of the Intergovernmental Conference. My Government has followed with great interest the work of the European Convention and the discussions on the future of Europe, and we continue to do so

during the Intergovernmental Conference. The EU Treaty reform will, together with Enlargement next year, significantly affect Norway's relations to the European Union. These important changes to the European Union will probably also influence the public debate in Norway on our relations to the Union.

Enlargement of the European Union, as well as the enhancement of the Union's democratic legitimacy and efficiency, are in the interest of all of Europe, including Norway. This is why we hope the Intergovernmental Conference will be successful, even if we realize that the new Treaty may somewhat complicate our relations with the European Union. The European Economic Area Agreement itself, its fundamental principles, the material rights and obligations, as well as its Institutions for co-operation and legal recourse, constitute the foundation for our co-operation. Nevertheless, we will have to assess the possible effects of the new Treaty - not least the proposed merger of the three-pillar structure established by the *Maastricht* Treaty - on the functioning of the European Economic Area Agreement.

The new Treaty is likely to enhance the dynamic development of the cooperation in the field of Justice and Home Affairs with new possibilities for efficient decision-making and combination of measures. Norway will continue its active participation in the *Schengen* cooperation, and carry forward the constructive dialogue with the European Union on related issues of common interest and concern. We also note with interest the proposals towards a more effective Foreign and Security Policy, which will concern Norway as one of the few remaining non-EU European Allies.

We will no doubt have to work even more actively than before, both in Brussels and through bilateral channels, to safeguard our interests. I am confident, however, that Norway's close cooperation with the European Union, above all on the basis of the European Economic Area and the *Schengen* Agreements, but also in other fields of mutual interest, will continue under the new framework of the European Union.

Thank you.

Intervention of Mr. ÁSGRÍMSSON, on behalf of Iceland:

Mr. Chairman,

I wish the Italian Presidency all the best in navigating the Conference to timely and successful conclusions.

Iceland, as an EEA - EFTA State, participates fully in the Internal Market and is an Associate Member of *Schengen*. We, therefore, follow with great interest the debate about the Draft Constitution and the Intergovernmental Conference.

The strengthened role of the *Subsidiarity Principle* in the Draft Constitution is of particular interest. It is positive to observe that this is becoming more and more important among the fundamental principles of the European Union. I consider this principle, for instance, important in the context of the Common Fisheries Policy, as it could recognise the essentially local nature of fisheries.

The Draft Constitution could further have various implications for the relations between the EEA - EFTA States and the European Union. Our most important agreements with the European Union, such as the European Economic Area Agreement and the *Schengen* Association Agreement, reflect the institutional set-up of the European Union at the time of their negotiation. In other words, they are static, while the European Union is rapidly moving on.

On the institutional side, the weight of the Council and the European Parliament continues to be increased. This, of course, is a positive development for democracy in the European Union, but for the European Economic Area it creates a challenge. The European Economic Area Agreement provides for a good relation with the European Commission, but very limited access to the Council and the European Parliament.

While this development will reduce the so-called democratic deficit within the European Union, it may increase it in the context of the co-operation within the European Economic Area.

The *institutional changes* will also affect our *Schengen* co-operation. There we enjoy an extensive involvement in the existing decision-making procedure. With the new Constitution this procedure will change, providing for the involvement of the European Parliament through co-decision procedure in many areas. Our *Schengen* Agreement does not provide for an access to this new procedure.

It is, therefore, my firm view that the European Economic Area Agreement needs to be updated in the light of the conclusions of the Intergovernmental Conference and the previous Treaty changes.

It's important to remember that, when the European Economic Area Agreement was signed, the articles of the Main Agreement were supposed to mirror the corresponding articles of the Treaty establishing the European Community. Since then, the legal architecture of the European Community has undergone significant and fundamental changes, while the European Economic Area Agreement has remained unchanged.

A good example of this are the rules governing State Aid. According to the EC Treaty, the EC States can grant aid to promote their culture and heritage. On the other hand, the European Economic Area Agreement does not allow the EEA – EFTA States an identical right to grant aid to preserve their cultural heritage. The reason for this imbalance is simple: the provisions of the European Economic Area Agreement concerning State Aid are those of the EC Treaty prior to *Maastricht* and *Amsterdam*. This situation is hardly in conformity with the principle that the same rules should apply everywhere in the Internal Market.

The European Economic Area Agreement is the central pillar for our relationship with the European Union. It deserves continuous focus to ensure its good functioning. Therefore, it is of grave concern to us that, despite the fact that the European Union side had indicated that this issue would be dealt with after the enlargement was in good shape, we now hear rather negative voices from the European Commission on that.

During the process and negotiations on the enlargement of the European Economic Area it was positive to perceive that there still is a strong political support among the Member States of the European Union for the European Economic Area. This should not be underestimated. I would welcome to see this strong political support further confirmed by the fact that we agree to evaluate how the structural changes within the European Union have affected the functioning of the European Economic Area. I am confident that a fair solution in the spirit of the European Economic Area could be found.

Thank you.

Intervention of Dr. WALCH, on behalf of the EEA - EFTA States:

Thank you again, and if there is no other business, I would like to conclude this meeting. Allow me to express my satisfaction for this meeting and thank you very much for your participation.

Intervention of Mr. ANTONIONE, on behalf of the European Union:

We do share your satisfaction at the end of this 20th meeting of our EEA Council and we wish to thank the EEA – EFTA States warmly for their participation in this meeting.

7. **ADOPTION OF THE CONCLUSIONS OF THE EEA COUNCIL**

The EEA Council adopted the conclusions as set out in EEE 1607/03 REV 1.

8. **OTHER BUSINESS**

The EEA Council noted that there had been a debate on the situation in the Middle East, Iraq and the Balkans within the framework of the political dialogue.

Twentieth meeting of the

EEA COUNCIL

(Luxembourg, 14 October 2003)

List of Delegations

I. The Governments of the EEA – EFTA States were represented as follows:

LIECHTENSTEIN

Dr. Ernst WALCH	Minister for Foreign Affairs.
H.S.H. Prince NICOLAUS of Liechtenstein	Ambassador, Head of the Mission of of Liechtenstein to the European Union.
Dr. Georges BAUR	First Secretary, Mission of Liechtenstein to the European Union.
Mr. Pascal SCHAFHAUSER	Second Secretary, Mission of Liechtenstein to the European Union.

ICELAND

Mr. Halldór ÁSGRÍMSSON	Minister for Foreign Affairs
Mr. Kjartan JÓHANSSON	Ambassador, Head of the Mission of Iceland to the European Union
Mr. Thórir IBSEN	Deputy Head of the Mission of Iceland to the European Union
Mrs Bergdís ELLERTSDÓTTIR	Minister-Counsellor, Ministry for Foreign Affairs
Mr. Högni KRISTJÁNSSON	Minister-Counsellor, Mission of Iceland to the European Union
Mr. Björn Ingi HRAFNSSON	Political Counsellor to the Minister for Foreign Affairs

NORWAY

Mr. Jan PETERSEN
Mr. Bjørn T. GRYDELAND
Mrs. Oda SLETNES

Mr. Øystein BØ

Mr. Frode SOLBERG
Mr. Anders EIDE

Minister for Foreign Affairs.
Ambassador of Norway to the European Union
Director General, Ministry for Foreign
Affairs.
Deputy Director General, Ministry for Foreign
Affairs.
Councillor.
First Secretary, Mission of Norway to the
European Union.

II. The Troika of the European Union was represented as follows:

PRESIDENCY (ITALY)

Mr. Roberto ANTONIONE

State Secretary in the Ministry for Foreign
Affairs.

IRELAND

Mr. Dick ROCHE

Minister of State for European Affairs.

EUROPEAN COMMISSION

Mr. Michael LEIGH
Mr. Matthias BRINKMANN

Deputy Director General in DG RELEX.
Head of Unit in DG RELEX.

EEE 1608/03**REPORT**

Subject : Progress Report by the EEA Joint Committee to the 20th EEA Council
 14 October 2003

Decision-Making

1. Since the last reporting to the EEA Council, the EEA Joint Committee has adopted 96 decisions, incorporating 148 legal acts. So far in 2003, 134 decisions have been adopted, incorporating 228 acts into the Agreement. New acts are being integrated rapidly. There are few long-outstanding issues or procedural delays.
2. The EEA Joint Committee adopted the Decision on the Money-laundering Directive, together with three connected Declarations by written procedure on 11 August 2003.

Decision-shaping

3. On the basis of the relevant provisions of the Agreement, EEA EFTA experts continued to contribute to the work of EU working groups and committees active in the different areas of the Agreement. The EEA EFTA States will have the right to participate as observers in the revised Advisory Committee on Safety, Hygiene and Health Protection at Work. So far in 2003, 8 EEA EFTA Comments have been submitted.

New Community bodies

4. The Joint Committee adopted the Decision on EEA EFTA participation in the European Maritime Safety Agency at its meeting 20 June.
5. The Joint Committee Decisions on EEA EFTA participation in the European Food Safety Authority and the European Aviation Safety Agency are being prepared.

The Regulation on .eu Top Level Domain

6. The question of the integration of the Regulation on the implementation of the .eu Top Level Domain into the EEA Agreement is being discussed at Subcommittee level.

Current Financial Instrument

7. Following a request from Spain the 31 August deadline for projects under the current Financial Instrument has been extended. A request from Portugal to waive the pre-consultation phase for project applications under the Financial Instrument has been approved in principle, and a formal Joint Committee Decision is planned for the November meeting.

Enlargement

8. The negotiations on enlargement of the EEA have been completed and the EEA Enlargement Instrument was initialled on 3 July 2003.

* * *

**EUROPEAN ECONOMIC AREA
Council of the EEA**

Luxembourg, 14 October 2003

**EEE 1607/03
REV 1**

CONCLUSIONS

Subject : Conclusions of the 20th meeting of the EEA Council on 14 October 2003

1. The twentieth meeting of the EEA Council took place in Luxembourg on 14 October under the Presidency of Ernst Walch, Minister of Foreign Affairs of Liechtenstein. The meeting was attended by Members of Government of the EFTA States parties to the EEA Agreement, Members of the Council of the European Union, and by a representative of the Commission.
2. The EEA Council noted that Ministers had a discussion on the situation in the Middle East, Iraq and the Balkans within the framework of the political dialogue.
3. Regarding the regular review of ongoing work in EEA cooperation, the EEA Council noted the progress report of the EEA Joint Committee, and assessed the overall functioning and development of the EEA Agreement. It appreciated that new acts were being incorporated at a high speed and that the number of EU acts awaiting integration was kept at a low level.

The EEA Council:

- Noted with satisfaction that Directive 2001/97/EC on prevention of the use of the financial system for the purpose of money laundering had been integrated into the EEA Agreement.
 - Noted that the EEA EFTA States continued to participate in the decision-shaping process of EEA-relevant EC legislation and programmes through the appropriate committees and working groups, and welcomed contributions from participants of the EEA EFTA States, as well as joint EEA EFTA comments.
4. *The EEA Council welcomed the Joint Committee Decision on EEA EFTA participation in the European Maritime Safety Agency. It invited the EEA Joint Committee to agree on the modalities for EEA EFTA participation in the European Food Safety Authority, the European Aviation Safety Agency and the European Agency on Safety and Health at Work as soon as possible.*
5. The EEA Council held an orientation debate on the EU Intergovernmental Conference. The EEA Council noted that a Draft Treaty establishing a Constitution for Europe may affect the governance of the internal market. The EEA Council will therefore reassess possible implications for the EEA in a new orientation debate when the IGC has been concluded. The EEA Council invited the Joint Committee to provide information concerning Treaty changes of EEA relevance.
6. The EEA Council welcomed the proposals made in the Commission's Internal Market Strategy (2003-2006), and observed that many legislative initiatives in preparation would also have to be integrated into the EEA Agreement. An active follow-up by the EEA EFTA states in this field, as well as in activities falling under the Lisbon Strategy, was appreciated.

7. The EEA Council welcomed the participation by EEA EFTA Ministers in informal EU Ministerial meetings and the continuation of this practice under the current Italian Presidency. EEA EFTA Ministers were present at informal EU Ministerial meetings on Employment and Social Policies; on Competitiveness; on Energy and Environment, as well as the European Ministerial Conference on e-Government. The EEA Council noted the will to continue this practice under the incoming Irish Presidency.
8. The EEA Council noted the Resolutions on *The Annual Report on the functioning of the EEA Agreement in 2002* and on *The Future of an enlarged Europe* from the EEA Joint Parliamentary Committee.
