

EEE 1609/1/08
REV 1

DRAFT MINUTES

Subject : Draft minutes of the 30th meeting of the EEA Council
Brussels, 13 November 2008

DRAFT MINUTES
of the 30th meeting of the
EEA COUNCIL
(Brussels, 13 November 2008)

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The EEA Council held its 30th meeting in Brussels on Thursday, 13 November 2008. The meeting was chaired by Ms. *Rita KIEBER-BECK* (Minister for Foreign Affairs of the *Principality of LIECHTENSTEIN*), who led the EEA-EFTA Delegation, which was also composed of Ms. *Pórunn SVEINBJARNARDÓTTIR* (Minister for the Environment of *ICELAND*) and Mr. *Jonas Gahr STØRE* (Minister for Foreign Affairs of the *Kingdom of NORWAY*).

Mr. *Jean-Pierre JOUYET* (Minister of State with responsibility for European Affairs of the *FRENCH Republic*) led the EU Troika, which was also composed of Mr. *Pavel VACEK* (Director of EU Policies Department II of the Ministry for Foreign Affairs of the *CZECH Republic*) and Mr. *Karel KOVANDA* (Deputy Director General and Political Director of the Directorate General of External Relations at the *EUROPEAN COMMISSION*).

The *European Free Trade Association* (EFTA) was represented by its Deputy Secretary General Ms. *Bergdís ELLERTSDÓTTIR* and the *EFTA Surveillance Authority* (ESA) was represented by its President Mr. *Per SANDERUD*.

Opening of the meeting by Minister KIEBER-BECK, on behalf of the EEA-EFTA States

Dear Colleagues,

Allow me to welcome you to the 30th meeting of the EEA Council, here in Brussels. In order to save time, I propose that we deal with items 1, 2, 3, 4 and 7 of the Agenda without discussion, thus the Conclusions are also adopted. Can you agree to this?

Opening statement of Minister of State JOUYET, on behalf of the EUROPEAN UNION:

Ladies and gentlemen, colleagues from Liechtenstein, Norway and Iceland, from the EFTA Secretariat and the EFTA Surveillance Authority,

On behalf of the ministers of the European Union I am very pleased to welcome you and your delegations to Brussels and to the Justus Lipsius building.

First of all I would like to thank you and the EFTA Secretariat for your excellent collaboration in preparing for this meeting.

It is one more instance of the excellent cooperation that typifies our relations, and I am sure that this cooperation will develop still further in the future.

It is both an honour and a pleasure for me to represent the European Union at this 30th EEA Council meeting, at which we also celebrate 15 years of the EEA Agreement.

To save time and focus mainly on points of substance, I confirm that items 1, 2, 3, 4 and 7 on our agenda can be adopted without prior discussion. I am particularly pleased with the agreement we have reached on the draft conclusions under item 7 on the agenda, for which I would like to thank you.

We may therefore turn our attention to item 5 on our agenda.

1. ADOPTION OF THE AGENDA

The EEA Council adopted the Agenda, as set out in doc. EEE 1606/08.

2. APPROVAL OF THE MINUTES

of the 29th meeting of the EEA Council, which took place in Brussels on Tuesday, 27 May 2008, as set out in doc. EEE 1604/08.

The EEA Council approved the minutes of the 29th meeting, as set out in the above-mentioned document.

3. PROGRESS REPORT BY THE EEA JOINT COMMITTEE

The EEA Council noted the Progress Report by the EEA Joint Committee, as set out in doc. EEE 1608/08.

**4. RESOLUTIONS OF THE EEA JOINT PARLIAMENTARY COMMITTEE
ADOPTED AT ITS 31st MEETING IN BRUSSELS ON 4 NOVEMBER 2008**

The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 31st meeting in *Brussels* on 4 November 2008 on:

- *Research and Education Programmes: The EEA and the EFTA States and*
- *Future Perspectives for the European Economic Area.*

5. **ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EUROPEAN ECONOMIC AREA (EEA) AGREEMENT**

(incl. maintaining and enhancing the homogeneity of the EEA; Lisbon Strategy for Growth and Jobs and the EEA; decision making and shaping; Energy and Climate Change; and the Financial Mechanisms)

Intervention of Minister KIEBER-BECK, on behalf of the EEA-EFTA States:

Dear Colleagues,

Let me just change hat, for a moment, to make some brief remarks from a Liechtenstein perspective.

Firstly, I would like to say that excellent work has been done in the EEA during the last few months. As a Liechtenstein representative, I would like to take the opportunity to thank the French EU presidency for a very good cooperation. You have given a lot of attention to the cooperation with the EFTA States which is already bearing fruits.

I have little to add to what has been said. Let me just come back on the negotiations of financial contributions after April 2009. We also think that contributions should continue after this date and we are prepared to bear our share. We see no reason whatsoever to change, in real terms, the level of contributions. No new developments have taken place that would warrant for such a change. We have heard no convincing argument. Many arguments would rather speak for a lowering of our contributions. But we think that continuity is the word of the moment. We are open to look at changes in modalities.

I think it is important that we conclude these financial negotiations quickly, which will be easier if we have such a continuity approach. There are many other important challenges within and outside the EEA that ask for our attention.

Liechtenstein is generally speaking content with the development of its relationship with the EU. This year, quite a big step was taken when we signed our Schengen association Agreement. We now hope that it can soon enter into function. Our negotiations on an agreement to combat fraud have also resulted in a text for such an agreement. We are ready to conclude these negotiations on the basis of what has been achieved. We do not, however, want to limit our fiscal cooperation to the combat against fraud. We think that a more comprehensive approach should be taken with the EU and its Member countries.

Generally speaking and looking into the future, we are open to develop our relationship with the EU, building on what has already been achieved.

Thank you.

Intervention of Minister of State JOUYET, on behalf of the EUROPEAN UNION:

Madam President, dear Colleagues,

I too would stress the importance of meetings of this kind, for a periodical assessment of the EEA Agreement and a useful exchange of views on its various aspects.

I would recall that the EEA Agreement gives the EEA-EFTA States access to unprecedented economic integration and to a single market that today represents almost 500 million people in 30 States. The European Economic Area allows free movement of goods, services, capital and persons. Thanks to the EEA Agreement, all our citizens have the right to choose freely where they live, work, invest or set up business in the enlarged European Economic Area. Work on legislative harmonisation continues in the EEA, for the benefit of all our citizens.

Our general assessment of the cooperation between EU and EEA-EFTA States is very positive and we are delighted that all the institutions set up under the EEA Agreement run smoothly. We are, however prepared, and I believe I can speak here for the 30 States concerned, to improve our cooperation still further in the future.

In that context I would stress several recent steps forward:

The French Presidency of the European Union took the initiative of conducting an in-depth examination, within the Working Party on EFTA, of relations with the four EFTA States. A special meeting of the Working Party was devoted to each of those States, and in the margins of those meetings, the members of the Working Party on EFTA held informal discussions with the ambassadors of the countries concerned. Those exchanges and the debates within EFTA were of great interest to the members of the Working Party and proved very valuable.

In recent months we have also begun negotiations with the EEA-EFTA States for the renewal of the financial mechanisms. In the past, Norway, Iceland and Liechtenstein have shown their solidarity with the EU through a significant contribution to economic and social cohesion within the European Union. In the current negotiations, the Council fully supports the Commission in looking for an increase in that contribution, taking into account the enlargement of the Union. We hope that these negotiations will be concluded successfully in time to ensure that this essential contribution continues after 1 May 2009.

In negotiations between the EU and the EEA-EFTA States on the EEA conclusions that we have just jointly adopted, we reached agreement on ambitious shared commitments, at a time when, in the difficult situation currently being experienced in the financial sector, maintaining confidence and stability is still the priority.

We agreed to state in those conclusions that we all attached importance to ensuring that the necessary measures would be taken in all circumstances to preserve the stability of the financial system, to support the main financial institutions, to avoid bankruptcies and to protect savers' deposits.

I am also pleased that we emphasised in that connection how very important it is, from a more structural point of view and given the closely integrated nature of EFTA and EU markets, to strengthen considerably the cooperation and transparency between the supervisory and regulatory authorities of EFTA and those of the EU.

Like you, my colleagues, I believe that in the current exceptional circumstances application of EEA rules must continue to meet the need for rapid and flexible action. It is in that spirit that our joint conclusions urge that the EFTA supervisory authority must implement rules on competition policy, in particular on State aid, and must at the same time continue to apply the principles of the single market.

At the European Council, EU Heads of State expressed their solidarity with Iceland. I would like to reiterate this message of profound support and solidarity with all the people of Iceland. We sympathise whole heartedly with them at this difficult time. The EU also expects Iceland to fulfil its international obligations as set out in the EEA Agreement.

Lastly, I would like to mention the negotiations in progress between the European Union and Liechtenstein on an agreement to facilitate cooperation in combating tax fraud. As you know, at their meeting on 4 November 2008 our economic and financial affairs ministers emphasised the importance for the EU of the Agreement being applied to direct taxes, since Liechtenstein has no agreements with Member States on preventing double taxation to facilitate the combating of tax fraud.

While remaining within the *acquis communautaire* framework, the EU wishes to obtain real administrative assistance from Liechtenstein as regards, among other things, investment funds.

For that reason the Council has asked the Commission to resume negotiations with Liechtenstein with a view to obtaining further improvements and guarantees to ensure administrative support and real access to information, on investment funds in particular.

Finally, I should like to mention a subject dear to the French Presidency: the environment. Several EEA-EFTA countries are model countries, environmentally speaking. In this context we salute the effective cooperation between EEA-EFTA and the European Union in this area. This is why we feel it is urgent to return swiftly to legislating on ceilings for atmospheric pollutants, resumption of which by the EEA-EFTA States has been pending since 2001.

As regards the various themes discussed under item 5 on the agenda, I should like to give the floor to the European Commission, the Community institution with the main responsibility for the day-to-day running of our EEA Agreement.

Thank you.

Intervention of Mr. KOVANDA, on behalf of the EUROPEAN COMMISSION:

Madam President,

Before providing the EEA Council with the usual report on how the EEA Agreement works, please allow me a short remark on the highly unusual context in which this meeting takes place.

The global international financial crisis clearly dominates the international policy agenda at the moment. The European Commission is very sensitive to the dramatic situation in Iceland and we have great sympathy for our Icelandic friends who are suffering from the meltdown in the financial sector. On 15-16 October, the European Council expressed solidarity with Iceland, and following this, President Barroso personally contacted Prime Minister Haarde to express the Commission's support and to confirm that the Commission is examining possible instruments that could be used in support of Iceland's recovery efforts.

Against this background of the international financial crisis, it is all the more impressive that the EEA Agreement continues to function very well.

Let me quickly mention the usual statistics: As it says in the progress report, since our last meeting, the Joint Committee has adopted 66 decisions, incorporating 91 new legal acts into the EEA Agreement. To date in 2008, we have incorporated 208 new legal acts into the EEA Agreement and we still have one meeting of the EEA Joint Committee left this year, so the EEA Agreement is as dynamic as ever.

Half a year ago, we could even note that we had managed to clear the decks in the EEA Joint Committee, with no item of controversy on the agenda.

At present, we do have one issue on the table of the Joint Committee, where we have yet to reach agreement. This issue concerns the incorporation of the "NEC" Directive (National Emission Ceilings on Atmospheric Pollutants) into the EEA Agreement. There have, however, been constructive contacts and I expect this issue to be resolved quite rapidly.

We also still need to come to an agreement on the modalities for the EEA-EFTA participation in the Gender Equality Institute, and in this case I am also confident that we will find a solution.

Before the financial crisis in Iceland, we had already made progress in the trade negotiations between the European Community and Iceland on processed agricultural products within the framework of Protocol 3 to the EEA Agreement.

We have also seen some progress in our negotiations with Norway on further liberalisation of trade in agricultural products on the basis of Article 19 of the EEA Agreement. We do expect to achieve significant results in these negotiations. However, this will require a more ambitious offer from Norway at the next negotiation round in December. The intention is still to rapidly finalise these Article 19 negotiations, meaning by the end of the year or early next year.

On the other hand, I regret to inform you that there has been no progress in relation to further liberalisation of trade in processed agricultural products between the Community and Norway. This is despite our numerous requests since 2006 for Norway to engage constructively with the Commission in such a review process within the framework of Protocol 3 to the EEA Agreement.

Concluding on the functioning of the EEA Agreement, I can confirm that new Internal Market legislation in general continues to be rapidly incorporated into the EEA Agreement, thus safeguarding the necessary homogeneity of the Internal Market throughout the EEA.

Madam President,

An important subject in the EEA context at present is the subject of the future contributions of the EEA-EFTA States to social and economic cohesion in the EEA, after the current financial mechanisms expire on 30 April 2009.

We launched the negotiations on the future financial contributions on 26 September. Since then, I recognise that the context has dramatically changed in view of the international financial crisis and especially the situation in Iceland. I am pleased to learn, however, that Iceland, without prejudice to the substance of the negotiations, is continuing its participation in the negotiation process.

Our point of departure is that the current financial mechanisms have been a success story, and that we must ensure that we can build on this experience in the future.

As you know, the Commission is negotiating on the basis of a mandate from our Member States.

We are, of course, still in the early phases, and I have to report that there are important differences in particular with respect to two issues:

- 1) The overall size of these future contributions, where the EU side is calling for a substantial increase in the current overall financial contributions and
- 2) The question of beneficiary countries, which the EU side believe should be the same as those that benefit from EU cohesion fund allocations.

On these two issues we still have difficult challenges ahead of us in the negotiations.

Otherwise, both sides have made constructive proposals on the implementation modalities for the future financial contributions, and I think we have a good basis for making rapid progress. These issues relate in particular to how administrative costs could be reduced by simplification of procedures, avoiding duplication of work and moving towards programme financing rather than project financing.

Outside the scope of the negotiations on the financial contributions but in parallel with them, the Commission has agreed to examine Iceland and Norway's requests relating to market access for fish, on the basis of the revision clauses of the existing fish protocols to the EEA enlargement agreement. These reviews are currently being carried out.

The negotiations will be difficult, but I would like to stress that within our mandate from our Member States, the Commission has some room for manoeuvre, and with some flexibility from all sides, I hope that we can come to a good negotiation result, which would allow for the continuation and strengthening of the much appreciated cohesion contributions from the EEA-EFTA States.

Madam President,

When we look at the top priority policy areas in the EU, most of them have internal market dimensions and are relevant for the EEA. The Commission, and I dare say the European Union, highly appreciate the input from the EEA-EFTA States. We are particularly grateful for your constructive engagement and support when it comes to energy, climate change, maritime policy and the Lisbon process. The Commission also continues to value the EEA-EFTA participation in the decision shaping process, not least in the form of EFTA Comments, and the EEA-EFTA participation in an ever increasing number of expert groups and committees.

So let me conclude by expressing my strong belief that despite the rough waters in which we are currently sailing, the EEA Agreement will remain a solid and dynamic basis for a homogeneous and dynamic internal market throughout the European Economic Area.

Thank you.

Intervention of Minister STØRE, on behalf of NORWAY:

The Norwegian Foreign Minister Jonas Gahr Støre, started with stressing the good cooperation with the EU based on the EEA Agreement. The agreement has proved to be solid and dynamic over almost 15 years. The financial crisis has given us ample challenges globally and within EFTA. Norway supports the IMF package and hopes Iceland regains its position. The climate and energy issues are of high priority to Norway. CCS technology has gone a long way and Norway values the close cooperation with the EU. Concerning the Directive on renewable energy, he emphasised that Norway supports the objective, but underlined the fact that Norway is in a different situation compared with EU members. The part of renewable energy of total energy consumption is up to 60%, almost 6 times higher than the average in the EU. This needs to be taken into consideration. Furthermore, Norway would like to find a solution as soon as possible on the question of incorporation of the Directive on national emission ceilings for certain atmospheric pollutants.

Støre underlined that Protocol 3 works well and drew attention to the fact that EU's export to Norway has increased significantly. The increased trade shows that EU exporters are competitive. A formal request from the EU for new negotiations will be considered in the light of the commitments under the EEA agreements.

The Norwegian Foreign Minister stressed that the EEA/EFTA countries' contribution to the new Financial Mechanism is based on solidarity. There is no legal obligation to contribute. EEA/EFTA countries contribute roughly €300 mill. per year – which is a significant amount. Iceland is going through an exceptional crisis. The request from the Commission on a “significant increase” is totally unacceptable. We can discuss about sectors and simplification of the procedures, but we do not accept a request for an increasing curve which does not relate to a reasonable basis for comparison. We need to be heard if we are to accept and recommend a prolonged financial arrangement.

Norway also informed that the Prime Minister the same day had announced that he will incorporate the Service Directive into the EEA Agreement.

Finally, Norway thanked the French Presidency for its good leadership.

Intervention of Minister SVEINBJARNARDÓTTIR, on behalf of ICELAND:

Dear Colleagues,

Let me first briefly take you through the financial crisis in Iceland. As you know we have been very badly hit with our financial system collapsing which called for dramatic actions to keep basic financial services available to the society.

There are different reasons behind these dramatic events. One is the global crisis. But the rapid growth and the large size of the private banking sector in comparison to Iceland's economy was undoubtedly a factor too. The Central Bank of Iceland could not provide the necessary financial support to its private banks when liquidity disappeared unlike governments and central banks in other European Countries have been able to do. As market trust evaporated, the Icelandic banks quickly became victims to the liquidity crisis, followed by numerous other banks, despite having considerable assets to match their debts and having operated in full compliance with European banking laws.

The banking crisis in Iceland has led to substantial financial losses. Ordinary Icelanders have lost considerable parts of their life-savings, companies are collapsing, unemployment is rising and external debt is substantially increasing. We may not yet have seen the worse. I believe the situation is becoming more serious than you around this table can imagine.

Iceland fully understands and takes very seriously the concerns of people in partner countries that have been affected by the virtual collapse of Iceland's three largest commercial banks and their operations abroad. As a responsible partner Iceland has addressed these concerns in close cooperation with Governments concerned, based on the rule of law and good diplomatic practise. There should be no doubts about Iceland honouring its legal commitments. Iceland appreciates the understanding shown by other nations to Iceland in these turbulent times. In particular I want to thank the French Presidency for its engagement in this issue over the past days. The solution found has to be viable.

Turning to the current negotiations on the EEA Financial Mechanism we have agreed, even though the legal obligation is not there, to start negotiation of the continuation of the Mechanism. We continue to be committed to that process. However, it is inevitable that this process will take into account the complete turnaround of the Icelandic economy I have explained.

The European Commission has argued its case for substantial increase in overall contribution by the EEA-EFTA States. Obviously that request is way above anything that could be regarded as realistic. The Commission went in this context through different economic numbers.

I am afraid that we find us now in a situation where economic statistics would only be representing the history but neither the present nor the near future situation. Under these circumstances and based on due economic forecasts for the future we believe that it would hardly be appropriate of us to undertake any further financial burden in this area.

Concerning the European Institute for Gender Equality, as you will know this is an issue of high priority for the Icelandic government and the EEA-EFTA States. We recall that the EEA-EFTA States have already handed over to the Commission a draft Joint Committee Decision on the Institute that we would like to see adopted in the coming months. The EEA-EFTA States have substantial experience to share in this field and we are certain that we have a lot to contribute. Given also the possible precedent that the terms for participation in the Institute may have for future participation in other agencies, we stress the importance of finding a solution in this matter.

Thank you.

6. ORIENTATION DEBATE: THE ARCTIC POLICY

Intervention of Minister of State JOUYET, on behalf of the EUROPEAN UNION:

Madam President, dear Colleagues,

The Arctic is an increasingly important subject, which deserves more of our attention. The Arctic is an obvious area of common interest for several EU Member States that lie partly within it, but also for the EU as a whole, given the important issues at stake there - and we must certainly cooperate more in that region.

The Arctic is facing rapid change. New threats are appearing in the region, but it also offers new opportunities.

As you know, the Arctic region is seriously affected by climate change. Arctic ice is melting and seems to be doing so at an increasing rate. This process will have consequences not just for regional ecosystems and their inhabitants but for all of us.

With the rapid melting of Arctic ice, prospects appear of new waterways, new international trade routes and easier access to the region's natural resources. These developments could contribute to changing the region's geostrategic dynamics, with concomitant possible consequences on international stability and our security interests. This was emphasised in the excellent report by High Representative Javier Solana and the Commission, submitted to the European Council in March 2008, on climate change and international security.

As you know, the European areas of the Arctic form an integral aspect of our dialogue and cooperation with Norway, Iceland and Russia, in the framework of the renewed Northern Dimension, whose first ministerial meeting was held in St Petersburg on 28 October 2008.

The EU's sectoral policies do have consequences for the Arctic environment; I would stress the importance the EU attaches to environmental protection in the region, with a view to still greater cooperation between the EU and the countries of the region.

Policies concerning climate and energy are rightly placed at the top of our priorities and common concerns; we already spoke of them at length in May 2008.

The specific theme of the Arctic will again occupy an important place on the agenda of the EU's French Presidency until the end of 2008:

On 9 and 10 November 2008, the French Presidency together with the Principality of Monaco organised a ministerial conference in Monaco on the theme "The Arctic: observing the environmental changes and facing their challenges". The conclusions adopted following that conference presented among other things an opportunity to summarise the state of research on climate change in the Arctic and to promote inter alia better coordination between research centres and networking of Arctic observatories.

The Commission will also shortly present a communication on the Arctic in which a range of strategic themes relating to the region will be examined. The communication will also contain a number of recommendations addressed to the Council.

On the basis of that communication, the Presidency intends before the end of 2008 to launch a comprehensive strategic debate on EU policy on the Arctic. It goes without saying that we eagerly await the Commission's proposals.

Allow me to give the floor to the Commission to present the broad outlines of the Communication which it will be submitting to the Council within the next few weeks.

Thank you.

Intervention of Mr. KOVANDA, on behalf of the EUROPEAN COMMISSION:

Madam President,

The vast areas of sea and land of the Arctic region are vulnerable and vital components of the Earth's environmental system. In the Arctic, the impact of climate change is happening more rapidly and extensively than elsewhere. As a result of increasing challenges and emerging opportunities, the Arctic region is receiving more and more prominence on the international scene.

The European Union is inextricably linked to the Arctic. EU policies in areas such as climate change, energy, transport and fisheries have a direct bearing on the Arctic. Climate change is caused by global processes and the European Union and its EEA partners should continue to play a leading role in the fight against it.

The Commission is currently finalizing its Communication on "The European Union and the Arctic Region" which we expect to adopt on 20 November.

This Communication has its origins in the October 2007 Communication on the EU Integrated Maritime Policy, which was established in close consultation with Norway and Iceland. It also builds on the March 2008 joint policy paper of the Commission and the High Representative to the European Council on Climate Change and International security.

Last month, the European Parliament adopted a Resolution supporting the future Communication and an enhanced EU role in the Arctic.

The Communication will promote a more coordinated approach to the Arctic and it will be followed by more detailed reflection in various relevant areas. The aim is for the Communication to become the first layer of a comprehensive European Union Arctic policy.

The Communication will propose a more proactive and co-ordinated EU role in the Arctic. It will be comprehensive, proposing EU action pursuing three broad goals: protecting and preserving the Arctic in cooperation with its inhabitants, promoting sustainable use of Arctic resources and improving Arctic multilateral governance.

In the Communication, we will give priority to environmental protection and preservation. Part of these efforts should also include an increased emphasis on sustainability.

The Northern Dimension policy has successfully been the foundation that has guided our approach to the High North since the beginning of this decade. The Arctic (including the Barents Region) was recognized as one of its priority areas in the 2006 Northern Dimension basic documents agreed with Russia, Norway and Iceland. We look forward to continuing to work with Norway and Iceland, as well as with Russia, with the aim to further strengthen the Arctic aspects of our co-operation in the framework of the Northern Dimension.

The Commission's aim is to bring about a further increase in the EU's involvement in Arctic cooperation in close collaboration with the Arctic countries, notably with Iceland and Norway. This is particularly true for Arctic governance. We will rely on the broad legal base provided by the United Nations Convention on the Law of the Sea and other international conventions.

But we do also see a clear need to fully implement and enforce the existing legal regime, while developing it further and adapting it to new circumstances. Our aim is to contribute to a cooperative system that will guarantee sustainability as well as free and fairly balanced access.

One of the many topics covered by the Communication will be the Commission's intention to seek observer status in the Arctic Council at the April 2009 Arctic Council Ministerial in Tromsø. Norway is the current Arctic Council Chair and its support - as well as that of Iceland - would be most appreciated.

Let me conclude by stressing that the up-coming Commission Communication has been established in close consultation with our Member States, as well as other stakeholders. I am pleased to be able to take this opportunity to thank Norway and Iceland very much for their valuable input in this process. Our consultations have confirmed that we do indeed have much common ground upon which we can continue to strengthen our co-operation in the Arctic region.

Thank you.

Intervention of Minister SVEINBJARNARDÓTTIR, on behalf of ICELAND:

Dear Colleagues,

Iceland welcomes the increased focus on Arctic affairs by the European Union reflected in its new Arctic Policy. It shows the growing importance of the Arctic for the world in general and for the European Union in particular.

Actually, the Arctic has always been important for Europe, even though many European have not fully been aware of this fact. The European Continent reaches far into the Arctic and Arctic fish products have traditionally been an important part of the European diet. Recently Europe is increasingly becoming reliant on the Arctic for energy as well. It is not just about oil and gas. European industries are also using products from power intensive industries in Iceland and Norway making use of renewable energy in the Arctic, aluminium and other products, such as ferro silicon.

The importance of Arctic energy for Europe is bound to increase in coming years with the further development of Iceland's hydro- and geothermal potential, and with the exploitation of newly discovered Arctic oil and gas reserves.

Part of EU territory lies in the Arctic, in northern Sweden and Finland. Furthermore it has special relationship with Greenland through Denmark, even though Greenland is not a part of the European Union.

However, it should be noted that the European Union is not a member of the Arctic Council, which is the only circumpolar venue for regional cooperation in the Arctic. It is important to strengthen the cooperation between the European Union and the Arctic Council. Iceland believes the European Union could enhance its role in the Arctic by becoming an observer to the Arctic Council, which would make it easier for it to participate in various Arctic projects and activities.

The stress on Environmental Protection and Research, Sustainable use of Arctic Resources and Governance in the Arctic, in EU Arctic Policy, shows clear understanding of main issues in the Arctic. These are all indispensable aspects of sustainable development in the Arctic.

The fragile environment of the Arctic must be protected from impact of the accelerating exploitation of its resources. At the same time, human induced climate change has led to unprecedented warming in the Arctic destabilizing weather patterns all over the world. Our understanding of these processes is still limited. Therefore, the EU emphasis on intensified scientific research in the Arctic is welcome.

Care must be taken to ensure that the exploitation of Arctic resources benefits the people living the Arctic in accordance with the principles of sustainable development. The development of Arctic resources must not undermine the cultural heritage of Arctic communities. The traditional rights of these communities to their resources must be recognized, including the right to make sustainable use of living Arctic Resources. The exclusion of certain species such as marine mammals from this basic principle is not acceptable to the peoples in the Arctic.

All the Arctic States are conscious of the importance of comprehensive governance in the Arctic to ensure its safe and sustainable development. Clearly, Europe has great interest in the peaceful development in the Arctic as well as all the Arctic states.

As the international media has repeatedly pointed out, there still are some outstanding territorial issues in the Arctic Ocean that need to be solved. Fortunately, all the major stakeholders have declared that outstanding territorial issues can be solved peacefully on the basis of the United Nation Convention on the Law of Sea.

In fact, the Arctic States agree that existing international conventions and organizations provide sufficient institutional structure for addressing any emerging issues in the Arctic. There is no need for new international conventions for this purpose.

However, stricter environmental rules and regulations must clearly be applied in the Arctic to ensure safety of shipping and limit environmental impact of resource development.

Furthermore, there is a clear need for developing a comprehensive and inclusive security system in the Arctic, focusing on civil security for emergency prevention, preparedness and rescue. The Arctic Council could play a key role in the development of such a system for the benefit of all the Arctic States and other stakeholders.

Scientists are telling us that we will not be able to reverse global warming in the near future. At best we can slow it, to make it more manageable. Therefore, we must introduce policies for adapting to these changes and look for opportunities in a new situation. The rapid decrease of the ice in the Arctic Ocean is a good example.

In the past two years, the thick multi-year ice has all but disappeared from the Arctic Ocean, and a new generation of ships, with ice-breaking capacity are going into the ice, opening new shipping routes that eventually will connect the North Atlantic to the Pacific straight over the North-Pole.

This will have a major impact on the affected economies linking the old economies around the North-Atlantic to Japan and the emerging economies in East-Asia. Present transportation links between the North Atlantic and the emerging economies in the Far East are precarious. They are subject to delays because of accidents, mechanical breakdowns, maintenance and renovation. They are also vulnerable to disruption because of terrorist activities, social unrest, regional conflicts and piracy.

Furthermore, there is a clear need for increased transportation capacity between the North Pacific and the North Atlantic Oceans because of capacity constraints of the Panama and Suez Channels.

The present economic downturn does not change the underlying trends in world economy. It may, in fact, accelerate the development of new and environmentally friendly technologies in the long run, which will, hopefully, make it possible to reverse the human induced climate changes. And we need these new technologies for ensuring that the opening of the Arctic for resource development and Transarctic Shipping does not destroy its fragile environment.

Thank you.

Intervention of Minister STØRE, on behalf of NORWAY:

The Minister of Foreign Affairs, Støre, also mentioned the Ilulissat declaration adopted in May this year (2008) by the five coastal states bordering on the Arctic Ocean. The Declaration confirmed that the Law of the Sea Convention is the legal framework for the Arctic. If the United States ratify the Convention, the credibility of the agreement will increase utterly. He also mentioned the Arctic Council and the forthcoming ministerial meeting in Tromsø in April 2009. In connection with this meeting, a side event on icemelting regions will be organised which will include representatives from Africa, the Andes region and the Himalayas, in addition to the Arctic countries. Støre said that the Arctic Council is not a legislative organ, but it has had a central role in mapping the environmental situation and changes in the Arctic since the middle of the nineties. It has also contributed to state-of-the-art knowledge on the effect of non-CO₂-drivers on climate change, such as methane and black carbon.

Støre also mentioned the Northern Dimension as an important tool for cooperation between EU, Iceland, Russia and Norway, and underlined the importance of regional organisations such as BEAC, CBSS and the Arctic Council, in particular with regard to furthering people-to-people cooperation. The experiences of these organisations can prove to be useful to regional cooperation in other parts of the world.

30th meeting of the
EEA COUNCIL
(Brussels, 13 November 2008)

LIST OF DELEGATIONS

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

THE PRINCIPALITY OF LIECHTENSTEIN

Ms Rita KIEBER-BECK	Minister for Foreign Affairs
Prince Nikolaus of LIECHTENSTEIN	Ambassador, Head of the Mission of Liechtenstein to the European Union
Mr Georges BAUR	Deputy Head of the Mission of Liechtenstein to the European Union
Mr Pascal SCHAFHAUSER	Counsellor

ICELAND

Ms Þórunn SVEINBJARNARDÓTTIR	Minister for the Environment
Mr Martin EYJÓLFSSON	Director General, Directorate for Trade and Economic Affairs, Ministry for Foreign Affairs
Mr Högni S. KRISTJÁNSSON	Director European Affairs, Ministry for Foreign Affairs
Mr Stefán Haukur JÓHANNESSON	Ambassador, Icelandic Mission to the EU
Ms Ragnheiður Elfa ÞORSTEINSDÓTTIR	Deputy Head of Mission, Mission of Iceland to the EU
Ms Þóra MAGNÚSDÓTTIR	Counsellor, Mission of Iceland to the EU
Ms Erna S. HALLGRÍMSDÓTTIR	First Secretary, Mission of Iceland to the EU

THE KINGDOM OF NORWAY

Mr Jonas Gahr STØRE	Minister of Foreign Affairs
Mrs Oda Helen SLETNES	Ambassador, Mission of Norway to the EU
Mr Helge SKAARA	Minister, Mission of Norway to the EU
Mr Christian SYSE	Director General, Ministry of Foreign Affairs, Department for European Affairs and Trade Policy
Mr Per SJAASTAD	Deputy Director General, Ministry of Foreign Affairs, Department for European Affairs and Trade Policy
Ms Grete ØDEGAARD	Counsellor, Mission of Norway to the EU
Ms Ingeborg DJUPVIK	Counsellor, Mission of Norway to the EU
Ms Kathrine BIERING	Senior Adviser, Foreign Minister's Secretariat
Mrs Anne Sofie BJELLAND	Minister Counsellor, Mission of Norway to the EU

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

FRENCH REPUBLIC

(PRESIDENCY-IN-OFFICE OF THE COUNCIL OF THE EUROPEAN UNION)

Mr Jean-Pierre JOUYET	Minister of State with responsibility for European Affairs
Mr Jonathan LACÔTE	Counsellor in the Cabinet of Jean-Pierre Jouyet
Mr Thomas LAMBERT	Counsellor in the Cabinet of Jean-Pierre Jouyet
Ms Natasha BUTLER	Permanent Representation of France to the EU, Chair of the EFTA Working Party at the Council of the EU

CZECH REPUBLIC

(INCOMING PRESIDENCY-IN-OFFICE OF THE COUNCIL OF THE EUROPEAN UNION)

Mr Pavel VACEK	Director of EU Policies Department II, Ministry for Foreign Affairs
Ms Jana MARSALKOVA	Ministry for Foreign Affairs, EU Policies Department II
Ms Alice SOUKUPOVA	Permanent Representation of the Czech Republic to the EU, incoming Chair of the EFTA Working Party at the Council of the EU

EUROPEAN COMMISSION

Mr Karel KOVANDA	Deputy Director General and Political Director, DG External Relations
Mr Matthias BRINKMANN	Head of Unit - Western Europe, DG External Relations
Mr Lars-Olof HOLLNER	Principal Administrator, Western Europe Unit, DG External Relations
Mr Peter MEYER	Principal Administrator, Western Europe Unit, DG External Relations
Ms Alison LAWRENCE-MOLDERS	Assistant, DG External Relations
Mr Hubert GAMBS	Member of the Cabinet of Commissioner Ferrero-Waldner

COUNCIL OF THE EUROPEAN UNION - GENERAL SECRETARIAT

Mr Robert COOPER	Director General of DG E
Mr Paul CULLEY	Director of DG E II
Mr Massimo PARNISARI	Head of Unit for Multilateral Economic Affairs - Non EU Western Europe
Ms Bärbel DÜRHAGER	Desk Officer for Non EU Western Europe

III. The European Free Trade Association (EFTA) was represented as follows:

SECRETARIAT

Ms Bergdís ELLERTSDÓTTIR	Deputy Secretary General, Brussels, EFTA
Mr Lars Erik NORDGAARD	Director, EEA Co-ordination Division, EFTA
Ms Ásta MAGNÚSDÓTTIR	Director, Services, Capital, Persons and Programmes Division, EFTA
Mr Gunnar SELVIK	Director, Goods Division, EFTA
Ms Hrund HAFSTEINSDÓTTIR	Senior Officer, EEA Co-ordination Division, EFTA

SURVEILLANCE AUTHORITY

Mr Per SANDERUD	President
Mr Kurt JÄGER	Vice-President
Mr Inge Hausken THYGESEN	Officer, Press and Information

EEE 1608/08

REPORT

Subject : Progress Report by the EEA Joint Committee to the 30th meeting of the EEA Council

Decision-making

1. Since the last EEA Council in May, the EEA Joint Committee has adopted 66 Decisions incorporating 91 legal acts.

Important decisions taken by the EEA Joint Committee

2. Important decisions taken by the EEA Joint Committee since May 2008 are the following:
 - Decision 93/2008 on the European Institute of Innovation and Technology.
 - Decision 101/2008 incorporating the Regulation on access to gas transmission networks.
 - Decision 120/2008 the Regulation on a general block exemption for state aid.

Decision-shaping

3. EEA EFTA experts continued to contribute to the work of Commission's Working Groups, Agencies, and Committees. Since May 2008, two EEA EFTA Comments have been submitted.

Status of Outstanding Issues

4. The EEA EFTA States have reiterated their interest in participating in the European Institute for Gender Equality on an equal footing.
5. The EEA EFTA States have expressed their concern that posts in the Commission's Executive Agencies are no longer open to EFTA citizens, as previously was the practice based on the Guidelines for the establishment and operation of executive agencies. The matter is being discussed with the Commission.
6. The Commission has expressed their concerns regarding the delay of entry into force of the Food Law Package due to parliamentary procedures in Iceland. The Package had been adopted by the Joint Committee in October 2007. The Icelandic bill is expected to be adopted before the end of the year.
7. The Commission has raised the issue of delay of entry into force of Directive 2001/81/EC on national emission ceilings for certain atmospheric pollutants. The Directive continues to be under discussion in Subcommittee IV.

Financial Mechanisms

8. The negotiations on the future of financial contributions by the EEA EFTA States for the reduction of economic and social disparities were launched in September. The EEA Joint Committee has underlined the importance of finalising these negotiations in a timely manner.
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**EUROPEAN ECONOMIC AREA
Council of the EEA**

Brussels, 13 November 2008

**EEE 1607/1/08
REV 1**

CONCLUSIONS

Subject : Conclusions of the 30th meeting of the EEA Council
 Brussels, 13 November 2008

1. The thirtieth meeting of the EEA Council took place in Brussels on 13 November 2008 under the Presidency of Ms Rita Kieber-Beck, Minister for Foreign Affairs of Liechtenstein. The meeting was attended by Ms Þórunn Sveinbjarnardóttir, Minister for the Environment of Iceland and Mr Jonas Gahr Støre, Minister for Foreign Affairs of Norway from the EEA EFTA side, as well as by Mr Jean-Pierre Jouyet, representing the French Presidency of the Council of the European Union, by Members of the Council of the European Union and by the Representative of the European Commission responsible for EEA Council matters, from the EU side.

2. The EEA Council noted that within the framework of the Political Dialogue, the Ministers discussed the situation in Afghanistan, Russia and Zimbabwe.

3. The EEA Council underlined that, in the current troubled situation in the financial sector, the priority remains to maintain confidence and stability. The EEA Council affirms its commitment that in all circumstances the necessary measures will be taken to preserve the stability of the financial system, to support the major financial institutions, to avoid bankruptcies and to protect savers' deposits. To this effect, it reiterated the need for rigorous implementation by financial institutions of recommendations on the transparency of their commitments and risks. In a more structural prospect, given the close integration of the EFTA and the EU markets, it is of the utmost importance to enhance substantially the cooperation and transparency between EFTA and EU supervisory and regulatory authorities. In the current exceptional circumstances, EEA rules must continue to be implemented in a way that meets the need for speedy and flexible action. The EEA Council supports the implementation by the EFTA surveillance authority, in this spirit, of the rules on competition policy, particularly State aids, while continuing to apply the principles of the single market and the system of State aids.
4. The EEA Council is determined to take coordinated and thorough action to restore the smooth running of the financial system, thus ensuring the normal and effective financing of the economy and returning to the path of growth and employment. The EU and EEA EFTA countries stressed the accountability on the part of all those involved in the financial system and the need for a genuine, all-encompassing reform of the international financial system based on the principles of transparency, sound banking, responsibility, integrity and world governance. They committed to quickly take appropriate initiatives in this respect, in consultation with their main partners and the relevant international financial institutions (including the IMF and the Financial Stability Forum).
5. The Ministers underlined the importance of the second cycle of the Lisbon Strategy and looked forward to the annual report in December 2008. The EEA EFTA States are closely following the implementation of the new Community Lisbon Programme.

6. The Ministers reiterated the importance of the proposals in the Third Energy Market Package submitted on 19 September 2007 for effective, fully-functioning and interconnected European Electricity and Gas Markets. The Ministers underlined the importance of concluding the Third Liberalisation Package in early spring 2009.
7. The Ministers recalled their discussions from previous EEA Councils on the Energy and Climate Change Package launched on 23 January. The Package is under consideration within the EEA EFTA States. The Ministers underlined the importance of the Package for the future global climate change policy, as well as for the EU and the EEA EFTA States. The Ministers expressed satisfaction with the ongoing constructive dialogue regarding the Package, both at political and expert level. Furthermore, the Ministers stressed the importance of concluding the Energy and Climate Change Package in time for the Climate Change Conference in Copenhagen. They underlined the importance of continuous close co-operation between the EU and the EEA EFTA States in the area of energy and climate change, for instance, in promoting energy technologies and energy efficiency, increased use of renewable energy resources (e.g. geothermal energy), and carbon capture and storage (CCS) alongside other technologies.
8. Furthermore, the Ministers noted the introduction of the aviation sector into the Emission Trading Scheme and took note of the need to take into account the special circumstances of the EEA EFTA States.
9. The Ministers expressed their appreciation for the continued progress concerning the EEA Financial Mechanism and the Norwegian Financial Mechanism, with a current portfolio of more than 700 approved projects and funds. More than 130 of these projects involve direct co-operation between actors in the beneficiary states and the EEA EFTA States. The EEA EFTA States have approved 50 funds totalling close to €170 million in assistance to groups such as non-governmental organisations (NGOs), students and researchers. The Ministers also noted the positive outcome of the efforts made by the donor and the beneficiary states for the successful and timely implementation of the selected projects.

10. The Ministers noted the launch of the negotiations on the future of financial contributions by the EEA EFTA States for the reduction of economic and social disparities and underlined the importance of finalising these negotiations in a timely manner.
11. The Ministers noted that the European Commission has agreed with Iceland and Norway bilaterally that the quota levels for certain fish and fishery products shall be reviewed by the end of April 2009, as laid down in the Additional Protocols to the EEA Enlargement Agreements.
12. The EEA Council noted the Progress Report of the EEA Joint Committee and in particular:
 - Welcomed the participation of the EEA EFTA States in EEA-relevant EU Programmes These programmes are co-financed by the EEA EFTA States and promote common interests towards a more competitive and innovative Europe;
 - Stressed the importance of EEA EFTA participation in the European Institute of Gender Equality;
 - Welcomed the good progress made in the trade negotiations between the European Community and Iceland in processed agricultural products within the framework of Protocol 3 to the EEA Agreement. It equally noted the continued negotiations between the European Community and Norway on further liberalisation of trade in agricultural products on the basis of Article 19 of the EEA Agreement and looked forward to a successful outcome. It further encouraged the European Community and Norway to engage constructively in a review within the framework of Article 2(2) of Protocol 3 to the EEA Agreement;
 - Welcomed the follow-up of the Integrated Maritime Policy and underlined the importance of the close involvement of the EEA EFTA States in further developments;

- Underlined the importance of involving the EEA EFTA States in EEA-relevant measures within the Single Market Review;
- Ministers noted the renewed social agenda, its cross-cutting and multi-dimensional nature, covering a wide range of areas, notably in the fields of employment, health, migration, social affairs, education and equality. The EEA EFTA side expressed its commitment to adequately follow-up, within the scope of the EEA Agreement, to the proposed directives and other policy initiatives;
- Ministers underlined that the response to social challenges in the age of globalisation should be met by stimulating growth and jobs in a sound macroeconomic climate, by promoting gender equality, fighting discrimination, fostering social partnership, improving working conditions and ensuring social cohesion. Ministers remained committed to empowering and enabling individuals to realise their potential while at the same time helping those who are unable to do so; and
- Welcomed the EEA EFTA contributions to the decision-shaping process of EEA-relevant EC legislation and programmes through inter alia their participation in relevant committees, expert groups and agencies and by submitting EEA EFTA Comments.

13. The EEA Council held an orientation debate on the Arctic Policy.

14. The Ministers underlined the importance for the Contracting Parties to ascertain that relevant actors throughout the European Economic Area remain well informed about the EEA Agreement.

15. The EEA Council reiterated the importance of inviting EEA EFTA Ministers to attend relevant informal EU Ministerial Meetings and Ministerial Conferences on the basis of EEA EFTA participation in the Internal Market. The EEA Council also recalled the practice of inviting the EEA EFTA States - at the level of officials - to political dialogue meetings with relevant Council Working Parties in troika format and expressed its appreciation to the incoming Czech Presidency for the continuation of this practice.
 16. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 31st meeting in Brussels on 4 November 2008 on *Research and Education Programmes: The EEA and the EFTA States* and on *Future Perspectives for the European Economic Area*.
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