

**DRAFT MINUTES**

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Subject : Draft minutes of the 32nd meeting of the EEA Council  
Brussels, 16 November 2009

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**DRAFT MINUTES**  
**of the 32nd meeting of the**  
**EEA COUNCIL**  
**(Brussels, 16 November 2009)**

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The EEA Council held its 32<sup>nd</sup> meeting in Brussels on 16 November 2009.

The meeting was chaired by Mr *Jonas Gahr STØRE* (Minister for Foreign Affairs of the *Kingdom of NORWAY*), accompanied by Ms *Aurelia FRICK* (Minister for Foreign Affairs of the *Principality of Liechtenstein*) and Mr *Össur SKARPHÉDINSSON* (Minister for Foreign Affairs of *ICELAND*). The EEA - EFTA side also included Mr *Kåre BRYN* (Secretary General of the *EUROPEAN FREE TRADE ASSOCIATION - EFTA*) and Mr *Per SANDERUD* (President of the *EFTA SURVEILLANCE AUTHORITY - ESA*).

The EU side was chaired by Mr *Carl BILDT* (Minister of Foreign Affairs of the *Kingdom of SWEDEN*), who led the Troika of the European Union composed of him, of Ms *Carmen FONTES* (Ambassador at large of the *Kingdom of SPAIN* for bilateral Affairs of the EU), Mr *Paul CULLEY* (Director of DG E II of the *GENERAL SECRETARIAT OF THE COUNCIL*) and Mr *Alan SEATTER* (Director in the Directorate General for External Relations of the *EUROPEAN COMMISSION*). At the political dialogue preceding the EEA Council meeting, participants included in addition Ms *Benita FERRERO-WALDNER*, Member of the *EUROPEAN COMMISSION* responsible for External Relations and European Neighbourhood Policy, and Mr *Robert COOPER*, Director General of DG E of the *GENERAL SECRETARIAT OF THE COUNCIL*.

**Opening of the meeting by Minister STØRE, on behalf of the EEA-EFTA States**

Dear Colleagues,

Allow me to welcome you to the 32<sup>nd</sup> 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 BILDT, on behalf of the EUROPEAN UNION:**

Dear Colleagues from Norway, Liechtenstein and Iceland, from the EFTA Secretariat, as well as from the EFTA Surveillance Authority,

First of all allow me, as President - in - office of the Council of the European Union, to express to you and your Delegations on behalf of the Council of the European Union our warmest welcome. We are most pleased to meet you here in our EEA Council.

It is in particular a great pleasure for me to welcome again among us today the Minister for Foreign Affairs of Norway, recently confirmed in his office, and we extend to you our wishes for success in the continuation of your duties.

I would also like to express my most sincere acknowledgement to you and to the EFTA Secretariat for the excellent co-operation in finalising the arrangements for this meeting. We are certain that the excellent level of co-operation which characterises our relations will be further deepened and developed in the future to come.

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

Thank you very much!

## **1. ADOPTION OF THE AGENDA**

The EEA Council adopted the Agenda, as set out in doc. EEE 1606/1/09 REV 1.

## **2. APPROVAL OF THE MINUTES**

of the 31<sup>st</sup> meeting of the EEA Council, which took place in Brussels on 19 May 2009, as set out in doc. EEE 1604/09.

The EEA Council approved the minutes of the 31<sup>st</sup> meeting, as set out in the above-mentioned document.

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

The EEA Council took note of the Progress Report by the EEA Joint Committee, as set out in doc. EEE 1608/09.

## **4. RESOLUTIONS OF THE EEA JOINT PARLIAMENTARY COMMITTEE AND THE EEA CONSULTATIVE COMMITTEE**

The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 33<sup>rd</sup> meeting in Trondheim, Norway, on 28 October 2009 on

- *The EEA and the Global Financial Crisis* and
- *Labour Market Issues in the EEA: Posted Workers and the Freedom to Provide Services,*

as well as the Resolutions of the EEA Consultative Committee adopted at its 17<sup>th</sup> meeting in Brussels on 26 May 2009 on

- *Green jobs; the importance of ambitious energy and climate policies for economic recovery and renewed growth* and
- *The Baltic Sea Region: the role of civil society organisations and social partners in improving regional cooperation and identifying a regional strategy.*

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

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

**Intervention of Minister STØRE on behalf of the EEA-EFTA States:**

Ministers, Colleagues,

Let me first express my satisfaction with the functioning of the EEA Agreement. The Agreement is celebrating its 15th anniversary, having been in function since 1994. It has provided a predictable framework and a level playing field for economic operators across the EEA.

The EEA Agreement has, through the years proven to be a robust agreement, and managed to cope with various treaty changes (Maastricht, Amsterdam, Nice) and enlargements (1995, 2004, 2007). Moreover, our preliminary assessment indicates that the Lisbon Treaty is expected to have rather limited impact on the EEA cooperation.

Furthermore, I am confident that the EEA Agreement will be maintained should Iceland become a member of the EU. Certain adaptations of a technical nature may be necessary, but the agreement as such does not need to be changed.

Since our last meeting, significant legislation has been made part of the Agreement, such as the Services Directive, the Pharmaceutical Package, Customs Security Measures and the Galileo satellite programme.

We are also optimistic that the Food Law package will soon enter into force in the EEA.

Looking ahead, there are a few issues:

Following the financial crisis, international trade has experienced the most severe set-back since the Second World War. Safeguarding a regulatory-based trading system and avoiding



protectionism is vital. The completion of the WTO Doha Round would be a positive contribution.

We welcome the opportunity to take part in EU work to improve the supervision of the financial services sector through the establishment of various Authorities and the European Systemic Risk Council.

There is still great uncertainty in predicting future developments, but we now see signs of improvement. Focus is gradually shifting from fiscal and monetary stimuli packages to “exit strategies”.

With the climate and energy package, the EU has made important contributions in the fight against climate change. Main elements of the package will be incorporated into the EEA. Iceland and Norway are the two countries in Europe with the highest share of renewable energy. We aspire to increase that share further, but adaptations are needed due to our different point of departure compared to EU countries. Furthermore, the CO2 storage directive will provide a robust legal and environmental framework enhancing the use of CCS technology. We support the ambitious strategy towards Copenhagen.

We appreciate being able to participate in important EU discussions and fora on the further development of an integrated maritime policy. It shows our ability to take our cooperation partly beyond the EEA Agreement, when of mutual interest.

The draft Consumer Rights Directive is also high on our agenda. It is important to maintain the current level of consumer protection in countries with ambitious legislation already in place. Minimum standards, rather than full harmonisation, is the best way forward.

We support the work done by the Swedish Presidency in advancing the Patients Rights Directive. The directive has priority in the health field. We hope to see a compromise text before the end of the Swedish term.

Negotiations on new EEA Financial Mechanisms for the period 2009-2014 are in the final stage. A draft package solution has been on the table for a while. This package constitutes a balanced compromise which should be acceptable for all parties. We would strongly urge that the negotiations conclude as soon as possible. Norway and Iceland have given their support to

the proposed solution. I understand that my colleague from Liechtenstein would like to give a comment on this point.

We have experienced some challenges regarding access to EU programmes, agencies and high-level groups. We believe that EEA-EFTA participation in these frameworks is of value to all parties, and would like to see this matter addressed.

During this term we have enjoyed excellent cooperation with our Swedish neighbours. Next spring, we look forward to working with our Spanish friends when Spain takes over the Presidency of the EU.

Thank you.

**Intervention of Minister FRICK on behalf of LIECHTENSTEIN:**

Mister Chairman,  
Dear Colleagues,

It is with some concern that I have taken note of the numerical proposal for the future financial contributions by the EEA-EFTA-States for the reduction of economic and social disparities in the EEA.

It is the increase compared to the existing Financial Mechanism that is out of proportion and lacks a reasonable basis: Liechtenstein would pay nearly one third more without that any good reason was given for this change. Liechtenstein's cohesion contributions will have seen an increase of about 1000% since the beginning of our EEA-membership.

This is a worrying development. Is it normal that we become one of the biggest net contributors per capita to the cohesion policy of the EU within an association agreement with limited rights and increasing obligations? What message do we send to countries that have opened their markets to us on a reciprocal basis and where trade looks more and more attractive?

Perhaps it is the moment not only to assess our EEA cooperation at a moment when Iceland has applied for EU membership; it is perhaps a good moment to analyze our relationship with the EU in a general way. If I have to defend such new cohesion contributions in our Parliament and perhaps even in a popular vote, following a facultative referendum, I will get precise questions on the EEA and on our cooperation with the EU in general. Yes, I will have to tell them that we also pay many millions Euro a year on the basis of the savings taxation agreement, Liechtenstein being, at least for the moment, the only EEA-EFTA country included in this EU tax scheme. Yes, I will tell them, that we will probably be the first country to conclude an agreement with the EU and all its Member States on combating fraud that includes the OECD Standards on tax information exchange and goes beyond that. Yes, I will tell them the EU most probably wants to go further with the taxation of savings, making our agreement more comprehensive and administratively much more complicated.

What is the added value for us in all that ? I certainly have arguments but it will be a tough battle. I will need to give some assurances that our association is built on solid ground and that a certain balance of rights and obligations will stay.

I hopefully can tell them that our Schengen and Dublin association is at last on the way.

Generally, it is important that we look in a comprehensive way on the long term development of our relationship with the EU in the coming years.

Having said that, I want to assure you that I will do my best, to sell a deal on the cohesion contributions that has the support of all other EEA partners. I understand this is also in the interest of our two other EFTA-EEA-partners aiming at concluding a new deal concerning their fish markets in parallel. But we will need the assurance that increases as we had them this time remain an exception.

Thank you Mister Chairman.

**Intervention of Minister BILDT on behalf of the EUROPEAN UNION:**

Dear Colleagues,

First of all, I would like to take this opportunity to emphasise, once again, the importance of the meetings of the EEA Council, which give us an opportunity to evaluate the application of such an important instrument - the EEA Agreement, and to hold a useful exchange of views on the various aspects of it.

All in all, we consider that the evaluation of the internal cooperation between the Member States of the European Union and the EEA - EFTA States is very positive and that all the Institutions created within the framework of the EEA Agreement are well functioning.

Concerning the day-to-day developments with regard to the EEA Agreement, the Representative of the Commission will give you shortly a report of the progress achieved.

Allow me nevertheless to briefly highlight a few developments since our last EEA Council meeting in May, which clearly show that relations between the EU and the EEA EFTA States are strong and still evolving.

Allow me first of all to welcome the fact that Iceland has presented this summer an accession request to the EU, which was positively received by the Council. The Commission is currently elaborating its opinion and we are confident that negotiations will be opened early next year. Even if there is still some way to go until all issues related to an integration of Iceland into the EU would be solved, we are delighted by the confidence, which Iceland has expressed with regard to the project of the European Union by taking this first step.

Furthermore, we have experienced a close and constructive cooperation in the shaping of a new financial environment in response to the financial crisis. We welcome the recent progress made in better cooperation and exchange of information in the tax area and elsewhere. In particular we would like to acknowledge the efforts of the Principality of Liechtenstein in the negotiations on a multilateral anti-fraud agreement with the EU according to OECD-standards. We hope that the EU-side will soon be in a position to approve the result of these

negotiations and initial an agreement, which should become a model for agreements of the same type with other third countries.

We would also like to refer to the negotiations on the future financial contributions of the EEA EFTA States for the reduction of economic and social disparities in the EEA. These negotiations, to which important efforts were devoted in the past year, have lasted longer than planned, but in view of the progress made in recent weeks, we are optimistic that a final agreement on the new Financial mechanisms will be achieved shortly and that this precious support for many useful projects be continued without further delay.

Concerning the area of agriculture, we are looking forward to an agreement in the Article 19 negotiations in the near future, including the notion of a review within two years. Furthermore, we encourage Norway to engage constructively in the review process within the framework of Protocol 3 to the EEA Agreement. This process is long overdue.

Finally, we would like to draw your attention to a development of prime importance for the EU, which will certainly also have an impact on our cooperation with you. As you know, after many years of negotiations and efforts, the Lisbon-Treaty will enter into force on 1 December. In the area of External Relations, it will significantly change the structures and the work of the Council and its relations with other EU Institutions. Many details of this future landscape still have to be defined. Throughout this period of change, we will strive to ensure that the cooperation between our States under the EEA Agreement continues as smoothly as ever.

With that, I would like to give the floor to the European Commission on the various topics listed in item 5 of the Agenda.

Thank you very much!

**Intervention of Director SEATTER on behalf of the EUROPEAN COMMISSION:**

Mister President, Ministers,

2009 is the 15th anniversary of the EEA Agreement. Unlike some other 15 year olds, this one is working well and is neither too young nor too old. The internal market has steadily expanded since 1994 and the EEA Agreement has managed to develop with it. This is not always an easy process, but generally it has been possible to ensure that the Agreement works very well and can continue to do so.

This year is no exception. So far this year, we have adopted 119 Decisions in the EEA Joint Committee, incorporating 213 new legal acts into the EEA Agreement.

I would like to highlight three of the important decisions which have been adopted since our last meeting.

The first one concerns the services directive, where we showed very good cooperation in getting this directive incorporated. Despite what has happened in the international financial crisis, the service sector will continue to be the main source of growth and especially jobs in Europe. So the acquis regulating the service sector will continue to be very important.

In this context, as we outlined at the last EEA Council in May, the Commission has now presented to Council and Parliament a package of legislative proposals for a new European Systemic Risk Board and a system of European Financial Supervisors. Now, of course, the Commission's proposals are being processed in our internal EU institutional procedures, but once the final package has been adopted, we will be looking forward to discussing EEA participation in the supervisory system.

The second issue which I would highlight is the Joint Committee decision on customs security measures. These measures are designed to facilitate a Europe-wide area for secure trade. We feel that everybody involved worked very constructively to ensure that the new customs security measures could be implemented throughout the EEA at the same time. The benefits of this, for all operators in Europe, are increased security for shipments entering or leaving the EU; easier procedures for our companies; a better risk analysis of goods crossing our borders;

and faster procedures for exporting goods - a system which we believe to be a good alternative for example to the US proposal for 100% scanning.

The third Joint Committee Decision which I would like to highlight is the one concerning the European satellite navigation programmes (EGNOS and Galileo) into the EEA agreement. As you are well aware, these programmes will significantly increase the accuracy and safety of navigation and orientation at all levels and will furthermore be given an additional boost with the entry into force of the Lisbon Treaty. The new legislative act is aimed at allowing Norway and Iceland to participate in all activities of the EGNOS and Galileo programmes. This really is a major achievement, with important far-reaching effects. We look forward to Iceland's participation in the programme as soon as possible.

There are two issues which we mentioned last time as problems, but where we are now close to finding solutions. The first is the Directive on National Ceilings for Atmospheric Pollutants: We are now making good headway towards finalising this long-standing issue.

Secondly, we have now been assured that Iceland will be in a position to finalise their constitutional requirement procedures on the 2007 food law package in a very short timeframe. We welcome this very much, because it will mean that the important agro-food sector in Europe will be able to operate under the same conditions throughout the EEA.

The progress on these two issues, combined with the satisfactory rate of incorporation of new internal market acquis, leads me to conclude that the EEA Agreement is working very well.

Mister President, following up on our last discussions in May, I think I ought to briefly provide the EEA Council with a state-of-play of the negotiations on the future financial contributions from the EEA EFTA States to economic and social cohesion.

I am pleased to inform you that the Commission and Norway managed to achieve an agreement at negotiators' level on this subject in July. Now this informal agreement is being discussed internally on both the EU side and the EEA EFTA side. I hope that we can soon get an agreement from all our EEA EFTA partners and finalise the negotiations on that basis.

In parallel to this, the Commission, Iceland and Norway have also informally reached agreement at negotiators' level on the revision of the 2004 bilateral fish protocols. There are still some technical details to iron out, but otherwise we also hope to bring these negotiations to a formal conclusion in the near future.

Mister President, this concludes the Commission's report on the general functioning of the EEA Agreement.

However, I believe one very important event since we last met deserves to be highlighted in particular: Iceland's application last July to become a member of the European Union. We naturally very much welcome this decision of the Icelandic Government and Parliament. On the Commission side, we are working hard in co-operation with Iceland to finalise the 'Opinion' on the application. Iceland is a special case, because of its many years as part of the EEA with an excellent track-record with respect to adoption of legislation. In the 'Opinion', the Commission will also look closely at Iceland's implementation of its obligations under the EEA Agreement. We hope to complete the 'Opinion' in the near future, which should allow the Council to decide on the opening of accession negotiations. Furthermore, this morning, the Commission will sign an agreement with Iceland, allowing the Commission to open a Delegation in Reykjavik on 1st of January, which will be of significant help in the negotiation process. In the meantime, however, Iceland naturally retains its full status as a contracting party to the EEA Agreement, and I am confident that the accession negotiations will have no effect upon Iceland's participation in the functioning of this Agreement.

Thank you very much.

**Intervention of Minister SKARPHÉDINSSON on behalf of ICELAND:**

Dear colleagues,

I would like to thank the Presidency for expressing support for Iceland's application. Iceland has answered all the questions presented by the Commission one month in advance, while the last hurdles to ratifying the Lisbon treaty have been overcome. We look forward to the swift continuation towards a Council decision.



As regards the functioning of the EEA Agreement, Iceland has been a party to the EEA Agreement from the start and it has served Iceland well. But it has also had some shortcomings. For a small country heavily dependent on trade, maintaining its own currency in a single market is a major cause of instability. It is therefore in part the need for long-term financial and economic stability which has led to our application.

In Iceland, the collapse of private banks in 2008 is placing a heavy burden on government finances and will continue to do so for the foreseeable future. Icelandic bankers are very much to blame as well as mistakes by the government and the administration. But a significant part of the problem was that we relied too heavily on the security in implementing EEA legislation, which we did in good faith and to the letter.

We have settled very difficult bilateral issues with the UK and the Netherlands which is now being dealt with by the Althingi, but there is a strong resentment among the Icelandic people, who feel they have to bear a heavy burden for the debts of private banks. This matter has already caused the collapse of one government. It is now in the hands of Althingi to complete this matter.

Iceland strongly supports the overhaul of supervision of financial services and the establishment of the European Systemic Risk Council. These administrative and policy reforms, both within the EU but also in Member states, underline that in many ways Iceland's experience was a wake up call to shortcomings in supervision across the EEA in a heavily globalised financial market.

To turn now to another issue, the food law package; this matter has taken some considerable time in Iceland. The long process can partly be attributed to the sensitive nature of food health issues in Iceland. But we also have had to deal with the largest political and economic crisis in our history over the last 12 months. The bill implementing the food law package is already at committee stage in the Althingi and I expect it to be finalised before the end of this month.

**Intervention of Minister STØRE on behalf of NORWAY:**

Dear colleagues,

May I emphasise the great solidarity among the partners of the EEA. Throughout the agreement's history we have been innovative in finding responses to EU developments. It is important that we continue to innovate, and find good, creative solutions in the face of new changes and challenges.

Norway will be reviewing our country's experiences with the EEA agreement in the near future. This is a normal thing to do after 15 years. This will take the form of a research-based review, and we will report its findings to our Parliament.

With regard to the Lisbon Treaty, I foresee no major hurdles or challenges for the EEA Agreement. Our states will work hard to follow the developments and adapt to the establishments of new institutions and the strengthened role of the European Parliament.

The new EU Agencies and their set-up is a matter of concern for us, but in the past we have cooperated closely and solutions have been found to an array of issues, ranging from Schengen to justice and home affairs. We will continue to be creative in adapting and building the EEA Agreement.

There are also some concerns with regard to the Financial Mechanisms, but there is also a strong commitment to finding an agreement, not because we are legally bound but because we are politically committed. It is important to show political solidarity on this matter so that we can move ahead quickly. We on our side have shown a real contribution to finding and securing an agreement, and we now urge the EU 27 to do the same. It would be a real pity for a solidarity arrangement like this one to be blurred by conflict as we enter into it.

Thank you.

## 6. **ORIENTATION DEBATE: CLIMATE CHANGE**

### **Intervention of Minister BILDT on behalf of the EUROPEAN UNION:**

Dear Colleagues,

We consider climate change to be one of the most pressing challenges of our time. A challenge, however, that can only be tackled effectively at global level. At its October meeting, our leaders decided to take on strong commitments in order to send a clear signal to the international community about our resolve in the fight against climate change.

In that same vein, we do remain confident that in Copenhagen a global and comprehensive agreement can be reached in order for the global temperature increase to be kept below 2°C above the pre-industrial level. In so doing, we should be able to avoid the most catastrophic consequences of climate change. Momentum has been building up during the last years and awareness about the urgency of the matter is higher than ever.

We believe that reaching an ambitious agreement in Copenhagen will require convergence on the following essential building blocks:

- deep and ambitious emission reduction commitments by developed countries by 2020, complemented with a shared vision until 2050;
- measurable, reportable and verifiable actions by developing countries leading to a limitation in their emission growth and an early peaking in their emissions;
- framework for adapting to climate change as well as for technology and capacity building support;
- financing for developing countries in the framework of a fair and equitable governance system.

In this context, we would like to welcome the ambitious and inspiring commitment announced by Norway at the Bangkok negotiation session. We can only hope that more key players will follow suit.

The continuity of the carbon markets should also be a core element of any post-2012 agreement. In this context, the European Union Emissions Trading Scheme is a key instrument in reducing emissions from energy-intensive industries and will contribute towards deploying the necessary low-carbon technologies. The EU welcomes the steps

currently taken to ensure that the EU ETS will eventually be linked with emission trading schemes in Norway, Iceland and Liechtenstein. Most in particular we would like to welcome the positive steps by Norway and Iceland with regard to the implementation of the Directive on aviation in ETS. This will send a powerful signal to both the markets and the rest of the world. It will ultimately also provide the incentive for others to join in and consequently to achieve a truly global carbon market.

The EU places great importance on the Security implications of Climate Change, a subject which figured prominently in the recent review on the implementation of the European Security Strategy.

On the follow up of the Solana/Commission report of March 2008, last December, HR Solana presented a list of recommendations with specific EU actions in relation to the security implications of climate change focusing on the need for more detailed analysis of the security implications at regional level, and their integration into early warning mechanisms. The report of last March and the recommendations urge the EU to initiate dialogue with major partners (third countries and organisations) and look at possible areas of cooperation. We would be interested to hear your views and experiences on the security aspects of Climate Change.

We would welcome your views on these topics so as to inform our discussion.

Thank you very much!

**Intervention of Minister STØRE on behalf of NORWAY:**

Dear colleagues,

Despite clouds on the horizon, this is not the time to “talk down” the importance of the COP 15 in Copenhagen. The EU must maintain its pivotal role. We share the analysis that the progress made at Copenhagen needs to be binding. It would be bad for us to leave the conference with only a superficial agreement. We urge the Commission to arrive at the negotiations in Copenhagen with both their proposals and benchmarks.

Furthermore, Norway shares the Commission's view on the main building blocks for an agreement on Climate change.

EU leadership is a key factor for success in tackling global warming. Norway and the EU share ambitious goals in this fight. Norway is giving priority to certain key areas where we hope that our contribution will have an impact:

(I) National Obligations

Firstly, we have set a number of national targets. We aim to:

- Strengthen our Kyoto I commitment (2008-2012) by 10 percentage points.
- Reduce global greenhouse gas emissions by the equivalent of 30% of our 1990 emissions by 2020. We may even be able to raise this reduction to 40% of our 1990 level.
- Become completely carbon neutral by 2040.

(II) Reducing Emissions from Deforestation and Forest Degradation (REDD)

Norway aims to lead an initiative to reduce emissions from deforestation. We believe that the post-2012 regime should include a new (UN-REDD Programme) mechanism for measurable and verifiable reductions in emissions from deforestation, and we have increased our support for REDD to 340 million euro. We aim to place emphasis on the creation of institutions to support these ambitions, and have launched a comprehensive International Climate and Forest Initiative.

(III) Financing

Norway has proposed that a share of the emission allowances issued under the Copenhagen regime should be auctioned internationally. This will generate additional funds independent of national budgetary decisions.

(IV) Emissions from international shipping

Norway has also proposed that emissions from international shipping should be included in the new Copenhagen regime, and that an emissions target should be set for this sector. We urge the International Maritime Organisation (IMO) to develop a cap-and-trade regime with this in view.

(V) Climate change in the Arctic

In a global perspective, the Arctic is playing the role of the canary in the coalmine. Norway will – in close collaboration with fellow Arctic nations –demonstrate to the rest of the world what is happening in the High North, where climate change is taking place twice as fast as the global average.

(VI) Carbon Capture and Storage (CCS)

On the one hand, the world must almost double energy production during the next decades. On the other hand we must cut global emissions by between 50 and 85% during the same period. We must face the inescapable fact that, in the transition to a global low-carbon economy, fossil fuels will continue to dominate – up to 2030 and beyond. Therefore, Norway is investing heavily in carbon capture and storage, which we believe to be essential technology in combating climate change.

We hope that our planned large scale capture facility at Mongstad will qualify as one of the EU's 10-12 demonstration projects. We have proposed funding of EUR 140 million over a period of five years to support CCS projects in the EU.

The question of how the rapid development of commercially viable CCS technologies can best be stimulated should be determined within the UN Climate Change Convention framework. The summit in Copenhagen this December will be a golden opportunity to pave the way for CCS in Clean Development Mechanism.

Norway is fully supportive of the European Renewable Energy Package. We already have a very favourable energy mix: about 60% of our energy use is from renewable energy. This is three times higher than the EU goal for 2020. Nevertheless, we have clear ambitions for cutting emissions both globally and nationally.

In announcing these goals, and – more importantly – delivering on them, we hope that we are sending a strong political signal that we are exercising our responsibility.

Both the EU and Norway aim to be frontrunners in the fight against global warming. Copenhagen could still be a climate milestone, and we must keep up the pace and political pressure to get the best possible result in December.

On the issue of security, I agree with the Commission that this is an important topic in the debate. About 300 million people could become refugees as a result of rises in sea-levels and the erosion of natural habitat. I believe it would be valuable to see the establishment of a separate category for 'climate change refugees', who will no doubt add to the burden of migration in future years.

Thank you.

**Intervention of Minister SKARPHÉDINSSON on behalf of ICELAND:**

Dear colleagues,

First of all I would like to congratulate the EU on admirable leadership in preparations for the Copenhagen Climate Conference. Iceland is in negotiations with the EU to participate in the EU scheme.

The prospects for a legally binding agreement in Copenhagen are not promising. However, all efforts must be made to ensure that COP15 is a decisive step towards a legally binding agreement that is ambitious and that enables all countries to participate in reducing global emissions in accordance with their national circumstances.

Iceland shares the view that a deep cut in global emissions is needed. Global warming must be limited to 2 C. I welcome the leadership of the European Union in reaching this objective.

Iceland will assume its share of the responsibility. My Government has decided to reduce net GHG emissions by 15% by 2020, compared to 1990 levels. This goal is comparable to targets so far presented by other industrialized countries, as in real terms it entails 25% reduction compared to the target ascribed to Iceland in the Kyoto Protocol.

Iceland is willing to take on a more ambitious target in cooperation with the European Union. I take this opportunity to thank the Swedish Presidency and the Commission for their positive response to the request of Iceland to take on a joint commitment with the EU. I am confident that we will reach an agreement in principle before the Climate meeting in Copenhagen.

Finally I should mention Iceland's know-how in geothermal power which we are disseminating to other countries with these resources, including certain countries in Africa and also Indonesia. We would like to see some financial instrument that could assist us to assist the developing countries.

Thank you.

**Intervention of Minister FRICK on behalf of LIECHTENSTEIN:**

Chairman,

I will be brief on this point, as most has been said.

We firmly believe that the international community has to take swift action to address climate change. The new regime must be ambitious, and its implementation must indeed be secured – otherwise it will fall short in addressing this existential crisis. The European Union has clearly set the pace and Liechtenstein strongly supports the goal of reaching a fair, balanced and effective climate agreement in Copenhagen.

Liechtenstein's greenhouse gas emissions may well be small in absolute terms. Nevertheless, we are fully committed to contribute in an effective and noticeable manner to the global efforts against climate change. Besides implementing the Directive establishing a greenhouse gas emission trading scheme (2003/87/EC), the Liechtenstein Government has taken a series of decisions over the last years in order to fulfil its obligations under the Kyoto Protocol.

At the UN Climate talks in Bonn this August, Liechtenstein offered very deep cuts in greenhouse gas emissions: 20% reduction of greenhouse gas emissions by 2020 compared to 1990 and more further on. Reducing greenhouse gas emissions is essential. But funding and



capacity-building is critical as well. All actors including the private sector need to know about market-based climate and environmental mechanisms. Liechtenstein's "Energy Concept 2013" and the Energy Efficiency Act provide the political and legal framework for a sustained promotion of emission cuts.

Our Government focuses its efforts on the further involvement and active participation of the private sector.

The LIFE Climate Foundation has recently been established for this purpose. LIFE stands for «Liechtenstein Initiative of the Financial Centre in Emissions Trading». The LIFE Climate Foundation seeks to promote market-based climate and environmental mechanisms. The LIFE Climate Foundation is a private-public partnership that unites all relevant actors such as financial associations, academics and the government and triggers innovation in the field of market-based climate protection.

Furthermore, Liechtenstein will be investing until 2012 nearly 8 Mio. CHF in the acquisition of Certified Emission Reduction credits (CER's) in developing countries – in terms of per capita spending one of the highest "Kyoto"-related investments worldwide. According to our 2007 Climate Protection Strategy, these investments may only benefit projects of the highest quality.

Thank you, Chairman.

## **7. ADOPTION OF THE CONCLUSIONS OF THE 32<sup>nd</sup> EEA COUNCIL**

The EEA Council adopted its Conclusions, as set out in doc. EEE 1607/1/09 REV 1.

## **8. OTHER BUSINESS**

The EEA Council noted that a debate on Afghanistan, Iran and the Middle East was held the same day in the framework of the Political Dialogue.

**Intervention of Minister STØRE on behalf of the EEA-EFTA States:**

Thank you, and if there is no other business, I would then like to thank you again for your interesting contributions and close the meeting.

**Intervention of Minister BILDT on behalf of the EUROPEAN UNION:**

I share your satisfaction at the close of this 32nd meeting of the EEA Council and warmly thank the EEA-EFTA States, the EFTA Secretariat, the EFTA Surveillance Authority and the Member States of the European Union for their participation in the meeting.

**Intervention of Minister STØRE on behalf of the EEA-EFTA States:**

I hereby declare the meeting closed.

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**32nd meeting of the**  
**EEA COUNCIL**  
**(Brussels, 16 November 2009)**

**LIST OF DELEGATIONS**

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

**THE KINGDOM OF NORWAY**

Mr Jonas Gahr STØRE	Minister for Foreign Affairs
Mrs Oda Helen SLETNES	Ambassador, Mission of Norway to the EU
Mr Helge SKAARA	Minister, Mission of Norway to the EU
Mrs Anne Sofie BJELLAND	Minister Counsellor, Mission of Norway to the EU
Mr Tarjei SKIRBEKK	Political Adviser, Ministry for Foreign Affairs
Mr Christian SYSE	Director General, Ministry for Foreign Affairs, Department for European Affairs and Trade Policy
Ms Ingeborg DJUPVIK	Counsellor, Mission of Norway to the EU
Mr Rune BJÅSTAD	Counsellor, Information and press, Mission of Norway to the EU
Mr Henrik ERIKSEN	Counsellor for Environment, Mission of Norway to the EU
Mr Jørn GLOSLIE	Senior Adviser, Ministry for Foreign Affairs
Ms Mette JØRANLI	Senior Adviser, Ministry for Foreign Affairs, EEA/EFTA Section

## **THE PRINCIPALITY OF LIECHTENSTEIN**

Ms Aurelia FRICK	Minister for Foreign Affairs
Mr Edgar NIPP	Government Officer
Prince Nikolaus of LIECHTENSTEIN	Ambassador, Head of the Mission of Liechtenstein to the EU
Mr Georges BAUR	Deputy Head of the Mission of Liechtenstein to the EU
Mr Pascal SCHAFHAUSER	Counsellor, Mission of Liechtenstein to the EU
Mr Thomas BISCHOF	Second Secretary, Mission of Liechtenstein to the EU
Ms Doris FRICK	Deputy Head of the Mission of Liechtenstein to the EU, Geneva

## **ICELAND**

Mr Össur SKARPHÉDINSSON	Minister for Foreign Affairs
Mr Kristjan Guy BURGESS	Political Adviser to the Minister
Mr Martin EYJÓLFSSON	Director General, Directorate for Trade and Economic Affairs
Mr Stefán Haukur JÓHANNESSON	Ambassador, Icelandic Mission to the EU
Mr Nikulas HANNIGAN	Deputy Head of Division, Icelandic Mission to the EU
Ms Þóra MAGNÚSDÓTTIR	Counsellor, Icelandic Mission to the EU
Ms Erna S. HALLGRÍMSDÓTTIR	Counsellor, Icelandic Mission to the EU

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

**THE KINGDOM OF SWEDEN**

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

Mr Carl BILDT	Minister for Foreign Affairs
Mr Frank BELFRAGE	State Secretary at the Ministry for Foreign Affairs
Mr Håkan EMSGÅRD	Director for EU-Affairs, Ministry for Foreign Affairs
Mr Mikael ANZÉN	Permanent Representation of Sweden to the EU, Chair of the EFTA Working Party at the Council of the EU

**THE KINGDOM OF SPAIN**

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

Ms Carmen FONTES	Ambassador at large for bilateral Affairs of the EU
Mr José Luis PARDO	Deputy Director General for General Affairs of the EU
Mr Francisco Javier DAGO ELORZA	Ministry for Foreign Affairs, incoming Chair of the EFTA Working Party at the Council of the EU
Ms Carmen JORDÁN ASENSI	Economic Counsellor, Permanent Representation of Spain to the EU
Mr Manuel CRESPO OTERO	Assistant, Permanent Representation of Spain to the EU

## **EUROPEAN COMMISSION**

Mr Alan SEATTER	Director, DG External Relations
Mr Lars-Olof HOLLNER	Acting Head, 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 the Commissioner responsible for External Relations and European Neighbourhood Policy

## **COUNCIL OF THE EUROPEAN UNION - GENERAL SECRETARIAT**

Mr Paul CULLEY	Director of DG E II
Mr Massimo PARNISARI	Head of Unit 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**

Mr Kåre BRYN	Secretary General, EFTA
Ms Bergdís ELLERTSDÓTTIR	Deputy Secretary General, 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

Ms Magne HAREIDE

Temporary Officer, EEA Co-ordination  
Division, EFTA

**SURVEILLANCE AUTHORITY**

Mr Per SANDERUD

President

Mr Kurt JÄGER

College Member

Mr Kristján Andri STEFÁNSSON

College Member

Mr Inge Hausken THYGESSEN

Press and Information Officer

**EUROPEAN ECONOMIC AREA  
Council of the EEA**

**Brussels, 6 November 2009**

**EEE 1608/09**

## **REPORT**

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Subject : Progress Report by the EEA Joint Committee to the 32<sup>nd</sup> meeting of the EEA Council

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### **Decision-making**

1. Since the last EEA Council on 19 May this year, the EEA Joint Committee has adopted 66 Decisions incorporating 114 legal acts.
2. Important decisions taken by the EEA Joint Committee since the last EEA Council on 19 May include the following:
  - Decision 45/2009 Services Directive, Norway and Iceland made unilateral declarations in connection with the Decision;
  - Decision 61/2009 Pharmaceutical package;
  - Decision 76/2009 Customs Security Measures;
  - Decision 94/2009 Galileo.

### **Decision-shaping**

3. EEA EFTA experts continue to contribute to the work of Commission's Working Groups, Agencies, and Committees. Since May 2009, two EEA EFTA Comments have been taken note of by the EEA Joint Committee:
  - EEA EFTA Comment on Second Draft Communication on the Application of state aid rules to public service broadcasting;
  - EEA EFTA Comment on European Financial Supervision.

In the Joint Committee meeting in September, the Commission provided a briefing on the proposals on European Financial Supervision.



## **Status of outstanding, ongoing and up-coming issues**

4. The entry into force of the Food Law Package of 26 October 2007 continues to be delayed due to parliamentary procedures in Iceland.
5. The Directive on national emission ceilings for certain atmospheric pollutants continues to be under discussion.
6. The Directive on television broadcasting activities also remains under discussion.
7. Negotiations are ongoing on a possible adaptation to the incorporation of the Deposit Guarantee Schemes Directive.
8. Developments on the provisions for the EEA EFTA States participation in the new EU Authorities for macro and micro financial supervision as appropriate are closely followed.
9. The EEA EFTA States continue to follow the discussion on the Consumer Right Directive and have submitted comments from the EEA EFTA States, which the EEA Council had welcomed at its last meeting.

## **Participation in programmes**

10. The EEA EFTA States participated in and co-financed EEA-relevant EU Programmes. These Programmes promote common interests towards a more competitive and innovative Europe and play a significant role in Europe's economic recovery. For example, the European Year for Combating Poverty and Social Exclusion 2010 is one of these important programmes.

## **Financial Mechanisms**

11. [The negotiations on the future of financial contributions by the EEA EFTA States to the reduction of economic and social disparities were launched in September 2008. All parties have declared their commitment to finalise the negotiations as soon as possible.]

**EUROPEAN ECONOMIC AREA  
Council of the EEA**

**Brussels, 16 November 2009**

**EEE 1607/1/09  
REV 1**

**DRAFT CONCLUSIONS**

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Subject : Draft Conclusions of the 32<sup>nd</sup> meeting of the EEA Council  
Brussels, 16 November 2009

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1. The thirty-second meeting of the EEA Council took place in Brussels on 16 November 2009 under the Presidency of Mr *Jonas Gahr STØRE*, Minister for Foreign Affairs of Norway. The meeting was attended by Ms *Aurelia FRICK*, Minister for Foreign Affairs of Liechtenstein and Mr *Össur SKARPHÉDINSSON*, Minister for Foreign Affairs of Iceland, from the EEA EFTA side, as well as by Mr *Carl BILDT*, Minister for Foreign Affairs, representing the Swedish 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 Afghanistan, Iran and the Middle-East.
3. The EEA Council underlined the need for a coordinated and comprehensive action to restore global growth and to rebuild confidence in the financial markets. It was its view that in the current mid- and post-crisis environment, particular focus should be on coordinated action among governments with regard to exit strategies, as soon as the recovery takes hold, for the medium- and long term sustainability of public finances.

4. The EEA Council stressed the importance of promoting synergy, solidarity and cooperation at European level. Ministers endorsed the goals concerning an enhanced cooperation on financial markets issues as agreed upon in the G20 Summit on 24-25 September and agreed that the two main priorities remain to strengthen financial supervision and to close existing gaps in the regulation of financial services, both on the European level but also world wide. They welcomed the proposals on the EU side for legislation establishing a European Systemic Risk Board. They also welcomed the proposals for the European System of Financial Supervisors consisting of three new authorities dealing with supervision of the securities-, banking- and insurance sectors. The EEA Council emphasised the importance of enhanced cooperation within the whole of the EEA on these matters and the possible invitation of EEA EFTA Member States, in these new structures as appropriate once they had been established. Furthermore, the Ministers welcomed the EU regulatory initiatives reviewing the measures for regulatory capital for banks, for alternative investment fund managers and for remuneration in the financial sector.
5. The EEA Council looked forward to the post-2010 Lisbon Strategy. The EEA EFTA States are closely following the developments of the Strategy, with a view to participating in relevant parts.
6. The EEA Council acknowledged the recent publication of the Third Liberalisation Package, aiming for an effective and interconnected European energy market.
7. The EEA Council reiterated the importance of the Climate and Energy Package agreed by the EU in December 2008 and highlighted the importance of the Package in contributing to a successful outcome of the United Nations Climate Change Conference in Copenhagen in December 2009. The importance of continuous close co-operation between the EU and the EEA EFTA States in the area of energy and climate change was underlined, and especially on the emission trading scheme, the promotion of low carbon energy technologies, energy efficiency, renewable energy resources, as well as on carbon capture and storage (CCS). Relevant parts of the Climate and Energy Package would be incorporated into the EEA Agreement.

8. The EEA Council welcomed the progress made on the Renewables Directive, which is EEA relevant and should be incorporated into the EEA Agreement according to the procedures provided for in this Agreement. It noted that the EEA EFTA States already have a high share of renewable energy sources.
9. The Ministers expressed their satisfaction with the increased emphasis on monitoring of grants and evaluation of results under the EEA and Norwegian Financial Mechanisms 2004-2009, with around 1200 projects, funds and programmes being implemented.
10. The Ministers welcomed the progress in the negotiations on the future financial contributions by the EEA EFTA States for the reduction of economic and social disparities in the EEA, while regretting the delay, and underlined the importance of finalising these negotiations as soon as possible in order to allow for continuity of the programmes.
11. Furthermore, the Ministers noted that the European Commission and Iceland and Norway respectively have made parallel progress in their bilateral consultations concerning the review of the quota levels for certain fish and fishery products, as laid down in the respective Additional Protocols to their bilateral Agreements with the European Economic Community.
12. Ministers took note of the application for EU membership submitted by Iceland in July.
13. The EEA Council welcomed the incorporation of a customs security element in Protocol 10 to the EEA Agreement, whereby Norway is integrated in the customs security system of the European Community.

14. 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 promote common interests towards a more competitive and innovative Europe and play a significant role in Europe's economic recovery. The EEA Council especially highlighted the importance of the European Year for Combating Poverty and Social Exclusion 2010. The programmes are co-financed by the EEA EFTA States;
- 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 hoped for a successful outcome. It further encouraged the European Community and Norway to engage constructively in the review process within the framework of Article 2(2) of Protocol 3 to the EEA Agreement;
- noted the commitment of the EEA EFTA States to complete the necessary national procedures regarding the Food Law Package as soon as possible;
- noted the EEA relevance of the Consumer Rights Directive and the comprehensive comments from the EEA EFTA States, which the EEA Council had welcomed at its last meeting;
- welcomed the continued follow-up of the Integrated Maritime Policy and underlined the importance of the close involvement of the EEA EFTA States in further developments, such as the Communication from the Commission on Strategic goals and recommendations for the EU's maritime transport policy through 2018, and the Communication and action plan with a view to establishing a European maritime transport space without barriers;

- welcomed the active participation of the EEA EFTA States in the relevant parts of the Single Market Review;
  - reiterated its commitment to the renewed social agenda, covering a wide range of areas such as employment, health, migration, social affairs, education and equality. The EEA EFTA States will follow closely the proposed directives and policy initiatives, within the scope of the EEA Agreement. Underlined the importance of social innovation to meet social needs during the economic crisis.
15. The EEA Council 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.
16. The EEA Council held an orientation debate on Climate change.
17. 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.
18. The EEA Council underlined 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 Spanish Presidency for the continuation of this practice.

19. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 33<sup>rd</sup> meeting in Trondheim, Norway on 28 October 2009 on the *The EEA and the Global Financial Crisis* and on *Labour Market Issues in the EEA: Posted Workers and the Freedom to Provide Services*; and the Resolutions of the EEA Consultative Committee adopted at its 17<sup>th</sup> meeting in Brussels on 26 May 2009, on *Green jobs; the importance of ambitious energy and climate policies for economic recovery and renewed growth* and on *The Baltic Sea Region: the role of civil society organisations and social partners in improving regional cooperation and identifying a regional strategy*.
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