EUROPEAN ECONOMIC AREA Council of the EEA

Brussels, 13 May 2011

EEE 1610/10

DRAFT MINUTES

Subject: Draft minutes of the 34th meeting of the EEA Council

Brussels, 22 November 2010

DRAFT MINUTES

of the 34th meeting of the

EEA COUNCIL

(Brussels, 22 November 2010)

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The EEA Council held its 34th meeting in Brussels on 22 November 2010.

The meeting was chaired by Mr *Össur SKARPHÉÐINSSON* (Minister for Foreign Affairs of *ICELAND*), accompanied by Mr *Jonas Gahr STØRE* (Minister for Foreign Affairs of the *Kingdom of NORWAY*) and by Mr *Kurt JÄGER* (Ambassador, Head of the Mission of the *Principality of Liechtenstein* to the EU). 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. *Olivier CHASTEL* (Secretary of State for European Affairs of the *Kingdom of BELGIUM*), accompanied by Mrs. *Gabriella PAPP* (Permanent Representation of the *Republic of HUNGARY* to the EU), Mr. Leonardo *SCHIAVO* (Director of the Directorate "Development, Trade and Enlargement" of the *GENERAL SECRETARIAT OF THE COUNCIL*) and Mr. *Karel KOVANDA* (Deputy Director General and Political Director of the Directorate General for External Relations of the *EUROPEAN COMMISSION*). At the political dialogue preceding the EEA Council meeting, participants included in addition Mr. *Edward BANNERMAN* of the Cabinet of the *High Representative of the Union for Foreign Affairs and Security Policy*.

Opening of the meeting by Minister SKARPHÉÐINSSON on behalf of the EEA-EFTA States

The EEA EFTA Chair, Minister Skarphéðinsson, opened the meeting and proposed to deal with items 1, 2, 3, 4 and 7 of the agenda, without discussion.

Opening statement of Secretary of State CHASTEL, on behalf of the EUROPEAN UNION:

Dear colleagues from Iceland, Norway and Liechtenstein, the Secretariat of the European Free Trade Association and the EFTA Surveillance Authority,

On behalf of the European Union Ministers, may I wish you and your delegations a very warm welcome to Brussels and to the Justus Lipsius building. It is both an honour and a pleasure for me to represent the European Union at this 34th meeting of the Council of the European Economic Area.

First of all I should like to thank you, and the EFTA Secretariat, for the excellent collaboration throughout preparations for this meeting.

It is yet another demonstration of the very good cooperation which we enjoy in our relations, cooperation which, I am sure, will develop even more in the future.

To save time and allow us to concentrate on points of substance in our discussions, I can confirm that items 1, 2, 3, 4 and 7 on our agenda can be adopted without discussion. I am particularly pleased at the agreement we have reached on the draft conclusions under item 7 on the agenda and I thank you for that.

1. ADOPTION OF THE AGENDA

The EEA Council adopted the Agenda, as set out in doc. EEE 1606/1/10 REV 1.

2. APPROVAL OF THE MINUTES

of the 33rd meeting of the EEA Council, which took place in Brussels on 10 May 2010, as set out in doc. EEE 1604/10.

The EEA Council approved the minutes of the 33rd meeting, as set out in the above-mentioned document

3. PROGRESS REPORT BY THE EEA JOINT COMMITTEE

<u>The EEA Council</u> took note of the Progress Report by the EEA Joint Committee, as set out in doc. EEE 1608/10.

4. RESOLUTIONS OF THE EEA CONSULTATIVE COMMITTEE

<u>The EEA Council</u> noted the Resolutions of the EEA Consultative Committee adopted at its 18th meeting in Vaduz on 18-19 May 2010 on "*The Implications for the EEA of EU post-crisis financial reform*" and on "*Europe 2020 and the EEA*".

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; Energy and Climate Change; the Financial Mechanisms; the Financial crisis and implications for the EEA cooperation, including regulation of the financial system)

Intervention of Minister SKARPHÉÐINSSON on behalf of the EEA-EFTA States:

Minister Skarphéðinsson said that in recent months it had been a challenge to follow important developments on the European Union as a considerable number of new initiatives of fundamental importance had been presented. He also underlined the importance and value of the EEA Agreement and its good functioning for all member states.

He said that important progress had been made, necessary in turbulent time, towards restoring confidence and growth in Europe and globally. The establishment of the three new supervisory authorities in Banking, Insurance and Securities had been an important step to enhance cooperation and supervision within the EEA. The EEA EFTA States had followed these developments carefully and emphasised the importance of adequate participation of their national authorities on an equal footing with the EU Member States. Based on meetings held with the Commission this autumn, we are confident that a good solution will be found for us, the EEA EFTA States.

In this context he also said that it was important that the EEA EFTA States also work together with the EU in the European Systemic Risk Board, where it had not yet been possible to agree on the level of their participation. He hoped that an acceptable solution could be found as soon as possible.

In addition, the EEA EFTA States had followed the proposals on Economic Governance aimed at improving economic stability and sustainable economic growth in Europe. In this context he also referred to the EcoFin meeting and to the decision reached in the G20 earlier in November

Minister Skarphéðinsson said that there was opportunity created by the crisis which was the focus on innovation and creativity, inter alia presented in the Europe 2020 Strategy.

The EEA EFTA States carefully follow the numerous initiatives resulting from Europe 2020 and many of the concrete measures are relevant to the EEA. He said that the EEA EFTA States will continue to actively contribute and participate towards the realisation of the Strategy.

On the Single Market Act he said that the EEA EFTA States agree with the EU that the need for a well functioning Single Market has probably never been as imperative as during these times of economic and fiscal problems. These new policies will pave the way for a stronger future for Europe.

Minister Skarphéðinsson referred to Energy policy being pivotal in achieving the goals of smart, sustainable and inclusive growth of the Strategy and said that good progress had been made in many areas, such as with the Climate and Energy Package adopted in 2008 which will be incorporated into the EEA Agreement.

He said that the EEA EFTA States had made important contributions to the EU's objectives in this field and looked forward to follow further developments, including the flagship initiative, Resource Efficient Europe.

Discussing positive developments outside of the EEA Agreement, he mentioned the formal signing of the agreements on the EEA and the Norwegian Financial Mechanisms for 2009-2014 last July and hoped to see all contracts regarding internal procedures finalised as soon as possible. He also expressed his content with how the previous mechanism had benefited the beneficiary states.

He made concluding remarks on the Lisbon Treaty and said that the EEA EFTA States are following the implementation of the Treaty and how relevant parts may affect the operation of the EEA Agreement, in particular with the setting up of the European External Action Service. Based on information from the EU, the EEA EFTA States were confident that the Treaty would not affect the good functioning of the Agreement.

Due to the strengthened role of EU national parliaments in the Lisbon Treaty, the EEA EFTA States support the call from the European Parliament to provide national parliaments of the EEA EFTA States with EEA relevant proposals. This would contribute to associate the parliaments of the EEA EFTA States more closely to the EU legislative process.

Minister Skarphéðinsson concluded by thanking the outgoing Chair of the EU, the Belgian Presidency, for the good and constructive cooperation during their term and looked forward to working with the next EU Chair, Hungary.

Intervention of Secretary of State CHASTEL on behalf of the EUROPEAN UNION:

Dear colleagues,

I, too, would like to stress the importance of meetings in this format for periodic evaluation of the application of the Agreement on the European Economic Area and useful exchanges of views on its various aspects.

Generally speaking, we rate cooperation between the EU States and the EEA-EFTA States very positively, and applaud the smooth functioning of all the institutions set up under the EEA Agreement. However, we are ready, and here I think I can speak on behalf of all thirty States concerned, to improve our cooperation still further in the future.

In this connection, I should like to draw attention to a number of points on which we have recently made progress:

The Belgian Presidency of the European Union made it its business to continue the initiative developed in 2008 under the French Presidency whereby the EFTA Working Party holds detailed discussions on relations with the four EFTA States. Since the summer, the Working Party has had a separate meeting on each State with, in the margins, informal exchanges of views between Working Party members and the Ambassadors of the countries concerned. The Working Party members were enthusiastic about these exchanges, and the discussions in the Working Party, and they have proved very valuable.

The past few months have seen the signing of agreements with the EEA-EFTA States on the financial mechanisms. Norway, Iceland and Liechtenstein have expressed their solidarity with the EU by committing themselves to a further important contribution to economic and social cohesion in the European Union. We hope that the internal procedures of the parties concerned will be completed with all speed so that the agreements can be concluded at an early date.

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We also welcome the conclusion of negotiations on, firstly, an agreement with Norway on agricultural products covered by Article 19 of the EEA Agreement and, secondly, an arrangement between the European Union and the four EFTA States regarding their participation in the proceedings of the European Commission's Schengen committees. These two acts, recently adopted by the EU Council, are due to be signed shortly.

In July the European Union and Iceland opened negotiations on Iceland's accession. We particularly welcome this development and hope that the process will be conducted in a constructive atmosphere and crowned with success.

We also note that, 16 years after the entry into force of the EEA Agreement, the partners are taking or are intending to take fuller stock of their experience with the Agreement to see whether adjustments might need to be made in the light of the developments that have occurred since its beginnings. We look forward to hearing the results of our partners' reflections in due course and are confident that this exercise will bring us even closer together.

For the various matters listed under item 5 on the agenda, I would like to hand over to the European Commission, the Community institution with chief responsibility for the day-to-day operation of our EEA Agreement.

Intervention of Deputy Director General KOVANDA on behalf of the EUROPEAN COMMISSION:

Mr. President, Ministers,

It is a pleasure for me to have to opportunity once again to present the Commission's assessment of the overall functioning of the EEA Agreement.

I would like to first give an overview of what has happened in the EEA framework since the last EEA Council on 10 May 2010, and then share with you some thoughts about the future.

As we can see from the Joint Committee's Progress Report, between May and now, the Joint Committee has adopted an additional 68 Decisions, incorporating 167 legal acts into the EEA Agreement. This means that by the end of this year, we will have managed to introduce well over 300 new legal acts into the EEA Agreement, so already on that basis it is safe to say that 2010 will have been yet another year, throughout which the EEA Agreement has continued to function well and the homogeneity of the Internal Market has successfully been guaranteed.

In parallel, constructive dialogues among the most interested parties have taken place on a number of important subjects. I would like in particular to thank you for our efficient cooperation with the view to bring the EEA Agreement up-to-date with respect to the EU Emissions Trading Scheme. This will now also include the important aviation sector, and I expect that shortly we will also be able to incorporate the latest revision of the Emissions Trading Scheme into the Agreement.

We have addressed EEA EFTA participation in the new EU system of financial supervision and rules on financial services, which will be operational as of 1 January 2011, on several occasions, and I know that it was also discussed at the EFTA-ECOFIN meeting last week. I note with pleasure that the EEA EFTA States are preparing to participate in the new supervisory authorities. I know that there are still issues that we need to resolve, notably that relating to the European Deposit Guarantee Scheme, but I am confident that we will be able to find an agreement in our mutual interest.

We managed to sign the agreements on the significant financial contributions 2009-2014 in the summer. In parallel, we signed new additional protocols on trade in fish and fisheries products with Iceland and Norway, respectively. As we have mentioned many times before, we believe that the outcome of our negotiations is a balanced one, and we are now looking forward to a rapid entry into force of these agreements. I understand that preparatory work is already being carried out, which we naturally appreciate.

I would also like to welcome the agreement on liberalisation of trade in agricultural products between the EU and Norway even if it took a long time to get there. I hope that the next revision foreseen to take place in two years time will be a more speedy process. At the same time, I regret that it has still not be possible to make any progress in the consultations in the negotiations with Norway on further liberalisation of trade in processed agricultural products. This is long overdue, and I join our member states in calling for a rapid, constructive and serious engagement in negotiations to this end.

On the whole we continue to be satisfied with the functioning of the EEA Agreement. That said, as there are a few but important issues, where even after long periods of discussions, we seem not to be able to achieve the necessary progress. I would like to mention two such cases. One concerns air safety. The backbone of the EU aviation safety system is a set of common safety rules which are directly applicable in a uniform manner across the EU. The basic regulation for aviation safety and the establishment of the European Aviation Safety Agency, Regulation 216/2008, was adopted on 20 February 2008, and it seems that we are still not any closer to having this regulation apply throughout the EEA. The core issue of disagreement concerns the right to impose fines. It would be a pity to allow an issue of principle to affect the situation in an area as sensitive as air safety.

The other matter, which I would like to bring to your attention, concerns the incorporation of the Audiovisual Market Services Directive into the EEA Agreement. The objective of this directive is to create develop the internal market for audiovisual media services and a more competitive audiovisual industry. The means to this end include reducing regulation and creating a level-playing field for audiovisual media services across borders while maintaining high consumer protection standards including cultural diversity and the protection of minors. The core problem here is the EEA EFTA request to be able to block advertising for alcohol and gambling. This case has also been under discussion for a long time, and for the sake of the homogeneity of the internal market and the level playing field for our operators, we must bring this matter to a close.

With this I would like to conclude the overall assessment of the functioning of the EEA Agreement, and as always, I would like to express our appreciation for the substantial and timely EFTA comments, which we regularly receive, and for all other input in the decision-shaping process.

Mr. President, Ministers,

Let me welcome the fact that on 27 July, formal negotiations on Iceland's accession to the European Union were opened. The first progress report, adopted by the Commission on 9 November 2010, paints a rather encouraging picture.

This brings me to the second part of this intervention. We are hoping that Iceland will be able to join the EU pillar of the EEA in a foreseeable future. We have also noted that the Norwegian government has decided to set up an EEA review committee to look at how the EEA Agreement has functioned to date. Liechtenstein, we understand, has initiated a similar exercise.

When I say that we have taken note of these initiatives, I actually mean that we have been somewhat inspired by them. It is true that much has happened, not least in the EU, since the EEA Agreement was negotiated two decades ago. We agree that time has come to take a good look at how we do things in the EEA and reflect upon how things have developed, whether we could streamline our operational procedures and for example use new technology to save costs.

Let me add that this has nothing to do with the entry into force of the Lisbon Treaty, which I know is of interest to many on the EEA EFTA side. As I stated earlier, generally the EEA Agreement functions very well at present and it will continue to do so. It is likely that the Lisbon Treaty will have an impact on EEA relevant internal market legislation, but such challenges will be of a nature that the Agreement is flexible enough to meet in a pragmatic way.

Thank you very much!

Intervention of Minister SKARPHÉÐINSSON on behalf of ICELAND

Minister Skarphéðinsson thanked the European Commission for their encouraging words towards Iceland and confirmed that the technical screening process was progressing steady. He stated that he was confident that with determination and creativity on all sides the accession negotiations could be successful.

Intervention of Minister STØRE on behalf of NORWAY:

Minister Støre confirmed that it had been a good year in terms of implementation and that the set up and functioning of the EEA Agreement was proving to be positive in terms of cost effectiveness. He stated that more than 7000 EU legislative acts had been incorporated into the EEA Agreement over the past 16 years, since its outset.

Referring to the review being carried out by the Norwegian government to take stock of the EEA Agreement, Minister Støre confirmed that Norway would be looking forward to sharing the results.

Concerning the implementation of the Lisbon Treaty, Minister Støre said that Norway was following with great interest the establishing of the European External Action Service. He underlined the importance of continued good functioning of the EEA Agreement and that any EU adaptations remain at the same high level as before. He said that it was important to maintain the channels and the integrity of the EEA Agreement.

He said that the economic crises were still high on the agendas and appreciated the efforts made by the EU to manage the present and prevent future crisis. With regard to the Supervisory Authorities and the European Systemic Risk Board, Minister Støre stressed that involvement of the EEA EFTA States was much appreciated and to the benefit of all.

Norway was following the important EU 2020 initiatives and the Single Market Act, with great interest and will participate in these processes when appropriate.

On energy he said that Norway supports the overall ambition of the European Union on renewable energy. Regarding Norwegian implementation of the Renewable Energy Directive he said it would be necessary to find a fair share that can serve the interaction of Norway and the EU.

Referring to Mr Kovanda's remarks on the Audiovisual Market Services Directive, Minister Støre questioned the sense behind this, re-stating that Norway strongly maintained its position on this issue, notably to ban advertisements on alcohol. He informed the Commission that history and research had shown that such advertising increased public consumption, with a detrimental effect on consumers' health, particularly where these were aimed at the younger generation. He added that this was an area where the level playing field for business interests contradicted their objectives for public health. Minister Støre reiterated that it was therefore a strong request from the Norwegian government to uphold the ban on advertising of alcoholic beverages in trans-border TV broadcasting envisaged in the EEA Agreement.

On the European Aviation Safety Agency, Minister Støre confirmed that Norway agreed with the substance of this issue and security, but said that Norway still felt strongly regarding the procedure of issuing fines and hoped for a mutually satisfactory solution to the matter in the near future.

He said that the Deposit Guarantee Scheme was important for Norway as the Norwegian deposit guarantee scheme covers deposits up to 2 million NOK. It would therefore not be favourable to consumers to reduce this amount to less than half of this figure. Therefore Norway was requesting an adaptation. The Minister said that he was confident that a mutually beneficial solution could be found.

Minister Støre referred to a letter recently sent by the Joint Parliamentary Committee to the Commission requesting that legislative proposals were sent to the EEA EFTA parliaments at the same time as these are sent to national parliaments of the EU States for consultation. He said that adding the EEA EFTA States to the mailing list in this way, would demonstrate that they were indeed a part of the system.

Minister Støre then informed delegations that Norway on 26 October 2010 had signed the first Memorandum of Understanding with Slovakia under the Norwegian Financial Mechanism and that further negotiations would now continue.

With regards to Protocol 3, the Minister referred to the price compensation system which ensures a level playing field for the processing industry. The Joint Working Group concluded at the annual review-meeting in September that the protocol works well. Minister Støre pointed to the 10 per cent increase in export of processed agricultural products from the EU to Norway in recent years. This shows that EU exporters are competitive on the Norwegian market and that present arrangements give room for development of trade. Finally, the Minister raised Norway's wish to enter into an agreement with the EU on transfer of sentenced persons based on Framework Decision of 2008 on the application of the principle of mutual recognition to judgements in criminal matters imposing custodial sentences or measures involving deprivation of liberty for the purpose of their enforcement in the European Union.

Intervention of Ambassador JÄGER on behalf of LIECHTENSTEIN:

Dear Ministers, dear Excellencies, dear ladies and gentlemen,

First of all let me convey the apologies of my minister, Mrs. Aurelia Frick, for having been prevented from attending this meeting today due to having missed a connecting flight from India this morning.

I will be brief, as most has already been said. Let me, however, add a few reflections on two issues which have been touched upon:

First I would like to complement and emphasize what has been said with regard to the inclusion of the EEA EFTA States into the new financial supervisory framework. Liechtenstein strongly supports the internal market for financial services and continues to be willing to take over all obligations arising from its participation in the financial services market. A proof of our strong commitment to the functioning of the internal market is the fact that we have implemented 99.5 percent of all EU Directives that are part of the EEA.

In this context, I have the pleasure to inform you that a report delivered by the Liechtenstein government to Parliament last spring on the assessment of 15 years of EEA-membership concludes that membership has been a very positive experience for my country and does in no way put into question Liechtenstein's continued adherence to the EEA.

Therefore you can rest assured that Liechtenstein fully supports a quick and speedy accession of the respective national authorities of the EEA/EFTA States to the new European supervisory authorities for Banks (EBA), Securities (ESMA) and Insurance (EIOPA).

My government is convinced that a failure to ensure an adequate and timely inclusion of the EFTA pillar into this system might lead to gaps in the micro- or macro-economic supervision in the Internal Market. Leaving the EEA EFTA States aside would also include the risk of reaching conclusions based on insufficient or even inaccurate information.

A comprehensive and effective financial supervisory framework should start with a system that embraces the entire Single Market in order to avoid fragmentation. A strong European financial supervisory structure seems particularly relevant since this is not likely to happen on a global basis in the near future.

Admittedly, in order to allow for participation as early as from next January, flexible solutions are needed. I am sure you will understand that EEA/EFTA States expect to be allowed to participate on an equal footing as far as practical, since the three Authorities have been granted far-reaching new competences which require the involvement of the affected States.

My second point concerns the important issue is the Europe 2020 Strategy. Europe not only needs to tackle problems that occurred, it also has to look forward and try to shape its future. Already in the spring EEA Council meeting we clearly supported the strategy and we continue doing so. We have taken good note of the fact that the Union did not let itself become deterred by the manifold problems which are the consequence of the crisis we slowly hope to overcome. As the Chairman said, we are carefully following the concrete measures in already four of the flagship initiatives as they are mostly EEA relevant.

Finally let me also brief you of two recent developments in my country that are an expression of Liechtenstein's endeavours to contribute to a good functioning of the EEA agreement:

I have the pleasure to inform you that Liechtenstein has recently completed a comprehensive reform of its tax legislation. The reform has been designed to conform with international and European standards, in particular with regard to State Aid rules, but also to achieve a further simplification of the tax system.

Finally, I also have good news to report when it comes to the EEA Financial Mechanism 2009-2014. I can inform you that the Liechtenstein Parliament has approved the agreement and we should be ready to notify the conclusion of our internal procedures shortly. Furthermore, this allows us to also apply the agreement on a provisional basis freeing the way for a notification to this effect in the near future as foreseen by the agreement itself.

As you see, Liechtenstein is doing its best to also ratify and implement agreements it concluded with the EU, and we of course strongly hope that the EU will do the same in due course when it comes to our long outstanding association to Schengen/Dublin. My government firmly hopes that those agreements will also be concluded by the EU-side before we meet in this forum the next time, the indications we got are at last promising.

Intervention of Minister SKARPHÉÐINSSON on behalf of ICELAND:

Minister Skarphéðinsson acknowledged the points made by Norway concerning the Audiovisual Market Services Directive, and stated that Iceland fully supported Norway's position on the matter.

Concerning the European Aviation Safety, Minister Skarphéðinsson agreed that Iceland had no issues with the substance of the matter, and that they were fully committed to incorporating the regulation into the agreement; however, they also had difficulties with the empowerment of ESA imposing fines on Icelandic citizens. He confirmed that together with Norway, they were seeking a solution to the issue.

6. ORIENTATION DEBATE: EUROPEAN ENERGY MARKET

Intervention of Minister SKARPHÉÐINSSON on behalf of the EEA-EFTA States:

Minister Skarphéðinsson opened the orientation debate on European Energy Market by referring to the Single Market.

He said that the Single Market was a work in progress. While much had been achieved towards a well integrated market, there were still missing links, such as in the field of energy as was so clearly spelled out in the Single Market Act.

He said that the EEA EFTA States supported the efforts of the EU to create a European Energy Market and looked forward to these measures hopefully not only meaning lower prices for consumers but also improving security of supply and contributing to addressing climate change.

Significant progress had been made through the Energy Market Packages and the Climate and Energy Package. Still, further efforts would be needed to improve the legal base and the physical infrastructure of the European energy market.

Finally, the issue of climate change and overall aim to increase the use of renewable energy sources, would require a well functioning energy market. With more renewable sources in the European energy mix, there would be a need for "smarter grids" and increased two-way capacity.

The EEA EFTA States would have a lot to contribute in this process, both as suppliers and as sources of great expertise in this area.

Intervention of Secretary of State CHASTEL on behalf of the EUROPEAN UNION:

Dear colleagues,

The first point to be made is that since our last Council meeting changes have been made to the legal framework in which European energy policy is made and the European energy market operates. The Treaty on the Functioning of the EU recognised energy policy as a fully-fledged Union policy, with four objectives that are equally relevant for the Union and for its partners:

- ensuring the functioning of the energy market;
- ensuring security of supply;
- promoting energy efficiency and developing new and renewable forms of energy, and
- promoting the interconnection of networks.

The Treaty also introduces a solidarity clause applicable in particular where there are serious difficulties of supply.

With that framework in place, it is time to think about the <u>EU's future energy strategy</u>, which will be part of the Europe 2020 Strategy adopted in the spring and will enable us to attain our three objectives: a 20 % reduction in greenhouse gases, a 20 % share of renewable energy and a 20 % increase in energy efficiency.

This Strategy has to meet four challenges:

- how to finance the trillion euros of infrastructure investment required over the next 10 years to supply missing connections and allow an energy mix compatible with our three objectives;
- how to translate the principle of solidarity into operational terms;
- how to ensure that the internal market does not operate solely to the advantage of suppliers but also to that of consumers;
- how to coordinate external energy policy effectively.

The Commission envisages five priorities for the Strategy:

- 1. energy savings
- 2 an integrated, interconnected pan-European energy market
- 3. active consumers - secure energy
- technologies and innovation 4.
- 5. the external dimension of the European energy market.

These priorities translate into seventeen actions which will give rise to legislative proposals over the next eighteen months.

There will be a first exchange of views on the Strategy in the Energy Council on 3 December, followed by a full examination by the European Council on 4 February and by the Energy Council on 28 February, so that formal adoption can take place in the spring. Your comments are welcome, since the Strategy and the proposals that are to implement it will affect EEA energy policy.

The Strategy will lead to increasing decarbonisation of the European economy, so that ultimately only non greenhouse gas emitting hydrocarbons will be part of the European energy mix. Diversification, particularly towards renewable forms of energy, and the increasing drive for energy efficiency will also compress demand for hydrocarbons.

For natural gas, however, the future is still bright: because of the relative increase in electricity demand; as a fallback for intermittent renewables; and by virtue of leaving a smaller carbon footprint than do oil and coal.

Its development will require the establishment of interconnections and ongoing diversification of suppliers, whether supply is via pipelines or in the form of liquefied natural gas.

As I have already mentioned, one strand of the Strategy will be devoted to infrastructure: I should simply like to emphasise that our commitments are altogether solid, as is evidenced by the € 1,4 billion allocated by the European Economic Recovery Programme to cross-border infrastructure in 2009-10.

As for diversification of suppliers, although supply contracts are entered into by the gas undertakings, their conclusion and satisfactory performance benefit from the existence of a multilateral legal framework and from partnerships with supply and transit countries, as envisaged in the 5th strand of the Strategy.

The development of gas also calls for solidarity among Member States: firstly, this requires that the market function smoothly, which the implementation by March 2011 of the 3rd legislative package on the internal energy market will help to achieve. It also requires that a binding instrument on security of supply be put in place.

The crisis in January 2009 between Russia and Ukraine showed, indeed, that a more coordinated approach is necessary at European level, to ensure a stable and reliable supply for all

It is with this end in view that the Union has just adopted a Regulation on security of gas supply, which will enter into force by the end of the year.

It will strengthen coordination between Member States and ensure that effective measures are taken in advance to forestall and mitigate the consequences of supply disruptions, as well as guaranteeing that every household will have gas even if supply is disrupted.

The Regulation requires Member States and gas undertakings to establish preventive action plans and emergency plans involving all interested parties and taking full account of the European dimension of any major disruption, in a spirit of solidarity.

Member States and gas undertakings are encouraged to coordinate their preventive action and emergency plans at regional and European level. Undertakings must invest in the necessary infrastructure and enable flows between networks served by different suppliers, to guarantee supply to all customers and in all cases to households when deliveries are interrupted.

I emphasised above that the Strategy would contribute to fulfilling our 3 objectives and that it would incorporate efforts to diversify supply. Diversification will rely, inter alia, on internal resources and especially renewable energies.

The Directive on the promotion of the use of energy from renewable sources, adopted in 2009, sets binding targets for each Member State in terms of the share of renewable energy in energy consumption and lays down the legislative framework for its development, paying particular attention to sustainable biofuels and electric vehicles.

Although the production of renewable energy can to a large extent be decentralised and the energy used locally, a considerable proportion is and will continue to be produced in industrial installations (wind/solar power plants) which will need to be connected to the electricity transmission networks, taking into account the intermittent availability of this energy.

Incorporating renewables consequently calls for the development of smart networks which are able accurately to balance supply and demand. A specific regulatory framework for implementing these networks should be proposed by the end of 2011.

This balancing necessitates the installation of smart meters, which provide a better picture of demand and enable consumers to play an active part in managing their energy consumption.

This linkage between production and transmission is a particularly pressing concern if one takes into account, for instance, the development of solar power in North Africa, partly for export to Europe.

As well as helping to fulfil the Union's objectives, renewables can also, therefore, contribute to enhanced North-South cooperation, via technology transfer and revenue generation from electricity exports, and promote regional integration among the exporting countries.

A major R & D effort is still required in order for these energies to become competitive with conventional energies without having to draw on State support, especially during this period of budgetary restrictions. Accordingly, the Strategic Energy Technology Plan currently being implemented devotes three of its Industrial Initiatives to solar power, wind power and bio-energy.

In addition to this R & D effort supported by the Union, there is € 600 million in funding allocated by the European Economic Recovery Programme for offshore wind power in 2009-10

At a time when the Union is seeking new sources of growth, renewable energies and associated technologies clearly have a role to play both in reducing energy dependency and through their export potential.

I shall conclude this brief survey by returning to the safety of offshore oil and gas activities.

The catastrophe which occurred last April in the Gulf of Mexico came as a jolt, prompting a review of the rules currently in force.

The review showed two things: safety standards in this sector within the EU are generally strict, but they vary from company to company and from one Member State to another.

The review also led to one conclusion: that safety is non-negotiable. A catastrophe of this kind must not happen in European waters. To ensure this, the best practice within the Union should become the norm.

There are five strands which need to be developed, from prevention through to compensation for damage, possibly in legislative form as early as next year, and in any case in close cooperation with companies in the sector and national regulators:

- the award of licences
- inspections
- the standards applicable to safety equipment
- response in the event of damage
- international action.

I shall end by asking you to let us know what your expectations are as regards the future of energy policy in Europe.

Intervention of Minister SKARPHÉÐINSSON on behalf of ICELAND:

Minister Skarphéðinsson confirmed that he concurred with the European Union's emphasis on renewable sources for the future however was dismayed that the EU always overlooked the potential of geothermal energy. He reminded the EU that in Iceland, 80% of the total primary energy production was met by the use of renewable power and said that the EU should take this into their equations.

Concerning safety, Minister Skarphéðinsson stated that he expects the EU to contribute to establishing very strict regulations on security in the arctic in view of the complicated issues that would arise should an oil spill occur in this region.

He informed the EU that Iceland fully supported the push to reduce oil consumption and was already shifting towards an increase in electric vehicles, and that in fact the country could very easily switch to this mode of transport without the need for new power plants. Finally he mentioned the White Paper on future transport, and confirmed that the issues regarding this matter were being addressed.

Intervention of Minister STØRE on behalf of NORWAY:

The Norwegian Minister of Foreign Affairs began his speech by referring to the importance of regional cooperation in the work of safety in oil and gas operations. He also stated that Norway would like to cooperate with the EU on safety issues related to petroleum activities, as well as working with these issues in OSPAR. Minister Støre stressed that drilling in the Arctic is not a novelty. Norway has been drilling in the Barents Sea for many years and LNG is now shipped from Hammerfest to European ports. Minister Støre stressed that the coastal states have agreed on the importance of safety and that Russia and Norway cooperate in this field

Norway is an external supplier from the inside of the EU. Norway has embraced all EU acquis on energy. The Nordic electricity market has recently been linked to Europe. Norway is a secure gas supplier to Europe, only Russia exports more. There is only 20 percent of gas resources produced and Norway has both the resources and the infrastructure to remain a significant gas exporter for many years to come.

Norway wants the EU to pay more attention to gas as an energy source. Gas is a long-term business and Norway needs clear signals from the EU on the importance of gas. This will secure investment in new production capacity. Støre added that if the EU replaces the use of coal with gas, the EU will achieve the 20 per cent target to reduce greenhouse gas emissions.

If Germany is to achieve its ambitious goals related to renewable energy, they are dependent on Norwegian hydro power or gas to balance the fluctuating renewable production. Norway has 48 per cent of Europe's reservoir capacity. Norway wants to build more interconnectors to EU and wants more trade with energy.

Norway shares the same ambitions as the EU when it comes to renewable energy. The electricity production in Norway is almost 100 percent from renewable resources, which is equivalent to 25 percent of the EU-27s total renewable production. 60 percent of our energy consumption comes from renewable energy resources, which puts us in a fortunate and unique situation. This must be reflected when the Renewable Directive is implemented in the EEA Agreement. Renewable energy relies on subsidies, and it will be interesting to see how the current financial situation will affect the level of subsidies and thus the development of renewable energy sources. This will be an important question in time to come.

Minister Støre referred in conclusion to the energy strategy which the Commission has recently adopted and stated that Norway supports measures to make energy markets more efficient.

Intervention of Ambassador JÄGER on behalf of LIECHTENSTEIN:

Thank you Mr. Chairman!

What I would like to add to what has already been said is first of all that Liechtenstein fully endorses the EU's energy strategy. Allow me in this context to draw you attention to a particularity of Liechtenstein: Despite the fact that Liechtenstein imports most of its electricity from neighbouring countries with a very high rate of renewable energy production, the best contribution of Liechtenstein to the reduction of its energy demand from Greenhouse gas sources, i.e. its carbon footprint, appears to be a reduction of its reliance on imports of energy, apart from increasing its own energy efficiency. The reason for this lies in the fact that our own energy production stems practically entirely from renewable sources already. In order to increase domestic energy production and to reduce the country's energy imports and carbon footprint, the government's energy policy is to a large extent focused on the development of solar energy for the heating of houses, the introduction of smart meter concepts and the use of thermal hot water systems. Given the climate and topographic conditions in Liechtenstein, the possibilities to exploit wind energy appear to be rather limited.

7. ADOPTION OF THE CONCLUSIONS OF THE 34th EEA COUNCIL

The EEA Council adopted its Conclusions, as set out in doc. EEE 1607/3/10 REV 3.

8. OTHER BUSINESS

<u>The EEA Council</u> noted that a debate on Russia, the Middle East Peace Process and China was held the same day in the framework of the Political Dialogue.

Intervention of Minister SKARPHÉÐINSSON on behalf of the EEA-EFTA States:

Minister Skarphedinsson thanked the Belgian Presidency, the Commission, the Council Secretariat, and colleagues from Liechtenstein and Norway, for their participation and constructive dialogue in the meeting.

Intervention of Secretary CHASTEL on behalf of the EUROPEAN UNION:

Dear colleagues,

I share your satisfaction at the close of this 34th 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 SKARPHÉÐINSSON on behalf of the EEA-EFTA States:

I hereby declare the meeting closed.

34th meeting of the

EEA COUNCIL

(Brussels, 22 November 2010)

LIST OF DELEGATIONS

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

ICELAND

Mr Össur SKARPHÉDINSSON Minister for Foreign Affairs

Mr Kristján Guy BURGESS Political Adviser to the Minister

Mr Stefán H. JÓHANNESSON Ambassador, Head of the Mission of Iceland to

the EU

Mr Nikulás HANNIGAN Deputy Head of the Mission of Iceland to the EU

Mr Matthías G. PÁLSSON Counsellor, Legal Adviser, Mission of Iceland to

the EU

THE KINGDOM OF NORWAY

Mr Jonas Gahr STØRE Minister of Foreign Affairs

Ms Oda Helen SLETNES Ambassador, Mission of Norway

Ms Laila STENSENG Minister Counsellor, Mission of Norway

Mr Christian SYSE Director General, MFA

Ms Kjersti E. ANDERSEN

Deputy Director General, MFA

Ms Tone WROLDSEN

Higher Executive Officer, MFA

Mr Niels ENGELSCHIØN Minister, Mission of Norway

Ms Ingeborg DJUPVIK Legal Counsellor, Mission of Norway

Mr Bjørn Ståle HAAVIK Counsellor for Energy, Mission of Norway

THE PRINCIPALITY OF LIECHTENSTEIN

Mr Kurt JAEGER Ambassador, Liechtenstein Mission to the EU

Mr Georges BAUR Deputy Head of Mission, Liechtenstein Mission

to the EU

Ms Claudia GERNER Temporary Officer

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

THE KINGDOM OF BELGIUM

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

Mr Oliver CHASTEL Secretary of State for European Affairs

Mr Jan BAYART Counsellor of the Secretary of State for European

Affairs Olivier Chastel

Mr Hubert ROISIN Counsellor, Permanent Representation of

Belgium to the EU, Chair of the EFTA Working

Party at the Council of the EU

REPUBLIC OF HUNGARY

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

Ms Gabriella Papp Second Secretary, Permanent Representation of

Hungary to the EU, Incoming Chair of the EFTA

Working Party at the Council of the EU

Mr Zoltán Lédig Advisor, Ministry for Foreign Affairs of Hungary

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EUROPEAN COMMISSION

Mr Karel KOVANDA Deputy Director General and Political Director,

DG External Relations

Mr Gianluca GRIPPA Head of Unit, DG.RELEX, Western Europe

(Non-EU)

Mr Peter MEYER Principal Administrator, Western Europe Unit,

DG External Relations

Ms Rita LEHMANN EEA Coordination officer, DG.RELEX, Western

Europe (Non-EU)

COUNCIL OF THE EUROPEAN UNION - GENERAL SECRETARIAT

Mr Leonardo SCHIAVO Director of Directorate Development, Trade and

Enlargement

Mr Massimo PARNISARI Head of Unit Multilateral Economic Affairs -

Non EU Western Europe

Mrs Bärbel DÜRHAGER Desk Officer for non-EU Western Europe

CABINET OF THE HIGH REPRESENTATIVE

Mr Edward BANNERMAN Member of Cabinet of the High Representative

of the EU for Foreign Affairs and Security

Policy

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

SECRETARIAT

Mr Kåre BRYN Secretary General

Ms Bergdis ELLERTSDÓTTIR Deputy Secretary General, Brussels

Mr Lars Erik NORDGAARD Director, EEA Co-ordination Division

Mr Gunnar SELVIK Director, Goods Division

Ms Katrín SVERRISDÓTTIR Director, Services, Capital, Persons &

Programmes Division

Ms Hrund HAFSTEINSDÓTTIR Senior Officer, EEA Co-ordination Division

Ms Christina EVERETT Assistant, EEA-Co-ordination Division

SURVEILLANCE AUTHORITY

Mr Per SANDERUD President, EFTA Surveillance Authority

Mr Sverrir Haukur GUNNLAUGSSON Vice-President
Ms Sabine MONAUNI-TÖMÖRDY Vice-President

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ANNEX I E N

EUROPEAN ECONOMIC AREA Council of the EEA

Brussels, 19 November 2010

EEE 1608/10

REPORT

Subject:

Progress Report by the EEA Joint Committee to the 34th meeting of the EEA Council

Decision-making

- Since the last EEA Council on 10 May 2010, the EEA Joint Committee adopted 68
 Decisions incorporating 167 legal acts.
- 2. Important decisions taken by the EEA Joint Committee since the last EEA Council on 10 May include the following:
 - Decision 69/2010 Modified Energy Star Regulation;
 - Decision 77/2010 Block exemption for vertical agreements;
 - Decision 90/2010 Rail Passengers' Rights and Obligations;
 - Decision 91/2010 Block exemption for motor vehicles.

Decision-shaping

- 3. EEA EFTA experts continued to contribute to the work of the Commission's Working Groups, Agencies and Committees. Since May 2010, four EEA EFTA Comments were taken note of by the EEA Joint Committee:
 - EEA EFTA Comment on the Europe 2020 Strategy in the area of public health;
 - EEA EFTA Comment on the Consultation on the EU's strategic choices for the implementation of the new EU competence in the field of sport after the entry into force of the Lisbon Treaty;
 - EEA EFTA Comment on the Consultation and Green Paper on "Unlocking the potential of cultural and creative industries";
 - EEA EFTA Comment on Consumer Rights.

Briefings in the Joint Committee

- 4. The Commission provided briefings in the Joint Committee on the following topics:
 - The Digital Agenda;
 - The Monti Report;
 - EU Economic Governance;
 - Youth on the Move flagship initiative.

Status of outstanding, ongoing and up-coming issues

- 5. The EEA EFTA States followed the recent Decision of the Council and Parliament on the establishment of the new EU System of Financial Supervision, which will consist of authorities in the areas of banking, insurance and the securities system. The authorities will be operational as of 1 January 2011, and the EEA EFTA States have started preparations for their participation.
- 6. Discussions continued between the EEA EFTA States and the Commission on the incorporation of the Renewables Directive into the EEA Agreement.
- The EEA EFTA States are already part of the EU Emissions Trading Scheme (EU ETS). The EEA EFTA States and the Commission have finalized negotiations on also including Aviation, as an activity covered by the EU ETS, into the EEA agreement (Directive 2008/101/EC). Furthermore, there are ongoing discussions on including the latest revision of the EU ETS into the EEA Agreement (Directive 2009/29/EC).
- 8. The EEA EFTA States and the Commission discussed the incorporation of the EASA (European Aviation Safety Agency) Regulation into the EEA Agreement, in particular whether the competence to impose fines should rest with the national authorities or with the EFTA Surveillance Authority (ESA). Considering the lengthy discussions at sub-committee level on this important new legislation, the Commission brought this matter to the attention of the Joint Committee.

9. The EEA EFTA States and the Commission discussed the incorporation of the AVMS (Audiovisual Media Services) Directive into the EEA Agreement, in particular on the subject of advertising alcoholic beverages. In view of the lengthy discussions at subcommittee level on this important new legislation, the Commission brought this matter to the attention of the Joint Committee.

Lisbon Treaty

10. The EEA EFTA States continued to follow closely the implementation of the Lisbon Treaty in view of its implications for the Internal Market.

Europe 2020 and the Single Market Act

- 11. The EEA EFTA States took note of the adoption by the European Council of the Europe 2020 Strategy in June 2010 and closely followed the development of the "Flagship Initiatives" initially proposed in the Strategy that are comprising many EEA relevant proposals.
- 12. The EEA EFTA States followed the development of the proposal for the Single Market Act Initiatives as these will have immediate effects throughout the EEA.

Participation in programmes

13. The EEA EFTA States participated in and co-financed EEA relevant EU programmes. With programmes playing an increasingly important role in making Europe more competitive and in contributing to economic growth it is important to include the EEA EFTA States in all EEA relevant programmes.

Financial Mechanisms 2004-2009 and 2009-2014

14. Within the EEA and the Norwegian Financial Mechanisms 2004-2009, projects, funding and programmes continued in order for the final payments to be made within the stipulated timeframes

15. The EEA and Norwegian Financial Mechanisms for the period 2009-2014 were signed in July 2010 and include provisions for provisional application of the related agreements in order to allow for the prompt implementation of the new mechanisms. Consultations with the Beneficiary States on provisions for implementation have been concluded.

ANNEX III

EUROPEAN ECONOMIC AREA Council of the EEA

Brussels, 22 November 2010

EEE 1607/3/10 REV 3

CONCLUSIONS

Subject: Conclusions of the 34th meeting of the EEA Council

Brussels, 22 November 2010

- 1. The thirty-fourth meeting of the EEA Council took place in Brussels on 22 November 2010 under the Presidency of Mr Össur SKARPHÉÐINSSON, Minister for Foreign Affairs of Iceland. The meeting was attended by Mr Jonas Gahr STØRE, Minister for Foreign Affairs of Norway, and by Mr. Kurt JÄGER, Ambassador of Liechtenstein to the EU, from the EEA EFTA side, as well as by Mr Olivier CHASTEL, Secretary of State for European Affairs of Belgium, representing the Belgian 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 *Russia*, *Middle East* (Gaza, Middle East Peace Process MEPP and the Ad Hoc Liaison Committee AHLC) and *China*.
- 3. The EEA Council welcomed the progress made in the implementation of the Lisbon Treaty and emphasised the importance of the continued good functioning of the EEA Agreement.

- 4. The EEA Council took note of the proposals on Economic Governance in the EU by the Commission and the European Council. It welcomed and encouraged the proposed measures to enhance policy coordination with a view to improve economic stability and sustainable economic growth in Europe.
- 5. The EEA Council welcomed the EU's recent agreement on the establishment of a new EU System of Financial Supervision with three supervisory authorities in the areas of Banking, Insurance, and Securities, and looked forward to the new structure being operational as of January 2011. From a regulatory perspective the EEA EFTA States are fully integrated into the EU's internal market for financial services, and the EEA Council therefore welcomed the possibility for the EEA EFTA States to participate in the work of the supervisory authorities and looked forward to agreeing on the modalities of their participation. Furthermore, the EEA Council expressed hope that an agreement could also be reached for an appropriate form of participation of the EEA EFTA States' relevant authorities in the European Systemic Risk Board (ESRB).
- 6. The EEA Council took note of the adoption by the European Council of the Europe 2020 Strategy in June 2010. The EEA EFTA States are closely following the unveiling of the "Flagship Initiatives", which will contain many EEA relevant proposals. The EEA Council welcomed the contribution of the EEA EFTA States to the implementation of the Strategy.
- 7. The EEA Council welcomed the Commission Communication "Towards a Single Market Act For a highly competitive social market economy: 50 proposals for improving our work, business and exchanges with one another", adopted by the Commission on 27 October 2010. The EEA EFTA States will follow the developments regarding the Communication closely and seek to contribute to further concretisation of its content, noting that the diverse initiatives envisaged in the Communication will revitalise and have immediate effects throughout the EEA.

- 8. The EEA Council underlined the importance of an interconnected and competitive European energy market foreseen in the Third Package for the Internal Energy Market, adopted in 2009. It welcomed the participation of the EEA EFTA States, inter alia in the establishment of new mechanisms between regulators and transmission system operators on a European level also strongly recalling the need for an EEA-wide perspective on the need for crucial energy infrastructure supporting security of energy supply.
- 9. The EEA Council looked forward to further progress being made in incorporating the Renewables Directive into the EEA Agreement. In this context, the EEA Council took note of the EEA EFTA States' large share of renewable energy sources.
- 10. The EEA Council reiterated the importance of maintaining close cooperation between the EU and the EEA EFTA States in energy and climate change polices, in particular in the areas of emission trading, the promotion of low carbon energy technologies, energy efficiency and renewable energy resources, as well as on carbon capture and storage (CCS). The EEA Council also welcomed the progress/imminent adoption of the aviation emissions scheme. The Ministers also noted the progress on the inclusion of the climate and energy package adopted in 2008.
- 11. The EEA Council welcomed the signing of the EEA and Norwegian Financial Mechanisms for the period 2009-2014 and emphasised the importance of all contracting parties finalising their respective internal procedures without delay. In this context, they also highlighted the importance of ensuring provisional application of the related agreements in order to allow for the prompt establishment of the new mechanisms.
- 12. The EEA Council emphasised the importance of an efficient finalisation of the implementation of projects and programmes financed under the EEA and Norwegian Financial Mechanisms 2004-2009 within the stipulated timeframes.

- 13. The Ministers welcomed the signing of Additional Protocols resulting from bilateral negotiations between the European Commission and Iceland and Norway concerning the review of the quota levels for certain fish and fishery products, and emphasised the importance of the parties finalising their respective internal procedures without delay in order to allow for the prompt implementation of the new tariff quotas.
- 14. Ministers welcomed the launching of negotiations between the EU and Iceland on Iceland's accession to the European Union.
- 15. The EEA Council noted the Progress Report of the EEA Joint Committee and, in particular:
 - noted the progress made on the Consumer Rights Directive and the EEA EFTA
 Comment sent in early October 2010;
 - noted the result of the negotiations on liberalisation of trade in agricultural products between the European Commission and Norway based on Article 19 of the EEA Agreement, hoped for an expedient implementation of the outcome and looked forward to the foreseen review of the conditions of trade in agricultural products in two years time, with a view to exploring possible concessions;
 - noted the outcome of the annual review concerning processed agricultural products, carried out in September 2010 within the framework of Article 2(2) of Protocol 3 to the EEA Agreement and agreed to continue the dialogue on the trade regime for processed agricultural products in Protocol 3;

- welcomed the participation of the EEA EFTA States in EEA relevant EU Programmes, noting that these are co-financed by the EEA EFTA States. It emphasised the importance of including the EEA EFTA States in appropriate programmes thus contributing to building a more competitive Europe;
- took note of the progress made in the development of an Integrated Maritime Policy and welcomed the active involvement of the EEA EFTA States;
- expressed its expectation for an early conclusion of the process of incorporation into the EEA Agreement of the Aviation Safety Regulation 216/2008 and the Audiovisual Media Services Directive.
- 16. The EEA Council recalled its commitment to the social agenda which is reinforced in the Europe 2020 Strategy, covering a wide range of areas such as employment, health, migration, social affairs, education and equal rights and reiterated the importance of how these issues will be followed up. The EEA Council underlined that in times of economic crisis it was important to make special efforts to meet social needs through innovation.
- 17. The EEA Council welcomed the EEA EFTA contributions to the decision-shaping process of EEA relevant EU legislation and programmes through their participation in relevant committees, expert groups and agencies and by submitting EEA EFTA Comments.
- 18. The EEA Council held an orientation debate on the European Energy Market.
- 19. The Ministers stressed that it was in their common interest that the EEA Agreement was well known throughout the European Economic Area and urged all Contracting Parties to ensure that appropriate information on the Agreement is available.

- 20. The EEA Council underlined the importance of inviting EEA EFTA Ministers to relevant informal EU Ministerial Meetings and Ministerial Conferences on the basis of EEA EFTA participation in the Internal Market, and expressed its appreciation to the incoming Hungarian Presidency for the continuation of this practice. The EEA Council also recalled the practice of inviting the EEA EFTA States at the level of officials to political dialogue meetings at the level of relevant Council Working Parties.
- 21. The EEA Council noted the Resolutions of the EEA Consultative Committee adopted at its 18th meeting in Vaduz on 18-19 May 2010 on the *Implications for the EEA of EU post-crisis financial reform* and on *Europe 2020 and the EEA*.