

**EEE 1604/1/13
REV 1**

MINUTES

Subject : Minutes of the 39th meeting of the EEA Council
Brussels, 21 May 2013

MINUTES
of the 39th meeting of the

EEA COUNCIL

(Brussels, 21 May 2013)

CONTENTS

Page

1. Adoption of the Provisional Agenda (EEE 1601/13) 5

Items for adoption without prior discussion

2. Approval of the minutes of the 38th meeting held in Brussels on 26 November 2012 (EEE 1609/12) 5
3. Progress Report by the EEA Joint Committee (EEE 1603/13) 6

Items for consideration without prior discussion

4. Resolutions of the EEA Joint Parliamentary Committee adopted at its 39th meeting in Brussels on 27 November 2012 on: *EU programmes 2014-2020 and the participation of the EEA EFTA States; The Reform of EU Common Fisheries Policy; The future of EU Energy Policy and its Implications for the EEA; and the EEA EFTA States' participation in EU agencies and the decision-making mechanisms.* 6

Items for possible discussion

5. EEA reviews undertaken in 2012 and 2013 6
6. Assessment of the overall functioning of the 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 14
7. Orientation Debate: *Recent Developments in Financial Services, including Banking Union and Single Supervisory Mechanism* 27

8.	Draft Conclusions of the EEA Council (doc. 1602/13)	36
9.	Other business	41

<u>Annex I:</u>	List of Delegations	43
<u>Annex II:</u>	Progress Report by the EEA Joint Committee (EEE 1603/13)	47
<u>Annex III:</u>	Conclusions of the 39 th meeting of the EEA Council (EEE 1602/1/13 REV 1)	52

The EEA Council held its 39th meeting in Brussels on 21 May 2013.

The meeting was chaired by Mr *Eamon GILMORE*, Tánaiste (Deputy Prime Minister) and Minister for Foreign Affairs and Trade of Ireland, who led the EU delegation composed of him and Representatives of the incoming Presidency of the EU Council, the Council Secretariat, the European Commission and the European External Action Service (EEAS).

The EEA EFTA side was chaired by Ms *Aurelia FRICK*, Minister for Foreign Affairs of Liechtenstein, accompanied by Mr *Espen Barth EIDE*, Minister of Foreign Affairs of Norway, and Mr *Thórir IBSEN*, Ambassador, Head of the Mission of Iceland to the EU. The EEA - EFTA side also included Mr *Kristinn F. ÁRNASON*, Secretary General of the European Free Trade Association (EFTA), and Mrs *Oda Helen SLETNES*, President of the EFTA Surveillance Authority (ESA).

Opening statement of the Tánaiste on behalf of the EUROPEAN UNION

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

It is a great pleasure for me to welcome you and your delegations here in the premises of the Council of the European Union for our 39th EEA Council meeting.

Before we start our meeting, I would like to express my thanks to you and to the EFTA Secretariat for the excellent cooperation in finalising the arrangements for this meeting.

1. ADOPTION OF THE AGENDA

The EEA Council adopted the Agenda, as set out in doc. EEE 1601/13.

2. APPROVAL OF THE MINUTES

The EEA Council approved the minutes of the 38th meeting of the EEA Council, which took place in Brussels on 26 November 2012, as set out in doc. EEE 1609/12.

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 1603/13.

4. **RESOLUTIONS ADOPTED BY THE EEA JOINT PARLIAMENTARY COMMITTEE**

The EEA Council took note of the Resolutions of the EEA Joint Parliamentary Committee adopted at its 39th meeting in Brussels on 27 November 2012 on: *EU programmes 2014-2020 and the participation of the EEA EFTA States; The Reform of EU Common Fisheries Policy; The future of EU Energy Policy and its Implications for the EEA; and the EEA EFTA States' participation in EU agencies and the decision-making mechanisms.*

5. **EEA REVIEWS UNDERTAKEN IN 2012 AND 2013**

Intervention of the Tánaiste on behalf of the EUROPEAN UNION

In the past two years, we have seen the presentation of a number of important EEA reviews. The EU welcomes the valuable and comprehensive academic studies issued in Norway and Liechtenstein. We have taken good note of the White Paper of the Norwegian Government, which received the support of the Norwegian Parliament in Spring. We have noted with satisfaction that these studies and the White Paper show that the EEA Agreement has proven to be a robust, long-lasting and well-functioning instrument, and a commendable pillar of our relations.

We on our side have equally undertaken a review, though it might have been less detailed than the academic studies undertaken by our EEA partners. As you know, the Commission presented at the end of last year a Working Document reviewing the functioning of the EEA from the EU perspective. According to this Document, the "EEA Agreement can be considered to have functioned well" and to have "provided the bedrock for very good and close relations with the EEA EFTA countries over the past two decades". The Document draws attention to a number of issues, which might be further discussed both within the EU and, as appropriate, with EEA EFTA partners.

As I am confident that you are well acquainted with the text, let me just mention a few of these issues:

- the question of whether to include into the EEA Agreement certain areas of Justice and Home Affairs;
- the possible need to revise procedures to establish the "EEA relevance" of new EU legislation;
- the need to reduce delays in the incorporation of EEA relevant EU acquis, including the possible use of the procedures under Art. 102 and 103 of the EEA Agreement if necessary;
- the search for a solution regarding the participation of the EEA EFTA States in EU agencies and other bodies;
- the need to strengthen cooperation in agriculture and fisheries under the EEA Agreement or other instruments;
- the question of whether a permanent basis for the financial contributions of the EEA EFTA States to reduce economic and financial disparities in the EEA should be sought and
- the need for further reflection on the advantages and disadvantages of an extension of the geographical scope of the EEA Agreement to other third States, such as the Western-European States of small territorial dimension.

In Spring 2013, EU Member States discussed these and a number of other issues in the Council. However, so far these discussions have not led the Council to draw any political conclusions. While discussions confirmed that EU Member States are generally satisfied with the EEA Agreement, they also showed the need for further reflection on a certain number of the issues I mentioned before, in particular the need to increase cooperation in the agricultural area and to speed up procedures for the incorporation of new internal market acquis into the Agreement, including through the use of new technologies. We intend to continue our scrutiny of the specific issues and bring possible conclusions to one of our future EEA Council meetings for discussion, as appropriate.

To finalise my intervention on this subject, I would like to say that at the time of its 21th Anniversary, the EEA Agreement has clearly come of age. It has successfully passed all possible tests and was found to have more than fulfilled the expectations of its founding fathers.

We should acknowledge its achievements and steer its further developments with attention and sensitivity, while correcting only as much as necessary. That way, I am confident that we can still rely on it being the robust and at the same time flexible pillar of our relations in the future.

Intervention of Mr O'SULLIVAN on behalf of the EEAS and the EUROPEAN COMMISSION

I am glad to provide our contribution to the debate on this subject. Responding to the invitation by the Council in December 2010, the EEAS, as the overall manager of the EEA Agreement but in a very close coordination with the Commission services, launched in 2011 for the first time an internal exercise to review the functioning of the Agreement.

The scope of the exercise was not to review the overall relations with Norway, Iceland and Liechtenstein and not even to look for options for the future.

The scope was more limited and focused on the functioning of the Agreement and on possible options to increase its efficiency within the existing framework. In order to comply with this task, external experts were not needed, only those officials who deal with the implementation of the Agreement on a daily basis, and they are present in all the Commission services!

The Irish Presidency mentioned in the previous intervention some of the issues raised by the Staff Working document. Under point 6 of the agenda, I will talk more generally about the overall functioning of the Agreement and more in particular on the question related to the reduction of the delays in incorporating new EU *acquis*.

I would now like to focus on two issues which are linked to the question of the backlog and are dealt with in the Staff Working document: the participation of the EEA EFTA States in EU agencies and other bodies and the role of the EFTA Surveillance Authority.

The EEA Agreement was drafted introducing the original concept of the two pillar structure and reflecting the development of the internal market at the end of the eighties. In the meantime, the EU has evolved leading also to the “outsourcing” of tasks and powers to agencies and authorities. This development, which has changed the institutional dynamics, was not foreseen by the "fathers" of the Agreement. Nonetheless the Agreement has shown its capacity to follow this evolution.

The legal acts establishing EU agencies and bodies define the type of participation foreseen for third countries, including the EEA EFTA States. In view of the differences in competences and composition, it has not been neither possible nor even desirable to standardise a model of participation of the EEA EFTA States.

So in some cases, the EEA EFTA States participate as observers, in some other as full members without voting rights. When the legal acts establishing agencies and bodies are to be incorporated into the Agreement, there is no flexibility for the Commission to modify the modalities of participation and the indications of the original legal acts should be followed even if these indications do not always follow the wishes of the EEA EFTA States.

What lessons can be drawn from this? It is important that when new agencies and other similar bodies are established in the internal market, the EEA EFTA States and the Commission carefully reflect on the possible modalities of participation of the EEA EFTA States. The Commission services spare no efforts and no lack of creativity to accommodate as far as possible the participation of countries which are part of the internal market but not member of the EU.

However, these efforts find their limits in the correct and efficient implementation of the internal market rules. As a level playing field in the internal market is the overall benchmark of the well functioning of the EEA, all efforts should be made by the participating countries to ensure the incorporation of all legal acts connected to the powers of the agencies, in order not to compromise the internal market's integrity. This is particularly true for highly sensitive areas such as Financial Services.

Regarding the already existing agencies and bodies, if and when future amendments to their establishing acts will be drafted, attention should be paid to reconsider the modalities of participation of the EEA EFTA States in order to bring them up to speed.

Another issue concerns the role of the EFTA Surveillance Authority (ESA). In the two pillar structure conception, the role of surveillance played by the Commission in the first pillar was mirrored by the role of the ESA in the second pillar. This role in our interpretation of the Agreement was never related exclusively to the area of competition.

When we faced in the past specific problems related to the issuing of fines to economic operators – I refer to the European Aviation Safety Agency – we were able to find a solution which involved the ESA. Now that we face similar problems related to the incorporation of the Paediatric Regulation, there is only one solution: the ESA should be given the powers which the Commission has been granted on the EU side, so that the EFTA Court would have parallel jurisdiction to that of the European Court of Justice.

We hope that a solution can be rapidly found to allow the incorporation of a certain number of acts, outstanding for a considerable period.

Intervention of Minister FRICK on behalf of the EEA - EFTA States

Thank you for sharing your assessment regarding the EEA reviews.

After 19 years of the EEA Agreement, comprehensive reviews of the European Economic Area have been conducted or commissioned by Iceland in 2007, followed by Norway and most recently by Liechtenstein, while the Commission has provided some interesting observations in its Staff Working document that followed the EU Council Conclusions on EEA cooperation of December last year. The overall positive conclusion is that the Agreement has proven to be a durable and efficient instrument. It is also the most comprehensive means of ensuring the full participation of the EEA EFTA States in the Internal Market to the mutual benefit of all contracting parties.

The EEA Agreement has equally contributed to the development of extensive cooperation beyond the mere scope of the four freedoms of the Single Market, including political dialogues, participation in informal Ministerial meetings, and has led to cooperation agreements in various sectors.

Despite ensuring the smooth functioning of the EEA, however, there are challenges that need to be recognised and overcome by all parties to the Agreement.

Let's take the issue of outstanding *acquis*: I think we have done well but could do better. Within our existing framework, we should explore the ways and means of further accelerating the incorporation of EU acts into the EEA Agreement, to ensure both a level playing field in the EEA and a strong Single Market.

It has, however, to be kept in mind that, due to the nature of the Agreement, there are limits as to how far the number of outstanding acts can be reduced, since the legislation is incorporated into the EEA Agreement only after its adoption on the EU side.

A crucial means of obtaining tangible results is the sharing of information in the relevant fora. Our joint efforts in the past months demonstrate that close cooperation involving frequent information exchanges facilitates mutual understanding of the dossiers at hand and also helps accelerating the process of incorporation of new *acquis* into the EEA Agreement.

This being said, the commitment to swiftly incorporate EEA relevant *acquis* is not seldom linked to a balanced solution on participation rights. It is a growing concern of the EEA EFTA States that a balance is maintained between our rights and obligations under the Agreement. This is for example key when it comes to ensuring our participation in EEA relevant EU bodies, such as EU agencies.

We welcome the initiative from the EU side to propose further operational measures that all parties can take to improve the daily functioning of the EEA Agreement. One measure to explore could be to improve procedures to ensure an early exchange of information, for example on the EEA relevance of legal acts, in order to avoid unnecessary delays during the incorporation process. The EEA EFTA States place a strong emphasis on open and transparent working methods, and any solutions found should remain true to these values.

Summing up, I would like to stress that most improvements to the functioning of the EEA Agreement have to be a joint endeavour. In continuing our dialogue on these matters and despite the fact that it was unfortunately not possible to agree beforehand on joint conclusions on this issue for today's meeting, I am confident that we will arrive at solutions leading to desired further improvements having positive long-term effects on our common endeavour, to ensure a well-functioning EEA.

Intervention of Minister EIDE on behalf of Norway

Over the last couple of years the Norwegian Government has undertaken a major review of our relations with the EU.

A white paper was submitted to the Storting last October and has been debated in the Storting this spring. The discussions which have now been concluded, have shown that there is broad support for the Government's European policy.

The main message of the white paper is that the EEA Agreement will continue to be the main pillar of Norway's relations with the EU. The EEA Agreement has been mutually beneficial and it has functioned well. It has achieved its main task, which is to provide a predictable framework and level playing field for citizens and economic operators across the EEA. It has been robust and capable of adapting to changes in EU treaties and EU enlargements.

We are pleased that both we and the EU see Norway–EU relations as strong, close and constructive.

Norway welcomes the positive conclusions drawn by the EU Council last December on EEA cooperation in general. The Council's conclusions confirm that our relations are close, stable and constructive.

We believe that the Council conclusions, the Norwegian white paper and the reviews made by Iceland and Liechtenstein provide a good and sound basis for further developing our cooperation.

Intervention of Ambassador IBSEN on behalf of Iceland

Iceland very much welcomes Liechtenstein's EEA Review and Integration Strategy, published two months ago. Like the Norwegian EEA review from last year, the Report provides an overall positive assessment of the EEA Agreement and its implications for economic activity and legislation in Liechtenstein.

This positive experience of the Agreement by our two EEA EFTA partner countries corresponds very much to the conclusions of Iceland's own review of the EEA Agreement, conducted in 2007.

We also appreciate the same positive assessment by the EU-side set out in the Commission's Staff Working document of December last year. The Working document concludes that the Agreement has functioned well and served well as basis for close relations between the EU and the EEA EFTA States.

Thus all the four reviews firmly confirm that the Agreement functions very well for all the partners. Furthermore, we have developed our cooperation in a wide range of areas, such as political dialogues, border controls, police cooperation, immigration and regional policy. These are all areas of vital importance for our countries and our relations with the EU.

Closing remarks of the Tánaiste on behalf of the EUROPEAN UNION

I would like to thank you for this interesting exchange of views. We might wish to come back to the subject at one of our next meetings. Let us now move on to the following agenda item, namely an assessment of the overall functioning of the EEA Agreement.

6. ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EEA AGREEMENT

Intervention of the Tánaiste on behalf of the EUROPEAN UNION

As we just had an extensive exchange of views on the EEA Agreement, my intervention on the present agenda item will be very short.

I would, in particular, like to draw your attention to the conclusions on EU relations with EEA EFTA States adopted by the Council last December, as the content of these conclusions is still largely valid. They include a chapter on the EEA Agreement, which inter alia underlines once again the need to speed up the incorporation of EEA relevant EU acquis.

I am well aware that the EEA EFTA side has made efforts in the past year to improve the situation regarding pending files, but I have to reiterate that more needs to be done on the issue. We should reflect on tasking the EEA Joint Committee to discuss horizontal methods to further speed up the incorporation process. I also need to reiterate that a pick-and-choose approach on EEA relevant EU *acquis* is not acceptable for the EU.

Regarding bilateral relations of the EU with the three EEA EFTA States, the Council conclusions of December show that they have in general positively developed and continue to be marked by a high level of cooperation.

However, there are two issues of concern in bilateral relations, which I need to briefly mention here. One issue regards Norway and the other one Iceland.

In my view it is not acceptable that while relations with Norway generally develop well, concerns of the EU side regarding trade in agricultural products are not or not sufficiently taken into account by our EEA Partner, in particular when it comes to processed agricultural products. This area is of particular importance for EU Member States. Against this background, Norway cannot count on the EU side to show understanding in the longer run for particular wishes to extend cooperation or strengthen its role in other areas, if Norway's attitude with regard to agricultural issues does not change.

Another important concern of the EU relates to the on-going controversy with Iceland on the management of mackerel. I will not go into the issue here, as we unfortunately have to discuss this issue once again when considering the conclusions of our meeting under agenda item 8.

Finally, I would like to briefly inform the EEA EFTA countries that the Council is working on a mandate regarding the renewal of the financial contributions of the EEA EFTA States to reduce economic and financial disparities in the EEA after 2014. The need to further reduce the existing disparities is clearly apparent, as are the benefits of the contributions made so far by the EEA EFTA States. We expect the Council to adopt a negotiating mandate on renewed contributions before the summer break and we invite the EEA EFTA States to prepare mandates on their side, so that negotiations can start in early Autumn.

I would now like to pass the floor to the EEAS to report on further issues related to the day-to-day functioning of the EEA Agreement.

Intervention of Mr O'SULLIVAN on behalf of the EEAS and the EUROPEAN COMMISSION

I am glad to have once again the opportunity to present our assessment of the overall functioning of the EEA Agreement since the last Council meeting on 26 November 2012. We attach great importance to this moment because it gives us the chance to take stock of progress made in the last six months and to keep the political hierarchy properly informed about it.

Our assessment is presented in the latest Progress Report of the EEA Joint Committee and also included in the EEA Council conclusions which will be adopted today. So I will focus my intervention on a couple of aspects of the assessment which we consider particularly relevant for this meeting.

Outstanding legal acts

Only through the continuous incorporation into the Agreement of new legal acts can the principle of homogeneity of the internal market be ensured and the institutions of both pillars in charge of monitoring, surveillance and judiciary work correctly. If the incorporation of the legal acts is unduly delayed, incomplete and/or denied, the work of these institutions are hampered.

One and a half year ago, the Joint Committee set itself a very ambitious goal with three specific objectives: i) to reduce the number of EEA relevant legal acts adopted on the EU side that had not been incorporated into the Agreement; ii) to reduce the time period between the entry into force of acts on the EU side and on the EEA EFTA side; and iii) to ensure that legal acts with constitutional requirements on the EEA EFTA side entered into force within the six-month period foreseen by the EEA Agreement.

Regarding the first objective on the reduction of outstanding acts, we have witnessed significant progress through the incorporation of 500 legal acts in 2012, the highest number since 1999. We should be proud of this result. There are still 400 legal acts to be incorporated as of today and more than a quarter of this number refers to acts which entered into force before the end of 2011, a quite considerable time delay.

We should work in order to ensure that this exceptional performance be repeated in 2013. But this will not be enough to reduce the backlog. Only a redoubling of efforts in the next year or two might lead to that result. This means going beyond the incorporation of 500 legal acts per year, beating our benchmark and solving the long standing cases, but this is linked in particular to political willingness to achieve that result.

Regarding the second objective related to the reduction of the time period between the entry into force of acts on the EU side and on the EEA EFTA side, the results are frankly uneven. In some cases the time lapse has been of seven months, in a more limited number of cases of three months. In one specific case, the entry into force took place in just one week, as it has happened to the "ETS stop the clock" at the end of April 2012.

But as we have seen from the backlog, in the largest number of cases the time lapse is still too long. In order to guarantee the legal security and the homogeneity of the EEA, the EEA Joint Committee shall take a decision as closely as possible to the adoption by the Community of the corresponding new Community legislation with a view to permitting a simultaneous application of the latter. These are not my words but those of the Agreement.

What can be done? We hear from time to time that the time gap will never be reduced to zero. This is true and we do not dispute it but it can well be reduced to a few months of difference and we would be glad to further expand on the subject in the relevant EEA committees.

The third objective relates to legal acts with constitutional requirements on the EEA EFTA side going beyond the six-month period foreseen by the EEA Agreement. We are glad to say that significant progress has been made and that the number of Joint Committee Decisions waiting for the constitutional requirements to be fulfilled beyond the six months has been reduced to a few. We hope that even the pending cases will be solved soon and that in the future these cases are reduced to zero.

EEA Relevance

Among the outstanding legal acts, there are some whose relevance for the Agreement is disputed by the EEA EFTA side. As you know, when a new legal act is adopted by the EU this is labelled EEA relevant each time that its scope falls within the scope of the Agreement.

This label is afterwards verified by the EEA EFTA side: if they concur, the act is considered among those to be incorporated. If they differ from our assessment, the acts are not submitted by the EEA EFTA States for incorporation. Until now, there has not been a thorough analysis of all these acts.

We believe that the Joint Committee should from now on systematically analyse all the acts for which the relevance is debated and try to achieve a common position.

Trade in agriculture

Besides the continuous incorporation of new legal acts, the Agreement foresees at regular intervals negotiations among the parties with a view to achieving progressive liberalization of agricultural trade. We look forward to the upcoming review of the conditions of trade in agricultural products between Norway and the EU which should lead to the opening of negotiations on a new agreement.

I would also like to use this opportunity to express our regret for any measure taken by any EEA EFTA State hampering the objective of progressive liberalization, as happened last autumn, and we strongly encourage the Norwegian Government to revisit those measures.

Negotiations for the renewal of the financial contribution

As already referred to by the Irish Presidency, the coming months should also see the parties starting negotiations on the renewal of the financial mechanisms, taking into account that the present mechanisms will end in April 2014. In view of the short amount of time in front of us, we look forward to starting negotiations immediately after the summer break.

Negotiations for extension of EEA Agreement to Croatia

Finally, we hope that the current negotiations for the extension of the EEA Agreement to Croatia will be finalised as soon as possible for the continuous good functioning of the Agreement.

With this I would like to conclude my intervention and express my hope that in November our attention will be focused on other aspects of the implementation of the Agreement.

Intervention of Minister FRICK on behalf of the EEA - EFTA States

Thank you for setting out the EU side's views on the functioning of the Agreement.

As mentioned earlier in this meeting, the EEA is overall functioning very well and has done so for the last 20 years. In order to ensure that this remains the case, the EEA EFTA States are fully committed to continuing our efforts, and we understand this to be a mutual commitment of all parties of the Agreement.

To secure the good functioning of the EEA, substantial efforts have been made over the last year by all parties to improve the daily management. For instance, the EEA EFTA side has implemented improved internal procedures and established new working methods with the European External Action Service in order to accelerate the incorporation of *aquis* into the Agreement.

In 2012, we began to see fruits of these efforts. The dialogue established with the EEAS over these last few months, aimed at reducing the number of old outstanding acts and packages of legislation, has produced good results.

The number of outstanding legal acts to be incorporated into the EEA Agreement has been reduced since the last EEA Council. In order to better monitor progress in this area, the list of outstanding legal acts where the compliance date in the EU has passed is updated regularly. As per 3 May 2013, there were 406 outstanding legal acts where the compliance date in the EU had passed, compared to 544 acts on 9 December 2011 when we started this joint exercise with the EEAS.

There has also been a substantial reduction in the number of notifications of Joint Committee Decisions where the fulfilment of constitutional requirements has exceeded the six-month period stipulated in the EEA Agreement. Today, there are only very few Joint Committee Decisions awaiting the fulfilment of constitutional requirements compared to 15 at the time of the last EEA Council.

I would like to underline that the EEA EFTA States are, now as before, strongly committed to continuing the work to reduce the number of outstanding legal acts – a joint endeavour by all the parties to the Agreement – and, to the extent possible, simultaneously implementing new EU legislation in the EEA EFTA States.

One of the biggest challenges to be addressed by both the EU side and the EEA EFTA side are the various constitutional challenges faced by EEA EFTA States with regard to the role and powers of the new surveillance authorities in the financial services sector. To ensure EEA EFTA participation in these authorities, mutually acceptable solutions must be found and the EEA EFTA States welcome the constructive dialogue on this issue that started earlier this year. We are hopeful that progress can be made to allow for the incorporation of related financial market *acquis* such as the AIFM-Directive or EMIR, thereby safeguarding a homogeneous internal market in this field and reducing the number of outstanding legal acts. However, this also depends on the willingness of the EU side to accommodate the specific constitutional constraints in some EEA EFTA States.

Dear colleagues,

These are still difficult times for Europe and our continent is still struggling with the economic and social aftermath of the financial crisis.

The strengthening of the Single Market is key to overcoming the crisis. For future growth in Europe, the EEA EFTA States support the implementation of the Single Market Acts, including the development of integrated networks and the digital economy, the further improvement of the Single Market in services, and the strengthening of the Single Market governance.

The EEA EFTA States acknowledge the importance of the contribution made by the EU programmes in building a more competitive, innovative and social Europe, and therefore encourage the timely inclusion of the EEA EFTA States in relevant programmes in order to ensure eligibility of EEA EFTA applicants under the first calls.

In the context of the crisis, I would also like to mention the contribution from the EEA EFTA States through the EEA and Norwegian Financial Mechanisms. For the period 2009 to 2014, the funds consist of close to 990 million EUR through the EEA Financial Mechanism and another 800 million EUR through the bilateral Norwegian Financial Mechanism. Together, the two funds contribute to the reduction of social and economic disparities in the EEA, i.a. in the fields of climate change, civil society, social dialogue, justice and home affairs, research, health and cultural heritage.

Mr. Chairman, as you have brought up the issue of the post 2014 period, let me point out that the relevant legal text foresees that, at the end of the five-year period and without prejudice to the rights and obligations under the EEA Agreement, the contracting parties will review the need to address economic and social disparities within the EEA. I can confirm today the EEA EFTA States' readiness to engage in such a process at your earliest convenience.

Another important issue this spring is the finalisation of the procedures to allow Croatia to become a party to the EEA Agreement, preferably at the same time as its accession to the EU. Work is progressing and I hope we can find mutually acceptable solutions for the various issues on the table allowing for the wrapping up of this process still under the Liechtenstein EEA EFTA chairmanship.

Finally, I would like to thank the outgoing Chair, the Irish Presidency, for their positive and constructive cooperation during their term. We particularly appreciate the way in which you have facilitated our participation in informal Ministerial meetings and the political dialogues. We look forward to working with Lithuania during its Presidency of the EU Council in the next half year.

Intervention of Minister FRICK on behalf of Liechtenstein

Mr. Chairman, dear colleagues, on behalf of Liechtenstein I would like to react to concerns raised by the EU on the outstanding issues regarding the financial market supervision. We understand the preoccupations arising from the delay in the incorporation of related legislation in the EEA and share the view that it is of utmost importance and urgency to find a solution on this matter. Numerous proposals to reach a break-through have been made, but unfortunately so far none of them has met with the support of the EU.

Unfortunately, a purely national and unilateral transposition of such legislation does not solve the problem for Liechtenstein. We will therefore continue to make our best efforts to help finding a compromise solution that suits the expectations of the EU and takes account of the different constitutional constraints of the EEA EFTA states.

Intervention of Minister EIDE on behalf of NORWAY

We and the EU share the objective of timely incorporation of new EU legislation into the EEA Agreement. This is important for ensuring common rules throughout the EEA and for giving companies the intended benefits of the internal market.

The EEA EFTA states have adopted new procedures and developed new working methods in our cooperation with the EEA, with a view to further increasing efficiency. We are already seeing the results of these efforts. The number of legal acts incorporated into national legislation in 2012 was the highest since 1999.

There are limits as to how far the number of outstanding legal acts can be reduced in practice. This is due to the very nature of the EEA Agreement: legislation is adopted first on the EU side, before it is processed on the EEA EFTA side. Many legal acts enter into force in the EU very soon after being adopted, which does not allow for simultaneous implementation in the EEA EFTA States.

We have seen an increase in the number of EU agencies and supervisory authorities established in recent years. The assignment of powers to these bodies was not foreseen when the EEA Agreement was signed. It is necessary to find solutions that ensure common rules and our participation in decision-making.

The new bodies and institutions pose challenges with regard to our constitutions. There are clear constraints (“red lines”) regarding the transfer of decision-making authority to institutions outside Norway.

However, we are now engaged in a constructive and result-oriented dialogue with the EU on possible solutions. We are confident that solutions can be found, if all parties show a degree of flexibility.

In 2013, the Norwegian Government will pay particular attention to areas which represent key priorities for Norway and where Norwegian experiences can provide valuable contributions to common European solutions, such as welfare and labour policy, energy, climate and the environment, and research.

Labour market issues in the EEA have been high on the political agenda in Norway. The conclusion is that our labour law, measures and practice and the EEA Agreement are compatible.

EEA enlargement to include Croatia

I hope that contacts between the parties in the near future can result in further progress in the negotiations and that simultaneous enlargement of both the EU and the EEA can take place on 1 July.

Financial mechanisms and market access for fish post-2014

The current period for the EEA and Norway Grants expires on 30 April 2014. There is a need for good discussions on a possible continuation of this cooperation. We also recall that at the same date certain tariff quotas for fish and fishery products originating in Norway expire.

Agricultural trade

We hear your message. In 1994 Norway did not join the EU. One of the main reasons for this was the Common Agricultural Policy and we are not part of the Common Agricultural Policy. There are two provisions in the Agreement that concerns agricultural products. Article 19 states that the parties shall continue their efforts with a view to achieving progressive liberalisation of agricultural trade within the framework of their respective agricultural policies and taking into account the results of the WTO/Uruguay round. We have fulfilled these obligations beyond the actual framework. Norway is not a large producer of agricultural products and is one of the most open importers of these products. 70% comes from the EU. There are lots of agricultural products imported into Norway with a 0-rate. Several of these products are however subject to customs duties into the EU based on your agricultural policy.

Norwegian agricultural policy is - and will in the future be - in compliance with our international obligations. The implementation of ad valorem duties on a limited range of products does not undermine this. We have followed up the intentions laid down in Article 19 and will continue to do so.

We agreed at our meeting in November last year to initiate a review of trade in agricultural products between Norway and the EU with a view to holding open negotiations within the framework of Article 19. Meetings have taken place to this effect in February and April this year and the next meeting is scheduled for 20 June. In our view, this brings the process onto the right track and is being dealt with in line with the principles laid down in the EEA Agreement.

Protocol 3 (processed agricultural products)

Imports of processed agricultural products to Norway from the EU have almost doubled between 2003 and 2012. However, exports from Norway to the EU have hardly increased at all in the same period.

This shows that Protocol 3 fulfils its goal to increase trade in processed agricultural products when it comes to EU exports to Norway.

The latest review of the Protocol took place in 2012 and the conclusion reached was positive, notably that trade had increased and Protocol 3 functioned according to its objectives. This is in our view still the case and we are ready to continue the reviews in accordance with the protocol.

Intervention of Ambassador IBSEN on behalf of ICELAND

As demonstrated in the different EEA reviews, we all share the assessment that the Agreement is both a strong and effective agreement. It has proven its value over 20 years as the platform for participation by three very close neighbours of the EU in the Single Market.

Also, the cooperation between the European External Action Service, the EFTA Secretariat and the EFTA States' national services to speed up the incorporation of EU *acquis* into the EEA Agreement has proven to be successful. In this we have built on decades of pragmatic and constructive cooperation. The commitment on the EFTA side is reflected in the strong institutions maintained by the EFTA States in Brussels and Luxembourg.

Thus we have managed to significantly shorten the time needed for the incorporation of new *acquis* into the Agreement as well as to limit the number of *acquis* from 2012 and before that date, which remain to be incorporated into the Agreement.

But we can of course not turn a blind eye to the fact that the legal development in the EU has posed a challenge to the EEA EFTA states. Thus, certain legal acts contain complex and/or controversial legislation, which the EU States have needed years to prepare for before it is adopted. It can therefore hardly be expected from individual EEA EFTA States that they incorporate such legislation into the Agreement and implement it into national legislation without careful prior preparation in their respective countries.

In this context, it has to be kept in mind that the EEA EFTA States have very limited access to the work that takes place in the EU when new legislation is being prepared.

One possibility to ensure a swifter incorporation of new *acquis* into the Agreement, and thereby a more homogenous EEA, would be to provide for better access of the EEA EFTA States to the work in the EU when new *acquis* is being prepared.

Furthermore, structural changes on the EU side, including the establishment of new EU agencies have posed significant challenges to the two pillar structure of the EEA Agreement and made the incorporation into the EEA Agreement of some recent acts challenging for the EEA EFTA-States.

It is imperative that these issues be addressed in a constructive and pragmatic manner – an approach that from the outset has been the *modus vivendi* of the EEA Agreement and created its success. Maintaining the well-functioning of the EEA Agreement needs the same spirit of creativity which brought about the EEA Agreement.

Icelandic authorities are confident that we can find ways to deal with such challenges and that the European External Action Service will continue to play the important role which DG RELEX played before in actively safeguarding the EEA Agreement.

Closing remarks of the Tánaiste on behalf of the EUROPEAN UNION

Thank you all for your interesting contributions to the discussion. We could note that while progress was made on some subjects, there are still challenges ahead of us. With regard to agriculture, we'll have to agree to disagree here. Regarding the labour market, there is certainly scope for further discussion. Concerning the review of the EEA and the Norwegian Financial Mechanisms, we agree that the review foreseen in the current Mechanisms should not delay preparation of the next Mechanisms.

7. ORIENTATION DEBATE: *RECENT DEVELOPMENTS IN FINANCIAL SERVICES, INCLUDING BANKING UNION AND SINGLE SUPERVISORY MECHANISM*

Intervention of the Tánaiste on behalf of the EUROPEAN UNION

Let us now turn to the next item of the agenda, our orientation debate on *Recent Developments in Financial Services, including Banking Union and Single Supervisory Mechanism*.

I would like to give you an update on this subject starting with the Banking Union files and briefly referring to other files under consideration at the end of my intervention.

First, the Single Supervisory Mechanism. You will be aware that the Council and Parliament found a principle agreement last March on the package of Regulations establishing the Single Supervisory Mechanism, and adapting the set-up of the European Banking Authority. The agreement was finalised in April, and we expect the European Parliament to vote in first reading so that the texts enter into force around Summer. The package of texts for the Single Supervisory Mechanism will lay the foundations of a new and more effective system of supervision for all the participating Member States.

That system will neither do away with, nor duplicate the national supervisors, but it will incorporate them into a more powerful architecture centred on the ECB. That system will neither do away with, nor duplicate the EBA, but it will preserve the EBA's role in preparing draft regulation and increase its powers, in particular as regards assessing the resilience of our banking systems.

Let me point now to some key provisions in the ECB regulation, that make the Single Supervisory Mechanism so unique.

I should highlight, first, the agreement reached on the distribution of work between the ECB and national competent authorities. This is extremely important: the aim is to reconcile the cohesiveness of the supervisory architecture - to have a true Single Supervisory Mechanism - with the need to make the most of national supervisors' competences and local reach. At the start of the system, the ECB will by necessity concentrate on a subset of banks, in particular the large, cross-border ones. It will, however, be able to expand its direct supervision in light of identified needs. I should also add that one of the principles that have framed the principle agreement reached with the Parliament is to respect the balance of prerogatives between home and host Member State supervisors, where these notions are still relevant. The Single Supervisory Mechanism will build on existing synergies and arrangements rooted in current banking legislation.

On that basis, the ECB will be able to exercise a full range of supervisory competences and will in particular be able to collect all the information necessary to monitor the quality of banks' balance sheets.

The text also incorporates important principle safeguards as regards the separation of the supervision function from the monetary policy function of the ECB. This includes the strict operational separation of staff respectively involved in either of these functions.

This said, under the present Treaty, the Governing Council remains the key decision-making body in the ECB. The authorities from all participating Member States will be represented, alongside the ECB, in the Supervisory Board in charge of preparing decisions. Safeguards were also needed for non-Euro area Member States willing to participate in the Single Supervisory Mechanism. The aim has been to make the new system as attractive as possible to non-Euro area Member States and thus cater for exceptional exit circumstances, but at the same time to frame these conditions.

When the ECB takes up its full supervisory powers around summer next year, this will represent an epochal change with respect to the current situation. We will have put in place the first pillar of the Banking Union. We will have shown determination and cohesiveness in making our financial system more robust and safer. To sum up, the Single Supervisory Mechanism is one big step in restoring the confidence of markets and the public in the strength of our supervisory system. But this is not enough.

Indeed, whilst the Single Supervisory Mechanism must be established as soon as possible, it will need to be completed, in particular by a Single Resolution System, on which we are expecting a Commission proposal by summer. We will need to work and deliver fast on that second pillar of the Banking Union. I will not go into a details on this now, nor on what it may contain. I am looking forward to seeing the Commission proposal, and I can assure you that the Council will start work as soon as possible.

The foundation for the Banking Union is the single rulebook, by which I mean the common set of EU legislation that will permit the Banking Union to work. The single rule book applies to all EU Member States and to the EEA Members, and is not limited to the participants in the Euro or the Single Supervisory Mechanism.

First and foremost here has been the agreement on the Capital Requirement Directive and Regulation, the so-called CRD 4 package. These proposals are now being finalised and we hope to see them published before the 1 July. The Capital Requirement legislation incorporates the Basel III agreement and will be another major step towards better regulation of the financial services industry.

There is also a need to bring forward urgently, as a prerequisite for any Single Resolution Mechanism, the adoption of the Directives on bank recovery and resolution and deposit guarantee schemes. They are an important component of the Single Rulebook, insofar as prevention and handling of bank crises is concerned. The Directive on Bank Resolution and Recovery will lay down rules inter alia on bail in, which should make it possible for a distressed bank to recover without the use of public funds. We are aiming in June to reach within the Council a mandate to negotiate this file with the European Parliament.

Once we have a mandate - a so called general approach - on the Bank Recovery and Resolution Directive, we intend at the same time to reopen negotiations with the Parliament on the Deposit Guarantee Schemes Directive. The two files are strongly linked and it makes sense to negotiate the two in parallel.

Progressing the Banking Union and the framework on bank resolution and deposit guarantees is not our only priority. Without going into detail, I would like to mention that the Council Presidency is also moving forward the financial markets and consumer agendas, including the Mortgage Credit Directive, the Transparency Directive and work on Packaged Retail Investment Products (PRIPS), the MiFID/MiFIR files and Market Abuse.

With that, I will stop my overview. Let me stress that this Presidency, as well as the incoming Presidency are confronted with a very heavy legislative agenda. We are bringing this agenda forward being mindful that we are serving not just a handful of major financial markets, but the full range of industries and consumers in the EU and the entire EEA.

Before I pass the floor to the EEA EFTA side, the Commission might wish to add a few considerations on the subject.

Intervention of Director General FAULL on behalf of the EUROPEAN COMMISSION

Let me follow up by giving a couple of other information on the reform of financial services. In particular, I would like to stress all the efforts recently made to restore confidence and safety in the banking sector, which continues to be a cornerstone of our comprehensive financial regulatory and supervisory reform agenda.

The main initiatives in this area are a new single rulebook of prudential requirements for banks (CRD IV/CRR), enhanced frameworks for securities markets (MiFID/R), market abuse (MAD/R) prevention, management and resolution of bank crises (BRRD), deposit guarantee schemes, hedge funds and private equity (AIFMD) and derivatives trading (EMIR). We are still working on new proposals in the area of shadow banking, in particular money market funds and the prevention, management and resolution of financial institutions other than banks. This common set of legislations in this field will apply to all 27 Member States.

As regard the Eurozone, this is the area where the most fundamental changes in the supervisory system for European banks have to be implemented. The responsibility for banking supervision will move from the national to the European level through a Single Supervisory Mechanism, under the European Central Bank. The structure will ensure strict and objective supervision of cross-border banking activities. The single supervisor is therefore key for breaking the link between sovereign and banking risks. It shall apply almost automatically to the three biggest banks in all Member States.

There has been a lot of discussion on how the non-Euro EU Member States could also join the system through a ‘docking mechanism’, and some solutions were found. It seems that several non-Euro EU Member States might be willing to join the system in the future.

As a next step towards a Banking Union we have to further develop a single resolution mechanism which will address the need for a more centralized and stronger crisis management capacity to tackle the failure of banks within the participating Member States.

This would include a single resolution authority and adequate financing arrangements. Even though some sensitive elements of the proposal are still under discussion internally (such as the link with the European Stability Mechanism (ESM), the need for a backstop mechanism, the role of the European Supervisory Authorities in the implementation), the European Commission is expected to release its proposal in June 2013.

Intervention of Minister FRICK on behalf of LIECHTENSTEIN

I would like to thank you in my capacity as Foreign Minister of Liechtenstein for these updates on recent developments in a sector that has been high on the political agenda in Europe in the last years. The various initiatives taken in the financial services sector during the financial crisis have been important measures in order to overcome the crisis and to prevent this sector from becoming destabilized in the future.

The development of these initiatives is also highly important and relevant for the EEA EFTA States since they have an impact on the internal market and therefore the EEA Agreement, as already touched upon earlier today with regard to the European Surveillance Authorities and the related new *acquis*. It must be in the interest of everybody to ensure a stable and sustainable financial sector in Europe.

Liechtenstein has a keen interest in exploring possibilities of its integration into not only the Single Supervisory Mechanism but also the associated future bank resolution mechanism and the EU-wide bank deposit guarantee scheme.

I would now like to give the floor to my colleagues from Iceland and Norway.

Intervention of Ambassador IBSEN on behalf of ICELAND

Progress on the first concrete element of the Banking Union, the Single Supervisory Mechanism is an important step on Europe's path to recovery.

The recent agreement on the new EU banking regulations (the CRD4 package), forms a key foundation for this development. Iceland very much welcomes the new EU banking rules (the CRD4 package), in particular the agreed flexibility which they provide. Such flexibility is of the utmost importance for economies within the Single Market that remain outside the euro system and the Banking Union.

For the Banking Union to function properly, however, it needs to include all the pillars mentioned when it was first proposed.

A common resolution framework – with a resolution authority and a resolution fund – and a common deposit insurance fund are indispensable in this regard. It can be dangerous to transfer supervision and resolution to a central authority without pooling financial risks.

A fully fledged Banking Union would, on the other hand, be a great step forward – not only for the participating states, but the internal market as a whole. We understand, however, the legal difficulties this may pose to the European Union.

It is important that the Banking Union strengthens the internal market and does not lead to new divisions. Interactions between the Single Supervisory Mechanism and the resolution authorities within and outside of the Banking Union need to function smoothly.

Turning to a related issue, notably the new European Supervisory Authorities for the financial market: For our part, we are very mindful of the need to find a solution for the participation of the EFTA EEA countries in the European Supervisory Authorities on the financial market. It is important that we all seek a horizontal solution to this problem. There is no lack of will on our part to participate in the system, but a fair and workable solution needs to be found that suits both the needs of the EFTA EEA countries and the EU.

Intervention of Minister EIDE on behalf of NORWAY

We are deeply saddened by the hardship and unemployment that many people in crisis-hit countries are facing. At the same time, it is clear that, without significantly stronger economic growth, unemployment will continue to be a serious problem in Europe.

Unemployment creates social disparities and huge social costs. A country's most valuable resource – people – should not be wasted in this way. I am particularly concerned about the high and ever rising youth unemployment in many countries. Poor job prospects and increasing inequality give rise to social tension. The fact that a large proportion of the unemployment is long-term is a further cause for concern.

Weak growth, high and increasing unemployment and further needs for fiscal consolidation create a bleak prospect. Measures to stimulate growth and employment are vital, and these include reforms in labour and product markets.

The situation in the Eurozone remains difficult. Banks and treasuries in the crisis-hit countries are vulnerable and economic adjustments painful.

Financial system reform must continue, and policy makers should prevent new medium-term risks building up in the financial sector. EU efforts can help to limit these risks. The IMF also has an important role to play, through its research activities, its ability to detect possible spill-over effects, and the advice it provides to member countries on macro-prudential policies.

The EU is currently establishing new and more robust structures for economic governance aimed at ensuring economic and financial stability in Europe. Norway supports these efforts.

European capitals are aware of the need to address structural challenges in order to boost growth and job creation, but time is running out. Concrete measures need to be implemented now. We are running the risk of an entire generation of young people in southern Europe being unemployed.

The real economy and the financial system are closely interdependent. A well-functioning financial sector is crucial for generating growth and jobs. We also believe that market integration will improve our financial markets, as this will foster financial stability.

The crisis has revealed shortcomings in the existing regulatory framework for banks, shortcomings that are now being discussed and dealt with – in the EU and in other international forums.

The crisis has also intensified efforts to combat tax evasion and profit shifting by multinational companies. We have noted with great interest the important OECD study entitled “Base erosion and profit shifting”. We welcome further discussions on these issues. Protecting the tax bases of our welfare societies should be a priority.

The establishment of the Single Supervisory Mechanism and a Banking Union will affect the EEA countries as well as the banks operating in these countries in numerous ways. It is essential for Norway to take part in an open dialogue on the further integration of the financial market.

We support the objective of stronger cooperation and coordination between European supervisory authorities for financial services. It is important that Norway, as part of the internal market, participates in this cooperation.

The attribution of powers to EU bodies is not foreseen in the EEA Agreement, where EFTA constitutes a separate pillar. There are also clear restraints in our Constitution on the transfer of decision-making authority. Thus, authority over private entities must remain with the Norwegian authorities.

We are now engaged in a constructive dialogue with the Commission on possible solutions. We are confident that solutions can be found if all parties show the necessary flexibility. Finding a horizontal solution that ensures our participation in these authorities would also enable us to incorporate these new acts into the EEA Agreement without further delay.

The supervisory authorities in the EEA EFTA states already participate in the new EU supervisory authorities on an informal basis as observers. This allows for continued constructive cooperation between the financial supervisory authorities in the EU and the EEA EFTA states.

However, rapid incorporation of the new regulations into the EEA Agreement should have top priority both for the EEA EFTA states and the EU. Active EEA EFTA participation in the new authorities is vital for consistent application of EU, and hence EEA legislation, in the financial services sector, and for supervisory convergence and consistency in supervisory practice.

Further, internal market legislation refers to the new authorities. Rapid incorporation of this *acquis* into the EEA Agreement should be sought in order to prevent a backlog of new legislation. This could compromise the homogeneity of the internal market in this area.

Closing remarks of the Tánaiste on behalf of the European Union

I think that we had an interesting exchange of information and views on the subject of our orientation debate. With that, I would like to pass to the next item of our agenda, the conclusions of our meeting.

8. ADOPTION OF THE CONCLUSIONS OF THE 39th EEA COUNCIL

Intervention of the Tánaiste on behalf of the EUROPEAN UNION

The EU strongly regrets that it was again not possible to reach agreement between the EU and the EEA EFTA sides on the conclusions before our meeting, due to diverging views on paragraph 24 concerning the joint management of mackerel stocks.

I wish to underline that the management of mackerel stocks in the North East Atlantic, on which there is still no agreement, continues to be a very sensitive political issue for the EU. Thus, we cannot agree to the deletion of paragraph 24.

We feel obliged to reiterate that during successive rounds of negotiations in 2011 and 2012, the EU has expressed its desire for stability and predictability in the form of a ten year agreement involving all parties, including the four coastal states. This remains our position. Together with Norway, the EU has put forward offers that were not accepted by the two other coastal states. The EU had hoped for a more constructive response to its proposals and is disappointed by the lack of engagement by Iceland as regards these offers.

As we all know, the mackerel stock is not in a satisfactory state after being fished intensively for nearly four years now. We fear that continued fishing at such high levels will cause the stock to fall below safe levels, perhaps as early as 2014.

All parties have the responsibility to negotiate with a view to reaching an agreement. The proposed wording of paragraph 24 merely sets out the facts and is framed in neutral terms. Consequently, we invite the EEA EFTA parties to show some flexibility and understanding so that this paragraph can be maintained.

Intervention of Minister FRICK on behalf of the EEA - EFTA States

Mr. Chairman,

We can agree to the adoption of the conclusions with the exception of paragraph 24 regarding mackerel. With your permission, I would like to give the floor to Iceland.

Intervention of Ambassador IBSEN on behalf of ICELAND

First, I would like to reiterate the fact that the EEA Agreement does not cover the management of fish stocks. Therefore, Iceland remains of the position that it is not appropriate to discuss the mackerel dispute here or include it in the EEA Council Conclusions.

Since the issue has been brought up I would like to make the following points.

Let me make it absolutely clear that Iceland remains willing to negotiate a fair solution to the mackerel dispute. We firmly reject the notion that Iceland is somehow reluctant to return to the negotiation table. This is simply not true.

Iceland is a fishing nation. Sustainability remains at the heart of our fisheries management policy and we regret that it has not been possible so far to reach an agreement on mackerel. We want a sustainable solution but it must reflect the changed migration pattern of mackerel and take the interest of all parties into account.

Allow me also to reiterate that the Icelandic Government has consistently shown itself willing to take the necessary steps to protect the mackerel stock. Iceland has actively participated in looking for solutions and we have come up with constructive proposals.

The Coastal States have a common responsibility to seek a solution in order to ensure sustainable fishery. We take that responsibility extremely seriously.

We were disappointed that the EU and Norway rejected the proposal of Iceland at the last Coastal State meeting to bring down catches jointly in order to get them in line with scientific advice.

Still, the Government of Iceland decided this year to cut its 2013 mackerel catch by 15 % to help sustain the long-term health of the stock, as did the EU and Norway. This was indeed an important step and we remain willing to cut further, if other countries do as well and if it serves the long-term health of the mackerel stock.

At present, the EU and Norway continue to claim 90 % of the recommended 2013 catch level, leaving only 10 %, combined, for Iceland, the Faroe Islands and Russia. This decision was made despite research showing that in 2012 up to 30 % of the mackerel stock was in Iceland's Exclusive Economic Zone. In addition, mackerel gain approximately 50 % of their weight in Iceland's territory, feeding in our nutrient-rich waters.

These are the scientific findings – and they are not contested. They must be respected and taken into account if we are to find a solution that is fair to all. We believe such a diplomatic solution can be reached.

Iceland has from the start emphasized that our efforts to protect the mackerel stock must be based on collaborative scientific research. An important element in solving the current dispute, as well as to secure sustainable utilisation for the future is therefore to reinforce scientific research of the mackerel stock. That is how we further improve the basis of the management advice and that is the key to finding a balanced outcome for the current dispute.

The good news are that the last Coastal State meeting approved a proposal of Iceland to request ICES to explore the potential impacts of past misreporting of mackerel catches on the current stock assessment.

ICES was also requested to evaluate how the overall stock assessment could be improved including additional or improved survey efforts. Iceland continues to call for a increased joint effort in this regard. We have also called for more active involvement of the EU in the scientific research of the mackerel stock.

We look forward to the next annual ICES science conference due to take place in Reykjavik in September, where our scientists will have the opportunity to review the latest results and discuss how we can better cooperate in order to strengthen the scientific basis of mackerel fishing.

Mr. Chair,

Some say that the mackerel issue is complicated. Yes, partly it is, but at the same time it is quite simple.

First, the legal argument is unambiguous. Iceland is a Coastal State and has the right to fish mackerel within its Exclusive Economic Zone according to international law.

Second, scientific results are also clear. We can no longer turn a blind eye to the fact that 1.1 to 1.5 million tons of mackerel, up to 1/3 of the total stock, now migrates into Icelandic waters where it consumes as much as 2 – 3 million tons of food with major consequences for seabirds and other fish stocks in our waters.

And third, with the legal and scientific arguments so clear-cut, we are evidently faced with a political challenge. The task is to find a solution which is fair to all and safeguards our economic interests while protecting the environment.

This is what we should be focusing on. Finger-pointing gets us nowhere.

We have followed closely the development regarding possible trade measures against Iceland. We underline that if such measures were to be taken they must be in line with international obligations – WTO obligations and Protocol 9 of the EEA Agreement.

Iceland is fully committed to finding a solution to the mackerel issue. Such threats only make it more difficult to find solutions to the dispute and could cause further, unnecessary delays, in solving the dispute with the obvious negative consequences for the stock and our joint interest in securing its responsible utilisation for the future.

Intervention of the Tánaiste on behalf of the EUROPEAN UNION

As I said earlier, the issue of the management of mackerel stocks in the North East Atlantic remains a very sensitive political issue for the EU. However, as Minister Frick indicated, everything of the Conclusions is agreed, except paragraph 24. Notwithstanding its strong position on the issue, the EU does not wish to jeopardize the adoption of the rest of our conclusions, which is a priority for both sides. Thus, in a spirit of compromise, the EU delegation will not insist on maintaining paragraph 24 of the draft Conclusions regarding mackerel and can agree on its deletion, while not changing its position on the subject as such.

Concerning future steps, I hope that all parties will assume their responsibilities. Following the recent elections in Iceland, the EU will meet the competent Ministers, once the new government has been installed, to search for a negotiated settlement, thus ensuring the sustainability of the stock. Failure to achieve this would oblige the EU to look into alternative ways of solving the deadlock in negotiations.

As you are aware, the EU Regulation on "certain trade measures in relation to countries allowing non-sustainable fishing for the purpose of the conservation of fish stocks" was adopted by the European Parliament and the Council and entered into force last autumn.

But we can agree to the Conclusions with the deletion of paragraph 24.

Intervention of Minister FRICK on behalf of the EEA - EFTA States

We can confirm our agreement to the adoption of the Conclusions without paragraph 24.

Intervention of the Tánaiste on behalf of the EUROPEAN UNION

Thus, the EEA Council has adopted its Conclusions without paragraph 24. The Conclusions as adopted will be circulated after the meeting as doc. EEE 1602/1/13 REV 1.

9. OTHER BUSINESS

The EEA Council noted that a debate on *Mali*, *Syria* and *DPRK* had been held the same day within the framework of a Political Dialogue in the margins of the EEA Council meeting.

Closing remarks of the Tánaiste on behalf of the EUROPEAN UNION

We have then come to the end of our 39th EEA Council meeting.

I would like to thank all of you from the EEA EFTA States, the EFTA Secretariat, the EFTA Surveillance Authority and the EU Member States for contributing to and participating in this interesting and fruitful meeting.

I declare the meeting closed.

**39th meeting of the
EEA COUNCIL
(Brussels, 21 May 2013)**

LIST OF DELEGATIONS

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

THE PRINCIPALITY OF LIECHTENSTEIN

Ms Aurelia FRICK	Minister of Foreign Affairs, Head of Delegation
Mr Martin FRICK	Ambassador, Director of the Office for Foreign Affairs
Mr Kurt JAEGER	Ambassador, Mission of Liechtenstein to the EU
Mr Patrick RITTER	Deputy Director of the Office for Foreign Affairs
Mr Pascal SCHAFHAUSER	Deputy Head of Mission, Mission of Liechtenstein to the EU
Mr Dominik MARXER	Counsellor, Mission of Liechtenstein to the EU
Mr Ulrich VON LIECHTENSTEIN	Second Secretary, Mission of Liechtenstein to the EU

ICELAND

Mr Thórir IBSEN	Ambassador, Head of Mission of Iceland to EU
Mr Nikulás HANNIGAN	Deputy Head of Mission of Iceland to the EU
Mr Andri LÚTHERSSON	Counsellor
Ms Þóra MAGNÚSDÓTTIR	Counsellor
Mr Matthías G. PÁLSSON	Counsellor
Ms Sigríður EYSTEINSDÓTTIR	First Secretary
Mr Andri JÚLÍUSSON	First Secretary
Ms Ásgerdur KJARTANSDÓTTIR	Counsellor for Education, Science and Culture
Mr Steinar Ingi MATTHÍASSON	Counsellor for Fisheries and Agriculture

Mr Tómas BRYNJÓLFSSON	Counsellor for Economic Affairs
Ms Inga M. SKÚLADÓTTIR	Trainee
Ms Sigrún H. JÓNSDÓTTIR	Trainee

THE KINGDOM OF NORWAY

Mr Espen Barth EIDE	Minister of Foreign Affairs
Mr Atle LEIKVOLL	Ambassador
Ms Laila STENSENG	Minister Counsellor
Ms Elisabeth WALAAS	Director General
Ms Katrine RAADIM	Political Advisor
Mr Niels ENGELSKHJØN	Deputy Head of Mission
Mr Per SJAASTAD	Deputy Director General
Ms Aud HELLSTRØM	Counsellor
Mr Lars-Erik HAUGE	Counsellor
Mr Lars Erik ØSTBY	Counsellor
Ms Inge Hausken THYGESSEN	Counsellor
Ms Trine HEIMERBACK	Senior Advisor
Mr Anders ASK	Higher Executive Officer
Mr Magnus CHRISTOFFERSEN	Trainee
Ms Emma-Lise BERGHEI GÅRDVIK	Trainee

II. The European Union was represented as follows:

IRELAND

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

Mr Eamon GILMORE	Tánaiste (Deputy Prime Minister) and Minister for Foreign Affairs and Trade
Mr Keith MCBEAN	PSC Ambassador
Mr John O'SULLIVAN	Deputy Director, Europe Division, Department of Foreign Affairs and Trade (Dublin)
Ms Hilda Ó RIAIN	Permanent Representation of Ireland, Chair of the EFTA Working Party at the Council of the EU

Ms Karen LYNCH

Permanent Representation of Ireland, Deputy
Chair of the EFTA Working Party at the Council
of the EU

REPUBLIC OF LITHUANIA

(INCOMING PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION)

Ms Brigita LAPAITE

Second Secretary, Permanent Representation of
Lithuania to the EU, incoming Chair of the EFTA
Working Party at the Council of the EU

Ms Audrone ZELNIENE

Counsellor, Permanent Representation of
Lithuania to the EU

EUROPEAN COMMISSION

Mr Jonathan FAULL

Director General, DG Markt

Mr Olivier SALLES

Head of Unit, DG Markt

EUROPEAN EXTERNAL ACTION SERVICE

Mr David O'SULLIVAN

Chief Operating Officer

Mr Gianluca GRIPPA

Head of Western Europe Division

Ms Monika CSAKI

Desk Officer for Norway, Iceland and
Liechtenstein, Western Europe Division.

COUNCIL OF THE EUROPEAN UNION - GENERAL SECRETARIAT

Mr Zoltan MARTINUSZ

Director for Enlargement, Europe (Non-EU)
and Foreign Affairs Council Support

Ms Bärbel DÜRHAGER

Desk Officer for Non-EU Western Europe

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

SECRETARIAT

Mr Kristinn F. ÁRNASON	Secretary General
Mr Helge SKAARA	Deputy Secretary-General
Mr Georges BAUR	Assistant Secretary-General
Ms Katrín SVERRISDÓTTIR	Director, Services, Capital, Persons & Programmes Division
Mr Knut HERMANSEN	Director Goods Division
Ms Camilla LANGSHOLT	Officer, EEA Coordination Division
Ms Nora SKAANSAR	Trainee, EEA Coordination Division
Mr Jón GUNNARSSON	Trainee, Secretary-General's Office

SURVEILLANCE AUTHORITY

Ms Oda Helen SLETNES	President
Mr Sverrir Haukur GUNNLAUGSSON	College member of the EFTA Surveillance Authority

**EUROPEAN ECONOMIC AREA
Council of the EEA**

Brussels, 14 May 2013

EEE 1603/13

PROGRESS REPORT

Subject: Progress Report by the EEA Joint Committee to the 39th meeting of the EEA Council

Decision making

1. The EEA Joint Committee has adopted 131 Joint Committee Decisions (JCDs) incorporating 238 legal acts since the EEA Council of 26 November 2012. In 2012, 233 JCDs incorporating 486 legal acts were adopted, which is the highest number of acts adopted since 1999.

2. The EEA Joint Committee continued the implementation of the joint process by the EEA EFTA States and the European External Action Service (EEAS) launched in October 2011 to further improve the incorporation of acquis into the EEA Agreement. The threefold aim was:
i) to reduce the number of EEA-relevant legal acts adopted on the EU side that had not been incorporated into the Agreement; ii) to reduce the time period between the entry into force of acts on the EU side and on the EEA EFTA side; and iii) to ensure that legal acts with constitutional requirements on the EEA EFTA side entered into force within the six-month period foreseen by the EEA Agreement.

3. Regarding the first point, the substantial efforts made to reduce the number of outstanding legal acts to be incorporated into the EEA Agreement have continued since the last EEA Council. A list of outstanding legal acts where the compliance date in the EU has passed has been updated regularly in order to better monitor progress in this area. As of 3 May 2013, there were 406 outstanding legal acts where the compliance date in the EU had passed (including 142 acts with a compliance date prior to the end of December 2011), compared to 544 acts on 9 December 2011.
4. Regarding the second point, 83 legal acts adopted by the EU in 2012 were incorporated into the EEA Agreement the same year. This demonstrates an improvement in the management of these new acts with their timely incorporation into the Agreement (average of 7 months, 3 months in some cases)
5. Regarding the third point, the number of JCDs awaiting the fulfilment of constitutional requirements where the six-month period foreseen by Article 103 has expired has been substantially reduced since the last EEA Council and stood at 5 on 3 May 2013, compared to 15 on 16 November 2012.
6. Important decisions taken by the EEA Joint Committee since the 38th meeting of the EEA Council include the following:
 - Decision No 202/2012 on substances that deplete the ozone layer
 - Decision No 217/2012 on the labelling of energy-related products
 - Decision Nos 234-236/2012 related to the EU Emissions Trading System (ETS)
 - Decision No 7/2013 on radio interference (electromagnetic compatibility) of vehicles
 - Decision No 26/2013 on export ban of mercury
 - Decision No 45/2013 on stage II petrol vapour recovery during the refuelling of motor vehicles at service stations
 - Decision No 48/2013 on the list of air carriers that are subject to an operating ban
 - Decision No 49/2013 on cosmetic products

Decision shaping

7. The EEA EFTA States participated in 20 EU programmes and 18 agencies, of which 13 were regulatory agencies and five executive agencies.
8. Since the last EEA Council the EEA Joint Committee has taken note of EEA EFTA Comments on the following subjects:
 - Periodic roadworthiness test for motor vehicles and their trailers
 - Revision of the "Blue Guide" to the EU legislation on industrial products
 - Enforcement of the Posting of Workers Directive in the framework of the provision of services
 - Collective management of copyright and related right and multi-territorial licensing of rights in musical works for online users in the Internal Market
 - New SOLVIT recommendation
 - Electronic identification and trust services for electronic transactions in the Internal Market
 - Occurrence reporting in civil aviation

Briefings in the Joint Committee

9. Briefings on the following subjects were provided in the EEA Joint Committee:
 - Notifications from Iceland regarding the revision of protective measures under Article 43 of the EEA Agreement
 - Commission Blueprint for a deep and genuine economic and monetary policy

Status of outstanding issues

10. Outstanding issues concerning the processing of the Data Retention Directive, the Directive on the Deposit Guarantee Scheme, the Regulation on Novel Foods and Novel Food Ingredients, the Third Package for the Internal Energy Market, legislation in the field of financial services including the Regulations establishing the European Supervisory Authorities, the remaining part of the TELECOM package including the Regulation establishing the Body of European Regulators for Electronic Communications (BEREC), the Third Postal Directive and the Regulation on Medicinal Products for Paediatric Use, as well as the Marine Strategy Framework Directive, have not yet been resolved. The Joint Committee has reiterated its determination to work towards the rapid conclusion of these issues.

Financial Mechanisms

11. The key results in 2012 from the EEA Financial Mechanism and the Norwegian Financial Mechanism 2004-2009 period underline that funding has had a positive impact at local level by bringing about specific reductions in disparities, in particular where EU funding is limited. Results show that nearly 90% of the selected projects were completed as planned and 87% of projects exhibited good quality for the grant money spent.
12. For the period 2009-2014, EUR 988.5 million have been set aside under the EEA Financial Mechanism and an additional EUR 800 million under the Norwegian Mechanism to contribute to reducing economic and social disparities in 15 EU countries in Central and Southern Europe and to strengthening bilateral relations. By the end of April 2013, 93 programmes had been approved by the donors compared with some 20 by the end of September 2012. Programmes and projects under both Financial Mechanisms 2009-14 may be implemented until 2016.

13. The Commission, being responsible for screening all programme proposals for their compatibility with EU cohesion policy, has by the end of April 2013 received 137 proposals of an expected total number of 147 programmes. The Commission consent of 122 programmes has been given, whereas 15 programmes are still subject to inter-service consultations.
14. Throughout 2012 there was a particular focus on ensuring strong bilateral ties between actors in the beneficiary and donor countries. Bilateral funds for common activities and initiatives were set up in many beneficiary countries. By the end of April 2013, 49 programmes had a donor programme partner under the EEA Financial Mechanism and an additional 40 programmes under the Norwegian Mechanism, involving 26 different entities from Iceland, Liechtenstein and Norway. The Council of Europe is also a partner in a number of programmes.
15. In 2012 there has also been a strong focus on promoting fundamental rights and democratic values. This has included efforts to combat discrimination and hate speech, and promote tolerance and multicultural awareness.

**EUROPEAN ECONOMIC AREA
Council of the EEA****Brussels, 21 May 2013****EEE 1602/1/13 REV 1****CONCLUSIONS**

Subject: Conclusions of the 39th meeting of the EEA Council
Brussels, 21 May 2013

1. The thirty-ninth meeting of the EEA Council took place in Brussels on 21 May 2013 under the Presidency of Mr Eamon Gilmore, Tánaiste (Deputy Prime Minister) and Minister for Foreign Affairs and Trade of Ireland, representing the Presidency of the Council of the European Union. The meeting was attended by Ms Aurelia Frick, Minister for Foreign Affairs of Liechtenstein, Mr Espen Barth Eide, Minister of Foreign Affairs of Norway, and Mr Thórir Ibsen, Ambassador, Head of the Mission of Iceland to the EU, as well as by Members of the Council of the European Union and Representatives of the European Commission and the European External Action Service.
2. The EEA Council noted that within the framework of the Political Dialogue the Ministers discussed the situation in *Mali*, *Syria*, and *DPRK*.
3. The EEA Council held an orientation debate on *Recent Developments in Financial Services, including Banking Union and the Single Supervisory Mechanism*.

4. The EEA Council welcomed the EU Council Conclusions on EEA cooperation and the publication of the Commission Staff Working Document on the review of the functioning of the EEA, both from December 2012. The EEA Council also welcomed the comprehensive EEA Review commissioned by Liechtenstein, published in March 2013, and noted that both reviews have shown that the EEA Agreement is a durable and well-functioning instrument, which has extended, by comprehensive means, the EU's internal market to the EEA EFTA States while at the same time ensuring the integrity of that internal market.
5. Welcoming the extensive and far-reaching economic relations of soon 31 states covered by the EEA Agreement, the EEA Council acknowledged the important role the Agreement has played in ensuring the development of this strong trade relationship for the last 20 years, and looked forward to deepening relations with a view to improving market access for the mutual benefit of EEA partners.
6. The EEA Council recalled that the EU side had continued the practice of inviting officials from the EEA EFTA States to political dialogue meetings at the level of relevant Council working parties, and underlined the importance of continuing this practice.
7. The EEA Council underlined the importance of inviting EEA EFTA Ministers to informal EU ministerial meetings and ministerial conferences relevant to EEA EFTA participation in the Internal Market, and expressed its appreciation to the current Irish and incoming Lithuanian Presidencies for the continuation of this practice.

8. The EEA Council agreed that the current economic crisis is a common concern, and reaffirmed the need for responsibility and solidarity among the countries of Europe in tackling the challenges ahead. In this context, the EEA Council welcomed the increased emphasis on competitiveness and growth measures in the Multiannual Financial Framework 2014-2020 to put the economies on the path towards renewed and sustainable growth in the European Economic Area. The EEA Council underlined however, the need to take into account both budgetary discipline and shared social objectives in the measures taken to combat the crisis. The EEA Council underlined its full support for the calls by the G20 to avoid a repetition of the historic mistakes of protectionism of previous eras, as well as the G20 standstill commitment and the pledge to roll back any new protectionist measures that may have arisen, and voiced its intention to resist all forms of protectionism in order to help safeguard the global economic recovery.
9. The EEA Council acknowledged the progress made in the implementation of the Single Market Acts I and II and recognised that a fully functioning Single Market is crucial, not least in order to overcome the current economic crisis. The EEA Council welcomed that the EEA EFTA States had contributed to the consultations on the SMAs and share its goals. The EEA Council moreover welcomed the initiative of better governance in the Single Market and emphasised the need for further strengthening the internal market as a key driver for growth and jobs facilitating cross-border trade and the social dimension.
10. In acknowledging the contribution made by the EU programmes in building a more competitive, innovative and social Europe, the EEA Council underlined the importance of timely adoption of the new programmes and welcomed the measures taken by the EEA EFTA States to participate in and contribute financially to such programmes. The EEA Council encouraged the timely inclusion of the EEA EFTA States in relevant programmes in order to ensure continuity and facilitate the eligibility of EEA EFTA applicants under the first calls.

11. In the context of the crisis, the EEA Council underlined the significance of the EEA and Norwegian Financial Mechanisms 2009-2014 as a means of reducing economic and social disparities in the EEA and emphasised the importance of using the supported programmes actively to develop closer cooperation and relations between the EEA EFTA States and the beneficiary countries.
12. In the context of the forthcoming enlargement of the EEA, the EEA Council looked forward to the accession of Croatia to the European Union on 1 July 2013 and urged all parties to ensure that the parallel negotiations which will allow for Croatia to become a Party to the EEA Agreement are completed by this time.
13. The EEA Council welcomed the progress being made towards Iceland's accession to the European Union following the Eighth Intergovernmental Conference in December 2012.
14. The EEA Council noted the Progress Report of the EEA Joint Committee and expressed its appreciation for the work of the EEA Joint Committee in ensuring the operation and well-functioning of the EEA. In 2012, nearly 500 acts were incorporated into the EEA Agreement, the highest number since 1999.
15. In order to ensure the continued well-functioning of the EEA Agreement, in particular a homogenous internal market and fair competition for all operators, and the timely incorporation of EU legal acts, the EEA Council welcomed the ongoing joint efforts to further improve the process of preparation and incorporation of EEA relevant EU acquis into the EEA Agreement. The EEA Council noted that around 400 acts have yet to be incorporated into the EEA Agreement and urged both sides to increase their efforts with the aim of reducing the number of outstanding acts, in particular those acts subject to a protracted period of delay in incorporation.

16. The EEA Council welcomes the reduction in the number of EEA EFTA notifications of Joint Committee decisions for which the constitutional requirements have exceeded the six month period stipulated in the EEA Agreement. The EEA Council encouraged the EEA EFTA States to continue their efforts to solve the pending cases as soon as possible and to avoid such delays in the future.
17. The EEA Council noted the urgency for both sides to find mutually acceptable solutions ensuring the inclusion into the EEA Agreement of the significant volume of legislation being adopted in the EU in the financial services field. The EEA Council emphasised the need to ensure the timely incorporation of such legislation, including the Regulations establishing the EU supervisory framework for financial markets, on which to date, limited progress has been noted. The EEA Council recognised the complexity of the issues and the constitutional challenges for the EEA EFTA States raised by the specific role and powers vested in these supervisory authorities, welcomed the first steps towards a constructive and result-oriented dialogue and urged all sides to accelerate their efforts to reach that end without further delay.
18. The EEA Council noted that progress is required on a number of outstanding issues. These include the processing of the Data Retention Directive, the Third Postal Directive, the TELECOM Package (including the Regulation on the Body of European Regulators for Electronic Communications – BEREC), the Directive on Deposit Guarantee Schemes, the Regulation on Novel Foods and Novel Food Ingredients, the Marine Strategy Framework Directive, the Regulation on Medicinal Products for Paediatric Use and the EU legal acts in the area of organic production. The EEA Council restated the need for a conclusion of these processes in the coming months. In addition, the EEA Council expressed the expectation that tangible progress can be made to allow the rapid processing by the EEA Joint Committee of recent specific financial market legislation, including the Directive on Alternative Investment Fund Managers and the European Market Infrastructure Regulation.

19. The EEA Council reiterated the importance of maintaining close cooperation between the EU and the EEA EFTA States in environment, energy and climate change policies, in particular in the areas of emissions trading, the promotion of competitive, safe and sustainable low carbon economy, energy efficiency, renewable energy resources, carbon capture and storage (CCS), as well as in the development of the internal energy market. The EEA Council welcomed the joint successful efforts on the incorporation into the EEA Agreement of the Union Registry which centralises the operations of the EU emissions trading system. The EEA Council noted the important work on derived legislation of the Third Package for the Internal Energy Market currently being undertaken by the new bodies: the Agency for the Cooperation of Energy Regulators (ACER) and the European Network(s) for Transmission System Operators (ENTSOs). The EEA Council underlined the importance of ensuring appropriate EEA EFTA participation in the new bodies in line with the Third Package and the EEA Agreement. The EEA Council emphasised the importance of stepping up efforts to implement the Third Package.
20. The EEA Council took note of the recently adopted Regulation on Energy Infrastructure, as well as the related financing mechanism for infrastructure proposed under the Connecting Europe Facility, and agreed on the importance of infrastructure as a means of completing the Internal Energy Market for electricity and natural gas.
21. The EEA Council recognised the importance of Horizon 2020 with respect to Europe's enhanced priority on research and innovation cooperation for the creation of growth and jobs. It underlined the significance of support for common research and development projects, cross-border exchanges of knowledge and scientific cooperation, as well as the free flow of intellectual capital, while fully taking into account the rights of the respective property rights holders in accordance with European and international intellectual property legislation.

22. The EEA Council acknowledged that the Contracting Parties, pursuant to Article 19 of the EEA Agreement, had undertaken to continue their efforts with a view to achieving the progressive liberalisation of agricultural trade. To this end, it welcomed the negotiations on the further liberalisation of agricultural trade between the EU and Iceland that were launched in 2012. The EEA Council looked forward to the upcoming review in 2013/2014 of the conditions of trade in agricultural products between Norway and the EU, with the aim of opening negotiations on a new agreement within the framework of Article 19. The initial contacts between the EU and Norway in February and April 2013 were welcomed. At the same time however, the EEA Council took note that the EU deeply regrets that the Norwegian Government had increased customs duties by switching from earlier applied specific duties to ad valorem duties for some agricultural products as well as by reclassification of one specific product. The EEA Council noted that the EU has strongly encouraged Norway to reverse these measures, as the EU considers that they are not in compliance with Norway's international obligations under Article 19 of the EEA Agreement, and constitute a source of deep concern for the EU. At the same time, the EEA Council also took note that Norway regards the switch from specific duties to ad valorem duties to be fully consistent with its international obligations and that Norway regards the reclassification to be a purely technical measure, rectifying an earlier wrongful classification.
23. The EEA Council welcomed that the dialogue on the review of the trade regime for processed agricultural products within the framework of Article 2(2) and Article 6 of Protocol 3 to the EEA Agreement will continue at the meeting of the EEA Joint Working Group on Processed Agricultural Products scheduled to take place in Reykjavik on 30 May 2013.
24. The EEA Council welcomed the EEA EFTA States' contributions to the decision-shaping process of EEA relevant EU legislation and programmes through their participation in relevant committees, expert groups and agencies, and through the submission of EEA EFTA comments.

25. The EEA Council reiterated that it is in the common interest of all Contracting Parties that the EEA Agreement is well known throughout the EEA, and urged all to ensure that appropriate information on the EEA Agreement be made available.
26. The EEA Council noted the Resolutions of the EEA Joint Parliamentary Committee adopted at its 39th meeting in Brussels on 27 November 2012 on: *EU programmes 2014-2020 and the participation of the EEA EFTA States; The Reform of EU Common Fisheries Policy; The future of EU Energy Policy and its Implications for the EEA; and the EEA EFTA States' participation in EU agencies and the decision-making mechanisms*. The EEA Council looked forward to the 40th meeting of the EEA Joint Parliamentary Committee on 29 and 30 May 2013, and the meeting of the EEA Consultative Committee on 10 and 11 October 2013.
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