

EEE 1602/1/23
REV 1

MINUTES

Subject: Minutes of the 55th EEA Council
Brussels, 23 November 2022

MINUTES
of the 55th meeting of the
EEA COUNCIL
(Brussels, 23 November 2022)

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The EEA Council held its 55th meeting in Brussels on 23 November 2022.

The meeting was chaired by Ms Thórdís Kolbrún Reykfjörð GYLFADÓTTIR, Minister for Foreign Affairs of Iceland, who led the EEA EFTA delegation. Minister GYLFADÓTTIR was accompanied by Ms Anniken Huitfeldt, Minister of Foreign Affairs of Norway, and Mr Pascal SCHAFFHAUSER, Ambassador of Liechtenstein to the EU.

The EEA EFTA side also included Mr Henri GÉTAZ (Secretary-General of the European Free Trade Association – EFTA), and Mr Arne RØKSUND (President of the EFTA Surveillance Authority – ESA).

The EU side was led by Mr Jan LIPAUSKÝ, Minister of Foreign Affairs of the Czech Republic. Minister LIPAUSKÝ was accompanied by Mr Maroš ŠEFČOVIČ, Vice-President of the European Commission, and Ms Angelina EICHHORST, Managing Director for Europe and Central Asia, representing the European External Action Service (EEAS).

Opening statement of Minister Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Co-Chair, dear colleagues,

It is with great pleasure to welcome you to the 55th meeting of the EEA Council. We are honoured to host the first EEA Council meeting here at our premises. On behalf of the EEA EFTA States, I want to extend a warm thank you to the EU side for your assistance in realising this meeting. This is just another example of our excellent cooperation.

With this I suggest that we deal with items 1, 2, 3, and 4 on the agenda without prior discussion and move directly to item 5 on the agenda.

Co-Chair, can you agree to this?

Intervention of Minister Jan LIPAUSKÝ on behalf of the European Union

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

On behalf of the Council of the European Union, let me express our appreciation for your hosting of this, our 55th meeting of the EEA Council for the first time held in the EFTA House.

Before we go into the substance of our agenda, allow me also to express my thanks to the EFTA Secretariat, for the excellent organisation and cooperation in the arrangements for the session.

Following your proposal, we would like to confirm our agreement on dealing with items 1 to 4 of our Agenda without prior discussion.

We are looking forward to a fruitful exchange!

Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Thank you, these items are then considered and adopted. As agreed, we will now move to item 5: Assessment of the overall functioning of the EEA Agreement.

1. **ADOPTION OF THE AGENDA**

The EEA Council adopted the Agenda, as set out in EEE 1604/22.

2. **APPROVAL OF THE MINUTES**

The EEA Council approved the minutes of the 54th meeting of the EEA Council, which took place in Brussels on 23 May 2022, as set out in EEE 1605/22.

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 EEE 1606/22.

4. **RESOLUTIONS OF THE EEA JOINT PARLIAMENTARY COMMITTEE**

The EEA Council took note of the Resolution of the EEA Joint Parliamentary Committee adopted following its 57th meeting in Oslo on 23-25 May 2022 on *the Annual Report of the EEA Joint Committee on the Functioning of the EEA Agreement in 2021*.

5. ASSESSMENT OF THE OVERALL FUNCTIONING OF THE EEA AGREEMENT

Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFAÐÓTTIR on behalf of the EEA EFTA side

Ministers, Colleagues,

We meet here today in times of multiple crises which touch many aspects of our societies. Russia's illegal and atrocious invasion of Ukraine and its cost to innocent lives is a blatant violation of the basic tenets of the rules-based order and international humanitarian and human rights law in particular. It also causes profound challenges to our security and prosperity. In these perilous times, we remain the closest partners of the EU. Our cooperation has in fact been strengthened during these times. We align with EU sanctions against Russia, including just recently with the eighth package. Together we stand united in our solidarity with Ukraine.

Our solidarity is based on shared values and a strong commitment to a Europe built on peace, democracy and the rule of law. This is also at the core of the EEA Agreement which has served as a solid basis for our cooperation with the European Union for almost 30 years. Its history and dynamic development show that we, guided by our shared interests and the spirit of problem-solving, always find common solutions to challenges as they arise. This way we have invested in our resilience, safeguarded the EEA Agreement and its two pillar system and adapted to a more crisis-prone world.

With the Russian state's weaponisation of energy and food supplies, our Internal market has also become deeply affected by the war. Only a fully functioning Internal market will ensure long-term recovery and growth. The REPowerEU plan requires measures to be taken to reduce dependence on Russian fossil fuels and accelerate the green transition by saving energy, producing clean energy and diversifying our energy supplies. It is crucial that energy transition and energy security go hand in hand, as we will discuss in our orientation debate today. We look forward to hosting a workshop on such energy-related topics here in our EFTA House next week on 1 December. Diverse cooperation and implementation of best available technical solutions are necessary to achieve our common targets of both increased energy and climate actions.

To secure our long-term competitiveness it is crucial to embrace both a fast green transition as well as its synergies with digitisation. These twin transitions offer businesses and our societies tremendous opportunities. We are following closely the proposal on the EU's 2030 digital decade

policy programme along with key proposals which aim to make our economies greener and more digital.

Recent developments in cybersecurity threats have also demonstrated clearer than ever the importance of like-minded countries standing together, for example by achieving a high common level of cybersecurity within the EEA. This is particularly relevant in view of the high degree of interconnectedness and interdependency between the EU and the EEA EFTA States for what concerns critical infrastructures in sectors such as energy and telecoms. We therefore would like to thank the EU for the invitation to participate for the first time in the Network and Information Systems Cooperation Group (NIS). The meeting is in fact taking place today. Our participation is paramount as unified rules and close cooperation in the cybersecurity area are key to preserving the integrity and well-functioning of the internal market. The 6 EEA EFTA States also place a great emphasis on timely participation in the Union Secure Connectivity Programme. Broad cooperation in the field of space is key to strengthening Europe's industrial base in the entire EEA.

A well-functioning Internal Market also requires that we continue to deliver on our core task, namely the timely incorporation of EU legal acts into the EEA Agreement. This will provide predictable conditions and equal treatment for our citizens and businesses. While the backlog remains higher than we would like, we have made progress in several fields since our last meeting. We continue to concentrate our efforts on the fields of energy, financial services and statistics and are hopeful that in the short term the backlog may be reduced in the transport area by 50%. Let me assure you that we will continue to do our part. I take this opportunity to thank you Vice President Šefčovič for your personal engagement and your able team for the excellent cooperation.

Ministers, Colleagues,

Negotiations on our continued financial contributions through the EEA and Norway Financial Mechanisms to reduce social and economic disparities in the EEA began on 16 June. We have a long and positive story to tell on the benefits for the beneficiary states and we welcome the start of the dialogue with the EU on the next funding period. We want to ensure efficiency and continuity through the new period. We also attach great importance to the parallel negotiations on market access for fish and marine products with a view to promoting a continuous and balanced strengthening of trade and economic relations.

We would also like to take this opportunity to thank the outgoing EU Chair, Czechia, for the close and constructive cooperation during your Presidency. We appreciated in particular your facilitation

of our participation in informal EU Council meetings and political dialogues, including those linked to the war in Ukraine. The informal ministerial meetings are an important part of our cooperation. We now look forward to working with the incoming Swedish EU Council Presidency in the first half of next year.

Let me conclude by expressing our regret that it was not possible to adopt formal EEA Council conclusions today. Despite great dedication on both sides and the Czech Presidency's tremendous efforts, we were not able to find a mutually satisfactory solution. As underlined in a fuller statement that has been made available, this does in no way reflect our commitment to the good functioning of the EEA Agreement.

Thank you.

May I then invite the Presidency of the EU Council to make a statement?

Intervention of Minister Jan LIPAŮSKÝ on behalf of the European Union

Dear Colleagues,

First of all, we would like to reiterate once again the importance of these regular meetings of the EEA Council which give us the opportunity to hold a useful exchange of views on the application of the EEA Agreement and to jointly assess most recent progress.

Let me also emphasise the importance of the EEA Agreement as a fundamental basis for relations between the EU and the EEA EFTA States. In the current geopolitical context created by Russia's war against Ukraine, the special partnership between the EU and the EEA EFTA States has been more important than ever.

As fellow Europeans, we have demonstrated our solidarity and unity, standing shoulder to shoulder defending our common fundamental principles and values such as democracy, rule of law and commitment to an international rules-based order.

Vice President Šefčovič will give you a detailed report on the day-to-day developments with regard to the EEA Agreement and on the concrete progress achieved since May.

Before giving him the floor we would like to highlight some important developments that have taken place during the Czech Presidency of the Council.

Firstly, we would like to welcome the incorporation of the Audiovisual Media Services Directive, an important piece of legislation into the EEA Agreement. We hope for increased efforts to tackle important pending legislation, such as the Ship Inspection Package, legislations in the area of Aviation Safety, as well as in the area of energy and cybersecurity.

Furthermore, we would like to welcome the continued efforts made by all sides to reduce the backlog of EEA relevant EU acquis to be incorporated into the EEA Agreement and to accelerate the incorporation process.

The current security crisis in Europe has highlighted new challenges with regard to energy and security, which are areas of great value for the foreseen green and digital transitions. Against this backdrop our Leaders all joined the successful first meeting of the European Political Community that took place on 6 October 2022 in Prague. The meeting provided a platform for political coordination and an opportunity for in-depth exchanges on pressing issues for the entire continent. We look forward to the next meeting to be held in Moldova in the first half of 2023.

Regarding bilateral issues, in particular trade in agriculture, we would like to reiterate the importance for the EU and its Member States of continuing efforts to achieve the progressive liberalisation in processed agricultural products with Iceland and Norway, as foreseen in the EEA Agreement.

Lastly, the Presidency notes with regret that the EEA Council is not in a position to adopt conclusions this semester. While unfortunate, it in no way detracts from our excellent relations and close cooperation under the EEA Agreement. We remain closer partners than ever.

Intervention of Vice President Maroš ŠEFČOVIČ on behalf of the Commission

At the beginning of this year, I was entrusted with the political responsibility for relations with Iceland, Liechtenstein and Norway and the responsibility for the management of the functioning of the EEA Agreement on the EU side was transferred from the European External Action Service to the Commission – and specifically to the Secretariat-General.

I would like to thank again the colleagues from the European External Action Service for their work in recent years and for their valuable assistance and advice in the transition of the EEA file. We continue to work together very closely.

On the broader scale, there is of course a continued need for very close cooperation between the European Union and our closest and most integrated partners, who are the three EEA EFTA States.

The past two years, in particular, have demonstrated the necessity of coordinated approaches in areas of common interest and concern, also in the context of a more volatile geopolitical situation in Europe and the world. In this context of ‘permacrisis’, we can see who our partners and friends are.

I am very grateful that the EEA EFTA States have worked closely with us to provide solutions in areas such as vaccine procurement and the operation of the digital COVID certificate.

In the aftermath of the COVID-19 pandemic, our work towards recovery continues and the European Union is continuously reshaping and expanding its policies to respond to future challenges.

Ongoing events on the EEA/EU borders – namely, the Russian war against Ukraine – underline the importance of continued cooperation through the daily work of implementing the EEA Agreement and consolidating our alignment. In this context, I want to express my gratitude for the EEA EFTA States’ alignment with EU sanctions and the united position in response to the Russian aggression.

In terms of incorporation of the *acquis* into the EEA Agreement, I would like to refer to the progress report of the EEA Joint Committee that was provided for this meeting.

It is important to highlight the progress made in recent months, with 123 Joint Committee Decisions incorporating 222 legal acts since the last meeting of the EEA Council on 23 May 2022.

In the period from 1 January to 28 October 2022, the EEA Joint Committee has adopted 287 Joint Committee Decisions incorporating 516 legal acts. This represents an increase compared to the same period in 2021 and underlines the continued need to keep pace with the development of EU legislation and ensure its timely incorporation into the EEA Agreement.

In this period, we have seen the incorporation of several important pieces of legislation in areas such as data roaming, crisis management in the field of the safety of food and feed, waste from electrical and electronic equipment, monitoring and reporting of data relating to CO₂ emissions from passenger cars, and rail passengers’ rights and obligations, among others.

We welcome these developments and look forward to continuing the work to ensure the incorporation of the other outstanding pieces of legislation and to clear the backlog as much as possible, including the substantial backlog in the area of energy *acquis*, which is the topic we will

address in the orientation debate. In addition, we would like to see entry into force as soon as possible after the adoption of Joint Committee Decisions so that a level playing field is ensured across the entire EEA.

Finally, as you know, one of the principles of the EEA Agreement is to promote the continuous and balanced strengthening of trade and economic relations between the Contracting Parties.

I am pleased that the negotiations on a new EEA financial mechanism were launched on 16 June.

I believe that our common objective is to make swift progress in order to ensure that the instruments enter into force as soon as possible.

Thus, I would like to encourage speedy and efficient negotiations with a view to reaching an agreement, based on realistic expectations under both strands. Our citizens expect us, in the current political and economic circumstances, to demonstrate our ability to find solutions promoting a continuous and balanced strengthening of trade and economic relations and expressing our continued solidarity. This is what we do on a daily basis in the implementation of the EEA Agreement.

In this endeavour, as in all other aspects of the implementation of the EEA Agreement, we look forward to continued excellent cooperation with our EEA EFTA partners.

Intervention of Minister Thórdís Kolbrún Reykjörð GYLFADÓTTIR on behalf of Iceland

Mr. Chairman,

Before giving the floor to my colleagues from Liechtenstein and Norway, I would like to mention a few things.

A number of issues are of great importance to my country such as market access for fish or our issue with the arrangement on trade in agricultural products.

However, I will use this opportunity to speak only about one issue that is of grave concern to us, namely the effect of ETS in Aviation on Iceland.

Our experts have compared notes and the big picture is now clear. The grave effects of the proposal on aviation in Iceland is not contested in any meaningful way.

If it is adopted – as it looks now – Iceland will not be in a position to accept its incorporation into the Agreement or at least not without major exemptions or adaptations due to our geographical circumstances.

We have had numerous meetings at all levels with the Commission, Member States and Parliamentarians to voice our concerns and present solutions.

Everyone understands and recognises the problem for Iceland but solutions are hard to come by.

Unchanged, however, there is a real risk of Iceland becoming isolated. With no other practical modes of transport, connectivity is key for our economy and the people of Iceland. Aviation and related activities contribute 14% of Iceland's GDP.

And to be absolutely clear, state aid is not a viable option for our flight sector which is fully commercial and competitive.

We are, of course, committed to fighting climate change and we participate fully in the joint fulfilment of the Paris climate goals. With 85% of our primary energy supply coming from domestically produced renewable energy sources, our current focus is, indeed, on transforming the transport sector in line with our net-zero commitments. However, that development is heavily dependent upon global technological progress in the field, and will take time. We need a solution now – in the short term – as the effect of the ETS system will hit us hard and fast. As early as 2025-2028.

The President of the Commission, in response to the Prime Minister reaching out to her and all other members of the European Council, has acknowledged our concerns, in particular based on our geographical location and, Mr. Vice President, you have during your recent visit to Iceland, repeatedly stated that the Commission has not set out to destroy the airline business in Iceland, and that a solution to mitigate the negative effect must be found.

Since the Commission's impact assessment is based on averages, we developed a specific tool based on your assessment - in fact in order to be able to prove to all actors and institutions - the impact which this proposal will have on Iceland. In doing so, we also calculated the impact for individual EU Member States for comparison. All of this information has been shared with individual Member States and the Commission. Now that our experts have met and had the opportunity to compare notes, the big picture of the effect is clear and the premises are no longer contested.

Our findings show that some Member States will be significantly affected – but none like Iceland as the competitive advantage of the North-Atlantic route is key for our connectivity to Europe, to North America, and the rest of the world.

Surprisingly, the model has revealed that despite that the route Berlin via Iceland hub to Seattle is the most environmental friendly – emitting the lowest amount of carbon – it is still due to pay the highest ETS costs when choosing the route compared to others.

Our new model has confirmed our earlier assessment of the effect on Iceland.

We have proposed two solutions to mitigate the negative effect:

One is aimed to level the playing field of international hubs/airlines.

The other is to mitigate the cost effect on outermost regions and remote island states that have no other travel alternatives by capping the cost to the first 500 km. This would be necessary at least until sustainable aviation fuel is produced in meaningful quantities and could be a solution to diverging positions of EP and Council when it comes to travel to and from outermost regions.

The EEA Agreement foresees decision shaping. We have done our part.

I call upon the EU to work with us to find a solution to ensure that this matter can be resolved before the act is adopted on your side.

May I then give the floor to my colleagues from Norway and Liechtenstein to give their statements?

Intervention of Minister Anniken HUITFELDT on behalf of Norway

Mr Chairman,

In an unstable world, this Council meeting proves that some things remain rock solid. One of them is our EEA cooperation.

The European Economic Area has served us well for almost 30 years. We must continue to ensure that these benefits are maintained.

This is important for our businesses and stakeholders, to ensure a level playing field. All parties benefit from a common set of rights and obligations.

This is no less valid during a crisis.

It is therefore a great pleasure to meet with my colleagues in the EEA Council again.

I believe we have two main tasks:

First, to ensure that the internal market continues to function well.

And second, to stand together in addressing the threats on our doorstep and beyond.

At our meeting in May, we pledged unity in supporting Ukraine in its fight against the Russian invasion. We stand with the EU and other partners to ensure that sanctions are targeted and effective. Norway will provide an additional 1 billion euros to Ukraine in 2022 and 2023.

And we will continue to support Ukraine for as long as it takes. The reconstruction effort will be of a scale not seen in Europe since the Marshall plan.

Our efforts must be well coordinated and well-planned – and monitored. You cannot compare the reconstruction of Ukraine with the rebuilding efforts we made in Afghanistan. But we know from evaluations of those efforts that good will is not enough. We need to coordinate well.

Mr chairman, colleagues,

We are facing a security crisis on a scale not seen since the Second World War.

We must be prepared for the unexpected. For more uncertainty. More instability.

The very core of democracy is under threat.

Unity is our most important weapon.

That is also why I want to highlight our efforts to reduce social and economic disparities in Europe. The EEA and Norway grants contribute to upholding democracy, the rule of law and an independent judiciary across the internal market. It also helps protect civil society space. In light of Russia's attempts to divide us, that is more important than ever.

We have started negotiations on a new funding period for the Grants. The main goals are clear: reducing economic and social disparities and strengthening bilateral relations.

Good governance must be given high priority. Promoting democracy and the rule of law will be a key focus for Norway in a new period as well.

Parallel negotiations are under way on market access for fish and seafood. The EU is dependent on imports of seafood from Norway, both to supply the EU's processing industry and to satisfy consumer demand.

Today's tariff regime imposes substantial burdens on importers and exporters. We expect the negotiations to lead to substantial improvements in the trade regime for seafood.

Mr Chairman, colleagues,

Russia's attack on Ukraine has global ramifications. There is an energy crisis. A cost-of-living crisis.

But there is also a climate crisis that still needs our attention.

We must transform the energy sector to meet our climate targets.

It will be crucial to continuously develop the framework - in order to accommodate new industries, new business models and more ambitious climate targets.

International trade is crucial to achieve the green transition. The internal market is Norway's most important market. Therefore, the EEA Agreement will be a key part of the framework for cooperation on the green transition as well.

Participation in EU programs, agencies and platforms are important supplements to our regulatory cooperation.

In addition to climate efforts and the European Green Deal, Norway focuses on other core priorities in EU cooperation. This includes the digital transformation, strategic value-chains and research and innovation.

Progress here is essential to ensure a strong and competitive economic base in the whole of the EEA – and Norway is an active partner in reaching ambitious objectives under these headlines.

Today's orientation debate will focus on the challenges in the energy sector. We value our dialogue with EU countries and the Commission on these issues.

We remain ready to work with you to safeguard Europe's security of supply.

We are concerned about the domestic content and production requirements in the US Inflation Reduction Act. This which will discriminate against Norwegian and European producers.

Norway shares the EU's concerns regarding the Act. Building resilience is important, but it must not be a pretext for protectionism.

Norwegian companies are an integral part of European supply chains and the internal market.

It is important that we are included in any potential solutions reached by the EU and the US. Not just for Norwegian companies, but also to ensure the resilience of European supply chains.

Colleagues,

We share fundamental common interests. It is critical that we continue to cooperate closely to address common challenges.

Intervention of Ambassador Pascal SCHAFHAUSER on behalf of Liechtenstein

Dear Vice-President, dear Ministers, dear Managing Director,

Let me start by conveying my Minister's warm greetings. Due to important other travel commitments, she is unfortunately unable to be with us here today and sends her sincere apologies.

The so-called permacrisis, to use the Collins Dictionary word of the year for 2022, has underlined once again that European cooperation is key to solving European problems and that we are often best at cooperating, the more severe the crises we face. This fact seems to be part of Europe's strength and weakness in equal measure and there is always the hope that we learn in crises how to work better together in stable times. As an EEA EFTA State, we consider ourselves an integral part of the European crisis management. Since the beginning of the war in Ukraine, we have autonomously implemented all EU sanctions against Russia, welcomed more people fleeing Ukraine than we received people fleeing the Yugoslav Wars in the 1990s and made available substantial humanitarian aid in and around Ukraine.

We equally consider ourselves part of the European response to the ensuing energy crisis. For one thing by taking our EEA obligations in the context of the EU Green Transition very seriously. As underlined in our joint statement, a faster energy transition will be part of enhancing our energy security. The REPowerEU plan also includes proposals revising EEA relevant acts in fields such as renewables and energy efficiency. Liechtenstein stands ready to contribute to the maximum

effectiveness of EU measures addressing the European energy crisis. If it comes to EU emergency measures in response to high energy prices that are not EEA relevant, allow me to kindly remind the EU to always also keep the EEA/EFTA States in mind when regulating to rule out possible unintended consequences, comparable to the export restrictions during the Covid-19 crisis.

Another field of important EU activity – not in response to imminent crises but rather to ensure Europe’s competitiveness for the longer term – is the digital transition. EU action in this field is key to ensuring that Europe not only takes part in the digital transformation but actively shapes it in line with European values. Against this background, Liechtenstein particularly welcomed initiatives in the area of e-government, for example the Single Digital Gateway, reducing administrative burdens for citizens, businesses and national administrations. We also strongly support the creation of European data spaces as a sign of European solidarity and incentive for innovation. Innovation as the basis of future value creation in Europe in the digital age should always be a primary concern when regulating. If our focus is too much on risk limitation, for example in the area of artificial intelligence, we run the risk that innovation becomes more costly in Europe than in other places and moves abroad.

Looking ahead with regard to the digital agenda, allow me to highlight one particular piece of legislation: The MiCA proposal. Liechtenstein was one of the first states in the world to comprehensively regulate token and trusted technology service providers in 2020. We welcome the MiCA proposal as it lays down a regulatory framework for crypto-assets supporting their potential in a way that preserves financial stability and protects investors. As this is a common goal, a simultaneous date of application of MiCA in the EEA EFTA States as in the EU Member States is essential to ensure that all financial intermediaries active in the EU/EEA can profit from the same passporting rights and contribute to financial stability.

Allow me to dwell a little bit longer on the just addressed issue of the timely incorporation of EEA relevant EU acts into the EEA Agreement. In recent months and thanks to our joint efforts, we managed to speed up the incorporation process in several fields. Nonetheless, we all need to put an even stronger focus on the speedy incorporation of new EU acts and – equally important – on lifting constitutional requirements. Only once national constitutional procedures have been finalized in the EEA/EFTA States that invoked them, EEA relevant EU acts become applicable in the entire EEA Internal Market. In this context and on a more technical note, I would also like to thank the Secretariat-General and the translation team of the EU Commission for speeding up the German translation of Joint Committee Decisions adopted in 2022.

Lastly, let me conclude with the clear message that the absence of conclusions for the third time does in no way reflect the excellent and mutually beneficial relations between the EU and the EEA/EFTA-States. If the saying that “all good things come in threes” can be reversed, we have high expectations that we will overcome this impasse in Spring 2023.

Intervention of Minister Thórdís Kolbrún Reykjörð GYLFADÓTTIR on behalf of the EEA EFTA side

Would the EU side like to make any further comments?

Intervention of Vice President Maroš ŠEFČOVIČ on behalf of the Commission

The period we are going through is one of the toughest in the history of the EU. We are paying increased prices for energy, there are huge social tensions and it is not easy for governments to govern.

Despite this, we have given EUR 23 billion to Ukraine this year and will give EUR 18 billion next year.

This is a very exceptional and difficult time and this must be borne in mind as it frames a lot. We spend a lot of time on energy and other issues.

The world is a tougher place. The US Inflation Reduction Act is an example. China is also trying to be a global power, using its subsidies and economic policies. We should be under no illusion that competition will be fiercer and tougher.

The Inflation Reduction Act was an unpleasant surprise. We are assessing the possible impacts and are in discussion with the Americans.

On the ETS and aviation, we promised to look at the figures provided by Iceland and we have done so. We agree that there is an impact but we disagree on the severity. We are ready to discuss further. Solutions will need to be compatible with climate objectives, the EEA Agreement and the ETS.

Solutions proposed include what we can do with sustainable aviation fuels. We should continue the discussion.

On COVID-19, I am glad that we found solutions and that we continue to work closely. We are learning from this crisis so that we can build a stronger EU Health Union.

**Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFAÐÓTTIR on behalf of the EEA
EFTA side**

Thank you, if there are no further comments, I hereby conclude the discussion on the functioning of the EEA Agreement.

6. ORIENTATION DEBATE: ENERGY TRANSITION AND ENERGY SECURITY

Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFAÐÓTTIR on behalf of the EEA EFTA side

Dear colleagues,

Let us now turn to the next item on the agenda, our orientation debate on the energy transition and energy security.

The global energy market disruption has impacted Europe as a whole and tested our energy markets in various ways.

Before we present our national statements let me say that the EEA EFTA States come from different starting points when it comes to energy. However, we all take part in energy cooperation in the EEA Agreement, and benefit from stable and well-functioning energy markets.

I will first give the floor to the EU Council Presidency.

Intervention of Minister Jan LIPAŤSKÝ on behalf of the European Union

Dear Colleagues,

I consider our debate today a valuable opportunity to discuss possible ways to enhance our cooperation in the energy field considering the environmental and geopolitical challenges that we are facing.

Climate change is a long-term problem that has been overlooked for a number of years, but the urgency to take action has gone higher and higher on the political agenda in the last decade. The calls for action recently expressed at the COP27 in Egypt need to find actual responses in our policy choices.

This year another element added complexity to the challenges of designing a sound and sustainable energy policy. Russia's unprovoked and unjustified military aggression against Ukraine had dramatic consequences on energy markets: the reduction in Russian gas imports and the surge in energy prices jeopardized economic development worldwide, with severe repercussions for the most vulnerable components of our societies.

The EU and its Member States are dynamically reshaping their energy strategies to reflect the new geopolitical situation, addressing the need for affordable and sustainable energy. EU's response to the energy crisis includes actions to increase energy supply from EU's trusted partners, as well as measures to contain energy demand and enhance energy efficiency in consumption. Considering the challenges of the current geopolitical context, it is crucial to accelerate our transition to clean energy and end the dependence on Russian energy sources as soon as possible.

To meet these objectives the EU is using a number of policy tools and legal instruments. The European Green Deal provided for a strategy tackling climate change by reducing greenhouse gases emissions by at least 55% by 2030 and becoming climate neutral in 2050.

Consequently, last year the European Commission launched the fit for 55 package, a set of interconnected proposals in the fields of aviation, maritime transport, renewable energy, energy markets and energy efficiency that transpose the Green Deal vision into concrete actions.

This year the EU had to accelerate on its path to renewables deployment and energy security. The consequences on the markets of the Russian aggression on Ukraine made it clear that energy supply diversification and energy efficiency are crucial elements of our emergency response. The recent REPowerEU Plan, the Regulation on Gas Storage, and the Gas Demand Reduction Plan, put in place a framework responding to the energy crisis.

The Commission is also proposing a “circuit breaker” mechanism to halt trading of gas and electricity derivatives in periods of extreme volatility and the creation of a new benchmark for liquefied natural gas (LNG). A platform for joint purchases has been set up, which shall also help stabilising the energy prices. Lastly, the EU is also considering a mechanism of dynamic gas price cap.

Given the current challenging geopolitical outlook, the EU welcomes the strong cooperation with Norway, Island and Liechtenstein, and cherishes the common efforts to stabilise markets and ensure the availability of resources.

In addition to the common ongoing actions to respond to the current crisis, the EU also supports our long-term cooperation on offshore renewable energy, hydrogen, carbon capture and storage, and energy research and development. These are key areas to ensure the long-lasting prosperity and development of our societies.

Intervention of Vice President Maroš ŠEFČOVIČ on behalf of the Commission

Europe is facing the most serious energy crisis since the 1970s global oil crunch.

Our energy sector was under pressure already before Russia's invasion of Ukraine, mainly because global demand for energy was picking up.

We also have to deal with the impacts of the war, increasing inflation and the weaponisation of supplies from Russia.

At the same time, this is a unique opportunity to speed up the decarbonisation of Europe. With the REPowerEU Plan, we aim to remove dependence on Russian fossil fuels well before 2030.

The European Green Deal remains a priority of the von der Leyen Commission.

We need to ensure that the EEA Agreement helps to deliver on these political objectives. We need to jointly reflect on how the EEA Agreement can help us weather the current storm, which lessons we can draw from it for security of supply; and how the EEA Agreement should help us in delivering a decarbonised Europe that is independent of Russian fossil fuels before the end of this decade.

The REPowerEU framework sets the objective of ending the dependence on Russian fossil fuels well before 2030 and accelerating decarbonisation.

In the short term, the EU has developed measures to curb gas demand by at least 15% and requested the Member States to fill in the gas storages. Today, our storages are filled at 95% - which led to a temporary decrease in gas prices at wholesale level.

Today, Russia accounts for only 7.5% of our pipeline gas supply, while Norway is now responsible for 25% and LNG accounts for a further 40%. As regards security of gas supply, we are cautious but well equipped to face this winter.

Regarding electricity, over 20 Member States have taken measures to support consumers and businesses with their electricity and gas bills. We have mobilised Member States to cut demand by 10% for electricity, including 5% of peak demand. We put a levy on the revenue of certain electricity producers to address windfall profits, and introduced a solidarity levy to fossil fuel producers.

The EEA Agreement provides the basis for our trade and investment in the energy sector.

The rules on security of gas supply currently do not apply in the EEA, as you consider them to be outside the scope of the Agreement.

However, thanks to the EEA, also our electricity markets are more closely connected than for gas.

The Commission is convinced that, by and large, the current electricity market design has delivered significant benefits to the EU and the EEA as a whole.

Therefore, the biggest contribution of the EEA framework to the current crisis is that it already provides the bedrock of our energy relationship.

Having said all that, there is always room for improvement: We need to ensure that rules on security of supply in the electricity sector are fully updated under the EEA. We should also reflect critically on the current non-application of rules on security of gas supply. These questions are a sign of a wider challenge we face: how to deal with the backlog of energy acquis that still needs to be incorporated? Today, less than half of the energy acquis we adopted since 2009 has been transposed within the EEA.

Despite the challenging situation, the EU is committed to implementing the European Green Deal and reaching our new targets by 2030 and climate neutrality by 2050.

Second, the REPowerEU Plan takes steps to accelerate decarbonisation further, based on the Fit for 55 proposals.

Hydrogen is the energy carrier of the future and we aim to create a market for it.

With the proposed measures, renewable hydrogen can substitute imported Russian natural gas.

In addition, President von der Leyen announced an EU Hydrogen Bank in September. This facility will guarantee the advance purchase of renewable hydrogen through public tenders as we scale up the hydrogen market in coming years.

Much work is ahead of us to prepare the energy sector for decarbonisation.

The challenge is there but it is a positive agenda and we must embrace it wholeheartedly.

I am convinced that the EEA Agreement provides the robust framework we need to tackle it head on, by ensuring we can incorporate the new legislative frameworks quickly.

It therefore becomes evident that we need to identify how to handle the outstanding energy acquis swiftly, so that the basis is provided for the decarbonisation.

Electricity and renewables must be given priority treatment, to pave the way for the decarbonisation package.

Intervention of Managing Director Angelina EICHHORST on behalf of the EEAS

The EU and the world are facing both the existential threat of climate change and a worsening energy crisis. Russia's unprovoked military aggression against Ukraine has massively disrupted the global energy security system, affecting people in all corners of the world.

The EU is working to address and mitigate the global impact of Russia's war of aggression against Ukraine. Multilaterally we are actively contributing to support the responses of the UN, IRENA, IEA, the International Financial Institutions; all having a key responsibility in promoting the energy security and transition globally.

We will accelerate the rollout of renewables, energy efficiency and savings measures across the world. Notably, we will facilitate sustainable investments and connectivity through Team Europe and Global Gateway initiatives such as the Just Energy Transition Partnerships.

The EU and UN should reinforce engagement with partners to strengthen energy security and accelerate a green transition across the globe.

In the short-run we need to develop solutions that support stability in global energy markets, for instance by maximising production capacities to ease a current scarcity of supply, and minimising at the same negative economic impacts, especially on low- and middle-income countries.

Specifically, we are open to discuss possible global energy coordination mechanisms (e.g., through a political/energy dialogue), notably with East Asia, and ensuring open, flexible, liquid and well-functioning global LNG markets.

With the price cap imposed on Russian oil we are creating clear incentives for key actors in global oil markets to maintain the flow of Russian oil. This will achieve both of these objectives at the same time.

The EU and like-minded partners should reinforce mutual engagement to strengthen energy security and accelerate a green transition across the globe. In the medium and long-term the green energy transition is – more than ever - the chief remedy to ensure sustainable, secure and affordable energy worldwide. Our joint efforts should focus as well on making energy saving a global priority, decreasing global demand and easing the pressure on the global energy markets.

As stressed in the REPowerEU plan, the current need to shift away from Russian fossil fuels does not mean we are going to scarify our climate ambitions. We will stay on track to meet our 2030 and 2050 climate targets regardless of all the diversification efforts and fuel-switching options the EU member states are undertaking to tackle the immediate and protracting energy crisis.

Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of Iceland

We all realised before Russia's baseless invasion of Ukraine that the clean energy transition was one of the biggest tasks of our times. How else are we going to meet our climate goals and deliver for future generations? While Iceland may take issue with how we reach our targets in finer detail - as stated in my earlier intervention as regards aviation – we share the goals 100%. We even aim to be carbon neutral by 2040.

However, the invasion has also crystalised something that - in particular - our partners in East-Europe had long said: Reliance on fossil fuel is also perilous - energy could easily be weaponised. One thing is price and supply manipulation. Another is barbaric and inhuman targeting of critical energy infrastructure ahead of winter, as we have for example witnessed in Ukraine, not least in recent months.

And while the war in Ukraine has made the link to hard security evident, energy security is a multifaceted challenge. Take food security for example, something we all take more seriously nowadays. While Icelanders could live long without imported food, if faced – for some reason - with no imports of fossil fuels our society would ground to a halt in a matter of months. At the same time, we wouldn't be able to provide our markets with our valuable and nutritious seafood. Our ships neither run with hydrogen nor electricity as of yet.

The case for energy transition is therefore also multifaceted and why it is the best way to enhancing energy security in a narrow as well as wide sense.

Our prior energy transition – moving to geothermal heating for houses and with green electricity - means that Iceland is in a different situation than many countries on the Continent, and we must

remain humble about it. In the field of geothermal energy, we are as ever willing to share our experience with countries who possess this resource so it can be of use for others as well. As a spin from harnessing geothermal energy, we see innovative solutions on carbon capture and storage, that can help us all offset the climate effect of using our own fossil fuel resources to lesser detriment to nature. In that regard, I would like to use this opportunity to express my appreciation for the grant that the company Carbfix has recently received from the European Union to develop and roll out their technology further.

Our task now in Iceland on the energy transition is therefore a bit different than in many European countries. Our focus is on the transport sector, starting with land transport and then moving on to maritime and aviation as technology progresses. Then there are other sectors, like the construction sector. How do we produce more climate friendly concrete and construction materials? Recently, I also heard of an innovative company that is considering producing fertilizers large scale with waste from onshore aquaculture. Such development is of course highly welcomed as part of the overall efforts.

The energy transition in Iceland requires more energy. This is a domestic debate. How do we get this new energy needed? Wind - something with long history in many country - seems logical to many. But questions like “how and where?” are very much debated in Iceland right now as we have been able so far to harness hydro- and geothermal power for all our needs. I’m sure this will be debated in many countries for other energy options – on the need for more energy but also our duty to coming generations on preserving our environment. As in the past, we will have to make tough decisions based on some compromise.

As a final point, we must not trade one dependency for another. While the energy transition will provide us with new energy sources, some of the technology required is reliant on raw materials and rare earth metals that we will have to secure from external sources to a large extent. Here supply diversification will be key and international trade will continue to play an important role in our energy security, whether we like it or not.

While we sit here and talk and provide leadership – and while we can provide powerful incentives through our rule setting – it is critically the private sector and citizens who do the footwork. What has made us what we are is the human spirit to invent, adjust and progress. The private sector will deliver solutions quick and fast as long as they are economical – and one of our critical roles is not

to be in the way. Our other critical task is to bring and keep the people with us on this important journey.

I will then give the floor to my colleagues from Norway and Liechtenstein. Let us start with Norway.

Intervention of Minister Anniken HUITFELDT on behalf of Norway

Thank you. Mr Chairman, colleagues,

Norway was a founding member of NATO in 1949. A key factor that led to that decision was the Soviet-backed coup in Czechoslovakia. Norwegians were shocked to see the events that unfolded in Prague and the rest of the country.

Two months after the coup, our neighbour, Finland was pressured to enter into a so-called “friendship agreement” with the Soviet Union.

This added to our determination.

Our choice in 1949 has served Norway well for more than 70 years.

Today, it is the war in Ukraine and its ramifications that is forcing countries in Europe to make strategic choices for their future.

Russia is waging an energy war against Europe. Like President Michel has put it: the Kremlin is using energy as a weapon of mass destabilisation. This puts us all to the test.

Norway commends the EU for not losing sight of long-term goals in the face of acute crises. Norway is your partner – both in securing energy for Europe and in ensuring a sustainable energy future.

As Prime Minister Støre and Commission President von der Leyen have jointly declared. We are working closely together: to stabilize gas markets, and to counter Russian attempts to manipulate and weaponize them.

The key to achieve this is to reduce the gap between. On the one hand, the limited offer of gas, and on the other hand, the high demand.

We must address the root causes – and not just the symptom, namely excessive prices.

We salute the measures implemented on the EU side to accelerate the reduction of gas demand. At the same time we must step up the transition to renewable energy.

We are fully committed to the same climate goals. We are now conscious of the amounts of energy needed both to succeed with the green transition, and to liberate Europe from dependence on Russian energy.

A lesson learned this past year is the need to ensure security of supply when moving from one energy system to another. We need more than visions for the future. We need concrete actions.

Norway will continue to make important contributions to respond to energy shortage in Europe. We have become the largest energy supplier to Europe, and we will not fail you.

Together with field operators, we are turning over every stone to make sure we extract as much as we possibly can to ensure security of supply and predictability.

Companies on the Norwegian Continental Shelf are on course to deliver 122 billion cubic metres of gas this year. This is an increase of more than 8 % from 2021. We have contributed to the successful filling of European storages for this winter.

A key concern is to ensure the security of critical energy infrastructure. We have over 9000 kilometers of submarine pipelines – not to mention a huge network of underwater cables. We have stepped up surveillance and protection measures. We also closely monitor critical infrastructure on land.

At the same time, Norway needs to double down on its efforts to build a sustainable future, as does the EU and indeed, the world.

The fit-for-55-package will be an important instrument in meeting our ambitions. We will assess EEA relevant parts of this package for incorporation in the EEA Agreement.

Norway will reduce emissions by at least 55 % by 2030 compared to 1990 levels. We will meet this target in cooperation with the EU.

We will increase our carbon tax to 200 euros per tonne by 2030. We will fulfil our pledge to double climate finance within the next four years. And we are committed to tripling our adaptation finance.

Creativity and investment in new industrial solutions and markets in Europe will be crucial moving forward.

Norway will be a partner in implementing the European Green Deal. We can provide: experience, innovative technology and relevant expertise in areas such as carbon capture, utilization and storage (CCUS), offshore wind and green shipping.

Carbon capture is a key technology in helping to decarbonise Europe's energy-intensive industries. It will also be important in the development of low-carbon hydrogen. We want to help build a robust market for carbon capture as well as hydrogen in Europe.

Norway has high ambitions relating to offshore wind. We will work together with EU countries to develop offshore wind, including in the North Sea. This will be a major contribution in promoting the green transition and ensuring energy security.

Norway seeks to play a significant role along the entire European battery value chain. We will promote a stronger, more self-sufficient European battery industry: by providing critical raw materials, by establishing new factories, and by recycling batteries.

No other partners to the EU have such a close relationship and so broad agreements than the EEA EFTA states. We share not only fundamental values and climate objectives – but also a common regulatory framework. We must continue to put our minds together, and work together to stabilise energy markets, ensure energy security, and speed up the shift to a low- and ultimately zero-carbon future.

To this effect, we are working to establish a Green Alliance between Norway and the EU. This illustrates our commitment to building an even stronger partnership to advance the green transition.

Intervention of Minister Thórdís Kolbrún Reykjörð GYLFADÓTTIR on behalf of the EEA EFTA side

And now we will hear from Liechtenstein.

Intervention of Ambassador Pascal SCHAFHAUSER on behalf of Liechtenstein

Dear Vice-President, dear Ministers, dear Managing Director,

I would first like to thank the EU Council Presidency, the Vice-President of the Commission, the EEAS and the Icelandic Minister for sharing their insights and reflections.

The interrelation of the two items of today's orientation debate – energy transition and energy security – illustrates one of the most productive paradoxes of human existence: That every fundamental crisis holds an equally fundamental opportunity for change and progress. Or to say it with the words of the German writer Friedrich Hölderlin “Wo aber Gefahr ist, wächst das Rettende auch“ which loosely translates into English as “But where there is danger, the saving powers will grow as well.”

While one of the most fundamental and unpredictable dangers of our times and future generations will be the crushing impact of climate change, the currently experienced energy crisis can create the momentum, Europe needs to further increase its ambition and pace with regard to the energy transition. Renewables – if originating from Europe or reliable partner countries – no longer only further our climate goals, they contribute to our energy security and strategic autonomy. This considerably increases their political currency.

Due to our EEA membership, EU acts promoting the Green Deal or regulating the energy sector that are relevant for the Internal Market, are or will become applicable in Liechtenstein too. Besides, as a country heavily reliant on energy imports from European markets, even EU policies and decisions affecting the European energy market that are not EEA relevant often have a bearing on us, including the sustainability of our energy mix.

While Liechtenstein has been highly committed to its EEA and international climate obligations, this year's geopolitical shift has also pushed my Government to move even faster towards sustainable energy production and consumption.

Like the EU, for example, Liechtenstein decided on a gas savings target similar to the 15% savings target agreed by EU Ministers in August. By the end of October, the savings in Liechtenstein's gas consumption compared to the reference consumption amounted to 23.4 %. This saving results from the reduction in consumption by households and businesses, the replacement of natural gas-powered heating systems with district heating or heat pumps and the conversion of dual-fuel systems from natural gas to oil. The mild weather in October was of course also welcomed.

In response to the events this year, my Government also quickly adopted an Energy Action Plan: Besides contingency planning, it strongly rests on the principles of diversification and accelerating

the energy transition. To diversify, we entered into new agreements with reliable partners, including Norwegian gas providers. To accelerate the energy transition, we launched energy saving campaigns and support to companies and households for the transition to greener and more efficient energy usage.

This last point is very important to us: As an Alpine country highly affected by climate change, Liechtenstein attempts to lead the way to a sustainable economy and society. Already now, basically 100 % of the electricity we produce domestically stems from renewable sources, meaning hydro plants and solar power. Liechtenstein is the world leader of installed photovoltaic capacity per capita. Since 2008, the Government has been supporting solar energy and just again increased subsidies in this field.

Nonetheless, as of now, we can only cover 25 % of our electricity demand by local production. The goal is to increase our self-sufficiency in electricity to 33% by 2030, primarily through photovoltaics. To this end, the expansion target for photovoltaics for the period 2021-2030 was increased from 2.5 to 5 megawatt peak per year (MWp/a). As far as we know, this is the highest rate of expansion per inhabitant in international comparison. To support this goal and increase our reliance on national renewables, a law requiring photovoltaic installations on roofs of new buildings and for existing buildings as of 2035 is currently being drafted. The bill also includes a ban on the installation of new fossil heating systems and a ban on replacing fossil heating systems with new fossil heating systems. It requires all newly installed heating systems to be converted to renewable energy.

Liechtenstein is a highly industrialized country. 46 % of our gross value added stems from industry, producing high-end and niche products. This is why the emission reduction of our industry matters greatly for our country's overall progress in cutting CO2 emissions. Accordingly, laws such as our Energy Efficiency Act and strict building regulations are so important.

Combating climate change, however, will not be successful based on Government action and regulation alone. Liechtenstein enterprises are highly innovative and invest a lot of money and resources to increase their use of renewables and to save energy. Many companies switch to heat pumps or connect to district heating and use their roofs for large photovoltaic installations. Our companies are also highly innovative in the fields of water treatment and water re-cycling and the production of heat recovery systems.

The Liechtenstein Government and private sector are pushing hard in other fields too to speed up the green transition; but this will not happen over night. The transition takes time and until then we are and remain dependent on fossil fuels, in particular gas, which remains our second most important source of energy. The security of supply and the distribution of gas at an acceptable price hence is a topic of high importance to us and decisions taken on a European level affect us directly.

Looking ahead, Liechtenstein welcomes an enhanced cross-border integration of energy systems. Just think of solar or wind energy, which fluctuates according to the weather. The balancing energy – in our case mostly hydro power – should be organised and provided together. This has economic advantages, since there are good balancing effects in the European context and across geographical borders. This is why our National Energy Strategy 2030 assumes that a good integration of energy markets will perform better economically and in terms of security of supply than stand-alone solutions. We are of course aware, that current developments put the trend towards integrating energy markets to the test.

But as mentioned at the outset of my statement, “where there is danger, the saving powers will grow as well”. It is against this background that we hope that the ongoing crises will result in increased European cooperation and strengthen our solidarity, rather than the opposite. As an EEA member state, Liechtenstein is determined to continue and expand this common path.

Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFAÐÓTTIR on behalf of the EEA EFTA side

Would the EU side like to add anything?

Would my colleagues from Norway or Liechtenstein have any further comments?

If there are no more comments, I would like to conclude this item by thanking all participants for an interesting debate.

7. OTHER BUSINESS

Intervention of Minister Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

We then approach the last agenda item for today, namely, other business. Would the EU side like to raise any other issues?

Intervention of Minister Jan LIPAVSKÝ on behalf of the European Union

No, thank you, we do not have any topics to raise under 'Other business'.

Closing remarks of Minister Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

We have then concluded the items on our agenda today. I would like to thank the Czech Presidency, the European Commission, the Council Secretariat, the European External Action Service and my colleagues from Norway and Liechtenstein, for their participation and constructive dialogue in this meeting. We look forward to working with the Swedish Presidency in the first half of next year.

Closing remarks of Minister Jan LIPAVSKÝ on behalf of the European Union

From my side, I would like to thank you all for your attendance and your contributions to this very constructive meeting.

Closing remarks of Minister Thórdís Kolbrún Reykfjörð GYLFADÓTTIR on behalf of the EEA EFTA side

The meeting is closed.

55th meeting of the EEA COUNCIL**(Brussels, 23 November 2022)****INDICATIVE LIST OF PARTICIPANTS AT THE PLENARY SESSION****Icelandic Delegation (EEA EFTA Chair)**

H.E. Ms Thórdís Kolbrún Reykfjörð GYLFADÓTTIR	Minister for Foreign Affairs
H.E. Mr Kristján Andri STEFÁNSSON	Ambassador, Mission of Iceland to the EU
Ms Inga Hrefna SVEINBJARNARDÓTTIR	Political Advisor to the Minister for Foreign Affairs
Mr Ingólfur FRÍÐRIKSSON	Deputy Director General, European Affairs, Ministry for Foreign Affairs
Ms Sesselja SIGURÐARDÓTTIR	Deputy Head of Mission, Mission of Iceland to the EU
Ms Katrín SVERRISDÓTTIR	Director of EEA Cooperation, Mission of Iceland to the EU

Liechtenstein Delegation

H.E. Mr Pascal SCHAFHAUSER	Ambassador, Mission of the Principality of Liechtenstein to the EU
Ms Andrea ENTNER-KOCH	Director of EEA Coordination Unit
Ms Nuscha WIECZOREK	Deputy Ambassador, Mission of the Principality of Liechtenstein to the EU
Ms Daniela SELE	Second Secretary, Mission of the Principality of Liechtenstein to the EU
Ms Laura MANCO	Temporary Officer, Mission of the Principality of Liechtenstein to the EU

Norwegian Delegation

H.E. Ms Anniken HUITFELDT	Minister of Foreign Affairs, Ministry of Foreign Affairs
H.E. Mr Rolf Einar FIFE	Ambassador, Mission of Norway to the EU
Ms Laila STENSENG	Director-General, Department for European Affairs and International Trade, Ministry of Foreign Affairs
Ms Eirin Kristin KJÆR	Political adviser, Ministry of Foreign Affairs
Mr Per STRAND SJAASTAD	Deputy Head of Mission, Mission of Norway to the EU
Mr Jørn GLOSLIE	Director, Ministry of Foreign Affairs

EU Council Presidency

H.E. Mr. Jan LIPAŮSKÝ	Minister of Foreign Affairs
H.E. Ms. Jitka LÁTAL ZNAMENÁČKOVÁ	Ambassador, Permanent Representative to the Political and Security Committee (COPS), Deputy Head of the Czech Permanent Representation to the EU
Ms Jana BRÁZDOVÁ	Junior Deputy Minister for European Issues, Director, EU Policies Department, Ministry of Foreign Affairs
Mr Petr HAVLÍK	Minister-Counsellor, Chair of the EFTA WP, Permanent Representation of the Czech Republic to the EU

European Commission

Mr Maroš ŠEFČOVIČ	Vice-President, Interinstitutional Relations and Foresight
Ms Camille HUBAC	Member of Cabinet
Mr Nicolas VON LINGEN	EU Chair of the EEA Joint Committee, Head of Unit for EEA, Switzerland, Andorra, Monaco, and San Marino

EU Council Secretariat

Ms Helene HOLM-PEDERSEN	Director, DG RELEX, Enlargement and Europe
Mr Efstratios PEGIDIS	Political Administrator, Desk EFTA WP

European External Action Service

Ms Angelina EICHHORST	EEAS Managing Director for Europe
Ms Clara GANSLANDT	Head of Division
Mr Krassimir NIKOLOV	Policy Officer for Iceland, Liechtenstein and Norway, Division "Europe-1"

EFTA Secretariat

Mr Henri GÉTAZ	Secretary-General
Ms Siri Veseth MELING	Deputy Secretary-General
Mr Andri LÚTHERSSON	Deputy Secretary-General
Ms Marit C. SCHAGE ANDRIA	Director, Internal Market Division
Ms Marianna DI BRITA	Temporary Officer, EEA Coordination Division

EFTA Surveillance Authority

Mr Arne RØKSUND

President

Mr Árni Páll ÁRNASON

College Member

Mr Stefan BARRIGA

College Member

REPORT

Subject: Progress report of the EEA Joint Committee

Decision making

1. The EEA Joint Committee has adopted 123 Joint Committee Decisions (JCDs) incorporating 222 legal acts since the 54th meeting of the EEA Council on 23 May 2022. In the period from 1 January to 28 October 2022, the EEA Joint Committee has adopted 287 JCDs incorporating 516 legal acts. In comparison, during the period from 1 January to 28 October 2021, 269 JCDs incorporating 500 legal acts were adopted.
2. As of 12 October 2022, there were 574 legal acts outstanding where the compliance date in the EU had passed, compared to 614 acts on 13 April 2022. Since May 2022, therefore, the overall number of legal acts outstanding has decreased. Of the 574 legal acts outstanding on 12 October 2022, 217 acts are still in the early stages of the incorporation process, given that the compliance date in the EU has passed less than six months ago.
3. As of 12 October 2022, the number of JCDs awaiting the fulfilment of constitutional requirements where the six-month period had expired was 32, compared to 31 on 13 April 2022.

4. Important decisions incorporated since the 54th meeting of the EEA Council on 23 May 2022, include:

- Decision No 166/2022 establishing a general plan for crisis management in the field of the safety of food and feed,
- Decision No 176/2022 incorporating the Directive on Waste from Electrical and Electronic Equipment (WEEE),
- Decision No 189/2022 incorporating the Data Roaming Regulation,
- Decision No 196/2022 incorporating the General Block Exemption Regulation in the field of State Aid,
- Decision No 208/2022 incorporating Regulation (EU) 2022/1034 on a framework for the issuance, verification and acceptance of interoperable COVID-19 vaccination, test and recovery certificates (EU Digital COVID Certificate) to facilitate free movement during the COVID-19 pandemic,
- Decision No 226/2022 incorporating the Regulation establishing the InvestEU Programme,
- Decision No 227/2022 incorporating the Marine equipment act,
- Decision No 267/2022 incorporating Regulation (EU) 2021/392 on the monitoring and reporting of data relating to CO2 emissions from passenger cars,
- Decision No 271/2022 allowing for participation in the European Year of Youth 2022,
- Decision No 272/2022 incorporating Regulation 2018/273 on vine plantings,
- Decision No 285/2022 incorporating Regulation 2021/782 on rail passengers' rights and obligations,
- Decision No 288/2022 incorporating Directive 2019/1161 on the promotion of clean and energy-efficient road transport vehicles.

Decision shaping

5. The EEA EFTA States are participating in 13 EU programmes and 25 agencies, of which 19 are decentralised agencies and 6 are executive agencies.
6. Since the last EEA Council, the EEA Joint Committee has taken note of EEA EFTA Comments on the following subjects:
 - EEA EFTA Comment on the Green Bonds Regulation
 - EEA EFTA Comment on the Commission Proposal for a Regulation establishing the Union Secure Connectivity Programme
 - EEA EFTA Comment on the proposal for a revised Construction Products Regulation

Briefings in the Joint Committee

7. In the period from 24 May 2022 to 28 October 2022 the EEA Joint Committee has received briefings on:
 - EEA EFTA Comment on the Green Bonds Regulation
 - EEA EFTA Comment on the Commission Proposal for a Regulation establishing the Union Secure Connectivity Programme
 - EEA EFTA Comment on the proposal for a revised Construction Products Regulation
 - the REPowerEU plan from the European Commission

Status of issues outstanding

8. The discussions on the following issues have not yet been concluded:
 - Directive 2012/27/EU on energy efficiency,
 - Regulation (EU) 2017/460 establishing a network code on harmonised transmission tariff structures for gas; Regulation (EU) 2017/459 establishing a network code on capacity allocation mechanisms in gas transmission systems and repealing Regulation (EU) No 984/2013; Regulation (EU) No 312/2014 establishing a Network Code on Gas Balancing of Transmission Networks and Regulation (EU) 2015/703 establishing a network code on interoperability and data exchange rules,
 - Regulation (EU) 2018/1139 on common rules in the fields of civil aviation and establishing a European Union Aviation Safety Agency (EASA),
 - Regulation (EU) 2016/1199 amending Regulation (EU) No 965/2012 as regards operational approval of performance-based navigation, certification and oversight of data services providers and helicopter offshore operations (HOFO),
 - Regulation (EC) No 391/2009 on common rules and standards for ship inspection survey organizations and related acts (the Ship Inspection Package),
 - Regulation (EC) No 1829/2003 on genetically modified food and feed (GM Food and Feed),
 - Regulation (EU) 2019/2122 as regards certain categories of animals and goods exempted from official controls at border control posts, specific controls on passengers' personal luggage and on small consignments of goods sent to natural persons which are not intended to be placed on the market (Personal Consignments Regulation),
 - Regulation (EU) 2019/1149 establishing a European Labour Authority (ELA).
9. The Joint Committee has reiterated its determination to work towards the rapid conclusion of these issues.

Financial Mechanisms

10. The Agreement on the EEA Financial Mechanism and the Agreement on the Norwegian Financial Mechanism for the period 2014-2021 amounts to total contributions of 1548.1 and 1253.7 million euro, respectively.
11. Programmes and projects under both Mechanisms may be implemented through 2024. By 18 May 2021, all of the 97 programmes had been approved by the donors. The Commission has given its consent to all programmes.

The negotiations on the continuation of the EEA Financial Mechanism and the Norway Grants were launched on 16 June 2022.
