

# **Report of the Liechtenstein Chair of the EFTA Standing Committee**

## **First half of 2025**

### **Economic security**

At a time marked by geopolitical, geoeconomic, security and related trade tensions, the EEA Agreement continued to be a foundation of stability and prosperity for the thirty EEA States, Iceland, Liechtenstein, Norway, and the EU Member States. During Liechtenstein's term as Chair of the Standing Committee in the first half of 2025, one important emphasis was ensuring the EEA EFTA States' status based on the EEA Agreement is well reflected in EU measures to strengthen its economic security and competitiveness by means of the Internal Market. The importance of establishing a dialogue with the EU on economic security was underlined in the EEA Council as well as in the Joint Committee and it was agreed with the Commission to set up such a dialogue within existing structures.

### **30 years of Liechtenstein EEA membership**

These important developments coincided with the 30<sup>th</sup> anniversary of the entry into force of the EEA Agreement in Liechtenstein on 1 May 1995. Liechtenstein marked the occasion by official celebrations with high-level EU and EFTA guests, a government report on 30 years EEA membership and a representative survey among its citizens and economic operators, whose result reflected the high commitment to the Agreement in the country.

### **Incorporation of EEA-relevant legal acts**

Reducing the backlog of legal acts awaiting incorporation remained a central priority of the Liechtenstein Chair. During the term, a total of 161 Joint Committee Decisions (JCDs) were adopted, incorporating 284 legal acts into the EEA Agreement and reducing the number of outstanding acts after the last EEA Joint Committee meeting of the first half of 2025 to 533 legal acts.

Important legal acts among those incorporated included two decisions in the field of financial services adopted in February: A regulation on digital operational resilience for the financial sector (DORA) and a second regulation on markets in crypto-assets (MiCA).

Other noteworthy legislation incorporated into the EEA Agreement included an act on cross-border enforcement to enable exchange of information on traffic offenses, a legal act on investment policies and operating conditions for European Long-Term Investment Funds (ELTIFs) and a Directive on disclosure of income tax information to foster corporate transparency.

Good progress was made towards incorporating long outstanding acts into the Agreement, especially in the field of energy, financial services, and statistics, three areas where the backlog has been high. The EU and the EEA EFTA States made good headway

on the incorporation of important energy acts and incorporated 51 financial services acts, and 14 acts related to statistical cooperation.

Legal acts and policies with cross-sectoral implications were given special attention, in line with the recommendations of the Task Force on Cross Sectoral Initiatives. Work has commenced to streamline incorporation procedures and ensure efficiency gains in relation to the monitoring and adoption of cross sectoral initiatives, and other EU initiatives that require special attention.

The Chair continued to emphasise the importance of reducing the number of EEA Joint Committee Decisions where entry into force is pending due to constitutional requirements. It increased transparency and information sharing between relevant actors, paving the ground for a better overview of the status of constitutional requirements within national procedures. The number of constitutional requirements where the deadline of six months had passed decreased during the period and stood at 17 Joint Committee Decisions at the end of the period, compared to 23 at the first meeting of the Joint Committee on 7 February.

Under the guidance of the Chair, the Standing Committee also addressed some outstanding questions with regard to the delegation of authority and responsibilities of the EFTA Council with regard to the Financial Mechanism Office, resulting from its administrative links with the EFTA Secretariat and settled the internal cost sharing method for the new EEA Financial Mechanism 2021-28. In the ESA Court Committee, the Liechtenstein Chair guided the work on the revision of the Staff Regulations and Rules with regard to ensuring legal certainty on special salary adjustments.

A very successful EEA Council was held during Liechtenstein's term as Chair with a substantive orientation debate on economic security and a second round of agreed EEA Council conclusions after a three-year stalemate. The informal Political Dialogue in the margins of the EEA Council was chaired by the EU High Representative for Foreign Affairs and Security Policy, Kaja Kallas, and culminated in the signing of a joint statement on 30 years of cooperation on foreign and security policy between the EU and the EEA EFTA States and the way ahead.

### **Decision shaping**

The Chair made use of all relevant opportunities to identify and provide input regarding relevant EU legislation during this period. This included both proposals at pre-pipeline and pipeline stages. The EEA EFTA States, for the first time, submitted input into EU public consultations to two initiatives. The first was on the Single Market Strategy, where the EEA EFTA States were featured prominently. The second such submission was on the Commission's public consultations on the EU's next long-term budget (MFF).

The EEA EFTA States continued to publish and submit EEA EFTA Comments on relevant EU legislation and proposals. During the period four comments were published and submitted to the EU. The Standing Committee adopted a Comment on the participation of the EEA EFTA States in EU Programmes 2028-2034 where it underlined that the EEA

EFTA States shall have access to all programmes they participate in, and that their stakeholders should have the same rights and obligations as those from EU Member States.

Another Comment submitted during the period concerned economic security, namely the EU proposal on the screening of foreign direct investments. The EEA EFTA States highlighted that there was an inherent risk that the absence of harmonized screening mechanisms across the EEA could create loopholes, and underlined the importance of close cooperation and information sharing among the 30 EEA States. These Comments, along with two others listed below, were submitted to relevant actors in the European Commission, the European Parliament and the Council:

- Proposal to amend the Measuring Instruments Directive (MID)
- European preference requirement in public procurement, including “Buy European”

The Comments were presented and discussed with the EU at both expert level and in the EEA Joint Committee. The Comment on screening of foreign investments was presented to the Commission at the meeting of the EEA Joint Committee on 14 March, where the EEA EFTA States encouraged further discussion on how to take forward the proposals set forward in the Comment at the expert level. The EEA EFTA States and the Commission continued their dialogue on EEA EFTA States' participation in EU Programmes for the period of 2028-2034.

### **EEA outreach and transparency initiatives**

Following the European elections, the Chair also focused on raising awareness on the EEA EFTA States' position as the EU's closest and most reliable partners and on establishing good working relations with representatives of the new European Commission and European Parliament. As the EU continues to develop more legislation and measures to strengthen the competitiveness and resilience of the Internal Market, the EEA EFTA States engaged in closer dialogue with their relevant EU counterparts on these matters. This included exchanges in the EEA Joint Committee on important topics that are key to ensuring a dynamic and well-functioning Internal Market. Some of the topics discussed included the Commission Work programme 2025, the Clean Industrial Deal, the Single Market Strategy and the state of play of the EEA and Norway Financial Mechanisms 2021-2028 in the Beneficiary States. During Liechtenstein's time as Chair, parliamentarians from the EEA EFTA States, along with the Standing Committee Chair, also met with their counterparts in the European Parliament for the 63<sup>rd</sup> meeting of the EEA Joint Parliamentary Committee in May to discuss geopolitical challenges and developments in the Arctic.

The EFTA House continued to serve as a dynamic platform for outreach activities, with the biannual EEA Seminar taking place on 12 March, where also the Secretariat-General of the European Commission attended to discuss the importance of cooperating with the EEA EFTA States from the EU's perspective. A reception on the occasion of Liechtenstein's 30<sup>th</sup> EEA Anniversary for important EU and EFTA interlocutors was hosted

by Liechtenstein's Ambassador to the EU in his residence and the EFTA Working Party of the Council was invited to Liechtenstein for a two-day study visit at the end of June.

Efforts continued to strengthen the transparency initiatives of the Standing Committee, providing greater insight into the work of EFTA and EEA cooperation. Aligned with this initiative, work continued to establish a declassification policy and procedure.