Delegation for relations with Switzerland and Norway and to the EU-Iceland Joint Parliamentary Committee and the European Economic Area (EEA) Joint Parliamentary Committee

Report from the 50th EEA Joint Parliamentary Committee (JPC) meeting in Stavanger, Norway (7-8 May 2018)

Participating Members:
Mr Jørn DOHRMANN (ECR)
Chair
Ms Julia PITERA (EPP)
Ms Catherine STIHLER (S&D)
Ms Daniela AIUTO (EFDD)

Summary
The EEA Joint Parliamentary Committee is an advisory body that comprises members of the national parliaments of the EEA EFTA States and Members of the European Parliament (MEPs). It is not directly involved in the EEA decision-making process, but through reports and resolutions it aims to monitor and scrutinise EEA-relevant EU policies and decisions adopted in the EEA Joint Committee.

All elements of the programme (the EEA JPC meeting and the visit to an EU-funded project) fulfilled the expectations.

The EP delegation held a number of meetings in the margins of the EEA JPC programme to learn about Stavanger as a Lighthouse City in a Smart region.

Topics discussed and a list of meetings
Topics are presented in a chronological order.

- **Developments in the EEA Agreement.** Mr Boyan Natan, representing the President of the EEA Council, explained what could be expected from the EEA Council, scheduled to take place on 23 May. The representative of the Bulgarian presidency informed that an orientation debate would be held on the Review of the European Supervisory Authorities. Ministers are also – as usual – expected to adopt conclusions. In the margins of the EEA Council, Ministers would hold their regular political dialogue, focusing on the implications for the EEA Agreement of the UK’s withdrawal from the EU (Barnier was expected to attend this session for the third time) and on the EU’s engagement with the Western Balkans. Ambassador Bergdis Ellertsdottir, in her position as the EFTA Chair of the EEA Joint Committee and the EFTA Chair of the EEA Council, and Mr Skylv, in his role as the representative of the EU Chair of the EEA Joint Committee (EEAS) briefed the parliamentarians on the main achievements and challenges faced by the EEA since the last JPC meeting in Strasbourg in November 2017. While regretting continued delays in the incorporation of relevant EU legislation
into the EEA Agreement, both speakers expressed satisfaction about a breakthrough achieved in 2017 (27% increase compared to 2016) and particularly welcomed good progress in the area of financial services, which has for a long time represented a substantial part of the “backlog” (ca 1/3). Speakers noted good progress made in the area of the EEA and Norway financial mechanisms: after entry into force on 1 September 2017, 12 out of 15 Memoranda of Understanding have been signed and only 3 (Croatia, Hungary and Cyprus) are still pending. They welcomed the agreement signed with Norway on 4 December 2017 on further liberalisation of trade in (basic) agricultural products. The EU side regretted however the suspension by Norway of discussions on the protection of geographical indications and informed that the EU looks forward to starting negotiations on further liberalisation trade in processed agricultural products with Norway. They informed with satisfaction that with Iceland, on 1 May 2018, agreements on further liberalisation of trade in basic as well as processed agricultural products, and on the protection of geographical indications had entered into force. The EEA JPC concluded the debate by adopting by acclamation a resolution on the 2017 Annual Report on the Functioning of the EEA Agreement (enclosed).

• **The session on Brexit and the EEA.** The high-level panel included Norway's leading thinker on the EEA issues Mr Ulf Sverdrup, Director of the Norwegian Institute of International Affairs (NUPI). He spoke of a new era in EU-EFTA relations against the backdrop of a changing geopolitical and geo-economic situations and new European dynamics post-crisis and post-Brexit. According to him, the key issue would be the balancing between autonomy and integration, and the EFTA countries needed to focus on how to best ensure security, welfare and long-term competitiveness. He drew the following lessons for the UK from the EFTA/EEA experience: while it's relatively easy to leave the EU, it's difficult to leave the European integration and cooperation; domestic compromise is key for stability and predictability; contrary to widespread expectations, the EEA means not one but many agreements (e.g. Norway has currently over 100 agreements with the EU); the UK must get ready to join the “lobby nations”. Other EFTA speakers, Mr Engelschion from the Norwegian Ministry of Foreign Affairs, and Mr Grindheim, a political scientist at Civita and author of a recent study on the Norwegian business community's perceptions of Brexit, focused on fears of uncertainty. MEP Catherine Stihler (S&D, UK) outlined the EP position on the negotiations with the UK. The ensuing debate focused on whether the UK would/should join the EFTA and/or EEA. It was also considered whether the UK could by accident rather than by rational decision end up in the EEA (considered the most likely outcome by the academic experts).

• **Swiss-EU relations.** The Swiss delegation (observers at the EEA JPC) gave an overview of the main issues in the Swiss EU relations, including the progress made in the Institutional Framework Agreement negotiations. The aim is to conclude talks by July but there is currently no compromise in sight on the Swiss red lines regarding the flanking measures related to the free movement of persons agreement and the state aid provisions. The briefing touched also upon the Swiss “Mind the Gap” strategy that aims to ensure that the existing mutual rights and obligations between Switzerland and the UK will continue after the UK leaves the EU.

• **Cybersecurity in Europe.** MEP Julia Pitera (EPP, PL) kicked off the lively debate on cybersecurity in Europe by giving a detailed overview of the cybersecurity debate in
the European Parliament. The EFTA first speaker Mr Smari McCarthy (Pirate Party, Iceland) focused specifically on risk management – an issue he considered key. The expert explained that while a lot of good developments were taking place, he was concerned about the following issues, which are not being adequately addressed in his view: global military escalation online; traditional defences such as neutrality or membership of military coalitions becoming meaningless; the public being most exposed. He went on to argue that much of the cybersecurity risk is being created by organisations that should be protecting us, e.g. the NATO and the governments that have de facto created a market for “cyber weapons”. The primary form for these is a so-called 0-days, which according to him are relatively easy to create for any smart kid and which are sold on open markets primarily to governments. Another important issue that needs more attention in his view is protecting the public from psychosocial manipulations by networks or artificial autonomous agents. Increasing public awareness and systemic security are key actions to go forward, in his view. Effort should be put into systemic hardening of all computer systems, with priority to systems of high importance (financial systems, critical infrastructure, etc.) but not neglecting individual devices. He also advocated the appointment of national Chief Technology Officers with a security mandate and promoting the teaching of critical thinking to mitigate technical and psychosocial manipulation risks. The ensuing debate tackled the need to move away from the thinking based on borders, the need to convince the governments to commit and a better training in schools on how to behave on the web but also the concept of responsibility.

- The EU Mobility Package. MEP Daniela Aiuto (EFDD, IT) kicked off the debate on the EU Mobility Package with her meticulous overview of the state of play of the different files in the package. Mr Svein Roald Hansen (Labour Party, Norway) in turn focused on the social aspects of the mobility package, which have been particularly important for Norway. In its declaration of January 2018, the newly extended three-party government had underlined the importance of a level playing field in the European road transport sector and promised to contribute to better rules and fight against liberalisation of the cabotage rules. Since road transport is so international, a key priority for Norway has been to join forces with other like-minded countries to reach a common ground for what rules should serve as a basis for the internal transport market for the EEA. As the only non-EU member, Norway is part of the so-called Road Alliance with eight EU governments, which aims to safeguard social rights, enhance safety and ensure a well-functioning internal market based on healthy and fair competition. Other issues that may be of relevance for Norway are proposals linked to road charging and roll service.

- Clean Energy for All package. The EEA JPC returned to the issue of the Clean Energy for All package and D-EEA Chair Jørn DOHRMANN (ECR, DK) gave a briefing on the state of play since last November. He explained that the ITRE Committee, which is in the lead on almost all separate proposals (Governance of the Energy Union is shared with ENVI), had by now voted on all the draft reports that were prepared by the rapporteurs. In relation to the ACER proposal, he explained that the Parliament was ready to start inter-institutional negotiations and that the changes made by the rapporteur in the draft report reflect the concerns of EU member states and EEA EFTA states regarding ACER’s possible decision-making powers. In the ensuing exchange of views, the Norwegian delegation gave an overview of the ACER debate in Norway, which had touched upon two particularly sensitive issues – energy and sovereignty, and
combinations of both. Considerable opposition had been mobilised from the traditional opponents of the EEA, including the trade unions but also a large part of the base/regional and local factions of the Labour Party. The engagement against ACER had further spread to a relatively large part of the society (e.g. a Facebook page against ACER with more than 70,000 members). The parliamentarians explained that the debate had shown that the issue of the Norwegian participation in EU agencies increasingly poses constitutional challenges for Norway. Critical voices include the pro-EEA Christian Democrats who voted against the Third Energy Package and proposed seeking the opinion of the Supreme Court on the matter. However, after heated debates and an intricate comprise achieved by the Labour Party, on 22 March 2018, the Storting agreed to the incorporation of the Third Energy Package into the EEA Agreement.

In the margins of the EEA JPC, the programme featured a study programme, including a visit to Statoil to discuss new economic possibilities in the face of climate change and digital development and a discussion at the Stavanger city municipality that had made excellent use of the EU Smart City Lighthouse Project and Horizon 2020 to enforce the transformation of Stavanger. Conversations about the future of the energy market seen from the point of view a Lighthouse City continued at the Lyse Head Quarters.

The assistance of the EUD was very good before and during the mission.

Possible follow-up

The AFET Committee could consider following up the issues mentioned in this mission report in its future work on EU-EFTA relations/EEA as well as on the international framework agreement negotiations with Switzerland.

The ITRE committee could consider following up the issues mentioned in this mission report (EEA/EFTA states’ perspectives to cybersecurity cooperation and the clean energy package) in its ongoing work on these issues. Cyber security related aspects may be partly of relevance for the LIBE committee.

Likewise, TRAN committee could take EEA/EFTA states' perspective on the mobility package into account in its ongoing work on the issue.

Attachments:

- Resolution on the 2017 Annual Report on the Functioning of the EEA Agreement
- Programme
- List of participants