

E U R O P E A N E C O N O M I C A R E A
J O I N T P A R L I A M E N T A R Y C O M M I T T E E

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IV Appendices

32ND MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

European Parliament, Strasbourg, Room S1- SDM Building

Wednesday, 25 March 2009, 15.00-18.00

and

Thursday, 26 March 2009, 09.00-12.00

Draft Minutes

Opening of the meeting

1. The Vice-President of the EEA JPC, Ms Bilyana Raeva, opened the meeting and welcomed the participants to the European Parliament.

Election of the President of the EEA JPC

2. Ms Raeva said that according to the EEA JPC rotation rule, the Presidency would remain on the EFTA side for the remainder of 2009 and that following the recent elections in Liechtenstein there was now a new Chair of the Liechtenstein delegation, which the EFTA Parliamentary Committee had decided would be the President of the EEA JPC. Then Ms Raeva introduced Mr Harry Quaderer, the new Chair of the Liechtenstein delegation, who was elected President of the EEA JPC by acclamation. Mr Quaderer thanked the Committee and introduced himself and his delegation.

Security of energy supply in Europe and the impact on the financial market

3. Mr Paul Rübzig, Member of the European Parliament and Special Rapporteur on Energy Policies, commenced the discussion on energy supply in Europe by emphasising the importance of gathering high ranking officials such as the ones at the high table, to discuss this pertinent topic in times of economic crisis. He underlined the importance of Norway's participation in the meeting, as the strongest partner of the EU in fossil fuel delivery and mentioned the recent crisis on Iceland and went on to stress that the combination of financial crisis and insecurity of energy supply were overarching issues that needed to be discussed thoroughly and across sectors.

4. At the outset Ms Benita Ferrero-Waldner, Commissioner for External Relations of the European Commission, referred to the European Council's endorsement of the European Commission's Second Energy Review Strategy, and the outcome of the recent international conference on modernisation of Ukraine's gas transit system. She stated that energy security and the challenge of climate change were urgent and long term issues that needed to be carefully balanced. Climate change was accelerating and the consequences were already starting to appear. At the same time, population growth and the spread of prosperity meant increased competition for energy, and she stressed that preparation to secure energy supply after the crisis must commence. If current growth rates in China and India persisted, their energy consumption might rise to 80 percent of global supply. The combination of increasing demand and decreasing production in the EU meant that the EU might depend on imports of up to 70 percent of its energy supply by 2030. Hence, new efforts to secure energy supply should be ensured through investment and common and coherent energy policies. Ms Ferrero-Waldner stressed that infrastructure projects were complicated enough within the Union and even more so with third countries. Producers needed therefore to see a benefit of supplying energy to the EU. Furthermore, the speaker denounced the common perception of the EU as dependent on Russia, and advocated a connection based on interdependence. She said that around 70 percent of Gazprom's revenue came from the EU, making the EU a vital partner. She also stressed that the relationship with Norway, the second most important supplier of gas, was better than with other suppliers and that the EU wished to enhance the already excellent relationship. She underlined that energy had been consistently high on her agenda and stressed that the question of energy security, within the context of climate change and the need for renewable source of energy, was the one of the most pressing and complex external policy challenges of our times.

5. Mr Hansen thanked Ms Ferrero-Waldner for an interesting overview of the issues concerning energy and climate change, and mentioned how other countries might let political interests influence energy supply, and asked if the political use of energy would lead to improved cooperation in international politics and in the creation of a common internal energy market. Ms Ferrero-Waldner stated that the EU would like to see all other suppliers being as reliable as Norway and said that the European Commission had attempted to approach the situation on a gradual basis. She underlined the importance of a good and reliable relationship with all the supplying countries. She also confirmed the lack of a common internal energy market, but stressed that the Lisbon treaty could provide a hook, via the emphasis on solidarity. Mr Rübig mentioned how President Obama had changed the policy towards Iran, aiming to promote positive political developments. He asked how Ms Ferrero-Waldner viewed this development and the changing policy of other countries in the Middle East. Mr Sakalas asked the speaker to inform about possibilities for common gas and electricity networks throughout the entire EU, not only the western part of Europe. Ms Ferrero-Waldner said she welcomed President Obama's attempt to reach out to Iran and his openness for cooperation, but stressed that there have not been any clear answer from Iran. She stated that it is important for the EU to follow the dialogue. In this regard she stressed the importance Iran's nuclear program and necessary cooperation to prevent this. She stated that other states in the Middle East are also frightened by a nuclear Iran, and desire dialogue. On the question of common networks she stated that the goal is interconnectivity and common networks.

6. Mr Andris Piebalgs, Commissioner for Energy, underlined that the title of the meeting was very accurate as crisis often highlighted important priority issues. However, the impact of the crisis on the energy sector had been limited. He stressed that the major difficulties had been felt by small scale energy producers and particularly renewable energy producers. In his statement Mr Piebalgs mentioned the question on European networks and recited that the peak period of investment in networks had been in 1995 and the lowest level of investments in 2005. He explained that the cycle of investment was dependent on political decisions, the provision of security of investments and the promotion of new opportunities. He said that he believed that the EU had taken two major steps to ensure investments; the 2020 targets and the legal package on energy, which provided both clear guidelines for investment and also incentives to invest in renewable energy. The EU was currently importing 50 percent of its energy, a figure that could rise to 70 percent by 2030 if the EU did not take action to alter the situation. The climate change was not only a question of political decisions, but also a question of investments in the sector. The speaker underlined that China was now among the most ambitious countries with regard to renewable energy and investments in the sector. He emphasised the importance of cross border energy flows, and common framework and cooperation mechanism in order to integrate all member states into a common energy market. He also mentioned three major changes which were currently being unveiled; energy and climate change packages, the third internal energy market package and the recovery plan, with a new philosophy emphasising investments in renewable energy.

7. In the ensuing discussions Mr Rübzig mentioned the target of 20 percent CO₂ reduction, 20 percent energy efficiency and 20 percent increased use of renewable energy and asked Mr Piebalgs how he perceived the combination between economy of scale and the security of supply. He furthermore asked whether the gas pipelines and LNG gas markets could be combined or what share of the market should be developed for the respective sectors. Ms Raeva questioned what plans were in place for cooperation with countries outside the EU, such as Iceland, famous for its geothermal and hydropower, and Norway, with its gas resources, and Switzerland, with new developments in renewable energy. Mr Piebalgs answered that the window of opportunities arising with LNG should be exploited, although those were narrow. He stressed that the EU was mainly dependent on pipeline gas and that there were also new developments in the industry, with Qatar selling gas to the neighbourhood countries, like the Emirates and Kuwait. He said that the trade in the Middle East was seasonal, and in perfect complement to the EU gas demand. LNG was crucial, and the more capacity European companies could develop, the better. Mr Piebalgs also stressed that he wished to see more gas from Norway and underlined that the EU had never experienced problems with Norwegian gas supply. Norway's participation also created the necessary stability and competition to the internal energy market. He therefore welcomed StatoilHydro's plans to increase gas supply to the EU. Nabokov was also crucial to discover the viability of the Turkish corridor and it could enhance the relationship with Iran and show that the EU was able to transport gas to its territory. Regarding the second question, the speaker stated that for the case of Iceland, it was not possible to create a cable towards the EU with the current technology. For other countries, the EU had adopted targets of renewable energy increase, which would also bring increased investments in the sector in partner countries. He underlined the balance between economies of scale and rural development of energy potential and underlined the need for grids, connecting and

transporting energy from where conditions were favourable to where energy was needed. A well established grid would also encourage investment in energy in rural areas and in areas where conditions were more favourable for production. Mr Hansen mentioned the issue of energy prices and asked how long people could be told that energy was cheap. The problem with introducing forms of energy into the market was that traditional sources of energy were too cheap. Either the prices had to increase, to create a market for renewable energy, or the new sources of energy had to be subsidised by the governments. Mr Piebalgs stated that the price of energy should be fair, honest and affordable for the people. He also underlined the need for transparency regarding energy prices, and stressed the need for publication of the cost of energy projects, which would facilitate a price increase to be met by understanding and acceptance. He underlined that education about energy should be incorporated into schools, in order to create an understanding of future energy challenges.

8. In his statement, Mr Ole Morten Gerving, State Secretary, Ministry of Finance of Norway, stressed that energy issues should not be discussed without consideration to global warming. He confirmed that Norway would contribute to provide energy security for Europe in the future. Norway's production of oil and gas was among the cleanest internationally, but was still contributing to climate change. Estimates predicted that the global demand for energy would continue to increase over the coming 20 years. The bulk of this need would be met by fossil fuel, mostly oil and gas. As the world's 5th largest oil exporter and the second largest gas exporter, Norway took these concerns seriously the speaker explained. The key was to reduce emission and to ensure sustainable investments in the fossil fuel sector, but also in renewable energy and in energy efficiency. Norway aimed to be the leader in the global effort to combat climate change. Mr Gerving also underlined that Norway shared the EU's efforts and ambitions to combat climate change and encouraged a new green deal. A substantial part of the increased fiscal budget to secure employment, recently approved by the Norwegian Parliament, would be spent on increasing energy efficiency in buildings and on renewable energy projects. Mr Gerving mentioned the recent Parliamentary agreement on climate policy, which confirmed Norway's willingness to reduce emissions by 30% by 2020 and become carbon neutral in 2030. In order to do so, Norway aimed at developing environmental friendly technologies, renewable energy sources and carbon capture and storage. A key element of the climate policy was to be a facilitator in the current negotiation in the UN framework convention on climate change and also in the global efforts to make environmental technologies a realistic option as soon as possible. Offshore wind power was among key priorities along with carbon storage. The State Secretary underlined that carbon storage was one of the most promising technologies to decarbonise the production and use of fossil fuel and was a central feature in other measures to promote a greener future. Norway already had extensive experience in carbon storage and 1 million ton of carbon had been stored during the last twelve years. He furthermore added that research showed that the carbon remained captured inside the storage reservoir. Finally Mr Gerving stressed that further progress was needed and Norway aimed to make carbon storage a viable option as soon as possible and was investing heavily in a carbon capture centre at Mongstad.

9. Mr Geir Westgaard, Vice President of StatoilHydro and Head of EU Affairs, stated at the outset that StatoilHydro was continuing its strategy for long term growth, despite the crisis. Production targets for 2012 remained the same as before the crisis,

at 2.2 million barrels per day. However, the impact of the crisis on the cash flow could not be ignored, and the company was cash flow neutral at an oil price of 55 dollars per barrel. He stressed that prices had reached that level lately, for the first time after the heavy fall in prices in 2008. He emphasised that the company aimed to uphold investments through the crisis, and planned to drill 65-70 new wells in 2009, in order to prepare for the time after the crisis. This was possible due the strong financial and competitive position. The end of the current crisis was likely to result in increased energy prices due to reduced investments during the crisis period. In terms of security of supply, he underlined that the EU had developed several sound policies and stressed that Europe's energy security challenges should be addressed by establishing an attractive internal gas market. Mr Westgaard underlined that StatoilHydro experienced obstacles and particularities in almost every major national gas market in Europe as well as a lacking regulatory power to handle these particularities. This hampered Europe's ability to attract suppliers. Regarding pipeline gas, he stressed that it was not only an issue with external suppliers, but also within the EU itself. The main problem with political pipeline projects was that they were detached to industrial realities. The Nabokov project seemed to be a case in point and he mentioned the slogan "Happiness is multiple pipelines". He claimed that the EU had been too focused on one specific pipeline project; Nabokov, and stated that the pipeline was over-dimensioned and tended to compound, rather than reduce, political risk. Finally the speaker stressed the importance for well functioning energy market to secure supply and stated although markets were more flexible today than previously, further facilitation should be implemented.

10. Mr Rübige mentioned the contradictions between the energy crisis and the importance of security of supply, technical problems of lacking transparency and structures, and the current financial crisis. The banks that had until now financed these projects were currently facing problems in securing energy projects. He then asked whether it was possible for energy to be financed through the international banking system or through shorter amortisation durations or by tax incentives. He furthermore asked Mr Geving how the Norwegian state fund would react to the crisis and if there would be special areas devoted to investments in energy or to stabilise the financial markets. Mr Hansen asked Mr Westgaard if he could further explain what he perceived as the faults of the European third package and also asked if multiple pipelines could carry enough gas and hence be profitable. Mr Westgaard stated that it had been clear already in 2008 that the world was not investing sufficiently to secure future energy needs. He stressed that the current credit crunch had aggravated the situation and smaller and medium sized companies would in times of crisis engage in serious value destruction by cutting back on investments and projects. Regarding multiple pipelines he emphasised that the pipelines should be economically viable. He also stressed that there were projects that might be profitable over time from the Caspian Sea region and stated that there was not sufficient gas available in the area to justify the construction of Nabokov. He underlined that the current challenge was to have realistic ambitions and match investments with available volumes of gas. Mr Geving stated that the investment strategy of the Norwegian pension fund would continue as it was, investing in a wide range of stocks all over the world, taking only small shares in each company. He stressed that the fund would not be used to develop certain sectors or businesses. However, in Norway, a substantial amount of money was used to develop new technology and to promote research on environmental friendly energy production. Mr Rübige stated that a central topic in the EU was energy

efficiency and stressed the need for a continuous focus on the possibilities for efficient energy production. He stated that fossil fuel remained the most important source of energy and hence both efficient production and consumption was needed. Forty percent of primary energy requirement was used to heat and cool European buildings, and greater research into the house of the future was needed as well as investment into housing standards. He mentioned the construction industry, representing around 9% of GDP and 7-8 percent of employment and stated that the time had come to consider how European buildings could be making more energy efficient. He also underlined that new jobs could also be created in improving energy efficiency in houses.

Considerations of the draft report on the Annual Report on the Functioning of the EEA Agreement in 2008

11. Mr Hansen, co-rapporteur on the Report on the Functioning of the EEA Agreement in 2008, stated that the EEA functioned well in the reporting period and that he welcomed the reduction of the average transposition deficit in the EEA/EFTA states, from 1.7 percent to 1.3 percent. He furthermore noted that the EU member states had lowered their average transposition deficit in 2008 to 1.0 percent. Twelve member states have reached their best targets during 2008. He regretted that the EFTA states remain above the 1 percent average in the EU states and urged the EEA/EFTA states to increase efforts to reach the interim targets of 1 percent in 2009. He also stated that it is in every member states' interest that the internal market functions well and urged members to implement the standards within the set timeframe. The report highlighted five decisions of particular importance; the establishment of the European Chemical Agency, the decision on European institute of innovation and technology, the decision incorporating the regulation on gas transmission networks, decision on state aid and the decision revising protocol 32. He also noted the program on public health as an important decision. Outstanding issues from 2009 included the food law package that had not yet been approved in Iceland. The package had been introduced as a draft legislative bill in the parliament but had not yet been adopted. Participation in EU programmes was a vital part of the EEA agreement, and he therefore regretted to note that outstanding issues of agency and program participation remained. Other recommendations included a more analytic report for the purposes of the EEA JPC taking major EU developments and horizontal policy into account when assessing the functioning of the agreement. Mr Hansen also mentioned the two amendments from Ms Marie Panayotopoulos-Cassiotou, and proposed to accept both the amendments. Ms Raeva agreed with Mr Hansen's calls for a more analytical report and stressed the need for information about how adopted resolutions had been taken into account in member states' activities. She also mentioned the points that were raised in the report concerning the negotiations on the renewed financial mechanism and mentioned how there was a delay in 2007 which reflected on the joint work of the EEA JPC. Ms Raeva stressed the need to avoid such a delay in 2009 and also underlined the need to submit documents earlier, in order to facilitate discussion during joint meetings.

12. Mr Matthias Brinkmann, from the European Commission, asked for the floor and raised the question if legislative proposals should be submitted from the Commission to national parliaments in the EFTA States. Mr Brinkmann said that the Lisbon Treaty had not entered into force yet which made such discussions premature. At the same time he underlined that in the EEA, based on the two pillar principle, the

most practical way forward would be to use established procedures of the EFTA secretariat to identify and distribute EEA relevant proposals. This would imply that EFTA parliamentarians would get the same proposals as the EFTA governments and also at the same time. Mr Brinkmann also brought up the issue of recruitment of EFTA nationals in the executive agencies and recalled that the agencies were part of the European Commission and their tasks were previously executed by Commission officials. Hence, as there were no questions of employment of Commission officers among non-nationals, the same principle should apply to executive agencies. Mr Hansen commented on the legislative proposals from the Commission to the EEA-EFTA national parliaments arguing that it was a matter of equal treatment in the internal market. He stressed that the issue would continue to be brought up in the future. Mr Árni Thór Sigurdsson commented on the food law packages and stated that the Icelandic Parliament had been preoccupied with the financial crisis since October 2008 and that he doubted that the food law package would be passed through parliament before elections which were scheduled for late April.

13. Finally, Ms Raeva brought the Resolution on the Annual Report on the Functioning of the EEA Agreement in 2008 up for adoption. The Resolution was adopted unanimously as amended.

Trade in Seal Products

14. Ms Diana Wallis, the European Parliament's Rapporteur on 'Trade in Seal Products', outlined the position of the European Parliament on the current proposal on the ban on trade in seal products. She stated that over a year ago, a written declaration had been issued, suggesting a ban on trade in seal products, with regards to certain species of seal, which was forwarded to the European Commission. The proposal had received a large number of signatures and was returned to the parliament last autumn with a legislative proposal. Ms Wallis underlined that it might have been more effective if the Commission had answered with a Green Paper, encouraging discussion on this controversial issue and not a full legislative proposal. She stressed that there was a difficulty, with contradictions between wishes for a ban and the respect for the native people of the Arctic, and the written declaration took this into consideration. The parliament had subsequently voted on a resolution on the European Commission's Communication on the Arctic which also reflected the Parliament's commitment to the Arctic native people and their traditions, including hunting of seal. The Commission's proposal exempts the native people of the Arctic and creates further exceptions that could be awarded on a country to country basis. However, the problem was determining if hunting was carried out in a human manner. From a personal point of view, she stressed the need for a European solution to the issue, a legal solution that respected the criteria of the internal market and WTO requirements, and a solution that respected the wishes of the native people of the Arctic. One solution could be the introduction of a labelling scheme. However, the vote was in favour of a full ban with a limited exception for subsistence only and that the final vote was to be held in plenary in the near future.

15. In his statement, Mr Steinar Gullvåg expressed his grave concerns over the proposed ban on trade in seal products. He stressed that the proposal would have severe effects on the Norwegian seal hunt and would likely result in an end to seal

hunting, unless new markets arose. He highlighted that Norway's traditional seal hunt was managed in a sustainable way and subject to detailed regulation and monitoring. The northern seal population was not endangered, in fact it was increasing. The speaker expressed concerns over the effect that the ban would have on common fisheries as the seal population in the Arctic consumed 3.5 million tons of fish every year. Marine mammals, including whales consumed 5 million tons of fish per year, the double of the total available catch for Norwegian fishers. He reminded participants that Norway was the second largest fishing nation in the world. Every seal ate between 7 and 10 kilos of fish every day and certain seals consumed even more. If the increase of the number of seals would continue, that would have consequences for the future fishing quotas in the North and also bear consequences for EU fishermen, who have a quota of 40 thousands tons of fish per year. The Chairman of the Norwegian Fisherman's association was already advocating that the reduction of the quotas in the future should be taken off the EU quota, due to the EU's ban on trade in seal products. He stressed that the seal hunt was a question of sustaining the world's largest stock of fish at the present. Mr Morten Høglund stated that all parties in Norway agreed on this issue and asked Ms Wallis if she had any suggestions as to how Norway could use the opportunity set by the possible postponement of the vote to promote its interests.

16. Ms Wallis inquired if the ban on trade of seal products would have an impact on the hunt that is carried out for the purposes of conservation and asked the Norwegian participants to explain the connection. Regarding the timing of the vote, she stated that the vote had been postponed until the second April session. However, the EPP had indicated that they wish to postpone the vote until after the elections. She stressed that more time would be helpful but underlined the difficulties of reversing the process at this stage. She also reminded the participants that this was only the first reading, which not necessarily led to a first reading agreement. Mr Gullvåg stressed that Norwegian seal hunting was commercially based and market for the products was essential. The market had been reduced over the years due to the introduction on bans on the trade of seal products in several countries. The ISIS, the scientific body that recommends the outtake of seals, has since 2000 increased their recommendations. Last year, the ISIS recommended an outtake of 31.200 animals. Only 1263 seals were hunted, by one ship, because it is not commercially viable. The speaker said that the hunt was today heavily subsidised by the government. The seal had fewer natural enemies due to climate change and the reduction of the polar bear population, which made seal hunt essential. Finally, Mr Gullvåg also underlined that seals were not clubbed in Norway, but shot, in the same manner as many animals are killed in the EU.

The EEA and the Global Financial Crisis: The Case of Iceland

17. In the beginning of his statement, Mr Sigurdsson, who was standing in for the rapporteur, Ms Júlíusdóttir, stated that economically, things had taken a turn to the worse for Iceland and that the economic outlook was bleak. The collapse of the Icelandic banking system and the Icelandic currency caused Iceland to be the first EEA country to seek assistance from the IMF. Since then, two EU member states, Hungary and Latvia had also sought assistance from the IMF in order to stabilise their economies. Mr Sigurdsson said that the crisis in Iceland came about as a result of an oversized banking sector, with combined assets and debts close to ten times of the

country's GDP. Other elements that contributed to this were the government policy, emphasising privatisation, heavy industry investments and large hydro power plants which increased inflation and put pressure on the economy. He furthermore stated that the financial crisis had revealed severe shortcomings of the regulatory framework of the EU's single market. Firstly, the consequences of the global financial crisis in the EEA risked undermining the viability of the single market. Secondly, the case of Iceland highlighted shortcomings of the EU directive on deposit guarantee schemes. It was unclear what would happen if the national insurances fund did not suffice for payments following a banking crisis. Existing European legislation did not take into account the collapse of the entire banking sector. Thirdly, the speaker said that the Icelandic and the Eastern European cases showed the viability of maintaining small, independent currencies in the single market. He stressed that EU institutions should acknowledge the relations between a fully functioning single market and a monetary union. There had been calls for EU states outside the Euro zone to accelerate their integration into the Euro zone. He also mentioned that although the Euro was restricted to EU members, critics had pointed out that the single market currency was not available to EEA states, which implement all laws governing the single market and participate in the market on an equal footing with EU member states. The European Parliament's co-rapporteur Ms Wallis stressed the need for discipline regarding the economic and monetary criteria of EU member states, and added that it should also be balanced with solidarity towards countries in difficulties. She confirmed that much could be done to improve the deposit guarantee scheme in the future, but also underlined the importance of equal treatment and solidarity. She mentioned the current discussion of EU reactions to financial instabilities across the European Union, arising as a result of EU policies. She stressed the need for European solutions to the problems arising, offered through Europe's justice system. Ms Raeva reiterated that only EU member states could enter the Euro zone and said that the cases of Montenegro and Kosovo were exceptions to that rule. Finally, she regretted the absence of representatives from the European Central Bank who would be able to comment on the issue. Mr Hansen asked if it would be acceptable to take on the Euro without any representatives in the ECB, i.e. if EU would open up for EEA-EFTA states to adopt the currency. Mr Gjermund Hagesæter mentioned that a crisis could produce both positive and negative effects. Among positive effects, he mentioned new companies and economic growth. Negative effects of a crisis could be reduced international trade and increasing protectionism. He then asked if Icelanders feared increasing protectionism and if there were signs of the rise of protectionism.

18. Mr Sigurdsson stated that the question of unilaterally adopting the Euro was a complicated one and reminded that discussions had also focused on the dollar, although to a lesser extent. He stressed the importance of a continuous discussion of the currency in the future and to reach a conclusion about the future of the Icelandic Krona. He also mentioned the option of taking on the Norwegian Krone, by establishing a monetary cooperation with Norway. He then said that adopting the Euro through EU membership was the most feasible option, of all options that had been named. As for the question on protectionism Mr Sigurdsson stressed the need to rebuild the Icelandic society and economy, and stated that a rise in protectionism was unlikely. Ms Marianne Aasen, asked for a further elaboration on the current debate on EU membership in Iceland. Mr Hansen commented on the issue of the Norwegian Krone and warned that the NOK had recently fallen sharply. He stated that currency variation was an important challenge for small nations and urged Iceland to keep the

volatility of the currency in mind. Mr Brinkmann commented on calls for solidarity and stated that funds were limited and had to be allocated to member states that were currently experiencing difficulties. Regarding the unilateral adoption of the Euro, the commission had clearly stated that the Euro remained for member states only. The exceptions were countries such as Andorra and Kosovo which arose as the countries were already using European currencies and had no option but to adopt the Euro. He mentioned that the deposit guarantee scheme had been updated and was now entitled Directive 2009/14. The updated scheme came into force on the 16 March 2009 and contained; the increase of the minimum coverage level from 20.000 to 50.000 Euro, by the end of June 2009, and a further increase to a fixed level of 100 000 Euros by the end of 2010 unless the Commission concludes that this would be inappropriate. It also included a reduction of payout delay from 3-9 months, to 4-6 weeks by the end of 2010. Finally, he added that the guarantee scheme was not the root cause for the difficulties in Iceland. Mr Sigurdsson welcomed the updated directive and mentioned that the Icelandic Krona would be difficult to maintain in the longer term. However, it was possible that a referendum would result in the rejection of EU membership and it was therefore necessary to discuss all possible options. He mentioned the current election campaign and stated that most political parties agreed to hold a referendum in the next period.

Development of the EEA Agreement and follow up to resolution adopted at the 31st Meeting of the EEA Joint Parliamentary Committee

19. Ms Alice Soukupova, Representing the President-in-Office of the EEA Council, outlined the priorities of the Czech Presidency relevant to the EEA and measures taken by the EU to deal with the current financial crisis. The priorities of the Czech Presidency were said to be a reduction of social and economic barriers and disparities to ensure a good functioning of the internal market. Ms Soukupova also mentioned the negotiations of the financial mechanism and welcomed progress made in the negotiations. Energy was another priority for the Czech Presidency and an issue concerning all members of the EEA. One of the main tasks was to ensure good functioning of the internal energy market and to complete the current discussions on the third energy market package. She also stressed the importance of the climate and energy package as one of the key means to secure energy supply in the future. External relations were of key importance and the Czech Presidency gave priority to strengthening cooperation with the eastern European and southern Caucasus countries. The Eastern Partnership was established in order to promote stability and prosperity in the region. The speaker welcomed the good cooperation with the EFTA states in the area of Common Foreign and Security Policy. Finally, she said that combating tax fraud was also among the priorities of the Czech Presidency, and she welcomed the progress made recently when several countries agreed to promote transparency and share information.

20. Mr Stefán Haukur Jóhannesson, EFTA President of the EEA Joint Committee and Representing the EFTA President of the EEA Council, mentioned the financial crisis and praised the EU, which from the beginning took important initiatives in order to tackle the crisis. He stressed that the crisis was a global phenomenon and expressed hope for the forthcoming G20 Summit. Regarding the EEA Agreement he mentioned the energy and climate package, agreed upon in 2008, which was to go through the EFTA processes shortly. The directive on including aviation in the emission trade

scheme had been taken one step further and had entered into force in the EU. the EEA-EFTA States were currently discussing its relevance. On the debate on the services directive, the draft was being discussed with the Commission, and it was expected to be finalised in the near future. Regarding programme participation, the Ambassador stressed that EFTA states' participation was an important part of the cooperation and underlined that they could be an important tool in the economic recovery of Europe. He then emphasised that the EEA-EFTA states had always stressed that participation in programmes should be on an equal basis. It was therefore the position of the EFTA states that access to positions in executive programmes should be seen in the light of contributions and be compared to positions in the European Commission. He also regretted that no solution had been found to incorporate EFTA State representatives in the board of the European Institute of Gender Equality and stated that support had therefore been withdrawn. He then moved to outline the latest developments in Iceland, stating that the economy was predicted to drop by 10 percent in 2009 and unemployment expected to rise to between 7 and 12 percent. There were fears of increased bankruptcies of households and companies. The positive predictions were that the current account would go from a deficit of 10.7 percent in 2008 to a 1 percent surplus in 2009. Mr Jóhannesson underlined that the IMF program was on track, but that 2009 would be a hard year for both households and companies. He also stressed that the economic fundamentals of the country remained strong and was convinced that Iceland would recover relatively quickly.

21. In his statement, Mr Brinkmann, representing the President of the EEA Joint Committee, expressed solidarity with Iceland and underlined the importance of fulfilling EEA standards, even in times of crisis. He regretted that it had not yet been possible for Iceland to finalise its parliamentary procedures to introduce the food law package. He said that homogeneity in the internal market was being compromised due to divergent legislation after the EU implemented the package. He understood that the situation in Iceland had changed with forthcoming elections and regretted that the package would not be considered before the elections. He also urged the incorporation of the directive on national sealing for atmospheric pollutants. He regretted the withdrawal of EFTA states participation in the Institute for Gender Equality and stated that the EU position was not likely to change on this issue. He concluded that new market legislation continues to be implemented quickly, which ensured smooth functioning of the internal market. The main outstanding issue at present was the future contribution of the EEA-EFTA States to social and economic cohesion in the EEA. The current mechanisms expired on the 30 April 2009 and negotiations should be finalised before the current mechanism expired. Mr Brinkmann said that an understanding had been reached with regards to the duration of the new mechanism and the EU had accepted a five year period, despite original wishes for a permanent solution. Iceland and Norway had been requesting increased market access for fish in return for the financial contributions, and he underlined that the EU could not accept such requests. However, a review of the two financial fish protocols had been agreed upon.

22. Mr Per Sanderud, President of the EFTA Surveillance Authority, confirmed that the financial crisis had an impact on the work of the EFTA Surveillance Authority (ESA). He stated that the crisis gave member states legitimacy to intervene in their financial institutions, and underlined that this intervention should be done in

an orderly way and whilst complying with stated rules and internal market rules. The Authority had adopted three sets of guidelines in January for member states to balance support and compliance with rules, corresponding to the guidelines adopted by the European Commission in December 2008. The guidelines related to the application of stated rules on recapitalisation for financial institutions and served as a temporary framework for state aid measures to support access to financial means. The aim of ESA was to ensure that the principles of the internal market were ensured and that no discrimination occurred between domestic and non-domestic interests. As for the energy situation, ESA recently decided to authorise state funding to Gasnova in order to cover the cost of establishing a carbon capture and storage facility. Regarding the internal market legislation scoreboard, he stated that EFTA states were not doing too well. Mr Quaderer mentioned the discussion on tax fraud and stated that the subject of tax collection had become a theme distracting attention away from the real challenges the world was facing. He confirmed that Lichtenstein had put forward a declaration the previous week that had been widely accepted and stated that Lichtenstein committed itself to implement global standards of transparency and exchange of information. He furthermore asked Ms Soukopova to clarify the EU's planned request of a list of uncooperative states. Ms Soukopova replied that a text had been agreed upon by the European Council but underlined that recent developments would be taken into account. Mr Hansen reminded participants of the request in the Annual Report of distributing information and reporting back prior to future meetings in order to facilitate discussion on issues such as Lichtenstein's recent declaration. The Presidency underlined this point also and said that it would put an emphasis on this matter in the future.

Consideration of the draft report on Labour Market Issues in the EEA: Posted Workers and the Freedom to Provide Services

23. In the introduction to his report Mr Gullvåg stated that labour market issues were high on the agenda of many of the EEA countries, particularly in regards to posted workers. Posted workers were perhaps the most affected of the contradictions between the good functioning of the internal market and the rights of the workers. The exact number of posted workers was not clear, but it is assumed that more than one million workers were posted in the EEA area. The workers were commonly found in the construction industry, transport, maintenance and the service industries. The terms and conditions of the workers were regulated by the posting of workers directive, which attempted to balance the freedom to provide services against the risk of social dumping. However, the directive failed to do so and the European Court of Justice had undermined the terms and conditions of the posted workers. The Court rulings allowed Foreign Service providers not to comply with collective agreement, with the consequence that posted workers were paid less than workers in the country. The ability of labour unions to defend workers against social dumping was therefore seriously curtailed and there was a great risk of abuse of posted worker. The financial crisis could also threaten the progress achieved in the area of labour rights. The European Parliament's co-rapporteur, Ms Panayotopoulos-Cassiotou stated that European Parliament has studied the matter and produced a report which had received majority support. She confirmed that the Court's rulings were unclear and did not aid in bridging the differences between opposing views nor settle the issue. She stressed the need for a homogenous approach to the Court rulings, also in the light of the financial crisis. The speaker also stressed the importance of establishing a common

basis to enable efficient work in the matter in the future. Mr Brinkmann asked for the floor and in his intervention he stated that the European Commission did not agree with the proposed amendments and underlined that the principle of equal pay for equal work related to the free movement of workers and that should be distinguished from posting of workers, when a person was sent by an employer in the home country and took the working conditions with him. He noted that the posting of workers directive was an exception from this rule. Mr Andreas Schwab and Mr Richard Seeber (not a member of the Committee) asked for the floor and used their time to raise a bilateral issue regarding free movement between EU States and Switzerland to which Ms Brigitta M. Gadiant, Head of the Swiss observer delegation, replied that the EEA JPC was not the proper venue to discuss issues of bilateral nature that had not been put on the agenda beforehand.

24. The vote on the Draft Resolution on Labour Market Issues in the EEA and tabled amendments had to be interrupted due to time restraints and was therefore postponed to the next meeting.

Future work of the EEA JPC

25. The President announced that the Bureau had decided to commence work on three substance reports for the upcoming 33rd EEA JPC meeting which was due to be held in Norway in October. The topics were the EEA and regional cooperation and the EEA and the Global financial crisis. In addition, the Committee would have to revisit the topic of Labour Market issues in the EEA. This proposal was agreed to.

Any other business

26. Nothing was raised under this item.

Next meeting

27. Before closing the meeting the President announced that the next EEA JPC meeting would take place in Norway in the last week of October and that the exact dates and venue would be announced later.

E U R O P E A N E C O N O M I C A R E A
J O I N T P A R L I A M E N T A R Y C O M M I T T E E

Appendix I

Ref. 1089522
20 March 2009
Brussels

32ND MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

*European Parliament, Room _S1- SDM Building
Strasbourg
Wednesday, 25 March 2009, 14.00¹ – 18.30
and
Thursday 26 March 2009, 09.00 – 12.00*

AGENDA

1. Opening of the meeting
2. Adoption of the Draft Agenda (1089522)
3. Election of the President of the EEA JPC
4. Approval of the minutes of the 31st meeting of the EEA JPC (1089525)
5. Security of energy supply in Europe and the impact on the financial market
Introduction by Mr Paul Rübig, MEP, Special Rapporteur on Energy policies

Special addresses by:

- Ms Benita Ferrero-Waldner, Commissioner for External Relations, the European Commission
- Mr Andris Piebalgs, Commissioner for Energy, the European Commission
- Mr Ole Morten Gerving, State Secretary, Ministry of Finance, Norway
- Mr Geir Westgaard, Vice-President in StatoilHydro and Head of EU Affairs

Followed by an exchange of views

6. Development of the EEA Agreement and follow up to resolutions adopted at the 31st Meeting of the EEA Joint Parliamentary Committee

Statements by

¹ From 14.00 to 15.00 the meeting will be without interpretation and the meeting will be conducted in English only

- Ms Alice Soukupova, Chair of the EEA/EFTA WG, representing the President-in-Office of the EEA Council
- Mr Stefán Haukur Jóhannesson, Ambassador, EFTA President of the EEA Joint Committee and representing the EFTA President of the EEA Council
- Mr Matthias Brinkmann, the European Commission, representing the President-in-Office of the EEA Joint Committee
- Mr Per Sanderud, President of the EFTA Surveillance Authority

Followed by an exchange of views

7. Trade in seal products
Introductions by Mr Steinar Gullvåg (Labour Party, Norway) and Ms Diana Wallis (ALDE, UK), EP rapporteur on Trade in seal products
Exchange of views
8. Consideration of the draft report on *The Annual Report on the Functioning of the EEA Agreement in 2008* (1090139)
Co-rapporteurs: Mr Svein Roald Hansen (Labour Party, Norway)
Ms Bilyana Raeva (ALDE, Bulgaria)

Followed by an exchange of views

9. Consideration of the draft report on *Labour Market Issues in the EEA: Posted Workers and the Freedom to Provide Services* (1090138)
Co-rapporteurs: Mr Steinar Gullvåg (Labour Party, Norway)
Ms Marie Panayotopoulos-Cassiotou (EPP-ED, Greece)

Followed by an exchange of views

10. *The EEA and the Global Financial Crisis: The Case of Iceland* (1090375)
Presentation of a Working Document
Co-rapporteurs: Ms Katrín Júlíusdóttir (Social Democratic Alliance, Iceland)
Ms Diana Wallis, (ALDE, UK)

Followed by an exchange of views

11. Vote on the draft resolutions
12. Future work of the EEA JPC
13. Any other business
14. Next meeting

EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY COMMITTEE

Annex II

Ref.1090273
20 March 2009
Brussels

32ND MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE
Strasbourg, 25-26 March 2009

List of Participants

Iceland

Mr Árni Thór Sigurdsson	Left- Green Movement
Mr Stígur Stefánsson	Secretary to the delegation

Liechtenstein

Mr Harry Quaderer, President of the EEA JPC	Patriotic Union
Ms Sandra Gerber-Leuenberger	Secretary to the delegation

Norway

Mr Svein Roald Hansen	Labour Party
Ms Laila Dāvøy	Christian Democratic Party
Ms Marianne Aasen	Labour Party
Mr Gjermund Hagesæter	Progress Party
Mr Steinar Gullvåg	Labour Party

Mr Morten Høglund	Progress Party
Mr Thomas Strømme	Secretary to the delegation
Ms Merethe Elvestad	Secretary to the delegation

European Parliament

Ms Bilyana Raeva, Vice-President of the EEA JPC	Alliance of Liberals and Democrats for Europe, Bulgaria
Mr Aloyzas Sakalas	Socialist Group of the European Parliament, Lithuania
Ms Etelka Barsi Pataky	Group of the European People's Party, Hungary
Mr Mieczyslaw Edmund Janowski	Union for Europe of the Nations Group, Poland
Ms Mary Lou McDonald	Confederal Group of the European United Left, Ireland
Ms Marie Panayotopoulos-Cassiatou	Group of the European People's Party, Greece
Mr Paul Rübig	Group of the European People's Party, Austria
Mr Alyn Smith	Group of the Greens/European Free Alliance, United Kingdom
Ms Catherine Stihler	Socialist Group of the European Parliament, United Kingdom
Ms Diana Wallis, EP Vice-President	Alliance of Liberals and Democrats for Europe, United Kingdom

Observers

Switzerland

Ms Brigitta Gadiant	Civic Democratic Party of Switzerland
Ms Kathy Riklin	Christian Democratic Party

Mr Hans Widmer	Social Democratic Party
Ms Simonetta Sommaruga	Social Democratic Party
Ms Marlies Bänziger	Swiss Green Party
Ms Celine Nerny	Secretary to the delegation
Ms Roxanne Meyer	Secretary to the delegation

Speakers

Ms Benita Ferrero-Waldner	Commissioner for External Relations, European Commission
Mr Andris Piebalgs	Commissioner for Energy, European Commission
Mr Ole Morten Geving	State Secretary, Ministry of Finance,, Norway
Mr Geir Westgaard	Vice-President of StatoilHydro and head of the EU Affairs Office in Brussels
Ms Alice Soukupova	Chair of the EEA/EFTA Working Party, representing the President-in-office of the EEA Council
Mr Matthias Brinkmann	European Commission, representing the President-in-office of the EEA Joint Committee
Mr Stefán Haukur Jóhannesson	Ambassador, EFTA President of the EEA Joint Committee representing the EFTA President of the EEA Council
Mr Per Sanderud	President of the EFTA Surveillance Authority

EEA JPC Staff

Mr Andri Lúthersson	Officer, ECD, EFTA Secretariat
Ms Margrethe Saxegaard	Officer, ECD, EFTA Secretariat
Mr Henrik Olsen	Head of Secretariat, European Parliament
Ms Annie d'Agosto	Administrative Assistant, European

Parliament

Ms Cesarina Dall'Ozzo

Administrative Assistant, European
Parliament

Other observers and guests

Mr Kåre Bryn

EFTA Secretary-General

Ms Bergdís Ellertsdóttir

EFTA Deputy Secretary-General

Mr Lars Erik Nordgaard

Director, EEA Coordination Division,
EFTA Secretariat

Ms Wenche Paulsrud

EEA Consultative Committee, Co-Chair

Ms Marja Liisa Peltola

EEA Consultative Committee, Co-Chair

Mr Lars-Olof Hollner

Administrator, European Commission

Ms Baerbel Duerhager

Administrator, General Secretariat of the
Council of the EU

Ms Jana Marsalkova

EU Policies Department, Czech Ministry
of Foreign Affairs

Ms Hrund Hafsteinsdóttir

Senior Officer, ECD, EFTA Secretariat

Mr Ambroise Perrin

Political Advisor, Socialist Group of the
European Parliament

Mr Rune Glasberg

Political Advisor, ALDE (Liberal) Group
of the European Parliament

Mr Per Heister

Political Advisor, EPP-ED Group of the
European Parliament

Mr Stefan Schulz

Desk Officer Policy Department of the
DG EXPO, European Parliament

Ms Lisbeth Mjos

Stagiaire, DG EXPO, EP

EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY
COMMITTEE

Annex III

32nd Meeting

25-26 March 2009, Strasbourg

RESOLUTION

Adopted pursuant to Rules 11 and 13 of the Rules of Procedure,
at the 32nd meeting of the Joint Parliamentary Committee

in Strasbourg on 25 March 2009

The Annual Report on the Functioning of the EEA Agreement in 2008 (1090139)

Co-rapporteurs: Mr Svein Roald Hansen (Labour Party, Norway)
Ms Bilyana Raeva (ALDE, Bulgaria)

adopted unanimously.

RESOLUTION

on

THE ANNUAL REPORT ON THE FUNCTIONING OF THE EEA AGREEMENT IN 2008

The Joint Parliamentary Committee of the European Economic Area:

- A. in accordance with its task laid out by the EEA Agreement (Article 95, paragraph 4),
 - B. emphasising that the EEA EFTA States are not third countries in matters concerning the Internal Market, but full participants,
 - C. mindful of the importance of maintaining homogeneity within the EEA, and acknowledging the importance of implementation of EEA legislation in order to establish a dynamic and homogenous European Economic Area,
 - D. noting that the information and consultation process provided for in the EEA Agreement is an essential tool for the EFTA States to participate in the shaping of common rules,
 - E. recalling its resolutions on the functioning of the EEA in 1994 (adopted 29 May 1995), in 1995 (adopted 3 June 1996), in 1996 (adopted 14 April 1997) in 1997 (adopted 25 May 1998), in 1999 (adopted 16 March 2000), in 2000 (adopted 24 May 2001), in 2001 (adopted 20 June 2002), in 2002 (adopted 20 May 2003), in 2003 (adopted 27 April 2004), in 2004 (adopted 25 April 2005), in 2005 (adopted 22 May 2006), in 2006 (adopted 27 June 2007); and in 2007 (adopted 29 April 2008),
 - F. recalling its resolution on Health Services in the EEA (adopted 29 April 2008); on Research and Education Programmes: the EEA and the EFTA States (adopted 4 November 2008); and on Future Perspectives for the European Economic Area (adopted 4 November 2008).
 - G. considering the fact that the EEA grants (for the 15 beneficiary states) and the Norway grants (for the 12 beneficiary states) will in the period 2004-2009 make close to € 1, 3 billion available to the recipients.
-
- 1. emphasises that the EEA Agreement needs to be taken seriously by all stakeholders in the EEA and needs to be the focus of constant efforts so that outstanding differences are solved promptly and that the good functioning of the EEA is not put at risk;

2. takes note of the Annual Report of the EEA Joint Committee for 2008 and agrees with the general assessment that the EEA functioned well in the reporting period;
3. regrets to note the outstanding issues on agency and programme participation, and calls for these to be solved promptly as EEA EFTA participation in EU programmes constitutes an important and vital part of the EEA agreement;
4. welcomes the contributions from the EEA EFTA States towards the reduction of social and economic disparities in the enlarged Internal Market with the Financial Mechanisms 2004-2009; and underlines the importance of efficiency and transparency in the application and approval procedure, and would like to see a report laying out areas of improvement and plans for action following the report issued by PriceWaterhouseCoopers;
5. expresses its concerns on the potential effects of time delays to the negotiations on renewed financial mechanisms between the EEA EFTA States and the European Commission, requesting the actors involved to use all means necessary to avoid jeopardizing the good functioning of the EEA;
6. calls on the EEA Joint Committee to pay specific attention to the extraordinary circumstances created by the financial crisis and to have a continuous focus on the challenges this may pose to the good functioning of the EEA Agreement;
7. highlights the democratic role invested by the EEA JPC, calling for the fullest information possible to be made in order for it to perform its tasks and calls for the EEA Joint Committee Annual Report to include information on how the EEA JPC resolutions were incorporated in the work of the EEA Joint Committee or what progress that was made within the policy areas in question;
8. recommends a closer link between the EEA Joint Committee Chair reports and the annual report of the EEA Joint Committee, thereby fostering consistency and increased scrutiny to its work;
9. reiterates its recommendation that, in addition to the EEA Joint Committee Annual Report, the EEA Joint Committee drafts a more analytical report for the purposes of the EEA JPC, taking major EU developments and horizontal policy issues into account when assessing the functioning of the Agreement, enabling the report to be understood by a wider audience, and asks why such a report has not been produced despite repeated recommendations from the EEA JPC;
10. refers to the EEA Joint Parliamentary Committee resolution adopted on 4 November 2008, calling for the European Commission to provide the national parliaments of the EEA EFTA States with legislative proposals which are sent to the national parliaments of the EU Member States for consultation, in cases where these regard matters of the Internal Market. The EEA JPC calls for this request to be dealt with in the EEA Joint Committee, and its outcome reported to the EEA JPC;

11. welcomes the EEA JPC's institutional relationship with the EEA Joint Committee and the EEA Council and appreciates the oral responses provided by the President-in-Office of the EEA Joint Committee and by the representatives of the EEA Council;
12. reiterates its calls for having the written EEA Joint Committee statements on EEA JPC resolutions distributed before EEA JPC meetings which would facilitate a fruitful dialogue with EEA Council and EEA Joint Committee representatives;
13. encourages the EEA EFTA States to continue to participate in EU committees, comitology committees, programmes, expert and non-comitology committees with the aim of influencing EU decision-shaping to the widest extent possible;
14. seeks clarifications as to why the number of EEA EFTA Comments has declined over the last years, not least due to the fact that several important packages were discussed during 2008 to which the EEA EFTA States could make a contribution;
15. underlines that EEA EFTA Comments represent a very important line of communication between the EU and the EEA EFTA States as well as a decision shaping tool; and reiterates the importance of the EEA EFTA States submitting comments at an early stage when the EEA EFTA States have the greatest chance of shaping the outcome;
16. welcomes that the EU Member States' lowered average transposition deficit for 2008 at 1.0%, and welcomes especially the fact that 12 Member States have reached their best targets ever;
17. welcomes that the average and transposition deficit of the EEA EFTA States decreased to 1.3% from 1.7%, but regrets that it is above the 1.0% EU average; and urges the EEA EFTA States to increase their efforts considerably in order to reach the interim target of 1.0% in vigour as of 2009;
18. encourages the EFTA Surveillance Authority and the European Commission to cooperate closer in order to present more streamlined Internal Market Scoreboards;
19. welcomes the improved inclusion of EEA EFTA figures into the Consumer Markets Scoreboard, and encourages the work to fully include the EEA EFTA States to continue;
20. instructs its President to forward this resolution to the EEA institutions, to the European Parliament and the EEA EFTA Parliaments and to the European Ombudsman.

EUROPEAN ECONOMIC AREA
JOINT PARLIAMENTARY
COMMITTEE

Press Statement

Annex IV

Brussels, 26 March 2009

Members of the European Parliament and Parliamentarians from Iceland, Norway and Liechtenstein met in Strasbourg on 25 and 26 March 2009 for the 32nd meeting of the EEA Joint Parliamentary Committee (EEA JPC).

Under the Presidency of Mr Harry Quaderer (Patriotic Union, Liechtenstein) President of the EEA JPC, and Ms Bilyana Raeva (ALDE, Bulgaria), Vice-President, the Joint Parliamentary Committee adopted unanimously a resolution on:

The Annual Report on the Functioning of the EEA Agreement in 2008 (1090139)

Co-rapporteurs: Mr Svein Roald Hansen (Labour Party, Norway)
Ms Bilyana Raeva (ALDE, Bulgaria)

In the resolution the EEA JPC emphasised that the EEA Agreement needed to be taken seriously by all stakeholders and that it needed to be the focus of constant efforts so that outstanding differences are solved promptly and that the good functioning of the EEA is not put at risk. The Committee regretted the outstanding issues on the EEA EFTA States' agency and programme participation and called for these to be solved promptly as EEA EFTA participation in EU programmes constituted an important and vital part of the EEA agreement. The Committee also called on the EEA Joint Committee to pay specific attention to the extraordinary circumstances created by the financial crisis and to have a continuous focus on the challenges this may pose to the good functioning of the EEA Agreement. Moreover, the Committee called on the European Commission to provide the national parliaments of the EEA EFTA States with legislative proposals which are sent to the national parliaments of the EU Member States for consultation, in cases where these regard matters of the Internal Market.

In addition to the debate on the resolution, the Committee debated a report and draft resolution on Labour Market Issues in the EEA: Posted Workers and the Freedom to provide Services (co-rapporteurs Mr Steinar Gullvåg, Labour Party, Norway, and Ms Marie Panayotopoulos-Cassiotou EPP-ED, Greece). The adoption of the draft resolution was postponed to the next meeting. The Committee also debated a working paper on the EEA and the Global Financial Crisis: The Case of Iceland (co-rapporteurs, Ms Katrín Júlíusdóttir, Social Democratic Alliance, Iceland, and Ms Diana Wallis, ALDE, UK).

During its 32nd meeting the EEA JPC provided the venue for a high-level forum on Security of Energy supply and the impact on the Financial Market. The Committee's Special Rapporteur on Energy policies, Mr Paul Rübig (EPP-ED, Austria), introduced the topic and speakers included: Ms Benita Ferrero-Waldner, Commissioner for External Relations, Mr Andris Piebalgs, Commissioner for Energy, Mr Ole Morten Geving, State Secretary from the Norwegian Ministry of Finance, and Mr Geir Westgaard, Vice-President in StatoilHydro and Head of EU Affairs. The high-level forum provided for a rich debate on these highly topical issues. Another additional item on the Committee's agenda was the discussion on Trade in Seal products, which was introduced by Mr Steinar Gullvåg and Ms Diana Wallis.

Ms Alice Soukupova, representing the President-in-Office of the EEA Council, Mr Stefán Haukur Jóhannesson, Ambassador, EFTA President of the EEA Joint Committee and representing the EFTA President of the EEA Council, Mr Matthias Brinkmann, the European Commission, representing the President-in-Office of the EEA Joint Committee, and Mr Per Sanderud, President of the EFTA Surveillance Authority briefed the JPC on the functioning and development of the EEA Agreement and exchanged views with Committee members.

Members of the Swiss Parliament attended the meeting as observers.

The next EEA JPC meeting is scheduled to take place in Norway during the last week of October 2009.

The adopted resolution is attached.

For further information, please contact:

European Parliament

Mr Henrik Olsen

tel: +32-2-284 27 79

henrik.olsen@europarl.europa.eu

European Free Trade Association

Mr Andri Lúthersson

tel: +32-2-286 17 24

andri.luthersson@efta.int