

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

27TH MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

19 October 2006

Brussels

Ref. No. 1070396

MINUTES OF THE 27th MEETING

**Brussels
10 October 2006**

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17/10/06/SN

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1. Opening of the meeting

The President of the EEA Joint Parliamentary Committee, Ms WALLIS, opened the meeting and welcomed all participants to Brussels. She noted that, being on the threshold of another enlargement, it was an important and exciting time for the EEA JPC to come together.

The meeting was co-chaired by the President and the Vice-President.

2. Adoption of the Draft Agenda

Ms WALLIS laid out the timetable of the meetings and how the agenda should be dealt with, proposing to leave the more extensive report on *Enlarging the EEA: Experiences and Perspectives* to the second working session of the meeting. The agenda was adopted with this modification.

3. Approval of the minutes of the 26th meeting of the EEA JPC (1069356)

The draft minutes from the meeting of the EEA JPC, 23 May 2006 in Tromsø, were approved.

4. Development of the EEA Agreement and follow up to resolutions adopted at the 26th Meeting of the EEA Joint Parliamentary Committee

Statements by

- **Mr Helge SKAARA, Deputy Head, Norwegian Mission to the EU, representing the President-in-Office of the EEA Council and the President-in-Office of the EEA Joint Committee**
- **Mr Pekka HUHTANIEMI, Under-Secretary of State, Ministry for Foreign Affairs of Finland, representing the EU President of the EEA Council**
- **Mr Matthias BRINKMANN, European Commission, Acting EU President of the EEA Joint Committee**
- **Mr Bjørn T. GRYDELAND, President of the EFTA Surveillance Authority**

followed by an exchange of views

Mr SKAARA, Deputy Head, Norwegian Mission to the EU, representing the President-in-Office of the EEA Council and the President-in-Office of the EEA Joint Committee, touched upon some of the issues raised in the resolution adopted at the 26th meeting of the JPC on the functioning of the EEA agreement. He commended the good functioning of the agreement, highlighted the importance of EEA-EFTA states' influencing EU legislation, and referred to the progress in implementing the Financial Mechanisms. He additionally mentioned the enlargement of the agreement with Romania and Bulgaria joining the EU, noticing in particular that the financial aspect remained to be sorted out. Mr SKAARA further brought up the outstanding legal acts of participation in the EFSA and the incorporation of the Directive on

Greenhouse Gas Emission Trading Scheme, and expressed hope that these issues could be solved before the end of the year.

Mr HUHTANIEMI, Under-Secretary of State, Ministry for Foreign Affairs of Finland, representing the EU President of the EEA Council, highlighted the main outcome of the preceding 25th meeting of the EEA Council. He referred in particular to the enlargement of the agreement, emphasizing the importance of treating Romania and Bulgaria no different than the ten states that acceded in 2004. Mr HUHTANIEMI further drew attention to the progress made in the implementation of the Financial Mechanisms, the Lisbon Strategy, and the establishment of a new Internal Market Policy. Reviewing the work within the EEA, Mr HUHTANIEMI underlined the EEA-EFTA contribution in the decision-shaping process of EEA-relevant legislation, and honoured improvements made in regards to the overall smooth functioning of the internal market.

Mr BRINKMANN, European Commission, acting EU President of the EEA Joint Committee, noted by way of introduction the overall good functioning of the EEA agreement, but emphasized that for this to continue, simultaneous enlargement of the EEA and the EU was of utmost importance. He therefore regretted that no progress had been made on the necessary adjustment to the EEA and Norwegian Financial Mechanisms. He argued that a proportional increase in the existing mechanisms was the simplest and most straightforward way to extend them to Romania and Bulgaria, and consequently to ensure that the two new Member States were treated equal to the 10 states that acceded in 2004. Mr BRINKMANN concluded with a reference to the Service Directive, stating that the Commission feared that the Council would have difficulties to accept the proposed amendments, and that additional amendments would "reopen" the existing compromise.

Mr GRYDELAND, President of the EFTA Surveillance Authority, referring to the implementation of the *acquis*, underlined the good results in transposition of EU directives in the EEA-EFTA States, as shown in the most recently published report. He also commented on some cases the EFTA Surveillance Authority are negotiating, or solving in EFTA court dealings, and particularly highlighted the issue of state aid cases.

In the following debate Mr HANSEN, Ms WALLIS, Mr BRINKMANN, Mr SKAARA, Mr BRENDE, Mr HUHTANIEMI, Ms GISLADOTTIR, and Mr GRYDELAND discussed different aspects of the adjustment of the Financial Mechanisms. Mr BRINKMANN assured that the EEA-EFTA states' contribution would have been substantially bigger than the one suggested by the Commission, had they been full members to the European Union. He additionally stated that the Commission was ready to look into potential compensation for lost trade. Mr BRINKMANN was further confident, and was supported by Mr HUHTANIEMI, that Romania and Bulgaria could manage the absorption rate, and would exhaust the funds at their disposal. Ms GISLADOTTIR emphasized that the enlargement opened up for new possibilities not only for the acceding countries, but for the EEA-EFTA states and the EU members as well, and Mr SKAARA, Mr BRENDE, and Ms WALLIS expressed confidence that, given the effort of both parties, the outstanding issue of the Financial Mechanisms could be solved in good spirit.

Mr HAGESÆTER brought up the combating of organized crime in Bulgaria, and Mr BRINKMANN stated that the acceding countries have made, and are making, tremendous efforts in this area.

Ms WALLIS raised the issue of giving third countries a "stake" in the internal market, and Mr BRINKMANN pointed out that a "stake" could never be the same thing as the EEA agreement. If third countries could implement *acquis*, they could discuss membership of the European Union instead of becoming partakers of the EEA. In the context of the discussion on a new neighbourhood policy, Mr HUHTANIEMI and Mr BRENDE pointed to the cooperation in the energy area.

5. Consideration of the draft report on *The implementation of EEA legislation* (Ref. No. 1069784)

**Co-rapporteurs: Mr Gudlaugur Thór THÓRDARSON
(Independence Party, Iceland)
Ms Diana WALLIS (ALDE, UK)**

Ms WALLIS introduced the draft report on *The implementation of EEA legislation* by drawing the attention to the EU citizens' right of complaint directly to the Parliament, which allowed the general public a concrete influence on the application of EU legislation. Not being full members of the European Union, nationals of the EEA-EFTA countries did not have a corresponding right of petition or complaint. Mr BENEDIKTSSON, replacing Mr THÓRDARSON who was absent, provided the JPC with an overview over the content in the report, highlighting the importance of a timely transposition of the EEA legislation for the functioning of the internal market, and the relatively good performance of the three EEA-EFTA states in this area.

In the exchange of views that followed, Ms WALLIS, Mr BENEDIKTSSON, Ms BUDREIKAITĖ, and Mr HANSEN reflected over the issue of citizens' complaints, differences in implementation, and in this context underlined the importance of supervision of implementation.

6. Vote on the draft resolution on *The implementation of EEA legislation*

The draft resolution on *The implementation of EEA legislation* was adopted unanimously.

**7. The Services Directive (Ref. No. 1069887)
Briefing by Ms Diana WALLIS (ALDE, UK)**

Ms WALLIS presented the latest development as regards the Services Directive, explaining that the Council and the Commission had produced a common position that well reflected the compromise that was reached in the Parliament after the stormy first reading. The document was now back at the Parliament for the second reading and a number of amendments had been tabled, which the political groups in the centre and to the right believed disturbed the balance of the compromise. Ms WALLIS argued that amending the document at this point would perhaps take away the possibility of getting the directive, and emphasized in this context the importance of the Services Directive for the future of Europe's economy.

Following a question from Ms DÅVØY, Ms WALLIS went on to explain that most of the discussion revolving around the Directive had to do with how it related to labour law, and how it related to consumer protection.

8. Consideration of the draft report on *Enlarging the EEA: Experiences and Perspectives* (Ref. No. 1069861)

**Co-rapporteurs: Mr Mieczyslaw JANOWSKI (UEN, Poland)
Ms Laila DÅVØY (Christian Democratic Party,
Norway)**

After lunch Ms WALLIS resumed the debate at 15.00 hours by giving the floor to Mr JANOWSKI. Presenting the report, Mr JANOWSKI emphasized that the enlargement of the EU and the EEA benefited all parties, weighing the Financial Mechanisms against the enlarged market that was offered the EEA-EFTA partners. He noted that the enlargement of the EEA was a success in the economic dimension, as well as in the area of science and education. Mr JANOWSKI further suggested the launching of a campaign in the EEA countries, as well as in Switzerland, making clear the benefits of the cooperation. As regards Romania and Bulgaria, he stated that these countries had made headway in fighting terrorism and corruption, and it would thus be bad to deprive them of the opportunity to become members. However, the further enlargement of the Union should be preceded by a pause.

Ms DÅVØY highlighted the good functioning of the Financial Mechanisms, pointed to the increasing number of working permits granted to workers from the EU-8 by the EEA-EFTA states, and argued that it could be useful for the EEA-EFTA members to hear from their EU colleagues regarding transitional arrangements that may apply after the enlargement in 2007. Ms DÅVØY additionally declared that the potential EEA-EFTA states' contributions towards the 2007 enlargement were not a mere technical implementation, but urged the respective authorities to come to a swift and balanced conclusion in these negotiations. Ms DÅVØY concluded by stating that Norway did not agree with the tabled amendment.

In the exchange of views that followed, Ms PANAYOTOPOULOS-CASSIOTOU, the author of the tabled amendment on the current enlargement negotiations, presented her position, and Mr CADUFF suggested a softer wording of the amendment to para 12 (replacing the word "ensure" with "aim towards"). Ms GISLADOTTIR agreed with Mr JANOWSKI on the lack of general awareness of the EEA in the member countries, and underlined the benefits of cooperation. Mr JANOWSKI and Ms PANAYOTOPOULOS-CASSIOTOU noted that the general public, in Poland and Slovakia respectively, are more positive to the accession today than they were a few years ago, and reiterated the importance of building awareness of the positive sides of the collaboration.

9. Working Document on the use of fishmeal (1069833)
Briefings by Mr Struan STEVENSON (rapporteur of the Committee on Fisheries)
Mr Bjarni BENEDIKTSSON (Independence Party, Iceland)

Mr STEVENSON outlined the recent developments regarding the use of fishmeal, explaining that he was appointed by the Committee on Fisheries to draft a report on the future of the fishmeal and fish oil industry. That report was adopted by the Committee with 14 against 1 votes in May 2005. Following a compromise with the rapporteur on TSE and the question of fishmeal in the Environmental Committee, both reports recommended that there should be a partial lifting of the ban on feeding fishmeal to young ruminants. While the report from the Environmental Committee had been voted through the plenary, Mr STEVENSON's report still remained off the agenda.

Mr BENEDIKTSSON expressed his concern over how an issue could be tangled up in the system, and following from a brief discussion between Ms WALLIS, Mr BENEDIKTSSON, and Mr STEVENSON, it was agreed that a letter would be sent from the EEA JPC to the President of the European Parliament stating that the JPC sought an unblocking of the current situation and wanted the report to be considered in the plenary.

10. Vote on the draft resolution on *Enlarging the EEA: Experiences and Perspectives*

The draft resolution on *Enlarging the EEA: Experiences and Perspectives* was adopted unanimously, having rejected the modified amendment with 10 against 2 votes.

**11. Working Documents on soft legislation in the EEA (1069933)
Briefing by Mr Jens-Peter BONDE (IND/DEM, Denmark)**

Mr BONDE introduced the working documents on soft legislation, and stated that when the European Commission chose other legal instruments than directives and regulations they could exclude the European Parliament and the EEA-EFTA countries from having their say. He emphasized that important political decisions ought not to be taken by the Commission behind close doors, and that the Parliament should be consulted when the Commission wished to issue a recommendation. In this context, Mr BONDE further encouraged the EEA-EFTA countries to review their representation in the Commission's working groups, and to make certain that they indeed participated in the groups of relevance. He additionally pointed out that there are a number of secret declarations linked to old laws that ought to be made accessible to the EEA-EFTA states.

Ms WALLIS, Mr BRENDE, Mr BONDE, and Mr BENEDIKTSSON discussed how to proceed in this matter, and it was agreed that a letter would be sent to the Commission stating that the issue of soft legislation was discussed by the JPC and that concerns were expressed regarding the Commission's procedures in law-making that affected the EEA-EFTA countries. A Commission representative would be invited to the next EEA JPC meeting, and a report on the issue could then be considered.

12. Future work of the EEA JPC

Ms WALLIS suggested that the Committee should discuss the Annual Report on the functioning of the Agreement, as well as the issue of soft legislation, at its next meeting. Following from a suggestion by Mr HANSEN, the Committee would further consider a report on Maritime Policy. Ms WALLIS additionally mentioned that the energy issue had been brought up during the Bureau meeting, but that it would be left for the future for the time being.

Mr BENEDIKTSSON suggested that the implementation of EEA legislation would form a chapter in the report on the Annual Report, and the Chair agreed that that was a good idea.

13. Election of the President and the Vice-President of the EEA JPC for 2007

Ms WALLIS announced that Iceland would take over the Presidency of the JPC from 1 January 2007, and the European Parliament (Ms WALLIS) would then fill the Vice-President post.

14. Any other business

There was no other business.

14. Next meeting

Mr HEEB welcomed members to the next and 28th meeting of the EEA JPC to be held in Vaduz in June 2007.

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The Chair reminded the JPC of the Joint Meeting with the Foreign Affairs Committee at 17.00 hours. The meeting closed at 16.40 hours.

27TH MEETING OF THE EEA JOINT PARLIAMENTARY COMMITTEE

*10 October 2006
European Parliament
Brussels*

List of Participants

Iceland

Ms Ingibjörg Sólrún Gísladóttir	Social Democratic Alliance
Mr Bjarni Benediktsson	Independence Party
Mr Stígur Stéfansson	Secretary to the delegation

Liechtenstein

Mr Franz J. Heeb (Vice-President)	Progressive Citizen's Party
Mr Henrik Caduff	Patriotic Union Party
Ms Gunilla Kranz	Secretary to the delegation

Norway

Mr Svein Roald Hansen	Labour Party
Ms Laila Dāvøy	Christian Democratic Party
Ms Marianne Aasen Agdestein	Labour Party
Mr Børge Brende	Conservative Party

Mr Ola Borten Moe	Centre Party
Mr Gjermund Hagesæter	Progress Party
Mr Christian Syse	Secretary to the delegation
Ms Aud Loen	Secretary to the delegation

European Parliament

Ms Diana Wallis (President)	Member of the European Parliament, Group of the Alliance of Liberals and Democrats for Europe (ALDE), United Kingdom
Ms Ewa Hedkvist Petersen	Member of the European Parliament, Group of the European Socialists (PES), Sweden
Mr Jens-Peter Bonde	Member of the European Parliament, Independence/Democracy Group (IND/DEM), Denmark
Mr Mieczyslaw Edmund Janowski	Member of the European Parliament, Union for Europe of the Nations Group (UEN), Poland
Mr Andreas Schwab	Member of the European Parliament, Group of the European People's Party (Christian-Democratic Group) and European Democrats (EPP-ED), Germany
Ms Danutė Budreikaitė	Member of the European Parliament, Group of the Alliance of Liberals and Democrats for Europe (ALDE), Lithuania

Mr Lutz Goepel	Member of the European Parliament, Group of the European People's Party (Christian-Democratic Group) and European Democrats (EPP-ED), Germany
Ms Nina Skottová	Member of the European Parliament, Group of the European People's Party (Christian-Democratic Group) and European Democrats (EPP-ED), Czech Republic
Mr Paul Rübig	Member of the European Parliament, Group of the European People's Party (Christian-Democratic Group) and European Democrats (EPP-ED), Austria
Ms Catherine Stihler	Member of the European Parliament, Group of the European Socialists (PSE), United Kingdom
Ms Marie Panayotopoulos-Cassiot	Member of the European Parliament, Group of the European People's Party (Christian-Democratic Group) and European Democrats (EPP-ED), Greece
Mr Struan Stevenson	Member of the European Parliament, Group of the European People's Party (Christian-Democratic Group) and European Democrats (EPP-ED), Scotland

European Parliament Secretariat

Mr Henrik Olsen	Head of Secretariat
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Mr Stefan Pfitzner	Deputy Head of Unit
Ms Annie d'Agosto	Administrative Assistant
Ms Vibeke Tuxen	Administrative Assistant

European Council Secretariat

Mr Georgios Kritikos	Desk Officer, Non EU Western Europe; EEA/ EFTA
Mr Pekka Huhtaniemi	Under-Secretary of State, Ministry for Foreign Affairs of Finland, representing the EU President of the EEA Council
Mr Mikael Långström	First Secretary, Ministry for Foreign Affairs of Finland, representing the EU President of the EEA Council

European Commission

Mr Matthias Brinkmann	Acting EU President of the EEA Joint Committee
Mr Vittorio Ghidi	Desk Officer
Mr Lars-Olof Hollner	Desk Officer

EFTA Secretariat

Mr Kåre Bryn	Secretary-General, EFTA
Mr Harald E. Nybølet	Head of EEA Co-ordination Unit, EFTA

Ms Margrethe Saxegaard Officer, EEA Co-ordination Unit, EFTA

Mr Andri Lúthersson Officer, EEA Co-ordination Unit, EFTA

Observers

Switzerland

Mr Eugen David Christian-Democratic Party

Ms Kathy Riklin Christian-Democratic Party

Mr Hans Ulrich Mathys Swiss People's Party

Mr Felix Müri Swiss People's Party

Ms Céline Nerny Secretary to the delegation

EEA Consultative Committee

Mr Jon Veia Confederation of Norwegian Business
and Industry (NHO)

Speakers and Guests

Mr Bjørn T. Grydeland

Mr Helge Skaara

Mr Inge Thygesen

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**

27th Meeting

10 October 2006, Brussels

RESOLUTIONS

Adopted pursuant to Rules 11 and 13 of the Rules of Procedure,
at the 27th meeting of the Joint Parliamentary Committee

in Brussels, 10 October 2006

Resolution on ***The implementation of EEA legislation***

Co-rapporteurs: Mr Gudlaugur Thór THÓRDARSON
 (Independence Party, Iceland)
 Ms Diana WALLIS (ALDE, UK)

adopted unanimously

and

Resolution on ***Enlarging the EEA: Experiences and Perspectives***

Co-rapporteurs: Mr Mieczyslaw JANOWSKI (UEN, Poland)
 Ms Laila DÅVØY
 (Christian Democratic Party, Norway)

adopted unanimously

RESOLUTION

The implementation of EEA legislation

The Joint Parliamentary Committee of the European Economic Area:

- A. affirming that the EEA Agreement provides for full access of the EEA EFTA States and the EU Member States to the Internal Market,
 - B. acknowledging the importance of implementation of EEA legislation in order to establish a dynamic and homogenous European Economic Area,
 - C. noting that the Internal Market Strategy 2003-2006 is an essential element of the Lisbon Strategy,
 - D. recalling the European Council Summit of March 2002 decision on a “zero tolerance” approach for directives whose transposition deadline is overdue by 2 or more years,
 - E. acknowledging that EU Heads of State and Government have repeatedly called on Member States to improve their transposition records setting a 1.5% transposition deficit as an interim ceiling, which has been endorsed by the EFTA Surveillance Authority,
 - F. recalling that the Internal Market Strategy 2003-2006 calls on Member States to reduce the number of infringements against them by at least 50% by 2006,
- 1. recognizes the importance of establishing a dynamic and homogenous European Economic Area;
 - 2. regrets the fact that the EEA EU Member States missed the opportunity in the first six months of 2006 to go below the interim ceiling of 1.5% transposition deficit set by the Member States themselves and urges some of the old EU Member States that have increased their deficit to take urgent actions;
 - 3. welcomes the fact that the new EU Member States in general have kept their transposition deficits at a low level;
 - 4. calls for a concerted effort by all EEA Member States to implement and enforce rules effectively, correctly and on time;
 - 5. underlines the need for homogenous national implementation, and recommends that the EEA States establish training programmes for officials in their public administration to increase knowledge of procurement rules and procedures;
 - 6. expresses its regret that despite calls on Member States to reduce the number of infringements against them by at least 50% by 2006, only five EU-15 Member States have reduced the number of infringement proceedings against

them over the last three years, and urges concerted efforts on behalf of all EEA Member States to resolve this trend;

7. requests consideration of potential means of involving citizens of the 3 EEA EFTA States more directly in the monitoring and enforcement processes with regard to EEA legislation;
8. asks the Commission and the EFTA Surveillance Authority to review how they might cooperate more closely in order to ensure even enforcement across the whole of the EEA;
9. 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.

Resolution

On Enlarging the European Economic Area: Experiences and perspectives

The European Economic Area Joint Parliamentary Committee:

- A. Recognizing that the European Union (EU) enlargement of 1 May 2004 posed both opportunities and challenges for the EU and the European Economic Area (EEA)
 - B. Having regard to the fact that the ten New European States joined the European Economic Area by signing the EEA Enlargement Agreement in November in Brussels, which entered fully into force in December 2005 when the ratification procedures were completed
 - C. Noting the Protocol 38 to the Agreement between Norway, Iceland, Liechtenstein and the members of the EU on the establishment of an EEA financial mechanism for the period 2004-2009 and the Agreement between the Kingdom of Norway and the European Community on a Norwegian financial mechanism for the period 2004-2009
 - D. Having regard to the EEA financial mechanism providing for a total contribution of EUR 600 million for the ten New Member States and Greece, Portugal and Spain for the period 2004-2009
 - E. Having regard to the Norwegian financial mechanism, providing for additional EUR 567 million for the ten New Member States for the period 2004-2009
 - F. Having regard to notifications from the EEA Countries in April 2006 on transitional arrangements concerning the free movement of workers
 - G. Noting the European Council Presidency conclusions in June 2006, the September 2006 European Commission's Monitoring report on the state of preparedness for EU membership as well as the September 2006 European Parliament debate as concerns Bulgaria and Romania
-
- 1. Welcomes the multiple benefits resulting from the enlargement of the EEA especially due to the intensification of trade and cultural exchange, with prospects of further cooperation in the fields of science, technology and research, contributing to competitiveness and innovation capacities of the EEA;
 - 2. Underlines that the significant increase in the trade exchange, including both products and services, between the EEA EFTA and EU countries is the most feasible advantage of the EEA enlargement;

3. Acknowledges that fisheries and agriculture are given a special concern as areas of high importance especially for the northern EEA EFTA States;
4. Welcomes the financial support through EEA financial mechanism and the Norwegian financial mechanism which shall contribute to the social and economic cohesion of Europe, reduce economic disparities between EEA regions and which constitute a solidarity response to the particular situation of the ten New Member States;
5. Notes the reinforcement of common interests between the enlarged EU and the EEA countries, related to energy security and environmental security issues, which should result in common actions and mutual support;
6. Notes with interest the developments concerning the transitional arrangements applying to the free movement of workers from the new EU Member States; and encourages the EEA Countries to consider whether the continuation of such arrangements is needed;
7. Welcomes commitments by the Swiss Government to contribute substantially towards lessening the economic and social gap between the old and new Member States of the EU;
8. Calls on relevant authorities for a campaign directed to the EEA citizens, disseminating information about mutual positive benefits of the EEA enlargement, including publication of results of the cooperation;
9. Urges all EEA EFTA States, in light of the 2004 enlargement and future enlargement, to continue to increase their efforts in utilising all avenues for early decision-shaping with the aim to guarantee the homogeneity and good functioning of the Internal Market;
10. Calls for upgrading the diplomatic relations, if their governments recognize it necessary, between the EFTA countries and EU Member States, with a special regard to new Member States, in order to facilitate increased contacts not only between the citizens, but also with potential economic partners, as well as in other areas of mutual interests;
11. Looks forward to the forthcoming EU and EEA enlargements and the mutual benefits it will bring to all EEA Countries; and will follow closely developments with regard to transitional arrangements concerning Bulgaria and Romania;
12. Urges relevant authorities to come to a swift and balanced conclusion in the current enlargement negotiations with the aim of guaranteeing the parallel enlargement of EU and the EEA and to ensure the continued good functioning and homogeneity of the Internal Market.