

EUROPEAN PARLIAMENT

DELEGATION FOR RELATIONS WITH SWITZERLAND, ICELAND, AND NORWAY AND TO THE EEA JOINT PARLIAMENTARY COMMITTEE

REPORT

to

**Mr Elmar BROK,
Chair of the Committee on Foreign Affairs**

from

**Ms Diana WALLIS,
Chair of the European Parliament's Delegation for
Relations with Switzerland, Iceland and Norway
and to the EEA JPC**

on the 22nd EU-Norway Interparliamentary Meeting in Brussels, 23-24 May 2005

In the afternoon of Monday 23 May, the Norwegian delegation arrived to the European Parliament in Brussels, where the first working session with the EP delegation started at 15.15h.

Mrs WALLIS, Chair of the EP delegation, opened the 22nd EU- Norway Interparliamentary Meeting and welcomed the Norwegian delegation to the European Parliament in Brussels.

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Political and economic situation in Norway

Mr LØNNING, Acting Chair of the Norwegian delegation, briefed the members on the political and economic situation in Norway. Norway's political scene is currently dominated by the approaching general election, scheduled for September 12th 2005. The outcome of the election is not clear-cut, however it stands between two clear alternatives: a coalition consisting of the Conservative Party, the Christian Democrat Party and the Liberal Party or a coalition consisting of the Labour Party, the Socialist Left Party and the Centre Party. If the second alternative would win the election it would create a new experience for Norway since the Labour Party never has built a coalition government with anyone before. The general political debate in Norway is "business as usual" also with regard to Norway-EU relations. The Norwegian Parliament ratified the renewed EEA Agreement one year ago.

The EU Constitution and its future perspectives
Future Enlargement of the EU and the EEA

Mr BONDE (EP) briefed the members on the EU Constitution and its future perspectives. He gave his view on the consequences of the Constitution and highlighted a few specific areas. He mentioned that the Constitution involves a transfer of power from national parliaments to Brussels and exemplified this with EU legislation takes priority over national law. He described the Constitution as a document that creates a system of a single state. He was further saying that the European Parliament will get more influence and a bigger say with 50 more areas of co-decision but will however still only be able to amend and not make decisions. It was stated that the Commission would have a very strong role in the legislative process. He also mentioned that a ratification of the Constitution involves a common foreign minister and a common defence. Finally he recommended the book EU ABC for a comprehensive overlook of the Constitution.

Mr HØGLUND (STORTINGET) briefed the members on the Norwegian view of the Constitution and the effects a future enlargement could have upon the EEA. He stated that the ratification process is now in its most heated moment and that the French referendum is bringing some uncertainty to where the EU is going. He pointed out that the process of the Constitution is followed closely in Norway. He was of the opinion that the outcome of the ratification process would not affect Norway in a direct way but however indirect regarding a few specific issues. Among those he mentioned was the role of the national parliament, EEA relevant aquis and the dismantling of the pillars. He stressed the importance of a need for a technical upgrade of the EEA Agreement if the Constitution should be ratified.

Norway welcomes the enlargement of the EU; however some challenges in this process were acknowledged::

- Norway's fish trade agreements with the ten new member states were abolished when they joined the EU which the Norwegian government does not think is compatible with the EEAs idea of free trade. Therefore, in this respect, Norway is looking with some concern to a future enlargement.
- Social dumping is debated in Norway and is partly seen as a consequence of the enlargement.
- Norway is in favour of Turkey's membership and this issue is followed with great interest. However, since this will affect the EEA. The Norwegian Delegation looks forward to discuss this in more detail at future meetings.

Mr BLANKENBORG (STORTINGET) directed a question to Mr BONDE asking him to explain the paradox why most governments in the EU are supporting the Constitution if they would lose power. He also raised the issue about future enlargement and acknowledged that the three main challenges would be Russia, Turkey and Ukraine. He stressed the need for a process that would encourage a closer relationship between these countries and EU and raised a question on why there is not a discussion on an affiliation that would allow semi-membership.

Ms WALLIS (EP) welcomed this issue relating to EU's Neighbourhood Policy to be further discussed at the following day's meeting.

Mr LØNNING (STORTINGET) asked Mr BONDE to explain the reason why for the first time there seems to be more scepticism against the Constitution in France than in Denmark.

Mr MEYER from the European Commission commented on Mr HØGLUND's earlier briefing and did not agree that the enlargement would have had impact on free trade since it actually

extended the internal market. He also commented on the Neighbourhood Policy and stated that it does encompass different kind of affiliations since the idea is to create individual action plans with every partner country.

Mr BONDE replied to Mr LØNNING's question and said that the reason why there is no scepticism against the Constitution in Denmark is because the Danish people is not yet familiar with its context and therefore there is also no real debate on this issue. Concerning Mr BLANKENBORG's question about power he replied that this could be explained with psychological reasons (when national ministers gather with other ministers in the EU they get the feeling of actually achieving power).

Ms WALLIS shortly stressed her opinion that there is a democratic check in the legislative process since it emphasises a close collaboration between the European institutions.

Ms PANAYOTOPOULOS (EP) stated that when 25 member states are working for a common goal some national ambitions have to stand back.

Mr MEYER agreed with Ms WALLIS' comment on the democratic check but also added that there is a need to look more closely into the grey zone between what is purely internal market, and thereby EEA relevant, and what is EU external relations that may or may not have consequences for the internal market.

Ms CHRISTIANSEN (STORTINGET) directed a question to the Chair on the consequences of France's and the Netherlands' possible rejection of the Constitution in the upcoming referenda.

Ms WALLIS replied that it of course would be a disappointment but still not necessarily the end of it. She also stressed that the EU is functioning under the provisions of the Treaty of Nice so a French or/and Dutch no would not be the end of the day.

Ms HEDKVIST PETERSEN (EP) added to the discussion that it is important that all countries are given the opportunity to adopt a stance on the Constitution. She also stated the need for interpreting the results if the Constitution would be rejected since there is different types of yes and no. Furthermore she said that if the outcome is no it is important to find out what the dominant factor is in the no camp.

An exchange of views on the consequences of a possible rejection of the Constitution and how this should be interpreted followed by Ms WALLIS, Mr SMITH (EP) and Ms ROTH-BEHRENDT (EP) and Mr RISE (STORTINGET).

Regional Policies and of Norway and of the European Union

Mr RISE (STORTINGET) briefed the members on the regional policies of Norway. He stated that the Norwegian regional policy is mainly focusing on:

- Taking care of the patterns for habitation throughout Norway which is a demanding task considering the long coastline.
- To unleash the potential for growing of new industries and to create new jobs in all parts of Norway.

He further stressed that economic growth has to be initiated at the local level but that the government is responsible for developing the optimal conditions in order to make it happen. It

was stated that international agreements, like the EEA Agreement, put some limit to national domestic regional policy and that the change of regional differentiated social security tax has been affecting Norway. He also mentioned that Norway is now focusing on the forthcoming revision of the Commission's guidelines on national regional aid. It is hoped that this process may lead to more flexible rules regarding use of cost-effective measures, targeted at stimulating employment and settlement in sparsely populated areas.

Mr SMITH briefed the members on the regional policies of the European Union. The EU leaders will be meeting in a few weeks time to try to reach agreement on the future financing of the EU's budget over the 2007-2013 period. He stressed that the reform of the EU regional cohesion policy is a key element in achieving a greater degree of economic and social conversion between the ten new member states and the old member states. The regional development fund measures will focus on three priority Lisbon themes:

- research, development and innovation
- accessibility and service of general economic interest
- environment risk prevention

Employment and social inclusion programs under European employment strategies will complement these themes. He further stressed that significant changes are envisaged in how new cohesion policies will be implemented, with greater simplification and clarification of the division of responsibilities between the EU, the member states and the local and regional authorities. He also mentioned that there are still key challenges remaining for the future of cohesion policy within the enlarged union, which will require effective use of structural fund resources, in particular in reaching the Lisbon Strategy and the Gothenburg objectives.

Mr MEYER made a comment on the importance of widening up the discussion on how best to assist the neglected regions and at the same time respecting basic competition rules.

Ms HEDKVIST PETERSEN expressed the importance of the EU taking account of special sets of geographical circumstances in their regional policy. She also emphasised the need for proper regional policy in members states themselves because EU should not be allowed substitutions.

Mr HØGLUND stressed that there will be wider gaps in living standards if we accept the argument that help from the regional structural funds do improve living standards in addition to that they are included in the market.

Mr LØNNING talked about the idea of developing the northern councils and assemblies into one common council of the Northern Part of Europe and raised a question on whether it would be helpful to establish such a common parliamentary forum.

Ms HEDKVIST PETERSEN replied to Mr HØGLUND's and Mr LØNNING's comments by stressing that the aim of the structural fund policy is to make sure that the standard of living can be approved. She also stated that it is however not only the structural funds that to be blamed for this; it is also connected to developing business and research or everything which is covered by the Lisbon process. Furthermore she mentioned that the European Parliament is in favour of creating a regional assembly or forum which would cover Northern Europe.

Fisheries Policy of Norway and of the European Union

Ms STIHLER (EP) briefed the members on the fisheries policy of the European Union and on the ongoing dispute between EU and Norway concerning the safeguard and anti-dumping

measures. She also took the opportunity to raise a number of questions on these matters such as how Norway work to obtain good conservation measures, how they control inspection services and what their perspective is on the creation of the new regional advisory councils. She also asked the Norwegian delegation whether they thought that fishery issues are one of the major reasons why Norway still say no to join the EU.

Mr JACOBSEN (STORTINGET) briefed the members on the Norwegian perspective of the dispute on fisheries and stated that Norway could understand the safeguard measures but not the antidumping measures. He stressed that Norway feels that there is no evidence of dumping and claimed that EU should be honest about their protection of their salmon production. He further mentioned that it should be considered that the Norwegian fishery industry creates about 15.000 jobs within the EU. He questioned the EU system on how to control the amount of actually landed fish and the total amount of actually fished fish. Finally he welcomed the new EU initiative on regional advisory councils.

Mr HØGLUND added to the discussion that Norway feels that there has been a lack of openness from the Commission since they only partly have been given the possibility to look at the grounds for these allegations. He also welcomed a further discussion to try to find a solution to the conflict.

An exchange of views followed between Mr MEYER, Ms HEDKVIST PETERSEN, Mr VALLERSNES (STORTINGET), Mr THYGESEN (NORWEGIAN EMBASSY), STENSAKER, Mr SMITH, Mr LØNNING and Ms STIHLER and it was concluded that this meeting has been a good forum to discuss the differences and that this discussion should continue.

EU's Neighbourhood Policy

This point was introduced by Ms HEDKVIST PETERSEN and she outlined the main features of the policy. She stated that with the ten new member states the EU's external frontiers have changed and that we are now facing new neighbours. The enlarged EU is not supposed to create a dividing line with the neighbouring countries but to establish some kind of co-operation with the neighbours in the south and east. She stressed that the idea is to create a common space of peace, security and prosperity but also respect for human rights, democracy and justice. She also emphasised that the Neighbourhood Policy neither explicitly nor implicitly *excludes* its participant states from future EU enlargement, but neither does the EU as a political entity eventually have to automatically *include* all of Europe as a geographical entity.

Mr BLANKENBORG welcomed this initiative from the EU. The Neighbourhood Policy has no directly implications for the EU-Norway relations, only indirectly. He emphasised the initiative in the Israel-Palestine area and the Maghreb region especially in the Western Sahara conflict. He also stressed the importance of integrating Belarus and to use this instrument to encourage the civil society to organise and prepare for the next election. He suggested the Neighbourhood Policy to form a bridge between EU and Russia and by this try to bring Russia onboard on the process of encouraging and strengthening democracy in some of the neighbouring countries.

Mr MEYER contributed to the discussion with saying that the Neighbourhood Policy is basically based on reform for trade. This means that there is an EEA link that needs to be figured out. He also mentioned that there is a problem with some of the neighbouring countries

as several of them are so eager on the membership aspiration, that sometimes the negotiations on the actionplans are almost on the risk of breaking down over that single question. An exchange of views on the Belarus issue followed between Mr RISE, Mr BLANKENBORG and Mr MEYER.

Ms CHRISTIANSEN was of the opinion that there is a lack of EU presence in the north and suggested a closer co-operation between Norway and EU in these areas.

Energy Policies of Norway and of the European Union

The second working session on 24 May started at 09.10 with a debate on the Energy Policies of Norway and of the European Union. Mr RÜBIG (EP) briefed the members on the EU policy. 50 % of the energy is being imported into the EU and by 2030 it is expected to have risen to 70 %. He further said that EU has produced a green paper on European energy efficiency. Topics that are to be discussed are a program for intelligent energy, an action plan for biomass, renewable forms of energy and nuclear energy without waste. He stressed that the capacity of power plants in Europe in the next few years should be doubled. He also acknowledged the problem that many of the European power plants are 30 or in some cases even 40 years old.

Mr VALLERSNES briefed the meeting on the energy policies of Norway. He stated that Norway is the world's third largest oil exporter and the sixth largest producer of hydropower. He also mentioned that Norway is the country in Europe with the highest share of renewable energy production and that it delivers 14% of gas consumed in Europe. The snow white areas in Norwegian part of the Barents Sea will begin its production in the near future, which means that the LNG will be transported not only to Europe but the United States. Electricity for the domestic Norwegian market comes almost exclusively from hydropower. On a small scale there is development of bio-energy and wind-power and the construction of a gas-power plant will begin this summer. He stressed that Norway has with interest followed the process of establishing an energy treaty with the countries in southeast Europe with the objective of integrating that region into the EU energy internal market. He ended his briefing by saying that, as Norway being a partner in the internal market through the EEA Agreement, an enlarged energy community would be of particular interest.

The briefings were followed by a discussion on the development of oil and prices and Norway's view of the Kyoto objectives. It was concluded that the relations with Russia concerning energy could be an interesting discussion to be put up on the agenda for a future meeting.

Norway's future strategy towards challenges in the High North

The Northern Dimension

Ms CHRISTIANSEN briefed the European Parliament delegation on the Northern Dimension. The Norwegian government has introduced a white paper on the political strategy in the High North which aims to take out the economic potentials in this area without damaging fragile habitats. Norway is of the opinion that this area needs more international attention and a part of the strategy is also to increase this. The white paper focus on how the Norwegian government will seek to safeguard Norwegian foreign policy interest, maintain political stability and resolve cross border issues through bilateral and multilateral co-operation. Norway proposes a number of specific measures for strengthening co-ordination and co-operation in the north, especially with Russia but also with the EU, the United States and Canada.

She stated that Norway needs the EU co-operation in the North and hoped this to be a priority topic on future agendas.

EU/Norway-Russia relations

Ms WALLIS continued with a briefing on EU-Russia relations. The Russian economy is not in a position where it could fit into a type of EEA arrangement. She further made reference to the EU-Russia summit on the 10th of May and the so-called four common spaces between the partners. She clarified that this relationship is not Neighbourhood Policy, not the EEA but a partnership and co-operation agreement. By moving on to the Northern Dimension she informed the members that this project has been very successful in respect of environmental policies and in respect of Kaliningrad. However, there is a growing disappointment that the Northern Dimension has not been further extended to look more at the High North and she feared that the important work in this area will not receive the attention it demands. She stressed that there has been a wish from the European Parliament that the Northern Dimension should be accompanied by a Northern Dimension Forum that would bring together parliamentarians from both national and regional level, which would give the Northern Dimension a bottom-up approach. She identified the greatest challenge as bringing together the concerned players in this geographical area and emphasised that the next step will be to put some political movement into it. A ministerial meeting on the Northern Dimension will be held when the UK is taking over the EP presidency. This could be an opportunity to breathe some life into the dimension of the High North.

A discussion followed which emphasised the importance of concrete actions and presence concerning the Northern Dimension and the High North. Mr BLANKENBORG suggested research programmes and engagement in environmental issues from the EU. Mr STENSAKER (STORTINGET) pointed out that there is a growing awareness of the environmental issues amongst the people in the high north and further stressed the importance of future meetings on this topic. The members also discussed the possibility of creating a parliamentary based type organisation and Ms WALLIS stated that the Commission has indicated that they would not oppose such an approach.

The meeting was closed at 10.35h. Mr LØNNING, acting Chairman of the Norwegian delegation, invited the EP delegation to Norway for the next meeting in 2006.

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