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Discussion-paper presented by SwitzerlandFirst outline of a framework agreement/cooperation agreement
EFTA countries/EC/EC Member StatesI. Objectives:

- to set a framework for the creation of a homogenous and dynamic European Economic Space (EES) and for the organisation of non economic cooperation. The EES shall include the 18 countries without a priori excluding a closer cooperation between individual EFTA countries and the EC in fields that do not interest all EFTA Members.
- EES to be defined in broad terms.
- to introduce the idea of variable geometry (more or less intense according to interests).

II. Realization:

Through multilateral and (open) bilateral agreements; sectorial framework agreements after the model of the agreement on scientific and technical research.

III. Principles applicable in the European legal space

- Ensure direct applicability of provisions which are unconditional and precise enough to produce direct effect
- take measures to favour harmonious interpretation of EES-related agreements by courts and administrative authorities
- arbitration mechanisms (compulsory or optional, multilateral or bilateral)
- refutable presumption of equivalence and pactum de negotiando in case of refutation
- compulsory mutual consultation on all projects of legislation having an effect on the EES with the aim of a "decision shaping process"



In order to gain legal value these principles must be incorporated into specific agreements (see 2).

IV. Principles applicable to the "four freedoms"

Goods:

common decisions on the essential requirements set by the technical legislations; high level of protection of health, security, environment and consumers being a prerequisite. These common decisions would constitute somehow the logical complement to the cooperation instaurated in the framework of European normalization organisations

- liberalization of public procurement on a reciprocity basis
- simplification and harmonization of customs procedures and improvement of origin rules.

Services:

largest possible liberalization

Capitals:

liberalization erga omnes

Persons:

Common actions on EES level to foster the mobility of students and researchers; simplification of border formalities, mutual recognition of diplomas (on selective basis)

V. Principles applicable to cooperation *in other fields than liberalization fields*

Regular exchanges of views and consultations on orientations and priorities in policies accompanying and sustaining measures to realize the EES (R+D, environment, cohesion, social policy, protection of consumers) and other policies (without political cooperation). Goal: to be informed in time on projects so as to decide whether common action should be taken. Cooperation to be organized by way of sectorial agreements setting the framework for developing cooperation in fields of common interests.

VI. Organs

- Ministerial conference: political guidance concerning the realization of the EES and cooperation in other fields: co-decision mechanisms EFTA countries/EC to be examined
- High Officials Committee: elaborates proposals for Ministers, controls application of Ministers directives and decisions, monitors and leads working program
- Exploratory and negotiating groups in fields specified by the High Officials Committee.

General remarks: Relations with existing multi- and bilateral agreements should be further examined. Principles: in no case should the "acquis" be questioned by the conclusion of a framework- or cooperation agreement.

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GUIDING PRINCIPLES FOR AGREEMENT ON EFTA-EC
CO-OPERATION

I. Overriding objectives

- To create a European Economic Space (EES) by way of a comprehensive EFTA-EC framework agreement, encompassing full participation in the internal market and enhanced cooperation in related economic and social fields, allowing for exceptions in so far as vital national interests are concerned (variable geometry).

- Non-discrimination in the economic and social fields.

II. Scope of agreement

Goods: free circulation of industrial goods; enlargement of product coverage for processed agricultural goods; identifying possible sectoral agreements regarding certain agricultural products; liberalization in the fish sector. Customs union to be explored.

Services: full participation (financial services, transports, telecommunications, etc.)

Capital movements: Liberalization erga omnes.

Persons: Full participation (mobility for students and researchers, simplification of border controls, mutual recognition of academic qualifications, procedures for granting working/resident permits for key personnel, free labour market, etc.)

Other fields: Enhanced co-operation along the lines suggested in the Oslo Declaration (incl. research and development, environment, education, economic and monetary policies, social dimension).

III. Institutional matters

- * a) methods of cooperation
 - early exchange of information on legislation under preparation
 - mutual recognition of equivalent legislation
 - establishment of consultation provisions
 - establishment of organs for common decision making and administration of an agreement

- * b) legal aspects
 - provisions for uniform application and interpretation of treaty obligations
 - establishment of equivalent surveillance and enforcement rules
 - establishment of dispute settlement procedures
 - provision of equal possibilities to invoke before competent national courts or authorities relevant provisions of relevant EFTA-EC agreements.

IV. Form of agreement

To be decided in the light of discussions on substance

V. Arrangement of talks

- Begin with substance followed by early discussion on legal aspects, assuming satisfactory institutional solution. Institutional form to be discussed in depth in the light of these discussions.

- If common EC legislation has been adopted, talks should be based on existing legislation. If not, arrangements should be made for early exchange of information and consultations with the view to arriving at common EES rules.

VI. Timetable

1989

April - October	(Along the lines suggested by Mr. Andriessen)
June	EFTA ministerial meeting in Kristiansand (stocktaking)
October/November	EFTA/EC ministerial meeting to launch formal negotiations on the basis of joint declaration (laying down the principles/guidelines (goals, timetables, legal aspects, institutions, etc) for the negotiations
December-1990 June	Formal negotiations