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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 1.6.2007  
COM(2007) 305 final

2007/0106(CNS)

Proposal for a

**DECISION OF THE COUNCIL AND OF THE COMMISSION**

**on the signature and provisional application on behalf of the European Community and the European Atomic Energy Community of the Agreement on Scientific and Technological Cooperation between the European Communities of the one part and the Swiss Confederation of the other part**

Proposal for a

**DECISION OF THE COUNCIL AND OF THE COMMISSION**

**on the conclusion on behalf of the European Community and the European Atomic Energy Community of the Agreement on Scientific and Technological Cooperation between the European Communities of the one part and the Swiss Confederation of the other part**

(presented by the Commission)

## EXPLANATORY MEMORANDUM

1. The Commission proposes to continue the scientific and technological cooperation with Switzerland by signing and concluding the draft Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community of the one part and the Swiss Confederation of the other part (Agreement), which is attached to the proposed Decisions of the Council and the Commission.
2. The association of Switzerland to the Communities' Framework Programmes for Research and Development (FP) was launched by the Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community of the one part and the Swiss Confederation of the other part of 21 June 1999.<sup>1</sup> Due to the late entry into force of the agreement on 1 June 2002, the full association of Switzerland to FP 5 could not be achieved.
3. The agreement of 1999 was renewed for the participation of Switzerland in FP 6. The renewed agreement was signed on 16 January 2004 and concluded by a joint decision of the Council and the Commission (2006/365/EC/Euratom) of 15 May 2006. The agreement entered into force on 16 May 2006.<sup>2</sup> This time the provisional application of the agreement, which started upon signature with legal effect as of 1 January 2004, made it possible that Swiss research entities could fully participate in the specific programmes and actions throughout the entire operation of FP 6.
4. The agreement of 16 January 2004<sup>3</sup> associated Switzerland to the specific programmes of the Sixth (EC and Euratom) Framework Programmes. Article 9(2) of this agreement provided for a renewal of the agreement should the Communities adopt new Framework Programmes.
5. On 30 March 2006 the Swiss Confederation officially requested the Commission to renew the abovementioned agreement with a view to being associated to the 7<sup>th</sup> (EC and Euratom) Framework Programmes for Research and Development (FP7).
6. It is in the interest of the Communities to renew the agreement of 2004 in order to associate the Swiss Confederation to FP7 and thus to allow a continuation of the successful scientific and technological cooperation between the parties and the further integration of Switzerland into the European Research Area.
7. Consequently, on 3 October 2006 the Commission proposed that the Council authorise it to negotiate the renewal of the agreement with a view to associating the Swiss Confederation to FP7. On 18 December 2006 the Council authorised the Commission to negotiate a renewal of the agreement, including the possibility of a provisional application so as to allow legal entities from the Swiss Confederation to participate with the status of entities established in an Associated Country in the first calls for proposal under the FP7.
8. The renewal of the agreement was negotiated in line with the negotiating directives annexed to the Council decision of 18 December 2006. These negotiations were completed on 27 February 2007, when the representatives of the two parties initialled the annexed draft Agreement.

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<sup>1</sup> OJ L 114, 30.4.2002, p 468.

<sup>2</sup> OJ L 32, 5.2.2004, p. 22, OJ L 135, 23.5.2006, p. 13.

<sup>3</sup> OJ L 32, 5.2.2004, p. 23.

9. The draft Agreement is based on the principles of mutual benefit, reciprocal opportunities for participating in each party's programmes and activities in the areas covered by the Agreement, non-discrimination, effective protection of intellectual property and equitable sharing of intellectual property rights.

10. In the context of the renewal of the Agreement on Scientific and Technical Cooperation associating Switzerland with the Framework Programmes, the draft Agreement is based on the principles laid down in its predecessor, particularly with regard to Switzerland's contribution to the budget of the FP. However, it has been adapted to the specific features of the 7th Framework Programmes:

In particular, it provides for the possible participation of Switzerland in the legal structures created under Articles 169 and 171 of the EC Treaty subject to the rules (Council and EP decisions and Council regulations) that will be adopted for the establishment of these legal structures and provided that these rules will become applicable in Switzerland. The agreement foresees that the Switzerland/Communities Research Committee in which, according to the Framework Agreement on Scientific and Technological cooperation of 1987, the Commission represents the Communities, shall decide on the applicability of these rules in Switzerland.

Furthermore, the agreement foresees that the Switzerland/Communities Research Committee may identify on request the regions of Switzerland that fulfil the criteria set out in Article 5(1) of Council Regulation (EC) No 1083/2006<sup>4</sup> and may therefore be eligible regions benefiting from research actions under the Work Programme "Research Potential" under the specific "Capacities" programme. Following the entry into force of FP7, in view of the fact that the Associated States make annual contributions to the respective budgets and of the time needed for negotiation of this renewal, it is proposed that this Agreement should enter into force on 1 January 2007 and should apply provisionally from that date on, subject to conclusion at a later date.

11. Finally, the representatives of the two parties agreed to attach a Final Act to the agreement which contains the following joint and unilateral declarations from the two parties:

- Joint declaration of the Contracting Parties on a close dialogue in view of the implementation of new structures implementing Articles 169 and 171 of the EC Treaty
- Declaration of the Council on Swiss attendance of committees
- Declaration of the Communities on treatment of EU researchers in Switzerland under this Agreement
- Declaration of the Government of Switzerland

12. The proposed decision on signature and provisional application of the Agreement shall also establish the structures necessary for an effective operation of the Agreement right from the beginning. Therefore, Article 3 of the proposed decision contains also an authorisation for the Commission to adopt in the Switzerland/Communities Research Committee the position of the Communities on decisions according to Article 2 (1) on the applicability in Switzerland of the rules for the establishment of the legal structures created under Articles 169 and 171 of the

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<sup>4</sup> OJ L 210, 31.7.2006, p.25.

EC Treaty and on decisions according to Article 6 (2) of the Agreement on the identification of regions with research potential.

13. The proposed decision on the conclusion of the Agreement states in Article 3 that this agreement shall not be renewed in case that one of the agreements concluded between the EC and Switzerland on 21 June 1999 covering seven specific policy areas is terminated. In negotiating and concluding these agreements the EC made clear that all the seven areas were linked.<sup>5</sup> Since Switzerland will decide in 2009 on the continuation of the agreement on the free movement of persons, which is part of the package, the original linkage between all policy areas covered by this package of agreements should be reinstated.

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<sup>5</sup> Decision of the Council, and of the Commission as regards the agreement on scientific and technical cooperation, of 4 April 2002 on the conclusion of seven Agreements with the Swiss Confederation (2002/306/EC, Euratom), OJ L 114, 30.4.2002, p. 1 and Commission Communication on the future relations with Switzerland, COM (93)486 final, 1 October 1993.

Proposal for a

**DECISION OF THE COUNCIL AND OF THE COMMISSION**

**on the signature and provisional application on behalf of the European Community and the European Atomic Energy Community of the Agreement on Scientific and Technological Cooperation between the European Communities of the one part and the Swiss Confederation of the other part**

THE COUNCIL OF THE EUROPEAN UNION AND THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 170 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular the second paragraph of Article 101 thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) The Commission has negotiated, on behalf of the Communities, an Agreement on Scientific and Technological Cooperation with the Swiss Confederation, also providing for provisional application of the Agreement as of 1 January 2007. Provisional application would enable Swiss entities to participate in the first calls for proposals under the Seventh Framework Programme.
- (2) The negotiations resulted in the attached agreement initialled on 27 February 2007.
- (3) It is necessary to sign the Agreement negotiated by the Commission in view of its possible conclusion at a later date.

HAVE DECIDED AS FOLLOWS:

*Article 1*

1. Subject to conclusion at a later date, the President of the Council is hereby authorised to designate the person empowered to sign, on behalf of the European Community, the Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part and the Final Act.
2. Subject to conclusion at a later date, the President of the Commission is hereby authorised to designate the person empowered to sign, on behalf of the European Atomic Energy Community, the Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part and the Final Act.
3. The text of the Agreement is annexed to this Decision.

### *Article 2*

The Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, shall be applied provisionally.

### *Article 3*

1. The Commission shall adopt the position of the Communities to be taken in the Switzerland/Communities Research Committee established by the Framework Agreement on Scientific and Technical Co-operation between the European Communities and the Swiss Confederation<sup>6</sup> with regard to decisions according to Article 2 (1) of the Agreement on the applicability in Switzerland of the rules for the establishment of the legal structures created under Articles 169 and 171 of the EC Treaty.
2. The Commission shall adopt the position of the Communities to be taken in the Switzerland/Communities Research Committee established by the Framework Agreement on Scientific and Technical Co-operation between the European Communities and the Swiss Confederation with regard to decisions according to Article 6 (2) and 6 (3) of the Agreement identifying regions of Switzerland that may be eligible regions benefiting from research actions under the Work Programme “Research Potential” under the specific “Capacities” programme.

### *Article 4*

The Decision shall be published in the Official Journal.

Done at Brussels, [...]

*For the Council*  
*The President*

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<sup>6</sup> OJ L 313 of 22.11. 1985

Proposal for a

**DECISION OF THE COUNCIL AND OF THE COMMISSION**

**on the conclusion on behalf of the European Community and the European Atomic Energy Community of the Agreement on Scientific and Technological Cooperation between the European Communities of the one part and the Swiss Confederation of the other part**

THE COUNCIL OF THE EUROPEAN UNION AND THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community, and in particular Article 170 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular the second paragraph of Article 101 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) The Commission has negotiated, on behalf of the Communities, an Agreement on Scientific and Technological Cooperation with the Swiss Confederation, also providing for provisional application of the renewed Agreement.
- (2) This Agreement was signed by the representatives of the Parties on .....in Brussels, subject to its conclusion at a later date.
- (3) The Agreement should be approved,

HAVE DECIDED AS FOLLOWS:

*Article 1*

The Agreement on Scientific and Technological Cooperation between the European Communities and the Swiss Confederation is hereby approved on behalf of the European Community and the European Atomic Energy Community<sup>7</sup>.

*Article 2*

The President of the Council, on behalf of the European Community, and the President of the Commission, on behalf of the European Atomic Energy Community, shall make the notification provided for in Article 14 of the Agreement.

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<sup>7</sup> For the text of the Agreement, see OJ L xxxx.

*Article 3*

1. This Agreement is related to the seven agreements signed with Switzerland on 21 June 1999 and concluded by Council Decision of 4 April 2002.
2. It shall not be renewed in case the agreements referred to in Paragraph 1 have been terminated.

Done at Brussels, [...]

*For the Council  
The President*

**ANNEX**  
**AGREEMENT**  
**on Scientific and Technological Cooperation between**  
**the European Community and the European Atomic Energy Community,**  
**of the one part,**  
**and the Swiss Confederation,**  
**of the other part**

THE COUNCIL OF THE EUROPEAN UNION,

acting on behalf of the European Community,

and

THE COMMISSION OF THE EUROPEAN COMMUNITIES

(hereinafter referred to as 'the Commission'),

acting on behalf of the European Atomic Energy Community,

hereinafter referred to collectively as 'the Communities',

of the one part,

and

THE SWISS FEDERAL COUNCIL,

acting on behalf of the Swiss Confederation, hereinafter referred to as 'Switzerland',

of the other part,

hereinafter referred to as 'the Parties',

CONSIDERING that the close relationship between Switzerland and the Communities is of benefit to the Parties;

CONSIDERING the importance of scientific and technological research for the Communities and for Switzerland and their mutual interest in cooperating in this matter in order to make better use of resources and to avoid unnecessary duplication;

WHEREAS Switzerland and the Communities are currently implementing research programmes in fields of common interest;

WHEREAS the Communities and Switzerland have an interest in cooperating on these programmes to their mutual benefit;

CONSIDERING the interest of the Parties in encouraging the mutual access of their research entities to research and technological development activities in Switzerland, on the one hand, and to the Communities' Framework Programmes for research and technological development, on the other;

WHEREAS the European Atomic Energy Community and Switzerland concluded a Cooperation Agreement in 1978 in the field of controlled thermonuclear fusion and plasma physics (hereinafter referred to as the 'Fusion Agreement');

WHEREAS the Parties concluded a Framework Agreement on 8 January 1986 for scientific and technical cooperation, which entered into force on 17 July 1987 (hereinafter referred to as 'the Framework Agreement');

CONSIDERING that Article 6 of the Framework Agreement states that the cooperation aimed at by the Framework Agreement is to be carried out through appropriate agreements;

WHEREAS on 16 January 2004 the Communities and Switzerland signed an Agreement on Scientific and Technological Cooperation<sup>8</sup>, which was provisionally applied since 1 of January 2004 and which entered into force on 16 of May 2006;

CONSIDERING that Article 9(2) of the abovementioned Agreement provides for renewal of the Agreement with a view to participation in new multi-annual Framework Programmes for research and technological development, under mutually agreed conditions;

WHEREAS the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007 to 2013) (hereinafter referred to as the ‘Seventh EC Framework Programme’) was adopted by Decision No 1982/2006/EC<sup>9</sup> and Regulation (EC) No 1906/2006<sup>10</sup> of the European Parliament and of the Council, and by Council Decisions 2006/971/EC<sup>11</sup>, 2006/972/EC<sup>12</sup>, 2006/973 EC<sup>13</sup>, 2006/974 EC<sup>14</sup> and 2006/975 EC<sup>15</sup> and the Seventh Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities (2007 to 2011), also contributing to the creation of the European Research Area was adopted by Council Decision 2006/970/Euratom<sup>16</sup>, Council Regulation (Euratom) No 1908/2006<sup>17</sup> and Council Decisions 2006/976/Euratom<sup>18</sup> and 2006/977/Euratom<sup>19</sup> (hereinafter referred to as the ‘Seventh EC and Euratom Framework Programmes’);

WHEREAS without prejudice to the provisions of the Treaties establishing the Communities, this Agreement and any activities entered into under it will in no way affect the powers vested in the Member States to undertake bilateral activities with Switzerland in the fields of science, technology, research and development, and to conclude, where appropriate, agreements to that end,

HAVE AGREED AS FOLLOWS:

### *Article 1*

#### **Subject matter**

1. The form and conditions of Swiss participation in the implementation of the whole of the Seventh EC and Euratom Framework Programmes shall be as laid down in this Agreement, without prejudice to the terms of the Fusion Agreement.

Legal entities established in Switzerland may participate in all the specific programmes of the Seventh EC and Euratom Framework Programmes.

2. Swiss legal entities may participate in the activities of the Joint Research Centre of the Communities, as far as this participation is not covered by paragraph 1.

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<sup>8</sup> OJ L 32, 05.02.2004, p. 22.

<sup>9</sup> OJ L 412, 30.12.2006, p. 1.

<sup>10</sup> OJ L 391, 30.12.2006, p.1.

<sup>11</sup> OJ L 400, 30.12.2006, p. 86.

<sup>12</sup> OJ L 400, 30.12.2006, p. 243.

<sup>13</sup> OJ L 400, 30.12.2006, p. 272.

<sup>14</sup> OJ L 400 30.12.2006, p. 299.

<sup>15</sup> OJ L 400, 30.12.2006, p.368.

<sup>16</sup> OJ L 400, 30.12.2006, p. 60.

<sup>17</sup> OJ L 400, 30.12.2006, p. 1.

<sup>18</sup> OJ L 400, 30.12.2006, p. 404.

<sup>19</sup> OJ L 400, 30.12.2006, p. 434.

3. Legal entities established in the Communities, including the Joint Research Centre, may participate in research programmes and/or projects in Switzerland on themes equivalent to those of the programmes of the Seventh EC and Euratom Framework Programmes.
4. For the purposes of this Agreement 'legal entity' means any natural or any legal person created under the national law at its place of establishment or under Community law, having legal personality and being entitled to have rights and obligations of any kind in its own name. This shall include, *inter alia*, universities, research organisations, industrial companies, including small and medium-sized enterprises, and individuals.

## *Article 2*

### **Forms and means of cooperation**

Cooperation shall take the following forms:

1. Participation of legal entities established in Switzerland in all specific programmes adopted under the Seventh EC and Euratom Framework Programmes, in accordance with the terms and conditions laid down in the rules for the participation of undertakings, research centres and universities both in research, technological development and demonstration activities of the European Community and in research and training activities of the European Atomic Energy Community.

In case the Community makes provisions for the implementation of Articles 169 and 171 of the Treaty establishing the European Community Switzerland shall be allowed to participate in the legal structures created under these provisions subject to the rules that will be adopted for the establishment of these legal structures and provided that these rules will become applicable in Switzerland. The Switzerland/Communities Research Committee shall decide on the applicability of these rules in Switzerland.

Legal entities established in Switzerland shall be eligible for participation in indirect actions based on Articles 169 and 171 of the Treaty establishing the European Community.

2. Financial contribution by Switzerland to the budgets of the programmes adopted for the implementation of the Seventh EC and Euratom Framework Programmes, as defined in Article 5(2).
3. Participation of legal entities established in the Communities in Swiss research programmes and/or projects decided by the Federal Council on themes equivalent to those of the Seventh EC and Euratom Framework Programmes, in accordance with the terms and conditions laid down in the relevant Swiss regulations and with the agreement of the partners in the specific project and the management of the corresponding Swiss programme. Legal entities established in the Communities participating in Swiss research programmes and/or projects shall cover their own costs, including their relative share of the project's general management and administrative costs.
4. In addition to timely provision of information and documentation concerning the implementation of the Seventh EC and Euratom Framework Programmes and of the Swiss programmes and/or projects, the cooperation between the Parties may include the following forms and means:

- (a) regular exchanges of views on research policy guidelines and priorities and plans in Switzerland and in the Communities;
- (b) exchanges of views on the prospects and development of cooperation;
- (c) timely exchanges of information on the implementation of the research programmes and projects in Switzerland and in the Communities and on the results of the work undertaken under this Agreement;
- (d) joint meetings;
- (e) visits and exchanges of researchers, engineers and technicians;
- (f) regular contacts and follow-up between programme or project leaders in Switzerland and in the Communities;
- (g) participation by experts in seminars, symposia and workshops.

### *Article 3*

#### **Adaptation**

Cooperation may be adapted and developed at any time by mutual agreement between the Parties.

### *Article 4*

#### **Intellectual property rights and obligations**

1. Subject to Annex A and applicable law, legal entities established in Switzerland participating in the Communities' research programmes shall, as regards ownership, exploitation and dissemination of information and intellectual property arising from such participation, have the same rights and obligations as legal entities established in the Communities. This provision shall not apply to the results obtained from projects started before the provisional application of this Agreement.
2. Subject to Annex A and applicable law, legal entities established in the Communities taking part in Swiss research programmes and/or projects, as provided for in Article 2(3), shall, as regards ownership, exploitation and dissemination of information and intellectual property arising from such participation, have the same rights and obligations as legal entities established in Switzerland participating in the programmes and/or projects in question.

### *Article 5*

#### **Financial provisions**

1. Commitments entered into by the Communities under the Seventh EC and Euratom Framework Programmes prior to the provisional application of this Agreement — as well as the payments which result from these — shall give rise to no contribution on the part of Switzerland. Switzerland's financial contribution deriving from participation in the implementation of the Seventh EC and Euratom Framework Programmes shall be established in proportion to and in addition to the amount available each year in the general budget of the European Union for commitment appropriations to meet the Commission's financial obligations stemming from work to be carried out in the forms necessary for the implementation, management and operation of the programmes and activities covered by this Agreement.
2. The proportionality factor governing Switzerland's contribution to the Seventh EC and Euratom Framework Programmes, except the Fusion Programme, shall be

obtained by establishing the ratio between Switzerland's gross domestic product, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union. The Swiss contribution to the Fusion Programme shall continue to be calculated on the basis of the corresponding agreement. These ratios shall be calculated on the basis of the latest statistical data from Eurostat, available at the time of publication of the preliminary draft budget of the European Union for the same year.

3. The rules governing Switzerland's financial contribution are set out in Annex B.

#### *Article 6*

### **Switzerland/Communities Research Committee**

1. The Switzerland/Communities Research Committee set up in the Framework Agreement shall review, evaluate and ensure the proper implementation of this Agreement. Any issues arising from the implementation or interpretation of this Agreement shall be referred to this Committee.
2. The Committee may identify on request of Switzerland regions of Switzerland that fulfil the criteria set out in Article 5(1) of Council Regulation (EC) No 1083/2006<sup>20</sup> and may therefore be eligible regions benefiting from research actions under the Work Programme "Research Potential" under the specific "Capacities" programme.
3. The Committee may decide to amend the references to Community acts in Annex C.

#### *Article 7*

### **Participation**

1. Without prejudice to the provisions of Article 4, legal entities established in Switzerland participating in the Seventh EC and Euratom Framework Programmes shall have the same contractual rights and obligations as entities established in the Communities.
2. For legal entities established in Switzerland, the terms and conditions applicable for the submission and evaluation of proposals and those for the granting and conclusion of grant agreements and/or contracts under the Communities' programmes shall be the same as those applicable for grant agreements and/or contracts concluded under the same programmes with legal entities established in the Communities.
3. Legal entities established in Switzerland shall be eligible for loans the EIB makes in support of research objectives set out under the Seventh EC Framework Programme.
4. An adequate number of Swiss experts shall be taken into consideration in the selection of evaluators or referees under the Communities' research and technological development programmes taking into account the skills and knowledge appropriate to the tasks assigned to them.
5. Without prejudice to the provisions of Article 1(3), Article 2(3) and Article 4(2) and to existing regulations and rules of procedure, legal entities established in the Communities may participate under equivalent terms and conditions to Swiss partners in programmes and/or projects of the Swiss research programmes mentioned in Article 2(3). The Swiss authorities may make participation in a project by one or

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<sup>20</sup> OJ L 210, 31.07. 2006, p.25.

more legal entities established in the Communities subject to joint participation by at least one Swiss entity.

#### *Article 8*

##### **Mobility**

Each Party shall undertake, in accordance with existing regulations and agreements in force, to guarantee the entry and stay — as far as indispensable for successful accomplishment of the activity concerned — of a limited number of their researchers participating, in Switzerland and in the Communities, in the activities covered by this Agreement.

#### *Article 9*

##### **Revision and future collaboration**

1. Should the Communities revise or extend their research programmes, this Agreement may be revised or extended under mutually agreed conditions. The Parties shall exchange information and views concerning any such revision or extension, as well as on any matters which affect directly or indirectly Switzerland's cooperation in the fields covered by the Seventh EC and Euratom Framework Programmes. Switzerland shall be notified of the exact content of the revised or extended programmes within two weeks of their adoption by the Communities. In case of such revision or extension of the research programmes, Switzerland may terminate this Agreement by giving six months' notice. The Parties shall give notice of any intention to terminate or to extend this Agreement within three months after the adoption of the Communities' decision.
2. Should the Communities adopt new multi-annual Framework Programmes for research and technological development, this Agreement may be renewed or renegotiated under conditions agreed mutually between the Parties. The Parties shall exchange information and views on the preparation of such programmes or other current and future research activities through the Switzerland/Communities Research Committee.

#### *Article 10*

##### **Relation to other international agreements**

1. The provisions of this Agreement shall apply without prejudice to the advantages envisaged by other international agreements binding one of the Parties and reserved only for legal entities established on the territory of that Party.
2. A legal entity established in another country associated to the Seventh EC Framework Programme (Associated Country) enjoys the same rights and obligations under this Agreement as legal entities that are established in a Member State provided that the Associated Country in which the entity is established has agreed to award legal entities from Switzerland the same rights and obligations.

#### *Article 11*

##### **Territorial application**

This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the Communities are applied and under the conditions laid down in those Treaties and, on the other, to the territory of Switzerland.

## *Article 12*

### **Annexes**

Annexes A, B and C shall form an integral part of this Agreement.

## *Article 13*

### **Amendment and termination**

1. This Agreement shall apply for the duration of the Seventh EC and Euratom Framework Programmes.
2. This Agreement may be amended only in writing by common consent between the Parties. This procedure for entry into force of the amendments shall be the same as the procedure applicable to this Agreement.
3. Each Party may terminate this Agreement at any time, subject to six months' written notice.
4. Projects and activities in progress at the time of termination and/or expiry of this Agreement shall continue until their completion under the conditions laid down in this Agreement. The Parties shall settle by common consent any other consequences of termination.

## *Article 14*

### **Entry into force and provisional application**

1. This Agreement shall be ratified or concluded by the Parties in accordance with their respective rules. It shall enter into force on the dates of the final notification of completion of the procedures necessary to this end. It shall be provisionally applied as of 1 January 2007.
2. Should one of the Parties inform the other that it will not conclude this Agreement, it is hereby agreed that:
  - the Communities shall reimburse to Switzerland its contribution to the general budget of the European Union, as provided for in Article 2(2),
  - however, the funds committed by the Communities for participation by legal entities established in Switzerland in indirect actions, including the reimbursements provided for in Article 2(1), shall be deducted by the Communities from the abovementioned reimbursement,
  - projects and activities started during this provisional application and still in progress at the time of the abovementioned notification shall continue until their completion under the conditions laid down in this Agreement.

This Agreement shall be drawn up in duplicate in the Bulgarian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovene, Spanish and Swedish languages, each of those texts being equally authentic.

## ANNEX A

### PRINCIPLES ON THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS

#### I. SCOPE

For the purposes of this Agreement, 'intellectual property' shall have the meaning defined in Article 2 of the Convention establishing the World Intellectual Property Organisation, signed at Stockholm on 14 July 1967.

For the purposes of this Agreement, 'knowledge' means the results, including information, whether or not they can be protected, as well as copyrights or rights pertaining to such information, following applications for, or the issue of, patents, designs, plant varieties, supplementary protection certificates or similar forms of protection.

#### II. INTELLECTUAL PROPERTY RIGHTS OF THE LEGAL ENTITIES OF THE PARTIES

1. Each Party shall ensure that the intellectual property rights of the legal entities of the other Party participating in the activities undertaken under this Agreement and the rights and obligations resulting from such participation are treated in a manner compatible with the relevant international conventions applicable to the Parties, notably the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights administered by the World Trade Organisation), the Berne Convention (Paris Act 1971) and the Paris Convention (Stockholm Act 1967).
2. Legal entities established in Switzerland participating in indirect actions under the Seventh EC and Euratom Framework Programmes shall have intellectual property rights and obligations under the conditions set out in Regulation (EC) No 2321/2002 modified by Regulation (EC) No 1906/2006 of 18 December, 2006 of the European Parliament and of the Council, in Council Regulation (Euratom) No 2322/2002, modified by Council Regulation (Euratom) No 1908/2006 of 18 December, 2006 and in the grant agreement and/or contract concluded with the European Community, in accordance with point 1. Where Switzerland participates in indirect actions under the Seventh EC Framework Programme, implemented in accordance with Article 169 and Article 171 of the Treaty establishing the European Community, Switzerland shall have the same intellectual property rights and obligations as the Member States participating therein, as set out in the relevant provisions.
3. Legal entities established in a European Union Member State participating in Swiss research programmes and/or projects shall have the same intellectual property rights and obligations as legal entities established in Switzerland participating in these research programmes or projects, in accordance with point 1.

#### III. INTELLECTUAL PROPERTY RIGHTS OF THE PARTIES

1. Unless otherwise agreed between the Parties, the following rules shall apply to the knowledge generated by the Parties in the course of the activities undertaken in accordance with Article 2(4) of this Agreement:
  - (a) the Party generating the knowledge shall have ownership thereof. Where their respective shares in the work cannot be determined, the Parties shall co-own the knowledge;
  - (b) the Party holding ownership shall grant the other Party rights of access to the knowledge with a view to the activities referred to in Article 2(4) of this Agreement. No charge shall be made for granting rights of access to the knowledge.

2. Unless otherwise agreed between the Parties, the following rules shall apply to scientific literature from the Parties:
  - (a) where a Party publishes data, information and technical or scientific results arising from the activities undertaken under this Agreement in journals, articles, reports and books, including audiovisual works and software, a worldwide, non-exclusive, irrevocable royalty-free licence to translate, adapt, transmit and publicly distribute the works in question shall be granted to the other Party;
  - (b) all copies of copyrighted data and information to be publicly distributed and prepared under this section shall indicate the names of the author or authors, unless an author expressly declines to be named. Copies shall also bear a clearly visible acknowledgement of the cooperative support of the Parties.
3. Unless otherwise agreed between the Parties, the following rules shall apply to undisclosed information of the Parties:
  - (a) at the time of submission to the other Party of information relating to the activities undertaken under this Agreement, each Party shall identify the information which it wishes to remain undisclosed;
  - (b) for the specific purposes of application of this Agreement, the receiving Party may, on its own responsibility, communicate undisclosed information to bodies or persons under its authority;
  - (c) with the prior written consent of the Party providing undisclosed information, the receiving Party may disseminate such information more widely than otherwise permitted by subparagraph (b). The Parties shall cooperate in developing procedures for requesting and obtaining prior written consent for wider dissemination, and each Party shall grant such approval to the extent permitted by its domestic policies, regulations and laws;
  - (d) non-documentary undisclosed or other confidential information provided in seminars or other meetings of the representatives of the Parties arranged under this Agreement, or information arising from the attachment of staff, use of facilities or indirect actions must remain confidential, where the recipient of such undisclosed or other confidential or privileged information was made aware of the confidential character of the information before it was communicated, in accordance with subparagraph (a);
  - (e) each Party shall ensure that undisclosed information which it acquires in accordance with subparagraphs (a) and (d) shall be controlled as provided for in this Agreement. If one of the Parties becomes aware that it will be, or may be expected to become, unable to meet the non-dissemination provisions of subparagraphs (a) and (d), it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

## ANNEX B

### FINANCIAL RULES GOVERNING THE CONTRIBUTION OF SWITZERLAND REFERRED TO IN ARTICLE 5 OF THIS AGREEMENT

#### I. DETERMINATION OF FINANCIAL PARTICIPATION

1. The Commission shall communicate to Switzerland together with relevant background material as soon as possible and at the latest on 1 September of each year:
  - (a) the amounts in commitment appropriations in the statement of expenditure of the preliminary draft budget of the European Union corresponding to the two Framework Programmes;
  - (b) the estimated amount of the contributions derived from the preliminary draft budget, corresponding to the participation of Switzerland in the two Framework Programmes. Nonetheless, in order to facilitate internal budgetary procedures, the Commission services shall provide corresponding indicative figures at the latest on 31 May of each year.
2. As soon as the general budget has been finally adopted, the Commission shall communicate to Switzerland the above mentioned amounts in the statement of expenditure corresponding to the participation of Switzerland.

#### II. PAYMENT PROCEDURES

1. The Commission shall issue, in June and November of each financial year, a call for funds to Switzerland corresponding to its contribution under this Agreement. These calls for funds shall provide respectively for the payment of six twelfths of Switzerland's contribution for each call for funds and not later than 30 days after receipt of the corresponding call for funds. However, in the last year of the two Framework Programmes, the full amount of Switzerland's contribution shall be paid not later than 30 days after the receipt of the call for funds.
2. The contributions of Switzerland shall be expressed and paid in euros.
3. Switzerland shall pay its contribution under this Agreement according to the schedule in paragraph 1. Any delay in payment shall give rise to the payment of interest at a rate equal to the one-month inter-bank offered rate (EURIBOR) as on page 248 of Telerate. This rate shall be increased by 1,5 percentage point for each month of delay. The increased rate shall be applied to the entire period of delay. However, the interest shall be due only if the contribution is paid more than 30 days after the scheduled payment dates mentioned in paragraph 1.
4. Travel costs incurred by Swiss representatives and experts for the purposes of taking part in the work of the research committees and those involved in the implementation of the two Framework Programmes shall be reimbursed by the Commission on the same basis as, and in accordance with, the procedures currently in force for the representatives and experts of the Member States of the Communities.

#### III. CONDITIONS FOR IMPLEMENTATION

1. The financial contribution of Switzerland to the two Framework Programmes in accordance with Article 5 of this Agreement shall normally remain unchanged for the financial year in question.

2. The Commission, at the time of the closure of the accounts relating to each financial year (n), within the framework of the establishment of the revenue and expenditure account, shall proceed to the regularisation of the accounts with respect to the participation of Switzerland, taking into consideration modifications which have taken place, either by transfer, cancellations, carry-overs, or by supplementary and amending budgets during the financial year.

This regularisation shall occur at the time of the first payment for the year n+1. However, the final such regularisation shall occur not later than July of the fourth year following the end of the two Framework Programmes. Payment by Switzerland shall be credited to the European Communities' programmes as budget receipts allocated to the appropriate budget heading in the statement of revenue of the general budget of the European Union.

#### IV. INFORMATION

1. At the latest on 31 May of each financial year (n + 1), the statement of appropriations for the two Framework Programmes, related to the previous financial year (n), shall be prepared and transmitted to Switzerland for information, according to the format of the Commission's revenue and expenditure account.
2. The Commission shall communicate to Switzerland statistics and all other general financial data relating to the implementation of the two Framework Programmes which is made available to the Member States.

## ANNEX C

### FINANCIAL CONTROL OF SWISS PARTICIPANTS IN THE COMMUNITY PROGRAMMES COVERED BY THIS AGREEMENT

#### I. DIRECT COMMUNICATION

The Commission shall communicate directly with the participants in the Seventh EC and Euratom Framework Programmes established in Switzerland and with their subcontractors. They may submit directly to the Commission all relevant information and documentation which they are required to submit on the basis of the instruments referred to in this Agreement and of the grant agreements and/or contracts concluded to implement them.

#### II. AUDITS

1. In accordance with Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002, amended by Council Regulation (EC, Euratom) No 1995/2006<sup>21</sup> and Commission Regulation (EC, Euratom) No 2342/2002 amended by Commission Regulation (EC Euratom) 1248/2006<sup>22</sup> of 7 August 2006 and with the other rules referred to in this Agreement, the grant agreements and/or contracts concluded with participants in the programme established in Switzerland may provide for scientific, financial, technological or other audits to be conducted at any time on the premises of the participants and of their subcontractors by Commission agents or by other persons mandated by the Commission.
2. Commission agents and other persons mandated by the Commission shall have appropriate access to sites, works and documents and to all the information required in order to carry out such audits, including in electronic form. This right of access shall be stated explicitly in the grant agreements and/or contracts concluded to implement the instruments referred to in this Agreement.
3. The European Court of Auditors shall have the same rights as the Commission.
4. The audits may be conducted after the Seventh EC and Euratom Framework Programmes or this Agreement expire, on the terms laid down in the grant agreements and/or contracts in question.
5. The Swiss Federal Audit Office shall be informed in advance of the audits conducted on Swiss territory. Such notification shall not be a legal precondition for carrying out such audits.

#### III. ON-THE-SPOT CHECKS

1. Within the framework of this Agreement, the Commission (OLAF) shall be authorised to carry out on-the-spot checks and inspections on Swiss territory, in accordance with the terms and conditions laid down in Council Regulation (Euratom, EC) No 2185/96<sup>23</sup> and Regulation (EC) No 1073/1999 of the European Parliament and the Council.
2. On-the-spot checks and inspections shall be prepared and conducted by the Commission in close collaboration with the Swiss Federal Audit Office or with the other competent Swiss authorities designated by the Swiss Federal Audit Office, which shall be notified in good time of the object, purpose and legal basis of the

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<sup>21</sup> OJ L390, 30.12.2006, p.1.

<sup>22</sup> OJ L227, 19.8.2006, p.3.

<sup>23</sup> OJ L292, 15.11.1996, p. 2.

checks and inspections, so that they can provide all the requisite help. To that end, the officials of the competent Swiss authorities may participate in the on-the-spot checks and inspections.

3. If the Swiss authorities concerned so wish, the on-the-spot checks and inspections may be carried out jointly by the Commission and them.
4. Where the participants in the Seventh EC and Euratom Framework Programmes resist an on-the-spot check or inspection, the Swiss authorities, acting in accordance with national rules, shall give Commission inspectors such assistance as they need to allow them to discharge their duty in carrying out an on-the-spot check or inspection.
5. The Commission shall report as soon as possible to the Swiss Federal Audit Office any fact or suspicion relating to an irregularity which has come to its notice in the course of the on-the-spot check or inspection. In any event the Commission shall be required to inform the abovementioned authority of the result of such checks and inspections.

#### IV. INFORMATION AND CONSULTATION

1. For the purposes of proper implementation of this Annex, the competent Swiss and Community authorities shall regularly exchange information and, at the request of one of the Parties, shall conduct consultations.
2. The competent Swiss authorities shall inform the Commission without delay of any fact or suspicion which has come to their notice relating to an irregularity in connection with the conclusion and implementation of the grant agreements and/or contracts concluded in application of the instruments referred to in this Agreement.

#### V. CONFIDENTIALITY

Information communicated or acquired in any form under this Annex shall be covered by professional secrecy and protected in the same way as similar information is protected by Swiss law and by the corresponding provisions applicable to the Community institutions. Such information may not be communicated to persons other than those within the Community institutions or in the Member States or Switzerland whose functions require them to know it nor may it be used for purposes other than to ensure effective protection of the Parties' financial interests.

#### VI. ADMINISTRATIVE MEASURES AND PENALTIES

Without prejudice to application of Swiss criminal law, administrative measures and penalties may be imposed by the Commission in accordance with Regulations (EC, Euratom) No 1605/2002, amended by Regulation (EC, Euratom) No 1995/2006, and (EC, Euratom) No 2342/2002, amended by Regulation (EC, Euratom) No 1248/2006 of 7 August 2006, and with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests<sup>24</sup>.

#### VII. RECOVERY AND ENFORCEMENT

Decisions taken by the Commission under the Seventh EC Framework Programme within the scope of this Agreement which impose a pecuniary obligation on persons other than States shall be enforceable in Switzerland. The enforcement order shall be issued, without any further control than verification of the authenticity of the act, by the authorities designated by

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<sup>24</sup> OJ L 312, 23.12.1995, p.1.

the Swiss government, which shall inform the Commission thereof. Enforcement shall take place in accordance with the Swiss rules of procedure. The legality of the enforcement decision shall be subject to control by the Court of Justice of the European Communities. Judgments given by the Court of Justice of the European Communities pursuant to an arbitration clause in a contract under the Seventh EC and Euratom Framework Programmes shall be enforceable on the same terms.

The Plenipotentiaries  
of the EUROPEAN COMMUNITY  
and  
of the SWISS CONFEDERATION,

meeting at ..... on ..... for the signature of the Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community on the one hand, and the Swiss Confederation on the other hand, have adopted the following Joint Declaration, which is attached to this Final Act:

Joint Declaration of the Contracting Parties on a close dialogue in view of new structures implementing Articles 169 and 171 of the EC Treaty.

They have also noted the following Declarations, which are attached to this Final Act:

Declaration of the Council on Swiss attendance of committees.

Declaration of the Communities on the treatment of EU researchers under this agreement in Switzerland.

Done at .....

For the European Communities:

For the Swiss Confederation:

**JOINT DECLARATION OF THE CONTRACTING PARTIES ON A CLOSE  
DIALOGUE IN VIEW OF NEW STRUCTURES IMPLEMENTING ARTICLES 169  
AND 171 OF THE EC TREATY**

The two Parties declare that, with a view to ensuring the proper implementation of Article 2.1 of this Agreement, the Swiss Confederation will be timely informed as appropriate about preparatory works regarding structures based on Articles 169 and/or 171 of the EC Treaty to be implemented under the 7th Framework Programmes.

**DECLARATION OF THE COUNCIL  
ON SWISS ATTENDANCE OF COMMITTEES**

The Council agrees that Switzerland's representatives may, insofar as the items concern them, attend meetings as observers of

- all Committees set up under the Seventh EC and Euratom Framework programmes including the Scientific and Technical Research Committee (CREST)
- the Board of Governors of the Joint Research Centre.

Switzerland's representatives shall not be present when these committees vote.

**DECLARATION OF THE COMMUNITIES  
ON TREATMENT OF EU RESEARCHERS IN SWITZERLAND UNDER  
THIS AGREEMENT**

The Communities expect that Switzerland to the extent that it applies a maximum threshold to the number of residence permits available for nationals of any of the Member States of the European Union, the residence permits issued for participating researchers shall not count for the calculation of this maximum threshold. The Communities further expect that researchers participating in projects and are employed by the Joint Research Centres of the Communities may equally benefit from Article 12(3) of the Cooperation agreement between the Euratom and the Swiss Confederation in the field of controlled thermonuclear fusion and plasma physics (OJ L 242/1 of 4.9.1978).

## **DECLARATION OF THE GOVERNMENT OF SWITZERLAND**

The government of Switzerland considers that the *declaration of the Communities on treatment of EU researchers in Switzerland under this agreement* shall be without prejudice to the rights and obligations of the Contracting Parties under the Agreement and under the Swiss legal order.

**LEGISLATIVE FINANCIAL STATEMENT****1. NAME OF THE PROPOSAL**

Proposal for a decision of the Council and of the Commission on the signature and conclusion on behalf of the European Community and of the European Atomic Energy Community of the Agreement on Scientific and Technological Cooperation between the European Communities of the one part and the Swiss Confederation of the other part.

**2. ABM / ABB FRAMEWORK**

Policy strategy and coordination of the Directorates-General RTD, JRC, ENTR, INFSO and TREN.

**3. BUDGET LINES**

3.1 Budget lines (operational lines and related technical and administrative assistance lines (ex- B.A lines) including headings:

- Participation in indirect action by Swiss entities, as well as costs in connection with the implementation of the Agreement (travelling expenses of European experts and of Commission officials on mission, workshops, seminars and meetings) will be charged to the specific budget headings for the specific programmes of the Framework Programmes of the European Community and of the European Atomic Energy Community (XX.01.05.03)

- Swiss participation

Chapter 6013 (Title 6, revenue), Articles 10.02.02, 10.03.02, 02.04.03, 06.06.04, 08.21.04, 09.04.02, (Expenditure).

Switzerland's contribution to the Framework Programmes budget will be proportionate to its GDP compared with that of the Union (see annex).

3.2. Duration of the action and of the financial impact:

From 1 January 2007 for the duration of the Seventh EC and Euratom Framework Programmes as laid down in Article 13 of the Agreement .

3.3. Budgetary characteristics (*add rows if necessary*):

Budget line	Expenditure type		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
xx01.05.03	Non-comp	Non-diff <sup>25</sup>	NO	YES	YES	No 3

<sup>25</sup> Non-differentiated appropriations.

#### 4. SUMMARY OF RESOURCES

##### 4.1 Financial Resources

##### 4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section no.		2007	2008	2009	2010	2011	2012	2013	Total
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##### Operational expenditure<sup>26</sup>

Commitment Appropriations (CA)	8.1	a								
Payment Appropriations (PA)		b								

##### Administrative expenditure within reference amount<sup>27</sup>

Technical & administrative assistance (NDA)	8.2.4	c	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099
---------------------------------------------	-------	---	-------	-------	-------	-------	-------	-------	-------	-------

##### TOTAL REFERENCE AMOUNT

<b>Commitment Appropriations</b>		<b>a + c</b>	0,157	0,157	0,157	0,157	0,157	0,157	0,157	<b>1,099</b>
<b>Payment Appropriations</b>		<b>b + c</b>	0,157	0,157	0,157	0,157	0,157	0,157	0,157	<b>1,099</b>

##### Administrative expenditure not included in reference amount<sup>28</sup>

Human resources and associated expenditure (NDA)	8.2.5	d	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,4095
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e	0	0	0	0	0	0	0	

##### Total indicative financial cost of intervention

<b>TOTAL CA including cost of Human Resources</b>		<b>a+c +d+ e</b>	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	1,5085
<b>TOTAL PA including cost of Human Resources</b>		<b>b+c +d+ e</b>	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	0,2155	1,5085

<sup>26</sup> Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

<sup>27</sup> Expenditure within Article xx 01 04 of Title xx.

<sup>28</sup> Expenditure within Chapter xx 01 other than Articles xx 01 04 or xx 01 05.

## Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		2007	2008	2009	2010	2011	2012	2013	Total
.....	f								
TOTAL CA including co-financing	a+c+d +e+f								

### 4.1.2 Compatibility with Financial Programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Inter-institutional Agreement<sup>29</sup> (i.e. flexibility instrument or revision of the financial perspective).

### 4.1.3 Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

Estimated contribution to 7<sup>th</sup> FPs based on EUROSTAT, "Statistics in focus" – theme 2:

***Note: All details and observations relating to the method of calculating the effect on revenue should be shown in a separate annex.***

N.B.:

- The calculation is based on the 2007 preliminary draft budget for EUR27, pending adoption of the definitive budget for 2007 and revision of the legal bases.
- The proportionality factors for the years 2008 to 2013 will also be adjusted in line with GDP trends at the time of publication of each preliminary draft budget.
- Only operating expenditure is counted in the case of the Fusion Programme. The corresponding administrative expenditure is not charged action by action, but for the Euratom Framework Programme as a whole, in accordance with the ABB structure.

<sup>29</sup> See points 19 and 24 of the Inter-institutional agreement.

		Prior to action [Year n-1]	Situation following action							
Budget line	Revenue*		2007	2008	2009	2010	2011	2012	2013	Total
601.3	a) Revenue in absolute terms	0	150,7	163,261	176,653	194,128	216,335	235,587	254,677	1.391,382
	b) Change in revenue									

\*estimated revenue

*(Please specify each revenue budget line involved, adding the appropriate number of rows to the table if there is an effect on more than one budget line.)*

- 4.2 Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

Annual requirements	2007	2008	2009	2010	2011	2012	2013	Total
Total number of human resources	0.5	0.5	0.5	0.5	0.5	0.5	0.5	

## 5. CHARACTERISTICS AND OBJECTIVES

**Details of the context of the proposal are required in the Explanatory Memorandum. This section of the Legislative Financial Statement should include the following specific complementary information:**

- 5.1. Needs to be met in the short or long term:

This decision will allow Switzerland, as an associated country, to be associated to the 7<sup>th</sup> framework programmes and to participate in research activities at Community level.

- 5.2 Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy:

Community funding is a pre-requisite for encouraging and facilitating Switzerland's participation in the research framework programmes.

- 5.3 Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The Association Agreement should enable Switzerland and the Community to derive mutual benefit through reciprocal access to their research programmes.

#### 5.4. Method of Implementation (indicative)

Show below the method(s)<sup>30</sup> chosen for the implementation of the action.

##### X Centralised Management

- Directly by the Commission
- Indirectly by delegation to:
  - Executive Agencies
  - Bodies set up by the Community as referred to in Art. 185 of the Financial Regulation
  - National public-sector bodies/bodies with public-service mission.
- Shared or decentralised management
  - With Member States
  - With third countries
- Joint management with international organisations (please specify)

Relevant comments:

### 6. MONITORING AND EVALUATION

#### 6.1. Monitoring system

##### (a) Performance indicators

- number of proposals put forward by Switzerland compared with the number of proposals selected for funding both for each specific programme and for the Framework Programmes as a whole;
- number of proposals put forward under the specific programmes of the Framework Programmes compared with the relative share of Switzerland's participation in those programmes;
- number of Swiss legal entities selected for funding in the specific programmes of the Framework programmes compared with Switzerland's relative participation in those programmes.

##### (b) Gathering of information:

On the basis of the data on the specific programmes of the Framework Programmes.

##### (c) Overall evaluation:

At the end of the 7th Framework Programmes the Commission will evaluate all cooperation activities covered by the Agreement.

#### 6.2 Evaluation

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<sup>30</sup> If more than one method is indicated please provide additional details in the "Relevant comments" section of this point.

## 7. ANTI-FRAUD MEASURES

When the implementation of the Framework Programmes calls for the use of external contractors or entails granting financial contributions to third parties, the Commission will carry out financial audits. The Community's financial audits will be carried out either by its own staff or by accounting experts approved according to the law of the audited party.

In order to protect the financial interests of the European Communities, rules on checks, measures and sanctions, with reference to Regulation Nos. 2988/95, 2185/96, 1073/99 and 1074/99, will be incorporated in all grant agreements and/or contracts used in the implementation of the Framework Programmes. In particular, the following points will have to be provided for in the grant agreements and/or contracts:

- the introduction of specific contractual clauses to protect the financial interests of the European Community in carrying out checks and controls in relation to the work performed;
- the participation of administrative inspectors in the field of fraud-fighting, in accordance with Regulations No 2185/96, 1073/99 and 1074/99;
- the application of administrative sanctions for all intentional or negligent irregularities in the implementation of the grant agreements and/or contracts, in accordance with Framework Regulation No 2988/95, including a black-listing mechanism;
- the fact that possible recovery orders in case of irregularities and fraud be enforceable according to Article 256 of the EC Treaty and Article 164 of the EAEC Treaty.

Local inspections will be carried out by the European Court of Auditors.

Finally, Annex C to the Agreement provides for recognition by Switzerland of the Community's right to conduct on-the-spot inspections on the premises of Swiss entities receiving funds from the Framework Programmes, together with recognition of the enforceability of recovery orders, the enforceability of judgments of the Court of Justice of the European Communities.

## 8. DETAILS OF RESOURCES

8.1 Objectives of the proposal in terms of their financial cost: **NA**

*Commitment appropriations in EUR million (to 3 decimal places)*

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost								
OPERATIONAL OBJECTIVE No.1 <sup>31</sup>																
<b>Action1.....</b>																
- Output 1																
- Output 2																
<b>Action 2.....</b>																
- Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No.2																
<b>Action 1.....</b>																
- Output 1																
Sub-total Objective 2																
OPERATIONAL OBJECTIVE No. n																
Sub-total Objective n																
<b>TOTAL COST</b>																

<sup>31</sup> As described under Section 5.3.

## 8.2 Administrative Expenditure

### 8.2.1 Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources ( <b>number of posts/FTEs</b> )							
		2007	2008	2009	2010	2011	2012	2013	Total
Officials or temporary staff <sup>32</sup> (XX 01 01)	A*/AD	0,5	0,5	0,5	0,5	0,5	0,5	0,5	
	B*, C*/AST								
Staff financed <sup>33</sup> by Art. XX 01 02		0	0	0	0	0	0	0	
Other staff financed <sup>34</sup> by Art. XX 01 04/05		0	0	0	0	0	0	0	
<b>TOTAL</b>		0,5	0,5	0,5	0,5	0,5	0,5	0,5	

### 8.2.2 Description of tasks deriving from the action

Management and implementation of the association of Switzerland to the Framework Programmes will entail regular missions by EC and Euratom and Swiss experts and officials.

### 8.2.3 Sources of human resources (statutory)

*(When more than one source is stated, please indicate the number of posts originating from each of the sources)*

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

<sup>32</sup> Cost of which is NOT covered by the reference amount.

<sup>33</sup> Cost of which is NOT covered by the reference amount.

<sup>34</sup> Cost of which is included within the reference amount.

8.2.4 Other administrative expenditure included in reference amount  
(XX 01 04/05 – Expenditure on administrative management)

EUR million (to 3 decimal places)

Budget line (number and heading)	2007	2008	2009	2010	2011	2012	2013	TOTAL
<b>1. Technical and administrative assistance (including related staff costs)</b>								
Executive agencies <sup>35</sup>	0	0	0	0	0	0	0	
Other technical and administrative assistance	0,157	0,157	0,157	0,157	0,157	0,157	0,157	1,099
- <i>intra muros</i>								
- <i>extra muros</i>								
<b>Total Technical and administrative assistance</b>	<b>0,157</b>	<b>1,099</b>						

8.2.5 Financial cost of human resources and associated costs not included in the reference amount

EUR million (to 3 decimal places)

Type of human resources	2007	2008	2009	2010	2011	2012	2013	Total
Officials and temporary staff (XX 01 01)	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,0585	0,4095
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)	0	0	0	0	0	0	0	
<b>Total cost of Human Resources and associated costs (NOT in reference amount)</b>	<b>0,0585</b>	<b>0,4095</b>						

Calculation– *Officials and Temporary agents*

*Reference should be made to Point 8.2.1, if applicable*

*Amount given on the basis of the annual cost of an official (all categories included) i.e.:*

$$117\,000 \text{ euro}/2 = 58500$$

<sup>35</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– *Staff financed under Art. XX 01 02 - NA*

*Reference should be made to Point 8.2.1, if applicable*

8.2.6 Other administrative expenditure not included in reference amount

EUR million (to 3 decimal places)

	2007	2008	2009	2010	2011	2012	2013	TOTAL
XX 01 02 11 01 – Missions								
XX 01 02 11 02 – Meetings & Conferences								
XX 01 02 11 03 – Committees <sup>36</sup>								
XX 01 02 11 04 – Studies & consultations								
XX 01 02 11 05 - Information systems								
<b>2. Total Other Management Expenditure (XX 01 02 11)</b>								
<b>3. Other expenditure of an administrative nature</b> (specify including reference to budget line)								
<b>Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</b>	0	0	0	0	0	0	0	

Calculation - *Other administrative expenditure not included in reference amount*

Annex  
Method of calculating the effect on revenue

Switzerland's contribution to the Seventh EC and Euratom Framework Programmes will be proportionate to its GDP compared with the sum of its GDP plus that of the European Union. This ratio shall be calculated on the basis of the latest statistical data pertaining to the same year from the Statistical Office of the European Communities (Eurostat), available at the time of publication of the preliminary draft budget of the European Communities. The contribution of 2007 will be based on the GDPs of 2004.

The proportionality factor governing Switzerland's contribution to the Seventh EC and Euratom Framework Programmes, except the Fusion Programme, shall be obtained by establishing the ratio between Switzerland's gross domestic product, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union. The Swiss contribution to the Fusion Programme shall continue to be calculated on the basis of the corresponding agreement.

<sup>36</sup> Specify the type of committee and the group to which it belongs.

For 2007, the estimated contribution to the Seventh EC and Euratom Framework Programmes based on 2004 GDP (EUROSTAT, Statistics in Focus - Theme 2) is:

GDP 2004 (Mio €)

GDP EUR 27	10.498.457,9
GDP Switzerland	288.852,7
Ratio	
- without fusion	2,751%
- fusion	2,678%

Estimated Contribution (Mio €)

Year	Budget	Total estimated contribution
2007	5.233,633 (EC & Euratom without Fusion) 252,567 (Fusion)	143,977 6,764
Total	5.486,2	150,741