



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 01.07.1999
COM(1999) 324 final

99/ 0133 (CNS)

Proposal for a

COUNCIL DECISION

**concluding the Agreement on co-operation for science and technology between
the European Community and the government of the Russian Federation**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. Acknowledging the important place occupied by Russia both among the New independent States (NIS) and on the scientific and technical international scene, a strengthened cooperation in the RTD sector will not only stimulate Russian economic development and human resources but also strengthen the EU's own scientific and technological research activities.
2. Since the signature in June 1994 of the Partnership and Cooperation Agreement (PCA), the relationship between the Community and Russia in the scientific and technical domains has already developed in various sectors and under different cooperation modalities. Thus, for the period 1993-1998, these activities involved a Community financing of almost 140 million euro and concerned approximately 35,000 Russian researchers.
3. Under the 4th EU RTD Framework Programme (FP4), teams of Russian researchers could participate in projects aimed at the NIS and Central and Eastern Europe (INCO-Copernicus) as well as in projects of all other programmes. Altogether, the EC financial contribution to Russia's organisations in these specific activities amounted to 18 million euro.

Furthermore, INTAS activities support joint research projects, bringing laboratories from INTAS Member States and the NIS together with European partners. Approximately 95% of the INTAS budget is provided by the European Union and the INTAS contribution to Russia amounts to almost 65 million euro for the period 1993-1998.
4. Under the 5th EU RTD Framework Programme (FP5), all these opportunities will be continued. In particular, a Copernicus call for proposals aimed at Russia and the other NIS is scheduled in March 1999 and the next INTAS call for proposals will be launched in April.
5. Moreover the International Science and Technology Centre (ISTC) of Moscow created jointly by the EU, US, Japan and the Russian Federation was established in order to provide scientists and engineers from the NIS previously employed in the military sector with professional alternatives in civil research. The EU contributes about 17 million euro per year to the ISTC activity, of which Russia obtains approximately 90%.
6. In addition to these projects, there have been several recent specific initiatives, for instance in the fields of information technology, telecommunications, environment, and transport. Moreover, Russia and the European Union already cooperate at a multilateral level in the Framework of Eureka, as well as the level of some individual COST Actions.
7. All these elements taken together have argued in favour of a more formal coordination and systematic follow-up of the strategy and the means available for RTD Cooperation with Russia. It is therefore useful to come to a formal agreement on cooperation in S/T in order to provide a more solid framework.

8. In July 1997, the Commission requested a negotiation mandate from the Council. On 10 November 1997, the Council authorized the Commission to negotiate an Agreement on co-operation for science and technology between the European Community and the Russian Federation for the duration of the Fifth Framework Programme.
9. The negotiation resulted in the attached draft Agreement and its two annexes, initialled on 11 February 1999. The draft Agreement is in conformity with the negotiating directives as adopted by the Council on 10 November 1997. During the negotiation, the Commission has been assisted by the special Committee appointed by the Council, in accordance with Article 300 (1) of the EC Treaty.
10. In the light of the above-mentioned considerations, the Commission proposes that the Council:
 - approve the attached Agreement on co-operation for science and technology between the European Community and the Russian Federation;
 - decide that the Agreement be signed on behalf of the Community and authorize the President of the Council to appoint the persons duly empowered to sign on behalf of the Community;
 - after consultation of the European Parliament, conclude and give notification to the Russian authorities that the procedures necessary for the entry into force of the Agreement have been completed on the part of the European Community.

Proposal for a

COUNCIL DECISION

**concluding the Agreement on co-operation for science and technology between
the European Community and the government of the Russian Federation**

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 170, in conjunction with Article 300(2), first sentence of the first subparagraph, and Article 300(3), first subparagraph thereof,

Having regard to the proposal from the Commission ¹,

Having regard to the Opinion of the European Parliament ²

- (1) Whereas the European Community and the Russian Federation are pursuing specific research programmes in areas of common interest;
- (2) Whereas the Russian Federation, on the one hand, and the European Community and its Member-States, on the other hand, have signed a Partnership and Cooperation Agreement which Article 62 provides for the negotiation of "specific arrangements" in the field of science and technology;
- (3) Whereas by its Decision of 10 November 1997, the Council authorized the Commission to negotiate an agreement on co-operation for science and technology between the European Community and the Russian Federation for the duration of the Fifth Framework Programme;
- (4) Whereas the Agreement on co-operation for science and technology between the European Community and the Russian Federation should be approved and signed on behalf of the Community;

HAS DECIDED AS FOLLOWS:

Article 1

The Agreement on co-operation for science and technology between the European Community and the Russian Federation is hereby approved. The text of the Agreement is attached to this Decision.

¹ OJ
² OJ

Article 2

The Community shall sign the Agreement on co-operation for science and technology between the EC and the Russian Federation. The President of the Council is hereby authorized to appoint the person(s) empowered to sign the Agreement on behalf of the Community.

Article 3

Pursuant to Article 12 of the Agreement, the President of the Council shall give notification that the procedures necessary for the entry into force of the Agreement have been completed on the part of the European Community.

Done at Brussels, the

*For the Council
The President*

**AGREEMENT
ON COOPERATION IN SCIENCE AND TECHNOLOGY BETWEEN THE
EUROPEAN COMMUNITY AND THE GOVERNMENT OF
THE RUSSIAN FEDERATION**

THE EUROPEAN COMMUNITY (hereinafter "the Community"), of the one part,

and

THE GOVERNMENT OF THE RUSSIAN FEDERATION, of other part,

hereinafter referred as the "Parties";

CONSIDERING the importance of science and technology for their economic and social development;

RECOGNIZING that the Community and the Russian Federation are pursuing research and technological activities in a number of areas of common interest, and that participation in each other's research and development activities on a basis of reciprocity will provide mutual benefits;

HAVING REGARD to the Partnership and Cooperation Agreement concluded between the European Communities and their Member States of the one part, and the Russian Federation of the other part, signed on 24 June 1994, and in particular to Article 62 thereof;

DESIRING to establish a formal basis for cooperation in scientific and technological research which will extend and strengthen the conduct of cooperative activities in areas of common interest and encourage the application of the results of such cooperation to the economic and social benefits of the Parties :

HAVE AGREED AS FOLLOWS:

Article 1

Purpose

The Parties shall encourage, develop and facilitate cooperative activities in fields of common interest where they are pursuing research and development activities in science and technology.

Article 2

Definitions

For the purpose of this Agreement:

- (a) "Cooperative activity" means any activity which the Parties undertake or support pursuant to this Agreement, and includes joint research;

- (b) "Information" means scientific or technical data, results or methods of research and development stemming from joint research and any other data relating to cooperative activities;
- (c) "Intellectual property" shall have the meaning defined in Article 2 of the Convention establishing the World Intellectual Property Organisation, done at Stockholm on 14 July 1967;
- (d) "Joint research" means research implemented with financial support from one or both Parties and that involves collaboration by participants from both the Community and the Russian Federation;
- (e) "Participant" means any person, legal entity, university, research institute or any other body participating in a cooperative activity, including, where appropriate, Agencies and official bodies of the Parties themselves.

Article 3

Principles

Cooperative activities shall be conducted on the basis of the following principles:

- (a) mutual benefit;
- (b) timely exchange of information which may affect cooperative activities;
- (c) balanced realization of economic and social benefits by the Community and the Russian Federation in view of the contribution made to cooperative activities by the respective participants and /or Parties.

Article 4

Areas of cooperative activities

- a) Cooperation may be pursued in Research, Technological Development and Demonstration activities, including basic research, in the following:
 - environment and climate research, including earth observation
 - biomedical and health research
 - agriculture, forestry and fisheries research
 - industrial and production technologies
 - materials research and metrology
 - non-nuclear energy
 - transportation

- information society technologies
 - social sciences research
 - science and technology policy
 - training and mobility of scientists
- b) Other areas may be added to this list upon review and recommendation by the Joint Community-Russia Committee mentioned in Art. 6, in accordance with procedures in force of each Party.

Article 5

Forms of cooperative activities

- a) Cooperation may include the following activities:
- (1) Participation of Russian entities in Community projects, in the areas of cooperative activities, and a reciprocal participation of entities established in the Community in Russian projects in those areas. Such participation shall be subject to the laws, rules, regulations and procedures in force for each Party. Projects may also include a Party's scientific and technological organizations; projects may also be undertaken in cooperation by the Agencies and official bodies of the Parties;
 - (2) Free access to, and shared use of research facilities, including installations and sites for monitoring, observation and experimentation, as well as data collections, relevant to the cooperative activities;
 - (3) Visits and exchanges of scientists, engineers, or other appropriate personnel for the purposes of participating in seminars, symposia and workshops relevant to cooperation under this Agreement;
 - (4) Exchange of information on practices, laws, regulations and programmes relevant to cooperation under this Agreement;
 - (5) Other activities as may be mutually determined by the Parties in accordance with the applicable policies and programmes of the Parties;
- b) Joint research projects shall proceed under this Agreement only after the participants in a project have concluded a Joint Technology Management Plan, as indicated in the Annex 1 to this Agreement which forms an integral part thereof.
- c) The Parties may jointly pursue cooperative activities with third parties.

Article 6

Coordination and Facilitation of Cooperative Activities

- (a) In order to coordinate and facilitate cooperation activities under this Agreement the Parties will establish a joint Community-Russia Committee on cooperation in the field of science and technology, hereinafter called the "Committee".
- (b) The function of the Committee shall include:
 - 1. overseeing and promoting the activities envisaged under the Agreement;
 - 2. making recommendations pursuant to Article 4.b;
 - 3. proposing activities pursuant to Article 5 a) (5);
 - 4. advising the Parties on ways to enhance cooperation consistent with the principles set out in this Agreement;
 - 5. annually providing a report on the status and effectiveness of cooperation undertaken under this Agreement;
 - 6. reviewing the efficient and effective functioning of the Agreement.
 - 7. taking account of the importance of regional aspects of the cooperation.
- (c) The Committee shall meet once a year, meetings being held alternately in the Community and the Russian Federation. Extraordinary meetings may be held as mutually agreed.
- (d) The Committee shall consist of a limited equal number of official representatives of each Party; it shall establish its own rules of procedure, subject to approval by the Parties. Decisions of the Committee shall be reached by consensus. Minutes, comprising a record of decisions and principal points discussed, shall be taken at each meeting and shall be agreed by those persons selected from each side to jointly chair the meeting. The Committee annual report will be made available to the Cooperation Council and the Cooperation Committee established under the Partnership and Cooperation Agreement EU-Russia and appropriate authorities of each Party.

Article 7

Funding and exemptions from taxes

- a) Cooperative activities shall be subject to the availability of funds and to the applicable laws and regulations, policies and programmes of the Community and the Russian Federation. As a rule, each Party shall bear the costs of discharging its responsibilities under this Agreement, including costs of participation in meetings of the Committee.

- b) When specific cooperative schemes of one Party provide for financial support to participants from the other Party, any such grants, financial or other contributions from one Party to the participants of the other Party in support of those activities shall be granted tax and customs preferences in accordance with the laws and regulations applicable to each Party.

Article 8

Entry of Personnel and Equipment

Each Party shall take all reasonable steps and use its best efforts, in accordance with its laws and regulations, to facilitate entry to, stay in and exit from its territory of persons, material, data and equipment involved in or used in cooperative activities under this Agreement.

Article 9

Information and Intellectual Property

The dissemination and utilisation of information, and management, allocation and exercise of intellectual property rights, resulting from joint research under this Agreement, shall be subject to the provisions of the Annex 2 to this Agreement.

Article 10

Other Agreements and transitional provisions

1. This Agreement is without prejudice to other existing Agreements or arrangements between the Parties or any Agreement or arrangement between the Parties and third parties.
2. The Parties shall endeavour to bring under the terms of this Agreement those existing arrangements for scientific and technological cooperation between the Community and the Russian Federation that fall under the scope of Article 4 of this Agreement.

Article 11

Territorial application

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty, and on the other hand, to the territory of the Russian Federation. This shall not prevent the conduct of cooperative activities on the high seas, outer space on the territory of third countries, in accordance with international laws.

Article 12

Entry into Force; Termination; Settlement of Disputes

- (a) This Agreement shall enter into force on the date on which the Parties have notified each other in writing that their respective internal procedures necessary for its entry into force have been completed.
- (b) This Agreement shall be concluded for an initial period ending 31 December 2002 and will be renewable by common agreement between the Parties for additional periods of five years.
- (c) This Agreement can be terminated at any time by either Party upon a six-month's written notice. The expiration or termination of this Agreement shall not affect the validity or duration of any arrangements made under it, or any specific rights and obligations that have accrued in compliance with the Annexes.
- (d) This Agreement may be amended by agreement of the Parties. Amendments shall enter into force on the date on which the Parties have notified each other in writing that their respective internal procedures necessary for amending this Agreement have been completed.
- (e) All disputes related to the interpretation or implementation of this Agreement shall be settled by mutual agreement between the Parties.

Article 13

This Agreement is drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Russian, Spanish and Swedish languages, each of these texts being equally authentic.

For the European Community

For the Russian Federation

ANNEX 1

INDICATIVE FEATURES OF A TECHNOLOGY MANAGEMENT PLAN

The Technology Management Plan (TMP) is a specific agreement to be concluded between the participants about the implementation of joint research and the respective rights and obligations of the participants.

With respect to Intellectual Property, the TMP will normally address, among other things, ownership, protection, user rights for research and development purposes, exploitation and dissemination, including arrangements for joint publication, the rights and obligations of visiting researchers and dispute settlement procedures. The TMP may also address foreground and background information, licensing and deliverables.

The TMPs shall be developed taking into account the aims of the joint research, the relative financial or other contributions of the Parties or participants, the advantages and disadvantages of licensing by territory or for fields of use, the transfer of export-controlled data, goods or services, requirements imposed by the applicable laws and other factors deemed appropriate by the participants.

ANNEX 2

INTELLECTUAL PROPERTY RIGHTS

Pursuant to Article 9 of the present Agreement, rights to information and intellectual property created or furnished under the Agreement shall be allocated as provided in this Annex.

I. Application

This Annex is applicable to joint research undertaken pursuant to this Agreement, except as otherwise agreed by the Parties.

II. Ownership, Allocation and Exercise of Rights

1. This Annex addresses the allocation of rights and interests of the Parties and their Participants. Each Party and its participants shall ensure that the other Party and its participants may obtain the rights to intellectual property allocated to it in accordance with this Annex. This Annex does not otherwise alter or prejudice the allocation of rights, interests and royalties between a Party and its nationals or participants, which shall be determined by the laws and practices applicable to each Party.
2. The following principles shall apply and shall be provided for in the contractual arrangements:
 - a) Adequate protection of Intellectual Property (IP). The Parties and/or their participants, as appropriate, shall ensure that they notify one another within a reasonable time of the creation of any intellectual property arising under this Agreement or implementing arrangements and to seek protection for such intellectual property in a timely fashion.
 - b) Taking account of the contributions of the Parties or their participants in determining the rights and interests of the Parties and participants.
 - c) Effective exploitation of results.
 - d) Non-discriminatory treatment of participants from the other party as compared with the treatment given to its own participants.
 - e) Protection of confidential information.
3. The participants shall jointly develop a Technology Management Plan (TMP) in respect of the ownership and use, including publication, of information and IP to be created in the course of joint research. The indicative features of a TMP are contained in the Annex 1 to this Agreement. The TMP shall be approved by the responsible funding agency or department of the Party involved in financing the research, before the conclusion of the specific research and development cooperation contracts to which they are attached.

4. Information or IP created in the course of joint research and not addressed in the TMP shall be allocated, with the approval of the Parties, according to the principles set out in the TMP. In case of disagreement, such information or IP shall be owned jointly by all the participants involved in the joint research from which the information or IP results. Each participant to whom this provision applies shall have the right to use such information or IP for his own exploitation with no geographical limitation.
5. While maintaining the conditions of competition in areas affected by the Agreement, each Party shall endeavour to ensure that rights acquired pursuant to this Agreement and arrangements made under it are exercised in such a way as to encourage, in particular:
 - a) the dissemination and use of information created, disclosed or otherwise made available, under the Agreement, and
 - b) the adoption and implementation of international technical standards.
6. Termination or expiry of this Agreement shall not affect rights or obligations under this Annex.

III. Copyright Works

Contractual and other implementing arrangements shall provide for treatment of copyright belonging to the Parties or to their participants consistent with the Berne Convention for the protection of literary and artistic work (Paris Act 1971).

IV. Scientific Literary Works

Without prejudice to Section V, and unless otherwise agreed in the TMP, publication of results of research shall be made jointly by the Parties or participants to that joint research. Subject to the foregoing general rule, the following procedures shall apply:

1. In the case of publication by a Party or public bodies of that Party of scientific and technical journals, articles, reports, books, including video and software arising from joint research pursuant to this Agreement, the other Party or public bodies of that Party shall be entitled within the limits specified within the TMP to a world-wide, non-exclusive, irrevocable, royalty-free licence to translate, reproduce, adapt, transmit and publicly distribute such works.
2. The Parties shall ensure that literary works of a scientific character arising from joint research pursuant to this Agreement shall be disseminated as widely as possible.
3. All copies of a copyright work to be publicly distributed and prepared under this provision shall indicate the names of the author(s) of the work unless an author(s) explicitly declines to be named. They shall also bear a clearly visible acknowledgement of the co-operative support of the Parties.

V. Undisclosed Information

A. Documentary undisclosed information

1. Each Party and its participants, as appropriate, shall identify at the earliest possible moment and preferably in the technology management plan the information that they wish to remain undisclosed, taking into account inter alia the following criteria:
 - (a) confidentiality of the information in the sense that it is not, as a body or in the precise configuration or assembly of its components, generally known among or readily accessible by lawful means to experts in the field;
 - (b) the actual or potential commercial value of the information by virtue of its confidentiality;
 - (c) previous protection of the information in the sense that it has been subject to steps that were reasonable under the circumstances by the person lawfully in control, to maintain its confidentiality.

The Parties and their participants, as appropriate, may in certain cases agree that, unless otherwise indicated, parts or all of the information provided, exchanged or created in the course of joint research may not be disclosed.

2. Each Party shall ensure that it and its participants clearly identify undisclosed information, for example by means of an appropriate marking or restrictive legend. This also applies to any reproduction of the said information, in whole or in part.

A Party and a participant receiving undisclosed information shall respect the privileged nature thereof. These limitations shall automatically terminate when this information is disclosed by the owner into the public domain.

3. Undisclosed information communicated under the Agreement and received from the other Party, may be disseminated by the receiving Party to persons within or employed by the receiving Party and other concerned departments or agencies of the receiving Party authorized for the specific purposes of the joint research underway, provided that any undisclosed information so disseminated shall be pursuant to an agreement of confidentiality and shall be readily recognisable as such, as set out above.
4. With the prior written consent of the Party providing undisclosed information, the receiving Party may disseminate such undisclosed information more widely than otherwise permitted in paragraph 3 of the present section. The Parties shall cooperate in developing procedures for requesting and obtaining prior written consent for such wider dissemination, and each Party will grant such approval to the extent permitted by its domestic policies, regulations and laws.

B. Non-documentary undisclosed information

Non-documentary undisclosed or other confidential information provided in seminars and other meetings arranged under this Agreement, or information arising from the attachment of staff, use of facilities, or joint projects, shall be treated by the Parties or their participants according to the principles specified for documentary information in this Annex provided however that the recipient of such undisclosed or other confidential or privileged information has been made aware of the confidential character of the information communicated at the time such communication is made.

C. Control

Each Party shall endeavour to ensure that undisclosed information received by it under this Agreement shall be controlled as provided herein. If one of the Parties becomes aware that it will be, or may be reasonably expected to become, unable to meet the non-dissemination provisions of subsections A and B of the present Section, it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.

FINANCIAL STATEMENT

1. TITLE OF OPERATION

Proposal for a Council Decision concluded a cooperation Agreement in science and technology between the European Community and the Russian Federation.

2. BUDGET HEADING(S) INVOLVED

Travel costs for EC officials and EC experts will be charged to the specific budget headings of the programmes within the Community's RDT Framework Programme (B6 61/62).

3. LEGAL BASIS

Article 166, 170 and article 300 of the EC Treaty

Article 62 of the Partnership and Cooperation Agreement between EU and Russia.

4. DESCRIPTION OF OPERATION

4.1 General objective

The essential objective is to stimulate RTD cooperation between the EC and Russia in terms of research projects covered by the Community's research Framework Programme however limited to the research areas covered by the Agreement.

4.2 Period covered and arrangements for renewal

The Agreement is concluded for an initial period ending 31 December 2002 and will be renewable by common agreement between the Parties for additional periods of five years.

5. CLASSIFICATION OF EXPENDITURE OR REVENUE

5.1 *Non-compulsory expenditure*

5.2 *Differentiated appropriations*

6. TYPE OF EXPENDITURE OR REVENUE

Financing of missions to Russia by Commission officials and EC experts; organization of joint workshops, seminars and meetings in Europe and Russia.

7. FINANCIAL IMPACT

7.1 Method of calculating total cost of operation (relation between individual and total costs)

- a. Preparatory activities, review of the cooperation: meetings of the Joint Community Russia Committee on Cooperation in Science and Technology (JCRCC), exchange of information, visits of officials and experts to Russia
Euros 40 000/year
- b. Scientific and technical workshops/meetings: Euros 50 000/year
(estimate, on average)

TOTAL: Euros 90 000/year

This amount of Euros 90 000 is divided as follows: 30% for the budget line B6-6211 and 70%, in equal parts, for the budget lines of Chapter B6.61.

7.2 Itemised breakdown of cost

Year	1999	2000	2001	2002
Commitments	90 000	90 000	90 000	90 000
Payments	90 000	90 000	90 000	90 000

8. FRAUD PREVENTION MEASURES

Administrative and financial controls by officials technically responsible for the action (scientific and budgetary aspects). These include:

- Examination of the statement of expenditure before payment at various levels (financial control and scientific manager)
- Internal audit performed by the Financial Controller.
- On the spot inspections made by the Financial Controller of the Commission and by the Court of Auditors of the European Union.

9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

9.1 Specific and quantified objectives; target population

- The Agreement is designed to enable the Community and Russia to profit on the basis of the principle of mutual benefit, from the scientific and technical progress achieved under their reciprocal research programmes, via the participation of the Russian scientific community and industrial sector in the Community's research project via the independent and non-subsidized participation of bodies established in the Community in Russian projects ;

- Beneficiaries in the EC and Russia will be the scientific communities, the private sector and the population, thanks to the direct and indirect effects of cooperation.
- The Agreement will help to maintain and develop access to RTD know-how in order to improve the performance of Community RTD and the competitiveness of European economy.

9.2 Grounds for the operation

Community budget intervention is indispensable because the planned cooperation comes under the implementation of the Framework Programme, including the budgetary section: participation by Russia in certain specific programmes and administrative expenditure on the European side (missions by Community officials, organization of seminars in the Community and Russia).

9.3 Monitoring and evaluation of the operation

The cooperation Agreement will be evaluated regularly by the Commission services concerned.

The evaluation will comprise the following elements :

- a. Collection of information : on the basis of data from the specific programmes of the Framework Programme.
- b. Overall evaluation of the operation: an evaluation of all the cooperation activities in the context of this Agreement will be made by the Commission's departments and independent experts in the framework of the specific programme of RTD.

10. ADMINISTRATIVE EXPENDITURE (SECTION III, PART A OF THE BUDGET)

- The Commission is not requesting any additional posts for the management of the Agreement.
- No officials are being specifically assigned to manage the Agreement. Cooperation activities and the implementation of the Agreement will be managed by the staff authorized for the specific programmes under the present Framework programme and possible subsequent Framework Programmes.

ISSN 0254-1475

COM(1999) 324 final

DOCUMENTS

EN

11 06 15 01

Catalogue number : CB-CO-99-331-EN-C

Office for Official Publications of the European Communities
L-2985 Luxembourg