



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 26.10.1998  
SEC(1998) 1737 final

Recommendation for a

COUNCIL DECISION

**authorising the Commission to  
negotiate an agreement for scientific and technological cooperation  
between the European Community and the Argentine Republic**

(presented by the Commission)

Subject: Recommendation for a Council Decision authorising the Commission to negotiate an agreement for scientific and technological cooperation between the European Community and the Argentine Republic

1. The Framework Agreement for trade and economic cooperation between the Community and the Argentine Republic (8 October 1990) identified scientific and technological cooperation as an area of particular interest and potential.

In its communication of 19 July 1996 entitled "Promoting RTD cooperation with the world's emerging economies" (COM(96) 344 final) the Commission recommended, *inter alia*, that the Union should envisage concluding scientific and technological cooperation agreements with selected emerging economies and added that "the implementation of this procedure is not only the ultimate expression of a political will to foster RTD collaboration. It also allows the parties to tailor country-specific RTD cooperation frames and orient the scientific communities towards selected RTD themes and technological challenges of common interest".

In its resolution of 14 March 1997 on the Commission communication entitled "Promoting RTD cooperation with the world's emerging economies" the European Parliament "calls on the Commission to envisage mechanisms for cooperation in the fields of advanced scientific and technological research that characterise the emerging economies, while maintaining the mechanisms intended specifically for assisting the developing countries" and "calls on the Commission to negotiate, with due regard for the circumstances in each country, bilateral agreements establishing a legal framework for the promotion of RTD cooperation".

2. Argentina, in the person of Mr Del Bello, Secretary of State for Science and Technology, submitted a specific request for such an agreement at the meeting of the Argentina-EU Joint Committee on 30 October 1997. Mrs Cresson considered that ways and means of broadening the cooperation started in the programme on international cooperation with developing countries should be studied. In response to this request, agreement was therefore reached to embark on an in-depth analysis of the benefits of and need for such an agreement. The comprehensive study of research and development potential and activities in Argentina which was carried out in 1997 was followed in March 1998 by an exploratory mission to Argentina by the Commission departments concerned.

This mission established contacts with various Argentine authorities in charge of science and technology policy, notably with the "Secretaría de Ciencia y Tecnología, Ministerio de Cultura y Educación", and with representatives of the scientific community.

The study and the various exploratory contacts confirmed that closer cooperation with Argentina would be in the mutual interest of both parties in research fields as diverse as

energy, life sciences, industrial technologies for SME, transport, telematic applications, information and communications technologies, astrophysics and space exploitation, and marine sciences.

Closer collaboration with Argentina on science and technology will also contribute directly to strengthening ties between the two parties and will, in particular, bring substantial benefits for Europeans, by improving the Community's position in Argentina and, consequently, within MERCOSUR.

In conclusion, it would be fully in the interest of the Community to respond positively to Argentina's request and an agreement for scientific and technological cooperation would be the appropriate instrument for broadening and expanding the current cooperation under the programme on international cooperation with developing countries (INCO-DC), which will continue, and under the Euratom-Argentina Agreement for cooperation in the peaceful uses of nuclear energy.

3. Having regard to the Framework Agreement for trade and economic cooperation between the Community and the Argentine Republic, and in particular Article 10(1) thereof, it is therefore proposed that the Commission ask the Council for authorisation to open and, according to the provisions of Article 130M, in conjunction with Article 228, paragraph 2, of the Treaty establishing the European Community, conduct negotiations with Argentina on a cooperation agreement covering the first activity in the European Community's multiannual RTD framework programme (1998-2002), as provided for in Article 130g(a) of the Treaty establishing the European Community, on the basis of the annexed negotiating directives.
4. Accordingly, the Commission recommends that the Council authorise it to negotiate an agreement for scientific and technological cooperation between the European Community and the Argentine Republic.

**DRAFT NEGOTIATING DIRECTIVES**  
**for an agreement for scientific and technological cooperation  
with the Argentine Republic**

1. Subject

The aim of the negotiations is to conclude an agreement, in accordance with Article 130m in conjunction with the first sentence of Article 228(2) and the first indent of Article 228(3) of the Treaty establishing the European Community and having regard to the Framework Agreement for trade and economic cooperation between the European Community and the Argentine Republic. In addition to this Framework Agreement, the present agreement aims to establish a cooperation in the fields covered by the fifth framework programme of the European Community for research, technological development and demonstration activities (1998-2002), hereinafter referred to as the fifth framework programme. This cooperation should be to the benefit of both parties.

2. Guiding principles

Cooperation under this agreement shall ensure reciprocal access for research bodies from the two parties to their research and development activities and appropriate protection of industrial and intellectual property, with the objective of acting to the mutual benefit of both parties.

3. Scope of the cooperation

The cooperation established by this agreement shall cover the first research activity under the fifth framework programme, as provided for in Article 130g(a) of the Treaty establishing the European Community.

4. Forms and methods of cooperation

Cooperation shall take the following forms:

- participation of Argentine research entities<sup>1</sup> in indirect research action under the Community's framework programme for non-nuclear RTD activities and reciprocal participation by research entities<sup>1</sup> from the European Community in Argentine research projects in similar sectors. Participation by Argentine entities in indirect Community research action shall be subject to the rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the fifth framework programme (1998-2002); joint research and technological development activities by European and Argentine entities must be approved by both parties in order to come under this agreement;
- visits and exchanges of scientists;
- participation by experts in seminars, symposia and workshops.

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<sup>1</sup> As defined in Article ... of the Council Decision of ... concerning the rules for participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the fifth framework programme of the European Community (1998-2002) (OJ ...).

5. Duration

The agreement shall be concluded for the duration of the fifth framework programme (1998-2002) and may be renewed by common agreement between the parties (tacit renewal) after evaluation during the penultimate year of implementation of the fifth framework programme or of subsequent framework programmes. It may be terminated at any time by either party upon six months' written notice.

6. Dissemination and utilisation of information

Participation of Argentine entities in indirect Community RTD action and the dissemination and exploitation of results, including intellectual property rights, shall be subject to the rules adopted by the Council for the Community's research programmes for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the fifth framework programme (1998-2002) and, where appropriate, to the guiding principles on the allocation of intellectual property rights applicable to scientific and technological cooperation agreements with third countries, as laid down in the Joint Declaration of the Council and the Commission of 26 June 1992.

*Mutatis mutandis*, entities from the Community participating in Argentine research activities under this agreement shall have the same rights and obligations as Argentine entities.

7. Financing

As far as the participation of Argentine research bodies in indirect Community research action under the first activity in the fifth framework programme is concerned, the provisions of the Council Decision concerning the rules for the participation of undertakings, research centres and universities in the research, technological development and demonstration activities of the European Community applicable to legal entities from third countries shall apply (no transfer of funds).

8. Management of the agreement

In conformity with the provisions of the Framework Agreement, a Joint Science and Technology Cooperation Committee shall be set up to promote, monitor and evaluate the activities envisaged under the agreement. It shall consist of representatives of the Commission on the one part and representatives of the Argentine Republic on the other. The Committee shall normally meet once a year, preferably before the Joint Committee of the Framework Agreement for trade and economic cooperation between the European Economic Community and the Argentine Republic (Council Decision 90/530/EEC of 8 October 1990), and shall report to it. Extraordinary meetings may be held at the request of either of the parties.

9. Negotiating procedure

The Commission shall be assisted in its negotiations by the special committee appointed by the Council in accordance with Article 228 of the EC Treaty.

## FINANCIAL STATEMENT

### 1. Title of the operation

International scientific cooperation: agreement for scientific and technological cooperation with the Argentine Republic.

### 2. Relevant budget headings

Travel costs for EC officials and experts will be charged to the specific budget headings for the programmes within the Community's RTD framework programme (Chapter B6-6 of the budget).

### 3. Legal basis

Articles 130i and 130m, in conjunction with Article 228, of the EC Treaty.

Parliament and Council Decision No ... of ... on the fifth framework programme of the European Community for research, technological development and demonstration activities (1998-2002) (OJ L ..., p. ...).

### 4. Description of the operation

#### 4.1 Specific objectives of the operation

The essential objective is to stimulate RTD cooperation between the European Community and the Argentine Republic in research projects covered by the framework programmes.

#### 4.2 Duration

The agreement will be concluded for the duration of the fifth framework programme (1998-2002) and may be renewed by common agreement between the parties (tacit renewal) after evaluation during the penultimate year of implementation of the fifth framework programme or of subsequent framework programmes. It may be terminated at any time by either party upon six months' written notice.

### 5. Classification of the expenditure

#### 5.1 Non-compulsory expenditure

#### 5.2 Differentiated appropriations

6. Type of expenditure

100% financing

(missions to Argentina by Commission officials; organisation of workshops, seminars and meetings in Europe and Argentina).

7. Financial impact

Method of calculating the total annual cost of the operation (estimate)

- a. **Preparatory activities and review of cooperation activities:** meetings of the Joint Committee on scientific and technological cooperation, exchanges of information, visits to Argentina by officials and experts: ECU 50 000
- b. **Scientific and technical workshops/meetings:** ECU 60 000

Total: ECU 110 000/year

**Indicative schedule**

	1998	1999	2000+
Commitments	110 000	110 000	110 000
Payments	110 000	110 000	110 000

8. Anti-fraud measures

Numerous administrative and financial checks are carried out at each stage of the research contracts, from signature to implementation. These include:

Before the agreement is concluded:

- the procedure for selecting proposals based on the scientific quality of the project and the adequacy of the estimated research costs for the content and duration of the project and any spin-offs;
- analysis of the financial details submitted by the proposers in the contract negotiation form.

After the contract has been signed:

- examination of the statements of expenditure by two officials (responsible for scientific and financial aspects respectively) before payment;
- internal audit by the Financial Controller,

- on-the-spot inspections, during which all supporting documents can be checked in order to detect any errors or irregularities. In order to improve the effectiveness of such inspections, the Commission has set up an audit unit which coordinates all such inspections. These inspections are carried out either by members of the audit unit or by audit firms under contract to the Commission and under the supervision of audit unit staff.
- on-the-spot inspections by the Financial Controller of the Commission and by the Court of Auditors of the European Union.

## 9. Cost-effectiveness analysis

### 9.1 Specific objectives, target population

- the agreement is designed to enable the European Community and Argentina to profit, on the basis of the principle of mutual benefit, from the scientific and technical progress achieved under their research programmes, by means of participation by the Argentine scientific community and Argentine industry in Community research projects and independent participation, without funding, by bodies established in the Community in Argentine research projects;
- beneficiaries in the European Community and Argentina will be the scientific communities, industry, and the general public, thanks to the direct and indirect effects of cooperation.

### 9.2 Justification of the operation

A contribution from the Community budget is indispensable because the planned cooperation comes under implementation of the framework programmes, including the budgetary section: participation by Argentina in certain specific programmes and operating expenditure on the European side (missions by Community officials, organisation of seminars in the Community and Argentina).

### 9.3 Monitoring and evaluation of the operation

The cooperation agreement will be regularly evaluated by the Commission departments concerned. This evaluation will cover the following points:

#### a. Compilation of information

Based on the data emerging from the specific programmes under the framework programmes.

#### b. General evaluation of the operation

The Commission departments will evaluate all the cooperation activities under this agreement at the end of each year.