



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 04.05.1999  
COM(1999) 229 final

99/ 0103(AVC)  
99/ 0104(AVC)  
99/ 0105(AVC)  
99/ 0106(AVC)  
99/ 0107(AVC)  
99/ 0108(AVC)  
99/ 0109(AVC)

## Proposals for Council decisions

### **SEVEN AGREEMENTS WITH SWITZERLAND**

(presented by the Commission)

The addendum/annex to this volume, COM (99) 229 final/2,

Proposals for Council decisions  
Seven Agreements with Switzerland

is not been available on the Archive of European Integration.

The full texts of the agreements have been published in Official Journal L 114/2002.

The Official Journal is available on Eur-Lex:

<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2002:114:SOM:EN:HTML>.

## EXPLANATORY MEMORANDUM

### I. Background and history

Switzerland had participated in the negotiations of the Agreement on the European Economic Area. In December 1992 the Swiss people voted in a referendum against this agreement. This meant not only that it could not join the EEA, but also that its accession request, transmitted in May 1992, had to be frozen and remained since then without any follow-up.

The only way open to intensify relations was in these circumstances the negotiation of bilateral agreements.

Since 1993 the Swiss government made efforts to minimise the effect of not being able to join the EEA and presented a number of requests aiming at participation in the internal market in a number of specific areas such as air transport, land transport, mutual recognition of diplomas, the audio visual sector, origin rules for processed agricultural products, technical obstacles to trade, public procurement, product liability, veterinary and phyto-sanitary issues, intellectual property and participation in certain Community programmes.

It was clear on the Community side that Switzerland should not obtain the economic benefits of the EEA without taking on its obligations, in particular on the institutional and financial side.

Upon the Commission's recommendation the Council adopted in October 1994 negotiating directives for seven sector agreements intended to lead to a package of mutual interest and based on a sound balance of advantages for both sides. The sectors concerned are road and air transport, free movement of persons, public procurement, research and development, mutual recognition of conformity assessment and agriculture. However negotiations were somewhat delayed in 1994 by the adoption in Switzerland of the "Alpine Initiative" which completely changed the parameters for the road transport negotiations: the mandate for this sector could only be adopted in 1995.

In order to protect itself against the elimination of any agreement by referendum after the conclusion of the negotiations, the Community adopted the "Package approach" and linked the seven agreements by a clause in each agreement providing that all agreements can only enter into force simultaneously and can only be applied in their entirety. This precaution is particularly relevant for the sector of free movement of persons, where Switzerland applies strict restrictions for third country nationals and has therefore to make a major liberalization effort.

With the conclusion of the present package relations with Switzerland will reach a new quality, because of the importance of the content of each agreement and because of the fact that the deadlock of the past will be overcome. However, this will be valid only after entry into force of the package (a referendum against the agreement on free movement of persons and/or land transport is expected for early 2000).

The texts of the seven draft agreements were initialled on 26 February 1999 in Berne.

A short description of the achieved results for each of the seven agreements follows.

## **II. Agreement on the free movement of persons**

This agreement will establish the free movement of persons between the EU and Switzerland in accordance with rules aligned on the Community *acquis*. It is accepted that negotiations in this field have brought concrete and satisfying results in line with Council directives. The transition periods granted to Switzerland are needed because of Swiss sensitivity to liberalisation of the labour market.

The agreement aims to grant the same living, employment and working conditions as those enjoyed by nationals. It covers the fundamental rights of entry, residence, access to employed work, establishment on a self-employed basis, study and the right to social security. All these rights are based on the principles of non-discrimination by nationality and equality of treatment. The specific aim, which is both significant and topical, is to guarantee the rights of citizens already residing on the territory of the other contracting party.

The following categories of EU and Swiss citizens are beneficiaries of the right of freedom of movement: workers, self-employed persons, students, pensioners and persons not pursuing an economic activity as well as their families, whatever their nationality.

Employed and self-employed persons have the right to occupational mobility (change of employer, employment or profession) and geographical mobility (change of work place and residence). Neither frontier-zone workers nor employed persons who are employed for a period of less than three months need a residence permit.

Persons not pursuing an economic activity must have sufficient financial resources and all-risks sickness insurance cover. These conditions are defined in terms corresponding to those used in Community law.

The agreement also provides for the right to purchase immovable property in the state of principal residence under certain conditions. The mutual recognition of diplomas, certificates and other qualifications, which forms part of the agreement, is vital for easier access to employed or self-employed activities. Freedom to provide cross-border services which involves the movement of persons is guaranteed for up to 90 working days per year. Full liberalisation of these services was not, however, accepted.

Annex II on the coordination of social security systems is generally based on the Community *acquis* applying between the Member States (Regulations (EEC) Nos 1408/71 and 574/72).

It was suggested that amendments should be made to Annex VI of Regulation (EEC) No 1408/71 to take account of the special nature of Swiss social security systems.

The agreement on the free movement of persons will be concluded for an initial period of seven years. It will be renewed for an indefinite period if neither party gives notice to the contrary. During the five years following its entry into force, Switzerland can maintain quantitative limits on access to economic activities for

periods of residence over 4 months. There are no restrictions on periods of residence of less than 4 months. From the beginning of the sixth year all quantitative limits will be removed, but Switzerland can apply a corrective mechanism up to the 12th year. The conditions for this mechanism are specified in the agreement (more than 10% increase in influx). As there are transitional rules on the free movement of workers, only one derogation to the *acquis* is provided for; this concerns the right to Swiss unemployment benefit for workers who have been employed in Switzerland for less than a year. On a reciprocal basis, the retrocession of unemployment insurance contributions is included or maintained if it already forms part of a bilateral agreement.

The beneficiaries of the agreement have the right of appeal to the appropriate authorities in areas covered by this agreement.

### **III. Agreement on air transport**

1. The Council authorised the Commission, in its decision of 14 March 1995<sup>1</sup>, to negotiate an agreement on air transport with Switzerland.
2. The Community's main negotiating aims were:
  - the reciprocal liberalisation, on the basis of the Community *acquis*, of air traffic rights for journeys between any point in the Community and any point in Switzerland, for carriers registered in either party,
  - reciprocal freedom of establishment,
  - consultation and safeguard measures in relation to agreements with third countries and international organisations,
  - apart from the normal institutional provisions of a bilateral agreement (joint committee etc.), the agreement was also to include provision for its adaptation to the evolving Community *acquis*, and for Switzerland to accept the jurisdiction of Community institutions insofar as concerns the application of Community rules by Switzerland.
3. The negotiations have been conducted, since March 1995, on the basis of this decision. The Council was regularly informed of progress and representatives of the Member States were invited to all plenary negotiating sessions.
4. The Council approved the content of the agreement on 10 December 1998. In so doing, it agreed to some divergences from the original negotiating directives:
  - i) As regards the jurisdiction of the Community institutions, this is set out clearly in Articles 11, 18, 19 and 20 of the Agreement. ever, Article 18(2) gives the joint Committee the right to decide on the conformity with the

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<sup>1</sup> Document 5824/95

Agreement of Swiss measures, taken for environmental reasons under Article 8(2) or 9 of Council Regulation (EEC) No. 2408/92.

- ii) It was also agreed to make a limited additional concession to Switzerland regarding air traffic rights. Although the negotiating directives only foresaw Swiss carriers benefiting from rights between the EC and Switzerland, it was agreed that, two years after the Agreement's entry into force, Swiss carriers will also be free to operate between points in different EC Member States (Article 15(1), 2<sup>nd</sup> indent). No firm commitment is made regarding further extension of the Agreement to cover operations within Switzerland and within EC Member States, although both sides commit themselves to examining together the possibility five years after its entry into force (Article 15(3)).
5. Although the concessions referred to in the preceding paragraph were not foreseen in the original negotiating directives, the Commission considers that they were justified.
- i) the limited concession on the institutional side was a recognition of the extreme sensitivity of environmental issues in aviation generally, in Switzerland as elsewhere. The normal procedures would still apply to consideration, within the Community institutions, of any Swiss measures, and the Joint Committee would only play a role in case of divergence of views between the two parties.
  - ii) the Swiss insistence on the additional traffic rights was linked to the sensitivity of the institutional issue, as demonstrated in the 1992 EEA referendum. They felt unable to justify accepting the general jurisdiction of Community institutions unless this was founded on complete integration into the Single Air Transport Market. The inclusion of so-called fifth and seventh freedoms was a compromise in the direction of complete integration, but is highly unlikely to have serious commercial implications. Within the Community Single Market, take-up of fifth and seventh freedoms has been marginal (progression from 1% to 1.4% of frequencies in the six years from 1992 to 1998), with most airlines preferring to expand into other Member States through the purchase or establishment of new subsidiaries. The major Swiss carrier has already demonstrated that it too intends to take this route. The possibility of such a compromise was first indicated to the Council in May 1997<sup>2</sup>.
  - iii) As stated above, there is no commitment by the Community on the further integration of Switzerland into the EC market, apart from a rendezvous clause to look at the possibilities five years after entry into force. By that time, it is likely that an agreement creating a European Common Aviation Area will be in place, bringing together the EU Member States, Norway, Iceland and the candidate countries of Central and Eastern Europe. Over time, the ECAA will provide for full freedom of operation for air carriers from all the participating parties and, against that background, it is sensible to provide for a review of the more restrictive agreement with Switzerland. The opening of the

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<sup>2</sup>

Commission Services Working Document SEC(97)965, 16.5.1997, paras. 25-27

negotiations referred to in Article 15(3) of the Agreement would naturally require the prior authorisation of the Council, on the basis of normal Treaty procedures.

#### **IV. Agreement on land transport**

1. The Council authorised the Commission, in its decision of 7 April 1995<sup>3</sup>, to negotiate an agreement on road, rail and combined transport with Switzerland.
2. The Community's main negotiating aims were, on a basis of non-discrimination, reciprocity and freedom of choice of the undertaking:
  - the maintenance of the freedom of transit for road vehicles across Switzerland, at a reasonable level of charging, based on internal and external costs, and taking account of charging levels on alpine crossings in neighbouring countries,
  - the introduction in Switzerland of new road charging systems, on the basis of an agreed timetable, linked to the availability of new rail capacity and to the implementation of Community vehicle weight standards,
  - the avoidance of traffic diversion from Switzerland into neighbouring countries,
  - the reciprocal liberalisation of bilateral and transit road transport operations, but not of triangular operations with third countries, nor of national or intra-Community transport (for passenger transport, the level of liberalisation should be equivalent to that reached within the EC),
  - immediate access for 40 ton vehicles to the main Swiss economic centres, and a progressive reduction in the duration of the night driving ban for heavy vehicles,
  - the reciprocal extension of rail network access, on the basis of the Community acquis,
  - the adoption by Switzerland of legislation equivalent to specified elements of the road and rail transport acquis, with a timetable for the progressive adoption of Community rules on vehicle weights and dimensions,
  - compliance by Switzerland with Community rules on state aids to road transport.
3. The negotiations have been conducted, since April 1995, on the basis of this decision. The Council was regularly informed of progress and representatives of the Member States were invited to all plenary negotiating sessions.
4. The Council approved the content of the agreement on 30 November 1998. In so doing, it agreed to some divergences from the original negotiating directives. The list below sets out both these departures and certain critical aspects of the agreement.

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<sup>3</sup> Document 5824/95 and 5824/95 CORR 1

- iii) Switzerland will implement, by the time of the entry into force of the Agreement, legislation equivalent to the Community acquis in road and rail transport (Annex 1 of the Agreement), with two transitional exceptions:
- i) Community rules on roadworthiness tests for vehicles will be fully implemented only two years after the entry into force of the agreement (Article 7(2)). This will give time for the necessary investment in facilities to allow annual, rather than the present bi-annual testing. The substantive testing procedures are already equivalent to those in the Community.
  - ii) Switzerland will progressively increase the maximum authorised vehicle weight, from its present level of 28 tons, to 34 tons on 1 January 2001, and 40 tons on 1 January 2005 (Article 7(3)). Before 2005, in order to accommodate the Community's desire for immediate access for 40 ton vehicles, annual quotas are opened, increasing from 250.000 journeys in 2000 to 400.000 in 2003 and 2004. Use of these quotas allows vehicles of up to 40 tons to carry out bilateral or transit operations<sup>4</sup>, subject to the payment of specified road user charges. The detailed arrangements are set out in Article 8 and Annex 2 of the Agreement. The Commission has already tabled a proposal for the allocation of these quotas among Member States<sup>5</sup>.
  - iv) In parallel with the increase in maximum authorised vehicle weights, Switzerland will progressively introduce a new road user charging system, beginning on 1 January 2001. The Agreement establishes a number of principles with which the new system will comply (Article 38) as well as maximum levels of charges which can be levied for a 300 km journey across the Alps by a 40 ton truck (Article 40 and Annex 10); charges for shorter or longer distances, or for other vehicle categories vary proportionately. The maximum charging levels also vary according to one of three vehicle emissions categories (EURO norm), with the least polluting category paying the lowest rate. Within the maximum level, Switzerland may levy up to 15% of the total as a special toll for the alpine passes; the remainder must be levied on a kilometre basis. There is provision for biannual adjustments of the agreed levels, from 2007 onwards, to take account of inflation.  
e maximum charging levels applying in 2001 vary from 145 CHF to 205 CHF, according to the category. From 2005, the charges payable for each of the three categories will be determined on the basis of a census of vehicles circulating in Switzerland, so that the maximum charge for the most polluting category does not exceed 380 CHF, and the weighted average charge is equal to €200. Since the new alpine rail tunnels (NEAT) will not be in operation by 2005, Switzerland has declared that, until the opening of the first tunnel or 1 January 2008, whichever is the earliest, it will fix the actual charges applying at €180 on average, and 350 CHF as a maximum.

In order to ease the effects of the new charging system on journeys of vehicles operating within the current limit of 28 tons maximum authorised weight,

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<sup>4</sup> Switzerland will use at least 50% of its own quota in national cabotage operations.

<sup>5</sup> COM (1999) 35 final, 27.1.1999

annual quotas of 220.000 journeys have been established for empty or lightly loaded vehicles, with a total weight not exceeding 28 tons, in transit across the Alps (Article 40(3b)). Vehicles using these quotas will pay a reduced charge, rising from 50 CHF in 2001 to 80 CHF in 2004. This regime will cease to apply from 2005.

- ii) Switzerland has confirmed its readiness to make available sufficient, high quality rail and combined transport capacity and service to meet demand (Articles 33-36 and Annex 9). It is only on that condition, and if there is less than 66% utilisation of that capacity over a 10 week period, that Switzerland may, from 2005 onwards, have recourse to safeguard measures. Under this provision, Switzerland may increase the maximum charges established under Article 40 by not more than 12,5%, for a period not exceeding six months, with the possibility of a further extension of six months. There are limits on the possibility of repeated recourse, and in no case may more than two applications of such measures occur within a five year period (Article 46).
  - iii) As part of the overall package, it was necessary to concede to the Swiss access to "grand cabotage" for road freight (i.e. journeys between EC Member States). This access is initially limited, from 2001, to single operations, on the return journey, and consecutive to a bilateral journey between Switzerland and a Member State. Full liberalisation of these operations will only take place in 2005 (Article 12).
  - iv) It was not possible to agree on a reduction in the period of application of the night ban in Switzerland (Article 15(1)). In order to reduce the effects of the ban on traffic flows, however, a single system for issuing derogations is foreseen (Article 15(3)). In addition, work will begin in 1999, under the existing agreement with Switzerland, to improve border crossing procedures generally, as well as extending opening hours, so as in particular to ensure that vehicles can complete clearance before the night ban ends. Switzerland will make a declaration to this effect.
5. The proposed decision foresees that the Committee established under Council Decision 92/578/EEC<sup>6</sup>, approving the 1992 Agreement with Switzerland, should also be utilised to establish the Community position in the Joint Committee established under the new agreement.
  6. The Commission considers that this agreement should, when fully implemented, ensure a sufficient level of competitiveness of rail and combined transport with trans-alpine road traffic. It should also lead to a significant reduction in road traffic currently diverted onto Community alpine crossings as a result of the weight limit in Switzerland. The estimated overall impact is a daily reduction of 500.000 vehicle-kilometres, which would translate into savings of at least €50 million annually, as well as significant reductions in vehicle emissions.

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<sup>6</sup> O.J. No. L373, 21.12.1992, p. 26



## **V. Agreement on scientific and technological co-operation**

1. On 31 October 1994 the General Affairs Council authorised the Commission to negotiate a scientific and technical co-operation agreement between the European Communities and the Swiss Confederation to associate Switzerland to the Fourth Framework Programme for RTD (1994-1998) and the corresponding nuclear Framework Programme (1994-1998).
2. The draft S&T co-operation Agreement concerning the Fourth Framework Programmes was essentially negotiated before mid-1995. In the context of the parallelism of the different agreements, while forming part of the negotiation package, it was no longer possible to associate Switzerland with the Fourth Framework Programmes.
3. The object of the Agreement in the research sector was now the Fifth Framework Programme of the European Community (1998-2002) and the corresponding Fifth Framework Programme of Euratom (1998-2002).
4. As provided for in the negotiating directives, all agreements contain a clause, which guarantees the parallel entry into force and foresees the termination of all seven agreements in case one of them should cease to apply. Following the specific character of the research sector, the S&T Agreement shall apply for the period between its entry into force and the expiry of the two Framework Programmes. However, the financial provisions of the research agreement would be applied for the remaining full calendar years, and hence would enter into force only from 1 January of the year following the entry into force of the agreement.
5. While research entities established in Switzerland may participate in the specific programmes of the two Framework Programmes, also research entities established in the European Communities may participate in research programmes and projects in Switzerland, which will guarantee the reciprocity of the activities as set out in the directives.
6. The financial contribution by Switzerland to the budgets of the research programmes is based on the ratio of Switzerland's GDP to that of the Member States of the European Union - while the directives were based on the GNP - since GDP is the basis in all other association agreements. Moreover, it may be pointed out that the ratio in the agreement with Israel, and in that foreseen for the accession countries, is more advantageous for these third countries, since in their formula the GDP of the third country is divided by the sum of the GDP of the EU Member States and that of the third country.
7. While the directives mention co-operation committees, which would be set up for each specific programme, the Agreement itself does not contain any provisions to this effect. However, a Council Declaration, in a horizontal manner, would provide for Swiss participation, as observers and for the points which concern them, in the research programme committees, including CREST.

## **VI. Agreement on public procurement**

The Agreement on certain aspects on public procurement aims at ensuring harmony between the procurement regime of the EC and Switzerland and to further open mutually the public procurement markets. In doing so the Agreement consists of two parts: It follows up on the invitation in the WTO Agreement on Government Procurement of 1994 (GPA), to which both the EC and Switzerland are parties, to extend coverage between parties through bilateral negotiations. However, because of the proximity of the two territories and their economic interdependence a second part of the Agreement goes well beyond the level of openness envisaged by the GPA and intends to achieve a high degree of trade liberalisation, comparable to that achieved in the EC. The Agreement does focus only on certain aspects of public procurement as account has been taken of the already existing WTO GPA. The combination of both agreements (the GPA and the bilateral one) means an almost complete reciprocal opening of the respective public procurement markets. In practical terms, EC firms will have access to the Swiss market in the same manner and for the same sectors as in the Community.

### **Scope and coverage of the Agreement**

As regards the entities covered by the Agreement, the Swiss municipalities will be submitted to the GPA (in exchange the EC will eliminate the restrictions applying to the Swiss suppliers bidding for contracts in the EC municipalities). In addition, all types of entities not covered by the GPA but nevertheless covered by the Community Directives will be submitted to the bilateral agreement. This includes public operators in the fields of telecommunications, energy other than electricity and transport by railways, and the private operators (having exclusive or special rights) in all sectors covered by the Utilities Directive.

As regards the thresholds above which the national treatment is exchanged, they will be those of the EC Directives. Below the thresholds, there is a best effort provision to avoid discrimination between nationals of both parties: The agreement provides for a review of this aspect that shall take place five years after entry into force of the agreement.

### **Remedies**

In addition to the traditional possibilities of challenging the award of contracts through a judicial procedure, both parties agree to establish an independent authority, if it does not exist, able to bring forward cases independently before the relevant judicial jurisdiction. In the EC, this role will be fulfilled by the European Commission.

### **Procedures to be followed by the Contracting entities**

For the Community, the application of Directive 93/38 will be sufficient so as to satisfy the requirements of the Agreement. As for the Swiss, all sectors will have to comply with the procedure of the GPA so as to satisfy the requirements of the Agreement.

## **VII. Agreement on trade in agricultural products**

Under the terms of the negotiating directives negotiations with Switzerland on agriculture were to achieve as broad as possible liberalisation of trade in agricultural products between the Community and Switzerland by abolishing tariff and non-tariff barriers to trade according to the principle of reciprocity. The agreement is expected to significantly improve access to agricultural products on both parties' markets.

The arrangements provided for during negotiations on the European Economic Area have been incorporated into the agreement in accordance with the negotiating directives.

The agreement takes account of both parties' rights and obligations under the Agreement establishing the World Trade Organisation and its annexes.

On the question of market access, a large number of tariff concessions have been granted for plants and flowers, fresh or prepared fruit and vegetables, cheeses and milk products, meat products and wine products or sweet wines. In the cheese sector the agreement provides for the full and reciprocal liberalisation of all cheeses over a five-year period following the agreement's entry into force.

The agreement includes a section on the wine sector designed to facilitate trade through mutual recognition of the two sides' respective legislation. This also covers intellectual property rights providing for mutual recognition and protection of geographical indications and designations of origin of wine products. Mutual recognition and protection are also provided for protected denominations of spirit and aromatised wine-product drinks.

The agreement also seeks to facilitate trade between the two sides through mutual recognition of legislation on plant protection, animal feedstuffs, seeds and organic farming.

The agreement also includes veterinary rules designed to facilitate trade in live animals and animal products. In the case of live animals the two sides' legislation is deemed to be equivalent. For animal products trade will be based on Community legislation. The agreement also provides that Switzerland will apply the same rules as the Community to imports from third countries.

## **VIII. Agreement on the mutual recognition of conformity assessment**

1. On the basis of negotiating directives adopted by the Council on 21.9.92 and of the specific mandate issued by the Council on 31.10.94, the Commission has negotiated and initialled an agreement on the mutual recognition of conformity assessment with Switzerland (Mutual Recognition Agreement or MRA).
2. The Agreement provides for the reciprocal acceptance of testing, certification and approval of products by each Party against the regulatory requirements of the other Party or those of the same Party where deemed equivalent. Products can therefore be certified by recognised Conformity Assessment Bodies (CABs) in the European Union and placed on the Swiss market without having to undergo any further approval procedures, and vice-versa. The MRA thus

reduces the costs and time associated with obtaining product approvals, and will facilitate market access.

The sectors covered by the Agreement are machinery, personal protective equipment, toys, medical devices, gas appliances and boilers, pressure vessels, telecommunications terminal equipment, equipment and systems intended for use in potentially explosive atmospheres (ATEX), electrical equipment and electromagnetic compatibility, construction plant and equipment, measuring instruments, motor vehicles, agricultural and forestry tractors, good laboratory practice (GLP) for chemicals and medicinal products GMP inspection and batch certification.

3. The Commission considers that the initialled MRA fully meets the Council's negotiating directives and mandate, and will bring benefits for Community producers and exporters, and other regulatory benefits. The Explanatory Memorandum to the Council provides a detailed evaluation of the content and benefits of the Agreement.
4. It is proposed that the Council, in approving the MRA, decides also on the internal Community procedure for its implementation and management. Under the Agreement, a Committee will be established to ensure good implementation and management. It is proposed that the Commission, assisted by the 113 Committee (Technical Group on Mutual Recognition), should represent the Community in this Committee, and that the Community position in that Committee in case of changes to the Annexes and other questions be determined, in conformity with Article 228, paragraph 4 of the Treaty, by the Commission following consultation of the special committee designated by the Council.
5. An important number of CABs will be designated by Member States' authorities. Once Switzerland has provisionally agreed to these CABs, subject to final approval by the Committee, the Council will be informed by way of a Commission Staff paper.

## **IX. Conclusion**

The Commission recommends that the Council adopt the attached proposals for decisions concluding seven sectoral agreements with Switzerland.

Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on Free Movement of Persons between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community and in particular Articles 18, 39(3)(d), 40, 42, 44(1) and (2), 46(2), 47, 52(2) and (3), 55, 95, 150(4) and 299(4) in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission <sup>1</sup>,

Whereas the Agreement negotiated by the Commission on Free Movement of Persons between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, should be signed,

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<sup>1</sup> O.J. ....

**HAS DECIDED AS FOLLOWS :**

**The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on Free Movement of Persons between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part.**

**Done at Brussels,**

**For the Council**

**The President**

Proposal for a

**COUNCIL DECISION ..../EC**

99/ 0103(AVC)

**on the conclusion of the Agreement on the Free Movement of Persons between the European Community and its Member States, of the one part, and the Swiss Confederation, on the other part**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 18, 39(3)(d), 40, 42, 44(1) and (2), 46(2), 47, 52(2) and (3), 55, 95, 150(4) and 299(4) in conjunction with the second sentence of the first subparagraph of Article 300(2) and the second subparagraph of Article 300(3) and Article 300(4), thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Agreement on the Free Movement of Persons between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, signed in Brussels on ....., should be approved;

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

HAS DECIDED AS FOLLOWS:

**Article 1**

The Agreement on the Free Movement of Persons between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, is hereby approved on behalf of the European Community .

The text of the Agreement is attached to this Decision.

**Article 2**

The Community shall be represented on the Joint Committee set up under Article 14 of the Agreement by the Commission assisted by representatives of the Member States. The position to be taken by the Community in the course of the

implementation of the Agreement as regards decisions or recommendations of the Joint Committee shall be laid down by the Council, acting by qualified majority, on a proposal from the Commission.

### **Article 3**

The act of approval provided for in Article 25 of the Agreement shall be deposited by the President of the Council on behalf of the European Community.

Done at Brussels,

*For the Council*  
*The President*



**ANNEX**

**Agreement on the Free Movement of Persons between the European Community and its Member States and the Swiss Confederation**

*(see separate document)*

## FINANCIAL STATEMENT

1. TITLE OF OPERATION

Agreement between the European Community and its Member States on the one side and Switzerland on the other side on the free movement of persons.

2. BUDGET HEADING INVOLVED

None.

3. LEGAL BASIS

Articles 18, 39(3)(d), 40, 42, 44(1) and (2), 46(2), 47, 52(2) and (3), 55, 95, 150(4) and 299(4) in conjunction with the first sentence of the first subparagraph of Article 300(2) of the Treaty establishing the European Community.

4. DESCRIPTION OF OPERATION

Switzerland will adopt equivalent legislation to the *acquis communautaire* in the area of free movement of persons. Coordination of social security rights and mutual recognition of diplomas.

5. CLASSIFICATION OF EXPENDITURE

No expenditure from the Community budget foreseen (apart from the organisation and the participation in Joint Committee meetings).

6. TYPE OF EXPENDITURE OR REVENUE

None.

7. FINANCIAL IMPACT

No financial impact (apart from organisation and participation in Joint Committee meetings).

8. FRAUD PREVENTION MEASURES

N.a.

**9. IMPACT ON ADMINISTRATIVE EXPENDITURE**

The Commission is not requesting any additional staff positions for the management of the Agreement.

At least once per year a meeting of the Joint Committee will be organised. If it is held in Brussels, interpretation might be needed (DE, FR, EN); if it is held in Switzerland, mission expenses for the participating officials and experts from the Member States will be incurred. Switzerland will bear the costs of the organisation of meetings in Switzerland and of the participation of its representatives in meetings held in the Community.

Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on Air Transport between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community and in particular Article 80(2) in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission <sup>1</sup>,

Whereas the Agreement negotiated by the Commission on Air Transport between the European Community and the Swiss Confederation should be signed,

HAS DECIDED AS FOLLOWS :

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<sup>1</sup> O.J. ....

The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on Air Transport between the European Community and the Swiss Confederation.

Done at Brussels,

For the Council

The President

Proposal for a

**COUNCIL DECISION ..../EC**

99/ 0104(AVC)

**on the conclusion of the Agreement on Air Transport between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 80(2) in conjunction with the first sentence of the first subparagraph of Article 300(2), the second subparagraph of Article 300(3) and Article 300(4), thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Agreement on Air Transport between the European Community and the Swiss Confederation, signed in Brussels on ....., should be approved;

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

HAS DECIDED AS FOLLOWS:

**Article 1**

The Agreement on Air Transport between the European Community and the Swiss Confederation is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

**Article 2**

1. The Community shall be represented in the Joint Committee set up under Article 21 of the Agreement by the Commission assisted by representatives of the Member States.
2. The position to be taken by the Community as regards decisions of the Joint Committee which simply extend acts of Community legislation to Switzerland, subject to any technical adjustment needed, shall be adopted by the Commission.
3. For other Joint Committee decisions, the Community's position shall be adopted by the Council, acting by qualified majority, on a proposal from the Commission.

**Article 3**

The act of approval provided for in Article 36(1) of the Agreement shall be deposited by the President of the Council on behalf of the European Community.

Done at Brussels,

*For the Council  
The President*

ANNEX

Agreement on Air Transport between the European Community and the Swiss Confederation

*(see separate document)*



# FINANCIAL STATEMENT

## 1 TITLE OF OPERATION

Decision of the Council on the conclusion of an Agreement between the European Community and Switzerland on Air Transport

## 2 BUDGET HEADING INVOLVED

A0 - 703

## 3 LEGAL BASIS

Article 80(2) in conjunction with the first sentence of the first subparagraph of Article 300(2)

## 4 DESCRIPTION OF OPERATION

### 4.1 General objective

Reciprocal liberalisation of air traffic between Switzerland and the Community, on the basis of the Community acquis, including the reciprocal freedom of establishment

### 4.2 Period covered and arrangements for renewal

Agreement concluded for seven years, with tacit renewal for an indefinite period

## 5 CLASSIFICATION OF EXPENDITURE OR REVENUE

### 5.1 Compulsory/Non-compulsory expenditure

Not applicable

### 5.2 Differentiated/Non-differentiated appropriations

Not applicable

### 5.3 Type of revenue involved

Not applicable

## 6 TYPE OF EXPENDITURE OR REVENUE

Only administrative expenditure (Part A of Budget)

## 7 FINANCIAL IMPACT

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

Administrative Expenditure/travel = € 57.120

This figure represent the expenditure estimated for the Joint Committee and Coordination Meetings

### 7.2 Itemised breakdown of cost

Commitment appropriations € million

(at current prices)

Breakdown	2001	2002	2003	2004	2005	2006 and subs. years	Total up to 2006
Admin/ Travel	0,057	0,057	0,057	0,057	0,057	0,057	0,342
Total	0,057	0,057	0,057	0,057	0,057	0,057	0,342

### 7.3 Operational expenditure for studies, experts etc. included in Part B of the budget

Not applicable

### 7.4 Schedule of commitment and payment appropriations

Since it concerns small actions, the payments will be made in the same year as the commitments, hence the schedule of payments will be the same as presented in table 7.2.

## 8 FRAUD PREVENTION MEASURES

Not applicable

## 9 ELEMENTS OF COST-EFFECTIVENESS ANALYSIS

### 9.1 Specific and quantified objectives; target population

Effective management, by the Commission, of the Agreement. The action has its immediate effects on Community and Swiss airlines and the related sector. Indirectly it affects the users of air transport services between Switzerland and the Community, by making available better quality and lower-priced air services.

### 9.2 Grounds for the operation

The only financial impact is in terms of administrative expenses

### 9.3 Monitoring and evaluation of the operation

Not applicable

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

Actual mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorised by the budgetary authority.

### 10.1 Effect on the number of posts

Type of post		Staff to be assigned to managing the operation		Source		Duration
		<u>Permanent posts</u>	<u>Temporary posts</u>	Existing resources in the DG or department concerned	Additional resources	
Officials or temporary staff	A	0,5		0,5		Indefinite
	B					
	C					
Other resources						
Total		0,5		0,5		

**10.2 Overall financial impact of additional human resources**

€

	Amounts	Method of calculation
Officials		
Temporary staff		
Other resources (indicate budget heading)		
Total	-	

**10.3 Increase in other administrative expenditure as a result of the operation**

€

Budget heading	Amounts	Method of calculation
(MS Experts)	42.000	2 meetings p.a. of Joint Committee (1 with interpretation 4 x 4, 15 MS experts)
(Meeting Expenses)	15.120	2 coordination meetings (5 with interpretation 4 x 4, 15 MS experts)  Average costs: €700 per expert, €630 per interpreter
Total	€57.120	

Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on the Transport of Goods and Passengers by Rail and Road between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community and in particular Article 71 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Whereas the Agreement negotiated by the Commission on the Transport of Goods and Passengers by Rail and Road, between the European Community and the Swiss Confederation should be signed,

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<sup>1</sup> O.J. ....

**HAS DECIDED AS FOLLOWS :**

**The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on the Transport of Goods and Passengers by Rail and Road between the European Community and the Swiss Confederation.**

**Done at Brussels,**

**For the Council**

**The President**

Proposal for a

**COUNCIL DECISION ..../EC**

99/ 0105(AVC)

**on the conclusion of the Agreement on the Transport of Goods and Passengers  
by Rail and Road between the European Community and the Swiss  
Confederation**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 71 in conjunction with the first sentence of the first subparagraph of Article 300(2), the second subparagraph of Article 300(3) and Article 300(4), thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Agreement on the Transport of Goods and Passengers by Rail and Road, between the European Community and the Swiss Confederation, signed in Brussels on ..... should be approved;

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

HAS DECIDED AS FOLLOWS:

**Article 1**

The Agreement on the Transport of Goods and Passengers by Rail and Road, between the European Community and the Swiss Confederation, is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

**Article 2**

The Community shall be represented in the Joint Committee set up under Article 51 of the Agreement by the Commission assisted by representatives of the Member States. The position to be taken by the Community as regards decisions of the Joint Committee shall be adopted:

- by the Council, acting by qualified majority on a proposal by the Commission for the matters contained in Articles 42, 45, 46, 47 and 54,

- for all other matters by the Commission in consultation with the Committee established under the first paragraph of Article 4 of Council Decision 92/578/EEC<sup>7</sup>.

### Article 3

The act of approval provided for in Article 58(1) of the Agreement shall be deposited by the President of the Council on behalf of the European Community.

Done at Brussels,

*For the Council*  
*The President*

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<sup>7</sup> O.J. No. L373, 21.12.1992, p. 26



**ANNEX**

**Agreement on the Transport of Goods and Passengers by Rail and Road, between the European Community and the Swiss Confederation**

*(see separate document)*

## FINANCIAL STATEMENT

- 1 **TITLE OF OPERATION**  
Decision of the Council on the conclusion of an Agreement between the European Community and the Swiss Confederation on the Carriage of Goods and Passengers by Rail and Road
- 2 **BUDGET HEADING INVOLVED**  
B2 - 7040 and A0 - 703
- 3 **LEGAL BASIS**  
Article 71 in conjunction with the first sentence of the first subparagraph of Article 300(2)
- 4 **DESCRIPTION OF OPERATION**
  - 4.1 **General objective**  
Reciprocal liberalisation of road and rail transport between Switzerland and the Community, together with the introduction of agreed new road charging systems in Switzerland and the implementation by Switzerland of legislation equivalent to the Community acquis
  - 4.2 **Period covered and arrangements for renewal**  
Agreement concluded for seven years, with tacit renewal for an indefinite period
- 5 **CLASSIFICATION OF EXPENDITURE OR REVENUE**
  - 5.1 **Compulsory/Non-compulsory expenditure**  
NCE
  - 5.2 **Differentiated/Non-differentiated appropriations**  
Differentiated
  - 5.3 **Type of revenue involved**  
Not applicable

## 6 TYPE OF EXPENDITURE OR REVENUE

- Subsidy for joint financing with other sources in the public and/or private sector. Switzerland and the Community undertake, on the basis of Article 45 of the Agreement, to finance jointly a "Permanent Traffic Observatory" to monitor land transport flows in the Alpine region. The financing and administrative arrangements for the functioning of the Observatory are to be decided by the Joint Committee of the Agreement. It is envisaged that the Observatory would be established on the basis of a call for tender

## 7 FINANCIAL IMPACT

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

#### Cost of the Observatory

- Annual Report and travel : 2 man-months

p.a. @ € 13.200 = € 30.400

- Special Reports and travel (from 2005 onwards):

2 man-months p.a. = € 30.400

- Administrative Expenditure/Travel: = € 114.240

(for meetings of the Joint Committee

and coordination meetings)

The EC share of the total cost has to be agreed in the Joint Committee (see Article 45 of the Agreement). Our objective should be to share costs on an equal basis with the Swiss. It may however be necessary, given the fact that EC territory accounts for the major part of the alpine region covered by the Observatory, to accept an increased share of up to two-thirds of the total cost. The figures below are based on the assumption by the EC a two-thirds share of total costs, and they thus represent a maximum, which may be reduced once the decision of the Joint Committee has been taken.

**7.2 Itemised breakdown of cost EC maximum share of 66% (still to be negotiated)**

Commitment appropriations € million

(at current prices)

Breakdown	2001	2002	2003	2004	2005	2006 and subs. Years	Total up to 2006
Annual Report	0,03	0,03	0,03	0,03	0,03	0,03	0,18
Special Report	-	-	-	-	0,03	0,03	0,06
Admin/ Travel	0,11	0,11	0,11	0,11	0,11	0,11	0,66
Total	0,14	0,14	0,14	0,14	0,17	0,17	0,90

**7.3 Operational expenditure for studies, experts etc. included in Part B of the budget**

Not applicable

**7.4 Schedule of commitment and payment appropriations**

Since it concerns small reports, the payments will be made in the same year as the commitments, hence the schedule of payments will be the same as presented in table 7.2.

**8 FRAUD PREVENTION MEASURES**

- Appropriate control measures will form part of the contract agreed with the service supplier.

**9 ELEMENTS OF COST-EFFECTIVENESS ANALYSIS**

**9.1 Specific and quantified objectives; target population**

The establishment of the Observatory is a requirement under the Agreement. It will support the work of the Commission, Member States' administrations and the Swiss administration. As an independent

body it will reinforce the credibility with the industry and other interested bodies of any safeguard actions taken by the parties.

## 9.2 Grounds for the operation

Joint financing is a requirement under the Agreement. Given the relatively small sums involved, and the fact that the Agreement will be concluded by the Community, it appears appropriate to fund the Community's contribution from the Community budget.

Given the joint nature of the Observatory, and the need for its independence, its operations cannot form part of the Commission's work. The limited size of the task also makes secondment of a Commission official inappropriate.

For this reason, a contract with an external body seems the most appropriate solution.

## 9.3 Monitoring and evaluation of the operation

The main performance indicator will be the preparation of the annual report required under Article 45(1) of the Agreement. Provision should be made for review of the contract on the basis of a performance evaluation after a period of 3 years

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

Actual mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorised by the budgetary authority.

### 10.1 Effect on the number of posts

Type of post		Staff to be assigned to managing the operation		Source		Duration
		<u>Permanent posts</u>	<u>Temporary posts</u>	Existing resources in the DG or department concerned	Additional resources	
Officials or temporary staff	A	0,5		0,5		Indefinite
	B					
	C					
Other resources						
Total		0,5		0,5		

## 10.2 Overall financial impact of additional human resources

€

	Amounts	Method of calculation
Officials		
Temporary staff		
Other resources (indicate budget heading)		
Total	-	

## 10.3 Increase in other administrative expenditure as a result of the operation

€

Budget heading	Amounts	Method of calculation
(MS Experts)	84.000	4 meetings p.a. of Joint Committee + 4 coordination meetings p.a. (15 MS experts each, plus 6 with interpretation 4 x 4)
(Meeting Expenses)	30.240	Average costs: €700 per expert, €630 per interpreter
Total	€114.240	

Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on Scientific and Technological Co-operation 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

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 proposal from the Commission <sup>1</sup>,

Whereas the Agreement negotiated by the Commission on Scientific and Technological Co-operation between the European Community and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, should be signed,

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<sup>1</sup> O.J. ....



HAS DECIDED AS FOLLOWS :

The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on Scientific and Technological Co-operation between the European Community and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part.

Done at Brussels,

For the Council

The President

**COUNCIL and COMMISSION DECISION ..../EC, EURATOM**

of ..... 1999

on the conclusion of an Agreement on scientific and technological co-operation 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,

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 sub-paragraph of Article 300(2) and the second sub-paragraph of Article 300(3) thereof,

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

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Agreement on scientific and technological co-operation between the European Communities and the Swiss Confederation, signed in Brussels on ....., should be approved on behalf of the European Community and the European Atomic Energy Community,

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

HAVE DECIDED AS FOLLOWS:

*Article 1*

The Agreement on scientific and technological co-operation between the European Community and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, is hereby approved on behalf of the European Community and the European Atomic Energy Community.

The text of the Agreement is attached to this Decision.

*Article 2*

The President of the Council shall deposit the instrument of approval, provided for in Article 14.1 of the Agreement, on behalf of the European Community, and the President of the Commission shall deposit the instrument of approval on behalf of the European Atomic Energy Community.

Done at Brussels,

*For the Commission  
The President*

*For the Council  
The President*

**ANNEX**

**Agreement on Scientific and Technological Co-operation between the European Communities and the Swiss Confederation**

*(see separate document)*

## FINANCIAL STATEMENT

### **1. Title of operation**

Agreement on scientific and technical co-operation between the European Communities and the Swiss Confederation to associate Switzerland to the Fifth Framework Programme of the European Community (1998-2002) and the Fifth Framework Programme of Euratom for Research and Training activities (1998-2002).

### **2. Budget heading involved**

The travelling expenses of European experts and of EC officials on mission will be charged to the specific budget headings of the specific programmes of the Communities' Framework Programmes.

Switzerland's participation:

Chapter 60 (revenue), Articles B6-451 and B6-551 (expenditure)

Switzerland's contribution to the Framework Programmes' budget will be proportional to the ratio of its GDP to that of the Union (see point 7.1.1).

### **3. Legal basis**

Article 170 in conjunction with the first sentence of the first subparagraph of Article 300(2) of the EC Treaty, and Article 101 third indent of the Euratom treaty.

European Parliament and Council Decision concerning the 5th Framework Programme of the European Community for research, technological development and demonstration activities (1998-2002) and Council Decision concerning the 5th Framework Programme of the European Atomic Energy Community (Euratom) for research and training activities (1998-2002), 1999/182/EC<sup>8</sup>, 1999/64/Euratom<sup>9</sup>.

### **4. Description of operation**

#### **4.1 Specific objectives**

The essential aim is to stimulate RTD co-operation between the European Communities and Switzerland at the level of specific programmes of the Framework Programmes.

#### **4.2 Period covered**

1998-2002. Renewal arrangements are laid down in Article 9 of the Agreement.

### **5. Classification of expenditure**

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<sup>8</sup> OJ L26, 1.2.1999 p.1

<sup>9</sup> OJ L26, 1.2.1999 p.34

5.1 Non-compulsory expenditure

5.2 Differentiated appropriations

5.3 Type of revenue involved: participation by a non-member country in the specific programmes of the Framework Programmes in question.

6. **Type of expenditure or revenue**

- Expenditure

Participation in direct RTD actions, indirect actions and other actions (Euratom Framework Programme)

Missions to Switzerland by EC officials and experts from countries of the European Economic Area; organisation of workshops, seminars and meetings in countries of the European Economic Area and Switzerland.

- Revenue

Participation by a non-member country in the specific programmes of the Framework Programmes in question.

7. **Financial impact**

7.1 **Method of calculating total cost of operation (estimate)**

7.1.1 **Switzerland's contribution to the EC budget (estimate)**

GDP Switzerland (1997)<sup>10</sup> = US\$ 252,1 billion

GDP EU 15 (1997)<sup>1</sup> = US\$ 8.093,4 billion

% ratio = 3,11%

EC budget 5th Framework Programmes: 1998-2002 (5 years):

€ 14.960 billion

per year 1998 = P.M.

1999 = € 3.450 billion

2000 = € 3.600 billion

2001 = € 3.900 billion

2002 = € 4.010 billion

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<sup>10</sup> Figures provided by the OECD Main Economic Indicators 3/1998.

3,11 % of which = € 465.26 million (1998-2002)

7.1.2 Expenditure on management of the Agreement (estimate)

(a) Travel expenses per year

EC experts' missions to Switzerland

within the framework of the specific programmes:

- 50 experts (for 100 projects) x 3 nights = 50 experts x 3 nights

- prices per mission:

1 return journey (around € 700) € 700

hotel expenses (€ 100 x3) € 300

€ 250 per diem x3 € 750

Total € 1 750

- total cost for 50 missions Total € 87 500

+ 10% margin.

= € 96 250

(b) EC officials' missions to Switzerland (DGs VI, VII, XII, XIII, XIV, XVII, JRC)

14 missions per year (management of the agreement as a whole)

(2 per DG)

+ 14 missions per year (specific programmes)

total: 28 missions per year

- return journey Brussels-Switzerland

cost: € 700 x 28 € 19 600

nights in hotel: 1 night (€ 100/night) = € 100 x 28 € 2 800

Total € 22 400

+ 10% margin

=€ 24 640

**Total** (a) + (b) = € 96 250  
+ € 24 640  
**Total: € 120 890**

(c) Workshops/seminars

2/year (estimate) € 7 000

**Total:** (a)(b) € 120 890

(c) € 7 000

**€ 127 890 or € 0.128 million/year**

**Overview:**

<u>1999 budget</u> (€ million - constant €1998)	<u>2000</u>	<u>2001</u>	<u>2002</u>
<b>Expenditure:</b>	<b>0.128</b>	<b>idem</b>	<b>idem</b>
Experts' missions	0.096		
EC officials' missions	0.025		
Workshops	<u>0.007</u>		
<b>TOTAL</b>	<b>€ 0.128 million/year</b>		

**7.2 Itemised breakdown of cost**

Switzerland's financial contribution will be allocated to the various specific programmes of the Framework Programmes in proportion to their budgets.

**7.3 Indicative schedule of appropriations (see 7.1.2)**

(Amounts expressed in constant € million 1998)

		Payment appropriations				TOTAL
		1999	2000	2001	2002	
Commitment appropriations						
1999	0.128	0.128				0.128
2000	0.128		0.128			0.128
2001	0.128			0.128		0.128
2002	0.128				0.128	0.128
<b>TOTAL</b>	<b>0.512</b>	<b>0.128</b>	<b>0.128</b>	<b>0.128</b>	<b>0.128</b>	<b>0.512</b>



## **8. Fraud prevention measures**

There are many administrative and financial controls at each stage of the signature and implementation of research contracts. Among these controls are the following:

### **At the stage prior to the conclusion**

- Initial selection of proposals based on the scientific merit of the project and on the realism of research costs relative to the content, duration of the project and its potential implications.
- Analysis of financial details submitted by the proposers in the contract negotiation form.

### **After signature of the contract**

- Examination of expenditure at a number of levels (financial officer, scientific officer) before payment.
- Internal audit performed by the Financial Controller.
- On-site audit, which should allow the detection of errors and other irregularities by examination of supporting documents. In order to improve the efficiency of these controls, the Commission services have established an audit unit which co-ordinates all controls taking place. These controls are carried out either by members of this audit unit or by audit firms with which the Commission has concluded a contract, under the supervision of personnel from this audit unit.
- 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 objectives, target population**

- Specific objectives:

The Agreement should enable Switzerland and the European Communities to derive mutual benefit from the scientific and technical progress achieved through their respective research programmes, with participation by the Swiss scientific community and industry in programmes of the two Framework Programmes of the European Communities, and independent and non-subsidised participation in Swiss publicly financed research projects by entities established in the European Communities.

- Beneficiaries in the European Communities and Switzerland will be the scientific communities, industry and the population generally, thanks to the direct and indirect impact of co-operation.

### **9.2 Grounds for the operation**

- Community funding is indispensable as the planned co-operation forms part of the implementation of the Framework Programmes, including the budget section:

participation by Switzerland in the specific programmes and administrative expenditure by the Community side (missions by experts and EC officials; organisation of seminars in the EU and Switzerland).

- Budgetary arrangements will be based on the type of co-operation proposed (association of a non-member country in specific programmes of Community research).
- one general element of uncertainty is the extent to which Switzerland will actually take part in the specific programmes and how this will affect the budget.

### **9.3 Monitoring and evaluation of the operation**

The Agreement will be regularly monitored and evaluated by the relevant Commission services, and at least once a year jointly in the context of the meetings of the 'Switzerland / Communities Research Committee', set up in the Framework Agreement of 1987.

### **10. Impact on administrative expenditure**

- The Commission is not requesting any additional staff positions for the management of the Agreement.
- No officials are being specifically assigned to manage the Agreement. It will be managed by the staff authorised for the 5<sup>th</sup> Framework Programmes.

Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community and in particular Articles 133, 55 and 47(2) in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission<sup>1</sup>,

Whereas the Agreement negotiated by the Commission on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation should be signed,

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<sup>1</sup> O.J. ....

**HAS DECIDED AS FOLLOWS :**

**The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation.**

**Done at Brussels,**

**For the Council**

**The President**

**COUNCIL DECISION ..../EC**

**on the conclusion of the Agreement on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Articles 133, 55 and 47(2) in conjunction with the first sentence of the first subparagraph of Article 300(2), the second subparagraph of Article 300(3), and Article 300(4) thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Agreement on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation, signed in Brussels on ....., should be approved;

Whereas this Agreement concerns public procurements to award contracts for goods, works and other services; whereas such other services cannot be reduced to the sole hypothesis of transfrontier services; whereas in its judgement of 7 March 1996<sup>11</sup> the Court of Justice of the European Community indicated that, in the present state of Community law, Article 133 (ex Article113) of the Treaty establishing the European Community is not sufficient to base a Council Decision to conclude an agreement which concerns, on an independent basis, the provision of services whose nature cannot be considered as merely transfrontier; whereas it is therefore appropriate to base this decision also on Article 55 (ex Article66) of the Treaty, in conjunction with Article 47(2) (ex Article57(2)), which provides the procedural requirement necessary for its application;

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<sup>11</sup> European Court Reports 1996 page 1-1195

Whereas it is appropriate for the Council to authorize the Commission, in consultation with a special committee to be appointed by the Council, to approve modifications on behalf of the Community, to Annexes I, II, III, IV, VI and VII to the Agreement; whereas, however, such authorization should be limited, as far as Annex I is concerned, to the modifications resulting from the application of the procedure of Article 8 of Council Directive 93/38/EEC of 14 June 1993 coordinating the procurement procedures of entities operating in the water, energy, transport and telecommunications sector<sup>12</sup>, as far as Annexes II, III and IV are concerned, to the modifications resulting from the application of similar procedures to the sectors concerned by these annexes and, as far as Annexes VI and VII are concerned, to the results of future negotiations within the framework of the 1996 Government Procurement Agreement;

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

HAS DECIDED AS FOLLOWS:

#### **Article 1**

The Agreement on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation is hereby approved on behalf of the European Community .

The text of the Agreement is attached to this Decision.

#### **Article 2**

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<sup>12</sup> Official Journal L 199, 9.8.1993 page 0084-0138

The Community shall be represented in the Joint Committee set up under Article 11 of the Agreement by the Commission assisted by representatives of the Member States.

The Commission is authorised to approve, on behalf of the Community, modifications to Annexes I, II, III, IV, VI and VII to the Agreement. The Commission shall be assisted in this task by a special committee appointed by the Council. The authorization referred to in the first sentence shall be limited, as far as Annex I is concerned, to the modifications that will be necessary if the procedures laid down in Article 8 of Directive 93/38/EEC were to be applied, as far as Annexes II, III and IV are concerned, to the modifications that will be necessary if similar procedures were to be applied to the sectors concerned by these annexes and, as far as Annexes VI and VII are concerned, to the results of future negotiations to be conducted in the Framework of the 1996 Government Procurement Agreement.

In all other cases the position to be taken by the Community as regards decisions of the Joint Committee shall be laid down by the Council, on a proposal from the Commission, or, where appropriate, by the Commission, each in accordance with the corresponding provisions of the Treaty establishing the European Community.

### Article 3

The act of approval provided for in Article 14 of the Agreement shall be deposited by the President of the Council on behalf of the European Community.

Done at Brussels,

*For the Council  
The President*

**ANNEX**

**Agreement on Certain Aspects Relating to Public Procurement between the European Community and the Swiss Confederation**

*(see separate document)*



## **FINANCIAL STATEMENT**

### **1. TITLE OF OPERATION**

Proposal for a decision of the Council on the conclusion of an agreement on certain aspects relating to public procurement between the European Community and the Swiss Confederation.

### **2. BUDGET HEADING**

none

### **3. LEGAL BASIS**

Articles 133, 55 and 47(2) in conjunction with the first sentence of the first subparagraph of Article 300(2).

### **4. DESCRIPTION OF THE OPERATION**

#### **4.1. General Objective**

The WTO Government Procurement Agreement (GPA) forms a legal basis for open and competitive public procurement on an international basis and lays down disciplines between a limited number of countries including the world's major trading blocks. These disciplines cover the traditional national treatment and most favoured nation principles and also contain precise requirements with regard to procurement procedures, akin to those in the EU public procurement Directives. The GPA

therefore affects the regulatory regimes of the adhering countries, including the EU and Switzerland, in a far-reaching manner.

The Commission continues to take all steps necessary to ensure that the legal instruments creating opportunities for EU companies are effectively complied with. Moreover, the Union seeks to further open up public procurement world-wide with a view to eliminating those barriers to trade which are harmful to European interests, both in GPA and in "non-GPA countries".

In order to create the right conditions to allow European industry to enhance competitiveness and maximise commercial opportunities, the Commission has negotiated an agreement with the Swiss Confederation on certain aspects relating to public procurement. The purpose of the Agreement is to expand bilateral coverage under the GPA regime and to go well beyond the GPA in a number of areas.

The Community shall be represented on the joint Committee, set up under this Agreement, by the Commission assisted by representatives of the Member States. The meetings will alternate between Brussels and Bern.

The Agreement needs to be concluded by the Council.

#### **4.2. Period covered and arrangements for renewal or extension**

As any initial agreement is likely to be reviewed regularly, the action may be considered as being of an indefinite duration.

### **5. CLASSIFICATION OF EXPENDITURE**

none

**6. TYPE OF EXPENDITURE**

none

**7. FINANCIAL IMPACT**

none

**8. FRAUD PREVENTION MEASURES**

The rules and procedures of the Financial Regulation will be strictly adhered to.

**9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS**

The Agreement lays down a series of disciplines and defines the procurement procedures to which they should be applied. The market gains aspects will only come to full fruition if the actual procurement practices followed take the “international dimension” fully into account. The Agreement contains a dispute settlement mechanism. However, it recognises that pro-active involvement is better than re-active sanctions. The costs incurred by the EU budget for participation at the annual meetings represent only a very small fraction of the benefits they can bring.

**10. ADMINISTRATIVE EXPENDITURE (part A of Section III of the General Budget)**

**Effect on the number of posts: NEGLIGABLE - This will constitute one day's work for existing staff.**

**Overall financial impact of additional human resources: NIL**

Increase in other administrative expenditure as a result of the operation

(in € at current prices)

<b>Budget line</b>	<b>Amount</b>	<b>Method of calculation</b>
A-701 Missions	1.706	1 one-day mission to Switzerland for two officials (853 € x 2)
<b>TOTAL</b>	<b>1.706</b>	

**N.B. This expenditure will only be incurred every other year (cf. point 4.1 above).**

Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on Trade in Agricultural Products between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community and in particular Article 133 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission <sup>1</sup>,

Whereas the Agreement negotiated by the Commission on Trade in Agricultural Products between the European Community and the Swiss Confederation should be signed,

---

<sup>1</sup> O.J. ....

HAS DECIDED AS FOLLOWS :

The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on Trade in Agricultural Products between the European Community and the Swiss Confederation.

Done at Brussels,

For the Council

The President

Proposal for a

99/ 0108(AVC)

**COUNCIL DECISION ..../EC**

**on the conclusion of the Agreement on Trade in Agricultural Products between  
the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with the first sentence of the first subparagraph of Article 300 (2), the second subparagraph of Article 300(3) and Article 300(4) thereof;

Having regard to the proposal from the Commission<sup>13</sup>,

Having regard to the assent of the European Parliament<sup>14</sup>,

Whereas the agreement on trade in agricultural products between the European Community and the Swiss Confederation, signed in Brussels on ....., should be approved;

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

**HAS DECIDED AS FOLLOWS:**

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<sup>13</sup> OJ No

<sup>14</sup> OJ No



## Article 1

The agreement on trade in agricultural products between the European Community and the Swiss Confederation is hereby approved on behalf of the European Community.

The text of the Agreement is attached to this Decision.

## Article 2

1. The Commission, assisted by Member States' representatives, shall represent the Community in the Joint Committee for Agriculture referred to in Article 6 (1) of the Agreement and in the Joint Veterinary Committee referred to in Article 19 (1) of Annex 11 to the Agreement.
2. The Community position within the Joint Committee for Agriculture and the Joint Veterinary Committee shall be adopted by the Council on a proposal from the Commission, or, where appropriate, by the Commission, each in accordance with the corresponding provisions of the Treaty establishing the European Community.

However, the Community position on matters subject to decisions of the Joint Committee for Agriculture as referred to in Article 6 (3) of the Agreement shall be adopted by the Commission:

- in respect of matters relating to Annex 4 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 16a of Council Directive 77/93/EEC<sup>15</sup>,
- in respect of matters relating to Annex 5 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 23 of Council Directive 70/524/EEC<sup>16</sup>;

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<sup>15</sup> OJ No L 26, 31.1.1977, p. 20. Directive as last amended by Commission Directive 98/2/EC (OJ No L 15, 21.1.1998, p. 34).

- in respect of matters relating to Annex 6 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 21 of Council Directive 66/400/EEC<sup>17</sup> or the corresponding provisions of the other Council Directives in the seeds sector;
- in respect of matters relating to Annex 7 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87<sup>18</sup>;
- in respect of matters relating to Annex 8 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 14 or Article 15 of Regulation (EEC) No 1576/89<sup>19</sup> or in Article 13 or Article 14 of Regulation (EEC) No 1601/91<sup>20</sup>;
- in respect of matters relating to Annex 9 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 14 of Council Regulation (EEC) No 2092/91<sup>21</sup>;
- in respect of matters relating to Annex 10 of the Agreement and the Appendices thereof in accordance with the procedure laid down in Article 46 of Regulation (EC) No 2200/96<sup>22</sup>.

### Article 3

1. Without prejudice to paragraph 3, the Commission shall adopt the measures necessary for the implementation of the Agreement as regards:
  - the implementation of the tariff concessions set out in Annex 2 and Annex 3 as well as amendments and technical adaptations made necessary by amendments to the Combined Nomenclature and TARIC codes, in accordance with the procedure laid down in Article 23 of Regulation (EEC) No 1766/92<sup>23</sup> or the corresponding provisions of the other Regulations on the common organisation of the markets, or in accordance with the procedure laid down in paragraph 2.
  - the implementation of Annex 4, in accordance with the procedure laid down in Article 16a of Council Directive 77/93/EEC;

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<sup>16</sup> OJ No L 270, 14.12.1970, p.1. Directive as last amended by Commission Regulation (EC) No 45/1999 (OJ No L 6, 12.1.1999, p. 3).

<sup>17</sup> OJ No L 25, 11.7.1966, p. 2290. Directive as last amended by Council Directive 98/96/EC (OJ No L 25, 1.2.1999, p. 27).

<sup>18</sup> OJ No L 84, 27.3.1987, p. 1. Regulation as last amended by Council Regulation (EC) No 1627/98 (OJ No L 210, 28.7.1998, p. 8).

<sup>19</sup> OJ No L 160, 12.6.1989, p. 1. Regulation as last amended by Council Regulation (EC) No 3378/94 (OJ No L, 366, 31.12.1994, p. 1).

<sup>20</sup> OJ No L 149, 14.6.1991, p. 1. Regulation as last amended by Council Regulation (EC) No 2061/96 (OJ No L 277, 30.10.1996, p. 1).

<sup>21</sup> OJ No L 198, 22.7.1991, p. 1. Regulation as last amended by Commission Regulation (EC) No 330/1999 (OJ No L 40, 13.02.1999, p. 23).

<sup>22</sup> OJ No L 297, 21.11.1996, p. 1. Regulation as amended by Commission Regulation (EC) No 2520/97 (OJ No L 346, 17.12.1997, p. 41).

<sup>23</sup> OJ No L 181, 1. 7.1992, p. 21. Regulation as last amended by Commission Regulation (EC) No 923/96 (OJ No L 126, 24.5.1996, p. 37).

- the implementation of Annex 5, in accordance with the procedure laid down in Article 23 of Council Directive 70/524/EEC;
  - the implementation of Annex 6, in accordance with the procedure laid down in Article 21 of Council Directive 66/400/EEC or the corresponding provisions of the other Council Directives in the seeds sector;
  - the implementation of Title III of Annex 7, in accordance with the procedure laid down in Article 83 of Regulation (EEC) No 822/87;
  - the implementation of Article 14 of Annex 8, in accordance with the procedure laid down in Article 14 of Regulation (EEC) No 1576/89 or in Article 13 of Regulation (EEC) No 1601/91;
  - the implementation of Annex 9, in accordance with the procedure laid down in Article 14 of Council Regulation (EEC) No 2092/91;
  - the implementation of Annex 10, in accordance with the procedure laid down in Article 46 of Regulation (EC) No 2200/96;
  - the implementation of Annex 11, in accordance with Article 30 of Council Directive 72/462/EEC<sup>24</sup>.
2. Where appropriate, measures referred to in paragraph 1 first indent may be adopted by the Commission, assisted by the Customs Code Committee, in accordance with the procedure set out hereafter.

The representative of the Commission shall submit to the Committee a draft of the measures to be taken. The Committee shall deliver its opinion on the draft within a time limit, which the chairman may lay down according to the urgency of the matter. The opinion shall be delivered by the majority laid down in Article 205 (2) (ex148(2)) of the Treaty in the case of decisions, which the Council is required to adopt on a proposal from the Commission. The votes of the representatives of the Member States within the Committee shall be weighted in the manner set out in that Article. The chairman shall not vote.

The Commission shall adopt measures, which shall apply immediately. However, if these measures are not in accordance with the opinion of the Committee, they shall be communicated by the Commission to the Council forthwith. In that event:

- (a) the Commission may defer application of the measures which it has decided for a period of not more than one month from the date of such communication;
- (b) the Council, acting by qualified majority, may take a different decision within the period referred to in point (a).

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<sup>24</sup> OJ No L 302 , 31.12.1972, p. 28. Directive as last amended by Council Directive 97/79/EC (OJ No L 24, 30.1.1998, p. 31).

The Committee may examine any question concerning the application of tariff quotas which is raised by its chairman either at the latter's initiative or at the request of a Member State.

3. The Commission shall, at the request of a Member State or on its own initiative, decide upon the necessary measures in accordance with Article 10 of the Agreement, Articles 29 of Annex 7, Article 16 of Annex 8, Article 9 of Annex 9 and Article 5 of Annex 10 thereof. The Council and the Member States shall be notified of such measures. If the Commission receives a request from a Member State, it shall take a decision thereon within three working days following receipt of the request.

Any Member State may refer the Commission's decision to the Council within three working days of the day on which they were notified. The Council shall meet without delay. It may, acting by a qualified majority, take a different decision within a period of 30 days of the day on which the Commission's decision was referred to it..

#### Article 4

The act of approval provided for in Article 17 (1) of the Agreement shall be deposited by the President of the Council on behalf of the European Community.

Done at Brussels,

*For the Council  
The President*

ANNEX

Agreement on Trade in Agricultural Products between the European Community and the Swiss Confederation

*(see separate document)*



6.3

WILL FUTURE BUDGET APPROPRIATIONS BE NECESSARY?

YES/ NO

OBSERVATIONS: The shortfall in own resources has been calculated on the basis of average imports for 1995/96: as a result of new concessions granted this will be € 20.6 million bringing the total impact of concessions granted to Switzerland to € 92.2 million. The abolition of export refunds for cheese will reduce expenditure which may total € 2.1 million if exports are maintained at their current level. This seems likely given that under the agreement Switzerland will reduce or even abolish import duties. If, however, the level of exports to Switzerland is affected the saving will be less. This will mean that other export markets will have to be found for cheeses and this will give rise to Community expenditure of € 2.1 million which will have to be deduced from the saving.

## Annex

### Method of calculation

#### 1. Breakdown of new EC concessions in terms of loss of customs levies by sector (in euros):

• Meat:	- 1 989 120
• Plants:	-85 816
• Cut flowers:	1 022
• Fruit and vegetables	- 6 616 958
• Wine	-
• Cheese and milk products:	-11 923 807
	-20 616 723

#### 2. Financial impact of abolishing refunds on expenditure

At the moment two types of cheese are exported with refunds to Switzerland:

- 5 000 t x 406.1 €/t	= € - 2.0305 million
- 200 t x 371.2 €/t	= € - 0.07 million

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Total



Proposal for a

**COUNCIL DECISION .../.../EC**

**on the signing, on behalf of the European Community, of the Agreement on Mutual Recognition in Relation to Conformity Assessment between the European Community and the Swiss Confederation**

THE COUNCIL OF THE EUROPEAN UNION

Having regard to the Treaty establishing the European Community and in particular Article 133 in conjunction with the first sentence of the first subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission <sup>1</sup>,

Whereas the Agreement negotiated by the Commission on Mutual Recognition in Relation to Conformity Assessment between the European Community and the Swiss Confederation should be signed,

---

<sup>1</sup> O.J. ....

HAS DECIDED AS FOLLOWS :

The President of the Council is hereby authorized to designate the person empowered to sign, on behalf of the European Community, the Agreement on Mutual Recognition in Relation to Conformity Assessment between the European Community and the Swiss Confederation.

Done at Brussels,

For the Council

The President

Proposal for a

99/ 0109(AVC)

**COUNCIL DECISION ..../EC**

**on the conclusion of the Agreement on the Mutual Recognition in Relation to  
Conformity Assessment between the European Community and the Swiss  
Confederation**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 133 in conjunction with the first sentence of the first sub-paragraph of Article 300(2), the second subparagraph of Article 300(3) and Article 300(4), thereof,

Having regard to the proposal from the Commission,

Having regard to the assent of the European Parliament,

Whereas the Agreement on Mutual Recognition in Relation to Conformity Assessment between the European Community and the Swiss Confederation, signed in Brussels on ....., should be approved;

Whereas certain tasks for implementation have been attributed to the Joint Committee established under the Agreement, and in particular the power to amend certain aspects of the sectoral annexes thereto;

Whereas the appropriate internal procedures should be established to ensure the proper functioning of the Agreement, and whereas it is necessary to empower the Commission to agree to certain technical amendments to the Agreement and to take certain decisions for its implementation;

Whereas this Agreement constitutes one of seven sectoral agreements which are intimately linked to one another by their being expressed to come into force and by their being capable of ceasing to apply at the same time;

HAS DECIDED AS FOLLOWS:

### **Article 1**

The Agreement on Mutual Recognition in Relation to Conformity Assessment between the European Community and the Swiss Confederation is hereby approved on behalf of the European Community .

The text of the Agreement is attached to this Decision.

### **Article 2**

The President of the Council shall, on behalf of the Community, transmit the instrument of approval provided for in Article 21 of the Agreement.

### **Article 3**

1. - The Community shall be represented on the Joint Committee set up under Article 10 of the Agreement, referred to hereafter as the "Committee", by the Commission assisted by the special committee designated by the Council. The Commission shall proceed, after consultation with this special committee, to the appointments, notifications, exchange of information and requests for verification referred to in Articles 6(3), 7, 8(1), 10(4)(e) and 12 of the Agreement.

2. - The position to be taken by the Community in the Committee shall be determined by the Commission, following consultation of the special committee referred to in paragraph 1 of this article, with regard to:

- (a) application of Article 1(3), to the chapters of Annex 1;
- (b) adoption of the rules of procedure, in accordance with Article 10(2), and of the verification procedures provided for in article 10(4)(c) and (d), of the Agreement;
- (c) verification of the compliance of conformity assessment bodies and related decisions, in accordance with Article 8 and Article 11 (c), of the Agreement;
- (d) amendments of Sections I to V of all Chapters in Annex I, in accordance with Article 10(4)(a), (b) and (e), and Article 11 of the Agreement;
- (e) amendments of the annexes, in accordance with Article 10(5) of the Agreement; and
- (f) the dispute settlement mechanism provided for in Article 14 of the Agreement.

3. - In all other cases the position to be taken by the Community in the Committee shall be determined by the Council, acting by qualified majority on a proposal from the Commission.

Done at Brussels,

*For the Council*  
*The President*

ANNEX

Agreement on the Mutual Recognition of Conformity Assessment between the European Community and the Swiss Confederation

*(see separate document)*

## **Financial Statement 2000-2004**

### **External trade relations - Mutual Recognition Agreement**

#### **1. TITLE**

External Trade Relations-

Mutual Recognition Agreement with Switzerland

#### **2. BUDGETARY HEADINGS: B7-8500**

#### **3. LEGAL BASIS**

- Article 133 in conjunction with the first sentence of the first subparagraph of Article 300(2)
- Proposal for a Council decision N°.... on the implementation by the European Commission of the mutual recognition agreement with Switzerland

#### **4. DESCRIPTION OF OPERATION:**

##### **4.1 General objective:**

The purpose of this agreement is to establish mutual recognition of certification of conformity of products with the applicable technical regulations or standards.

The major actions, which will be pursued by the Commission under this budget line, will be the following:

- Confidence-building activities to facilitate the proper implementation of the Agreement.
- Management of the Agreement and maintenance of the necessary degree of confidence.

The Commission will be assisted by experts, particularly in regard to sectoral activities. It will however remain the final arbiter in the management of this agreement.

##### **4.2 Duration of the action; means foreseen for its renewal:**

The general action undertaken will be of an indefinite duration. The Agreement is renewable by tacit reconduction every 7 years. The initial period of confidence-building will require a more intensive effort but the expenditure should be substantially less after 1 year. However, during the life of the Agreement a continued effort will be needed to ensure management and maintenance of confidence.

## 5. CLASSIFICATION OF EXPENDITURE/REVENUE

5.1 *Non-compulsory expenditure ("DNO")*

5.2 *Differentiated appropriation ("CD")*

5.3 *Type of revenue involved:*

*None*

## 6. TYPE OF EXPENDITURE/REVENUE

- *100% subsidy: No*

- *subsidy for co-financing with other sources in the public or private sector?*

Yes, this may be envisaged as a method of funding. Subsidies will be awarded according to the Commission's "Vademecum on grant management". Grant can be provided to professional associations and other responsible organisations for activities related to the implementation of the Agreement.

- *Interest subsidy: No*

- *Others*

Financing of events, acquisition of studies, publications and conferences.

- *Should the action prove an economic success, is there provision for all, or part of, the Community contribution to be reimbursed?*

*Not relevant*

- *Will the proposed operation cause any changes in the level of revenue? No*

## 7. FINANCIAL IMPACT ON APPROPRIATIONS FOR OPERATIONS

7.1 Method of calculating the total cost of the operation:

The estimation of costs is based on the anticipated requirements in terms of expenses related to seminars, workshops, travel of experts, verification of conformity assessment bodies, information and studies. The total estimated cost is based on the sum of the individual actions.

A range of different actions is foreseen to meet the objectives of the budget-line and costs will vary depending on the nature of action undertaken. Even for similar types of action (e.g. seminars) costs will vary depending on the scope of the action and the degree of specialisation needed.

The costs of specific actions will be determined either:

- by the Commission when it organises activities itself, e.g. seminars
- following invitations to tender issued by the Commission



- following requests for subsidies. In such cases, projects are selected according to how well they meet the criteria that have been established for selection. Subsidies will be awarded and managed according to the rules of the "Vademecum on grant management"

A. Attendance at the Committee

This will be attended by Commission officials and some experts from the Member States. Travel and per diem expenses should be foreseen within the normal range of such expenses. The travel expenditure for officials will be covered by the "Mission budget" (A-7010). The reimbursement of travel and related expenses for experts will be made on line B7-8500.

B. Workshops and Seminars

These will be held to familiarise economic and other operators with the requirements of the Agreement. The cost of these seminars will vary according to the subject matter and location, and will include travel and organisational costs (when in the EC) and substantial travel costs when in Switzerland. Organisational costs in Europe will cost c. 3000 Euro each. The number of seminars will vary depending on the individual industrial sectors covered by the Agreement.

C. Verification actions

The competence of the conformity assessment bodies (CABs) will in some cases have to be checked, more so in the initial period of the Agreement, but as a matter of course throughout the life of the Agreement to maintain confidence in the system.

This will involve on-site assessment by teams of experts of conformity assessment bodies in the partner country in the initial stages, and subsequently investigation of complaints. This expenditure will be essential in all sectors of the Agreement and may involve several CABs in each sector including at regional or local level in certain cases.

D. Production and dissemination of information

Certain costs may need to be incurred for the dissemination of information. Guides to regulations and assessment procedures may be needed typically at a cost of 10 000 Euro.

7.2 Breakdown by elements of the operation

In Euro

(current prices)

Breakdown	Year	Year				Total
	2000	2001	2002	2003	2004	2000-2004

A. Committee	10.165	10.165	10.165	10.165	10.165	50.825
C. Seminars	22.818	22.818				45.636
D. Verifications	8.208	8.208	5.472	4.104	4.104	30.096
E. Information	20.000	5.000	5.000			30 000
<b>Total</b>	<b>61.191</b>	<b>46.191</b>	<b>20.637</b>	<b>14.269</b>	<b>14.269</b>	<b>156.557</b>

From the year 2001 on the estimates are for information.

7.3 Indication of the timetable for commitment and payment appropriations

1000 Euro

	Year 2000	2001	2002	2003	2004	2005 and following years	Total
Schedule of Commitment	61	46	21	14	14	14	170
Payment appropriations							

2000	61						61
2001		46					46
2002			21				21
2003				14			14
2004					14		14
2005						14	14
Total	61	46	21	14	14	14	170

**8. WHAT ANTI-FRAUD MEASURES ARE PLANNED IN THE PROPOSAL FOR THE OPERATION?**

Methods of control (submission of reports, etc.) will be included in all contracts or grant agreements between the Commission and beneficiaries.

A close co-operation with the delegations of the Commission and the participation of a representative of the Commission at events in third countries will check on the spot the work to ensure that it corresponds with the terms of reference, contract provisions and required professionalism.

The checks take place before the final payment. The same rule applies to the financial incentives paid to participating companies. Where appropriate, agreements also require organisations to submit financial accounts certified by their auditors.

**9. ELEMENTS OF COST-EFFECTIVENESS ANALYSIS**

9.1. Specific objectives of the proposed operation, population targeted

- *The specific objectives of mutual recognition agreements are:*

- to avoid duplication of certification by economic operators.
- to promote exports, employment, competitiveness and investment.
- to reduce costs, in particular for small and medium-sized enterprises and ultimately for the consumer.

- *Target population*

The target population are the exporting companies, business associations, chambers of commerce and public institutions of the European Union and the general consumer which will benefit, or have an interest in, the mutual recognition of certification.

9.2. Reasons for the operation

- *Need for intervention from the Community budget*

Under Article 113 of the Treaty of Rome the Community has exclusive competence for commercial policy and this agreement have been negotiated in accordance with a mandate of the Council of Ministers and in consultation with the 113 Committee. The Commission will be responsible for implementation and management of this agreement.

- *Choice of methods of intervention*

\* *advantages over alternative measures (comparative advantages)*

\* *analysis of similar operations at Community or national level*

\* *results and expected multipliers*

The choice of management method (Committee) has been set out in the Agreement and constitute a minimum necessary for the proper functioning of the Agreement. The use of seminars in the initial phases will allow ensuring familiarity with other systems.

These seminars and verifications are also designed to build mutual confidence; verifications will also be required to ensure this confidence is maintained throughout the life of the agreement. Confidence and its maintenance are keys to the successful operation of the agreement.

The importance of this budget is justified when put in perspective with the trade involved in This agreement and the yearly savings for EU exporters which are expected (estimated on a yearly basis at 170 millions Euro for EU exporters to Switzerland).

- *Main factors of uncertainty which could affect the specific results of the operation.*

\* None

### 9.3 Monitoring and evaluation of the operation

- *Performance indicators selected*

\* *Output indicators*

\* *indicators of impact, following the objectives chosen*

In the case of this Agreement, success can be quantified by trade facilitation through avoidance of duplication of testing and certification and costs. Yearly estimated savings for the European Community are indicated above (9.2).

Success can also be measured by increased EU exports and this factor will be taken into consideration although export performance is subject to such a wide range of variables (e.g. changes in exchange rates) that this can never be the sole factor for evaluation.

- *Evaluation of results*

Progress in the attainment of the Agreement objectives will be monitored by Commission officials, Committee established under the Agreement and by the economic operators concerned.

*Details and frequency of the planned evaluation*

The evaluation of the effectiveness and usefulness of the Agreement will be regularly monitored by the Commission and by the Committee established under the agreement at its annual meeting. At least, the first major evaluation will be two years after the entry into force

## 10. ADMINISTRATIVE EXPENSES

Actual mobilisation of the necessary administrative resources will depend on the Commission's annual decision on the allocation of resources, taking into account the number of staff and additional amounts authorised by the budgetary authority. There is no request for additional staff.

10.1 Effect on the number of posts (considering that 15 industrial sectors are covered by the Agreement).

Type of post		Staff to be assigned to managing the operation		Source		Duration
		<u>Permanent posts</u>	<u>Temporary posts</u>	Existing resources in the DGs (DG I, IA, III and XIII) or departments concerned	Additional resources	
Officials	A	1.7	None	1.7	None	permanent
	B					
	C	1		1		
Other resources		None				
Total		2.7		2.7		

10.2 Overall financial impact of additional human resources: 2.7 staff (107 500 Euro per staff member per year = 280.250 Euro).

10.3 Increase in other administrative expenditure as a result of the operation (A-7010: missions)

The expenses set out below relate to travel expenses for officials of the Commission attending meetings of the Committee, seminars and verifications, when these are outside Brussels. These will be taken care of by the relevant budget allocations of various Directorates Generals involved.

For 2000 this involves the following calculation (the additional missions will be covered by the allocation on A-7010):

Budget heading	Amounts (Euro)	Method of calculation	
		No. of missions	Mission Unit cost
Joint Committee A-7010	4.052	Switzerland 4	Brussels: Travel: 800 Euro; per diem: 110 Euro  Switzerland: Travel 703 Euro; per diem: 155 Euro
Seminars A-7010	5.292	Switzerland 4	
Verifications A-7010	8.208	Switzerland 6	
<b>A-7010 Total</b>	<b>17.552</b>	<b>14</b>	

In Euro

	Year 2000	Year 2001	2002	2003	2004	Total 2000- 2004
A. Committee	4.052	4.052	4.052	4.052	4.052	20.260
B. Seminars	5.292	3.969				9.261
C. Verifications	8.208	8.208	5.472	4.104	4.104	30.096
<b>TOTAL</b>	<b>17.552</b>	<b>16.229</b>	<b>9.524</b>	<b>8.156</b>	<b>8.156</b>	<b>59.617</b>

The above-mentioned figures are for information only. The impact on staff and missions will be covered by the allocations on the A-7 budget starting in the year 2000.



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