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2013/0282 (NLE)

Proposal for a

COUNCIL DECISION

**concerning the renewal of the Agreement on cooperation in science and technology
between the European Community and the Government of the Russian Federation**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

The Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation was signed in Brussels on 16 November 2000. Article 12(b) of the Agreement provides as follows: "This Agreement shall be concluded for an initial period ending on 31 December 2002 and will be renewable by common agreement between the parties for additional periods of five years."

By its Decision 2009/313/EC of 30 March 2009, the Council concluded the renewal of the Agreement for a further period of five years.

Renewal of the Agreement for five more years would be in the interest of both Parties so as to maintain continuity in the scientific and technological relations between Russia and the European Union.

2. RESULTS OF CONSULTATIONS WITH THE INTERESTED PARTIES AND IMPACT ASSESSMENTS

Following a review of the Agreement, jointly conducted by independent experts from the European Union and the Russian Federation, a set of recommendations was drawn up by the appointed expert groups. Both sides took note of the expert groups' recommendation to renew the Agreement in its current form for another five years at a meeting between representatives from the European Commission and the Ministry of Education and Science of the Russian Federation held on 15 February 2013 in Moscow.

3. LEGAL ELEMENTS OF THE PROPOSAL

The material content of the renewed Agreement will be identical to that of the current Agreement, which expires on 20 February 2014.

4. BUDGETARY IMPLICATION

The Legislative Financial Statement presented with this decision sets out the indicative budgetary implications. The provisions of the Decision shall ensure that the financial interests of the Union are protected.

In the light of the above considerations, the Commission requests the Council:

- To approve, on behalf of the Union, and following the consent of the European Parliament, the renewal of the Agreement between the European Community and the Government of the Russian Federation on cooperation in science and technology for an additional period of five years;
- To authorise the President of the Council to designate the person(s) empowered to notify the Government of the Russian Federation that the Union has completed its internal procedures necessary for the entry into force of this renewed Agreement.

Proposal for a

COUNCIL DECISION

concerning the renewal of the Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 186 in conjunction with point (v) of Article 218(6)(a) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament,

Whereas:

- (1) By its Decision 2000/742/EC of 16 November 2000, the Council approved the conclusion of the Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation.
- (2) Article 12(b) of the Agreement provides as follows: 'This Agreement shall be concluded for an initial period ending on 31 December 2002 and will be renewable by common agreement between the parties for additional periods of five years'.
- (3) Following a Joint Review of the Agreement, both parties took note of the recommendation that the Agreement should be renewed for another five years in its current form.
- (4) The parties to the Agreement consider that rapid renewal of this Agreement would be in their mutual interest.
- (5) The content of the renewed Agreement will be identical to the content of the Agreement, which expires on 20 February, 2014.
- (6) The renewal of the Agreement for science and technological cooperation between the European Community and the Government of the Russian Federation should be approved on behalf of the European Union.

HAS ADOPTED THIS DECISION:

Article 1

The renewal of the Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation, for an additional period of five years, is hereby approved on behalf of the European Union.

Article 2

The President of the Council is hereby authorised to designate the person(s) empowered, acting on behalf of the Union and in accordance with point (a) of Article 12 of the Agreement, to notify the Government of the Russian Federation that the Union has completed its internal procedures necessary for the entry into force of this renewed Agreement and make the following notification to the Russian Federation:

'As a consequence of the entry into force of the Treaty of Lisbon on 1 December 2009, the European Union has replaced and succeeded the European Community and from that date exercises all rights and assumes all obligations of the European Community. Therefore, references to "the European Community" in the text of the Agreement are, where appropriate to be read as "the European Union".'

Article 3

This Decision shall enter into force on the date of its adoption. This Decision shall be published in the Official Journal of the European Union.

Done at Brussels,

*For the Council
The President*

LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

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- 1.2. Policy area(s) concerned in the ABM/ABB structure
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LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Proposal for a Council Decision concerning the renewal of the Agreement on cooperation in science and technology between the European Community and the Government of the Russian Federation.

1.2. Policy area(s) concerned in the ABM/ABB structure¹

Policy strategy and coordination of, in particular, the Directorates-General RTD, AGRI, JRC, CNECT, EAC, ENER, ENTR and MOVE.

1.3. Nature of the proposal/initiative

- The proposal/initiative relates to a **new action**
- The proposal/initiative relates to a **new action following a pilot project/preparatory action**²
- The proposal/initiative relates to **the extension of an existing action**
- The proposal/initiative relates to **an action redirected towards a new action**

1.4. Objectives

1.4.1. *The Commission's multiannual strategic objective(s) targeted by the proposal/initiative*

The present initiative will allow both parties to improve and intensify their cooperation in science and technology in areas of common interest.

1.4.2. *Specific objective(s) and ABM/ABB activity(ies) concerned*

Specific objective No 1

It will allow a further exchange of specific knowledge and a transfer of know-how to the benefit of the scientific communities, industry and the citizens.

ABM/ABB activity(ies) concerned

¹ ABM: Activity-Based Management – ABB: Activity-Based Budgeting.

² As referred to in Article 49(6)(a) or (b) of the Financial Regulation.

1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

This decision will allow the EU and Russia to derive mutual benefit from the scientific and technical progress achieved through research cooperation in their respective specific research programmes and facilitate further increased cooperation.

1.4.4. Indicators of results and impact

Specify the indicators for monitoring implementation of the proposal/initiative.

The Commission services will regularly monitor all actions carried out under the Agreement, which will include a review by the EU. The review will consist of the following elements;

(a) Performance indicators – number of proposals put forward by Russia per specific programme compared with number of proposals selected for funding under the programme.

(b) Data collection – based on information from the specific programmes of the Framework Programme and information provided by the Russian Federation to the Joint Community-Russia Committee, established under Art. 6 of the Agreement.

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term

This decision will allow both parties to continue to improve and intensify their cooperation in mutually beneficial areas of science and technology.

1.5.2. Added value of EU involvement

The Agreement is based on the principles of mutual benefit, reciprocal access to programmes and activities of the other party, in connection with the subject of the Agreement, non-discrimination, effective protection of intellectual property and equitable sharing of IPR and effective exploitation of results. The renewal of this Agreement will allow for increased scientific knowledge leading to market access opportunities.

1.5.3. Lessons learned from similar experiences in the past

Based on experience thus far in the S&T cooperation it is considered mutually beneficial to continue this cooperation with Russia by renewing the Agreement for a further period of five years.

1.5.4. Compatibility and possible synergy with other appropriate instruments

The renewal of the Agreement with Russia is fully coherent with the opening up of participation in the EU Framework Programmes to the world.

1.6. Duration and financial impact

Proposal/initiative of **limited duration**

- Proposal/initiative in effect from 20/02/2014 to 19/02/2019
- Financial impact from 2014 to 2019

Proposal/initiative of **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

1.7. Management mode(s) envisaged³

Centralised direct management by the Commission

Centralised indirect management with the delegation of implementation tasks to:

- executive agencies
- bodies set up by the Communities⁴
- national public-sector bodies/bodies with public-service mission
- persons entrusted with the implementation of specific actions pursuant to Title V of the Treaty on European Union and identified in the relevant basic act within the meaning of Article 49 of the Financial Regulation

Shared management with the Member States

Decentralised management with third countries

Joint management with international organisations (*to be specified*)

If more than one management mode is indicated, please provide details in the "Comments" section.

Comments

³ Details of management modes and references to the Financial Regulation may be found on the BudgWeb site: http://www.cc.cec/budg/man/budgmanag/budgmanag_en.html

⁴ As referred to in Article 185 of the Financial Regulation.

2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

Specify frequency and conditions.

Participation of research entities from Russia in the Framework Programme (Horizon 2020) and other cooperative activities under the Agreement will be regularly followed through meetings of the Joint Community-Russia Committee established under Art. 6 of the Agreement.

2.2. Management and control system

2.2.1. Risk(s) identified

Meetings and bilateral contacts occur regularly, allowing for a systematic sharing of information. No risks have been identified in the control system.

2.2.2. Control method(s) envisaged

2.2.3. Costs and benefits of controls and probable non-compliance rate

2.3. Measures to prevent fraud and irregularities

Specify existing or envisaged prevention and protection measures.

When the implementation of the Framework programme calls for the use of external contractors or entails granting financial contributions to third parties, the Commission will carry out, where appropriate, financial audits, in particular if it has reason to doubt the realistic nature of work performed or described in the activity reports.

The Union's financial audits will be carried out either by its own staff or by accounting experts approved according to the law of the audited party. The Union will choose the latter freely, while avoiding any risks of conflicts of interest which might be indicated to it by the party subject to the audit. In addition, the Commission will make sure, in carrying out the research activities, that the financial interests of the Union are protected by effective checks and, where irregularities are detected, by deterrent and proportionate measures and penalties.

In order to achieve this aim, rules on checks, measures and penalties, with reference to Regulations No 2988/95, No 2185/96 and No 1073/99 will be incorporated in all contracts used in the implementation of the Framework programme.

In particular, the following points will have to be provided for in the contracts:

- the introduction of specific contractual clauses to protect the financial interests of the EU in carrying out checks and controls in relation to the work performed;
- the carrying out of administrative checks as part of anti-fraud measures, in accordance with Regulations No 2185/96, No 1073/1999 and No 1074/1999;
- the application of administrative penalties for all intentional or negligent irregularities in the implementation of the contracts, in accordance with the Framework Regulation No 2988/95, including a blacklisting mechanism;
- the fact that any recovery orders in the event of irregularities and fraud must be enforceable according to Article 299 of the Treaty on the Functioning of the European Union.

In addition and as a routine measure, a control programme in respect of scientific and budgetary aspects will be carried out by the responsible staff in the DG for Research and Innovation; an internal audit will be carried out by the Internal Audit unit of DG Research and Innovation; and local inspections will be undertaken by the European Court of Auditors.

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Description.....]	Diff./non-diff. (5)	from EFTA countries ⁶	from candidate countries ⁷	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
1a	08.01.05	Non-diff.	YES	YES	YES	YES
1a	08.01.05.01	Non-Diff.	YES	YES	YES	YES
1a	08.01.05.03	Non-Diff;	YES	YES	YES	YES

- New budget lines requested

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number [Heading.....]	Diff./non-diff.	from EFTA countries	from candidate countries	from third countries	within the meaning of Article 18(1)(aa) of the Financial Regulation
	[XX.YY.YY.YY]		YES/ NO	YES/ NO	YES/ NO	YES/NO

⁵ Diff. = Differentiated appropriations / Non-Diff. = Non-differentiated appropriations.

⁶ EFTA: European Free Trade Association.

⁷ Candidate countries and, where applicable, potential candidate countries from the Western Balkans.

3.2. Estimated impact on expenditure

[This part must be completed on the spread sheet on budget data of an administrative nature (second document in the annex to this financial statement) to be uploaded to CISNET for interdepartmental consultation purposes.

3.2.1. Summary of estimated impact on expenditure

EUR million (to three decimal places)

Heading of multiannual financial framework:	1a	[Heading]: Competitiveness for Growth and Jobs
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DG: <Research and Innovation.>			Year 2014 ⁸	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019		TOTAL
• Operational appropriations										
Number of budget line	Commitments	(1)								
	Payments	(2)								
Number of budget line	Commitments	(1a)								
	Payments	(2a)								
Appropriations of an administrative nature financed from the envelope of specific programmes ⁹										
Number of budget line	08.01.05	(3)								
TOTAL appropriations for DG <Research and Innovation>¹⁰	Commitments	=1+1a +3	0.099	0.110	0.110	0.110	0.110	0.011		0.550
	Payments	=2+2a +3	0.099	0.110	0.110	0.110	0.110	0.011		0.550

⁸ Year N is the year in which implementation of the proposal/initiative starts.

⁹ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

¹⁰ Appropriations for the period 2014-2020 and related legal basis are still to be adopted by the European Parliament and the Council and the Draft Budget 2014 is yet to be approved by the budget authority.

Number of budget line	08.01.05.01									
TOTAL appropriations for DG <Research and Innovation>	Commitments	(1a)	0.055	0.066	0.066	0.066	0.066	0.011		0.330
	Payments	(2a)	0.055	0.066	0.066	0.066	0.066	0.011		0.330
Number of budget line	08.01.05.03									
TOTAL appropriations for DG <Research and Innovation>	Commitments	(1b)	0.037	0.044	0.044	0.044	0.044	0.007		0.220
	Payments	(2b)	0.037	0.044	0.044	0.044	0.044	0.007		0.220
• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.092	0.110	0.110	0.110	0.110	0.018		0.550
TOTAL appropriations under HEADING <1a.> of the multiannual financial framework	Commitments	=4+ 6	0.092	0.110	0.110	0.110	0.110	0.018		0.550
	Payments	=5+ 6	0.092	0.110	0.110	0.110	0.110	0.018		0.550

If more than one heading is affected by the proposal / initiative:

• TOTAL operational appropriations	Commitments	(4)								
	Payments	(5)								
• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)								
TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)	Commitments	=4+ 6								
	Payments	=5+ 6								

Heading of multiannual financial framework	5	'Administrative expenditure'
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EUR million (to three decimal places)

		Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)			TOTAL
DG: <.....>									
• Human resources									
• Other administrative expenditure									
TOTAL DG <.....>	Appropriations								

TOTAL appropriations for HEADING 5 of the multiannual financial framework	(Total commitments = Total payments)								
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EUR million (to three decimal places)

		2014 ¹¹	2015	2016	2017	2018	2019		TOTAL
TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework	Commitments	0.092	0.110	0.110	0.110	0.110	0.018		0.550
	Payments	0.092	0.110	0.110	0.110	0.110	0.018		0.550

¹¹ Year N is the year in which implementation of the proposal/initiative starts.

3.2.2. *Estimated impact on operational appropriations*

- The proposal/initiative does not require the use of operational appropriations
- The proposal/initiative requires the use of operational appropriations, as explained below:

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs ↓			Year N	Year N+1	Year N+2	Year N+3	Enter as many years as necessary to show the duration of the impact (see point 1.6)										TOTAL			
	OUTPUTS																			
	Type ¹²	Average cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Total number	Total cost
SPECIFIC OBJECTIVE NO 1 ¹³																				
- Output																				
- Output																				
- Output																				
Subtotal for specific objective No 1																				
SPECIFIC OBJECTIVE No 2...																				
- Output																				
Subtotal for specific objective No 2																				
TOTAL COST																				

¹² Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

¹³ As described in point 1.4.2. ‘Specific objective(s)...’

3.2.3. Estimated impact on appropriations of an administrative nature

3.2.3.1. Summary

- The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

	Year 2014 ¹⁴	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	TOTAL
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HEADING 5 of the multiannual financial framework							
Human resources							
Other administrative expenditure							
Subtotal HEADING 5 of the multiannual financial framework							

Outside HEADING 5¹⁵ of the multiannual financial framework							
Human resources	0.055	0.066	0.066	0.066	0.066	0.011	0.330
Other expenditure of an administrative nature	0.037	0.044	0.044	0.044	0.044	0.007	0.220
Subtotal outside HEADING 5 of the multiannual financial framework							

TOTAL	0.092	0.110	0.110	0.110	0.110	0.018	0.550
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The administrative appropriations required will be met by the appropriations of the DG which are already assigned to management of the action and/or which have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

¹⁴ Year N is the year in which implementation of the proposal/initiative starts.

¹⁵ Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former 'BA' lines), indirect research, direct research.

3.2.3.2. Estimated requirements of human resources

- The proposal/initiative requires the use of human resources, as explained below:

Estimate to be expressed in full time equivalent units

	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019	Enter as many years as necessary to show the duration of the impact (see point 1.6)
• Establishment plan posts (officials and temporary agents)							
XX 01 01 01 (Headquarters and Commission's Representation Offices)							
XX 01 01 02 (Delegations)							
08 01 05 01 (Indirect research)	0.5	0.5	0.5	0.5	0.5	0.5	
10 01 05 01 (Direct research)							
• External personnel (in Full Time Equivalent unit: FTE)¹⁶							
XX 01 02 01 (CA, INT, SNE from the "global envelope")							
XX 01 02 02 (CA, INT, JED, LA and SNE in the delegations)							
XX 01 04 yy¹⁷	- at Headquarters						
	- in delegations						
XX 01 05 02 (CA, SNE, INT - Indirect research)							
10 01 05 02 (CA, SNE, INT - Direct research)							
Other budget lines (specify)							
TOTAL	0.5	0.5	0.5	0.5	0.5	0.5	

XX is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	Preparation and management of the Joint Committee meetings foreseen under Art. 6 of the Agreement, and missions ensuring the good functioning and implementation of the Agreement and regular review of the Agreement.
External staff	

¹⁶ CA= Contract Agent; LA = Local Agent; SNE = Seconded National Expert; INT = agency staff ('Intérimaire'); JED= 'Jeune Expert en Délégation' (Young Experts in Delegations).

¹⁷ Sub-ceiling for external staff covered by operational appropriations (former "BA" lines).

3.2.4. *Compatibility with the current multiannual financial framework*

- Proposal/initiative is compatible the current multiannual financial framework.

3.2.5. *Third-party contributions*

- The proposal/initiative does not provide for co-financing by third parties.

3.3. Estimated impact on revenue

- Proposal/initiative has no financial impact on revenue.