



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 25.7.2005  
COM(2005) 333 final

2005/0135 (CNS)

Proposal for a

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

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

## EXPLANATORY MEMORANDUM

1. By joint decision of 4 April 2002 the Council and the Commission concluded the Agreement on Scientific and Technological Cooperation between the European Community and the European Atomic Energy Community of the one part and the Swiss Confederation of the other part. The Agreement entered into force on 1 June 2002.
2. This Agreement associated Switzerland in the specific programmes of the Fifth (EC and Euratom) Framework Programmes. Article 9(2) thereof provided for renewal of the Agreement should the Community adopt new Framework Programmes.
3. On 7 June 2002, as the Sixth (EC and Euratom) Framework Programmes were being adopted by the Communities, the Swiss Confederation officially requested the Commission to renew the abovementioned Agreement with a view to being associated in them.
4. It is in the interest of the Communities to renew this Agreement in order to associate the Swiss Confederation in the Sixth (EC and Euratom) Framework Programmes and thereby expand the European Research Area.
5. Consequently, on 26 November 2002 the Commission proposed that the Council authorise it to negotiate the renewal of the Agreement with a view to associating the Swiss Confederation in the Sixth (EC and Euratom) Framework Programmes. On 20 February 2003 the Council gave the Commission a mandate to negotiate renewal of the Agreement, including the possibility of provisional application so as to allow legal entities from the Swiss Confederation to participate, as early as possible, in the calls under the Sixth (EC and Euratom) Framework Programmes.
6. Renewal of the Agreement was negotiated in line with the negotiating directives annexed to the Council decision of 20 February 2003. These negotiations were completed on 5 September 2003, when the authorised representatives of the two parties initialled the annexed draft Agreement.
7. On 25 November 2003 the Commission submitted to the Council a proposal for a Council Decision authorising the signature of the abovementioned Agreement. The Council adopted this Decision on 22 December 2003 and the attached Agreement and the Annexes thereto were signed on 16 January 2004 in Brussels.
8. This new Agreement is based on the principles laid down in its predecessor, particularly with regard to the Swiss Confederation's contribution to the budgets for the Sixth (EC and Euratom) Framework Programmes. However, it has been adapted to take account of the specifics of the Sixth (EC and Euratom) Framework Programmes. In addition, Annex C contains new provisions on cooperation between the Communities and the Swiss Confederation on control of Community funds.
9. Finally, following the entry into force of the Sixth Framework Programmes, in view of the fact that the associated States make annual contributions to the respective budgets and of the time needed for negotiation of this renewal, it is proposed that this Agreement should enter into force on 1 January 2004 and, if it is not concluded in time, should apply provisionally from that date on, subject to signature at a later date.

10. The Agreement stipulates that the eleven official languages at the time of signing are to be authentic. Regulations No 1/1958<sup>1</sup> oblige the European Community and the Euratom Community to draft documents of general application in all the official languages of the Member States, which since enlargement, total 20 languages. The Council must therefore decide that the Commission should conclude the Agreement in such a way that the languages of the new Member States are authentic, without formally amending the Agreement. This additional agreement should take the form of an exchange of letters annexed to the Agreement.
11. In the light of the foregoing, the Commission proposes that the Council:
- approve, on behalf of the Community and following consultation with the European Parliament, the Agreement on Scientific and Technological Cooperation between the European Communities of the one part and the Swiss Confederation of the other part;
  - notify the Swiss authorities that the European Community has completed the procedures necessary for the entry into force of the Agreement.

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<sup>1</sup> OJ 401/58, 6.10.1958 and OJ 385/58, 6.10.1958

Proposal for a

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

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

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

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

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

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Whereas:

- (1) The Commission has negotiated, on behalf of the Communities, an Agreement on Scientific and Technological Cooperation with the Swiss Confederation, also providing for provisional application of the renewed Agreement.
- (2) This Agreement was signed by the representatives of the Parties on 16 January 2004 in Brussels, subject to its conclusion at a later date.
- (3) Regulations No 1/1958<sup>2</sup> oblige the European Community and the Euratom Community to draft documents of general application in the official languages of all the Member States. The Commission should conclude the Agreement in such a way that the languages of the new Member States are authentic. This should be done via an exchange of letters annexed to the Agreement.
- (4) The Agreement should be approved,

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<sup>2</sup> OJ 401/58, 6.10.1958 and OJ 385/58, 6.10.1958.

HAVE DECIDED AS FOLLOWS:

*Article 1*

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

The Commission is hereby authorised to approve with the Swiss Confederation, via an exchange of letters, that all the languages of the Member States following the enlargement of 1 May 2004 are authentic.

The text of the Agreement is annexed to this decision and the exchange of letters is annexed to the Agreement.

*Article 2*

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

Done at Brussels, [...]

*For the Council*  
*The President*

*For the Commission*  
*The President*

**AGREEMENT ON SCIENTIFIC AND TECHNOLOGICAL  
COOPERATION BETWEEN THE EUROPEAN COMMUNITY AND THE  
EUROPEAN ATOMIC ENERGY COMMUNITY OF THE ONE PART AND THE  
SWISS CONFEDERATION OF THE OTHER PART**

THE COUNCIL OF THE EUROPEAN UNION, acting on behalf of the European Community, and THE COMMISSION OF THE EUROPEAN COMMUNITIES, (hereinafter referred to as "the Commission"), acting on behalf of the European Atomic Energy Community, hereinafter referred to collectively as "the European Communities",

of the one part, and

THE SWISS FEDERAL COUNCIL, acting on behalf of the Swiss Confederation, hereinafter referred to as "Switzerland",

of the other part,

hereinafter referred to as "the Parties",

CONSIDERING THAT a close relationship between Switzerland and the Communities is of benefit to the Parties,

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

CONSIDERING THAT Switzerland and the Communities are currently implementing research programmes in fields of common interest,

CONSIDERING THAT the Communities and Switzerland have an interest in cooperating on these programmes to their mutual benefit,

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

CONSIDERING THAT the European Atomic Energy Community and Switzerland concluded a Cooperation Agreement in 1978 in the field of controlled thermonuclear fusion and plasma physics (hereinafter referred to as "the Fusion Agreement"),

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

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

COSIDERING THAT on 21 June 1999 the Communities and Switzerland signed an Agreement on Scientific and Technological Cooperation,<sup>3</sup> which expired on 31 December 2002,

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

CONSIDERING THAT the Sixth Framework Programme of the European Community for research, technological development and demonstration activities (2002 to 2006) (hereinafter referred to as "the Sixth EC Framework Programme") was adopted by Decision No 1513/2002/EC<sup>4</sup> and Regulation (EC) No 2321/2002 of the European Parliament and of the Council,<sup>5</sup> and by Council Decisions 2002/834/EC,<sup>6</sup> 2002/835/EC<sup>7</sup> and 2002/836/EC<sup>8</sup> and that the Sixth Framework Programme of the European Atomic Energy Community (Euratom) for nuclear research and training activities, also contributing to the creation of the European Research Area (2002 to 2006) was adopted by Council Decision 2002/668/Euratom,<sup>9</sup> Council Regulation (Euratom) No 2322/2002<sup>10</sup> and Council Decisions 2002/837/Euratom<sup>11</sup> and 2002/838/Euratom<sup>12</sup> (hereinafter referred to as "the Sixth EC and Euratom Framework Programmes"),

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

HAVE AGREED AS FOLLOWS:

### *Article 1*

#### **Subject matter**

1. The form and conditions of Switzerland's participation in the implementation of the whole of the Sixth EC and Euratom Framework Programmes shall be as laid down in this Agreement, without prejudice to the terms of the Fusion Agreement. Legal entities established in Switzerland may participate in all the specific programmes of the Sixth EC and Euratom Framework Programmes.

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<sup>3</sup> OJ L 114, 30.4.2002, p.468.

<sup>4</sup> OJ L 232, 29.08.2002, p. 1.

<sup>5</sup> OJ L 355, 30.12.2002, p. 23.

<sup>6</sup> OJ L 294, 29.10.2002, p. 1.

<sup>7</sup> OJ L 294, 29.10.2002, p. 44.

<sup>8</sup> OJ L 294, 29.10.2002, p. 60.

<sup>9</sup> OJ L 232, 29.8.2002, p. 34.

<sup>10</sup> OJ L 355, 30.12.2002, p. 35.

<sup>11</sup> OJ L 294, 29.10.2002, p. 74.

<sup>12</sup> OJ L 294, 29.10.2002, p. 86.

2. Swiss legal entities may participate in the activities of the Joint Research Centre of the Communities, as far as this participation is not covered by paragraph 1.
3. Legal entities established in the Communities, including the Joint Research Centre, may participate in Swiss research programmes and/or projects on themes equivalent to those of the programmes of the Sixth EC and Euratom Framework Programmes.
4. For the purposes of this Agreement "legal entity" means any natural or any legal person created under the national law applicable at its place of establishment or under Community law, having legal personality and being entitled to have rights and obligations of any kind in its own name. This shall include, inter alia, universities, research bodies, industrial companies, including small and medium-sized enterprises, and individuals.

## *Article 2*

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

Cooperation shall take the following forms:

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

Switzerland shall be taken into consideration, alongside the Member States of the European Union, for any indirect action under the Sixth EC Framework Programme based on Article 169 of the Treaty establishing the European Community, subject to participation in the same indirect action by at least two Member States or associated candidate countries.

2. Financial contribution by Switzerland to the budgets of the programmes adopted for the implementation of the Sixth EC and Euratom Framework Programmes, as defined in Article 5(2).
3. Participation of legal entities established in the Communities in Swiss research programmes and/or projects decided by the Federal Council on themes equivalent to those of the Sixth EC and Euratom Framework Programmes, in accordance with the terms and conditions laid down in the relevant Swiss regulations and with the agreement of the partners in the specific project and the managers of the corresponding Swiss programme. Legal entities established in the Communities participating in Swiss research programmes and/or projects shall cover their own costs, including their relative share of the project's general management and administrative costs.



4. In addition to regular provision of information and documentation concerning the implementation of the Sixth EC and Euratom Framework Programmes and of the Swiss programmes and/or projects, the cooperation between the Parties may include the following forms and means:
  - a) regular exchanges of views on the orientation and priorities of research policies and planning in Switzerland and in the Communities;
  - b) exchanges of views on the prospects for and development of cooperation;
  - c) timely exchanges of information on the implementation of the research programmes and projects in Switzerland and in the Communities and on the results of the work undertaken under this Agreement;
  - d) joint meetings;
  - e) visits and exchanges of researchers, engineers and technicians;
  - f) regular contacts and follow-up between programme or project leaders in Switzerland and in the Communities;
  - g) participation of experts in seminars, symposia and workshops.

### *Article 3*

#### **Adjustment**

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

### *Article 4*

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

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

## *Article 5*

### **Financial provisions**

1. Commitments entered into by the Communities prior to the entry into force of this Agreement – as well as the payments which result from these - shall give rise to no contribution on the part of Switzerland. Switzerland's financial contribution deriving from participation in the implementation of the Sixth EC and Euratom Framework Programmes shall be established in proportion to and in addition to the amount allocated each year in the general budget of the European Union for commitment appropriations to meet the Commission's financial obligations stemming from work to be carried out in the forms necessary for the implementation, management and operation of the programmes and activities covered by this Agreement.
2. The proportionality factor governing Switzerland's contribution to the Sixth EC and Euratom Framework Programmes, except the Fusion Programme, shall be obtained by establishing the ratio between Switzerland's gross domestic product, at market prices, and the sum of gross domestic products, at market prices, of the Member States of the European Union. Switzerland's contribution to the Fusion Programme shall continue to be calculated on the basis of the corresponding agreement.

This ratio shall be calculated on the basis of the latest statistical data from Eurostat available at the time of publication of the preliminary draft budget of the European Union for the same year.

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

## *Article 6*

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

1. The "Switzerland/Communities Research Committee" set up in the Framework Agreement shall review, evaluate and ensure the proper implementation of this Agreement. Any issues arising from the implementation or interpretation of this Agreement shall be referred to this Committee.
2. The Committee may decide to amend the references to Community acts in Annex C.

## *Article 7*

### **Participation**

1. Without prejudice to the provisions of Article 4, legal entities established in Switzerland participating in the Sixth EC and Euratom Framework Programmes shall have the same contractual rights and obligations as entities established in the Communities.

2. For legal entities established in Switzerland, the terms and conditions applicable for the submission and evaluation of proposals and those for the granting and conclusion of contracts under the Communities' programmes shall be the same as those applicable to contracts concluded under the same programmes with legal entities established in the Communities.
3. An appropriate number of Swiss experts shall be taken into consideration in the selection of evaluators or referees under the Communities' research and technological development programmes.
4. Without prejudice to the provisions of Article 1(3), Article 2(3) and Article 4(2) or to existing regulations and rules of procedure, legal entities established in the Communities may participate under equivalent terms and conditions to Swiss partners in programmes and/or projects of the Swiss research programmes specified in Article 2(3). The Swiss authorities may make participation in a project by one or more legal entities established in the Communities subject to joint participation by at least one Swiss entity.

#### *Article 8*

#### **Mobility**

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

#### *Article 9*

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

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

exchange information and views on the preparation of such programmes or other current and future research activities through the Switzerland/Communities Research Committee.

*Article 10*

**Relation to other international agreements**

The provisions of this Agreement shall apply without prejudice to the advantages envisaged by other international agreements binding one of the Parties and reserved exclusively for legal entities established on the territory of that Party.

*Article 11*

**Territorial scope**

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

*Article 12*

**Annexes**

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

*Article 13*

**Amendment and termination**

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

*Article 14*

**Entry into force and provisional application**

1. This Agreement shall be ratified or concluded by the Parties in accordance with their respective rules. It shall enter into force on the date of the final notification of completion of the procedures necessary to this end and shall come into effect on 1 January 2004.
2. Should the procedures for ratification or conclusion of the signed Agreement not be completed in 2003, the Parties shall apply this Agreement provisionally from 1 January 2004 until its entry into force.

Should one of the Parties inform the other that it will not conclude the Agreement, it is hereby agreed that:

- the Communities shall reimburse to Switzerland its contribution to the general budget of the European Union as specified in Article 2(2);
- however, the funds committed by the Communities for participation by legal entities established in Switzerland in indirect action, including the reimbursements provided for in Article 2(1), shall be deducted by the Communities from the abovementioned reimbursement;
- projects and activities started during this provisional application and still in progress at the time of the abovementioned notification shall continue until their completion under the conditions laid down in this Agreement.

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

Done at

For the European Communities

For the Swiss Confederation

## ANNEX A

### **PRINCIPLES FOR THE ALLOCATION OF INTELLECTUAL PROPERTY RIGHTS**

#### **I. SCOPE**

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

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

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

1. Each Party shall ensure that the intellectual property rights of the legal entities of the other Party participating in the activities undertaken under this Agreement and the rights and obligations resulting from such participation are treated in a manner compatible with the relevant international conventions applicable to the Parties, notably the TRIPS Agreement (Agreement on Trade-Related Aspects of Intellectual Property Rights administered by the World Trade Organisation), the Berne Convention (Paris Act 1971) and the Paris Convention (Stockholm Act 1967).
2. Legal entities established in Switzerland participating in indirect action under the Sixth EC and Euratom Framework Programmes shall have intellectual property rights and obligations under the conditions set out in Regulation (EC) No 2321/2002 of the European Parliament and of the Council,<sup>13</sup> in Council Regulation No 2322/2002 (Euratom)<sup>14</sup> and in the contract concluded with the Communities, in accordance with paragraph 1.

Where Switzerland participates in indirect action under the Sixth EC Framework Programme, implemented in accordance with Article 169 of the Treaty establishing the European Community, Switzerland shall have the same intellectual property rights and obligations as the Member States participating therein, as set out in the relevant decision of the European Parliament and of the Council and in the contract concluded with the European Community, in accordance with paragraph 1.

3. Legal entities established in a European Union Member State participating in Swiss research programmes and/or projects shall have the same intellectual property rights and obligations as legal entities established in Switzerland participating in these research programmes or projects, in accordance with paragraph 1.

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<sup>13</sup> OJ L 355, 30.12.2002, p. 23.

<sup>14</sup> OJ L 355, 30.12.2002, p. 35.

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

1. Unless otherwise agreed between the Parties, the following rules shall apply to the knowledge generated by the Parties in the course of the activities undertaken in accordance with Article 2(4) of this Agreement:
  - a) The Party generating the knowledge has ownership of it. When their respective shares in the work cannot be determined, the Parties shall co-own the knowledge.
  - b) The Party holding ownership shall grant the other Party rights of access to the knowledge with a view to the activities referred to in Article 2(4) of this Agreement. No charge shall be made for granting rights of access to the knowledge.
2. Unless otherwise agreed between the Parties, the following rules shall apply to scientific literature from the Parties:
  - a) Where a Party publishes data, information and technical or scientific results arising from the activities undertaken under this Agreement in journals, articles, reports and books, including audiovisual works and software, a worldwide, non-exclusive, irrevocable royalty-free licence to translate, adapt, transmit and publicly distribute the works in question shall be granted to the other Party.
  - b) All copies of copyrighted data and information to be publicly distributed and prepared under this section shall indicate the names of the author or authors, unless an author expressly declines to be named. Copies shall also bear a clearly visible acknowledgement of the cooperative support of the Parties.
3. Unless otherwise agreed between the Parties, the following rules shall apply to undisclosed information of the Parties:
  - a) At the time of submission to the other Party of information relating to the activities undertaken under this Agreement, each Party shall identify the information which it wishes to remain undisclosed.
  - b) For the specific purposes of application of this Agreement, the receiving Party may, on its own responsibility, communicate undisclosed information to bodies or persons under its authority.
  - c) With the prior written consent of the Party providing undisclosed information, the receiving Party may disseminate such information more widely than otherwise permitted by paragraph 3(b). The Parties shall cooperate in developing procedures for requesting and obtaining prior written consent for wider dissemination, and each Party shall grant such approval to the extent permitted by its domestic policies, regulations and laws.

- d) Non-documentary undisclosed or other confidential information provided in seminars or other meetings of the representatives of the Parties arranged under this Agreement, or information arising from the attachment of staff, use of facilities or indirect action must remain confidential, where the recipient of such undisclosed or other confidential or privileged information was made aware of the confidential character of the information before it was communicated, in accordance with paragraph 3(a).
- e) Each Party shall ensure that undisclosed information which it acquires in accordance with paragraphs 3(a) and 3(d) shall be controlled as provided for in this Agreement. If one of the Parties becomes aware that it will be, or may be expected to become, unable to meet the non-dissemination provisions of paragraphs 3(a) and 3(d), it shall immediately inform the other Party. The Parties shall thereafter consult to define an appropriate course of action.



## **ANNEX B**

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

#### **I. DETERMINATION OF FINANCIAL PARTICIPATION**

1. The Commission shall communicate to Switzerland together with relevant background material as soon as possible and at the latest on 1 September of each year:
  - a) the amounts in commitment appropriations in the statement of expenditure of the preliminary draft budget of the European Union corresponding to the two Framework Programmes;
  - b) the estimated amount of the contributions derived from the preliminary draft budget, corresponding to the participation of Switzerland in the two Framework Programmes.

Nonetheless, in order to facilitate internal budgetary procedures, the Commission services shall provide corresponding indicative figures at the latest on 30 May of each year.

2. As soon as the general budget has been finally adopted, the Commission shall communicate to Switzerland the abovementioned amounts in the statement of expenditure corresponding to the participation of Switzerland.

#### **II. PAYMENT PROCEDURES**

1. By no later than 15 June and 15 November of each financial year the Commission shall issue a call for funds to Switzerland corresponding to its contribution under this Agreement. These calls for funds shall provide respectively for the payment of:
  - six twelfths of Switzerland's contribution not later than 20 July, and
  - six twelfths of its contribution not later than 15 December.

However, in the last year of the two Framework Programmes, the full amount of Switzerland's contribution shall be paid by no later than 20 July.

2. The contributions of Switzerland shall be expressed and paid in euros.

3. Switzerland shall pay its contribution under this Agreement according to the schedule in paragraph 1. Any delay in payment shall give rise to the payment of interest at a rate equal to the one-month inter-bank offered rate (EURIBOR) as on page 248 of Telerate. This rate may be increased by 1.5 % for each month of delay. The increased rate shall be applied to the entire period of delay. However, the interest shall be due only if the contribution is paid more than 30 days after the scheduled payment dates indicated in paragraph 1.
4. Travel costs incurred by Swiss representatives and experts for the purposes of taking part in the work of the research committees and those involved in the implementation of the two Framework Programmes shall be reimbursed by the Commission on the same basis as, and in accordance with, the procedures currently in force for the representatives and experts of the Member States of the Communities.

### **III. CONDITIONS FOR IMPLEMENTATION**

1. The financial contribution of Switzerland to the two Framework Programmes in accordance with Article 5 of this Agreement shall normally remain unchanged for the financial year in question.
2. The Commission, at the time of the closure of the accounts relating to each financial year (n), within the framework of the establishment of the revenue and expenditure account, shall regularise the accounts with respect to the participation of Switzerland, taking into consideration modifications which have taken place, either by transfer, cancellations, carry-overs, or by supplementary and amending budgets during the financial year. This regularisation shall occur at the time of the first payment for the year n+1. However, the final such regularisation shall occur not later than July of the fourth year following the end of the two Framework Programmes.

Payment by Switzerland shall be credited to the European Communities' programmes as budget receipts allocated to the appropriate budget line in the statement of revenue of the general budget of the European Union.

### **IV. PROVISION OF INFORMATION**

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

## ANNEX C

### FINANCIAL CONTROL OF SWISS PARTICIPANTS

#### IN THE COMMUNITY PROGRAMMES COVERED BY THIS AGREEMENT

##### I. DIRECT COMMUNICATION

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

##### II. AUDITS

1. In accordance with Regulations (EC, Euratom) No 1605/2002 of 25 June 2002 and (EC, Euratom) No 2342/2002 of 23 December 2002 and with the other rules referred to in this Agreement, the contracts concluded with participants in the programme established in Switzerland may provide for scientific, financial, technological or other audits to be conducted at any time on the premises of the participants and of their subcontractors by Commission agents or by other persons mandated by the Commission.
2. Commission agents and other persons mandated by the Commission shall have appropriate access to sites, works and documents and to all the information required in order to carry out such audits, including in electronic form. This right of access shall be stated explicitly in the contracts concluded to implement the instruments referred to in this Agreement.
3. The European Court of Auditors shall have the same rights as the Commission.
4. The audits may be conducted after the Sixth EC and Euratom Framework Programmes or this Agreement expire, on the terms laid down in the contracts in question.
5. The Swiss Federal Audit Office shall be informed in advance of the audits conducted on Swiss territory. Such notification shall not be a legal precondition for carrying out such audits.

##### III. ON-THE-SPOT INSPECTIONS

1. Within the framework of this Agreement, the Commission (OLAF) shall be authorised to carry out on-the-spot checks and inspections on Swiss territory, in accordance with the terms and conditions laid down in Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996.
2. On-the-spot checks and inspections shall be prepared and conducted by the Commission in close collaboration with the Swiss Federal Audit Office or with the other competent Swiss authorities designated by the Swiss Federal Audit Office, which shall be notified in good time of the object, purpose and legal basis of the

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

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

#### **IV. INFORMATION AND CONSULTATION**

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

#### **V. CONFIDENTIALITY**

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

#### **VI. ADMINISTRATIVE MEASURES AND PENALTIES**

Without prejudice to application of Swiss criminal law, administrative measures and penalties may be imposed by the Commission in accordance with Regulations (EC, Euratom) No 1605/2002 of 25 June 2002 and (EC, Euratom) No 2342/2002 of 23 December 2002 and with Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests.

## **VII. RECOVERY AND ENFORCEMENT**

Decisions taken by the Commission under the Sixth EC Framework Programme within the scope of this Agreement which impose a pecuniary obligation on persons other than States shall be enforceable in Switzerland. The enforcement order shall be issued, without any further checks other than verification of the authenticity of the act, by the authorities designated by the Swiss government, which shall inform the Commission thereof. Enforcement shall take place in accordance with the Swiss rules of procedure. The legality of the enforcement decision is subject to control by the Court of Justice of the European Communities.

Judgments given by the Court of Justice of the European Communities pursuant to an arbitration clause in a contract under the Sixth EC and Euratom Framework Programmes shall be enforceable on the same terms.

## ANNEX D

### DRAFT EXCHANGE OF LETTERS



EUROPEAN COMMISSION  
RESEARCH DIRECTORATE-GENERAL

The Director-General

Brussels,  
RTD/AM/IB D(2004)

Ambassador of the Swiss Confederation

*Ref.: S&T Association Agreement between the EU and the Swiss Confederation*  
*Subj.: Adaptation of the Agreement following enlargement of the EU on 1.5.2004*

Your Excellency,

Following the enlargement of the European Union to 25 Member States on 1 May 2004, we need to adapt our legal texts (agreements etc.) to ensure conformity with the Accession Treaty and the legislation deriving therefrom, applicable after the accession date.

The Agreement on Scientific and Technological Cooperation associating Switzerland in the Sixth Framework Programmes, signed on 16 January 2004 for EU-15 and EURATOM-15, will thus be concluded by EU-25 and EURATOM-25.

It is therefore, our common understanding that the term “European Community” in the existing texts of the Agreement will be understood as referring to the 25 Member States as from 1.5.2004. Legally speaking, the Agreement will not include the New Member States’ languages as authentic, but it will be binding upon the new Member States.

Since Regulations No.1 determining the languages to be used by the EU oblige the Community to draft documents of general application in 20 official languages, the Council has decided that the new Member States’ languages are also authentic without formal amendment of the Agreement. This procedure needs to be formalised by an exchange of letters, officially registered in the Council’s “Bureau des Accords”.

Could you please confirm to me your approval of this “common understanding” as agreed by the authorities of your country, thereby legalising this procedure.

I would appreciate having this confirmation at your earliest convenience to allow us to proceed further.

I would like to thank you for your understanding and am looking forward to receiving your position on the above subject of common interest.

Yours faithfully,

Achilleas Mitsos

## LEGISLATIVE FINANCIAL STATEMENT

### 1. NAME OF THE PROPOSAL:

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

### 2. ABM/ABB FRAMEWORK

Policy area(s) concerned and associated activity/activities:

08.81 Policy strategy and coordination for DG RTD

### 3. BUDGET LINES

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

- Participation in indirect action by Swiss entities, as well as costs in connection with the implementation of the Agreement (workshops, seminars, meetings) will be charged to the specific budget lines for the specific programmes of the Framework Programmes of the European Community and of the European Atomic Energy Community (xx 01.05.03).
- Swiss participation  
Chapter 60 (revenue), Articles 10.02.05, 10.03.04, 02.03.03, 06.06.04, 08.12.03, 09.04.04, 11.05.02 (expenditure) (Title 3).  
Switzerland's contribution to the Framework Programmes' budget will be proportionate to its GDP compared with that of the Union (see point 2.5), with the exception of its contribution to the budget of the priority thematic area of research "Controlled thermonuclear fusion" in the Euratom Framework Programme, where its contribution will be proportionate to its GDP compared with the sum of its GDP plus that of the Union. It will be allocated to the various specific programmes of the Framework Programme in proportion to their budgets.

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

1 January 2004 to 31 December 2006. Renewal arrangements are laid down in Article 9 of the Agreement.

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

Budget line	Type of expenditure	New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
-------------	---------------------	-----	-------------------	--	----------------------------------

xx.01.05.03	NCE	NDA <sup>15</sup>	NO	YES	YES	No 3
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#### 4. SUMMARY OF RESOURCES

##### 4.1. Financial resources

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

*EUR million (to 3 decimal places)*

Expenditure type	Section No		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
------------------	------------	--	--------	-------	-------	-------	-------	-----------------	-------

##### **Operational expenditure<sup>16</sup>**

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

##### **Administrative expenditure included in reference amount<sup>17</sup>**

Technical & administrative assistance (NDA)	8.2.4	c							
---	-------	---	--	--	--	--	--	--	--

##### **TOTAL REFERENCE AMOUNT**

<b>Commitment appropriations</b>		<b>a+c</b>							
<b>Payment appropriations</b>		<b>b+c</b>							

##### **Administrative expenditure not included in reference amount<sup>18</sup>**

Human resources and associated expenditure (NDA)	8.2.5	d							
--	-------	---	--	--	--	--	--	--	--

<sup>15</sup> Non-differentiated appropriations.

<sup>16</sup> Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

<sup>17</sup> Expenditure within article xx 01 04 of Title xx.

<sup>18</sup> Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05



Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6	e							
---	-------	---	--	--	--	--	--	--	--

**Total indicative financial cost of action**

<b>TOTAL CA including cost of human resources</b>		a+c +d+ e							
<b>TOTAL PA including cost of human resources</b>		b+c +d+ e							

**Co-financing details**

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

*EUR million (to 3 decimal places)*

Co-financing body		Year n	n + 1	n + 2	n + 3	n + 4	n + 5 and later	Total
.....	f							
<b>TOTAL CA including co-financing</b>	<b>a+c+d +e+f</b>							

4.1.2. Compatibility with financial programming

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement<sup>19</sup> (flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on revenue

- Proposal has no financial implications on revenue

<sup>19</sup> See points 19 and 24 of the Interinstitutional agreement.

X Proposal has financial impact – the effect on revenue is as follows:

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

EUR million (to one decimal place)

Budget line	Revenue	Prior to action [Year n-1]	Situation following action							
			[Year n]	[Year n]	[Year n]	[Year n]	[Year n]	[Year n] <sup>20</sup>		
xx.01.05.03	<i>a) Revenue in absolute terms</i>									
	<i>b) Change in revenue</i>	Δ	133.5	139.4	143.5					

4.2. Human resources FTE (including officials, temporary and external staff) – see details under point 8.2.1.

Annual requirements	2004	2005	2006
Total number of human resources	1	1	1

Use of existing human resources. The Commission is not requesting additional staff to manage the agreement.

## 5. CHARACTERISTICS AND OBJECTIVES

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

5.1. Need to be met in the short or long term

This legislative proposal is the last stage before the ratification of the agreement aimed at fully associating Switzerland in the activities of the Sixth Framework Programme.

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

Community funding is indispensable as the planned cooperation 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

<sup>20</sup> Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years.

side (missions by experts and EU officials; organisation of workshops, seminars and meetings in the European Community and Switzerland).

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

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

Beneficiaries in the European Community and Switzerland will be the scientific community, industry and the population generally, thanks to the direct and indirect impact of cooperation.

### 5.4. Method of implementation (indicative)

#### *Centralised management*

- directly by the Commission
- indirectly by delegation to:
  - Executive Agencies,
  - bodies set up by the Communities, as referred to in Art. 185 of the Financial Regulation,
  - national public-sector bodies/bodies with a public-service mission.

#### *Shared or decentralised management*

- with Member States
- with third countries

#### *Joint management with international organisations (please specify)*

Comments:

## 6. MONITORING AND EVALUATION

### 6.1. Monitoring system

The Commission departments will regularly evaluate all the actions carried out under the cooperation agreement, which will also be subject to a joint annual evaluation by the Community and Switzerland. This evaluation will cover:

(a) Performance indicators

- number of proposals put forward by Switzerland per specific programme compared with the number of proposals selected for funding under the programme;
- number of proposals put forward by Switzerland compared with the number of proposals selected for funding under the Framework Programmes;
- number of proposals put forward under the specific programmes of the Framework Programmes compared with the relative share (1%) of Switzerland's participation in those programmes;
- number of Swiss proposals selected for funding in the specific programmes of the Framework Programme compared with Switzerland's relative participation in those programmes.

(b) Gathering of information:

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

(c) Overall evaluation:

At the end of the Sixth Framework Programmes, the Commission will evaluate all the cooperation actions covered by the Agreement.

### 6.2. Evaluation

#### 6.2.1. Ex-ante evaluation

A study on the impact of the agreement associating Switzerland in the Fifth Framework Programmes was carried out in order to evaluate the merits of its association in FP6.

#### 6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

The relevant partners on both sides will be informed about the practical arrangements for taking part in the specific programmes under the Framework Programmes. The information will be passed on in accordance with the recommendations of the Joint Cooperation Committee.

### 6.2.3. Terms and frequency of future evaluation

The Parties to the Agreement will evaluate the application thereof annually in the meetings of the Joint Research Committee referred to in Article 6 thereof. Renewal of this Agreement will also be submitted for assessment by each of the Parties, which could include an impact assessment entrusted to third parties.

## 7. ANTI-FRAUD MEASURES

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

The Community's financial audits will be carried out either by its own staff or by accounting experts approved according to the law of the audited party. The Community 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 European Communities are protected by effective checks and, in case of detected irregularities, deterrent and proportionate measures and sanctions.

In order to achieve this aim, rules on checks, measures and sanctions, with reference to Regulations Nos 2988/95, 2185/96, 1073/99 and 1074/99, will be incorporated in all contracts used in the implementation of the Framework Programmes.

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 EC in carrying out checks and controls in relation to the work performed;
- the participation of administrative inspectors in the field of fraud-fighting, in accordance with Regulations Nos 2185/96, 1073/1999 and 1074/1999;
- the application of administrative sanctions for all intentional or negligent irregularities in the implementation of the *contracts*, in accordance with Framework Regulation No 2988/95, including a black-listing mechanism;
- the fact that possible recovery orders in case of irregularities and fraud be enforceable according to Article 256 of the EC Treaty and Article 164 of the EAEC Treaty.

In addition and as routine measures, a control programme in respect of scientific and budgetary aspects will be carried out by the DG Research staff responsible. Local inspections will be carried out by the European Court of Auditors.

Finally, Annex C to the draft Agreement provides for recognition by Switzerland of the Community's right to conduct on-the-spot inspections on the premises of Swiss entities receiving funds from the Framework Programmes, together with recognition of the enforceability of recovery orders issued on the basis of Article 256 of the EC Treaty, the enforceability of judgments of the Court of Justice of the European Communities and arrangements for cooperation between the Swiss and Community authorities.

## 8. DETAILS OF RESOURCES

### 8.1. Objectives of the proposal in terms of their financial cost

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

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost	No. outputs	Total cost
OPERATIONAL OBJECTIVE No.1 <sup>21</sup> .....																
<b>Action 1</b> .....																
- Output 1																
- Output 2																
<b>Action 2</b> .....																
- Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No.2 <sup>1</sup> .....																
<b>Action 1</b> .....																
- Output 1																

<sup>21</sup> As described under Section 5.3

Sub-total Objective 2																	
OPERATIONAL OBJECTIVE No n <sup>1</sup>																	
Sub-total objective n <sup>1</sup>																	
TOTAL COST																	



## 8.2. Administrative expenditure

### 8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources ( <b>number of posts/FTEs</b> )					
		Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5
Officials or temporary staff <sup>22</sup> (XX 01 01)	A*/AD						
	B*, C*/AST						
Staff financed <sup>23</sup> by art. XX 01 02							
Other staff <sup>24</sup> financed by art. XX 01 04/05							
<b>TOTAL</b>							

### 8.2.2. Description of tasks deriving from the action

Management of the agreement will entail frequent missions by EU experts and officials to Switzerland

### 8.2.3. Sources of human resources (statutory)

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

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

<sup>22</sup> Cost of which is NOT covered by the reference amount

<sup>23</sup> Cost of which is NOT covered by the reference amount

<sup>24</sup> Cost of which is included within the reference amount

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

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
<b>1 Technical and administrative assistance (including related staff costs)</b>							
Executive agencies <sup>25</sup>							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
<b>Total technical and administrative assistance</b>							

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

EUR million (to 3 decimal places)

Type of human resources	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later
Officials and temporary staff (XX 01 01)						
Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.)  (specify budget line)						
<b>Total cost of Human Resources and associated costs (NOT in reference amount)</b>						

<sup>25</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation– *Officials and temporary agents*

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

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

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

### 8.2.6 Other administrative expenditure not included in reference amount

*EUR million (to 3 decimal places)*

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & Conferences							
XX 01 02 11 03 – Committees <sup>26</sup>							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
<b>2 Total other management expenditure (XX 01 02 11)</b>							
<b>3 Other expenditure of an administrative nature</b> (specify including reference to budget line)							
<b>Total administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</b>							

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

<sup>26</sup> Specify the type of committee and the group to which it belongs.

*Annex*

***Method of calculating the effect on revenue***

Switzerland's contribution to the EC and Euratom Framework Programmes will be proportionate to the ratio between its GDP and that of the Union, with the exception of its contribution to the budget of the priority thematic area of research "Controlled thermonuclear fusion" in the Euratom Framework Programme, where its contribution will be proportionate to the ratio between its GDP and the sum of its GDP and that of the Union. This distinction laid down in Article 5(2) of the Agreement is maintained.

Estimated contribution to 6th FPs based on 2001 GDP (EUROSTAT, statistics in focus - theme 2:

GDP 2001 (Mio €)

GDP EUR 15	8.859.870,929
GDP Switzerland	274.662,029
Ratio (hors "Fusion")	3.100 %
Ratio "Fusion"	3.007 %

Estimated Contribution (€million)

Year	Budget: Budget (EC + Euratom except Fusion)	Contribution EC + Euratom except Fusion)	Budget: (Fusion)	Contribution (Fusion)	Total estimated contribution
2004	4.156,7	128,9	153,3	4,6	133,5
2005	4.344,6	134,7	155,4	4,7	139,4
2006	4.476,0	138,7	159,0	4,8	143,5
Total	12.977,3	402,3	467,7	14,1	416,4

- Enlarging the budget to EUR 25 will have an effect both on calculation of the proportionality factor and on the total budgets for 2004 to 2006 (adaptation of the Sixth Framework Programme).
- The proportionality factors for 2005 and 2006 will also be adjusted in line with GDP trends at the time of publication of each preliminary draft budget.
- Only operating expenditure is counted in the case of the Fusion Programme. The corresponding administrative expenditure is not charged action by action, but for the Euratom Framework Programme as a whole, in accordance with the ABB structure.