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Proposal for a

COUNCIL DECISION

on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union Programmes

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

The EU and Switzerland are closely intertwined from an economic, historical, cultural, social and political perspective. The EU is Switzerland's largest trading partner, while Switzerland is the EU's fourth largest trading partner. Over 1.5 million EU citizens live in Switzerland and just under 450,000 Swiss nationals live in the EU. Every day a few hundred thousand frontier workers cross the EU-Swiss border in both directions.

The EU and Switzerland are tied together by multiple bilateral agreements. Through the agreements on the free movement of persons, land transport, air transport, trade in agricultural products and mutual recognition in relation to conformity assessment, Switzerland takes part in the EU's internal market[1]. Through the Agreement between the European Union, the European Community and the Swiss Confederation on the Swiss Confederation's association with the implementation, application and development of the Schengen acquis, Switzerland is also a Schengen associated country. During the COVID-19 pandemic cooperation between the EU and Switzerland on cross-border health threats increased.

Switzerland has also traditionally been a strong partner in research and innovation. The country has collaborated with the European Union on numerous Union funding programmes focused notably on research, innovation, and education. Since 1987, Swiss universities and the private sector actively participated in the EU's research and innovation framework programmes. That same year, the first bilateral agreement on scientific and technological cooperation entered into force[2]. Switzerland remains deeply engaged in various European initiatives, including the European Organization for Nuclear Research (CERN), the European Space Agency, the European Cooperation in Science and Technology (COST), and Eureka. It was also associated with the Euratom Research and Training Programme in the period 2014-2020[3] and participated in activities related to the European Joint Undertaking for ITER and the Development of Fusion for Energy between 2014-2020 based on the Association Agreement to Horizon 2020 and Euratom. Furthermore, Switzerland was formerly a member of the EU's Erasmus programme[4].

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[1] Agreement on Air Transport, Agreement on the Carriage of Goods and Passengers by Rail and Road, Agreement on the Free Movement of Persons, Agreement on Mutual Recognition in Relation to Conformity Assessment, Agreement on Trade in Agricultural Products, all signed on 21 June 1999 (OJ L 114, 30.4.2002, p. 1).

[2] Framework Agreement for scientific and technical cooperation between the European Communities and the Swiss Confederation (OJ L 313, 22.11.1985, p. 6–8) and Council Decision of 9 February 1987 concerning the conclusion of the Framework Agreements for scientific and technical cooperation between the European Communities and the Kingdom of Sweden, the Swiss Confederation, the Republic of Finland, the Kingdom of Norway and the Republic of Austria (OJ L 71, 14.3.1987, p. 29–29).

[3] Council Decision of 4 December 2014 approving the conclusion by the European Commission, on behalf of the European Atomic Energy Community, of the Agreement for scientific and technological cooperation between the European Union and European Atomic Energy Community and the Swiss Confederation associating the Swiss Confederation to Horizon 2020 — the Framework Programme for Research and Innovation and the Research and Training Programme of the European Atomic Energy Community complementing Horizon 2020, and regulating the Swiss Confederation's participation in the ITER activities carried out by Fusion for Energy (OJ L 370, 30.12.2014, p. 19–20).

[4] Agreement between the European Economic Community and the Swiss Confederation establishing cooperation in the field of education and training within the framework of the Erasmus programme (OJ L 332, 03.12.1991, p. 52-60).

While the EU-Switzerland relationship is close, it has also been hampered by several longstanding structural problems. To solve those problems, between 2014 and 2021, the EU and Switzerland conducted negotiations on an Institutional Framework Agreement. The Institutional Framework Agreement would have also provided the governance framework for additional agreements in fields related to the internal market in which Switzerland participates, including agreements for which negotiations had been authorised by the Council, notably on food safety (2003 and 2008) and electricity (2006). In addition, it would have provided the governance framework for the agreement on health, for which negotiations had been authorised by the Council in 2008.

Negotiators reached an agreement on a draft Institutional Framework Agreement text at technical level in November 2018. In reaction to the Federal Council's refusal to endorse the draft text, negotiations on the other agreements came to a halt as both the Council, in its conclusions of 19 February 2019, and the European Parliament, in its recommendation of 26 March 2019, made the conclusion of new internal market access agreements or improved conditions under existing agreements conditional on the conclusion of the Institutional Framework Agreement. On 26 May 2021, despite further attempts to find solutions, the Swiss Federal Council decided to unilaterally terminate the negotiations on the Institutional Framework Agreement. Switzerland's unilateral decision brought the bilateral cooperation in the areas of research, innovation and education to a temporary halt.

Following the breakdown of the negotiations on the Institutional Framework Agreement, the European Commission and Switzerland initiated exploratory talks in March 2022 to discuss the future of their relations. These talks led to a Common Understanding that recorded both sides' political understanding on the way forward for a future negotiation and identified the components and parameters of a broad negotiating package, as well as landing zones and solutions on key institutional and sectoral points. The exploratory process confirmed both sides' strong interest in revitalising their cooperation in research, innovation, and education. In this context, the Common Understanding affirmed the intention to establish, as part of the broader package, a legal framework enabling Switzerland's participation in the current MFF 2021-2027 and later generations of Union programmes, including the Research and Innovation framework programmes, Digital Europe, and Erasmus+. Furthermore, the Common Understanding confirmed both sides' intention to re-engage in negotiations on the implementation of the existing EU-Switzerland GNSS agreement (Galileo and EGNOS) and to initiate discussions on Switzerland's participation in the Copernicus component of the EU Space programme.

The Common Understanding was endorsed by the Swiss Federal Council and by the European Commission in November 2023. Both sides committed to use it as a basis for seeking their negotiating mandates and recorded their ambition of concluding the negotiations in the course of 2024.

Consequently, on 20 December 2023, the Commission adopted a Recommendation for a Council decision to authorise negotiations on the broad package of measures identified and defined during the exploratory talks. The overall objective of these negotiations was to modernise and strengthen bilateral relations between the EU and Switzerland, ensure fair competition between EU and Swiss companies operating within the internal market, and safeguard the rights of EU citizens in Switzerland, including preventing discrimination between citizens of different Member States. This would allow citizens, businesses, and researchers on both sides to fully benefit from the geographical proximity, shared values, and economic links between the EU and Switzerland. In parallel, the Federal Council undertook

the corresponding preparatory work on the Swiss side. Following the completion of the relevant processes in Switzerland, the Council of the European Union adopted a decision on 12 March 2024, authorising the Commission to launch negotiations on the broad package of measures, along with detailed negotiating directives.

The negotiating directives confirmed that, as part of the package, the Commission should negotiate a standalone agreement outlining the general terms and conditions for Switzerland's participation in Union programmes. This agreement should ensure a fair balance between Switzerland's contributions and the benefits derived from participation in these programmes, as well as establish the conditions of participation, including the calculation of financial contributions to each of those programmes and their administrative costs. The protocols for Switzerland's association to specific Union programmes should establish the list of programmes in which Switzerland participates for each generation of programmes. According to the negotiating directives, the agreement should also allow for the possibility of Switzerland's future association with other Union programmes through a protocol or protocols, which would be adopted via a simplified procedure by a Joint Committee set up under the agreement.

The negotiations on the broad package were launched on 18 March 2024 by the President of the European Commission, Ursula von der Leyen, and the then President of the Swiss Confederation, Viola Amherd. The Commission conducted the negotiations in consultation with the Council, including the General Affairs Council, and the EFTA Working Party appointed by the Council as the special committee for the purpose of negotiations with Switzerland. Due regard has been given to the resolution of the European Parliament of 4 October 2023 and the Commission kept the European Parliament duly informed on the negotiation process in accordance with Article 218(10) of the Treaty on the Functioning of the European Union (TFEU).

After nine months of intense negotiations, Presidents von der Leyen and Amherd announced the successful completion of discussions on all elements of the broad package on 20 December 2024. The broad package includes the update of the five agreements which already give Switzerland access to the EU internal market[5]; a new agreement on food safety that will establish a Common Food Safety Area covering all dimensions of the food chain; a new agreement on health that will allow Switzerland to take part in EU mechanisms and bodies addressing serious cross-border threats to health, notably the European Centre for Disease Prevention and Control and the Early Warning and Response System; a new agreement on electricity that will allow the participation of Switzerland in the EU internal electricity market; a new agreement on Switzerland's permanent and fair financial contribution to economic and social cohesion within the Union, reflecting the level of partnership and cooperation between the parties; and a new agreement that will allow Switzerland to participate in several Union programmes open to association of third countries, namely Horizon Europe, Euratom Research and Training, ITER/F4E (Fusion for Energy), Digital Europe, Erasmus+, as well as EU4Health, a programme that aims to complement the cooperation established in the EU-Switzerland health agreement that the two partners negotiated as part of the same broad package. In addition to the elements listed above, the broad package also includes a separate protocol on parliamentary cooperation.

[5] Agreement on Air Transport, Agreement on the Carriage of Goods and Passengers by Rail and Road, Agreement on the Free Movement of Persons, Agreement on Mutual Recognition in Relation to Conformity Assessment, Agreement on Trade in Agricultural Products, all signed on 21 June 1999 (OJ L 114, 30.4.2002, p. 1).

While the agreement regarding Switzerland's participation in Union programmes (Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union Programmes ('the Agreement')) forms an integral part of the broader package negotiated between the two partners in 2024, the Commission has decided to expedite the proposal for its signature with the aim of starting its provisional application – in accordance with Article 18 if it is signed before 15 November 2025 – with effect from 1 January 2025. This approach will allow to give effect to the transitional arrangements that the Commission granted to Switzerland during the negotiations of the broader package, for award procedures implementing the 2025 commitment appropriations. Given the significance of Switzerland's participation, the provisional application of this Agreement is in the EU's interest. At the same time, it does not affect the broad package approach established by the Common Understanding and confirmed by the Council negotiating directives, as the Agreement concerning Switzerland's participation in Union programmes includes a sunset clause, which provides that the provisional application of the Agreement will cease if Switzerland does not complete its procedures necessary for the entry into force of the package by the end of 2028. Moreover, the conclusion of the Agreement is foreseen as part of the wider package, which encompasses other key agreements that were the subject of the negotiations conducted in 2024. The Commission intends to make a separate proposal to that effect.

Given that Switzerland will also participate in the Euratom Research and Training programme, and in the European Joint Undertaking for ITER and the Development of Fusion for Energy, this proposal is accompanied by a Commission Recommendation for a Council Decision approving the conclusion and provisional application of the Agreement on Union programmes (for matters falling under the Euratom Treaty).

- **Consistency with existing policy provisions in the policy area**

In terms of content, the Agreement on Switzerland's participation in Union programmes is similar to other agreements that the European Union has concluded over the past years with partners such as the United Kingdom, New Zealand and Canada and is therefore consistent with the Union's policy in the field. The Agreement however contains certain specific provisions related to its integration in the broad package of which this Agreement is an integral part, in particular in order to cater for the link between Switzerland's participation in the EU4Health programme and the new Agreement between the European Union and the Swiss Confederation on health.

- **Consistency with other Union policies**

The Agreement which is a part of a broad package of the EU-Switzerland agreements fully respects the Treaties and preserves the integrity and the autonomy of the Union legal order. It promotes the values, objectives and interests of the Union, and ensures consistency, effectiveness and continuity of its policies and actions.

The participation of Switzerland in Union programmes will fully respect the basic acts defining the programmes and the existing Union regulations related to financial management such as the Financial Regulation[6].

[6] Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (recast) (OJ L, 2024/2509, 26.9.2024, p 1).

2. LEGAL BASIS

The Agreement establishes the rules applicable to the participation of Switzerland in any Union programme, activity, or parts thereof, which are open to its participation, and covers a wide range of areas under the TFEU, notably in research and innovation, education, training, youth, sport and culture, as well as other areas of common interest such as digital transformation and action in the field of health. The negotiations on the Agreement were launched and have been finalised at the same time as those on the broad package. The Agreement is intrinsically linked to the other elements of the broad package. In this respect, the Agreement provides for its entry into force subject to the fulfilment of the internal procedures necessary for the entry into force of thirteen other instruments of the package. It includes a sunset clause, which provides that the provisional application of the Agreement will cease if Switzerland does not complete its procedures necessary for the entry into force of the package by the end of 2028. The Agreement also contains provisions ensuring that Switzerland's participation in the Programme for the Union's action in the field of health is closely linked to the Agreement between the European Union and the Swiss Confederation on Health. In addition, compensatory measures could be taken under the Agreement in case of non-compliance with the obligations deriving from the Agreement on Switzerland's contribution to cohesion. Given the intrinsic links with other key agreements of the wider package, the Agreement should be concluded at the same time as the other agreements of the package and as an integral part of that package.

As this Agreement envisages association to several Union programmes, and is part of a broad package of linked agreements, its main objective is reflected in the legal basis providing for the establishment of an association allowing the Union to enter into commitments in all areas covered by the Treaties. Hence, the appropriate substantive legal basis for the proposed Council Decision on the signing and provisional application of the Agreement, as regards matters falling under the Treaty on the Functioning of the European Union, is Article 217 TFEU. This should be distinguished from the case of recent agreements with New Zealand, Canada and the Republic of Korea, on participation of these countries in Union programmes and their association to Horizon Europe, which were based on Article 212 TFEU in view of their more limited scope.

The procedural legal basis is Article 218(5) TFEU, read in conjunction with the second subparagraph of Article 218(8) TFEU which provides for unanimity voting in the Council.

Thus, the legal basis for the proposed Council Decision is Article 217 TFEU, read in conjunction with Article 218(5) TFEU and the second subparagraph of Article 218(8) TFEU.

The Agreement also covers Switzerland's participation in activities under the Treaty establishing the European Atomic Energy Community (the 'Euratom Treaty') pertaining to nuclear fusion, fission and training. The signing and provisional application of the Agreement as regards matters falling under the Euratom Treaty is subject to a Recommendation for a Council Decision approving the conclusion, by the European Commission, of the Agreement between the European Union and the European Atomic Energy Community of the one part, and Switzerland of the other part, on the participation of the Swiss Confederation in Union Programmes, that is submitted together with this proposal under a separate procedure.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

N/A

- **Stakeholder consultations**

N/A

- **Collection and use of expertise**

N/A

- **Impact assessment**

N/A

- **Regulatory fitness and simplification**

N/A

- **Fundamental rights**

N/A

4. BUDGETARY IMPLICATIONS

The Agreement will have an impact on the EU budget through the association of Switzerland to Horizon Europe, Euratom Research and Training Programme, the activities of the European Joint Undertaking for ITER and the Development of Fusion Energy, Digital Europe, Erasmus+ and EU4Health programmes. The Agreement sets out fair and balanced conditions concerning the financial contribution of Switzerland to Union programmes in which it would participate and provides for the administrative costs for managing those programmes. The Agreement includes a reciprocity clause, ensuring that legal entities established in the Union have, as far as possible, access to participate in Switzerland's equivalent research and innovation programmes, in accordance with the conditions laid down in the domestic legislation of Switzerland.

The Legislative Financial Statement presented with this proposal sets out the indicative budgetary implications.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

N/A

- **Explanatory documents (for directives)**

N/A

- **Detailed explanation of the specific provisions of the proposal**

The Agreement on participation in Union programmes sets out the legal framework for the participation of Switzerland in Union programmes, ensuring a fair balance as regards the contributions and benefits. It also ensures that no decision-making power is conferred on Switzerland in respect of the programmes in which Switzerland participates.

The Agreement lays down the conditions for the calculation of financial contributions to individual programmes and their administrative costs, and guarantees the rights of the Union to ensure sound financial management and to protect the Union's financial interests.

The Agreement also lays down other conditions for the participation in Union programmes, such as provisions regarding the mobility of persons that participate in the implementation of those Union programmes. The Agreement includes the conditions for the suspension of the participation of Switzerland in Union programmes and the termination of the Agreement. It also includes provisions ensuring that those cases will not affect the legal commitments entered into with Swiss entities.

The Agreement provides for its provisional application with retroactive effect from 1 January 2025, if signed before 15 November 2025, with the objective of starting the cooperation in the fields covered by the Agreement on the date specified for each programme. As regards Switzerland's participation in the EU4Health Programme, that date is linked to the date of entry into force of the Agreement on Health.

Protocol I covers Switzerland's participation in Horizon Europe and the Digital Europe programmes, from 1 January 2025, and Erasmus+ from 1 January 2027. Protocol I also covers the Euratom Research and Training programme and the activities of the European Joint Undertaking Fusion for Energy (F4E) for ITER. The Euratom Research and Training Programme is a matter that falls under the Euratom Treaty. It is therefore covered by the Recommendation for a Council Decision approving the conclusion, by the European Commission, of the Agreement for matters falling under the Euratom Treaty that is submitted together with this proposal under a separate procedure.

Horizon Europe (2021-2027)[7] is the flagship Union programme for research and innovation. Protocol I foresees Switzerland's association to the entirety of the Horizon Europe programme. Pillar I of the programme primarily aims to strengthen the EU's own science and technology bases, build-up European research and innovation capabilities and attract knowledge and talents to Europe. Pillar II aims at tackling Global Challenges and strengthening European industrial competitiveness, often through projects of a multi- or interdisciplinary nature. Pillar III focuses on the competitiveness and the innovative capabilities of the EU. Switzerland's association covers also the parts of the programme focusing on widening participation and strengthening the European Research Area.

Switzerland is expected to be associated to Erasmus+, the Union Programme for education and training, youth and sport, as of 1 January 2027. The objective of the programme is to support, through lifelong learning, the educational, professional and personal development of people in education, training, youth and sport, in Europe and beyond. It includes actions focused on mobility, cooperation between organisations and policy development. The specificity of the programme as compared to other Union programmes is that the largest part of its budget is managed in indirect management.

Protocol I sets out the specific conditions for association to Erasmus+. In line with the legal basis of the programme[8], these conditions include the nomination of a National Authority, the establishment of a National Agency, and the designation of an Independent Audit Body. Switzerland's participation in the programme is conditional upon the positive ex-ante assessment of its National Agency and the payment of a financial contribution. By derogation to the financial conditions under this Agreement, and limited to the Multiannual Financial

[7] Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination (OJ L 170, 12.5.2021, p. 1).

[8] Regulation (EU) 2021/817 of the European Parliament and of the Council of 20 May 2021 establishing Erasmus+: the Union Programme for education and training, youth and sport and repealing Regulation (EU) No 1288/2013 (Text with EEA relevance) (OJ L 189, 28.5.2021, p. 1).

Framework 2021-2027, Switzerland's operational contribution will amount to 70% of the contribution key defined in the agreement.

As regards Digital Europe Programme[9], Switzerland will be associated to almost all elements of the programme except Specific objective 3 on Cybersecurity and Specific Objective 6 on Semiconductors where no third country can be associated (apart from EEA EFTA States). Thus, Switzerland will be associated to Specific Objectives SO1 (High Performance Computing), SO2 (Artificial Intelligence), SO4 (Advanced Digital Skills) and SO5 (Deployment and Best Use of Digital Capacities and Interoperability). Swiss entities will be able to participate in the calls for which they are eligible for.

Certain actions under the Digital Europe Programme, specifically those falling under Specific Objective 1 (High Performance Computing) and Specific Objective 2 (Artificial Intelligence), have direct implications on the essential security interests of the Union and its Member States. Consequently, these actions have been restricted under Article 12(6) of the Digital Europe Programme Regulation, with the Work Programme 2025-2027 outlining specific terms and conditions for participation.

To this end**,** a questionnaire was sent to the relevant Swiss authorities on 13 January 2025, which they will need to complete. The Commission will evaluate the Swiss responses to determine whether entities established in Switzerland can be included in the scope of eligibility for the concerned actions. This questionnaire is largely identical to the one submitted to Switzerland in terms of the assessment under Article 22 (5) of Regulation (EU) 2021/695 in December 2024, with the primary difference being the reciprocity criterion's focus on the Digital Europe Programme and additional sectoral considerations in the foreign direct investment part.

Protocol II covers the participation of Switzerland in the European Joint Undertaking for ITER and the Development of Fusion for Energy. Since this matter falls under the Euratom Treaty it is covered by the Recommendation for a Council Decision approving the conclusion, by the European Commission, of the Agreement as regards matters falling under the Euratom Treaty, that is submitted together with this proposal under a separate procedure.

Protocol III on the participation of Switzerland in the EU4Health Programme stipulates that Switzerland can participate as an associated country in and contribute to specific parts of the EU4Health Programme established by Regulation (EU) 2021/522. The specific parts relate to crisis preparedness as covered by the Agreement between the European Union and the Swiss Confederation on Health. According to Protocol III Switzerland will participate in the EU4Health Programme from 1 January of the year following the entry into force of the Agreement between the European Union and the Swiss Confederation on Health, for the remaining duration of the EU4Health Programme or until the end of the Multiannual Financial Framework 2021-2027, whichever is shorter.

The text of the Agreement is submitted to the Council together with the proposal for a decision on the signing and provisional application.

In accordance with the Treaties, it is for the Commission to ensure the signing of the Agreement, subject to its conclusion at a later date.

[9] Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (Text with EEA relevance) (OJ L 166, 11.5.2021, p. 1–34).

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Proposal for a

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on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union Programmes

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 217, in conjunction with Article 218(5) and the second subparagraph of Article 218(8) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) On 12 March 2024, the Council authorised the Commission to open negotiations with the Swiss Confederation for a broad package of measures related to bilateral relations with the Swiss Confederation, comprising of institutional and State aid provisions in, and, where necessary, specific adaptations to, agreements between the European Union and the Swiss Confederation in fields related to the internal market, of an agreement on Switzerland's participation in Union programmes and an agreement that forms the basis for Switzerland's permanent contribution towards reducing economic and social disparities between regions[1]. The Council had also authorised the Commission to open negotiations with the Swiss Confederation on new agreements on electricity, health and food safety, on the participation of Switzerland in the European Union Agencies for the Union Space Programme and for Railways, and on the amendment of the Agreement between the European Community and the Swiss Confederation on air transport to allow for cabotage.

(2) The Commission has negotiated, on behalf of the Union, a broad package of agreements which includes an Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union Programmes ('the Agreement'), as well as Protocols on institutional, State aid and amending provisions for agreements between the European Community and the Swiss Confederation in fields related to the internal market in which Switzerland participates, an Agreement between the European Union and the Swiss Confederation on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union, an Agreement between the European Union and the Swiss Confederation on health, an Agreement between the European Union and the

[1] Council Decision (EU, Euratom) 2024/995 of 12 March 2024 authorising the opening of negotiations with the Swiss Confederation on institutional provisions in agreements between the European Union and the Swiss Confederation related to the internal market, on an agreement on the Swiss Confederation's participation in Union programmes and on an agreement that forms the basis for the Swiss Confederation's permanent contribution to the Union's cohesion (OJ L, 2024/995, 26.3.2024).

Swiss Confederation on electricity, a Protocol to the Agreement between the European Community and the Swiss Confederation on trade in agricultural products establishing a Common Food Safety Area, and an Agreement between the European Union and the Swiss Confederation on the terms and conditions for the participation of the Swiss Confederation in the European Union Agency for the Space Programme.

(3) The Agreement establishes the rules applicable to the participation of Switzerland in any Union programme, activity or services, or parts thereof, which are open to its participation, and covers a wide range of areas, notably in research and innovation, nuclear fusion and fission, and education, training, youth, sport and culture, as well as other areas of common interest such as digital transformation and action in the field of health. Moreover, the Agreement is intrinsically linked to the other elements of the broad package. In this respect, the Agreement provides for Switzerland's participation in the Programme for the Union's action in the field of health which is closely linked to the Agreement on Health; compensatory measures could be taken under the Agreement in case of non-compliance with the obligations stemming from the Agreement on Switzerland's regular financial contribution towards reducing economic and social disparities in the European Union.

(4) The negotiations on the Agreement were launched and have been finalised at the same time as those on the broad package. Article 17 of the Agreement provides that its entry into force is linked to the entry into force of several instruments which are part of the package. The Agreement also provides for provisional application, which shall, however, cease at the latest on 31 December 2028 if Switzerland has not completed its internal procedures necessary for the entry into force of the instruments referred to in Article 17 of the Agreement. The Agreement is to be concluded at the same time as the other elements of the broad package and as an integral part of that package. The decision on the signing of the Agreement should therefore be based on the legal basis providing for the establishment of an association allowing the Union to enter into commitments in all areas covered by the Treaties.

(5) The Agreement should be signed on behalf of the Union as regards matters falling under the Treaty on the Functioning of the European Union, subject to its conclusion at a later date.

(6) With the aim to increase the breadth of their cooperation, the Agreement provides that the Parties shall apply it provisionally, in accordance with their respective internal procedures and legislation, as from 1 January 2025, unless the date of its signature is after 15 November 2025, in which case the Parties shall apply the Agreement provisionally as from 1 January 2026.

(7) The Agreement should therefore be applied provisionally by the Union as regards matters falling under the Treaty on the Functioning of the European Union.

(8) Pursuant to Article 18 of the Agreement, provisional application shall cease at the latest on 31 December 2028 if Switzerland, by that date, has not completed its internal procedures necessary for the entry into force of the instruments referred to in Article 17 of the Agreement.

(9) The signing and provisional application of the Agreement as regards matters falling under the Treaty establishing the European Atomic Energy Community is subject to a separate procedure under that Treaty,

HAS ADOPTED THIS DECISION:

Article 1

The signing, on behalf of the Union, as regards matters other than those falling under the Treaty establishing the European Atomic Energy Community (the 'Euratom Treaty'), of the Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation, of the other part, on the participation of the Swiss Confederation in Union Programmes ('the Agreement') is hereby authorised, subject to the conclusion of the said Agreement.[2]

Article 2

Subject to reciprocity, the Agreement, as regards matters other than those falling under the Euratom Treaty, shall be applied provisionally in accordance with Article 18 of the Agreement.[3]

Article 3

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

For the Council
The President

[2] The text of the Agreement is published in OJ, L […].

[3] The date from which the Agreement will be provisionally applied will be published in the Official Journal of the European Union.

LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT

'REVENUE'- FOR PROPOSALS HAVING BUDGETARY IMPACT ON THE REVENUE SIDE OF THE BUDGET

1. NAME OF THE PROPOSAL:

Proposal for a Council Decision on the signing, on behalf of the Union, and provisional application of the Agreement between the European Union and the European Atomic Energy Community, of the one part, and the Swiss Confederation of the other part, on the participation of the Swiss Confederation in Union programmes (Horizon Europe, Erasmus+, EU4Health[1], Digital Europe).

2. BUDGET LINES:

Horizon Europe

Revenue line (Chapter/Article/Item): 6 0 1 0 — Horizon Europe — Assigned revenue

Amount budgeted for the year concerned:

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

Whole article 01 01 01 (01 01 01 01, 01 01 01 02, 01 01 01 03, 01 01 01 11, 01 01 01 12, 01 01 01 13, 01 01 01 71, 01 01 01 72, 01 01 01 73, 01 01 01 74, 01 01 01 76)

Whole article 01 02 01 (01 02 01 01, 01 02 01 02, 01 02 01 03)

Whole article 01 02 02 (01 02 02 10, 01 02 02 11, 01 02 02 12, 01 02 02 20, 01 02 02 30, 01 02 02 31, 01 02 02 40, 01 02 02 41, 01 02 02 42, 01 02 02 43, 01 02 02 50, 01 02 02 51, 01 02 02 52, 01 02 02 53, 01 02 02 54, 01 02 02 60, 01 02 02 61, 01 02 02 70)

Whole article 01 02 03 (01 02 03 01, 01 02 03 02, 01 02 03 03)

Whole article 01 02 04 (01 02 04 01, 01 02 04 02)

Article 01 02 05

Budget line 20 XX Administrative expenditure of the European Commission.

Erasmus+

Revenue line (Chapter/Article/Item): 6 0 1 0 — Erasmus+ — Assigned revenue

Amount budgeted for the year concerned:

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

[1] The Protocol III on the participation of Switzerland in the EU4Health Programme stipulates that Switzerland can participate as an associated country in and contribute to specific parts of the EU4Health Programme established by Regulation (EU) 2021/522. The specific parts relate to crisis preparedness as covered by the Agreement between the European Union and the Swiss Confederation on Health.

Whole article

Erasmus+ (Heading 2 : 07.030101, 07.030102, 07.0302, 07.0303, 07.010201.xx, 07.010275)

Erasmus+ (Heading 6 : 15.020102, 14.020150, 14.010175, 15.010175).

Budget line 20 XX Administrative expenditure of the European Commission

EU4Health

Title 6 : Revenue, contributions and refunds related to Union policies, Chapter 6 1 : Cohesion, resilience and values, Article 6 1 1 : Recovery and Resilience, and item :

6113 EU4Health programme - Assigned revenue

The revenues will be assigned to the following expenditure lines:

Budget line	**Title**
06 01 05 73– Heading 2b	European Health and Digital Executive Agency — Contribution from the EU4Health programme
06 01 05 01– Heading 2b	Support expenditure for the EU4Health Programme
06 06 01– Heading 2b	EU4Health Programme
20 02 01 01 – Heading 7	Contract agents
20 04 01– Heading 7	Information systems

Digital Europe

Revenue line (Chapter/Article/Item): 6 0 2 2 — Digital Europe Programme — Assigned revenue

Amount budgeted for the year concerned: 19 296 000

The revenues will be assigned to the following expenditure line (Chapter/Article/Item):

02 01 30 01	Support expenditure for the Digital Europe Programme
02 01 30 73	European Health and Digital Executive Agency — Contribution from the Digital Europe Programme
02 04 02 10	Digital Europe Programme - High-performance computing
02 04 03 00	Digital Europe Programme - Artificial intelligence
02 04 04 00	Digital Europe Programme - Skills

02 04 05 01	Digital Europe Programme - Deployment
02 04 05 02	Digital Europe Programme - Deployment / Interoperability
Budget line 20.XX	Administrative expenditure of the European Commission

3. FINANCIAL IMPACT[2]

☐ Proposal has no financial implications

☐ Proposal has no financial impact on expenditure but has a financial impact on revenue

☑ Proposal has a financial impact on assigned revenue

[2] All figures for years 2026 and 2027 which are quoted in this section are indicative, and correspond to the latest estimates available.

The effect is as follows:

Horizon Europe

(EUR million to three decimal place)

Revenue line	Impact on revenue	XX months period starting dd/mm/yyyy *(if applicable)*	Year N (2025)
6 0 1 0	1 934.043	36 months starting 01/01/2025	636.724

Situation following action			
Revenue line	2025	2026	2027
6 0 1 0	636.724	640.836	656.483

Expenditure line	2025	2026	2027
Articles 01 01 01; 01 02 01; 01 02 02; 01 02 03; 01 02 04; 01 02 05	621.194	622.171	631.234
20 XX	15.530	18.665	25.249

Erasmus+

(EUR million to three decimal place)

Revenue line	Impact on revenue	XX months period starting dd/mm/yyyy *(if applicable)*	Year N (2027)
6 0 1 0	181,1	12 months starting 01/01/2027	181,1

Revenue line	2027
6 0 1 0	181,1

Expenditure line	2027

Articles : 07.030101, 07.030102, 07.0302, 07.0303, 07.010201, 07.010275	174,1
20 XX	7,0

EU4Health

(EUR million to one decimal place)

Revenue line	Impact on revenue[3]	24 months period starting 01/01/2026	Year N
Article 6113	47,738[4]	01/01/2026[5]	31/12/2027

Revenue line	2026[6]	2027
Article 6113	23,869	23,869

(EUR million to one decimal place)

Expenditure line	Title	2026 allocation
06 01 05 73	European Health and Digital Executive Agency — Contribution from the EU4Health programme	0,684
06 01 05 01	Support expenditure for the EU4Health Programme	0,292
06 06 01	EU4Health Programme	22,425
20 02 01 01	Contract agents	0,234
20 04 01	Information systems	0,234

[3] The amount is an estimation based on the formula or method defined under section 4.

[4] The total amount is slightly different from the total amount in the below table due to rounding of the annual amounts up to one decimal.

[5] Switzerland shall participate in the EU4Health Programme from 1 January of the year following the entry into force of the Agreement between the European Union and the Swiss Confederation on Health, for the remaining duration of the EU4Health Programme or until the end of the Multiannual Financial Framework 2021-2027, whichever is shorter.

[6] The amount is based on the Crisis Preparedness envelope programmed in the 2024 EU4Health Work Programme.

Digital Europe

EUR million to three decimal place)

Revenue line	Impact on revenue	XX months period starting dd/mm/yyyy *(if applicable)*	Year N (2025)
6 0 2 2	59.875	36 months starting 01/01/2025	19.296

Situation following action			
Revenue line	2025	2026	2027
6 0 2 2	19.296	18.793	21.786

Expenditure line	2025	2026	2027
Articles 02 01 30 02 04 02 02 04 03 02 04 04 02 04 05	18.826	18.245	20.948
20 XX	0.470	0.548	0.838

4. ANTI-FRAUD MEASURES

Article 325 of the Treaty on the functioning of the European Union (TFEU) requires the Commission to counter fraud and any illegal activities affecting the financial interests of the Union. Preventing and detecting fraud is therefore a general obligation for all Commission Services in the framework of their daily activities involving the use of resources.

Any fraud or irreguralities involving EU funds has a particularly negative impact on the reputation of the Commission and the implementation of EU policies. The current Commission Anti-Fraud Strategy (COM(2019)196) was adopted on 29 April 2019, to replace the 2011 Strategy. It is a policy document setting out the Commission's priorities in the fight against fraud in view of the 2021-2027 multiannual financial framework. The 2019 CAFS' main objectives are to 1) "further improve the understanding of fraud patterns, fraudsters' profiles and systemic vulnerabilities relating to fraud affecting the EU budget" (data collection and analysis), and 2) "optimise coordination, cooperation and workflows for the fight against fraud, in particular among Commission services and executive agencies" (coordination, cooperation and processes). The strategy is accompanied by an Action Plan which was revised in July 2023 and which, like its predecessor, seeks to strengthen all parts of the anti-fraud cycle: prevention, detection, investigation and correction.

The guiding principles and target standards of the 2019 CAFS are:

- zero tolerance for fraud;
- fight against fraud as an integral part of internal control;
- cost-effectiveness of controls;
- professional integrity and competence of EU staff;
- transparency on how EU funds are used;
- fraud prevention, notably fraud-proofing of spending programmes;
- effective investigation capacity and timely exchange of information;
- swift correction (including recovery of defrauded funds and judicial/administrative sanctions);
- good cooperation between internal and external players, in particular between the EU and national authorities responsible, and among the departments of all EU institutions and bodies concerned;
- effective internal and external communication on the fight against fraud.

Articles 11 to 14 of the Agreement contain detailed provisions concerning the Sound Financial Management, which also includes anti-fraud measures. These meausures are to be applicable horizontally to ensure protection of EU financial interests across Union Programmes or activities covered in the future Protocols potentially to be adopted by the Joint Committee under the Agreement to associate the Swiss Confederation to a number of Union programmes or activities. They are applicable also to Protocols, as Protocols and Annexes constitute an integral part thereof.

Notably, Articles 11 and 12 of the Agreement provide for the necessary details, processes as well as allow for flawless execution of tasks by the bodies in order to safeguard the financial interests of the EU (the European Commission or by other persons mandated by the European Commission, which includes the European Anti-Fraud Office (OLAF), the European Court of Auditors and the European Public Prosecutor's Office (EPPO)). Througout the implementation of the Programmes or activities covered by the Protocols to the Agreement, the principle remains intact: the financial interests of the EU are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irreguralities, including fraud, to the recovery of funds lost, wrongly paid or icorrectly used and, where appropriate, to the imposition of the administrative penalties.

In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the financial interests of the Union, grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and ensure that any third parties involved in the implementation of Union funds grant equivalent rights. As expressly provided in Article 11(4) of the Agreement, reviews and audits may be carried out also after the suspension of application of a Protocol, cessation of application or termination of the Agreement.

The Agreement ensures the possibility for OLAF may carry out administrative investigations, including on-the-spot checks and inspections, on the territory of the Swiss Confederation of a Swiss entity that is party to a relevant funding agreement or a Swiss entity third party implementing the funding agreement under a contract, in

accordance with, and to the extent provided in, the relevant funding agreement and other applicable contract. When exercising their duties in the territory of the Swiss Confederation, the European Commission and OLAF shall act in a manner compatible with Swiss law.

Reviews and audits may be carried out by the Union officials, in particular officials of the European Commission and the European Court of Auditors, or by other persons mandated by the European Commission. When exercising their duties in the territory of the Swiss Confederation, the European Commission or other persons mandated by the European Commission shall act in a manner compatible with Swiss law.

The Swiss authorities shall cooperate, in accordance with applicable international cooperation instruments with the authorities of the Union or of the Member States competent for the investigation and prosecution of criminal offences affecting the financial interests of the Union, including bringing to judgment alleged perpetrators and accomplices of the said criminal offences. Requests submitted to pursuant to applicable international cooperation instruments may include as applicable requests made in relation to investigations or prosecutions of the EPPO. This allows for a cooperation with the EPPO as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law.

Furthermore the Agreement provides for effective mechanism to ensure enforcement of Commission decisions on the territory of the Swiss Confederation.

5. OTHER REMARKS

The method for calculation of the financial contribution of the Swiss Confederation across Union programmes is defined in Article 7 on financial conditions suplemented by Articles 8 and 9 of the Agreement and Annex I on financial implementation provisions of the Agreement.

As regards EU4Health, the estimated distribution of the associated country contribution to the different budget lines of the programme is based on the relative share of each budget line on the budget of the programme in the EU budget (C1 appropriations, based on the Financial programming 2021-2027, including estimated top-up from fines – Article 5 of the Multiannual Financial Framework). An indicative amount of the associated country contribution will also serve to cover the decentralised administrative expenses (External personnel / Other management expenditure).