

EXPLANATORY MEMORANDUM ON THE COOPERATION AGREEMENT BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND THE SWISS CONFEDERATION, OF THE OTHER, ON THE EUROPEAN SATELLITE NAVIGATION PROGRAMMES

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Title of Treaty

COOPERATION AGREEMENT BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND THE SWISS CONFEDERATION, OF THE OTHER, ON THE EUROPEAN SATELLITE NAVIGATION PROGRAMMES

SUBJECT MATTER

1. Switzerland plays an important role in the European Union's satellite navigation programmes, Galileo and EGNOS.¹ Switzerland provides critical clock technology for the Galileo satellites (satellite navigation systems rely on highly accurate clocks to derive a position on Earth). Since Switzerland is not an EU Member State and is one of the EU's closest third country partners in the Galileo programme, a separate Cooperation Agreement between the EU and Switzerland is necessary.
2. The Agreement was signed by all EU Member States and came into provisional force on the 18th of December 2013. Now all Member States are required to ratify the Cooperation Agreement for it to come into full force. The Cooperation Agreement has been ratified by 7 EU Member States to date, including the Netherlands, Denmark and France.
3. Galileo is the EU programme to build a civilian global satellite navigation system akin to the American GPS. EGNOS is a regional augmentation system that is already in operation and allows enhanced positioning accuracy and provides warnings if the system can no longer be relied upon to provide an accurate location signal. This means it can be used in safety critical applications such as aircraft landings.
4. The agreement seeks to establish the principles of cooperation between the Union and its Member States and the Swiss Federation in general and the rights and obligations of Switzerland in areas such as ensuring the security of the Galileo programme and export control of technologies.
5. As part of the Cooperation Agreement, Switzerland will participate financially in the EU's satellite navigation programmes. The total contribution from 2008 to 2014 will exceed €80m (£63.6m)². Further, on-going contributions will be calculated on a set basis for the years 2015 onwards in due course.

MINISTERIAL RESPONSIBILITY

6. The Secretary of State for Business, Innovation and Skills has lead responsibility for the European Union's satellite navigations programmes Galileo and EGNOS. The Chancellor of the Exchequer and the Secretaries of State for the Foreign and Commonwealth Office and Defence also have an interest.

POLICY CONSIDERATIONS

GENERAL

¹ European Geostationary Navigation Overlay System

² September 2012 exchange rate was: £1 = 1.2574 Euro (1 Euro = £0.7952)

7. Government welcomes this Cooperation Agreement as necessary to ensure the Galileo programme is secure, and runs to estimated time-scales and budget.
8. The Agreement permits a framework to be put in place to allow Switzerland to participate closely in the Galileo and EGNOS programmes and address issues such as security, export control, standardisation, certification and radio spectrum for the Swiss technologies used as fundamental parts of the Galileo programme. Since Switzerland is not part of the EU, the regulations that set the framework for security for instance for the EU Member States do not apply. It is necessary to ensure that such a framework is put in place and the agreement allows that to be done.

FINANCIAL

9. There is no financial impact to the United Kingdom from this agreement.
10. The financial contribution that Switzerland will make to the European Union's budget (€80m to 2015 or £63.6m) will be additional resource to the programme.

RESERVATIONS AND DECLARATIONS

11. No reservations or declarations were made at the time of signature of the treaty and none are expected to be made on ratification.

IMPLEMENTATION

12. The One-In, One-Out (OIOO) Rule has been considered as part of the process of concluding the treaty but is not applicable.
13. The only remaining step in concluding the agreement is the national ratification arrangements by each of the EU Member States (including the UK).
14. The proposal has no implications for tax and does not raise any concerns regarding the competence of the European Union.

CONSULTATION

15. The European Commission consulted the Special Committee of the Council and Member State authorities in drawing up the agreement.
16. The EU's satellite navigation programmes are reserved matters under the UK's devolution settlements and no devolved administration interests arise in regard to this agreement. The devolved administrations have therefore not been consulted in the preparation of this EM.

TIMETABLE

17. The Agreement is already in provisional application.



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