



Institutional agreement

November 2020

Switzerland has negotiated an institutional agreement with the EU in order to consolidate and develop Swiss-EU bilateral relations. The Federal Council considers the draft agreement to be largely in Switzerland's interest. The government has, however, engaged in domestic clarifications on wage and worker protection, state aid and the EU Citizens' Rights Directive. In November 2020, the Federal Council determined its position and resumed contact with the EU.

Chronology

- 11.11.2020 The Federal Council defines its position
- 07.06.2019 Report on the consultations is approved, Federal Council demands clarifications
- 02.03.2018 Clarification of the negotiation mandate by the Federal Council
- 22.05.2014 Start of the negotiations
- 06.05.2014 Adoption of the negotiating mandate by the Council of the EU
- 18.12.2013 Adoption of the negotiating mandate by the Federal Council

State of play

In December 2018 the Federal Council decided to hold consultations on the draft text of the agreement with the Parliament's foreign affairs committees, the cantons, the political parties, the social partners and other stakeholders in order to gain a better understanding of their interests and concerns.

At its meeting on 7 June 2019, the Federal Council approved the report on the consultations and reiterated its broadly positive assessment of the draft institutional agreement. It required clarification on three points (wage protection, the EU Citizens' Rights Directive, and state aid), closely involving the social partners and cantons in the process to find solutions at national policy level. In November 2020, the Federal Council determined its position and resumed contact with the EU.

Background

Switzerland has pursued the bilateral approach with the EU since it rejected membership of the European Economic Area (EEA) in a vote by the people and the cantons on 6 December 1992. Since then, Switzerland and the EU have concluded about 20 main agreements and numerous other agreements ensuring access for Swiss companies to particular sectors of the EU single market and governing a number of areas of cooperation between Switzerland and the EU.

The Federal Council has stated on various occasions that it aims to secure extensive access to the EU internal market and to cooperate with the EU in selected areas while maintaining as much political autonomy as possible. It considers this bilateral approach to be the most suitable instrument for safeguarding Switzerland's interests both within Europe and towards the EU – which is by far its biggest economic and trading partner. Today, around 51% of all Switzerland's exports go to the EU and about 69% of all its imports come from the EU.

In its conclusions on relations between the EU and Switzerland, the Council of the EU stated on a number of occasions that the conclusion of an agreement on institutional matters would be required for the further development of the bilateral approach. In its conclusions of 2012 and 2014, the Council of the EU had already stated that an institutional framework was a precondition to ensuring the continuation of mutual sectoral market access between the EU and Switzerland. It repeated this demand in February 2017.

For the Federal Council, an agreement on institutional matters is also important because it secures access to the EU single market in the long term and makes it possible to expand cooperation with the EU. After prior consultation with the foreign affairs committees, Parliament and the cantons and after

informing the economic and social partners, the Federal Council adopted a corresponding negotiating mandate in December 2013. After the EU had also adopted its mandate for the conclusion of such an institutional agreement, negotiations were able to commence on 22 May 2014.

Content

The institutional agreement applies only to the bilateral agreements between Switzerland and the EU known as the 'market access' agreements, as follows:

- the Agreement on the Free Movement of Persons
- the Agreement on Air Transport
- the Overland Transport Agreement
- the Agreement on Trade in Agricultural Products
- the Mutual Recognition Agreement

Future market access agreements, such as the electricity agreement currently under negotiation, will also be covered by the institutional agreement.

The institutional agreement regulates the following four areas:

- Developments in EU law: how will the affected market access agreements be adapted to any devel-

opments in EU law that fall within the scope of these agreements?

- Monitoring: how will uniform monitoring of the application of the market access agreements concerned be ensured?
- Interpretation: how can the consistent interpretation of the market access agreements concerned be ensured?
- Dispute settlement: how should disputes between the EU and Switzerland concerning the application and interpretation of the relevant market access agreements be resolved?

Details on the content of the agreement can be found in the following link

www.fdfa.admin.ch/europe/institutional-agreement

Further information

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