

No. 45207*

**Switzerland
and
Hungary**

Framework Agreement between the Swiss Federal Council and the Government of the Republic of Hungary concerning the implementation of the Swiss-Hungarian cooperation programme to reduce economic and social disparities within the enlarged European Union (with annexes). Bern, 20 December 2007

Entry into force: 22 May 2008 by notification, in accordance with article 11

Authentic texts: *English*

Registration with the Secretariat of the United Nations: *Switzerland, 5 September 2008*

**The texts reproduced below are the original texts of the agreement as submitted. For ease of reference, they were sequentially paginated. The relevant Treaty Series volume will be published in due course.*

**Suisse
et
Hongrie**

Accord-cadre entre le Conseil fédéral suisse et le Gouvernement de la République de Hongrie concernant la mise en oeuvre du programme de coopération helvético-hongrois visant à réduire les disparités économiques et sociales au sein de l'Union européenne élargie (avec annexes). Berne, 20 décembre 2007

Entrée en vigueur : 22 mai 2008 par notification, conformément à l'article 11

Textes authentiques : *anglais*

Enregistrement auprès du Secrétariat des Nations Unies : *Suisse, 5 septembre 2008*

**Les textes reproduit ci-dessous sont les textes authentiques de l'accord tel que soumises pour l'enregistrement. Pour référence, ils ont été présentés sous forme de la pagination consécutive. Le volume correspondant du Recueil des Traités sera disponible en temps utile.*

[ENGLISH TEXT – TEXTE ANGLAIS]

FRAMEWORK AGREEMENT

BETWEEN

THE SWISS FEDERAL COUNCIL

AND

**THE GOVERNMENT OF THE REPUBLIC OF
HUNGARY**

CONCERNING

**THE IMPLEMENTATION OF THE SWISS-
HUNGARIAN COOPERATION PROGRAMME
TO REDUCE ECONOMIC AND SOCIAL
DISPARITIES WITHIN THE ENLARGED
EUROPEAN UNION**

THE SWISS FEDERAL COUNCIL (hereinafter referred to as "Switzerland")

AND

THE GOVERNMENT OF THE REPUBLIC OF HUNGARY (hereinafter referred to as "Hungary")

hereinafter collectively referred to as "the Parties",

- AWARE of the importance of the enlargement of the European Union (EU) for the stability and prosperity in Europe;
- NOTING the solidarity of Switzerland with the endeavours of the EU to reduce economic and social disparities within the EU;
- BUILDING upon the successful cooperation between the two countries during Hungary's transition process leading to its accession to the EU;
- HAVING regard to the friendly relations between the two countries;
- DESIROUS of strengthening these relations and the fruitful cooperation between the two countries;
- INTENDING to promote further the social and economic development in Hungary;
- IN VIEW of the fact that the Swiss Federal Council has expressed, in a Memorandum of Understanding with the European Community of 27 February 2006, the intention that Switzerland shall contribute up to 1'000'000'000 CHF (one billion CHF) to reduce economic and social disparities within the enlarged EU (hereinafter referred to as "Memorandum of Understanding");

have agreed as follows:

Article 1 – Definitions

For the purpose of this Agreement, unless the context otherwise requires:

- "Contribution" means the non-reimbursable financial contribution granted by Switzerland under this Agreement;
- "Project" means a specific project or programme or other joint activities in the framework of this Agreement. A programme consists of component projects linked by a common theme or shared objectives;
- "Commitment" means the allocation of a certain amount of the Contribution to a Project agreed upon by the Parties;
- "Project Agreement" means an agreement between the Parties and, if need be, additional contracting parties, on the implementation of a Project agreed upon by the Parties;

- "National Coordination Unit" (NCU) means the Hungarian unit in charge of the coordination of the Swiss-Hungarian Cooperation Programme;
- "Intermediate Body" means any legal public or private entity which acts under the responsibility of the NCU or which carries out duties on behalf of the NCU with regard to Executing Agencies implementing Projects;
- "Executing Agency" means any public authority, any public or private corporation as well as any organization recognized by the Parties and mandated to implement a specific Project financed under this Agreement;
- "Implementation Agreement" means an agreement between the NCU and/or the Intermediate Body and the Executing Agency for the implementation of the Project;
- "Block Grant" means a fund, set up for a clearly defined purpose, providing assistance to organizations or institutions, facilitating a cost-effective administration mainly in programmes with many small projects;
- "Project Preparation Facility" means the Facility providing financial support for the preparation of the Final Project Proposals;
- "Technical Assistance Fund" means the Fund for the financing of tasks performed by the Hungarian authorities additionally and exclusively for the implementation of the Contribution;
- "Scholarship Fund" means the Fund for the financing of scholarships for Hungarian students and researchers admitted at higher education and research institutions in Switzerland.

Article 2 - Objectives

1. The Parties shall promote the reduction of economic and social disparities within the enlarged EU through Projects mutually agreed upon between the Parties and in line with the Memorandum of Understanding and the Conceptual Framework for the Swiss-Hungarian Cooperation Programme as outlined in Annex 1 of this Agreement.
2. The objective of this Agreement is to establish a framework of rules and procedures for the planning and implementation of the cooperation between the Parties.

Article 3 - Amount of the Contribution

1. Switzerland agrees to grant a non-reimbursable Contribution towards the reduction of economic and social disparities within the enlarged EU of up to CHF 130,738 million (one hundred thirty million and seven hundred thirty eight thousand Swiss Francs) to Hungary for a Commitment period of five

years and a disbursement period of ten years, starting from the approval date of the Contribution by the Swiss Parliament, which is 14 June 2007.

2. Switzerland shall accept submissions of Final Project Proposals according to Annex 2, Chapter 2 for Commitment of funds until two months before the end of the Commitment period.
3. Funds not committed during the Commitment period shall not be available anymore for the Swiss-Hungarian Cooperation Programme.

Article 4 - Scope

The dispositions of this Agreement shall apply to national and trans-national Projects financed by Switzerland or co-financed by Switzerland with multilateral institutions and other donors, executed by an Executing Agency, mutually agreed upon by the Parties.

Article 5 – Utilization of the Contribution

1. The Contribution shall be used for the financing of Projects and can take any of the following forms:

- a) Financial assistance including grants, credit lines, guarantee schemes, equity participations, loans, and technical assistance;
- b) Block Grants;
- c) Project Preparation Facility;
- d) Technical Assistance Fund;
- e) Scholarships.

2. The Contribution shall be used in line with the objectives, principles, strategies, geographic and thematic focus as outlined in the Conceptual Framework in Annex 1.

3. 5% of the Contribution shall be used by Switzerland for its administration of this Agreement. This includes, inter alia, expenses for staff and consultants, administrative infrastructure, missions, monitoring and evaluation.

4. The Contribution, in the form of grants, may not exceed 60% of the total eligible costs of the Project, except in the case of Projects receiving additional financing in the form of budget allocations from national, regional or local authorities, in which case the Contribution may not exceed 85% of the total eligible costs. Institution-building and technical assistance Projects, Projects implemented by non-governmental organisations as well as financial assistance benefiting the private sector (credit lines, guarantees, equity and debt participations) may be fully financed by the Contribution.

5. The following costs shall not be eligible for grant support: costs incurred before the Project commitment date, interests on debt, the purchase of land,