EU-Switzerland relations

2023/2042(INI) - 25/07/2023 - Committee report tabled for plenary, single reading

The Committee on Foreign Affairs adopted the initiative report by Lukas MANDL (EPP, AT) on EU-Switzerland relations.

Foreign and security policy

The report highlighted the EU's strong interest in cooperating with Switzerland as a like-minded partner on international peace, security, human rights and defence matters, in particular in response to Russia's war of aggression against Ukraine. It acknowledged Switzerland's long-standing foreign policy of promoting peace, mediation and peaceful conflict resolution.

Members welcomed Switzerland's close stance with the EU's CFSP, including on humanitarian aid, civil protection, counter-terrorism and climate change issues. They welcomed, further, Switzerland's announcement in November 2021 to participate in certain projects of the Permanent Structured Cooperation.

The report encouraged closer collaboration between Switzerland and the EU on social and humanitarian issues. It also encouraged Switzerland to continue its efforts to promote a rules-based international order, to amend its legislation to allow for the confiscation of Russian assets, and to undertake a review of its sanctions practices in order to align itself more systematically with EU sanctions.

Members also welcomed Switzerland's participation in summits of the European political community. They took note of the cooperation between the EU and Switzerland on international migration, particularly with regard to the management of refugee flows and the relocation of refugees. They regretted, however, that Switzerland does not currently meet the conditions for participation in the European Union's civil protection mechanism.

Economy, labour market and access to the EU internal market

The report underlined that safeguarding, strengthening and deepening strong, stable and sustainable trade relations with Switzerland, the EU's fourth largest trading partner, remains a high priority.

Members considered that a modernised and mutually beneficial relationship, underpinned by an **ambitious agreement**, should not only reduce barriers to trade but should also create a level playing field for EU citizens and economic operators, generate trust, stability, jobs, growth and welfare, ensure the non-discriminatory protection of workers' rights.

Regretting the fact that Switzerland remains the only EFTA member that has not joined the EEA, Members noted that Switzerland would always be welcome to join the EEA or the EU should it express such a wish in the future. They underlined the importance of stable and strong relations and frameworks between the EU and Switzerland for **future cross-border cooperation**.

Members are concerned about any lack of implementation of certain agreements with the Union by Switzerland and its subsequent adoption of legislative measures and practices that might be incompatible with those agreements, in particular measures affecting the free movement of persons. They urged Switzerland to **apply the relevant EU acquis** and to comply with its obligations under the 1999 agreement on the free movement of persons, in particular on posted workers.

Members are concerned that basic bilateral agreements are slowly phasing out and no longer secure frictionless market access as a result of the non-incorporation of new developments in the EU acquis. They noted that the model based on individual bilateral agreements instead of a package agreement is outdated. They recalled that the adoption of a package agreement for existing and future agreements that enable Switzerland's participation in the EU single market to ensure homogeneity and legal certainty remains a precondition for the further development of a sectoral approach.

The Commission is called on to propose a mandate for negotiating a modern EU-Switzerland investment protection agreement which was concluded 50 years ago.

Energy, climate and the environment

While welcoming the high degree of political alignment between Switzerland and the EU in the area of energy and climate policies, the report called on the Commission and the Swiss Federal Council to find avenues of cooperation on the EU's Fit for 55 package, and Swiss participation in various aspects of the European Green Deal, notably the REPowerEU plan, and also industrial alliances, including the European Solar Photovoltaic Industry Alliance, the European Clean Hydrogen Alliance and the European Battery Alliance.

Switzerland is invited to apply legislation on environmental protection under a future cooperation agreement, in particular the Carbon Border Adjustment Mechanism and the overhaul of the Emissions Trading System.

Members stressed that an **electricity market agreement** would create a conducive basis for continued and close cooperation between the EU and Switzerland, in particular on fossil-free electricity and clean gases, including through innovative solutions for cross-border electricity trade, such as a joint electricity market.

Research and innovation, development, education and culture

The report underlined the importance of EU-Switzerland cooperation in research, innovation and development, fostering Europe's role as a strong player in this field of research and innovation, and strengthening the European education system. It called for the EU and Switzerland to find a common approach to the benefit of citizens in order to achieve mutually beneficial cooperation, especially as regards **Switzerland's participation in all EU programmes** in the 2021-2027 period. It insisted on the fact that the free movement of persons is a precondition for participation in Erasmus+.

Institutional framework and cooperation

The report regretted the Swiss Federal Council's decision to terminate the negotiations on the EU-Swiss institutional framework agreement in May 2021 after seven years of negotiations. Regretting any narratives in the Swiss public and political spheres that the EU would work against Swiss interests, Members stressed that a second failure in negotiating an agreement on EU-Swiss relations would be damaging for both the EU and Switzerland and risks weakening their political role.

Members deplored with regret that the Swiss Federal Council will only decide whether to prepare for the adoption of a negotiating mandate by the end of 2023. They expect the progress in exploratory talks between the Commission and the Swiss Federal Council to be stepped up with a view to obtaining the required clarifications and assurances to adopt a mandate for negotiations. They called on both sides to use this window of opportunity for talks on a possible new negotiation package and a cooperation agreement between the EU and Switzerland, and to reach an agreement before the end of the term of the current Commission and Parliament.