

*Unofficial translation
The original French text prevails*

Ursula von der Leyen
President of the European Commission
Brussels

Bern, 26 May 2021

Institutional agreement between Switzerland and the European Union

Madam President

Switzerland and the European Union share a rich common history and fundamental values such as respect for human dignity, freedom, equality and democracy. This is the solid foundation on which Switzerland and the European Union have developed their relations according to the challenges that the European continent is facing. This is demonstrated by the fact that our relations and our exchanges have grown continuously stronger over the last 50 years, based on our bilateral agreements. Our strong relations, in particular in the political, cultural and linguistic arenas also bear witness to this.

Over the last few months, our chief negotiators have worked very hard and with strong commitment towards the goal of finding solutions to the three remaining open issues in the draft institutional agreement. Despite this commitment, these negotiations have not produced sufficient points of convergence. There are still substantial differences between Switzerland and the European Union on certain key points of the draft agreement relating to the free movement of persons, namely wage protection and the Citizens' Rights Directive. This was confirmed at our meeting in Brussels on 23 April 2021. These points concern areas that are crucial to Switzerland and we do not believe it is feasible to achieve a balanced overall outcome that can satisfy both parties. If the Swiss people were to vote on and reject such an agreement, that would be in the interests of neither the EU nor Switzerland.

Having conducted an overall evaluation of the draft institutional agreement, the Federal Council has thus concluded that the conditions for signing it are not met and that it is better to terminate the negotiations.

Even without this agreement, Switzerland remains a reliable and committed partner of the EU, our partnership being based on our numerous existing bilateral agreements. We work side by side with the European Union for stability and prosperity in Europe. Like the EU, we

aim to strengthen European cooperation in the areas of health, regional development and digitalisation. Switzerland supports the EU's efforts to strengthen Europe's technological independence and strategic autonomy. Switzerland also demonstrates solidarity in dealing with migration. Lastly, as an integral part of the European community of values, it cooperates with the EU to address today's major global challenges, in particular with regard to climate protection, promoting human rights, peace and security, and combating poverty.

The Federal Council intends to pursue this close partnership between Switzerland and the EU and trusts that it will be possible to jointly develop a common agenda on the basis of the current bilateral agreements, allowing them to be reinforced where possible and in our mutual interest. Regarding Switzerland's contribution, the Federal Council will engage with Parliament in order to swiftly release the funds whose distribution is currently conditional and proposes that the Memorandum of Understanding with the EU be finalised.

With a view to deepening the ties between Switzerland and the EU, the Federal Council is also willing to review potential problems in implementing our bilateral agreements and, if necessary, to develop pragmatic solutions in order to ensure that the agreements operate as smoothly as possible.

Given our shared interest in maintaining close and privileged bilateral relations, we are relying on both parties to continue applying the bilateral agreements in full. We are also counting on the bilateral agreements being updated in line with any relevant changes in EU law. Regarding its participation in EU programmes as well as equivalence decisions, Switzerland is proceeding on the assumption that it will not be treated less favourably than other third countries. Moreover, Switzerland calls for continuing the good current cooperation in the health and electricity sectors.

In order to be able to guide and develop this common agenda, we propose establishing regular, high-level political dialogue between the relevant authorities of each party.

We would like to close by reiterating Switzerland's willingness to cultivate and deepen our good bilateral relations.

Yours faithfully

On behalf of the Swiss Federal Council:

Guy Parmelin
President of the Swiss Confederation

Walter Thurnherr
Federal Chancellor