

AGREEMENT

BETWEEN

THE GOVERNMENT OF THE REPUBLIC OF ESTONIA

AND

THE EUROPEAN SPACE AGENCY

CONCERNING THE ACCESSION OF ESTONIA

TO THE CONVENTION

FOR THE ESTABLISHMENT OF A EUROPEAN SPACE AGENCY

AND RELATED TERMS AND CONDITIONS

The Government of the Republic of Estonia (hereinafter referred to as "Estonia ")

and

the European Space Agency (hereinafter referred to as "the Agency") established by the Convention opened for signature in Paris on 30 May 1975 and which entered into force on 30 October 1980 (hereinafter referred to as "the Convention"),

RECALLING the European Cooperating State (ECS) Agreement between the Government of the Republic of Estonia and the European Space Agency, which entered into force on 22 September 2010 and which remains in force until 20 September 2015,

NOTING that, according to Article XXII of the Convention, any State may accede to the Convention following a decision of the Agency's Council taken by a unanimous vote of all Member States,

CONSIDERING that Estonia has applied to become a full member of the Agency, and that the Council of the Agency has pronounced itself in favour of the accession of Estonia,

CONVINCED that this accession will contribute to the achievement of the objectives set out in the Convention,

HAVING REGARD to Articles II, XIII.4 and XXII of the Convention,

RECALLING the Agreement between the States Parties to the Convention for the establishment of a European Space Agency and the European Space Agency for the protection and the exchange of classified information, which entered into force on 20 June 2003,

RECALLING the Declaration by certain European Governments on the Launchers Exploitation Phase of Ariane, Vega and Soyuz from the Guiana Space Centre, which was finalised on 30 March 2007 and which will remain in force until the end of 2020,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

The purpose of this Agreement is to establish the conditions for the accession of Estonia to the Convention, fulfilment of which makes Estonia a member of the Agency and a State Party to the Convention.

ARTICLE 2

1. In accordance with its Article XXI.1 the Convention shall become effective for Estonia on the date when Estonia's instruments of accession are deposited with the Government of the French Republic. Estonia shall take all necessary steps in order that this occurs before 20 September 2015. Should they not be deposited by this date, the terms and conditions of this Agreement may be renegotiated at the request of either party.
2. As from the date of accession, the provisions of the Convention, together with all measures taken by the Agency's Council, shall be binding for Estonia and shall be applicable to that State. Estonia shall be placed in the same situation as the other Member States with regard to decisions, rulings, resolutions or any other acts made by the Agency's Council or, in delegation there from, by any subordinate body, and with regard to any Agreement concluded by the Agency. Estonia shall consequently abide by the principles and policies stemming there from, and shall, whenever necessary, take appropriate measures to ensure their full implementation.

3. With respect to Estonia's yearly contribution to the mandatory activities for the year of the entry into force of the Accession Agreement, it will be established according to the rules applicable to Agency Member States and will be reduced, if applicable, prorata temporis with regard to the date of entry into force of the Accession Agreement. Similarly, the amount referred to in Article 6.1 will also be reduced, if applicable, prorata temporis with regard to the date of entry into force of the Accession Agreement and will be used to prepare the implementation by the task force of the measures referred to in Article 6 of this Agreement.
4. Estonia shall take all appropriate measures to adapt its internal legislation and rules to the rights and obligations resulting from its accession to the Agency. Estonia shall in particular take all appropriate measures required to ensure the effective fiscal exemptions granted to Agency, in particular with regard to the Value Added Tax (VAT).

ARTICLE 3

In accordance with Article XIII.4.a of the Convention, Estonia shall make a special payment amounting to 600 000 Euros at 2014 economic conditions. This payment shall be made in one instalment in 2015.

ARTICLE 4

As from the date of entry into force of the Convention for Estonia, the European Cooperating State (ECS) Agreement between the European Space Agency and Estonia, referred to in the preamble, shall cease to be in force.

ARTICLE 5

For the purpose of the geographical distribution of Agency's contracts and within the meaning of Annex V to the Convention, the return coefficients shall be calculated and applied on the basis and following the method in force in the Agency and applicable to all Member States with the exception of the lower limit for the overall return coefficient and the return coefficient for the Agency's mandatory programmes and activities, as defined in Article V.1.a of the Convention (hereinafter referred to as the "Agency's mandatory activities"), for which the measures referred to in Article 6 below shall apply.

ARTICLE 6

The following measures shall apply during an integration period of 6 years starting on 1 January 2016:

1. An amount of 500 000 Euro per year at current economic conditions, to be taken from Estonia's overall contribution to the Agency's mandatory activities over the above integration period, shall be used by the Agency, in accordance with the Agency's rules and procedures, to finance activities aimed at adapting Estonia's industry, operators, scientific community and other actors to the Agency's requirements, in particular within the mandatory activities.
2. The Agency shall make its best efforts to use, in accordance with the Agency's rules and procedures applicable to all Member States, the difference between the ideal return for Estonia's contribution to the Agency's mandatory activities and the amount referred to in paragraph 1 above, to place contracts in the field of the Agency's mandatory activities. The final objective of the Agency is to reach at the end of the integration period, an overall return coefficient at the same level as the one applicable to all Member States. However no compensation shall be due at the end of the integration period for the return coefficient calculated for mandatory activities.

3. For the purpose of implementing the above measures a dedicated task force shall be established between the Parties for the duration of this integration period. The task force shall be composed of representatives of Estonia and ESA respectively and will be co-chaired by one representative of each.

The function of this task force shall be to advise the Director General of ESA and the Government of Estonia in the implementation of the above mentioned measures. This task force shall in particular, on the basis of a first joint assessment of the Estonian industrial capabilities, prepare and adapt Estonian industry, operators, scientific community and other actors to the Agency's industrial policy requirements and in particular within the mandatory activities.

4. The geographical return statistics of Estonia for the mandatory activities shall be discontinued at the end of the integration period. As from the first day following the end of the integration period, the overall return coefficient for Estonia shall be established in accordance with the method in force in the Agency applicable to all Member States. As a consequence, contributions made and contracts placed before the end of the integration period related to the mandatory activities shall not be taken into account for the purpose of the calculation of the return coefficient for Estonia after the end of the integration period.

ARTICLE 7

1. The present Agreement shall be subject to approval in accordance with internal regulations of Estonia.

2. The present Agreement shall enter into force on the date of the deposit by Estonia of its instruments of accession with the Government of the French Republic.

Done at Paris on 4 February 2015 in duplicate, in the Estonian, English, French and German languages, all texts being equally authentic.

For the Government of the Republic of
Estonia
Anne Sulling

For the European Space
Agency
Jean-Jacques Dordain