**Association Agreement**

**Between**

**The Government of Republic of Latvia**

**And**

**The European Space Agency**

The Government of the Republic of Latvia (hereinafter referred to as “Latvia”),

And

The European Space Agency (hereinafter referred to as “The Agency”) an intergovernmental organisation established by the Convention opened for signature in Paris on 30 May 1975 and entered into force on 30 October 1980 (hereinafter referred to as ‘the Convention”),

hereinafter individually referred to as “Party” or collectively as “the Parties”,

RECALLING that the purpose of the Agency is to provide for and to promote, for exclusively peaceful purposes, cooperation among European States in space research and technology and their space applications,

NOTING that space has become a significant factor in technological, economic, scientific and cultural development,

CONVINCED of the benefits of sustaining and enhancing the level of international cooperation in space activities for exclusively peaceful purposes,

CONSIDERING that Latvia is, since 1 May 2004, a Member of the European Union and is thereby associated to the definition of an overall European Space Policy and is also participating with full rights and obligations, in the EU Copernicus and Galileo programmes,

HAVING REGARD to the successful results of the cooperation achieved under the Cooperation Agreement between the Parties signed on 23 July 2009 which entered into force on the same day,

HAVING REGARD to the enhanced cooperation established under the European Cooperating State (ECS) Agreement between the Parties signed on 15 March 2013 and which entered into force upon Latvia’s subscription to the PECS Charter on 30 January 2015,

HAVING REGARD to the Resolution on industrial policy measures to achieve a successful integration of European states in the frame of ESA adopted by the Agency Council on 13 December 2018 (ESA/C/R/CCLXXVII/Res.1 (final)), by which the Agency introduced an improved cooperative approach designed for European non-Member States with a view to their possible accession to the Convention,

CONSIDERING the wish expressed by Latvia to strengthen its cooperation with the Agency within the frame of the above mentioned improved cooperative approach, and the acceptance by the Council of the Agency (hereinafter referred to as “Council”) of this request,

HAVING REGARD to the ESA Convention and in particular its Articles II, XIV.1 and XIV.3,

HAVE AGREED AS FOLLOWS:

**ARTICLE 1**

**GENERAL**

1. Latvia hereby becomes an Associate Member of the Agency.
2. Latvia hereby acknowledges that the Agency may establish Cooperation and Association Agreements with other non-Member States. Latvia further agrees that, at all levels of its cooperation with the Agency as an Associate Member, it will act in conformity with the purpose for which the Agency was created as defined in the Convention, in particular the exploration and utilisation of space for exclusively peaceful purposes.

**ARTICLE 2**

**BENEFITS AND PARTICIPATION**

1. Latvia shall benefit, subject to other provisions of the present Agreement, from basic activities executed under the Agency’s General Budget. Participation by Latvia in the Agency’s Technology Development is not, however, a matter within the scope of the cooperation relationship established by the present Agreement.
2. Latvia may participate in further parts of the Agency’s activities and programmes or operational activities by providing experiments or observation facilities pursuant to the conditions established in Article 7 below.

**ARTICLE 3**

**FINANCIAL CONTRIBUTIONS**

1. Latvia shall contribute annually to the Agency’s basic activities expenditure under the General Budget. This contribution shall represent 70% of its contribution level shown in the scale calculated on the basis used for the Member States of the Agency and adopted in accordance with Article XIII.1 of the Agency’s Convention. An amount representing 70 % of the latter contribution shall be used by the Agency to provide increased support in terms of training, organisation of events and advice with a view to achieve a successful integration of Latvia in the frame of the Agency, the further development of sustainable and competitive industrial capabilities, and their integration in the space supply chain. For avoidance of doubt, Latvia’s contribution referred to in this paragraph shall start accruing on a time proportional basis from the date of entry into force of this Agreement pursuant to Article 17 below.
2. Latvia shall contribute to the expenditure of the activities and programmes in which it participates in accordance with the provisions of Article 4 below.
3. Latvia’s contributions as provided for in this Article shall be updated and paid in conformity with the rules and procedures in force in the Agency for all Member States.

**ARTICLE 4**

**PARTICIPATION IN OPTIONAL PROGRAMMES**

For the purpose of the execution of each Agency optional programme for which the respective Member States concerned have unanimously approved Latvia’s participation, Latvia shall from the date of that approval have the rights and obligations of a Participating State as set forth in the Declaration concerning the programme in question, in the applicable implementing rules and in any other decisions governing the execution of said programme. In particular, Latvia shall contribute to cover the expenditure resulting from the execution of said programme in accordance with the provisions of the Declaration and of any subsequent revision of that Declaration by the Participating States on the occasion of meetings of the Agency’s Council or of the Council’s subordinate bodies. Latvia intends to contribute to optional programmes in which it participates by the end of 2022 a minimum of 1.500.000 Euros at 2018 e.c. per year, it being understood that the sum of Latvia’s overall yearly contributions to the Agency by the aforementioned date, including basic activities expenditure under the General Budget referred to in Article 3.1 above and Requesting Party Activities referred to in Article 10.2 below, shall amount to a minimum of 3.000.000 Euros.

**ARTICLE 5**

**REPRESENTATION AND VOTING RIGHTS**

Latvia shall be represented in the meetings of the Agency’s Council and subordinate bodies in accordance with the following provisions:

1. Latvia shall have the right to be represented at open meetings of the Council of the Agency by not more than two delegates, who may be accompanied by advisors. Latvia shall have the right to vote on questions relating to the activities and programmes in which it participates pursuant to the present Agreement, this being in its capacity of Participating State in the case of optional programmes. Latvia shall not have the right to vote in Council on the General Budget or on matters related to it, but shall have the right to state its opinion and to be heard on other questions.
2. Latvia shall have the right to be represented, by not more than two delegates who may be accompanied by advisors, at meetings of the subordinate and advisory bodies of the Agency, competent in any capacity to deal with the activities and programmes in which Latvia participates. Latvia shall also have the right to be similarly represented on the Programme Boards of the Agency concerned with those optional programmes in which Latvia participates pursuant to Article 4 above. Latvia shall have the right to be heard at the above meetings and to vote, in its capacity of Participating State, on issues relating to those activities and programmes.
3. For matters of common interest between ESA and the European Union, Latvia shall be entitled to attend meetings of the Agency's subsidiary bodies as an observer. For other matters, Latvia may request to be represented in an observer capacity at meetings of any subordinate or advisory body or Programme Board of the Agency which is solely concerned with programmes in which Latvia does not participate. Such request shall be accepted subject to the unanimous approval of the Agency Member States concerned.
4. Latvia may attend Potential Participants’ meetings in an observer capacity, in particular meetings dealing with the preparation of programmes related to programmes in which Latvia participates, unless the Agency Member States concerned decide otherwise.
5. Latvia shall not have the right to be represented at the meetings of the Council, of any subordinate bodies or Programme Boards which are held on a restricted basis in accordance with the relevant rules of procedure. However, Latvia may be authorised by the body concerned, either at Latvia’s request or at the request of one or more Member States, to attend discussions on certain items on the agendas of such meetings, when they involve matters of interest to Latvia and the Agency, in order to express its opinion.

**ARTICLE 6**

**ACCESS TO INFORMATION**

Latvia shall have access, to the same extent as provided to Member States, to information, including contract reports, relating to the activities and programmes in which Latvia participates.

**ARTICLE 7**

**USE OF FACILITIES AND SERVICES**

1. Subject to the terms of Article 6 above and to the prior requirements and obligations of the Agency, Latvia shall have access on a cost-reimbursable basis to the facilities and services of the Agency for Latvia national space projects. The methods of calculating costs shall be those applied to the Agency’s Member States when utilising the Agency facilities and services for their own space projects. In return, Latvia shall make available its facilities and services to the Agency and its Member States on favourable terms.
2. In developing its national space potential and in planning for national space missions, Latvia shall give preference, pursuant to the terms of Article VIII of the Convention, to the use of European space transportation systems, and of facilities, products and services belonging to, or developed or operated under the auspices of, the Agency or its Member States. Latvia shall, further, support the Agency’s efforts to promote the use of European transportation systems, facilities, products and services by those international bodies to which it belongs that employ systems or services with a space-based component. For the purpose of satisfying its facilities requirements for any given mission which are unmet on the basis of its own potential or that of its Member States, the Agency shall, subject to arrangements existing at the relevant time with other entities and on terms of parity in this matter with other Associate Members of the Agency, give detailed consideration to the appropriate Latvian facilities with a view to their potential use.

**ARTICLE 8**

**INTELLECTUAL PROPERTY**

1. For the purposes of this Agreement “Intellectual Property” has the meaning stated in Article 2 of the Convention establishing the World Intellectual Property Organisation, done in Stockholm, 14 July 1967.

2. The Parties shall ensure adequate and effective protection of Intellectual Property as may arise from the work done under this Agreement and of any pre-existing rights that may come into play in the course of such cooperation.

3. The specific provisions concerning the rights of access, dissemination and use of intellectual property as well as of technical information and data developed under the present Agreement, shall follow the Agency’s rules and procedures.

**ARTICLE 9**

**EXCHANGE OF INFORMATION AND EXPERTS**

1. With a view to identifying possible areas of cooperation, the Parties shall exchange information in the following spheres:
2. the content of, and plan for, their current and future space programmes;
3. matters of scientific and technical interest resulting from their space activities. In particular, Latvia shall receive reports published and made available by the Agency, as well as information relating to the progress of the Agency programmes and to activities in which Latvia participates under the present Agreement.
4. Provisions of any Agency information shall in all cases be subject to Latvia’s observance of any proprietary rights to the information, while Latvia further undertakes not to disseminate information that is subject to non-disclosure agreements signed with the Agency or is not otherwise generally available beyond the territories of Latvia and the Agency’s Member States, whether directly or through intermediaries operating within or outside those territories.
5. Latvia shall not be required to communicate any information obtained outside the Agency if it considers that such communication or dissemination would be inconsistent with, or contrary to, the interests of its own agreements with third parties, or the conditions under which such information has been obtained.

The Agency shall not be required to communicate information if it considers that such communication, or dissemination, would be inconsistent with, or contrary to, the interests of its own agreements with third parties, or the conditions under which such information was obtained.

1. The Parties may establish a scheme to permit the exchange of experts concerned with work within the competence of the Agency, in conformity with the application of the laws and regulations relating to the entry into, stay in or departure from Latvia and with the Agency’s legal framework including agreements with third parties.
2. The Parties will also consult with each other when they are represented at international organisations, conferences and meetings relating to space activities, for the purpose of exchanging views on matters of mutual concern and will seek to harmonise, as appropriate, their positions on matters which are likely to have a bearing on the implementation of their common space programmes and activities.

**ARTICLE 10**

**INDUSTRIAL POLICY**

1. With respect to the geographical distribution of contracts relating to the activities and programmes in which Latvia participates, the Agency shall:
2. strive at providing a fair industrial return to Latvia for activities relating to the basic activities under the General Budget, excluding Technology Development, and
3. for optional activities and programmes, and consistent with Article 4 above, implement for Latvia the applicable rules developed for the various activities and programmes, to the same extent as for the other Participating States.
4. In order to further develop its industrial base Latvia shall participate in an incentive scheme in the form of Requesting Party Activities, which shall be subject to the conclusion of separate agreements. Such incentive scheme shall be based on full cost reimbursement and national funding. Latvia’s expenditures to Requesting Party Activities shall amount to a minimum of 500.000 Euros per year at 2018 e.c. and shall not exceed its contributions to optional programmes in which it participates pursuant to Article 4 above.

**ARTICLE 11**

**ADDITIONAL ARRANGEMENTS**

In addition to cooperation in the long-term continuing framework outlined above, the Parties may also develop arrangements for cooperating in individual bilateral projects in space activities pursued by both Parties and for the exchange of personnel. Approval of such arrangements, which shall not modify the rights and obligations of the Parties under the present Agreement, shall be subject to the Parties’ relevant procedures.

**ARTICLE 12**

**LIABILITY**

For the participation of Latvia in programmes and activities of the Agency, the ESA Council Resolution ESA/C/XXII/Res.3 of 13th December 1977 on the Agency’s legal liability shall be applicable mutatis mutandis.

**ARTICLE 13**

**PRIVILEGES AND IMMUNITIES**

1. The Agency shall have, in the territory of Latvia, legal personality. It shall in particular have the capacity to contract, to acquire and dispose of movable and immovable property, and to be a party to legal proceedings.

2. The Agency shall have immunity from jurisdiction and execution.

3. Within the scope of its official activities, the Agency, its property and income shall be exempt from all direct / indirect taxes in Latvia.

4. Goods imported or exported by the Agency or on its behalf and strictly necessary for the exercise of its official activities shall be exempt from all import and export duties and taxes and from all import or export prohibitions and restrictions.

5. The Agency may receive and hold in Latvia any kind of funds, currency, cash or securities; it may dispose of them freely in Latvia for any official purpose of the Agency and hold accounts in any currency.

6. Staff members of the Agency shall have in Latvia immunity from jurisdiction in respect of acts, including words written and spoken, done by them in the exercise of their functions. They shall be exempt from taxes on their salaries, emoluments and benefits and pensions received in respect of current or previous service with the Agency. They shall be exempt from all compulsory contributions to national social security bodies.

7. The circulation of publications and other information material sent by or to the Agency shall not be restricted in any way.

**ARTICLE 14**

**NOTIFICATION OF APOINTED AUTHORITY AND REPRESENRATIVES**

Latvia shall notify the Agency’s Director General of the name of the authority appointed to represent it for the implementation of the present Agreement, as well as the names of Latvia’s representatives and advisors attending any meetings in accordance with Article 5 above.

**ARTICLE 15**

**AMENDMENT**

The present Agreement may be amended by mutual agreement. The Party wishing to amend a provision of this Agreement shall notify the other Party in writing. Any amendment shall enter into force when each Party has notified the other in writing of its acceptance of the said amendment in accordance with its own procedures.

**ARTICLE 16**

**DISPUTE RESOLUTION**

1. Any dispute arising out of the application or interpretation of this Agreement which cannot be settled amicably between the Parties shall, at the request of either Party, be submitted to an arbitration tribunal.

2. The arbitration tribunal shall consist of three members, one arbitrator appointed by the Agency, one appointed by Latvia and a third arbitrator, who shall be appointed by the first two arbitrators and who shall be the Chairman. If, within a period of six months from the date of the request for arbitration, either Party has not named its appointee, the arbitrator shall, at the request of either Party, be appointed by the President of the International Court of Justice. The same procedure shall apply if, within six months of the appointment of the first two arbitrators, the third has not been appointed by them.

3. The arbitration Tribunal shall establish its own procedure; its decision shall be final and binding on the Parties.

**ARTICLE 17**

**ENTRY INTO FORCE, DURATION, TERMINATION AND RENEWAL**

1. Each Party shall notify the other Party in writing of the completion of its respective procedures for the entry into force of this Agreement. This Agreement shall enter into force on the date of the second of these notifications and shall remain in force for a period of seven years following that date.
2. The present Agreement may be terminated upon one year’s written notice by either Party before the end of the seven year period referred to in paragraph 17.1 above.
3. Termination or expiry of the present Agreement shall not affect the validity of those rights and obligations of either Party which are meant to survive its termination or expiry or its interpretation such as, but not limited to, dispute resolution, liability, intellectual property rights, nor of additional arrangements entered into between the Parties. The participation of Latvia in the Agency’s optional programmes, or parts thereof, pursuant to Article 4 above which is effective at the time of termination of this Agreement shall remain effective until the completion of the activities under the respective programmes or parts thereof, on the understanding that completion of the respective programmes will be notified by the Agency to Latvia. Taking into account any outstanding obligation incurred under Article 4 above, Latvia shall contribute to the part of the common infrastructure plan in force and the part of the fixed common costs to be borne by the General Budget at a rate to be mutually agreed. Article 4 above, and this paragraph, shall remain in force and continue to produce their effects after the termination or expiry of this Agreement.
4. Four years after the entry into force as well as one year before the expiry of the present Agreement, the Parties shall proceed to a formal review of their cooperation under this Agreement. On the basis of the latter review, the Parties shall examine ways and means of continuing or further developing such cooperation including the possibility of Latvia extending present Agreement or being granted the status of Member State of the Agency. The granting of such a status to Latvia shall be subject of a specific Council decision, in accordance with the ESA Convention and on the basis of a written request to be made by Latvia.
5. The present Agreement may be extended for further periods by mutual agreement in writing. The present Agreement shall remain in force during the time necessary to complete the procedures for such renewal.
6. Upon its entry into force, the present Agreement shall replace the ECS Agreement between the Parties referred to in the preamble, it being understood that the provisions of the latter Agreement shall nevertheless continue to apply to the extent necessary to secure the implementation of any arrangements and contracts that have been concluded within the framework of said Agreement and which are still effective on the date said Agreement ceases to be in force.

Done at…………………………… on …………………………………………….

In two originals in the Latvian and English language, both text being equally authentic. The signatories may also establish translations hereof in the French and German languages, which shall not, however, be considered as authoritative for the purposes of interpretation.

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For the European Space Agency For the Republic of Latvia