



Switzerland's contribution to the enlarged EU

2018 Annual Report



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Agency for Development
and Cooperation SDC**

**State Secretariat for
Economic Affairs SECO**

Cover photo left: Switzerland is assisting Romanian cities in the transition to sustainable energy. In Arad, for example, a new energy-efficient street lighting system has enabled the city to cut its CO2 emissions by 600 tonnes a year. At the same time, people now feel safer when out at night. © SECO

Cover photo right: Switzerland is contributing to efforts to reduce high youth unemployment in Bulgaria. 1,134 Bulgarian apprentices opted for dual vocational education and training based on the Swiss model. 76 instructors were trained to cover the 12 new curricula. © SDC

Switzerland's contribution to the enlarged EU

With a total enlargement contribution of CHF 1.302 billion, Switzerland autonomously supports a number of bilateral projects in the countries that have joined the EU since 2004. The purpose of this contribution is to help reduce economic and social disparities in the enlarged EU. It has its basis in the 2006 popular vote in which the Swiss electorate voted in favour of the Federal Act on Cooperation with the States of Eastern Europe.

Switzerland's enlargement contribution is made as a gesture of solidarity. But it is also in Switzerland's own interest, as the projects promote numerous partnerships that strengthen Switzerland's relations with the new EU member states and the EU as a

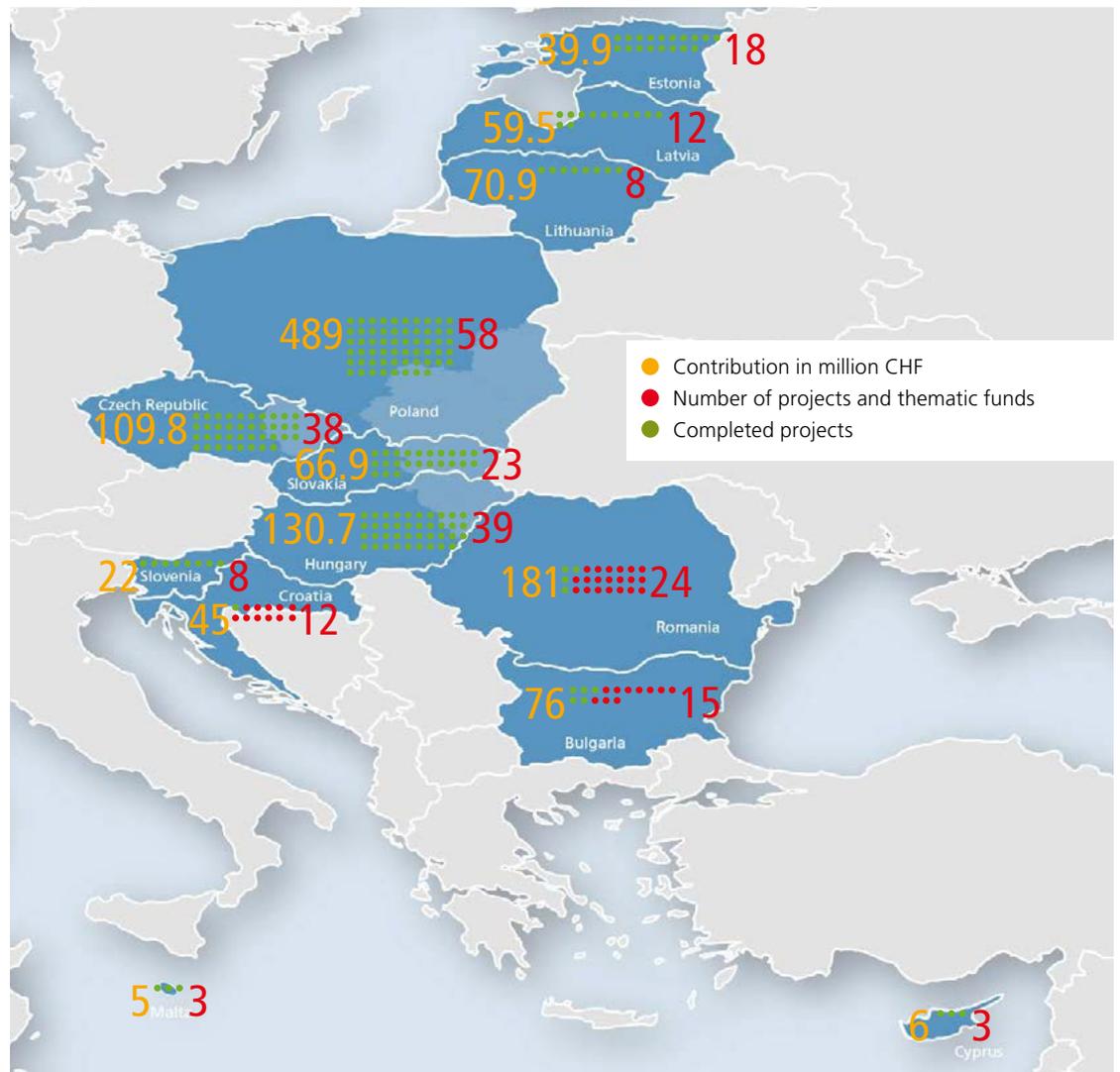
whole. This contribution is an important part of Switzerland's European policy and strengthens Switzerland's reputation. Among other things, it improves the chances of Swiss companies bidding in public procurement processes within the EU. Another objective is to help tackle cross-border challenges such as climate change and organised crime.

The projects are closely monitored by the SDC and SECO as well as the Swiss embassies in the partner countries. The partner countries generally contribute at least 15% of the project costs themselves. If irregularities are suspected, Switzerland can stop payments and reclaim any unlawfully disbursed contributions.



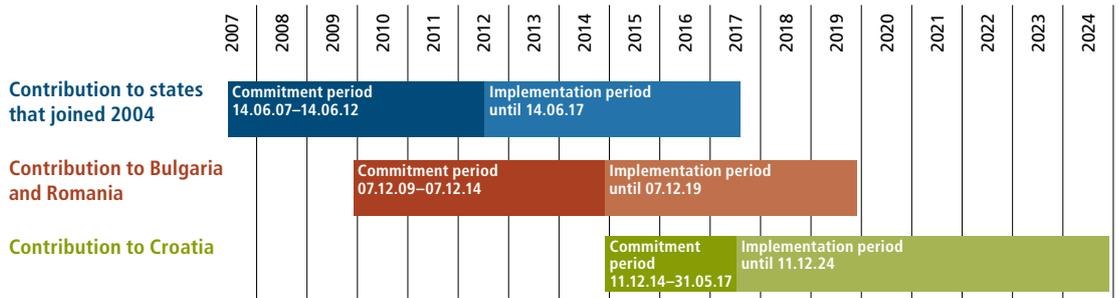
Revised teaching materials and language training improve the social inclusion of Roma. © SDC

Geographical breakdown of the enlargement contribution



The distribution of the enlargement contribution among the 13 partner countries (EU-13 countries) was based on population size and per capita income. Switzerland selected the projects to receive support in consultation with the partner countries, independently of the EU.

Time frame of the enlargement contribution



The projects under the enlargement contribution must be completed within 10 years. Project selection takes place during the commitment period. This is followed by the implementation period, by the end of which all of the projects must have been completed.

The projects in Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia (the EU-10 countries) were completed in 2017. This annual report for 2018 therefore focuses

on the projects still under way in Bulgaria, Croatia and Romania (EU-3). The most important results from these three countries are presented below.

Thematic funds in Bulgaria and Romania

Part of Switzerland's activities in Bulgaria and Romania are implemented by way of thematic funds. There are a total of 13 thematic funds covering the seven key areas of security, civil society, partnerships, Roma integration, health, research and scholarships. While the thematic funds are administered by Swiss fund managers (Swiss Intermediate Bodies), the projects supported by the funds are implemented and managed by local executive agencies. For example, a consortium comprising management consultancy Team Consult Geneva, the Geneva Centre for the Democratic Control of Armed Forces (DCAF) and NGO Coginta was mandated for Romania's thematic fund on securi-

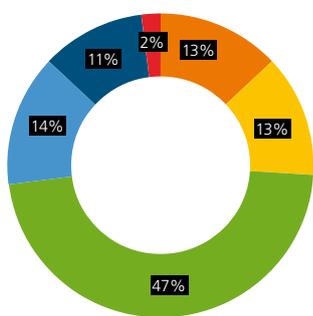
ty. There are several advantages to working with thematic funds. Through the support of a Swiss partner, the thematic fund approach ensures that projects are implemented correctly and efficiently. This approach also promotes partnerships with Swiss organisations in the relevant thematic area and ensures that the appropriate Swiss expertise is available. This is decisive for the success of the project because, in many cases, local institutions have not yet acquired the necessary expertise. The Swiss labour market also benefits from the contracts awarded to private-sector Swiss Intermediate Bodies, worth some CHF 10 million in total.

The enlargement contribution in Bulgaria



Population: 7.1 million
Swiss imports from Bulgaria: CHF 310 million
Swiss exports to Bulgaria: CHF 391 million
Real GDP growth rate: 3.6%
Purchasing power relative to EU average: 49%
(Source: Eurostat, Swiss foreign trade statistics, 2017)

In Bulgaria, Switzerland is contributing CHF 72.2 million to support nine projects and six thematic funds (with 23 sub-projects) up to 2019. Three projects and two thematic funds have now ended. The following are the results achieved by the end of 2018.



Breakdown of the enlargement contribution for Bulgaria by project objective

- Promoting economic growth and improving working conditions**
5 (sub-)projects CHF 9 533 750
- Improving social security**
8 (sub-)projects CHF 9 338 190
- Protecting the environment**
5 (sub-)projects CHF 34 178 871
- Improving public safety and security**
9 (sub-)projects CHF 9 850 000
- Strengthening civil society**
3 (sub-)projects CHF 7 800 000
- Project preparation and technical assistance**
2 (sub-)projects CHF 1 499 189

Total CHF 72 200 000

Not including the implementation costs on the Swiss side.

■ Promoting economic growth and improving working conditions

Reform in vocational education and training (VET)

Based on Switzerland's dual education system, 32 vocational schools in 19 cities are currently training 1,134 apprentices. With the support of 170 partner companies, these are being trained in 12 professions with updated curricula. At the same time, much progress has been made in VET reform with the participation of all stakeholders. A milestone was reached with the enactment of the ordinance on dual vocational education and training, which was amended on the basis of the project's recommendations.



Research fellowships have promoted the scientific careers of numerous promising young scientists. © SDC

Research

Scholarships have enabled 22 PhD students and postdoctoral researchers to complete a research residency at a Swiss university. Furthermore, there are currently 13 projects under way as part of a Bulgarian-Swiss research programme. Both of these programmes have boosted the international networking of Bulgarian researchers and research institutions, as demonstrated by the various articles published in renowned scientific journals.

Public procurement

Switzerland is helping Bulgaria improve the underlying conditions for sustainable public procurement. To this end, a market analysis was conducted on sustainable products in Bulgaria. A new handbook will assist the Bulgarian authorities in applying sustainable criteria in public procurement. Furthermore, a study trip to Switzerland provided an opportunity for an exchange of experiences with the relevant Swiss authorities.

■ Improving social security

Social inclusion of Roma and other minority groups

Switzerland is supporting implementation of the national strategy for the integration of Roma at a local level. For example, new kindergarten facilities have improved access to childcare services. Early enrolment, Bulgarian language teaching and classroom support, extracurricular activities and the use of educational mediators are effective means of promoting the integration of minorities in the school system. More than 1,950 children have benefited from this. In addition, health mediators have raised awareness among over 4,700 members of the Roma community on the importance of a healthy lifestyle, disease prevention and maternity care.

Nursing and care at home

The home care system being tested in Bulgaria is based on Switzerland's 'Spitex' system, recognised for its efficiency and quality. This has improved the quality of life for 734 people with chronic illnesses, disabilities and age-related ailments in four municipalities of the Vratsa district, one of the poorest regions of Europe. The Roma minority has also been included, whether as patients (15%) or home carers (25%). With a view to extending the home care system to the entire country, the Bulgarian Parliament has passed the necessary legislative amendments to include these social-medical services in the public health system. This project has also resulted in closer collaboration between the Swiss and Bulgarian Red Cross societies.



Home nursing is less expensive than hospital care and relieves the burden on family carers. © SDC

■ Protecting the environment

Public transport

A Swiss firm has delivered 28 decommissioned trams from Basel's transport system to Sofia. In this way, Switzerland is helping to improve the public transport system in Sofia and at the same time reduce traffic congestion and air pollution. In addition, the city planners have worked together with a specialist firm to develop a concept for sustainable mobility in Sofia.



The trams from Basel now operating in Sofia offer passengers increased comfort and a low-floor entrance, making it easier for people with disabilities to board. © SECO

Waste management

Switzerland is assisting with the environmentally sound disposal of around 4,500 tonnes of old toxic pesticides stored in warehouses all over Bulgaria. This poses a serious environmental hazard, and the disposal work is under way. Bulgaria has also launched a pilot project to build collection points for household hazardous waste in five municipalities.

■ Improving public safety and security



With additional technical resources for collecting evidence, the Bulgarian criminal police can now investigate cases more independently.
© SDC

Security in the Schengen Area

The abolition of border checks on persons within the Schengen Area calls for increased police cooperation and an improved exchange of information between the national police coordination unit and the EU-wide Schengen Information System. In this regard, Switzerland has helped to increase the level of professionalism of Bulgaria's police coordination unit and, at the same time, consolidated Bulgarian-Swiss police cooperation.

Preventing and combating human trafficking

Close cooperation with Swiss authorities and civil society organisations makes it easier to identify and support victims of human trafficking in Bulgaria and Switzerland. A 34-bed transit centre and two reception centres were opened in the capital. Also, 150 victims identified abroad received return assistance and support for their reintegration in Bulgaria. Prevention campaigns have been launched to curb human trafficking, and a new victim hotline was set up.

■ Strengthening civil society

Civil society fund

A total of 45 NGOs received financial support from a fund to promote and strengthen civil society participation in Bulgaria's economic and social development. Social and environmental projects have enabled the NGOs concerned to strengthen their capacities, mobilise public support for their concerns and influence various reforms.



Bulgarian farms have benefited from advice on sustainable resource use © SDC

Regional development and nature conservation

Switzerland promotes sustainable agriculture in protected areas, the development of regional products and ecological tourism in the poorest peripheral regions of Bulgaria. The association of 23 rural organisations under a coalition umbrella is a model for cooperation between NGOs. For example, Bulgarian and Swiss NGOs have supported around 50 agricultural firms in processing and marketing dairy products directly on the farm and in setting up a weekly farmers' market in the capital. Studies show that direct sales can generate three times as much income. The Ministry of Agriculture is therefore providing financial aid for other cities wishing to introduce similar farmers' markets.

Partnership fund

In Bulgaria, 27 projects were carried out in partnership with Swiss organisations. For example, the cities of Thun and Gabrovo ran a joint project. Cooperation with civil society organisations promotes the country's continued development and the exchange of knowledge and experience in a wide variety of areas.

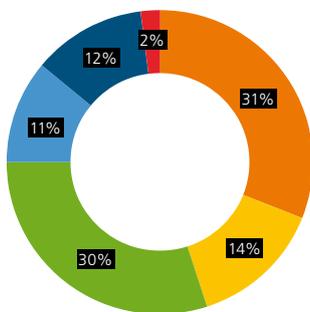
The enlargement contribution in Romania



Population: 19.6 million
Swiss imports from Romania: CHF 643 million
Swiss exports to Romania: CHF 745 million
Real GDP growth rate: 6.9%
Purchasing power relative to EU average: 63%
(Source: Eurostat, Swiss foreign trade statistics, 2017)

In Romania, Switzerland is contributing CHF 172 million to support 17 projects and seven thematic funds (with 44 sub-projects) up to 2019. Two projects and two thematic funds have now ended. The following are the results achieved by the end of 2018.

Breakdown of the enlargement contribution for Romania by project objective



- Promoting economic growth and improving working conditions**
10 (sub-)projects CHF 53 352 250
- Improving social security**
11 (sub-)projects CHF 24 257 382
- Protecting the environment**
14 (sub-)projects CHF 52 169 669
- Improving public safety and security**
22 (sub-)projects CHF 17 999 999
- Strengthening civil society**
(sub-)projects CHF 21 166 970
- Project preparation and technical assistance**
2 (sub-)projects CHF 3 003 730

Total CHF 171 950 000

Not including the implementation costs on the Swiss side.

■ Promoting economic growth and improving working conditions

Vocational orientation for schools and businesses

Taking part in teaching modules geared towards the job market has helped over 9,000 students and apprentices at 180 schools assess their skills and get to know the real working world. More than 900 instructors received training to improve their career guidance and student-centred teaching skills. In addition, new interdisciplinary course content responding to job-market requirements has been integrated into school curricula nationwide.

Research

Scholarships have enabled 88 PhD students and postdoctoral researchers to complete a research residency at a Swiss university. Also, 27 research partnerships have been established as part of a research fund for joint Romanian-Swiss projects. Researchers have published 137 articles in scientific journals and presented their findings at over 170 conferences.

Support for SMEs

Many Romanian SMEs lack the collateral needed to qualify for a loan. Switzerland is therefore contributing CHF 24.5 million to a fund which enables creditworthy SMEs in eight selected sectors to access the finance they need to grow. With the fund as collateral, one of Romania's leading commercial banks is offering secured loans of up to CHF 300,000 to help SMEs invest in their business and improve their competitive standing. By the end of 2018 it had financed over 460 loans, securing some 3,000 jobs to date.



Switzerland provides support to help farms market their products in Bucharest and Ploiești. © SECO

Export promotion

Although Romania has a long tradition of commercial farming and timber processing, these industries have traditionally mainly served only the domestic market. However, longer-term growth will require trade and the ability to compete internationally. A Swiss project is now addressing this need, helping SMEs in organic farming and wooden furniture production prepare for the export market and increasingly take over more of the lucrative production steps along the value chain. To date, 82 SMEs have received training in marketing and management at two export business centres, in central and north-eastern Romania. As part of this training, their products were analysed, quality assurance criteria such as organic certification were introduced, and business clusters were formed so as to produce the quantities and quality required for export. A total of 30 SMEs from both sectors presented their products at two international exhibitions in Budapest and Dubai.

Improving social security



With many years of valuable know-how, Swiss Air-Rescue Rega is helping to improve Romanian rescue services. © SDC

A better and safer air rescue service

As part of a partnership, Swiss Air-Rescue Rega organised and coordinated training courses for Romanian helicopter pilots. 34 pilots upgraded their flight techniques in 47 training modules. Another 30 aircraft maintenance and flight mechanics also received basic safety training.

Inclusion of Roma and other minorities

More than 4,000 members of the Roma community benefit from better access to public institutions and services in education and health, including over 1,700 children who can now attend kindergarten or after-school programmes. Health projects include vaccination campaigns, medical assistance and training of professionals.

■ Protecting the environment



By promoting electromobility, Suceava can save on energy costs and reduce air pollution and noise in the city. © SECO

Energy efficiency and renewable energy

With Swiss cooperation, Romania has selected four pilot energy cities: Arad, Braşov, Cluj-Napoca and Suceava. Based on the action plans jointly developed with these cities, Switzerland is supporting a number of infrastructure projects for a more sustainable use of energy. Three cities have installed a total of around 7,500 new energy-efficient street lights. In two cities, the refurbishment of four schools to make them energy efficient is practically complete. The first 11 of Romania's new electric buses are circulating in Cluj-Napoca, running on electricity from 13 charging stations. Suceava has purchased 16 electric buses and installed 28 charging stations for electric vehicles. The city has also introduced an e-bike rental scheme. Meanwhile, smaller towns with less financial means are also receiving support for some less complex infrastructure projects.

Public transport

In Bucharest, the urban metro system is in need of investment. The metro operator's plans include extending line 4 to better connect the outskirts of the city with the centre. Switzerland is supporting this project by co-financing various studies, which are a prerequisite for funding the implementation stage of the project. A Swiss company is part of the consortium undertaking the studies.

■ Improving public safety and security

Combating corruption and organised crime

The Romanian judicial office has trained around 10,000 judges and prosecutors in the application of new criminal laws. Training manuals to help implement the laws have also been distributed throughout the country.

Prevention and security

Switzerland is supporting the reform of the Romanian police. Around 2,500 police officers took part in training courses on communication and mediation, both of which are indispensable skills for community policing. In addition, 240 officers took a course in Romani to learn the language of the Roma. This is helping to improve security in rural areas. Furthermore, a workshop has been set up in which offenders perform services in communities. Replacing prison sentences by community service increases the chances of reintegration.



Training in Roma culture and language is helping police officers to build trust among the Roma community. This makes it easier to solve problems at local community level. © SDC

■ Strengthening civil society

Around 40 projects in Romania are promoting the exchange of knowledge and experience between Swiss and Romanian civil society organisations. This has benefited some 200 experts in fields such as environmental protection, social welfare and health. In addition, around 100 Romanian NGOs active in these areas have also received financial contributions to build their institutional capacity. As the mouthpiece of civil society, they actively participate in political decision-making processes.



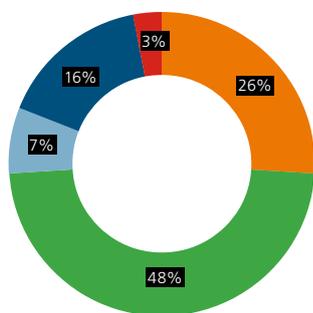
Many skilled workers leave Romania due to a lack of prospects. That is why social institutions are being given support to help create job opportunities and social prospects for the local population. © SDC

The enlargement contribution in Croatia



Population: 4.2 million
Swiss imports from Croatia: CHF 201 million
Swiss exports to Croatia: CHF 221 million
Real GDP growth rate: 2.8%
Purchasing power relative to EU average: 62%
 (Source: Eurostat, Swiss foreign trade statistics, 2017)

In Croatia, Switzerland is contributing CHF 42.75 million to support twelve projects over the period 2015–24. The following are the results achieved by the end of 2018.



Breakdown of the enlargement contribution for Croatia by project objective

- **Promoting economic growth and improving working conditions**
4 projects CHF 11 000 000
- **Protecting the environment**
3 projects CHF 20 598 200
- **Improving public safety and security**
1 project CHF 3 000 000
- **Strengthening civil society**
2 projects CHF 6 800 000
- **Project preparation and technical assistance**
2 projects CHF 1 351 800

Total CHF 42 750 000

Not including the implementation costs on the Swiss side.

■ Promoting economic growth and improving working conditions



A modern vocational education and training system prepares young people better for the labour market. © SDC

Modernising the vocational education and training system

In Croatia, the average youth unemployment rate is high at 30% and is on the rise in skilled trades as vocational schools and training in this sector are outdated. Switzerland is therefore supporting the modernisation of the vocational education and training system. The curricula in regard to chimney cleaning, glass construction technology and cosmetics have been overhauled.

Promoting SMEs

Croatia lags behind other EU member states in terms of product innovation. By contributing to the Croatian 'Eurostars' programme, Switzerland supports international R&D undertaken by Croatian SMEs in cooperation with European partners. Successful applicants can use the funding to develop innovative products, processes and services and take them to market. To date, four Croatian companies – in the areas of biotechnology, energy and ICT – have received Eurostars funding. One of the four projects has now been completed.

Strengthening Croatia's position as a research centre

Croatia's R&D spend has been in decline since 2009 and lies well below the EU-28 average. The share of scientific publications by Croatian researchers is three times below the EU average. Switzerland is helping to boost Croatia's research system by promoting a new career model for university lecturers. To counteract the brain drain of qualified researchers, young researchers are receiving financial support to implement their projects in Croatian research institutions. This model of career promotion, as applied at the Swiss Federal Institute of Technology in Lausanne (EPFL) and across Europe, is now also in place in Croatia. A committee of experts selected four promising research projects for future funding. Switzerland is also promoting greater international research cooperation. This is done through joint research projects by teams from Switzerland and Croatia. The Swiss National Science Foundation (SNSF) and the Croatian partner agency selected 11 research projects that promise significant findings in the natural and social sciences.

■ Protecting the environment

Developing drinking water and wastewater systems

Many regions in Croatia have a dilapidated drinking water supply with high loss rates. In addition, there is a substantial backlog in the construction of efficient systems for treating domestic wastewater. Currently many residents collect their wastewater in septic tanks. The tanks, which are dug straight in the ground with or without concrete walls, are regularly emptied. In the Gorski Kotar region of north-western Croatia, Switzerland is assisting the three municipalities of Delnice, Fužine and Brod Moravice in the construction and rehabilitation of wastewater and water infrastructure. Construction work began once the feasibility studies and environmental impact reports were prepared and the tendering procedure was completed.



A Swiss expert inspecting the drinking water reservoir built in 1960 in the Croatian municipality of Fužine. © SECO

■ Improving public safety and security

Demining activities and reintegrating landmine victims

Mines and other explosive remnants of war are a dangerous legacy from the 1991–96 war in Croatia. To date, 294 local deminers have defused 3,585 explosive remnants of the war, covering 1.8km² of the Kotar-Stari Gaj woods. This corresponds to about 10% of the mines still suspected in Croatia. The Swiss-Croatian project also supports victims and their families by developing measures for economic and social integration and a national database to analyse their needs.



Switzerland's demining project in Croatia is helping to create a safe and protected environment for people living in mine-infested areas. © CROMAC

■ Strengthening civil society

Supporting civil society initiatives

Civil society organisations are particularly important for raising awareness and education about sustainable development and environmental protection. Switzerland is therefore making funding available for around 40 projects to be run by NGOs in the field of environmental education. A wide variety of activities aim to help improve the skills and knowledge of children and young people in sustainable development. Schools will also raise awareness among teachers and parents.

Partnerships between Swiss and Croatian institutions

Switzerland has lent its support to about 20 partnership projects which promote the exchange of knowledge and experience between Swiss and Croatian NGOs.

Outlook

The projects in Bulgaria and Romania run until 2019 and those in Croatia until 2024. Regular project reports and visits ensure that SECO and the SDC continually assess the progress of the projects and take timely measures to minimise risks.

Following a consultation in which the contribution received largely positive feedback, the Federal Council decided at its meeting on 28 September 2018 to approve the dispatch on a second contribution to selected EU member states. The decision to approve the corresponding framework credits lies with Parliament. At the time the dispatch was referred to Parliament, some important questions regarding Switzerland's overall relations with the EU were still unresolved, including the outcome of negotiations on the institutional agreement and the recognition of stock exchange equivalence. The latter is considered essential by the Federal Council. When adopting the dispatch, the Federal Council noted that developments in the relationship between Switzerland and the EU could be taken into account in the parliamentary debate.

Like the original enlargement contribution, Switzerland's second such contribution is to be for CHF 1.302 billion and disbursed over a period of ten years. Of this, CHF 1.102 billion is earmarked for the countries which joined the EU since 2004 (EU-13). This contribution is to be used to reduce social and economic disparities between the partner countries and the rest of the EU and create better prospects for the people living there. Among other things, Swiss expertise in vocational training is to be drawn upon to improve the training of skilled workers and contribute to reducing youth unemployment in the partner countries. The remaining CHF 200 million is to be used for migration-related measures, including in other EU countries outside the EU-13 which are particularly affected by migration flows.

Further information on Switzerland's contribution to the enlarged EU and the second Swiss contribution is available in English, French, German and Italian at www.swiss-contribution.admin.ch.



Switzerland is helping Romanian towns and cities to develop and implement sustainable energy strategies. Braşov and Cluj-Napoca are focusing on improving the energy performance of four schools. © SECO

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