



The Swiss Enlargement Contribution

Annual Report 2011



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

**Swiss Agency for Development
and Cooperation SDC**

**State Secretariat for
Economic Affairs SECO**

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The Swiss Enlargement Contribution Annual Report 2011

The approval process for projects within the frame of the Switzerland's Enlargement Contribution unfolded in a satisfactory manner. The number of definitively approved projects virtually doubled in comparison with last year. Numerous projects that had been approved in the previous years were able to be further implemented according to plan.

With its Enlargement Contribution, Switzerland is participating in the reduction of the economic and social disparities in the enlarged European Union (EU). The Enlargement Contribution to the benefit of the ten countries that acceded to the European Union in 2004 (collectively referred to as the EU-10) is endowed with the sum of CHF 1 billion. The supplementary contribution for Bulgaria and Romania, which have been members of the EU since 2007, comes to CHF 257 million.

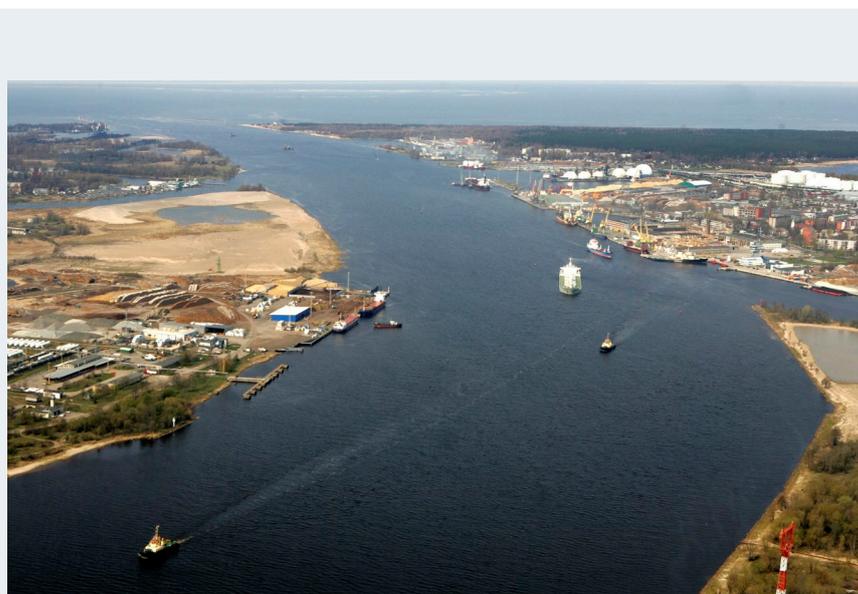
With respect to the EU-10 countries, by the end of 2011, progress continued to be achieved in the approval process. Switzerland has at present **definitively approved an overall 144 projects for a total volume of CHF 694 million**. In addition, **72 project proposals representing a total of CHF 268 million were accepted with provisional approval**. The implementation of the already approved projects unfolded according to plan.

By the end of 2011, some 53% of the contribution funds amounting to CHF 257 million earmarked for programmes in Bulgaria and Romania were able to be provisionally or definitively committed. This includes support for 11 so-called Thematic Funds as well as funding for the first individual projects.



Two-stage project approval procedure

The decision-making bodies of the SDC and SECO use a two-stage approval procedure to examine project proposals: only after the preliminary project proposal has been approved (stage 1) is the applicant allowed to prepare and submit a detailed project proposal (stage 2). This two-stage approval procedure improves the quality of projects since the preliminary project proposal approved in stage 1 can be used as the basis for determining action to be taken from stage 2 onwards. At the same time, it reduces the applicant's preparation costs if the project proposal does not make it past stage 1.

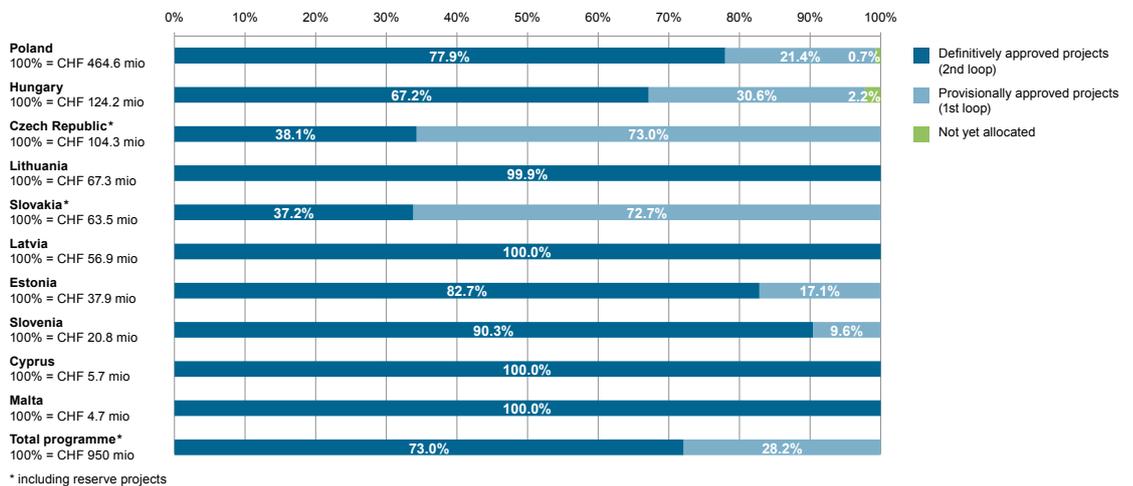


Distribution of funds and status of the project approval process in the EU-10 countries

In any given country, some 95% of the enlargement contribution is available for project financing. The remaining five percent is used to cover the administrative costs on the Swiss side. Hence, the total value of the EU-10 project portfolio stands at CHF 950 million. By the end of 2011, more than 100% of this amount had been committed, i.e., 73% for definitively approved projects and 28% for provisionally approved project proposals. The latter also includes reserve projects in the Czech Republic and in Slovakia, all of which will be unable to be definitively approved.

EU-10

Distribution of funds and status of the two-stage project approval process by country (status 31.12.2011)



Romania and Bulgaria

Distribution of funds and status of the two-stage project approval process by country (status 31.12.2011)



Overview according to partner country

In the following text boxes you will find information on the progress achieved in 2011 in each of the individual ten new EU-Member States.



In **Poland**, by the end of 2011 nine infrastructure projects for a total amount of CHF 109 million had been definitively approved. The focus was on projects in the area of waste management on municipal level, the improvement of energy efficiency, and the security of public regional and local transportation. In the private sector, one project was approved in 2011 that aims at fostering the social responsibility of business enterprises. In addition, ten projects to promote rural regions in Poland, representing a total of over CHF 48 million, and one project in the domain of security, endowed with funds of more than CHF 5 million, were also definitively approved.



In **Hungary**, two smaller projects falling under the domain of promotion of the private sector and focusing on the promotion of tourism received definitive approval. In addition, the Swiss side definitively approved two regional-development programmes in 2011 targeting the creation of jobs and thereby a better outlook for the future in economically disadvantaged regions. Some 12 project proposals in the domains of biodiversity, protection against floods, healthcare, and safety were also provisionally approved over the course of the year. Meanwhile, several projects in the domains of infrastructure and research are already being implemented, and Switzerland was able to examine the first interim reports on project progress. As for research, a scholarship fund along with Hungarian-Swiss research projects is contributing to the promotion of Hungary as a research centre. Finally, some other projects within the scope of the Partnership Fund that expressly draw benefit from Swiss know-how and expertise were provisionally approved.



In the **Czech Republic**, co-financing was granted to a project implementing Swiss-Czech cooperation in the domain of primary and secondary healthcare for seniors and the handicapped/chronically ill, to the tune of CHF 11.2 million. A project to improve the training and advanced qualifications of judiciary staff professionals and law enforcement officers received support in the amount of CHF 1.4 million. In addition, eleven projects in the domain of the promotion of regional development in the social sphere (in particular the renovation of old-age nursing homes) were provisionally approved along with nine projects aimed at strengthening the police and two projects in the domain of natural-disaster management.



In **Lithuania**, some CHF 45.6 million were granted to support a programme to improve healthcare for mother and child. This means that in over twenty hospitals throughout the country, both the required equipment is to be improved and the energy efficiency is to be increased. A programme to foster research and development in the amount of CHF 9 million was also definitively approved in 2011. Thanks to these Lithuanian-Swiss research projects, the already-existing economic potential in Lithuania is to be galvanized, while simultaneously fostering applied research. Likewise, a fund in excess of CHF 6.5 million for the promotion of civil society was also definitively approved. This means that at the end of 2011, all projects covered by the enlargement contribution in Lithuania had been definitively approved.



In **Slovakia**, support was provided for a project in the domain of fostering vocational education and training in an amount of just under CHF 3.9 million, and for two projects in the domain of nature protection and conservation of forests for a total amount of over CHF 4 million. An overall total of CHF 16.8 million was earmarked for the co-financing of six projects to foster regional development in the social domain and in the tourism branch, along with two projects aimed at combating organized crime and a project to enhance the management of natural disasters.





In **Latvia**, all projects covered by the Enlargement Contribution were definitively approved. In the domain of environment and infrastructure, a project was approved for the improvement of water quality and the rehabilitation of polluted areas in the industrial port of Riga representing an amount of some CHF 13 million. A CHF 7.5 million micro-credit programme is also underway to foster the Latvian private economic sector. Thanks to a project that met with great popularity on the part of the local populations in Latvia, and that was already able to be completed in 2011, a total of 110 new busses were delivered to Latvian communities, thus contributing to the improved transport of schoolchildren.



In **Estonia**, Switzerland is financing an infrastructure project in the amount of CHF 8.5 million. Thanks to this project, in the future the Estonian authorities will be better able to monitor the quality of air and water as well as radiation, and be more easily able to localize natural disasters. With the financing of two mutually complementary projects in the amount of CHF 3.3 million, Switzerland is contributing to the technological optimization of emergency call services and ambulance rescue brigades in Estonia. Still another project now in its implementation phase concerns the construction of new children's homes, for which Switzerland is providing financial support amounting to CHF 5.6 million.



In **Slovenia**, most of the projects had already been definitively approved prior to 2011 and are now in the implementation phase.



In **Cyprus**, by the end of 2011 all of the funds for projects had definitively been committed. In the domain of professional training, a project is currently being implemented in cooperation with a Swiss partner. A project aimed at protecting the marine ecological system was withdrawn in early 2012 and had to be replaced by a new project. This project for the new construction of a modern sludge treatment plant will receive final approval in the spring of 2012.





In **Malta**, all of the projects had already gone over to their implementation phase during the year 2010.



In **Romania**, six of the seven planned Thematic Funds have been approved and have formally entered into force thanks to an agreement concluded with the Romanian Ministry of Finance. The corresponding “Swiss Intermediate Bodies” acting as Fund Administrators, have begun their work and launched the operationalization of the individual Funds together with their Romanian partners. The preparatory work for the big “energy city” programme, designed to provide technical support and professional know-how to four cities so that they may acquire the “energy city” label, were approved and gotten underway in 2011. The project outline for the modernization of the underground transportation system in Bucharest was also approved.



In **Bulgaria**, five of the six planned Thematic Funds have been approved and have formally entered into force thanks to an agreement concluded with the Bulgarian Ministry for EU Funds Management. The operationalization of the individual Funds by way of the “Swiss Intermediate Bodies” or Fund Administrators and their local partners in Bulgaria has also gotten underway. The project preparation facility agreement was signed in March 2011. This support service facilitates compliance with the quality requirements and technical demands of the final project proposal. It is a key component in the acceptance process for projects in the domain of infrastructure funding and private-sector promotion.



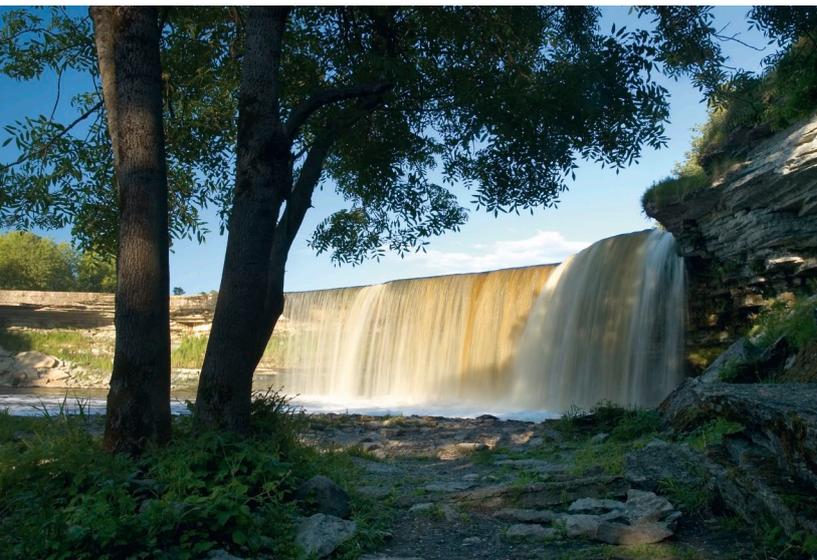


Outlook

14 June 2012 marks the end of the commitment period for the Enlargement Contribution to the benefit of the EU 10. Until then, the approval of some additional 76 projects is still pending. Both SECO and the SDC are confident that the target will be reached in good time.

Next status update scheduled for mid-June 2012

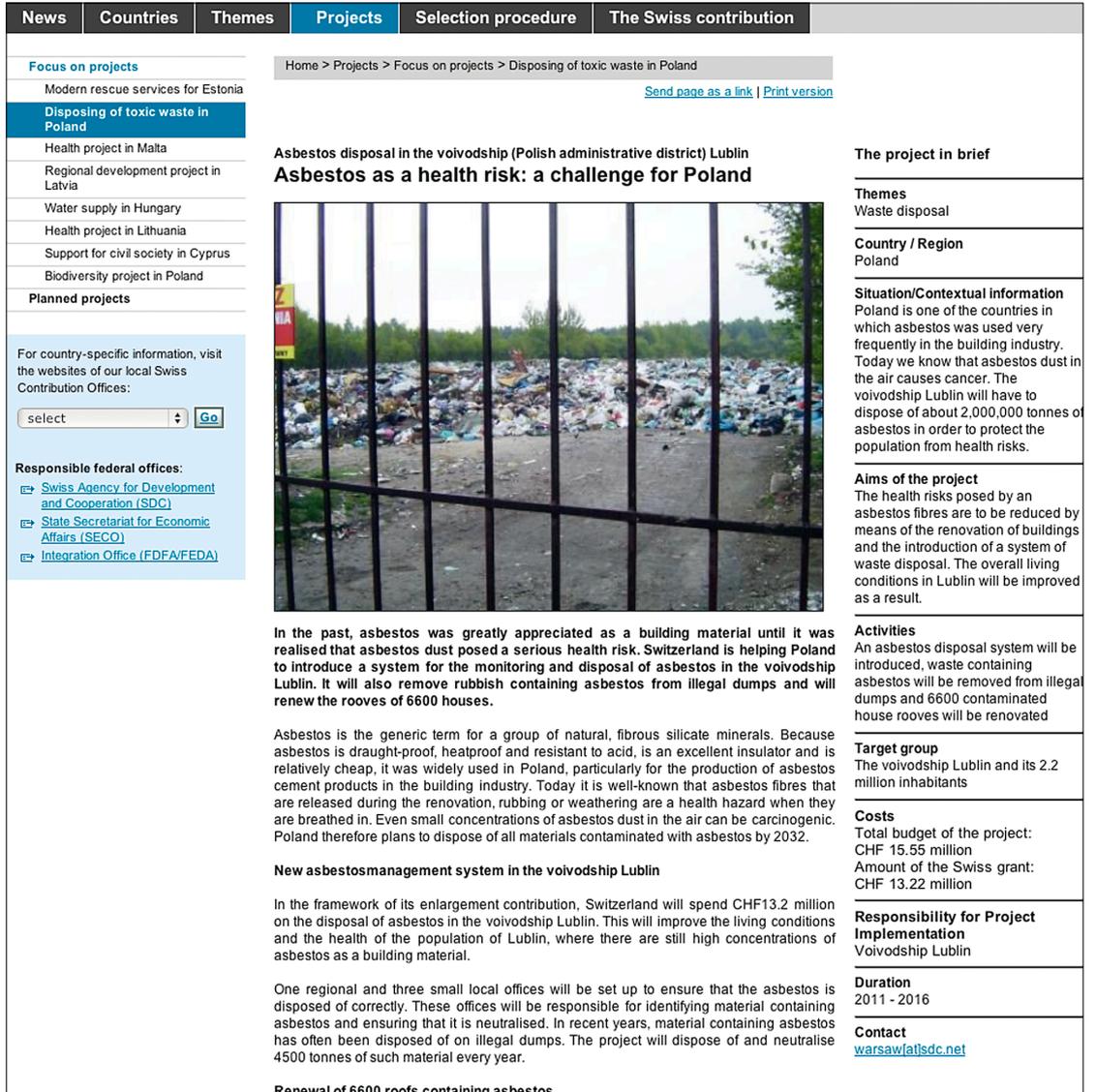
After the commitment period has come to an end, the competent authorities in Switzerland and in the partner countries will provide information on all of the approved projects. A first status report is planned to be published in June and an expanded status report in autumn 2012.



Focus on Projects

www.swiss-contribution.admin.ch

This selection of diverse projects presents the Swiss Enlargement Contribution to the twelve partner countries by way of specific examples.



The screenshot shows a website interface with a navigation menu at the top: News, Countries, Themes, **Projects**, Selection procedure, and The Swiss contribution. A green arrow points to the 'Projects' tab. Below the menu, a breadcrumb trail reads: Home > Projects > Focus on projects > Disposing of toxic waste in Poland. A second green arrow points to the 'Disposing of toxic waste in Poland' link in the left sidebar. The main content area features the title 'Asbestos disposal in the voivodship (Polish administrative district) Lublin' and a sub-header 'Asbestos as a health risk: a challenge for Poland'. A photograph shows a large pile of waste behind a metal fence. To the right, a table provides project details:

The project in brief
Themes Waste disposal
Country / Region Poland
Situation/Contextual information Poland is one of the countries in which asbestos was used very frequently in the building industry. Today we know that asbestos dust in the air causes cancer. The voivodship Lublin will have to dispose of about 2,000,000 tonnes of asbestos in order to protect the population from health risks.
Aims of the project The health risks posed by an asbestos fibres are to be reduced by means of the renovation of buildings and the introduction of a system of waste disposal. The overall living conditions in Lublin will be improved as a result.
Activities An asbestos disposal system will be introduced, waste containing asbestos will be removed from illegal dumps and 6600 contaminated house rooves will be renovated
Target group The voivodship Lublin and its 2.2 million inhabitants
Costs Total budget of the project: CHF 15.55 million Amount of the Swiss grant: CHF 13.22 million
Responsibility for Project Implementation Voivodship Lublin
Duration 2011 - 2016
Contact warsaw@atlsdc.net

Below the photo, text describes the project's goals: 'In the past, asbestos was greatly appreciated as a building material until it was realised that asbestos dust posed a serious health risk. Switzerland is helping Poland to introduce a system for the monitoring and disposal of asbestos in the voivodship Lublin. It will also remove rubbish containing asbestos from illegal dumps and will renew the rooves of 6600 houses.'

Additional text explains: 'Asbestos is the generic term for a group of natural, fibrous silicate minerals. Because asbestos is draught-proof, heatproof and resistant to acid, is an excellent insulator and is relatively cheap, it was widely used in Poland, particularly for the production of asbestos cement products in the building industry. Today it is well-known that asbestos fibres that are released during the renovation, rubbing or weathering are a health hazard when they are breathed in. Even small concentrations of asbestos dust in the air can be carcinogenic. Poland therefore plans to dispose of all materials contaminated with asbestos by 2032.'

New asbestos management system in the voivodship Lublin

In the framework of its enlargement contribution, Switzerland will spend CHF13.2 million on the disposal of asbestos in the voivodship Lublin. This will improve the living conditions and the health of the population of Lublin, where there are still high concentrations of asbestos as a building material.

One regional and three small local offices will be set up to ensure that the asbestos is disposed of correctly. These offices will be responsible for identifying material containing asbestos and ensuring that it is neutralised. In recent years, material containing asbestos has often been disposed of on illegal dumps. The project will dispose of and neutralise 4500 tonnes of such material every year.

Renewal of 6600 roofs containing asbestos

Other "Focus on Projects" examples and complementary information on the Swiss Enlargement Contribution can be found at:
www.swiss-contribution.admin.ch

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