

## Annex 1: Conceptual Framework of the Swiss-Slovenian Cooperation Programme

The Conceptual Framework is an integral part of the Framework Agreement between the Swiss Federal Council and the Government of Slovenia concerning the implementation of the Swiss-Slovenian Cooperation Programme. The Conceptual Framework defines objectives, principles, strategies, thematic focus as well as indicative financial allocations.

### 1. Objectives

The Swiss-Slovenian Cooperation Programme pursues two objectives:

- To contribute to the reduction of economic and social disparities between Slovenia and the more advanced countries of the enlarged European Union (EU); and
- To contribute within Slovenia to the reduction of economic and social disparities between the dynamic urban centres and the structurally weak peripheral regions.

The Swiss-Slovenian Cooperation Programme includes national and trans-national Projects that support a sustainable, economically and socially balanced development.

Towards the end of the implementation period of the Swiss Contribution, both Parties may jointly decide on a global evaluation of the results achieved by the Swiss-Slovenian Cooperation Programme.

### 2. Principles

The Swiss-Slovenian cooperation is guided by the following principles:

**Transparency.** Transparency and openness are key to all cooperation activities and are binding at all levels. Special emphasis shall be given to transparency in project selection, contract awarding and financial management.

**Social inclusion.** Cooperation activities aim at including socially and economically disadvantaged individuals and groups in the opportunities and benefits of development.

**Equal opportunities and rights.** Cooperation activities aim at increasing women's and men's opportunities to exercise their rights equally through a gender-based approach.

**Environmental sustainability.** Cooperation activities aim at incorporating requirements of environmental sustainability.

**Commitment by all stakeholders.** All institutions and decision-makers involved in the Swiss-Slovenian Cooperation Programme are committed to an efficient and effective implementation of the agreed Projects.

**Subsidiarity and decentralisation.** Cooperation activities aim at including considerations of subsidiarity and decentralisation primarily in Projects at the municipal and regional levels.

## 3. Strategies

### 3.1 Main Strategic Considerations

The Swiss-Slovenian Cooperation Programme is part of a comprehensive national development planning that includes the structural and cohesion programmes of the EU as well as the programmes of the EEA and the Norwegian Financial Mechanisms. The Swiss Contribution shall be complementary to these programmes and mainly focus on Projects that are not or only partially covered by other financial sources.

Main strategic considerations include:

**a. Focusing.** The Memorandum of Understanding between the Swiss Federal Council and the Council of the European Union defines four funding guidelines for the Contribution:

- Security, stability and support for reforms;
- Environment and infrastructure;
- Promotion of the private sector; and
- Human and social development.

These funding guidelines and the related focus areas provide a broad base for cooperation. Efficiency and effectiveness considerations as well as concern for the optimal allocation and use of available resources, are important. Therefore, the Swiss-Slovenian Cooperation Programme shall have a clear strategic focus, guided by the following considerations:

- Concentration on a maximum of five focus areas in which at least 70% of the Contribution shall be spent (thematic concentration). The selection of the focus areas may be need-based and may take specific Swiss know-how into account.

Concentration on a relatively small number of programmes and individual projects.

**b. Programme approach.** A programme consists of component projects linked by a common theme or shared objectives. A programme approach shall be applied in focus areas which display several of the following characteristics: large financial Commitments; linking of different levels (national, regional, local); variety of actors; contribution to policy development; significant contributions to capacity building; and application of a common set of rules and procedures. A programme approach implies a delegated authority for decision-making on individual projects. A programme approach includes: an initial assessment of the focus area; the definition of objectives, guidelines and budgets; a programme implementation plan; and a sector monitoring and evaluation concept. To assure efficiency and effectiveness, the contribution to a specific programme shall represent in general a minimum amount of CHF 4 million.

**c. Individual project approach.** An individual project approach shall be applied in a focus area in which stand-alone projects shall be implemented. To assure efficiency and effectiveness, the contribution for each project under the individual project approach shall represent in general a minimum amount of CHF 1 million. Higher minimal financial volumes may be agreed upon (see Chapter 4 of this Annex). Block Grant financing may provide a means to accommodate smaller projects (see Annex 3).

**d. Trans-national Projects.** The Contribution may be used to finance trans-national Projects.

**e. Partners and beneficiaries.** The Swiss-Slovenian Cooperation Programme shall include partners and beneficiaries from the public and private sectors, non-governmental organisations and other civil society organisations.

**f. Partnerships.** Partnerships between Swiss and Slovenian partners are an enriching element of the Swiss-Slovenian Cooperation Programme. Cooperation and partnerships are strongly encouraged, especially in focus areas in which Switzerland may contribute particular experience, know-how and technologies.

**g. Flexibility.** Within two years after the beginning of the Swiss-Slovenian Cooperation Programme, a review shall assess thematic priorities, redirect the initial financial allocations as agreed, and determine the priorities for the not yet allocated part of the Contribution.

**h. Visibility.** Visibility of the Swiss-Slovenian Cooperation Programme for Slovenian and Swiss citizens is an important aspect that may be taken into account when selecting and implementing Projects. Both Parties undertake to inform proactively on their cooperation.

## 3.2 Implementation Strategies

**a. Identifying Projects.** Project identification significantly impacts the quality of the Swiss-Slovenian Cooperation Programme. Slovenia is responsible for the identification of Projects to be financed by the Contribution. Switzerland can offer Slovenia Project proposals.

**b. Setting Project selection criteria.** Project selection shall be based on a clear set of criteria. General selection criteria shall include:

- Responsiveness to the objectives of the Swiss-Slovenian Cooperation Programme;
- Adherence to the principles of the Swiss-Slovenian Cooperation Programme described in Chapter 2 of this Annex;
- Responsiveness to the strategic considerations outlined in Chapter 3.1 of this Annex;
- Anchoring in the national development planning and, if possible, the National Strategic Reference Framework and the respective Operational Programme(s);
- Innovation and/or the potential to offer new solutions that can be applied subsequently on a larger scale (pilot Projects);
- Capacity of Executing Agency;
- Leverage potential (mobilisation of additional resources);
- Feasibility in the given time-span; and
- Sustainability of results.

Specific selection criteria for each focus area may be formulated prior to starting the implementation of the Swiss-Slovenian Cooperation Programme.

**c. Supporting Project planning.** Project preparation and detailed Project planning are of paramount importance for efficiency and effectiveness in Project implementation. Preparation support may be requested by Slovenia or recommended by Switzerland and shall be financed either with Seed Money or through the Project Preparation Facility (see Annex 3). Should there be insufficient funds available in the Project Preparation Facility to prepare a specific Project, Slovenia may request to transfer the required funds from the respective Focus area or from the not yet allocated part of the Contribution to the Project Preparation Facility.

**d. Enhancing implementation capacities.** Successful Project implementation depends on the capacities of the implementing and monitoring organisations. If need be, capacity enhancement may be requested by Slovenia or recommended by Switzerland and may be financed by the Contribution as an integral part of Project financing.

## 4. Thematic Focus and Indicative Financial Allocations

The following thematic focus and indicative financial allocations shall apply to the Swiss-Slovenian Cooperation Programme:

<b>1. Environment and Infrastructure</b>			
<b>N°</b>	<b>Focus areas</b>	<b>Approach, objectives and eligible Projects</b>	<b>Indicative financial allocation</b>
<b>1</b>	<p><b>Rehabilitation and modernisation of basic infrastructure and</b></p> <p><b>Improvement of the environment</b></p>	<p><b><u>Individual project approach with 2 objectives:</u></b></p> <p><b><u>Objective 1:</u></b></p> <p>To enhance municipal infrastructure services in order to increase living standards and promote economic development.</p> <p><b>Types of eligible projects:</b> Projects of a minimum value of CHF 3 million each in the fields of:</p> <ul style="list-style-type: none"> <li>- Solid waste management: Collection, separation and treatment</li> <li>- Hazardous waste management and disposal, e.g. hospital waste, e-waste, etc.</li> </ul> <p><b><u>Objective 2:</u></b></p> <p>To improve energy efficiency and to introduce renewable energy systems:</p> <p><b>Types of eligible projects:</b> Projects of a minimum value of CHF 3 million each in the fields of:</p> <ul style="list-style-type: none"> <li>- Introduction of renewable energy systems (e.g. biomass, solar, geothermal)</li> <li>- Improvement of energy efficiency in public infrastructure</li> </ul>	<p><b>Up to 8.9738 million CHF</b></p>

<b>2. Promotion of Private Sector</b>			
<b>N°</b>	<b>Focus areas</b>	<b>Approach, objectives and eligible Projects</b>	<b>Indicative financial allocation</b>
<b>2</b>	<p><b>Improving the business environment and the access to financing for SMEs</b></p>	<p><b><u>Individual project approach with the following objectives:</u></b></p> <p><b>a) To promote employment creation.</b></p> <p><b>Eligible project:</b></p> <ul style="list-style-type: none"> <li>- Equity participation in local financial intermediaries</li> </ul>	<p><b>0 million CHF</b></p>

		<p><b>b) To support the effective implementation and enforcement of the Acquis Communautaire targeted to corporate financial reporting.</b></p> <p><b>Eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Institutional and regulatory capacity-building for corporate sector financial reporting and auditing at the national level</li> </ul>	<p><b>1.5 million CHF</b></p>
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<b>3. Human and Social Development</b>			
<b>N°</b>	<b>Focus areas</b>	<b>Approach, objectives and eligible Projects</b>	<b>Indicative financial allocation</b>
<b>3</b>	<b>Research and development</b>	<p><b><u>Programme approach with the following objective:</u></b></p> <p>To strengthen the scientific potential through enhanced access to education and through selective promotion programmes.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Scholarships for advanced degree and post-graduation programmes in Switzerland</li> </ul>	<p><b>Up to 1 million CHF</b></p>
<b>4</b>	<b>Health</b>	<p><b><u>Individual project approach with the following objective:</u></b></p> <p>To assure significant improvements in diagnosis and therapy in the field of oncology.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Acquisition and/or modernization of medical equipment for diagnosis and treatment of oncological diseases</li> </ul>	<p><b>Up to 5.5262 million CHF</b></p>

<b>4. Special Allocations</b>		
<b>Item</b>	<b>Content</b>	<b>Indicative financial allocation</b>
<b>Block Grant</b>	<p><b><u>Programme approach with two objectives:</u></b></p> <p><b><u>Objective 1:</u></b></p> <p>To promote civil society's contribution to economic and social cohesion as important actors of development and participation</p> <p><b>Types of eligible projects:</b></p> <p>Small Project Block grant(s) for the civil society/NGOs contributing primarily to social service provision as well as environmental</p>	<p><b>Up to 3.226 million CHF</b></p>

	<p>concerns, allowing to strengthen organisational capacities</p> <p><b>Objective 2:</b></p> <p>To promote and/or enhance partnerships between municipalities and regions of Slovenia and Switzerland</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Block Grant for the financing of small joint projects in the frame of partnerships</li> </ul>	
<b>Project Preparation Facility</b>	To support the preparation of final project proposals	<b>Up to 0.3 million CHF</b>
<b>Swiss Programme Management</b>	Swiss administration of the Swiss-Slovenian Cooperation Programme (Article 5.3 of this Agreement).	<b>1.1 million CHF</b>
<b>Slovenian Technical Assistance</b>	Slovenian administration of the Swiss-Slovenian Cooperation Programme including preparation, implementation, monitoring, evaluation.	<b>Up to 0.33 million CHF</b>

<b>Overview on the Indicative Allocations</b>	
<b>Funding guidelines</b>	<b>Indicative financial allocation (million CHF)</b>
1. Environment and Infrastructure	8.9738
2. Private Sector	1.5
3. Human and Social Development	6.5262
4. Special Allocations	4.956
5. Not yet allocated	0
<b>Total indicative allocations</b>	<b>21.956</b>

Flexibility Clause: Unused balances of Focus areas shall be added to the unallocated amount once all the final decisions on the Final Project Proposals in the respective Focus area have been taken. The allocation of the unallocated funds shall be done by mutual agreement (e.g. confirmed in the minutes of meetings or by correspondence) between the NCU and SDC/SECO in the course of the operational implementation of the Swiss-Slovenian Cooperation Programme.