Second Swiss contribution to selected EU member states

On 30 September 2021, the Federal Assembly voted to release the second Swiss contribution to selected EU member states. This removed a condition regarding the ‘cohesion’ and ‘migration’ framework credits approved in 2019 which had blocked the implementation of the contribution. The decision to release this second Swiss contribution to selected EU member states is part of the Federal Council’s European policy agenda, which seeks the continuation of the bilateral approach. In swiftly releasing the contribution, Switzerland is sending a positive signal in favour of a well-functioning partnership with the EU following the termination of negotiations on an institutional agreement.

Chronology
Second Swiss contribution
• 30.09.2021 Parliament releases second Swiss contribution (removal of non-discrimination condition)
• 11.08.2021 Adoption by the Federal Council of a dispatch to release the second Swiss contribution (removal of non-discrimination condition)
• 03.12.2019 Parliamentary approval of cohesion and migration framework credits (containing non-discrimination condition)
• 28.09.2018 Adoption of the dispatch on the second Swiss contribution by the Federal Council

First Swiss contribution (contribution to enlarged EU)
• by 2024 Project implementation in Croatia
• 07.12.2019 Completion of implementation in Bulgaria and Romania
• 31.12.2017 Completion of EU10 project implementation
• 30.06.2015 Signing of the bilateral framework agreement with Croatia
• 11.12.2014 Approval by Parliament of the framework credit for Croatia (CHF 45m)
• 01.07.2013 EU accession of Croatia
• 07.09.2010 Signing of the bilateral framework agreements with Bulgaria and Romania
• 07.12.2009 Approval by Parliament of framework credit for Bulgaria and Romania (CHF 257m)
• 20.12.2007 Signing of the bilateral framework agreements with the EU10
• 01.01.2007 EU accession of Bulgaria and Romania
• 14.06.2007 Approval by Parliament of framework credit for EU10 (CHF 1bn)
• 01.05.2004 EU accession of EU10 (Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia)

State of play
On 3 December 2019, Parliament approved a second Swiss contribution to selected EU member states in the form of two framework credits for cohesion and migration. The goal of Switzerland’s contribution is to help reduce economic and social disparities and better manage migration flows in selected EU member states. Parliament also decided that no commitments would be entered into with respect to the framework credits if and for as long as the EU applies discriminatory measures against Switzerland (non-discrimination condition). This subsequently blocked implementation of the contribution.

The European policy decisions taken by the Federal Council on 26 May 2021 also addressed the second Swiss contribution. In a letter of the same date, the Federal Council informed the president of the European Commission that it would ask Parliament to swiftly release the second contribution and aim to finalise with the EU a legally non-binding memorandum of understanding on the second Swiss contribution.
On 11 August 2021, the Federal Council adopted a dispatch on amending the federal decrees on the second Swiss contribution to selected EU member states. It asked Parliament to lift the non-discrimination clause that it passed in December 2019 and release the contribution. On 30 September 2021, Parliament approved the release of the second Swiss contribution.

Second Swiss contribution
The second contribution matches the value of the enlargement contribution, i.e. CHF 1.302 billion, or an average of CHF 130 million a year over a ten-year period. It will be channelled into selected projects and programmes in the partner countries and will not be transferred directly into their budgets or to the EU.

• Switzerland has earmarked CHF 1.102 billion for the 13 EU Member States that have joined the EU since 2004, namely Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Latvia, Malta, Poland, Romania, Slovakia and Slovenia (EU-13). The contribution is intended to strengthen cohesion, with a particular focus on the priority area of vocational education and training. The funding may also be invested in other areas such as research and innovation, welfare and healthcare systems, public safety, civic involvement and transparency, environmental and climate protection and SME financing, in line with the priorities set by the partner countries and Switzerland. Funding commitments in these areas must be made within five years, i.e. by 3 December 2024.

• CHF 200 million will be used for migration-related measures in countries which are particularly affected by migration movements. The contribution can therefore also benefit EU member states outside the EU-13, and will be used by Switzerland to support measures to improve the management of migratory movements.

The federal act on Cooperation with the States of Eastern Europe, which was renewed on 30 September 2016 and came into force on 1 June 2017, serves as the legal basis for Switzerland’s contribution in the area of cohesion. The legal basis for the migration framework credit is the Asylum Act.

First Swiss contribution (enlargement contribution)
Since 2007, Switzerland has contributed CHF 1.302 billion to numerous projects to reduce the economic and social disparities within the enlarged EU. The EU13 are Switzerland’s partner countries for this enlargement contribution.

All projects under the enlargement contribution for the EU10 (those countries that joined the EU in 2004) were successfully completed by the end of 2017 following a ten-year planning and implementation phase. An independent evaluation published in 2016 confirmed that the vast majority of the projects achieved their objectives, in some cases even exceeding the expected results. The projects have made a positive contribution to promoting social and economic development in the partner countries and have made a lasting impact. In Bulgaria and Romania, the implementation phase ended in December 2019. The enlargement contribution in Croatia runs until the end of 2024.

Switzerland’s contribution is not part of the EU’s cohesion policy. Implementation is carried out bilaterally between Switzerland and the partner country in question. Switzerland is careful to allocate the funds in a way that complements the EU cohesion funds.

Meaning
Switzerland’s autonomous contribution is an investment in Europe’s security, stability and prosperity and is thus in Switzerland’s interest. With the second Swiss contribution, Switzerland is also strengthening and deepening bilateral relations with its partner countries and the EU as a whole. By focusing on vocational education and training and on migration, the second Swiss contribution can help to address challenges Europe is currently facing – challenges which also affect Switzerland.

By quickly releasing the second Swiss contribution, the Federal Council seeks to inject fresh momentum into Swiss-EU relations following the termination of negotiations on the institutional agreement. It hopes to initiate a process that will facilitate, in view of the continuation of the bilateral approach, progress on other EU dossiers as well. Ultimately, approval of the contribution underscores Switzerland’s commitment to remaining a reliable partner to the EU and its member states.

Link to PDF
www.fdfa.admin.ch/europe/contribution_en

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