



Switzerland's contribution to the enlarged EU

2017 Annual Report and
results of the country
programmes completed in
the EU-10 countries ■



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Swiss Agency for Development and Cooperation SDC

State Secretariat for Economic Affairs SECO

Cover photo left: in Estonia, Hungary, Lithuania, Poland and Slovenia, Switzerland promoted the use of renewable energy and increased energy efficiency. Switzerland invested a total of CHF 155 million in this sector in the EU-10 countries. Annual carbon dioxide emissions have been reduced by about 100,000 tonnes a year thanks to the implemented measures. © Lauri Laanemets, SECO

Cover photo right: in Lithuania, Switzerland provided 27 maternity hospitals with modern medical equipment, supported the further training of 2,300 nurses and participated in energy-efficient renovations. Switzerland began providing transition assistance to Lithuania in the 1990s to further develop the country's neonatal health services. This long-standing support has made a significant contribution to reducing infant mortality – by 80% compared with 1992. © SDC

Dear reader

The ten-year period for implementing Switzerland's enlargement contribution to the countries that joined the European Union (EU) in 2004 (EU-10 countries) came to an end in June 2017. Switzerland made an overall contribution of CHF 1 billion to support 210 projects in the EU-10 countries. This annual report, produced jointly by the State Secretariat for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SDC), seeks to take stock and answer the following question: has Switzerland's contribution been effective in supporting the reduction of economic and social disparities in the EU?

The results achieved over the past ten years are impressive: in the environmental sector, investments in energy efficiency and renewable energies have reduced CO2 emissions into the atmosphere by about 100,000 tonnes per year, public transport has become a more attractive alternative, and 130,000 tonnes of asbestos have been safely disposed of. Projects to promote economic growth created over 5,000 jobs, and 88 research partnerships between Switzerland and the EU-10 countries made it possible

to register 28 new patents. Switzerland also made an important contribution to the ongoing reforms in the social sector. The introduction of new therapies, for example, improved the living conditions of people in need of support in 93 care homes. To protect public safety, mobile teams at the external Schengen border received 105 special vehicles and invested in further training. To strengthen civil society, Switzerland also supported some 800 NGOs, particularly in the areas of environmental protection and health.

This contribution to a secure, stable and prosperous Europe is in Switzerland's interests. Switzerland is seen as a reliable and innovative partner that makes a constructive contribution to addressing cross-border challenges in Europe. Behind the numbers cited in this report are people – people who have succeeded in translating their ideas into action and improving their living conditions. As a result, numerous partnerships have been established which will help maintain Switzerland's links with its EU partner countries in the future.

We hope you will find this report informative.



Marie-Gabrielle Ineichen-Fleisch
State Secretary
Director of SECO



Manuel Sager
Ambassador
Director General of the SDC

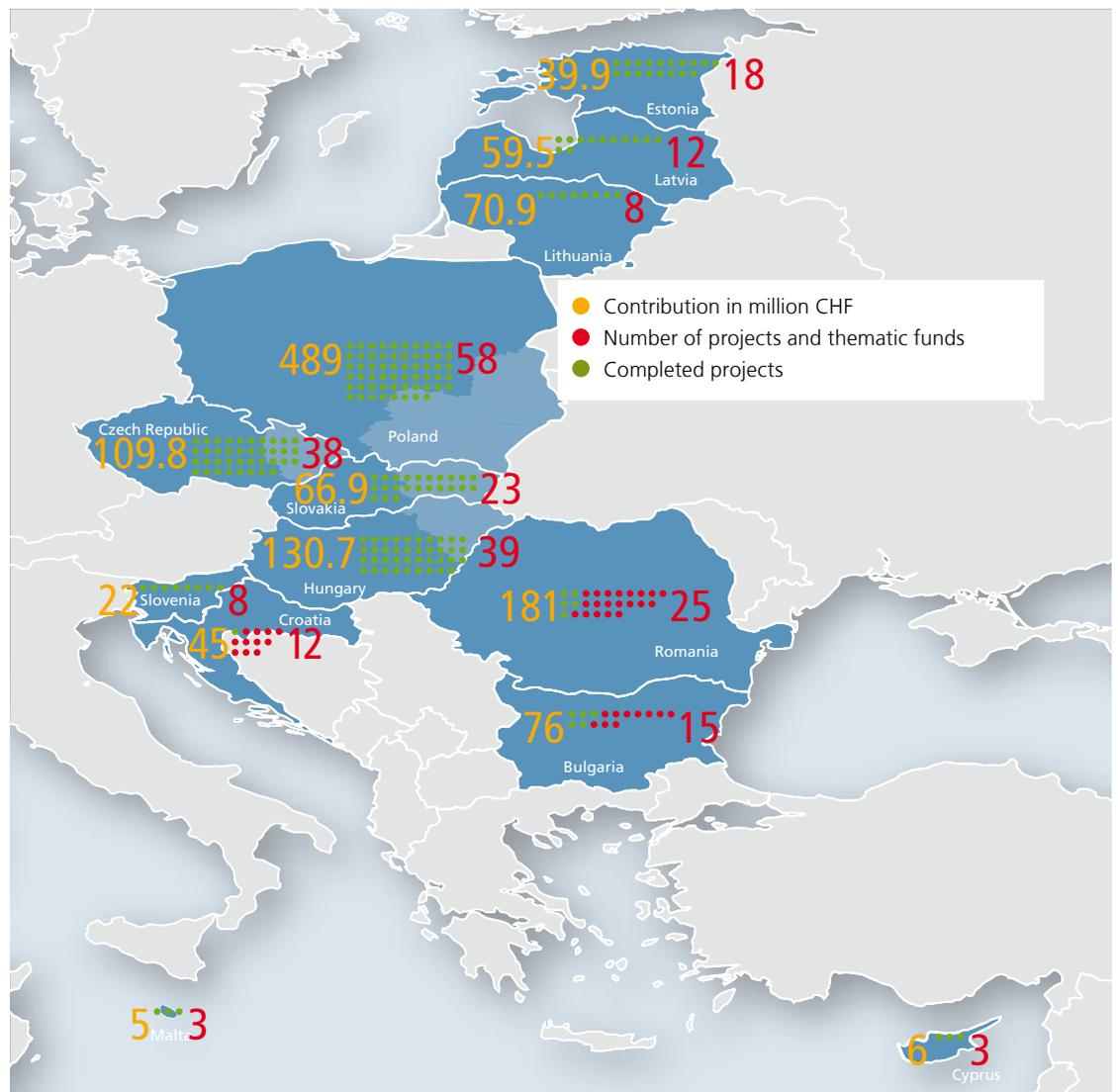


Switzerland's enlargement contribution in brief

Switzerland's independent contribution of CHF 1.302 billion to the enlarged EU in support of bilateral projects in the countries that joined the EU since 2004 (EU-13 countries) has helped to reduce economic and social disparities in those countries. The contribution was based on a 2006 popular vote in which the Swiss electorate approved the Federal Act on Cooperation with the States of Eastern Europe.

Switzerland made this contribution to meet its responsibilities and as an expression of solidarity but

also in its own interest, as the many projects made possible through it strengthened Switzerland's relations with the new EU member states and the EU as a whole. An integral part of Switzerland's European policy, the contribution has bolstered Switzerland's reputation and improved Swiss companies' chances in EU public procurement procedures. Another objective was to help tackle cross-border challenges such as climate change and the fight against organised crime.

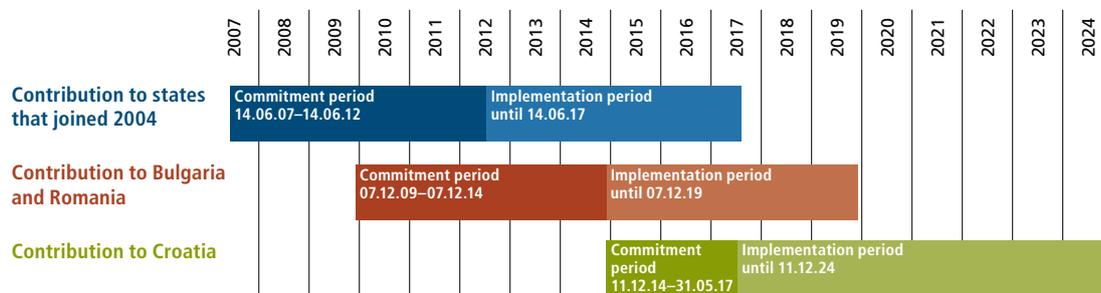


Map: the distribution of the enlargement contribution among the 13 partner countries (EU-13 countries) was based on population size and income per capita. Switzerland decided which projects it would support in consultation with the partner countries and independently of the EU.

In 2017, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia (the EU-10 countries) completed their projects. The projects in Bulgaria, Croatia and Romania are still being implemented. The SDC, SECO and the Swiss offices in the partner countries are provid-

ing efficient and effective support for projects that are still under way. As a rule, the partner countries contributed at least 15% of the project costs themselves. In the event of suspected irregularities, Switzerland could stop payments and reclaim illegally paid contributions.

Time frame of the enlargement contribution



Graph 1: all of the projects have to be completed within 10 years. The projects are selected during the commitment period, which is followed by the implementation period during which all of the projects have to be completed.

Switzerland's contribution in figures:

CHF 1,302 billion to reduce economic and social disparities in the enlarged EU	13 partner countries: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia
82% of the funds committed to the projects was paid out in the EU-13 countries	222 of 263 projects in the EU-13 countries have been completed
5 project goals: promoting economic growth and improving working conditions; increasing social security; protecting the environment; improving public security; strengthening civil society	10% of Switzerland's contribution to the enlarged EU benefited Swiss companies, universities and other Swiss institutions involved in the programmes

Good marks for the enlargement contribution – but let's not rest on our laurels

The audits carried out over the last few years by the Swiss Federal Audit Office and the independent, external evaluation of 2015/2016 confirm that the enlargement contribution concept has proven its worth and has been properly implemented. The evaluation showed that the contribution was implemented successfully and that the projects made a positive contribution to promoting social and economic development in the 13 partner countries. The targets were achieved or exceeded in a large majority of the projects.

Practically all recommendations made by the Swiss Federal Audit Office and the evaluation report for the current enlargement contribution have already been implemented. For example, as was recommended by the Swiss Federal Audit Office, in Bulgaria and Romania the projects are being monitored more closely, reducing the risk of misuse of funds.

With a view to a possible second contribution, the evaluation made the following recommendations in particular:

- Greater thematic and regional focus;
- Simplify the project approval process without compromising quality;
- Clearer guidelines and a leaner system for reporting at project level;
- Strengthen communication measures in the partner countries.

The SDC and SECO see improvement potential and intend to exploit it.

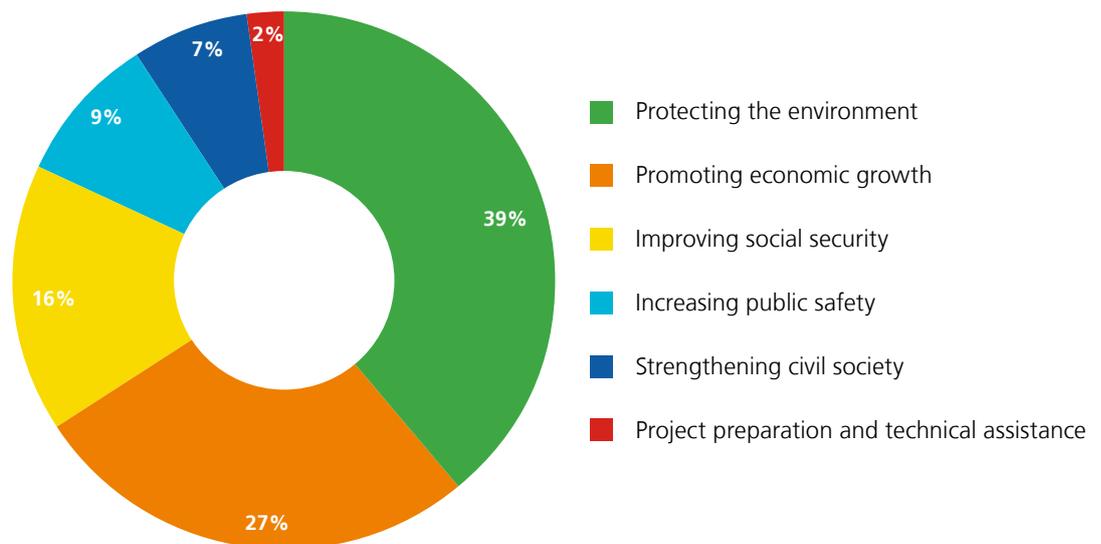
Results in the EU-10 countries

The five objectives of Switzerland's contribution to the enlarged EU

The enlargement contribution helps to reduce economic and social disparities within the enlarged EU. To achieve this, the environment is better protected and economic growth is promoted. Another focus is on the areas of social and public security and strengthening civil society.

The country programmes in the EU-10 countries were concluded in 2017. This annual report therefore focuses on the results achieved in the EU-10 countries. In the various target areas, Switzerland made significant contributions to solving problems and improving the living conditions of large numbers of people.

Moreover, the results achieved by numerous projects serve as models that can be applied in other regions of the partner countries as well as for further systemic and policy reforms. Macroeconomic statistics provide little conclusive information about the effects of the enlargement contribution. It is however clear that the programmes and projects carried out as part of Switzerland's contribution to the enlarged EU have by and large helped to reduce disparities in the partner countries. The following sections provide illustrative examples in support of this conclusion. The annex to this annual report provides detailed descriptions of various projects.



Graph 2: enlargement contribution to the EU-10 countries, broken down by objectives

"It is particularly gratifying that the cooperation had a universal dimension. It wasn't just about supporting investments. It was also about access to high quality expertise." Paweł Chorąży, Undersecretary of State in Poland's Ministry of Economic Development, on Switzerland's contribution to Poland

Protecting the environment

In the EU-10 countries, around CHF 371 million of the enlargement contribution was invested in environmental protection projects. These included infrastructure projects promoting energy efficiency, the use of renewable energy, public transport, safe disposal of hazardous waste, wastewater treatment, drinking water supply and environmental monitoring. Given that environmental pollution and climate change in particular do not stop at national borders, these projects are also in Switzerland's interest. The environmental sector opens up new sales markets for Switzerland, a leading nation in clean technologies.



Energy efficiency and renewable energy

Switzerland's enlargement contribution helped increase energy efficiency and the use of renewable energy in 25,000 households and some 500 public buildings in Estonia, Hungary, Lithuania, Poland and Slovenia. A biomass cogeneration plant was built in Poland and a 648-metre long noise barrier was fitted with solar panels in Slovenia. Annual carbon dioxide emissions were reduced by about 100,000 tonnes a year thanks to these measures. Another important aspect of these projects was to raise public awareness of climate protection and to facilitate the exchange of expertise with Swiss specialists.

Contribution to EU-10 countries: CHF 155.4 million.



Public transport

In Poland and the Czech Republic, passengers benefited from improvements in public transport. Funding was provided for new trains, railway stations, tram and trolleybus lines and tram stops. There were also exchanges of expertise with Swiss specialists. Increased use of public transport helps to reduce greenhouse gas emissions and improve local air quality.

Contribution to EU-10 countries: CHF 67.6 million.



Waste management

Materials containing asbestos were removed from the roofs of 44,000 homes in Poland. Thanks to this building renovation project, 130,000 tonnes of asbestos-containing materials were disposed of in an environmentally friendly and sustainable manner. Five municipalities also participated in the construction of a new waste disposal plant and remediated four landfills. A 1,700 tonne oil slick was pumped out and 7,000 tonnes of contaminated soil was removed and safely disposed of from the port area of Riga, reducing groundwater pollution by 60-70%. Advice provided by Swiss specialists and the use of Swiss technology to monitor the remediation contributed to the project's success.

Contribution to EU-10 countries: CHF 48.8 million.



Switzerland supported ten projects in Poland to promote the use of renewable energy and improve energy efficiency. Presentations on the topic were given in several schools. The photo shows a prize-giving ceremony for children who took part in an art competition on the topic of solar energy. © SECO

"The whole region has gained a better understanding of the benefits of renewable energy." Rok Šimenc, head of the BSC Kranj regional development agency, on the information campaign for the energy projects in Slovenia



Wastewater treatment

In eight Slovakian municipalities, 90km of sewage pipes were newly built or modernised. This is enabling 10,000 people to be connected to the sewerage system, thereby improving their living conditions and preventing water pollution. In Cyprus, a wastewater treatment plant was built to treat industrial sludge and household sewage, leading to a reduction in environmental pollution.

Contribution to EU-10 countries: CHF 30.9 million.



Drinking water supply

In Hungary, 150km of water pipes were renovated or laid, improving water quality for around 200,000 people and lowering maintenance costs.

Contribution to EU-10 countries: CHF 24.9 million.



Biodiversity

Various measures, such as the protection of 4,000 hectares of natural habitat, enhanced plant and animal biodiversity in the Czech Republic, Hungary, Poland and Slovakia. Numerous partnerships were established with Swiss nature conservation organisations. In addition, thousands of government officials and people working in agriculture and forestry received training. In some countries, there was also an emphasis on raising awareness among primary school children. In Hungary, for example, over 200,000 children and young people took part in nature conservation activities.

Contribution to EU-10 countries: CHF 24.1 million.



A 1,700 tonne oil slick was pumped out and 7,000 tonnes of contaminated soil was removed and safely disposed of from the port area of Riga, reducing groundwater pollution by 60-70% – over twice as much as originally planned. © SECO



Switzerland's contribution to the enlarged EU supported the expansion of public transport networks in the Czech Republic and Poland. © SECO



Environmental monitoring

Thanks to the modernisation of the laboratories and monitoring stations of 16 supervisory authorities, agencies and research institutes, the monitoring of waste disposal sites, water, air, radioactivity and natural disasters is now carried out more effectively in Estonia and Hungary. Reliable, nationwide environmental data is not only required to implement various EU directives; it also allows the authorities to make informed and effective decisions to protect the environment. The projects facilitated exchanges with Swiss specialists, and a Swiss company was awarded a contract to supply hardware and software for real-time surveying using GPS.

Contribution to EU-10 countries: CHF 19.3 million

"The project will improve people's quality of life." Miroslav Michalka, a Slovak mayor, on a project co-financed by Switzerland to modernise wastewater treatment systems in eight Slovak municipalities

Promoting economic growth and improving working conditions

In the EU-10 countries, Switzerland invested CHF 257.7 million in projects to promote economic growth and improve working conditions. This included access to long-term funding for SMEs, research and scholarship programmes, support for structurally weak regions, the application of international accounting standards and the promotion of vocational education and training and corporate social responsibility. The Swiss export industry and Swiss investors also benefit from Eastern Europe's growth markets and an attractive environment for developing new business relations. This ultimately helps to secure jobs in Switzerland. The enlargement contribution's strong focus on bilateral research cooperation has also strengthened Switzerland as a centre of research.



Financing for SMEs

Thanks to the enlargement contribution, over 2,000 companies in the Czech Republic, Hungary, Latvia and Poland received microcredits, venture capital and guarantees for investment loans, securing some 4,000 jobs. The funds will continue to operate and secure future jobs after the conclusion of the programme. The projects also opened up business opportunities for a Swiss investment fund. *Contribution to EU-10 countries: CHF 86.1 million.*



Research and development

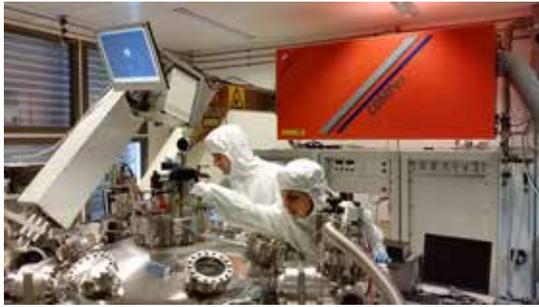
Switzerland funded 88 research partnerships, making it possible to file 28 new patent applications. High-quality basic research was carried out in selected scientific areas such as renewable energy, the environment and health. This is a key factor for developing businesses and creating attractive job opportunities. In addition, as part of a research fellowship programme, 545 young scientists conducted research in Switzerland for several months between 2011 and 2017. The research partnerships enabled researchers to make significant contributions to finding solutions to global challenges, for example in the storage of radioactive waste and in pain research. The scientific articles published by the partner institutions in major peer-reviewed journals have been well received by the international scientific community, allowing the researchers to network with fellow scientists abroad. Favourable conditions have thus been created for the long-term exchange of knowledge with scientists in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia. *Contribution to EU-10 countries: CHF 83.5 million.*



Regional development and employment

Switzerland has helped to promote economic development in structurally weak regions of Hungary, Poland and Slovakia. The Swiss contribution to 15 projects helped to train 24,000 people, set up 160 companies and create 900 jobs, and provided support for a further 1,000 local small businesses and farms. In addition, sports and cultural facilities were upgraded and tourist centres with modern information systems were developed, enhancing the regions' appeal as tourist destinations. *Contribution to EU-10 countries: CHF 60.9 million.*

"My stay in Switzerland allowed me to expand my area of research. I got to know techniques and research methods that were not yet known in Hungary at the time." Peter Matus, a post-doctoral researcher from Hungary, about the Swiss SCIEX scholarship programme



88 bilateral research partnerships facilitated the registration of 28 new patents. © SDC

“Lack of funding is sometimes the only obstacle to putting your ideas into practice.” Rolands Paņko, chairman of the Latvian development bank Altum, on the microcredit programme co-funded by Switzerland



Regulation of the financial sector

The enlargement contribution funded further training for government authorities and private-sector associations in the application of international accounting and auditing standards. The international exchange of experience, including with Swiss supervisory bodies, was an important aspect of these projects. Internationally comparable accounting practices and audits that ensure transaction traceability are improving the investment climate and the stability of the financial sector in the Czech Republic, Estonia, Latvia, Poland and Slovenia.

Contribution to EU-10 countries: CHF 16.8 million.



Vocational education and training

Vocational education and training programmes in Cyprus and Slovakia have made it easier for young people to enter the job market and have helped to lower youth unemployment. In 2017, 440 young people in Slovakia completed practical training programmes developed with funds from the enlargement contribution. The programmes' success prompted the Slovak government to establish a legal framework for a dual education system based in part on the Swiss model.

Contribution to EU-10 countries: CHF 5.5 million.



Corporate social responsibility

Pilot projects in 177 Polish SMEs have strengthened corporate social responsibility.

Contribution to EU-10 countries: CHF 4.9 million



Support for SMEs in the form of microcredits, venture capital and loan guarantees secured 4,000 jobs in the Czech Republic, Hungary, Latvia and Poland. © SECO

Improving social security

Switzerland provided CHF 145.4 million for a wide range of measures to improve social security. The focus was on the elderly, people with health problems and disabilities, and disadvantaged groups such as the Roma minority. Equal opportunities and integration reduce social tensions, ultimately also benefiting Switzerland. The projects in the health sector also opened up opportunities for the Swiss medical technology industry.



Social services for disadvantaged target groups

Renovations, new equipment and continuing education and training have increased the quality of life in 50 Polish, Slovak and Czech homes for the elderly and people with disabilities. Ten new community centres were opened in Slovakia to further the integration of members of the Roma community through training, counselling and homework support. Fourteen residential homes were opened in Estonia, allowing 95 orphans to grow up in a protected environment. In Hungary, Switzerland supported a scholarship programme to improve the job prospects of young people from disadvantaged population groups. In Latvia, Switzerland supported 26 youth centres and provided training for youth workers.

Contribution to EU-10 countries: CHF 49.9 million.



Hospital modernisation

Switzerland provided 27 maternity hospitals in Lithuania with modern medical equipment. Over 2,300 healthcare workers received training. The enlargement contribution built on Swiss transition assistance provided during the 1990s, which brought about substantive improvements in the health of mothers and children in Lithuania. Sustained and comprehensive support to extend and develop neonatal medicine in Lithuania has played a crucial role in reducing infant mortality by 80% since 1992. In Cyprus and Malta, the enlargement contribution has provided wider access to diagnosis and radiotherapy services, and in Estonia new equipment is helping accident victims to regain mobility. Partnerships with Swiss hospitals and the delivery of Swiss medical devices and equipment played a significant role in all these projects.

Contribution to EU-10 countries: CHF 35.3 million.



Basic health services

Switzerland provided funds to renovate and equip nine health centres in the Czech Republic which treat people with chronic and terminal illnesses. Medical and NGO staff working in the field of palliative and long-term care completed basic and further training courses to help elderly people in need of care lead a dignified life. The need for action was particularly acute in rural disadvantaged areas. In remote areas of north-eastern Hungary, for example, group practices were set up which provided 50,000 people with better access to prevention, counselling and treatment services. The results of this pilot project now serve as a basis to replicate this model throughout the country.

Contribution to EU-10 countries: CHF 24.2 million.



Renovations, equipment and further training are raising the quality of life of the residents of 93 Czech, Estonian, Latvian, Polish and Slovakian old-people's homes. © Polish Ministry of Health



Social services

In Latvia, 110 new school buses are providing some 9,000 schoolchildren living in sparsely populated rural areas with safe transport to and from school. In addition, in 57 remote municipalities in Latvia, fire detection systems were installed in old buildings belonging to 115 state schools, ensuring the safety of some 14,000 pupils. Switzerland also modernised Estonia's emergency services, improving response times and the quality of patient care nationwide. Swiss experts also helped to improve the treatment of drug-dependent offenders in Estonia.

Contribution to EU-10 countries: CHF 19 million.



Prevention

In Poland, prevention campaigns helped to improve dental hygiene and reduce hepatitis C and alcohol and tobacco consumption among a target population of 1.5 million people. These prevention programmes used a wide range of social media, internet platforms and other modern communication tools to raise awareness and inform as broad a segment of the Polish public as possible of the risks of disease.

Contribution to EU-10 countries: CHF 17 million.



Ten community centres in eastern Slovakia are promoting the integration of the Roma community. © SDC

"What could be more important than the health of a mother and her newborn child? Is there a greater happiness than a mother's joy at the birth of her child? The answers to these questions are self-evident. We would like to express our heartfelt thanks to Switzerland. Thanks to your support, Lithuanian hospitals are now able to offer comfort and excellent and safe care for pregnant women, women giving birth and newborn children."
Aurelijus Veryga, Lithuania's Minister of Health, on Switzerland's support for 27 Lithuanian hospitals

Increasing public safety

CHF 88.1 million was provided for border security measures, modernising the judiciary, managing natural disasters and combating organised crime and corruption. Human trafficking, illegal migration and smuggling are international problems which Switzerland also has an interest in solving.



Border security

Better infrastructure and equipment at five border crossings in Estonia and Poland have improved the handling of cross-border traffic. In Poland, mobile task forces were equipped with 105 special vehicles to improve surveillance of the 1,200km-long external Schengen border.

Contribution to EU-10 countries: CHF 27.7 million.



Modernising the judiciary

Using modern information technology to enhance the efficiency of judicial systems is a pan-European objective. In the three Baltic States and in Slovakia, over 160 courts and prisons were equipped with modern video conferencing and audio recording technology, including mobile devices. Hungarian court buildings were fitted with modern IT equipment, 108 metal detectors and 52 x-ray scanners.

Contribution to EU-10 countries: CHF 20.7 million.



Management of natural disasters and emergency situations

The training of specialists and the purchase of inflatable mobile dams made in Switzerland significantly enhanced the Hungarian government's flood response capability. In the Czech Republic and Poland, the authorities received support in dealing with emergency and crisis situations. In Estonia, specialists were trained in fire protection techniques and 175 hospitals received emergency blankets and fire-retardant bedding.

Contribution to EU-10 countries: CHF 16 million.



Internal security and integration of migrants

The number of road deaths in Poland has fallen by 17% since 2012 thanks in part to better police training and traffic-calming measures. In Hungary, community policing was introduced in small towns in collaboration with Swiss experts. In the Czech Republic, police services received protective equipment. In Poland, the Swiss contribution was used to promote the integration of migrants and to improve facilities providing medical examinations for asylum seekers.

Contribution to EU-10 countries: CHF 12 million.



Combating corruption and organised crime

Over 3,000 members of the police force received further training. At the same time, the technical equipment of the police force was updated and funding was provided for IT systems to investigate cases and analyse data. Most of the projects promoted cooperation between national judicial and law enforcement authorities, and their integration into the European networks. Cooperation with the Swiss authorities was also encouraged.

Contribution to EU-10 countries: CHF 11.8 million.



New equipment and further training help the police fight organised crime and corruption in the Czech Republic, Estonia, Hungary and Slovakia. © SDC

“Training and new equipment have made the fight against organised crime more effective in Estonia and at the EU’s external borders.”
Aleksander Miksjuk, Estonian tax official, on the automatic number plate recognition system at seaports made possible with Swiss support



Thanks to new equipment and further training, the Polish and Slovak authorities are better prepared for crisis situations. © SDC

Strengthening civil society

The Swiss contribution funded projects in the amount of CHF 69.2 million to promote civil society. The projects helped to improve living conditions and to foster partnerships with Swiss institutions. Switzerland provided over 1,000 projects with contributions of between CHF 10,000 and 250,000 each.



Non-governmental organisations (NGOs)

In all countries except Malta, local NGOs were able to submit applications in order to fund projects to strengthen civil society. About 800 projects received support, mainly in the areas of social services and environmental protection. Social welfare projects, for example, supported marginal groups such as young victims of domestic violence and elderly people living in poverty. Other projects were aimed at supporting and improving the lives of people with physical or mental disabilities. Environmental projects received financial contributions for environmental education, organic farming and protection of biodiversity and endangered species. Over 50 projects involved exchanges of expertise with Swiss organisations, and members of partner organisations received further training in political dialogue, management and finance. As a result, the quality of social services was improved and the role played by NGOs in society and in their dealings with government institutions was strengthened.

Contribution to EU-10 countries: CHF 53.2 million.



Bilateral partnerships

The partnership funds supported the exchange of knowledge and experience between partner countries and Switzerland. Communes, cities, foundations and associations were able to participate equally. Some 200 projects were implemented in the Czech Republic, Hungary, Poland, Slovakia and Slovenia. Valuable and sustainable partnerships were established in a wide range of areas, including non-motorised transport, waste management, culture, environmental education in schools and the social integration of minorities.

Contribution to EU-10 countries: CHF 16 million.



Swiss NGOs have taken part in 64 projects. A Lithuanian foundation, for example, worked together with the Schweizer Tafel organisation. © SDC

“The International Institute for the Rights of the Child found the Czech initiative, which brought together various experts to develop an interdisciplinary approach to children’s rights, to be very valuable. It has resulted in a professional network that is proving to be highly valuable for partner institutions and for supporting children at risk.” Paola Riva Gapany, Director of the Geneva-based International Institute for the Rights of the Child, on a Swiss-Czech partnership project

Swiss interests

Switzerland's contribution to the enlarged EU is in several respects in Switzerland's interests.

Strengthening relations with the EU

EU enlargement strengthens stability, democracy, prosperity and peace in Europe. With the enlargement contribution, Switzerland is helping to reduce economic and social disparities within the EU and is thus contributing to the costs of EU enlargement in a spirit of solidarity.

With the enlargement contribution, Switzerland is strengthening its bilateral relations not only with the new EU member states but also with the EU as a whole. The contribution to the enlarged EU is part of Switzerland's European policy and strengthens Switzerland's reputation abroad.

Opportunities for the Swiss economy

EU enlargement has brought many benefits to Switzerland and provides considerable export and investment opportunities. Switzerland's engagement improves the visibility of Swiss companies and thus also their chances in public tendering procedures, particularly within the framework of the EU structural funds and the EU Cohesion Fund. A survey revealed that between 2010 and 2015, small and large Swiss companies received over 580 contracts worth around CHF 2 billion from EU-funded projects in the 13 partner countries. As Swiss companies are not required to disclose information to the federal government about contracts they have been awarded, this survey reflects only a fraction of the total number of contracts won by Swiss companies.

In addition, there were direct returns from the enlargement contribution. Around 10% of the amounts granted benefited Swiss companies, associations and universities in return for their products and services in the partner countries. Furthermore, 88 research partnerships made it possible to file 28 new patent applications, thus strengthening Switzerland's position as a centre of research.

Strengthening partnerships

Several hundred new partnerships were established between institutions in the partner countries and Switzerland. These partnerships are extremely valuable for Switzerland's integration into European networks. Cooperation promotes the exchange of knowledge and experience and strengthens Switzerland's position in Europe.

Meeting cross-border challenges

Many of the projects were also in Switzerland's interest in terms of security policy, promoting for example the protection of the external Schengen borders, the fight against organised crime or the integration of migrants. Environmental pollution does not stop at national borders either. Swiss projects helped to remediate contaminated sites, improve air and water quality and reduce greenhouse gas emissions.

Outlook

The projects in Bulgaria and Romania run until 2019 and those in Croatia until 2024. Regular project reports and visits enable SECO and the SDC to conduct ongoing risk assessments and take timely measures.

European cohesion continues to face challenges owing, among other reasons, to the consequences of the financial and economic crisis and migration flows. The renewed legal basis for Switzerland's contribution entered into force on 1 June 2017. On 23 November 2017, the Federal Council announced its decision to lay the groundwork for a second, independent Swiss contribution to selected EU member states. The Federal Council plans to invest CHF 1.302 billion in various projects, particularly in the priority areas of vocational education and training and migration, over a 10-year period. The Swiss contribution aims to strengthen economic and social development in the partner countries and create better prospects for people living there. Swiss expertise in vocational education and training will be used to lower youth unemployment in the partner countries. Migration-related projects should contribute to better management of migration flows. Depending on the partner countries' priorities, the funding can also be used in other areas, such as the environment and climate change, support for civil society, research cooperation, healthcare and social welfare, private sector development and public safety. A new contribution would also further strengthen economic and political relations with the partner countries and the EU as a whole. On 28 March 2018, the Federal Council initiated the consultation procedure on the second Swiss contribution. It will assess the next steps in light of overall relations between Switzerland and the EU. The final decision to approve the corresponding framework credits lies with Parliament.

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

Annex: Examples of projects in the EU-10 countries

Protecting the environment

Promotion of renewable energy in Slovenia
The longest solar noise barrier



An information campaign has raised awareness of renewable energy and energy efficiency among over 20,000 teachers and pupils. © SECO

Up to now, 'green energy' in Slovenia has been almost exclusively derived from hydroelectric power plants, but that is set to change. Switzerland has been supporting a project in Slovenia that promotes other sources of renewable energy.

In March 2007, the EU agreed that by 2020, 20% of its total energy requirements would be met through renewable sources of energy – biomass, water, wind and sun. Switzerland contributed CHF 3.68 million to support the use of renewable energy in municipalities in the Slovenian coastal region of Primorska.

Energy from the sun and biomass

The project comprised three parts. First, a 648-metre-long noise barrier along a segment of the motorway leading to Italy was fitted with solar panels. The longest of its kind in Slovenia, this noise-protection wall now generates enough solar energy for all public lighting in the town of Šempeter.

For the second project component, Switzerland supported the installation of 12 biomass heating systems that are now providing heating to 29 public buildings by using locally-produced wood chips and pellets, which is both cost-effective and sustainable. Twelve of these buildings were also made energy efficient. Among the 29 buildings are schools and kindergartens with a total of nearly 2,000 children as well as two information centres in Triglav National Park, which is visited by 45,000 people every year. Thanks to biomass conversions and renovations for improved energy efficiency, heating costs in these buildings have been reduced by about 50% and energy consumption by 30%.

Information campaign

The third part of the project was a public awareness campaign. Screens showing the production of renewable energy and CO₂ savings were set up in Triglav National Park, in schools and near the motorway's solar noise barrier. Local events, brochures, textbooks, the internet and the media were used to raise awareness of the topic among the public, local businesspeople, and around 20,000 teachers and pupils. In Cerklje, an 'Eco House' was opened which now receives visits from school classes from all over Slovenia to learn about issues related to sustainability. In spring 2015, a well-known business magazine described the project as the most successful and sustainable educational programme in the whole of Slovenia.

Environmental monitoring in Estonia

Enhancing the reliability of environmental data



Monitoring the development of sediment in the coastal region makes it possible to take measures to mitigate risks associated with climate change. © Arno Mikkor (photographer), National Coordination Unit, Estonia

Switzerland equipped Estonian laboratories and monitoring stations with modern devices and financed the training of personnel. This has given Estonia comprehensive, reliable environmental data on water, air, radioactivity and natural disasters.

Estonia is sparsely populated and has vast swathes of virtually untouched landscape. The country is characterised by its proximity to water: it has more than 1,500 islands and 1,000 lakes and its coast is 3,800 kilometres in length. Numerous marshes, upland moors and forests shape its landscape.

The collection of reliable environmental data is crucial to preserve this unique natural landscape, putting the Estonian authorities in a position to take well-founded decisions to protect the environment. For Estonia, good air and water quality, radiation protection and the prevention of natural disasters are especially important. For this reason, environmental monitoring has been improved in these areas in particular.

Modern equipment and training

Switzerland participated in the purchase of modern measuring and analysis devices and the necessary training of staff. Switzerland contributed to a total of eleven environmental monitoring projects:

- The Estonian air quality network was improved. New methods and analytic devices enable better measurements of harmful substances and fine particulates, and this in turn enables the development of action plans to deal with air pollution in urban areas. Swiss and Estonian experts conducted a measurement campaign together.
- A Swiss company supplied equipment to Estonia to allow satellite monitoring of contaminated sites and transportation of hazardous substances.
- Researchers were able to purchase devices to monitor the sediment development in the coastal region and the quality of seawater. The data collected forms the basis for appropriate measures to protect water resources and manage risks associated with climate change.

Reliable, comprehensive, rapidly available environmental data

Thanks to these eleven projects, Estonia has been able to improve its implementation of EU regulations on environmental monitoring. Data collection costs have fallen by 40%.

Promoting economic growth and improving working conditions

Reform of the vocational education and training system in Slovakia
Career prospects for young people



Courses at the VET school for food processing and hotel services in Bratislava are a good foundation for apprentices entering the Slovakian job market. © SDC

Switzerland supported the reform of Slovakia's vocational education and training system. Encouraging cooperation between vocational schools, trade associations and employer organisations resulted in vocational education and training programmes better geared to the requirements of the Slovakian labour market. Switzerland thereby helped to reduce youth unemployment in Slovakia.

The dual vocational education and training system is one of Switzerland's strengths. Thanks to the direct connection between vocational training and the labour market, a high proportion of Switzerland's workforce is well qualified compared with other European countries.

Practice-oriented education and training improves job market prospects

Slovakia has a very high youth unemployment rate – over 30% at the start of the project. At the same time, employers in many sectors of the economy complained that it was difficult to find well-qualified staff and wished to see more practice-oriented vocational education and training. Vocational schools provided apprentices with theoretical and practical training often without a clear idea of what Slovakian companies expected from school-leavers or how the job market was developing. This allowed gaps to form between the skills acquired in the Slovakian VET programmes and the needs of companies, which in turn contributed to high youth unemployment.

The project successfully completed the reform of the vocational education and training system through close cooperation between the Swiss Federal Institute for Vocational Education and Training and the Slovakian State Vocational Education Institute. Training programmes and courses with a greater focus on the needs of the labour market were developed, vocational school teaching staff and apprenticeship instructors were trained and a nationwide campaign to raise awareness of the benefits of vocational education and training was organised.

Positive results

In collaboration with vocational schools, professional associations and employer organisations, training programmes in technology, chemicals, baking and confectionery, glass, construction and hairdressing were adjusted to the requirements of the Slovakian labour market. The 440 people who graduated from these VET programmes in 2017 were in a better position to find employment and had better prospects for the future.

Milestone: successful reform

The experience gained in the project and its positive results prompted the Slovak government to introduce legislation to expand the project nationwide. In 2015, the Slovak parliament passed the Act on Vocational Education and Training, creating a national legal basis for Slovakia's dual vocational education and training system. The act is based in part on the Swiss model. The reform is strengthening the dual vocational education and training system in Slovakia, helping to reduce unemployment and offering better prospects for young people in their home towns and regions.

Microcredits for microenterprises and the self-employed in Latvia **Solutions to unemployment**



A farm in Eleja, Latvia, used a microcredit to buy a new car and seeds. Eight family members work on the farm, which provides employment for an additional four people during the peak season. © SECO

The unemployment rate in Latvia rose dramatically as a result of the economic and financial crisis. The microcredit programme made it easier for microenterprises and the self-employed to obtain business loans, leading to the creation of new jobs.

After years of boom, Latvia's economy collapsed in 2008 as a result of the global economic and financial crisis. The country's economic output fell by 18% in 2009 – a more dramatic decline than in any other EU country. The unemployment rate rose sharply to almost 20% in 2010.

To counter this development, the Latvian government allocated state funds to make it easier for microenterprises to obtain loans. Around three quarters of Latvian companies are microenterprises with fewer than nine employees. Switzerland contributed CHF 7.92 million to help launch additional start-ups in Latvia, furthering the country's entrepreneurial and economic development.

Targets exceeded

The original goal of the programme was to grant 650 microcredits and secure 900 jobs. The goal was exceeded: thanks to this Swiss contribution, over 1,000 microcredits were granted and more than 2,500 jobs secured. 49% of the microcredits were granted in the areas of agriculture and forestry. 22% benefited the service sector, 15% the trade sector and 10% the manufacturing sector. The regional distribution of the microcredits was well balanced, benefiting both urban and outlying regions.

Development bank with many years of experience

The Latvian development bank ALTUM, which has been implementing lending programmes since 1995, was commissioned to carry out the project. ALTUM had already set up a credit fund that was used to grant loans with the following conditions:

- Self-employed people and microenterprises with fewer than nine employees could apply for microcredits up to a maximum of (EUR 14,000). Projects costing EUR 7,000 and over must provide 10% of their own capital. The microcredits had interest rates of 5-8% per year.
- Part of the loan repayment was waived for borrowers who complied with all the provisions of the credit agreement. The waived amount could not exceed EUR 700 for borrowers in large towns and EUR 1,000 for those in rural areas.
- 97.6% of the microcredits were repaid. ALTUM used these repayments to grant further microcredits.

Improving social security

Energy efficiency, modern equipment and well-trained health personnel in Lithuania
The health of mothers and children



The Lithuanian health programme reduced infant and maternal mortality rates and improved energy efficiency and the indoor climate in maternity wards. © SECO/SDC

Thanks to Swiss support, conditions for mothers and newborns in Lithuania have improved greatly. Switzerland provided funding for modern medical equipment, energy-efficient renovations and further training in 27 hospitals.

Despite great progress made by the Lithuanian healthcare system since the early 1990s, in 2010 the country's infant and maternal mortality rates remained above the European average. The healthcare system was well organised but its infrastructure and equipment were inadequate. Energy efficiency also had some catching up to do: most Lithuanian hospitals were built between 1960 and 1980 to the Soviet standard of the time.

Reduced infant mortality and energy consumption

Thanks to Swiss support, conditions for newborns and mothers in Lithuania have improved significantly. Most strikingly, infant mortality has fallen by 80% since 1992.

The Swiss contribution has achieved the following:

- 27 hospitals were provided with modern medical equipment.
- Over 2,300 healthcare workers received training.
- 70 diagnosis and treatment guidelines were developed to standardise and systematise treatment of the most common diseases.
- Doors, windows, roofs and walls were renovated or replaced to improve the indoor climate, reduce maintenance costs and lower energy consumption.
- Hospital building technology – heating and water supply systems, electrical installations, air supply and ventilation – was modernised. The installation of heat pumps and solar panels enable the use of renewable energy.

Ongoing support

Switzerland's support built on Swiss transition assistance provided during the 1990s, which brought about substantive improvements in the health of mothers and children in Lithuania. The level of medical care for infants in Lithuania is remarkable thanks to the long-term partnership with Switzerland, said Lithuania's President Dalia Grybauskaitė during her state visit in Bern in 2015. A hospital partnership with Geneva University Hospitals was established as part of this programme, and Swiss companies received contracts totalling CHF 2.3 million.

Increasing public safety

Improved border and migration management in Poland

Secure borders and better integration of migrants



Border security was increased in Poland. Further training enabled 90% of Polish mobile border guards to improve their knowledge and skills. © SDC

In Poland, Switzerland invested in the modernisation of border crossings at the EU's external border and in the training and further education of specialists in the integration of migrants and the management of migration. As a result, the Schengen area's eastern border is functioning more efficiently and the process for integrating migrants is now organised more sustainably. This is not only important for Poland and the EU, but also has an overall positive effect on Switzerland's security.

Poland's external Schengen border measures 1,200km – one of the longest in the EU. But much of the infrastructure at Polish border crossings was outdated and in need of renovation, making it impossible to carry out border controls efficiently.

Increasing security at the EU's external border

Switzerland's contribution to the enlarged EU was therefore used to invest in modern, up-to-date equipment for the external Schengen border. On the border with Belarus, two border crossings for car and rail traffic were renovated and equipped to Schengen standards. Thanks to targeted investments in infrastructure, food inspections and veterinary border checks can now also be carried out at these border crossings. Against a backdrop of rapidly growing cross-border traffic, effective border controls and customs clearance now enable border officials to perform their duties more efficiently and combat the smuggling of people and goods more effectively. In addition, further training workshops have allowed border guards from Switzerland and Poland to share knowledge and experience, benefiting both sides.

Improved migration management

The number of migrants in Poland has increased in recent years. Switzerland therefore supported Poland's efforts to develop its institutional capacities to manage migration. A total of 72 Polish institutions, including 26 NGOs and migrants' associations, benefited from training workshops on migration and diversity management and courses on Polish culture.

The establishment of a nationwide platform on migration for diaspora associations, NGOs and government agencies facilitated better communication between the various stakeholders. This allowed government agencies to draw up migration directives based on a better understanding of the needs and expectations of the organisations concerned. These measures have also furthered intercultural dialogue and understanding of issues relating to migration and strengthened the intercultural capacities of actors with an influence on the integration process.

Flood prevention and management in north-eastern Hungary
Flood protection with Swiss expertise



Workers securing the banks of the River Tisza in Hungary against flooding. © SDC

Adapted contingency plans, easily transportable emergency dams and the stabilisation of protective walls have greatly reduced the risk of flooding in north-eastern Hungary. As a result, thousands of people will be better protected against flooding in the future. ETH Zurich and a Swiss company were closely involved in the implementation of this project.

Climate change and human interventions such as deforestation have greatly increased the risk of flooding along the Tisza and other rivers in north-eastern Hungary in recent years. Flooding has become more frequent, causing major damage. Switzerland carried out projects and applied its own experience to support the Hungarian authorities in preventing flood disasters through appropriate protection measures.

Better protection against flooding

Aerial photographs were taken to collect data on the topography and vegetation along the banks of the River Tisza near the Ukrainian border. The data was used to update flood contingency plans and inspect about 120km of embankments. This was particularly important because in the Ukrainian part of the river there is no safety reservoir to collect water during heavy rains. In addition, the Hungarian authorities were equipped with 12.5km of mobile protective dams supplied by a Swiss company. The Hungarian authorities are now able to respond to rapidly rising water levels and deploy the easily transportable dams at the specific locations most at risk, as is the practice in Switzerland.

Reliable flood forecasting

In addition, a complex, reliable flood forecasting model was developed for the Tisza catchment area with assistance from Swiss experts from ETH Zurich. Combined with a hydrological measurement network to monitor water levels, temperature and precipitation, as well as secure communication channels in crisis situations, the forecasting model allows decision-makers to take flood control action more rapidly.

Strengthening civil society

Partnership fund in the Czech Republic **Partnerships for the future**



98 partnership projects between Switzerland and the Czech Republic facilitated the exchange of expertise in various areas, including transport. © SDC

A partnership fund supported 98 bilateral partnerships between Swiss and Czech institutions which facilitated the exchange of experience in non-motorised transport, teacher training, environmental protection and other areas. Partnerships at local and national level strengthened bilateral relations between Switzerland and the Czech Republic.

Switzerland has considerable expertise in a wide range of areas, such as environmental protection and social policy. Swiss organisations working in these areas can help partner countries that lack experience in these areas, mainly for historical reasons. In the Czech Republic, for example, Switzerland supported a study on children's rights which was consulted for a change in legislation and a national action plan.

Partnership for non-motorised transport

A project on non-motorised transport, an area in which Switzerland has extensive experience, is another example of the diverse range of projects carried out as part of Switzerland's contribution to the enlarged EU. The SwitzerlandMobility Foundation promotes non-motorised transport by suggesting selected routes for pedestrians, cyclists, in-line skaters and even canoes. The Czech Environmental Partnership Foundation has a similar programme called Greenways. Mutual visits by members of the two foundations inspired the Environmental Partnership Foundation to explore how to replicate the SwitzerlandMobility Foundation initiative in the Czech Republic. The Environmental Partnership Foundation then identified promising cycling routes throughout the Czech Republic to promote non-motorised transport. The cycling routes are shown on the Greenways website.

Strengthened bilateral relations

Many of the partnerships with Czech organisations will continue after the end of the current enlargement contribution period, as Lukas Stadtherr of the SwitzerlandMobility Foundation confirms: "Cooperation with our Czech partners was extremely motivating and offered added value for both sides. We are staying in touch with our partners in the Czech Republic, including through the European EuroVelo network." A total of CHF 4.11 million was invested in 98 projects in the Czech Republic. The partners included foundations, associations, municipalities and cities.

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