

Annex 1: Conceptual Framework of the Swiss-Romanian Cooperation Programme

Annex 1 is an integral part of the Framework Agreement between the Swiss Federal Council and the Government of Romania concerning the implementation of the Swiss-Romanian Cooperation Programme. Any amendment to this Annex shall be made in writing with the mutual agreement of the competent authorities mentioned in Article 9 of this Framework Agreement.

Annex 1 defines: objectives; principles; strategic direction; approaches; geographic focus; and thematic focus including indicative portfolio of Supporting Measures and indicative financial allocations.

The rules and procedures are defined: in Annex 2 for the overall Swiss-Romanian Cooperation Programme; in Annex 3 for Projects; in Annex 4 for Thematic Funds; in Annex 5 for the Project Preparation Facility and the Technical Assistance Fund.

1. Objectives

The Swiss-Romanian Cooperation Programme pursues two main objectives:

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

Furthermore:

- The Swiss Contribution is an important element of the bilateral relations between Switzerland and Romania. The Swiss-Romanian Cooperation Programme shall enhance the content and the visibility of bilateral relations and provide room for a good use of Swiss knowledge and experience.
- Supporting Measures in the Swiss-Romanian Cooperation Programme shall pursue a sustainable, economically and socially balanced development.

2. Principles

The Swiss-Romanian Cooperation Programme is guided by the following principles:

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

Social inclusion. Cooperation activities shall respect the need for including socially and economically disadvantaged groups in the opportunities and benefits of development.

Equal opportunities and rights. Cooperation activities shall increase women's and men's opportunities to exercise their rights equally through a gender-based approach.

Environmental sustainability. Cooperation activities shall respect the need to incorporate requirements of environmental sustainability.

Commitment by all actors involved. All decision-makers and entities involved in the Swiss-Romanian Cooperation Programme shall be committed to the efficient and effective implementation of the agreed Supporting Measures.

Subsidiarity and decentralisation. Cooperation activities shall respect the need to include considerations of subsidiarity and decentralisation primarily in Supporting Measures at the municipal and regional levels.

3. Strategic Direction

The strategic direction of the Swiss-Romanian Cooperation Programme is defined by two strategic lines:

- **Romanian needs for economic and social development**, with focus on the following areas: security; reforms and inclusion of marginalised groups; environment and infrastructure; promotion of the private sector; vocational training, research and scholarships.
- **Combining Romanian needs and Swiss strengths with a focus to make good use of Swiss knowledge and experience.**

The strategic direction includes:

Partners and beneficiaries. The Swiss-Romanian Cooperation Programme shall include a broad range of partners and beneficiaries, inter alia from the public and private sectors, non-governmental organisations and civil society organisations.

Partnerships. Partnerships between Swiss and Romanian partners are an enriching element of the Swiss-Romanian Cooperation Programme. Cooperation and institutional partnerships are strongly encouraged, especially in focus areas in which Switzerland contributes particular experience, know-how and technologies.

Visibility. Visibility of the Swiss-Romanian Cooperation Programme for the Romanian and Swiss public is an important aspect that shall be taken into account when selecting and implementing Supporting Measures. Both Parties shall proactively inform about their cooperation.

Flexibility. Within two years after the signing of this Framework Agreement, a review shall assess thematic and geographical priorities and, if necessary redirect the initial financial allocations as agreed, and determine the priorities for the not yet allocated part of the Contribution.

Transnational Cooperation. The Contribution may be used to finance transnational Supporting Measures. Transnational Supporting Measures are measures which are implemented in more than one country.

4. Approaches

The Swiss-Romanian Cooperation Programme is based on the following approaches:

Projects. Project means an individual project or programme. An important part of the Swiss Contribution is provided in the form of project and programme financing. The respective rules and procedures are laid down in Annex 3.

- 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 6 of this Annex). In exceptional cases, the competent authorities mentioned in Article 9 of this Framework Agreement may agree on lower minimum financial volumes.
- A **programme** consists of component projects linked by a common theme or shared objectives. A programme approach shall be applied in focus areas which have 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 component 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 monitoring, steering and evaluation concept. To ensure efficiency and effectiveness, the contribution to a specific programme shall amount to a minimum of CHF 4 million.

Thematic Funds. Thematic Funds target a specific theme or a specific beneficiary group. Thematic Funds are set up to efficiently implement Activities. In general, financial volumes for each Activity are small. However, in exceptional cases, financial volumes may reach those of individual projects. A Thematic Fund is managed by a Swiss Intermediate Body and an Activity is implemented by an Executing Agency. The rules and procedures for Thematic Funds are provided in Annex 4.

Project Preparation Facility Fund. Project preparation and detailed Project planning are of paramount importance for efficiency and effectiveness in Project implementation. Preparation support may be requested by the Romanian Party or recommended by the Swiss Party and shall be financed through the Project Preparation Facility (see Annex 5).

Technical Assistance Fund. A Technical Assistance Fund shall be established to contribute to some additional costs incurred by the Romanian Party for the efficient and effective implementation of the Contribution (see Annex 5).

5. Geographical Focus

An important part of the financial resources of the Swiss-Romanian Cooperation Programme shall be spent in the areas with low economic and social indicators.

6. Thematic Focus, Indicative Portfolio of Supporting Measures and Indicative Financial Allocations

The following thematic focus, indicative portfolio of support measures and indicative financial allocations shall apply to the Swiss-Romanian Cooperation Programme:

1. Security, Stability and Support for Reforms			
N°	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
1	Security	<p>Approach: Thematic Fund</p> <p>Objective: To address Schengen and Prüm related issues, to enhance socially related security as well as to fight against corruption and organised crime:</p> <p>Activities in the form of projects already identified:</p> <p>a. Schengen and Prüm related issues</p> <ul style="list-style-type: none"> - Asylum matters - Capacity building for Immigration Office staff - Capacity building in Schengen topics - Complying with EU standards in implementing the Prüm instruments <p>b. Enhance socially related security</p> <ul style="list-style-type: none"> - Prevention of human trafficking - Community Policing in rural areas - Public safety in mountain areas - Community service workshops – probation - Capacity building for judges and prosecutors in application of new laws <p>c. Fight against corruption and organised crime</p> <ul style="list-style-type: none"> - Capacity building to counter systemic corruption - Awareness building regarding the dangers of corruption - Capacity building for judges and prosecutors in the fight against corruption <p>Other Activities in the form of projects may be proposed by the Romanian or by the Swiss Party.</p> <p>Additional information is provided in Annex 4.</p>	Up to CHF 18 million

2	Reforms linked to health issues	<p>Approach: Thematic Fund</p> <p>Objective: Widening the access to health and social services as well as improving the quality of health services. Priority shall be given to Activities in primary health care, in emergency medicine and in perinatology.</p> <p>Activities in the form of projects already identified:</p> <ul style="list-style-type: none"> - Community integrated health and social services - Improving the paediatric intensive care units - Pre-hospital emergency service - Emergency medical services and air rescue <p>Additional information is provided in Annex 4.</p>	Up to CHF 10 million
3	Reforms linked to civil society and the inclusion of Roma and other vulnerable groups	<p>Approach: Thematic Funds</p> <p>Objective1: To promote civil society as an actor in reforms with a thematic focus on nature protection and biodiversity as well as social services (CHF 13.8 million)</p> <p>Activities in the form of projects already identified:</p> <ul style="list-style-type: none"> - Sustainable agriculture in mountain regions - Natura 2000 and rural development - Rural development and High Nature Value Farmland - Southern Carpathians, the wild landscape in the heart of Europe - Integrated and sustainable development of forests <p>Other Activities in the form of projects may be proposed by the Romanian or by the Swiss Party.</p> <p>Activities in the form of small projects financed through a Block Grant:</p> <ul style="list-style-type: none"> - NGO Block Grant for small projects <p>Objective 2: To promote social inclusion of the Roma and other vulnerable groups (CHF 14 million)</p> <p>Two strategic lines shall be pursued:</p> <p>Line 1: Improvement of living conditions through: improved access to services; and improved access to rights.</p> <p>Line 2: Empowerment and awareness through: strengthened Roma cultural identity and integration (Roma as target group); improved acceptance (majority and Roma as target groups); and enhanced Roma</p>	Up to CHF 27.8 million

		participation in decision making / policy institutions (majority and Roma as target groups). Additional information is provided in Annex 4.	
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2. Environment and Infrastructure			
N°	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
4	Improvement of the environment	<p>Approach: Projects</p> <p>Objective 1: To contribute to “Sustainable Energy” management in cities by improving municipal infrastructure, building capacity and by raising awareness about energy efficiency and renewable energy, in order to increase living standards, promote economic development and provide a response to climate change.</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Priority sectors and specific interventions identified in selected cities with sustainable energy action plans. Such projects may focus on a variety of sectors such as thermal rehabilitation of public buildings, district heating, energy supply (including renewable), public lighting, public transport and urban planning. <p>Up to 4 selected cities. Selection of the cities is based on agreed criteria, candidature and proven engagement in energy efficient city management. There shall be only a small number of projects implemented per city. The total number of projects shall in principle not exceed 10.</p> <p>Objective 2 (up to CHF 15 million): To support the modernization process in key areas in the fields of environment, energy and public transport. Any unallocated funds may be used to support objective 1.</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Preparation of high priority projects (feasibility studies, environmental impact studies, etc.), e.g. for the metro system in Bucharest. - Elaboration of strategies, action plans, concept notes and training activities in key areas at the central government level. <p>Up to 3 projects. The minimum amount defined in Article 4 of this Annex shall not apply.</p> <p>Objective 3 up to CHF 0.5 million: To promote and/or enhance institutional partnerships</p>	<p>Up to CHF 52.5 million</p>

		<p>between Romanian and Swiss institutions at local, regional or national level through projects with a minimum amount of CHF 25,000. Any unallocated funds may be used to support objective 1.</p> <p>Types of eligible Projects: Institutional partnerships for the exchange of know-how in the fields of environment, energy or public transport related to the fulfillment of objectives 1 and 2 of this focus area.</p>	
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3. Private Sector			
N°	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
5	Improving the business environment and the access to financing for SMEs	<p>Approach: Projects</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Credit lines or private equity (for instance through the Trans-Balkan Fund) for SMEs. 	CHF 20.0 million
6	Improvement of the regulation of the financial sector and strengthening of financial markets and institutions	<p>Approach: Projects</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Corporate Financial Reporting (World Bank as Executing Agency): Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level <p>To contribute to the reduction of corruption and related crimes through projects with a minimum amount of CHF 100,000 in the areas of:</p> <ul style="list-style-type: none"> - Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) - Prevention and detection of corruption (e.g. whistle-blowing systems) - Technical assistance to strengthen the institutional capacity of the Romanian National Agency for Tax Administration. 	Up to CHF 2.5 million
7	Development of the private sector and promotion of exports of SMEs and / or promotion of standards	<p>Approach: Projects</p> <p>To increase the market shares of Romanian exports of goods and services where possible taking into account regional disparities.</p> <p>Types of eligible Projects:</p> <ul style="list-style-type: none"> - Export promotion of goods and services and trade financing support - To contribute to the promotion of standards through projects with a minimum amount of CHF 100,000 in the area of: - Promotion of standards and labels (voluntary eco-label). 	Up to 5.2 CHF million

4. Human and Social Development			
N°	Focus areas	Indicative Portfolio of Supporting Measures	Indicative financial allocation
8	Scholarship, Research and Vocational Training	<p>Approach: Thematic Funds</p> <p>Objective 1: To enhance the academic exchange between Switzerland and Romania (CHF 8 million)</p> <p>Activity: Scholarships</p> <p>Objective 2: To promote joint Romanian-Swiss research activities (CHF 9.75 million)</p> <p>Activities in the form of projects: - Joint research projects</p> <p>Objective 3: To enhance the preparation of students for their profession (CHF 2 million)</p> <p>Activities in the form of projects already identified: Job orientation training in businesses and schools</p> <p>Additional information is provided in Annex 4.</p>	Up to CHF 19.75 million

5. Special Allocations		
Item	Indicative Portfolio of Supporting Measures	Indicative financial allocation
Partnership Enhancement and Expert Support	<p>Approach: Thematic Fund</p> <p>Objective 1: To promote and/or enhance institutional partnerships between Romanian and Swiss partners to: contribute to the solution of specific development challenges; strengthen capacities and structures of the Romanian institutional partners; make it possible to mobilise Swiss added value; contribute to the strengthening of the partnerships.</p> <p>Activities in the form of institutional partnerships already identified:</p> <ul style="list-style-type: none"> - Protection of geographical indications (CHF 200,000) - Promotion of decent working conditions for employees (CHF 600,000) <p>Other Activities in the form of projects may be proposed by the Romanian or by the Swiss Party.</p> <p>Activities in the form of small projects financed through a Block Grant: Block Grant for small joint Activities of institutional partners. Activities shall be identified on the basis of a rolling call for proposals.</p> <p>For a total budget of CHF 2 million: Smaller Activities ranging from CHF 10,000 to CHF 100,000. For a total budget of CHF 3 million: Larger Activities ranging from CHF 100,000 to CHF 250,000.</p> <p>Objective 2: To mobilise Swiss expertise.</p> <p>Activities in the form of small projects financed through a Block Grant: Block Grant (CHF 1 million) for short term inputs of Swiss experts. Activities shall range from a few thousand Swiss Francs up to CHF 35,000 and shall be identified on the basis of a rolling call for proposals.</p> <p>Additional information is provided in Annex 4.</p>	Up to CHF 8.0 million
Project Preparation Facility	<p>Approach: Project Preparation Facility</p> <p>Objective: To support the preparation of Final Project Proposals.</p>	Up to CHF 1.2 million
Romanian Technical Assistance	<p>Approach: Technical Assistance Fund</p> <p>Objective: To mobilise additional capacity for the management of the Swiss-Romanian Cooperation</p>	Up to CHF 2.5 million

	Programme including preparation, implementation, monitoring, evaluation.	
Swiss Programme Management	Swiss administration of the Swiss-Romanian Cooperation Programme.	CHF 9.05 million

Overview on the Indicative Allocations	
Funding lines	Indicative financial allocations (million CHF)
1. Security, Stability and Support for Reforms	55.80
2. Environment and Infrastructure	52.50
3. Private Sector	27.70
4. Human and Social Development	19.75
5. Special Allocations	20.75
6. Not yet allocated funds	4.50
Total indicative allocations	181.00

The not yet allocated funds of CHF 4.5 million shall be used for high-priority projects in the focus areas covered by the funding lines "Environment and Infrastructure" and / or "Private Sector" in the Memorandum of Understanding with the European Community of 27 February 2006.

The allocation of not yet allocated funds and of unused balances of focus areas 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-Romanian Cooperation Programme, following proposals coming from the NCU.