



# Swiss Cooperation with Eastern Europe

Supporting the transition  
to democracy and a social  
market economy



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC

State Secretariat for Economic Affairs SECO



# Swiss Cooperation with Eastern Europe

Supporting the transition to democracy and a social market economy

Cooperation with Eastern Europe is an integral component of Swiss foreign and foreign economic policy and is based on the Federal Law of 1 June 2007 on cooperation with the countries of Eastern Europe. This legislation provides the foundation not only for transition assistance but also for Switzerland's contribution to EU enlargement.

Through its **transition assistance**, Switzerland promotes the rule of law, democracy and a social market economy, and strengthens civil society. In doing so, Switzerland helps to restore stability to politically volatile regions and improves the opportunities available to the people who live there.



## Why is Switzerland committed?

Through its transition assistance, Switzerland helps to enhance security and stability in Europe as well as expand the emerging markets of Eastern Europe. Switzerland's commitment here is both a gesture of solidarity and an expression of enlightened self-interest.

## Where is Switzerland active?

Switzerland concentrates its transition assistance efforts in the West Balkans (Albania, Bosnia and Herzegovina, Kosovo and Serbia), in the member countries of the Commonwealth of Independent States (Armenia, Azerbaijan, Kyrgyzstan, Moldova, Tajikistan, Ukraine, Uzbekistan), and in Georgia.





## Who implements transition assistance projects?

The Swiss Agency for Development and Cooperation (SDC), which is part of the Federal Department of Foreign Affairs (FDFA), and the State Secretariat for Economic Affairs (SECO), which is part of the Federal Department of Economic Affairs, Education and Research (EAER), are responsible for the implementation of the transition assistance projects. The SDC administers two-thirds of the transition assistance budget, while SECO administers the remaining one-third. The resulting programmes complement one other.

## What budget does Switzerland have?

In accordance with the Federal Council Message on International Cooperation 2013–2016, Switzerland will commit a total of CHF 1.125 billion (or 9.9% of the total development cooperation budget) to transition assistance efforts. Roughly 50% of the technical and financial support will be earmarked for the Western Balkans and 50% for the countries of the former Soviet Union. All projects are closely monitored in the partner country. In the interests of successful cooperation, funds are used efficiently and solely for the purposes of the given project.

## EU Enlargement Contribution – Cooperation with Eastern Europe

As part of its contribution to EU enlargement, Switzerland commits a total of CHF 1.257 billion to support projects in those countries which joined the EU in 2004 and 2007. The aim of Switzerland's contribution is to reduce economic and social disparities in the enlarged EU, as well as strengthen its relations with Europe generally. The legal basis for the enlargement contribution and the accompanying framework credit is the Federal Act on Cooperation with Eastern Europe.

More information on the enlargement contribution can be found in the leaflet "Switzerland's Contribution to EU Enlargement" and at [www.contribution-enlargement.admin.ch](http://www.contribution-enlargement.admin.ch)



# What form does Switzerland's transition assistance take in practice?

## Democratisation, decentralisation and local governance

Switzerland seeks to promote and strengthen democratic structures so that citizens can become active participants in local and national decision-making processes. This requires the development of a decentralised administration which is responsive to the needs of its citizens. To this end, municipal employees attend training courses, administrative procedures are simplified, and infrastructure is modernised. These measures should strengthen civil society and pave the way for greater dialogue between the state and its citizens.

**Countries:** Albania, Armenia, Bosnia and Herzegovina, Georgia, Kyrgyzstan, Kosovo, Macedonia, Serbia, Tajikistan, Ukraine

**Implementation:** SDC and SECO



## Improving the business environment



Switzerland sponsors projects designed to improve the investment climate by removing regulatory barriers (especially at the municipal level). This leads to greater transparency as regards business registration, legal provisions and licensing, which in turn enhances the business entry and operations of small and medium-sized firms.

**Countries:** Azerbaijan, Kosovo, Kyrgyzstan, Serbia, Tajikistan, Ukraine

**Implementation:** SECO

## Efficient energy supply



Inefficient energy use is often an obstacle to development in the countries of Eastern Europe and the former Soviet Union. Through its action plan for sustainable energy management in cities (incl. the introduction of the "Energy City" label), Switzerland helps to improve energy efficiency and promote the use of renewable sources of energy.

Switzerland invests in a number of infrastructure projects, such as the installation of district heating and energy upgrades for public buildings. It also supports projects to improve the infrastructure of energy supply and public transport systems.

**Countries:** Kyrgyzstan, Serbia, Ukraine

**Implementation:** SECO

## Basic provision of drinking water



Switzerland supports the development and modernisation of water supply systems, as well as the creation of government agencies to maintain and expand these infrastructures. Prior to these measures, some areas were losing as much as half of their drinking water supply due to faulty plumbing and leaky pipes.

**Countries:** Albania, Azerbaijan, Bosnia and Herzegovina, Kosovo, Kyrgyzstan, Macedonia, Moldova, Tajikistan, Ukraine, Uzbekistan

**Implementation:** SDC and SECO

## Vocational training and youth employment



Switzerland supports several programmes to assist countries with the reform of their vocational education systems. Making training not only more practice-oriented but also more responsive to the needs of the labour market improves job prospects for young people. Switzerland assists both young job seekers to find work and employers to find qualified staff.

**Countries:** Albania, Bosnia and Herzegovina, Kosovo

**Implementation:** SDC

## Migration partnerships



Through its migration partnerships, Switzerland works with the countries of origin to promote, among other things, the voluntary return and reintegration of migrants. Switzerland also formulates strategies to reduce migratory pressures and to protect migrants from human trafficking.

**Countries:** Bosnia and Herzegovina, Kosovo, Serbia

**Implementation:** Federal Office for Migration



## Strengthening corporate governance

A weak private sector and inefficient financial markets act as a brake on economic development in Eastern Europe and Central Asia. If entrepreneurship is to thrive in these countries, it is important that firms and financial institutions adopt a code of best practice for corporate governance. Not only will this provide greater access to capital, but it will also attract more private investment.

**Countries:** Albania, Armenia, Azerbaijan, Bosnia and Herzegovina, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, Macedonia, Moldova, Serbia, Tajikistan

**Implementation:** SECO



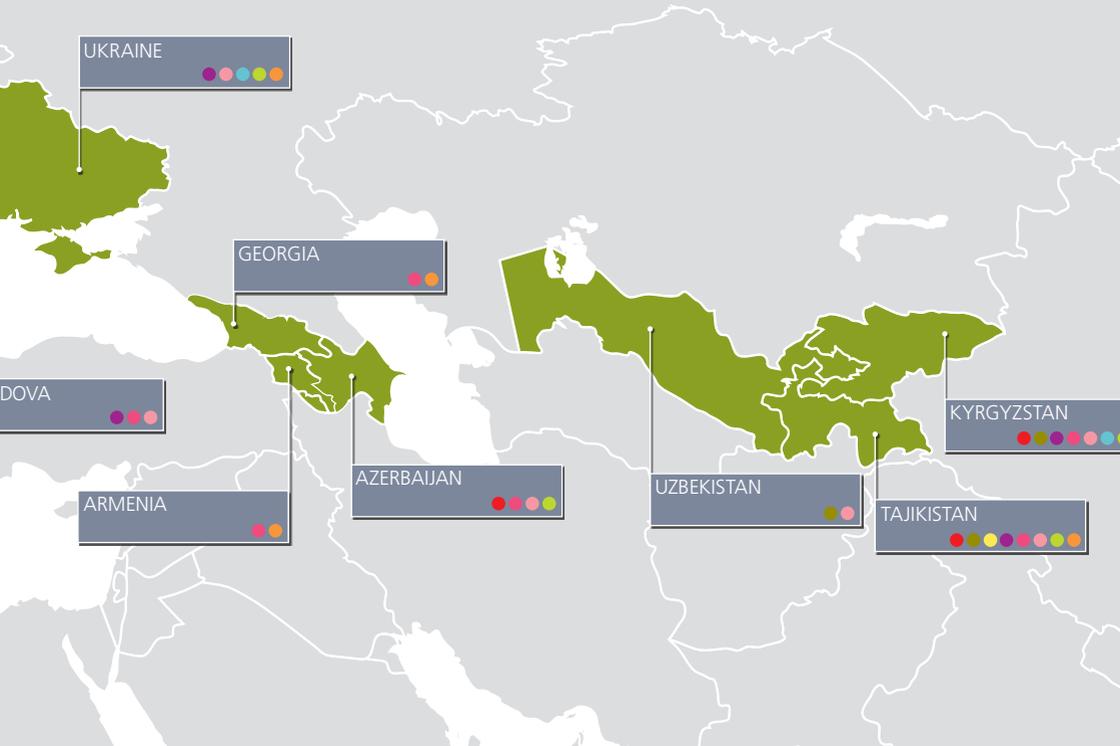
## Social integration of the Roma and other minorities



Switzerland supports a number of programmes designed to assist the integration of ethnic minorities. The Roma, in particular, are often afforded neither civil rights nor access to education. Thanks to integration programmes, minorities are better placed to benefit from the opportunities generated by free-market and political reforms in Eastern Europe.

**Countries:** Albania, Bosnia and Herzegovina, Kosovo, Macedonia, Serbia

**Implementation:** SDC



## Health-care systems and services



Switzerland is committed to providing better access to primary health care, especially for women and highly vulnerable rural communities. It helps to develop sustainable funding models and fosters public-private partnerships in health care so that the poor can also access proper medical treatment.

**Countries:** Albania, Bosnia and Herzegovina, Kosovo, Kyrgyzstan, Moldova, Tajikistan, Ukraine

**Implementation:** SDC

## Improvement of the framework for international trade



The regulatory and institutional framework in the home country determines the access of domestic goods to foreign markets. In addition to assisting emerging countries with their application for WTO membership, Switzerland also helps them to enhance their understanding of the rules which govern international trade, to secure market access for their goods and services, and to safeguard their intellectual property.

**Countries:** Serbia, Tajikistan

**Implementation:** SECO

## Integrated water resource management in Central Asia



Through its projects, Switzerland seeks to ensure the fair and transparent distribution of water in Central Asia, where two rivers are the main source of water for over 10 million people. Less water is lost thanks to the use of modern, resource-saving irrigation technology. The efficient management of this scarce and precious resource prevents tensions flaring among the communities who live in this predominantly agricultural region.

**Countries:** Kyrgyzstan, Tajikistan, Uzbekistan

**Implementation:** SDC

## Providing advice to public financial management services



A priority of Swiss activities in Central Asia is the support of public financial management reforms to ensure the targeted use of available resources, more transparency, and greater accountability in the use of public funds. This improves public service delivery, creates a more conducive environment for private sector initiatives and boosts the competitiveness of the countries concerned.

**Countries:** Azerbaijan, Kyrgyzstan, Serbia, Tajikistan

**Implementation:** SECO



*"Bosnia and Herzegovina is in many ways a strange country, so also in this regard: we currently have the highest unemployment rate, but also the biggest problem finding staff. We launched a project for young people in the final year of university, secondary and vocational education so that we can train them and give them the skills and knowledge the economy need today."*

Davor Krezić, employee, Intera  
Programme: Youth Employment Programme (YEP)  
Country: Bosnia and Herzegovina

*"The main achievement of the project was to improve the interaction between the various ministries and administration units. On a technical level we achieved seamless information exchange and removed the institutional barriers."*

Tolkunbek Abdygulov, head of Economic and Investment Department  
Programme: Public Financial Management  
Country: Kyrgyzstan

*"Instead of fetching water, children participate in extracurricular activities."*

Salomat Khon Davronova, resident of Boltakul  
Programme: Clean Water in Central Asia  
Country: Uzbekistan

*"We are grateful for the collaboration with Switzerland. It is helpful and sustainable, because people have improved their lives. They can spend more money to create good conditions for their families and especially children. Women actively participate in decision-making processes in the family and the community."*

Majlinda Hoxha Agritria, business woman  
Programme: Sustainable Agriculture Support in Albania  
Country: Albania

*"I was unemployed for two years before I got a job with Meier Mechanics. The prospects are good here, particularly for young employees. I've been working here for nine months, and I'm happy with my wages and the training I get, as well as with the general manager. Our country has high unemployment. Now that I have a regular job, I'll soon be able to get married."*

Milyan Lakovic, Meier Mechanics PLC  
Programme: Start-up Fund  
Country: Serbia

*"The well-written CV helped me the most! I never knew how to write one myself, so I came to the Job Club and saw that I had to write it completely differently from what I thought I should write."*

Bojančo Hrusanović, metal worker  
Programme: Youth Employment Programme (YEP)  
Country: Bosnia and Herzegovina

*"Now we have a very efficient system. If it still were like it was before, when it took 40 days to register a company, I wouldn't have started my own business. I would have kept working as a manager for my previous employer."*

Elvin Mammadov, entrepreneur  
Programme: Simplifying Public Services  
Country: Azerbaijan