

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

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

## 1. Objectives

The Estonian-Swiss Cooperation Programme pursues two objectives:

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

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

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

## 2. Principles

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

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

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

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

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

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

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

## 3. Strategies

### 3.1 Main Strategic Considerations

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

Main strategic considerations include:

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

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

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

- Concentration on a maximum of six focus areas in which a high percentage of the Contribution shall be spent (thematic concentration). The selection of the focus areas will be need-based while taking into account other budgetary funding opportunities in Estonia, and may take specific Swiss know-how into account.
- Concentration on a relatively small number of Projects.

**b. Programme approach.** A programme consists of component projects linked by a common theme or shared objectives. In general a programme approach shall be applied in all focus areas which display several of the following characteristics: large financial Commitments; linking of different levels (national, regional, local); variety of actors; contribution to policy development; significant contributions to capacity building; and application of a common set of rules and procedures. A programme approach implies a delegated authority for decision-making on individual projects. A programme approach includes: an initial assessment of the focus area; the definition of objectives, guidelines and budgets; a programme implementation plan; and a sector monitoring and evaluation concept. To assure efficiency and effectiveness, the contribution to a specific programme shall represent a minimum amount of CHF 2 million.

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

**d. Trans-national Projects.** The Contribution may be used to finance trans-national Projects. Trans-national Projects are Projects which are implemented in more than one country. These Projects have to be in conformity with the overall goals of the Swiss Contribution to the enlarged EU, namely with the goal of the reduction of economic and social disparities within the enlarged EU.

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

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

**g. Flexibility.** In order to increase flexibility of implementation and the possibility to react to arising opportunities, initially about 10% of the Contribution shall not be allocated to chosen focus areas and special items. After two years of the beginning of the Estonian-Swiss Cooperation Programme, a review shall be undertaken in cooperation between the Parties to assess the implementation of Programme, redirect the initial financial allocations if required and determine the priorities for the not yet allocated part of the Contribution.

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

## 3.2 Implementation Strategies

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

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

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

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

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

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

#### 4. Thematic Focus and Indicative Financial Allocations

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

<b>1. Security, Stability and Support for Reforms</b>			
<b>N°</b>	<b>Focus areas</b>	<b>Approach, objectives and eligible projects</b>	<b>Indicative financial allocation</b>
<b>1</b>	<b>Measures for securing borders</b>  <b>and</b>  <b>Modernisation of judiciary</b>	<p><b><u>Individual project or programme approach with the following objectives:</u></b></p> <p><b><u>Objective 1</u></b></p> <p>To enhance the capacity in various areas of forensic science and pretrial procedures and of border control to prevent crimes.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Equipment to facilitate the performance of government organisations involved in securing the Schengen border and in modernising the judiciary.</li> <li>- Networking</li> <li>- Cooperation symposium for judges</li> <li>- Implementation of a licence plate recognition system</li> </ul> <p><b><u>Objective 2</u></b></p> <p>To enhance the capacity in various areas of trial</p>	<b>CHF 5 551 626</b>

		<p>procedures and of the penal system.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Improvement of court hearings</li> <li>- Semi-compulsory treatment of drug-addicted offenders</li> </ul>	
2	Prevention and management of natural disasters	<p><b><u>Individual project or programme approach with the following objectives:</u></b></p> <p><b><u>Objective 1:</u></b></p> <p>To increase fire safety.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Analysis and adaptation of standards</li> <li>- Training for accident and fire disasters</li> <li>- Increasing of fire safety in social welfare and medicine institutions</li> <li>- Training for the municipalities and fire fighters on prevention and protection measures.</li> </ul> <p><b><u>Objective 2:</u></b></p> <p>To strengthen information and communication technology systems of emergency centre(s).</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Establish sustainable systems for positioning persons in need of help and help providing vehicles and facilities.</li> <li>- Strengthen data transmission systems.</li> <li>- Application of Geographic Information Systems (GIS) in rescue works.</li> </ul>	<p><b>CHF 3 404 425</b></p>

<b>2. Environment and Infrastructure</b>			
N°	Focus areas	Approach, objectives and eligible projects	Indicative financial allocation
3	Rehabilitation and modernisation of basic infrastructure	<p><b><u>Individual project or programme approach with the following objective:</u></b></p> <p><b><u>Objective 1:</u></b></p>	

	<p><b>and Improvement of the environment</b></p>	<p>To enhance public environmental monitoring capacities in order to reduce environmental pollution, increase living standards and promote sustainable economic development.</p> <p><b>Types of eligible projects:</b></p> <p>Programmes of a minimum value of CHF 5 million each in the field of:</p> <ul style="list-style-type: none"> <li>- Upgrading of environmental monitoring system(-s)</li> <li>- Supply of up to date environmental measuring equipment</li> <li>- Conducting research</li> </ul> <p><b><u>Objective 2:</u></b></p> <p>To reduce greenhouse gases and other emissions by increasing energy efficiency in public buildings and development of new building standards.</p> <p><b>Types of eligible projects:</b></p> <p>Projects or programmes of a minimum value of CHF 3 million each in the field of:</p> <ul style="list-style-type: none"> <li>- establishment of modern building standards,</li> <li>- introduction of energy efficient construction methods,</li> <li>- research and dissemination of knowledge and know-how,</li> <li>- energy audits.</li> </ul> <p>These soft measures should be complemented by</p> <ul style="list-style-type: none"> <li>- pilot or demonstration projects.</li> </ul>	<p><b>CHF 15 000 000</b></p>
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<p><b>3. Promotion of the Private Sector</b></p>			
<p><b>N°</b></p>	<p><b>Focus areas</b></p>	<p><b>Approach, objectives and eligible projects</b></p>	<p><b>Indicative financial allocation</b></p>
<p><b>4</b></p>	<p>Improved regulation of the</p>	<p><b><u>Individual project approach with the following objective:</u></b></p>	

	financial sector <sup>1</sup>	<p>To support the effective implementation and enforcement of the Acquis Communautaire targeted to Corporate Financial Reporting.</p> <p><b>Types of eligible projects:</b></p> <p>Institutional and regulatory capacity building for corporate sector financial reporting and auditing at the national level</p>	<p><b>CHF 1 800 000</b></p>
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<b>4. Human and Social Development</b>			
<b>N°</b>	<b>Focus areas</b>	<b>Approach, objectives and eligible projects</b>	<b>Indicative financial allocation</b>
<b>5</b>	<b>Research and development</b>	<p><b><u>Objective 1:</u></b></p> <p>To strengthen the scientific potential through enhanced access to education and through selective promotion and cooperation programmes or projects.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Scholarships for advanced degree and post-graduation programmes in Switzerland (Scholarship Fund).</li> <li>- Bilateral training and research projects on AFM microscopy</li> </ul>	<p><b>CHF 2 223 337</b></p>
<b>6</b>	<b>Health</b>	<p><b><u>Individual project or programme approach with three objectives:</u></b></p> <p><b><u>Objective 1:</u></b></p> <p>To modernize communication systems in the health sector.</p> <p><b>Types of eligible projects:</b></p>	<p><b>CHF 7 264 341</b></p>

<sup>1</sup> If Focus area N° 4 is not retained, the respective allocation shall be assigned to focus area N° 3.

	<ul style="list-style-type: none"> <li>- Radio communication to increase coordination for emergency response.</li> </ul> <p><b><u>Objective 2:</u></b></p> <p>To create a healthy growth environment to children with no parental care.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Support to constructing buildings in the framework of constructing orphanages.</li> </ul> <p><b><u>Objective 3:</u></b></p> <p>To enable active lifestyle for disabled children and adults.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Automated gait orthosis therapy</li> </ul>	
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<b>5. Special Allocations</b>		
<b>Item</b>	<b>Content</b>	<b>Indicative financial allocation</b>
<b>NGO Block Grant</b>	<p><b><u>Programme approach with the following objective:</u></b></p> <p>To promote civil society's contribution to economic and social cohesion as important actors of development and participation.</p> <p><b>Types of eligible projects:</b></p> <ul style="list-style-type: none"> <li>- Small projects addressing development of services for local residents in creating healthy living environment.</li> </ul>	<b>CHF 2 500 000</b>
<b>Project Preparation Facility</b>	<p><b><u>Objective:</u></b></p> <p>To support the preparation of final project proposals.</p>	<b>CHF 91 271</b>
<b>Swiss Programme Management</b>	Swiss administration of the Estonian-Swiss Cooperation Programme.	<b>CHF 2 000 000</b>

<b>Estonian Technical Assistance</b>	Estonian administration of the Estonian-Swiss Cooperation Programme including preparation, implementation, monitoring, evaluation.	<b>CHF 85 000</b>
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<b>Overview on the Indicative Allocations</b>	
<b>Funding guidelines</b>	<b>Indicative financial allocation (CHF)</b>
1. Security, Stability and Support for Reforms	8 956 051
2. Environment and Infrastructure	15 000 000
3. Promotion of the Private Sector	1 800 000
4. Human and Social Development	9 487 678
5. Special Allocations	4 676 271
<b>Total indicative allocations</b>	<b>39 920 000</b>

Unused balances of focus areas and special allocations shall be re-allocated once all the final decisions on the Final Project Proposals in the respective focus area or item have been taken. The re-allocation of these unused balances shall be done by mutual agreement (e.g. confirmed in the minutes of the meetings or by correspondence) between the NCU and SDC/SECO in the course of the operational implementation of the Cooperation Programme.