



CH-3003 Bern

Mr. Miroslav Kalousek
Minister
Ministry of Finance of the Czech Republic
Letenská 15
118 10 Praha 1
Czech Republic

Bern, 12 November 2010

The 2nd Amendment of Annex 1 to the Framework Agreement between the Swiss Federal Council and the Government of the Czech Republic concerning the implementation of the Swiss-Czech Cooperation Programme to reduce Economic and Social Disparities within the enlarged European Union, signed on 20th December 2007.

Dear Minister,

I have the honour to refer to the **Framework Agreement between the Swiss Federal Council and the Government of the Czech Republic concerning the implementation of the Swiss-Czech Cooperation Programme to reduce Economic and Social Disparities within the enlarged European Union**, signed on 20th of December 2007, and, based on Article 11, paragraph 3, of the Framework Agreement, to propose on behalf of the Federal Department of Foreign Affairs and of the Federal Department of Economic Affairs of the Swiss Confederation, that the competent authorities defined under article 9 of the Framework Agreement agree to amend Annex 1 to the aforementioned Agreement as follows:

Article 5: Thematic Focus and Indicative Financial Allocations

- The wording "Up to" in the column headed "Indicative financial allocation" shall be deleted in all rows of this column.

Table "1. Security, Stability and Support for Reforms"

- The wording in the column headed "Approach, objectives and eligible Projects" of paragraph 1.1 "Regional development initiatives in peripheral or disadvantaged regions" shall be changed to "**Programme or individual project approach with the following objectives:**"
- The wording in the column headed "Approach, objectives and eligible Projects" of paragraph 1.2 "Prevention and management of disasters" shall be changed to "**Programme or individual project approach with the following objective:**"
- The wording in the column headed "Approach, objectives and eligible Projects" of paragraph 1.3 "Modernisation of the judiciary" shall be changed to "**Programme or individual project approach with the following objective:**"

- The wording in the column headed "Approach, objectives and eligible Projects" of paragraph 1.4 "Strengthening institutions and capacity for combating corruption and organised crime" shall be changed to "***To improve the fight against economic and organised crime in the Czech Republic.***" Under the heading "Types of eligible projects:" the following new wording shall be introduced: "***Enhancing standards and capacity of the Police of the Czech Republic for combating all forms of organised crime***".

Table "2. Environment and Infrastructure"

- The wording in the column headed "Approach, objectives and eligible Projects" of paragraph 2.1 "Rehabilitation and modernisation of basic infrastructure and improvement of the environment", Objective 2, shall be changed to "***Projects of a minimum value of CHF 1 million each in the fields of:***"

Under the Table "Overview on the Indicative Allocations" the following new **Article 6** shall be introduced:

6 Reallocation of Funds

- a. Any unused financial balances of focus areas and the not yet allocated amount (reserve) shall be used - in accordance with the objectives, principles, strategies, geographic and thematic focus as outlined in the Framework Agreement - for projects which cannot be financed by the available balances of funds in respective Focus areas.
- b. The allocation of the not yet allocated amount shall be made in writing (in the form of exchange of letters) with the mutual agreement of the competent authorities, i.e. the Ministry of Finance / National Coordination Unit and the Swiss competent authorities – SDC and SECO in the course of the implementation of the Swiss-Czech Cooperation Programme.

All other provisions in the Annexes to the Framework Agreement between the Swiss Federal Council and the Government of the Czech Republic concerning the implementation of the Swiss-Czech Cooperation Programme to reduce Economic and Social Disparities within the enlarged European Union remain unchanged.

The allocation of the unused financial balances of focus areas shall be made in writing (in the form of exchange of letters) by the Ministry of Finance / National Coordination Unit and the Swiss Embassy with the mutual agreement of the competent authorities defined under article 9 of the Framework Agreement.

If the Ministry of Finance of the Czech Republic confirms in its reply Letter that it accepts the foregoing, the present Letter and the reply Letter will be considered as an Agreement on the amendment of Annex 1 of the Framework Agreement, entering into force on the issuing date of the reply Letter of the Ministry of Finance of the Czech Republic.

Yours sincerely

Martin Dahinden
Swiss Agency for Development and
Cooperation SDC

Jean-Daniel Gerber
State Secretariat for
Economic Affairs SECO

Enclosures

2nd Amendment of Annex 1 to the Framework Agreement