



Message on International Cooperation 2013–2016

Key points in brief



Schweizerische Eidgenossenschaft
Confédération suisse
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Confederaziun svizra

A Swiss tradition

For over five decades Switzerland has been supporting the efforts of poorer countries to overcome humanitarian crises and deal with problems of poverty and development. With this commitment Switzerland is fulfilling the pledge contained in the Federal Constitution to contribute to “the relief of poverty and suffering in the world, respect for human rights and promotion of democracy, the peaceful co-existence between peoples, and the protection of the natural basis for life” (BV, art. 54).

For the period 2013-2016 the Federal Council is, for the first time, submitting a comprehensive Message on International Cooperation to Parliament, which details the operational activities of the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO) in terms of four framework credits:

- Humanitarian Aid (SDC)
- Technical cooperation and financial aid for developing countries (SDC)
- Economic and trade policy measures within the context of development cooperation (SECO)
- Cooperation with the states of Eastern Europe and the Commonwealth of Independent States CIS (SDC/SECO)

International Cooperation focuses on the reduction of poverty and the lessening of global risks.

Despite progress support is still needed

In recent decades remarkable progress has been made, particularly in Latin America, East and South-East Asia and those areas of South Asia suffering particularly hard from poverty. In developing countries infant mortality fell by a quarter between 1990 and 2005 and average life expectancy increased in even the poorest countries.

Nonetheless, today around two billion people still live on less than two US dollars a day. The gap between rich and poor is growing ever wider, and unstable financial markets, climate change, shortage of raw materials, water scarcity, pandemics, armed conflicts and extreme weather all limit the development perspectives of poor countries. According to the World Bank, the rise in food prices caused by the latest global economic crisis, to take one example, has driven an additional 70 million people into extreme poverty.

In the former communist countries of Eastern Europe and Central Asia, the creation of democratic structures based on the rule of law has not yet been completed. If this transition were to fail, it would destabilise a region that is also of considerable importance for Switzerland. The result would be increased migration and consequences for security throughout Europe.

Consequently: Switzerland’s commitment continues to be necessary.

Solidarity and enlightened self-interest

Switzerland has many years of experience in providing countries and their people with effective assistance to overcome development and transition problems or humanitarian crises. It does this for reasons of

- **solidarity** – no country can master poverty and global challenges alone.
- **enlightened self-interest** – because the security, prosperity and quality of life of a country like Switzerland with its extensive international network is dependent on global political, economic and environmental developments. Its commitment to fighting poverty abroad is also a commitment to greater security and a higher quality of life in Switzerland.



Efficient climate protection requires close International Cooperation. In the coming decades emerging and developing countries will be responsible for more than 70% of global greenhouse gas emissions. It is in Switzerland's interest to contribute to global development that is climate friendly and sustainable.

Global development: fair, prosperous, ecological

Switzerland's commitment focuses on **five goals**:

- Preventing and overcoming crises, conflicts and catastrophes
- Creating access for all to resources and services
- Promoting sustainable economic growth
- Supporting the transition to democratic, free-market systems
- Helping to shape pro-development, environmentally friendly and socially responsible globalisation

Switzerland's International Cooperation continues to be built on two pillars:

Bilateral cooperation with selected priority countries and regions (see p.14), i.e. with state institutions, civil society and free market actors and research institutions.

Multilateral cooperation with approximately 13 international institutions (international financing institutions, UN organisations, global networks and funds) in the form of financial participation and the joint formulation of policy and programmes.

Increasingly in focus: global risks and fragile states

Switzerland's International Cooperation is focusing more strongly on **global challenges**. Cross-border risks associated with climate change, lack of food security, water shortages, inadequate access to healthcare, migration, and economic and

financial instability all damage development opportunities, particularly for poor countries. To counter these, Switzerland is developing innovative solutions in these areas as part of its "global programmes" (see p. 15). This will enable Switzerland to exert a targeted influence on international policy and the negotiation of global regulations.

Project examples of three global programmes



Climate change: China is one of the three largest producers of greenhouse gases. Consequently, its climate policy is a matter of importance for the world as a whole. The SDC is helping China draw up new national climate legislation. In addition, as part of the "Low Carbon Cities China" initiative, Switzerland has entered into partnership with five Chinese cities with a population of over a million. The goal is to promote the introduction of climate-friendly energy management based on the model of the Swiss Energy City and the "European Energy Award".



Finance and Trade: taxation is indispensable for financing public services and reducing dependency on external support. With the help of SECO, countries such as Ghana and Mozambique have initiated both fiscal and administrative reforms. In Ghana this resulted in an increase in tax revenue relative to gross domestic product from 12.7% to 18.8% between 2002 and 2010, enabling the country to provide a higher level of internal financing in the fight against poverty.



Water: scarcity of water is threatening millions of hectares of rice fields. The International Rice Research Consortium supported by the SDC has trained over 125,000 farmers in South and East Asia in the use of an irrigation technique that requires up to 30% less water for the same crop yield.

Switzerland is strengthening its commitment in **fragile states**: inadequate state structures further heighten the problem of poverty. Weak governance, a lack of legal security and corruption can all nullify the successes achieved through development. According to the World Bank, per capita income increases three-fold in countries in which governance is improved. Switzerland

is committed to democracy, the rule of law and human rights and promotes effective state and civil society institutions. As a neutral country with no colonial baggage, Switzerland is well placed to work in this difficult field and achieve good results.

Examples of projects in fragile states



Afghanistan: as part of the justice and police reforms in Afghanistan, the SDC is assisting in the recruitment of female police officers. By the beginning of 2011, 1241 women had been trained for the national police. Their work focuses primarily on investigating crimes against women and children, one effect of which is that women are better able to assert their rights in criminal prosecutions.



Nepal: Since the end of the civil war, Nepal has been going through a period of upheaval, which has weakened administrative effectiveness. The SDC is working together with local authorities to improve administrative accountability to the population and to facilitate greater access to state services for disadvantaged population groups. As a result, administrative effectiveness has considerably improved thanks to public consultations and citizens meetings. In addition, the budget earmarked for the reduction of disadvantages was doubled from 2010 to 2011.



South Sudan: In the Republic of South Sudan, the SDC has supported the establishment of an independent, multilingual radio station which has been broadcasting 168 hours of programmes per month since 2006. The journalists are professional and independent and have covered the implementation of the peace agreements, the referendum and the general elections. The radio station programmes contribute to civic education, freedom of expression as well as helping to defuse conflicts.

Control and transparency

In February 2011, Parliament decided to increase official development assistance to 0.5% of Gross National Income by 2015. This will place Switzerland in the mid-table of OECD donors. In line with this a commitment volume amounting to a total of CHF 11.35 billion is foreseen for the four framework credits over a four-year period. This amounts to around 3% of total federal expenditure (2010).

Framework credits (FC) 2013–2016 in CHF millions	Medium	%
FC Humanitarian Aid and the Swiss Humanitarian Aid Unit (SDC)	2'025	17,8%
FC for the continuation of technical cooperation and financial aid in support of developing countries (SDC)	6'920	61,0%
Bilateral cooperation	4'152	
Multilateral cooperation	2'768	
FC for the continuation of economic and trade policy measures in developing countries (SECO)	1'280	11,3%
FC for the continuation of cooperation with the countries of Eastern Europe and the CIS	1'125	9,9%
SDC	750	
SECO	375	
Total commitments	11'350	100%

Switzerland concentrates on themes in which it can demonstrate proven experience and strength. It takes account of the differing needs of countries and regions, the potential for effective action, the willingness of partner countries to engage in successful cooperation as well as the enlightened self-interest of Switzerland itself.

Resources are **efficiently deployed** to **maximise** their **effectiveness**. This involves keeping administrative costs as low as possible, and instituting internal and external controls to minimise risks such as corruption. Annually up to 0.4% of resources are used to evaluate the relevance and effectiveness of programmes. **Reports on Effectiveness** provide politics and the public with regular information about the results achieved.

Three examples of the efficacy of Switzerland's commitment



Thanks to its **water programmes**, between 2006 and 2010 the SDC has been able to provide more than 2 million people, mainly in rural areas, with improved access to drinking water and sanitary facilities. Access to water for irrigation purposes has been improved for around 150,000 people.



Apart from its participation in international negotiations on **climate change**, the SDC is also active on the ground. It promotes brick-building construction methods which reduce the CO₂ impact by 50%. After the successful introduction of an efficient brick-making furnace in India, the method is now being used on three continents. As a result, 150,000 tonnes of CO₂ are saved in Vietnam alone. This is the equivalent of 75,000 flights between Europe and Hanoi.



Many small companies in developing countries are denied access to **bank credit** because they cannot meet the requirements set by financial institutions, which are themselves often weak. SECO is financing the establishment of advisory service centres to help companies draw up business plans. In conjunction with this, local banks are also being strengthened. In Indonesia this type of project to improve access to credit resulted in the creation of 12,000 jobs.



**Framework credit Humanitarian
Aid and Swiss Humanitarian Aid
Unit SHA**



The earthquake in **Haiti** made almost 1.5 million people homeless. The Confederation's Humanitarian Aid carried out the largest emergency aid programme in its history. 150 Swiss experts provided over 800 women and children with medical assistance and set up around 50 drinking water stations which daily provided up to 50,000 people with drinking water. Today Humanitarian Aid is focusing on reconstruction. In 2011 work started on the building of two pilot schools for 1000 children in Petit-Goâve.

It is not just crises and armed conflicts that create suffering. Increasingly, natural disasters such as earthquakes, droughts and flooding are becoming a source of misery. The number of disasters has increased significantly in recent years, due in part to climate change. In 2010, these claimed more than 300,000 lives and caused damage valued at over USD 210 billion.

In 2013–2016 Humanitarian Aid will continue its activities in the areas of **disaster relief and prevention, emergency aid and reconstruction**. It helps cope with the humanitarian consequences of climate change, food crises, water scarcity, environmental changes, nuclear accidents and migration. More attention is now being paid to prevention and crisis resistance, legal services and victim support as well as international networking.

Humanitarian Aid deploys its tried and tested instruments such as **rapid response teams and Swiss Rescue**. It strengthens its presence in the field, conducts more operations with its own personnel and makes more experts of the **Swiss Humanitarian Aid Unit (SHA)** available, also for the benefit of UN organisations. It is intensifying its international commitment under the auspices of the UN, and is continuing with Switzerland's trademark Red Cross tradition by making a significant contribution to the work of the International Committee of the Red Cross (ICRC).

When deciding on where to help, the Confederation's Humanitarian Aid gives consideration to the extent of the crisis and to Switzerland's ability to rapidly and effectively help alleviate suffering. It continues Switzerland's **humanitarian tradition** and provides help that is free of political conditions.

For the years 2013-2016 Switzerland has committed a total of CHF 2 billion (17.8% of total resources) to humanitarian aid: a third for the bilateral programme (direct actions of the SHA, and for contributions to Swiss, international and local organisations); two-thirds for multilateral contributions, namely for UN organisations (such as the WFP, UNHCR, OCHA, UNICEF) and the ICRC.



Development cooperation has increasingly been focusing on **reducing the risks of natural disasters**. Between 2006 and 2010 the Confederation's Humanitarian Aid invested more than CHF 10 million in disaster prevention, for example in the construction of earthquake- and flood-proof buildings. In this manner, damage estimated at a value of CHF 40-70 million was prevented.



**Framework credit technical
cooperation and financial aid
for developing countries**

The SDC concentrates its development cooperation on the **world's poorest regions**. In the years 2013–2016 priority is being given to ten relatively stable poor countries and regions: Benin, Burkina Faso, Mali, Mozambique, Tanzania, Bangladesh, Mongolia, Bolivia, Cuba, Central America. Particular emphasis is placed on supporting the efforts initiated by the countries or their populations to create sustainable growth, jobs, income, and access to healthcare and education for a broad section of society. Greater importance is being attached to environmental sustainability.

At the same time Switzerland is also increasing its commitment in **fragile contexts**: this includes the regions of the East African Great Lakes, the Horn of Africa, Southern Africa and Niger, Chad, North Africa/Palestine, Hindu Kush, Mekong, Nepal and Haiti.

Switzerland is continuing to implement successful programmes in the areas of **health** and **education** (particularly in Africa), **employment and income** (primarily in Asia and Latin America), as well as **rural development** and **good governance** (decentralisation). It encourages partner governments and organisations to commit as great a share of their own resources as possible: support should strengthen the ability of countries to assume greater responsibility and promote innovation.



Switzerland is assisting Tanzania in its **fight against malaria**, amongst other things by distributing impregnated mosquito nets. The innovative national mosquito net programme has proved to be extremely effective and has contributed to the fall in child mortality by almost half since 1999.



For over 30 years **vocational skills development** has been a priority area of Switzerland's commitment. In 2009, the Employment Fund helped provide skills training for 14,500 people in Nepal, 80% of whom found employment. More than half of those who received training were women.

SDC's **global programmes** are designed to promote innovations that make an important contribution to overcoming the problems posed by poverty and development. Thanks to these specific, tangible contributions the SDC is able to help shape international policy.

The SDC-supported global programmes:

- climate change
- water
- food security
- health
- migration

Project examples from three global programmes



Food security: Switzerland supported the production and dissemination of grain silos known as Postcosecha. In 2009, 415,000 families in Central America were able to prevent the loss of 20% of their crops thanks to these silos. The silos are locally produced, providing work and additional income for 900 artisans.



Water: The SDC initiated the creation of a consortium of Swiss NGOs operating in the fields of water treatment and water treatment systems. In less than two years, the consortium has assisted 450,000 people in fragile states to gain access to potable water and sanitation. In addition, the SDC contributed to the establishment in Geneva of the Global Sanitation Fund. Thanks to this fund, an additional 2 million people a year will have access to sanitation.



Climate change: In India's energy-intensive glass industry and foundries the SDC is promoting the introduction of energy-saving technology. Success is twofold: whilst combating poverty a substantial contribution to climate protection is being made. Thanks to increased energy efficiency in 650 enterprises, by 2010 CO₂ emissions were reduced by 487,000 tons with a resultant saving of 139,000 tons of oil. This reduction in CO₂ emissions is equivalent to those for a Swiss city with 80,000 inhabitants.

In the area of **multilateral cooperation** Switzerland concentrates its support on 13 priority organisations (international financing institutions, UN organisations, global funds and networks). Alongside development policy criteria, the decisive factors influencing selection are foreign policy considerations, complementarity with bilateral cooperation and the opportunity for Switzerland to play an active role in the governing and supervisory bodies of the organisations supported.

Between 2013–2016 development cooperation will commit a total of CHF 6.92 billion (or 61% of total funds) to technical cooperation and financial aid for developing countries, of which around 60% will be for bilateral and 40% for multilateral cooperation.

Project examples from multilateral cooperation



In the world's 79 poorest countries the **World Bank's International Development Agency (IDA)** helps to finance projects in the areas of health, education, infrastructure, the financial sector and agriculture. The IDA provides approximately 20% of total development aid. Switzerland makes an annual contribution of around CHF 240 million to this development agency. One example of its work was the opening up of access to electricity for 650,000 people in Mali.



The **International Fund for Agricultural Development (IFAD)** helps small farmers, landless agricultural workers, nomadic pastoralists, fishermen, indigenous peoples and poor rural women by providing them, amongst other things, with favourable credit conditions and more than 800 projects and programmes. Until now more than 340 million people have benefited from the work of IFAD. Switzerland has been supporting the fund with an annual contribution of CHF 7 million since 1977.



The **Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria** receives CHF 8 million from Switzerland to support its work. Thanks to programmes supported by the Global Fund, by the end of 2009 2.5 million people had gained access to antiretroviral drugs, 105 million were counselled and tested for HIV, and 4.5 million orphans received medical and psychosocial support.



Framework credit economic
and trading policy measures
for development cooperation



In Peru, Switzerland is supporting the development of an integral **waste management system** that covers the cycle from collection, triage, and recycling through to secure disposal. Today in Peru only 4% of waste is correctly disposed of. The waste project in Chiclayo serves a quarter of a million people. Other cities in Peru are now using the project as a model for how to set up an efficient and economically sustainable waste management system. Action is being taken to simplify access to other sources of finance, and over the medium term costs should fall by 35%.

The economic and trading policy measures related to development cooperation are implemented by the State Secretariat for Economic Affairs (SECO). On the basis of its own core competencies and to achieve optimal use of resources, SECO is concentrating on five priority themes:

- Strengthening economic and financial policy
- Extension of city infrastructure and supply structures
- Support for the private sector and entrepreneurship
- Promotion of sustainable trade
- Providing stimulus for climate-friendly growth

The main priority is the promotion of economically, environmentally and socially **sustainable growth** which creates new jobs, encourages higher productivity and contributes to a reduction in poverty and inequality. This can be achieved by integrating partner countries in the global economy and by strengthening the competitiveness of domestic economies. The focus is on support measures for poor developing countries who have committed themselves to a serious and efficient reform process.

Economic development cooperation relies on the cooperation with specialised global organisations. SECO works closely with the World Bank Group, regional development banks and UN world trade organisations.

By taking targeted measures and concentrating the bilateral measures on the Middle Income Countries (MIC), in which the majority of poor people live, it has been possible

- to improve their debt management
- modernise the financial sector and make it more transparent
- boost trade and place it on a more sustainable footing
- create jobs
- provide access to basic infrastructure (water, energy)

Tunisia has now also been classified a priority country for economic and trade policy measures alongside the seven existing priority countries Egypt, Ghana, South Africa, Indonesia, Vietnam, Colombia and Peru.

In the years 2013–2016 Switzerland will contribute a total of CHF 1.28 billion (11.3% of the total budget) for economic and commercial measures in development cooperation. About 50% will go to the eight SECO priority countries. The rest will be allocated to global programmes and economic measures in SDC priority countries.



In 1997, SECO began to set up **Cleaner Production Centres** which provide thousands of local companies with advice on how to improve their profitability and competitiveness with efficient and clean technologies. On average, savings in the use of resources of 30-50% have been achieved. To take one example, thanks to the introduction of new technology, a Colombian SME was able to reduce energy consumption by 30% and CO₂ emissions by 60%. The increase in productivity immediately translated into improved competitiveness and rising exports.



**Framework credit cooperation
with the countries of Eastern Europe
and the CIS**

Through its cooperation with Eastern Europe, Switzerland is contributing to the political and economic **reform processes** (transition) in the former communist states of Eastern Europe and the former Soviet Union. It aims

- to strengthen human rights and democracy by creating political institutions that ensure the rule of law and citizens' rights;
- to promote economic and social development and the sustainable management of natural resources.

Cooperation is concentrated on the **Western Balkans** (Albania, Bosnia Herzegovina, Macedonia, Serbia and Kosovo) and the **countries of the former Soviet Union** (Ukraine, Moldova, Georgia, Azerbaijan, Armenia, Uzbekistan, Kyrgyzstan, Tajikistan).

In cooperation with the European Union, development banks, UN organisations and other donors, Switzerland is helping governments, the private sector and civil society to master the problems caused by transition.

The SDC and SECO jointly manage the framework credit. Two-thirds of the resources committed are allocated to the SDC and one-third to SECO. The resultant programmes complement each other.

The focus of the SDC programme is on:

- The modernisation of public administration
- The improvement of access to public services (e.g. legal advice) for the local population (especially for disadvantaged groups)
- Participation of the population in decision making at municipal level
- Reform of the administration of justice and the creation of a police force that serves the people
- Support for the reform of healthcare and decentralised water provision
- Integration of young people into the jobs market



In order to reduce the high level of youth unemployment (35.5%) in Albania, the SDC is supporting the **expansion of the vocational training system**. For the 2009–2010 school year, the schools once again attracted around 300 students who registered for apprenticeships in heating, air conditioning and plumbing. By the end of the project approximately 12% of all those undertaking vocational training will complete their four-year training programme in this fashion.

Economic reform is an important prerequisite for sustained growth and social development in transition countries. Consequently, the SECO programme focuses on:

- Strengthening the private sector and entrepreneurship
- Setting up a modern system for providing credit
- Promoting trade and local income by strengthening the value-added chain
- Efficient supply of energy and water
- Advising public financial management services

In the years 2013–2016 Switzerland will commit a total of CHF 1.125 billion (or 9.9% of total resources) for cooperation related to transition. Around 50% of the technical and financial support will be for the benefit of the Western Balkans and 50% will be employed in the countries of the former Soviet Union.



Improving the **integration of the CIS states in international trade** creates jobs. In Tajikistan and Kyrgyzstan, SECO is helping improve use of the producer-consumer chain, particularly in the agricultural sector. Producers of organic cotton, as well as textile, fruit and vegetable processors are advised. Financial services for the agricultural sector are being expanded and the regulatory system simplified. Those companies that received support significantly increased their competitiveness: in Tajikistan exports rose by between 5 to 15% and in Kyrgyzstan by 15 to 20%.

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