

Strategic Orientation and Priorities

The long-term objective of Swiss Cooperation in the South Caucasus is to contribute to a peaceful transition towards democracy and inclusive economic development in the region.

Within the framework of the Swiss Cooperation Strategy 2013-2016, Switzerland contributes to improving the economic framework conditions, strengthening the private sector and increasing agricultural productivity in the South Caucasus countries, as well as strengthening the capacities of central and sub-national government institutions. Humanitarian aid is provided to support the integration of vulnerable population groups. At the same time, efforts are undertaken in the areas of human security and conflict transformation.

Three priority domains:

- Economic Development and Employment
- Governance and Public Services
- Human Security and Protection

Transversal Themes, which are applied to all SDC-funded projects, are:

- Good Governance
- Gender Equality
- Disaster Risk Reduction

Economic Development and Employment

The objective of this domain is to enhance economic development and social cohesion in the South Caucasus through fostering inclusive growth.

Through its projects, Switzerland supports relevant market actors in the agricultural value chains to get access to investment funds and to adopt efficient production, storage and processing technologies that, eventually, leads to better access to profitable markets.

Switzerland also aims to promote rural finance instruments and ease access to finance for agribusiness through building strategic alliances with financial institutions. Switzerland also provides support for enhancing vocational skills development for farmers through institutional strengthening of agricultural training centres. Swiss support is coupled with a well-directed policy dialogue to advocate for inclusive state policies pertaining to rural development and agriculture.

In Azerbaijan, Switzerland contributes to further improving the framework conditions for the private and financial sector, develop entrepreneurial skills and support financial sector reforms. Assistance is also provided to modernizing the regulatory framework and market infrastructure of the financial sector, as well as increase the range of financial products available to households and Small and Medium Enterprises.

Project: Rural Development in the Region of **Kvemo Kartli.** Five years ago a landslide forced Ednari Antadze to move to the village of Tsintskaro and start a new life. Ednari's successful business started with a veterinarian's advice to feed cows with brewer's grain, which contains high energy, protein and micro nutrient, making it an excellent feed. With time, he began to supply other clients as well. However, his dilapidated truck was accruing high expenses. With SDC's co-financing, Ednari purchased a new truck with a 13 ton capacity and hermetic body. Additionally, within this project, Ednari has developed a brand called "Kokhtas Khoti" and organized a distribution system leading to 50 more clients in the same area and two more

Governance and Public Services

The objective of this domain is to strengthen democratic processes and accountability, as well as to improve the quality of selected public services in the South Caucasus.

Switzerland assists sub-national institutions in better performing their functions related to sustainable disaster management, territorial administration, infrastructure, pasture management, and in transmitting reliable information to farmers on legal and regulatory issues (e.g. food safety). Switzerland initiates and supports activities that increase inclusive political participation, as well as strengthening the accountability and transparency of the respective state institutions, and ensuring respect for international human rights standards.

In Azerbaijan, Switzerland aims to strengthen economic and financial policies and improve the quality of selected public services through capacity building in key ministries responsible for economic policy and facilitating reforms in public financial management. Switzerland also supports selected public utilities in improving their financial and operational performance.

Project: Capacity Building for Central Banks. As a result of the successful implementation of

SECO funded programs, the macroeconomic forecasting framework at the Central Bank of Azerbaijan has been improved based upon the financial programming system. The dynamics and compilation of the external sector statistics have been computerized and tailored to the IMF's new instructions. At the same time, the modelling mechanism for the real estate sector and for the households monitoring system has been upgraded and a corporate program and project management system has been launched in line with international standards.

Human Security and Protection

Project: Joint Support to Local Governance

Reforms in Armenia. Many municipalities

struggle with providing basic public services

to citizens and promoting local development

as a result of the high centralization of deci-

sion-making power, limited funds and a lack of

management capacities. In order to harmonize

and strengthen support to the government's re-

form plans, the SDC, GIZ and USAID launched

a programmatic approach in 2014 by aligning

their objectives and activities and by pooling

funds. Further partners to the joint program-

ming include the Council of Europe, UNDP and

the Armenian Social Investment Fund. Close

coordination and a joint steering mechanism

are expected to yield better results. SDC has

been one of the main promoters of this joint

approach.

The objective of this domain is to enhance human security and the protection of the population in the region, in particular, vulnerable persons affected by conflict and natural disaster.

Switzerland addresses the basic humanitarian needs of vulnerable, conflict-affected people and natural disaster victims by supporting various durable housing solutions and improved livelihood opportunities.

Switzerland promotes conflict transformation. High level mediation initiatives are complemented with support to local peace building initiatives and facilitation of dialogue.

Project: Women Empowerment in Decision-Making. Lusine Nersisyan is working for de-facto Ministry of Foreign Affairs of Abkhazia. She happened to participate in a discussion organized within the frames of the project funded by the Human Security Division, Ministry of Foreign Affairs of Switzerland. She said: "Inspired by this meeting, my colleagues and I became pioneers in raising awareness of the importance of women's participation in the daily work of the ministry, as well as in political negotiations."



Swiss Cooperation in the South Caucasus

Swiss Cooperation with the South Caucasus countries dates back to the devastating earth-quake in 1988 in the north of Armenia and the territorial conflicts (Abkhazia and South Ossetia in Georgia, and Nagorno-Karabakh between Armenia and Azerbaijan) in the period of 1991-1994.

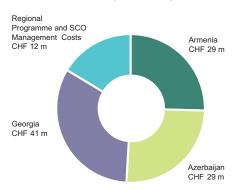
Over the past years, Switzerland's support to the South Caucasus region via technical and financial long-term assistance on the one hand, and humanitarian aid and peace-building measures on the other, have proven to be a great asset to the region.

Swiss Cooperation is outlined in the Cooperation Strategy, which is traditionally planned for the period of 4 years. The current Cooperation Strategy envisages assistance from 2013-2016.

Swiss assistance in the South Caucasus is coordinated and supervised by the Swiss Cooperation Office in Tbilisi and its program offices in Baku and Yerevan, and in close cooperation with the Swiss embassies in Tbilisi, Baku and Yerevan.

The total financial resources allocated for the Cooperation Strategy South Caucasus 2013-2016 is around CHF 111 million.

Financial Allocation per Country



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Swiss Cooperation in the South Caucasus 2013-2016

Swiss Cooperation

Swiss Agency for Development and Cooperation (SDC) is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). The SDC is responsible for the overall coordination of development activities and cooperation, as well as for the humanitarian aid delivered by the Swiss Confederation.

State Secretariat for Economic Affairs (SECO) is part of the Federal Department of Economic Affairs, Education and Research (EAER) and the Swiss government's centre of expertise for all core issues related to economic policy. SECO is responsible for the planning and implementation of economic cooperation and development activities with middle income developing countries It coordinates Switzerland's relations with the World Bank Group, the regional development banks and the economic organizations of the United Nations.

Directorate of Political Affairs (DPA) is the coordinating unit for Swiss foreign policy and the most senior administrative body for all international representations. The Directorate prepares the action to be taken and develops strategies for bilateral relations, security, international solidarity, promoting democracy, the rule of law and human rights.

Human Security Division of the Directorate of Political Affairs (DPA), which is a coordinating unit for Swiss foreign policy, deals with issues of peace, human rights, humanitarian policy and migration. The concept of human security focuses on the safety of individual human beings and protecting people against political violence, war and acts of arbitrary violence.



Swiss Agency for Development and Cooperat
State Secretariat for Economic Affairs SECO
Directorate of Political Affairs DPA