### Overview

Switzerland first entered the region in 1988, in the wake of a devastating earthquake in Spitak, Armenia. Ten years later, in 1999. Switzerland stepped up its cooperation by opening a Cooperation Office for the South Caucasus with a Regional Office in Tbilisi, Georgia. Acting through the Swiss Agency for Development and Cooperation (SDC), the State Secretariat for Economic Affairs (SECO) and the Human Security Division (HSD), Switzerland has been continuously expanding and intensifying its engagement, which is tailored to the needs of the South Caucasus countries.

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.

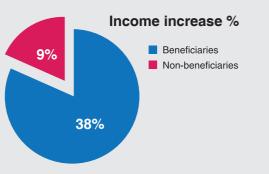
Human Security Division (HSD) of the FDFA promotes peace and human rights as set out in the Swiss foreign

policy strategy. 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.

#### Results achieved under the Cooperation Strategy for the South Caucasus 2013-2016

Switzerland's engagement in the South Caucasus is defined by the Cooperation Strategy which sets priorities for a four-year period. The Cooperation Strategy 2013-2016 contributed to improving economic framework conditions, Swiss Agency for Development and strengthening the private sector and increasing agricultural productivity. The programmes focused on fostering the development of national and sub-national government institutions and increasing their capacity to respond to natural disasters. Considerable efforts were undertaken in the areas of human security and conflict transformation.

> Chart 1. The income of 170'000 farmers and their families has increased and over two thousand jobs were created in agriculture-related businesses.



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## Swiss Cooperation Strategy South Caucasus 2017-2020



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### Strategic orientation and priorities for 2017-2020

The current Cooperation Strategy will cover crucial sectors such as the economy (with a focus on agriculture), governance and human security, as well as disaster risk reduction and climate change adaptation. Throughout the four-year period, regional cooperation between the three South Caucasus countries will be strengthened through support for regional programmes in cross-border trade and disaster risk reduction.

In all three countries, women make significant contributions to economies, whether on farms or by doing unpaid domestic work. Through targeted programmes, Switzerland will invest in

women's economic empowerment thus contributing to gender equality and inclusive economic growth.

The strategy is structured around two key domains: "Inclusive and sustainable economic development" and "effective democratic institutions, human safety and security". Gender equality and good governance will continue to be integrated in a transversal way in all areas of intervention.

The continuous support to arts and culture in the South Caucasus region will also be secured by offering spaces and opportunities to local artists to thrive.

### Inclusive and sustainable economic development

More than half of the population of Armenia, Azerbaijan and Georgia live in rural areas and their incomes largely depend on agriculture. This makes agriculture a crucial sector for development. Switzerland will continue supporting the development of agriculture, with the aim to increase the productivity and income of the rural population.

#### AGRICULTURAL VALUE CHAINS

The Swiss-funded projects will aim at strengthening the agricultural value chains for dairy, meat, honey and wool products. The programmes will target entrepreneurs in rural areas, as well as women and vulnerable communities. including conflict-affected households. Within the current strategy, Switzerland will seek to further strengthen the links and exchanges across the three South Caucasus countries.

#### **CROSS-BORDER INITIATIVES**

The three South Caucasus counties not only share a single region, they also face similar challenges. Many of these problems can be tackled through regional collaboration. Switzerland will seek to explore the framework conditions and opportunities to facilitate cross-border initiatives, such as trade and women's economic empowerment.

#### FINANCIAL SECTOR

Since 2001, Switzerland has been contributing to improving the business climate and fostering the business sector in Azerbaijan. Together with the SDC, SECO will continue to invest in creating a conducive business environment and better access to finance for small and medium enterprises. It will also intensify its engagement in the development and diversification of financial infrastructure. Switzerland will also support the private sector in their efforts to advocate for a sound legal and institutional framework for economic activity.

Inclusive economic development will not be feasible and sustainable without a safe environment and robust governance structures. Therefore, the second domain, "Effective Democratic institutions, human safety and security," will complement and lay a solid foundation for the long-term impact of economic development.

# AZERBAIJAN

Switzerland will continue to strengthen economic and financial policies through improving public finance management. Specific topics will include financial market regulations and supervision, as well as debt management.

#### DECENTRALISATION

Switzerland will continue to support decentralisation reforms by national governments. The programmes will be designed to assist local self-governments to better perform their functions, e.g.

### Effective democratic institutions. human safety and security

# PUBLIC FINANCE MANAGEMENT IN

provide relevant public services, and to achieve a high level of citizen participation in decision-making processes. Here as well, opportunities for cross-border cooperation among local authorities will be explored.

#### DISASTER RISK MANAGEMENT

Natural disasters take lives, as well as livelihoods. They can destroy years of development progress, which is why Switzerland will continue to engage in the area of climate change adaptation and disaster risk management, primarily focusing on rural and mountainous regions.

#### CONFLICT RESOLUTION MEASURE

Through the Human Security Division, Switzerland will continue to promote conflict transformation and to contribute to confidence-building in the region.