

# Switzerland's International Cooperation Strategy 2021–24





# Foreword

Through its international cooperation, Switzerland contributes to reducing poverty and promoting sustainable development in developing countries. International cooperation consists of three pillars that are embedded in the FDFA and EAER: humanitarian aid, development cooperation and the promotion of peace and human security. It constitutes an investment in freedom, security and prosperity for Switzerland and elsewhere around the world, and is a key component of the Federal Council's Foreign Policy Strategy 2020–23.<sup>1</sup>

The new International Cooperation Strategy 2021–24<sup>2</sup> aims to be more sharply focused and thus even more effective than in the past: it sets out three criteria for the strategic orientation, sets a geographic focus for bilateral development cooperation and defines four thematic priorities.

The three criteria are as follows: the needs of the population in developing countries, Switzerland's long-term interests, and the value added by its international cooperation compared with other countries. On the basis of these criteria, we have identified four priority regions, giving the FDFA's bilateral cooperation a geographic – and therefore more effective – focus on 35 countries. The EAER's economic development expertise remains focused on 13 countries.

In addition, the strategy defines four thematic priorities: a) creating decent local jobs, b) mitigating and adapting to climate change, c) reducing the causes of forced displacement and irregular migration, and d) promoting the rule of law and good governance. Going forward, the aim will be to fully harness the potential of the private sector and digitalisation, and to work on a strong multilateral system.

With a proposed financial commitment of more than CHF 11 billion over four years, the people of Switzerland are showing solidarity in the face of global challenges such as climate change, armed conflict and poverty, all of which are complex phenomena requiring international cooperation and mobilisation as part of the United Nations 2030 Agenda for Sustainable Development.

The International Cooperation Strategy 2021–24 was approved by the Federal Council on 19 February 2020, after having been subjected to a public consultation procedure for the first time. The consultation attracted a high level of participation, demonstrating how much interest there is in the subject in Switzerland. It has also in turn helped to make international cooperation more relevant to Swiss domestic policy.

This brochure is an excerpt from the Dispatch to Parliament, in which the Federal Council explains its strategy and proposes five framework credits. We are pleased to present it to you and hope that it will contribute to a wider understanding of this significant Swiss investment. We hope you enjoy reading it!



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<sup>1</sup> Foreign Policy Strategy 2020–23; [www.fdfa.admin.ch](http://www.fdfa.admin.ch) > FDFA > Foreign policy strategy and implementation > Foreign policy strategy  
<sup>2</sup> Dispatch on Switzerland's Strategy for International Cooperation 2021–24, BBl 2020 2509

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# 1 Background

## 1.1 International cooperation is in Switzerland's interests

Article 2 of the Federal Constitution (Cst.)<sup>3</sup> sets out the aims of the Swiss Confederation and its core values, which apply to all sectoral policies. Switzerland's international cooperation (IC) is based on Article 54 paragraph 2 Cst. (foreign relations) and contributes in part to foreign economic policy (Art. 101 Cst.).

In its foreign relations, the Confederation "shall ensure that the independence of Switzerland and its welfare is safeguarded; it shall in particular assist in the alleviation of need and poverty in the world and promote respect for human rights and democracy, the peaceful co-existence of peoples as well as the conservation of natural resources" (Art. 54 para. 2 Cst.). It is guided by its humanitarian tradition and the values of responsibility, equality of opportunity and openness towards the world.

International cooperation is an expression of "the solidarity that is one of the principles governing Switzerland's relations with the international community and reflects [...] the interdependence that exists between the various parts of the world. It [is based] on mutual respect for the rights and interests of partners" (Art. 2 of the Federal Act of 19 March 1976 on International Development Cooperation and Humanitarian Aid<sup>4</sup>, hereinafter referred to as the 'IDC-HA Act'). The objectives of international cooperation (section 3.3) meet the interests of the Confederation, including its sustainable development commitments, as underscored by its adherence to the United Nations 2030 Agenda for Sustainable Development (section 3.2).

### An investment in Switzerland's prosperity, security and independence

Switzerland is recognised as a committed, impartial, innovative, responsible and supportive international actor, with a strong democratic and humanitarian tradition, including

the provision of good offices.<sup>5</sup> With its open and highly globalised economy, it relies on a stable international order based on the rule of law. Security, environmental and health challenges require a concerted response, extending beyond the actions of any one country. It is in Switzerland's interests to influence international policies. International cooperation promotes peace and security and creates opportunities for local populations.

By promoting income growth and favourable framework conditions in developing countries, international cooperation also helps to create new markets for Switzerland. International cooperation opens doors for Switzerland, strengthens its credibility and gives it greater influence in multilateral bodies. It also enhances the attractiveness of International Geneva, which accounts for around 1% of Swiss gross domestic product (GDP).<sup>6</sup> In addition, international cooperation boosts Switzerland's profile abroad (soft power).

## 1.2 Looking back and taking stock: 70 years of official development assistance

### 1.2.1 A look back

#### Development assistance as a post-war foreign policy instrument

Harry S. Truman's inaugural address as US president in 1949 is generally seen as heralding the start of official development assistance (ODA). In his speech, he expressed the view that the United States should provide financial and technical support to poor countries to help them fight poverty through their own efforts. Though a departure from the colonialist methods adopted previously, this declaration of intent was nonetheless based on US foreign policy interests, being

<sup>3</sup> SR 101  
<sup>4</sup> SR 974.0

<sup>5</sup> [www.fdfa.admin.ch](http://www.fdfa.admin.ch) > Foreign policy > Peace and human rights > Peace policy > Good offices  
<sup>6</sup> [www.fdfa.admin.ch/mission-geneva](http://www.fdfa.admin.ch/mission-geneva) > International Geneva > Facts and figures about International Geneva

intended to curb the rise of communism in developing countries – as, indeed, was the Marshall Plan (1948–52), which the US had enacted a short time before to help rebuild war-torn Europe.

In the early years, this assistance was mainly geared towards infrastructure development, the assumption being that developing countries simply lacked the necessary funds. However, that approach proved too simplistic, with macroeconomic data later showing that infrastructure investment alone is not enough to stimulate sustainable economic growth.<sup>7</sup>

Switzerland participated in ODA from the start by providing technical assistance, in addition to the humanitarian programmes that it had been running, primarily for war refugees, since 1944. In 1947, Federal Councillor Max Petitpierre proclaimed neutrality and solidarity to be the pillars of Switzerland's foreign policy. This commitment to solidarity was intended, in part, to defuse the criticisms levelled at Switzerland by the Allies for its non-participation in the Second World War. The technical assistance provided during the post-war period included bilateral projects aimed at putting Swiss expertise to use in developing countries bearing similarities (especially topographical) with Switzerland. The projects relied on the presence of Swiss non-governmental organisations (NGOs) in those countries. Accordingly, Swiss cattle breeds were introduced to Rwanda and suspension bridges (still in use today) were built in Nepal, among other examples. However, machinery and infrastructure alone were not sufficient to stimulate development. Swiss experts therefore began to channel investments into projects spanning multiple sectors, in an approach known as 'integrated rural development'.

Although Switzerland did not become a member of the United Nations (UN) until 2002, it contributed CHF 1 million to the UN's first technical assistance programme in 1951 and became involved in various UN development organisations. The decolonisation of the 1960s led to an increase in assistance. In 1971, the Swiss Parliament approved its first financial assistance budget of CHF 400 million.<sup>8</sup> Approximately half of the amount allocated was earmarked for Switzerland's participation in regional development banks and the World Bank's International Development Association. The Federal Act on International Development Cooperation and Humanitarian Aid was passed in 1976. Since then, because of its broad wording, the IDC-HA Act has required only a few minor amendments. It is on the basis of the IDC-HA Act that Parliament approves multi-year framework credits enabling long-term engagements.

## After the fall of the Berlin Wall

Following the collapse of the Soviet Union and the wars in the former Yugoslavia, Switzerland sought to meet the urgent needs of the populations of former Eastern Bloc countries and to support these nations in their transition to democracy and a free market economy.<sup>9</sup> When Switzerland joined the Bretton Woods Institutions (World Bank and International Monetary Fund) following a popular vote in 1992, part of this assistance enabled the creation of a Swiss-led constituency.<sup>10</sup>

In the 1990s, ensuring coherence between development policies, framework conditions and governance in developing countries began to acquire importance.<sup>11</sup> This coherence was recognised as key to reducing contradictions between the objectives of development policy and those of other policies, most notably on finance, tax, trade (in particular agriculture) and the environment. Resolving such conflicts judiciously while taking into account the interests of developing countries remains a major challenge to this day. One US study estimates illicit financial flows from the 30 African countries examined (representing 92% of African GDP) at USD 1.4 trillion between 1970 and 2015, 40% more than the ODA paid to those countries over the same period.<sup>12</sup>

The 1994 genocide in Rwanda came as a shock and a wake-up call for Swiss development cooperation, of which Rwanda was one of the priority countries. Up to that point, development cooperation had often been viewed as a technical task in which the support provided by engineers and doctors was independent of politics. Since the genocide, analysing the political context has been a key component of programme planning.

Weak institutions, often benefiting only a small elite or a single ethnic group, constitute in themselves a major obstacle to development and also risk compromising the effectiveness of ODA.<sup>13</sup> That is why development projects seek to promote greater involvement of the population in political decision-making processes, public services and the economy. Pluralism, i.e. broad citizen participation in economic and political life, is vital for long-term national cohesion and for fully harnessing development potential.

New donors such as China and the Gulf States may help to boost development funds, but they rarely join in efforts to coordinate donors and foster good governance. This does not facilitate policy dialogue and makes it harder for other donors such as Switzerland to exert influence in promoting

7 William Easterly, *The Elusive Quest for Growth*, 2002, p. 28 ff.  
8 BBI 1971 | 233

9 Based on the Federal Decree of 24 March 1995 on Cooperation with the States of Eastern Europe (BBI 1995 II 451) and, since 2006, the Federal Act of 30 September 2016 on Cooperation with the States of Eastern Europe (SR 974.1).

10 Switzerland heads a constituency made up of Azerbaijan, Kazakhstan, Kyrgyzstan, Poland, Serbia, Tajikistan, Turkmenistan and Uzbekistan on the boards of the Bretton Woods Institutions.

11 Federal Council report of 7 March 1994 on Switzerland's North-South relations in the 1990s (North-South Guidelines), BBI 1994 II 1214 1219 1224 1225

12 Léonce Ndikumana and James Boyce, *Capital Flight from Africa – Updated Methodology and New Estimates*, Political Economy Research Institute, University of Massachusetts-Amherst, 2018, available at: [www.peri.umass.edu](http://www.peri.umass.edu) > Publications > Search > *Capital Flight From Africa: Updated Methodology and New Estimates*

13 Daron Acemoglu and James Robinson, *Why Nations Fail*, 2012

democracy and the rule of law. The lack of transparency in some loans by new donors can encourage overindebtedness. These new donors often espouse different cooperation approaches such as South-South cooperation and China's Belt and Road Initiative. As yet, their approaches take little account of OECD values and principles, but collaborations with these donors do present opportunities for scaling up.

In recent years, tackling the causes of forced displacement and irregular migration has become a key element in development policy debates, particularly as regards relations between Europe and Africa. Over 70 million people have been displaced by armed conflict and persecution: 41 million inside their own country, 26 million as refugees and 3.5 million as asylum seekers awaiting a decision on their status.<sup>14</sup> Around 85% of these people live in developing countries. Other factors such as population growth, social inequalities, poverty, natural disasters, environmental damage, unsustainable management of natural resources and the effects of climate change are increasing migratory pressures.

In 2015, UN member states unanimously adopted the 2030 Agenda for Sustainable Development. With its 17 Sustainable Development Goals (SDGs)<sup>15</sup> and its promise to 'leave no one behind', the 2030 Agenda establishes a common framework linking the economic, social and environmental dimensions of development and targeting both developing and developed countries. To finance the implementation of the 2030 Agenda, the Addis Ababa Action Agenda provides for increased mobilisation of national resources as well as private funding, the targeted use of ODA and more policy coherence for sustainable development.

The history of ODA shows that there is no magic solution. However, the countries that have made strong economic progress do have some things in common: basic property rights, strong monetary policy (no hyperinflation), a solvent state and framework conditions incentivising productivity.<sup>16</sup> High-income countries like Switzerland can support these processes through their expertise, financial resources, innovative programmes and policy dialogue.

## 1.2.2 Taking stock of ODA

Countless peer-reviewed scientific studies demonstrate the considerable impact that development programmes can have on standard of living, well-being and productivity,<sup>17</sup> governance,<sup>18</sup> and the accessibility and quality of education<sup>19</sup> and healthcare services. For example, the free distribution of insecticide-treated mosquito nets has been the main driver of a 40% decrease in the incidence of malaria.<sup>20</sup>

While economic growth is an important condition for development, some authors have questioned the impact that aid has on economic and income growth in developing countries, especially in Africa.<sup>21</sup> The economist Angus Deaton, for example, while highlighting the progress made by humanity in the fight against poverty and ill health, believes that aid risks undermining the social contract between government and citizens.<sup>22</sup> His criticism shows how important it is to support the democratic rule of law, political participation and civil society, in order to enable citizens of developing countries to assert their rights and help shape the social contract. Such fundamental criticisms are not levelled at specific programmes but rather at the ODA of the donor community as a whole. Measuring the effectiveness or overall impact of ODA on economic growth or long-term poverty reduction is much more difficult for the following reasons.

Firstly, ODA is made up of multiple instruments (development cooperation, humanitarian aid, peacebuilding, environmental programmes, etc.), which are implemented differently by donor countries in a variety of political contexts. Some types of aid are manifestly not aimed at spurring economic growth, but may serve geopolitical or security purposes instead. For example, the aid paid by the major Western powers to Zaire during the Cold War was primarily designed to prevent Mobutu Sese Seko from being tempted to join the Eastern Bloc. That this direct support for an autocratic regime did not result in economic growth is therefore hardly surprising, but the geopolitical objective was achieved. More generally, researchers have shown that ODA paid to non-permanent members of the UN Security Council is less effective than that allocated to other developing countries because it is more contingent on geopolitical objectives.<sup>23</sup> As for humanitarian aid, it should not be evaluated in terms of its contribution to economic growth, since its objective is to save lives and relieve suffering. The same logic applies to peacebuilding and some development programmes targeting the environment.

14 HCR, 2019, [www.unhcr.org](http://www.unhcr.org) > About Us > Figures at a Glance

15 The list of SDGs is available at [www.fdfa.admin.ch](http://www.fdfa.admin.ch) > The 2030 Agenda > 17 Sustainable Development Goals

16 Dani Rodrik, *One Economics, Many Recipes: Globalization, Institutions and Economic Growth*, 2007, p. 21

17 See for example Sarah Baird, Joan Hamory Hicks, Michael Kremer and Edward Miguel, *Worms at Work: Long-Run Impacts of a Child Health Investment*, *The Quarterly Journal of Economics*, 2016, pp. 1637–1680

18 See for example Benjamin Olken, *Combating Corruption in Community Development in Indonesia*, *Journal of Political Economy* 115, no. 2, April 2007, pp. 200–249

19 World Bank, *LEARNING to Realize Education's Promise. World Development Report 2018*, <http://www.worldbank.org/en/publication/wdr2018>

20 Bhatt S, Weiss DJ, Cameron E et al., *The effect of malaria control on Plasmodium falciparum in Africa between 2000 and 2015*, *Nature*, 526, 2015, pp. 207–211

21 In particular Easterly, *The White Man's Burden*, 2006, and Dambisa Moyo, *Dead Aid*, 2009

22 Angus Deaton, *The Great Escape*, 2013

23 Axel Dreher, Vera Eichenauer and Kai Gehring, *Geopolitics, Aid, and Growth: The Impact of UN Security Council Membership on the Effectiveness of Aid*, *The World Bank Economic Review*, 2018, Vol. 32, Issue 2, pp. 268–286

Secondly, the definition of ODA is very broad, encompassing much more than international cooperation. Since 1969, the OECD has determined what public expenditure can be counted as ODA. ODA, as defined by the OECD, is used to measure and compare the commitment of donor countries. The eligibility criteria for expenditure constituting ODA are reviewed regularly by OECD member countries and do not cover international cooperation alone. For example, since 1992 it has been possible to class some of the money spent on refugees in donor countries as ODA. Spending on security and climate change mitigation are also under discussion in this context.

Thirdly, while many beneficiary countries display promising economic growth, there is no undisputed method for accurately determining ODA's contribution to this growth. Moreover, the effects of some types of ODA may not be felt until over a decade after the money was spent, making them harder to identify.<sup>24</sup>

Bearing in mind these measurement issues, recent studies have found that ODA has a neutral, slightly positive or clearly positive impact on economic growth in beneficiary countries, depending on the method applied.<sup>25</sup>

## 1.2.3 Outlook and future challenges

### Importance of a stable international order

The geopolitical changes of recent years are reinforcing the trend towards a multipolar world, with economic and political power shifting from West to East as the economic might of a number of Asian countries grows. The international normative framework and the multilateral approach are coming under pressure from countries that favour bilaterally negotiated solutions or increased protectionism. Democratisation, the rule of law and respect for human rights are being challenged on a regular basis. At the same time, we are seeing a strengthening of regional multilateral institutions, a growing role for local entities such as cities, and the emergence of new grassroots movements. Switzerland is neither a major power nor a member of a strong alliance and is highly dependent on open markets and an international order based on law and cooperation.

### Economic and social progress

In recent decades, humanity has made unprecedented, quantifiable progress in terms of prosperity, health, security and living standards. Between 1970 and 2015, the proportion of people living in democracies increased from 33% to over 55%. The proportion of undernourished people fell during the same period from 28% to around 11%. The number of children dying before the age of five dropped from 36% at the start of the 20th century to 4% by 2015. Over the same period, the proportion of adults able to read and write jumped from 21% to 85%.<sup>26</sup> Nine out of ten people now have basic access to electricity,<sup>27</sup> seven out of ten have access to drinking water<sup>28</sup> and just under half now use the internet.<sup>29</sup> Thanks to the sustained growth of the world economy in recent decades, the introduction of nationwide welfare programmes (especially in middle-income countries) as well as ODA, the proportion of people living in extreme poverty fell from 41% in 1981 to 10% in 2015.<sup>30</sup> Following in the footsteps of East Asia, South Asia is expected to eradicate extreme poverty almost entirely over the next decade (Figure 1). According to the most recent estimates, the extreme poverty rate in mid-2019 was 8%, equivalent to 600 million people.<sup>31</sup>

24 Michael Clemens, Steven Radelet, Rikhil R. Bhavnani and Samuel Bazzi, *Counting chickens when they hatch: Timing and the effects of aid on growth*, *The Economic Journal*, 2011, Vol. 122, Issue 561, pp. 590–617

25 Steven Radelet and Ruth Levine in William Easterly (ed.), *Reinventing Foreign Aid*, 2008, p. 431 ff.; Sebastian Galiani et al., *The effect of aid on growth: evidence from a quasi-experiment*, *Journal of Economic Growth*, 2017, Vol. 22, Issue 1, pp. 1–33

26 From democracy to literacy: Hans Rosling, 2018, *Factfulness and Our World in Data*, 2019, ourworldindata.org

27 UN DESA, 2019, *The Sustainable Development Goals Report*, available at: [unstats.un.org > SDG Indicators Global Database > Reports > 2019](https://unstats.un.org/SDG/Indicators/GlobalDatabase/Reports/2019)

28 WHO, 2018, available at: [www.who.int > Health topics > Factsheets > Search: Drinking water](http://www.who.int/Health-topics/Factsheets/Drinking-water)

29 World Bank, 2016, [data.worldbank.org > Individuals using the Internet \(% of population\)](https://data.worldbank.org/Individuals-using-the-Internet)

30 World Bank, 2018, [data.worldbank.org > Poverty headcount ratio at \\$1.90 a day \(2011 PPP\)](https://data.worldbank.org/Poverty-headcount-ratio-at-1.90-a-day-2011-PPP)

31 *World Data Lab*, 2019, [worldpoverty.io](http://worldpoverty.io)

## People in extreme poverty (millions)

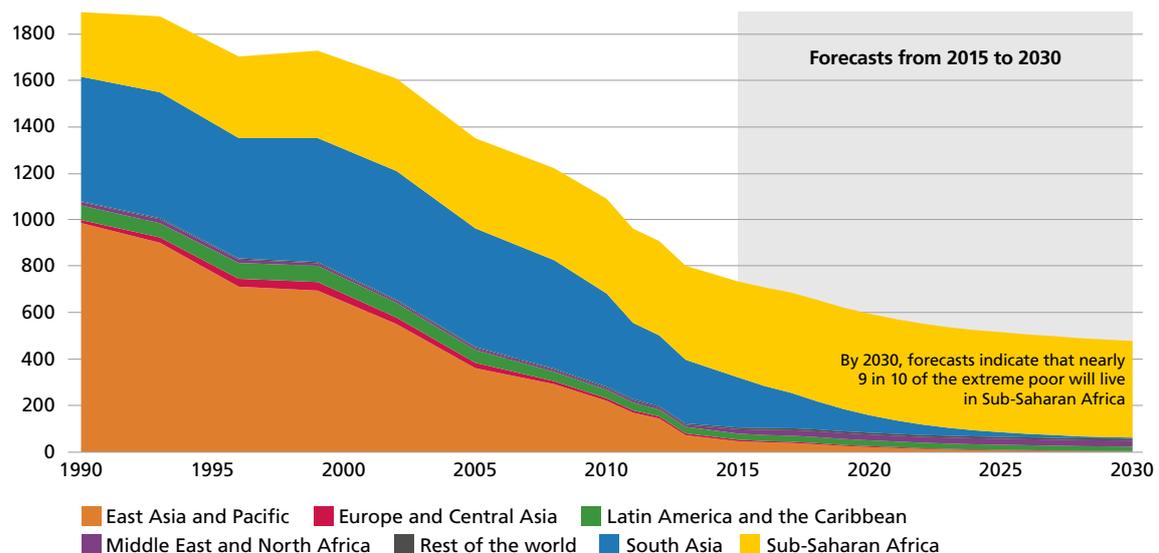


Figure 1: Number of people living in extreme poverty (on less than USD 1.90 a day), in millions<sup>32</sup>

### Persistent challenges

However, there is a downside to this success story: the economic boom has, to a large extent, come at the expense of the environment. Biodiversity has plummeted and annual CO<sub>2</sub> emissions rose from 9 to 36 billion tonnes between 1960 and 2014.<sup>33</sup> Climate change, the degradation of natural resources and the environment, food security, transboundary water management, rapid urbanisation, epidemics, armed conflict and human rights are all persistent challenges that threaten to undo some of the gains achieved in reducing poverty.

Despite the considerable progress made, one out of every ten people in the world still lives in extreme poverty, over half of them in Sub-Saharan Africa.<sup>34</sup> According to World Bank forecasts, by 2030 90% of people living in extreme poverty will be in Sub-Saharan Africa. This number is partly explained by the region's strong population growth: although it is declining rapidly,<sup>35</sup> the birth rate remains above 2.1 children per woman. This is generally the case in poor countries where women still lack access to quality basic services such as education<sup>36</sup> and healthcare. That said, significant progress

has been made in Sub-Saharan Africa, with the number of malaria deaths halving over the past 15 years<sup>37</sup> and the number of democracies doubling since 2000.<sup>38</sup> Four of the world's ten fastest growing economies in 2017 were in Sub-Saharan Africa.<sup>39</sup>

While the income gap between countries has narrowed, socio-economic inequalities within many developing countries remain a major challenge.<sup>40</sup> A high level of inequality, including gender inequality, can negatively impact long-term economic growth.<sup>41</sup> Social exclusion, a lack of prospects, especially among young people, and discrimination threaten stability and exacerbate violence. Moreover, those who have only recently escaped extreme poverty remain vulnerable and risk being pushed back below the extreme poverty line by crises or disasters.

The poor performance and quality of basic services represent a major challenge, particularly in a context of population growth. Furthermore, in some countries, especially in Africa, poor governance (notably corruption and overindebtedness) risks leading to a loss of confidence in governments and a debt crisis, particularly if interest rates rise. Uncontrolled urbanisation and inadequate funding of public infrastructure threaten to exacerbate existing economic and social inequalities and hold back sustainable economic growth in urban centres.

32 World Bank, 2018, [blogs.worldbank.org > Bloggers > Divyanshi Wadhwa > Latest Posts > The number of extremely poor people continues to rise in Sub-Saharan Africa, while falling rapidly in all other regions](https://blogs.worldbank.org/bloggers/divyanshi-wadhwa/latest-posts/the-number-of-extremely-poor-people-continues-to-rise-in-sub-saharan-africa-while-falling-rapidly-in-all-other-regions)

33 World Bank, 2018, [data.worldbank.org > CO2 emissions \(kt\)](https://data.worldbank.org/CO2-emissions-kt)

34 736 million people in 2015, of which 413 million were in Sub-Saharan Africa (out of a population of approx. 1 billion). World Bank, 2018, available at: [blogs.worldbank.org > Bloggers > Christoph Lanker > Latest Posts > Global poverty in 2015: PovcalNet's new estimates and improved documentation](https://blogs.worldbank.org/bloggers/christoph-lanker/latest-posts/global-poverty-in-2015-povcalnet-s-new-estimates-and-improved-documentation)

35 UN DESA, 2019, [population.un.org/wpp/Graphs > Demographic Profiles > Sub-Saharan Africa](https://population.un.org/wpp/Graphs/Demographic-Profiles-Sub-Saharan-Africa)

36 The term 'education' in this document encompasses basic education, which comprises primary and secondary education and alternative educational activities, both public and private, aimed at meeting the basic educational needs of people of all ages, as well as vocational skills development and support for academic and research initiatives.

37 WHO, 2018, [www.who.int/gho/malaria/epidemic/deaths/en/](http://www.who.int/gho/malaria/epidemic/deaths/en/)

38 Center for Systemic Peace, Polity IV database, 2013, available at: [www.systemicpeace.org > Analysis > Polity Project > Country Reports](http://www.systemicpeace.org/Analysis/Polity/Polity-Project/Country-Reports)

39 World Bank, 2018, [data.worldbank.org/ > GDP growth \(annual %\)](https://data.worldbank.org/GDP-growth-annual-%)

40 [www.weforum.org](http://www.weforum.org) > Search > The Inclusive Development Index 2018 Summary and Data Highlights

41 [www.imf.org](http://www.imf.org) > Search > IMF and the Group of Twenty > G-20 Leaders' Summit, July 7-8, 2017; [www.weforum.org](http://www.weforum.org) > Reports > The Global Gender GAP Report 2018

Technological innovation, digitalisation and automation bring unprecedented opportunities. However, if the right framework conditions are not in place, they also present significant risks: surveillance that violates civil and political rights, manipulation of public opinion, cyberattacks, dependence on foreign tech monopolies, deindustrialisation, unemployment and growing inequality.<sup>42</sup>

Armed conflict will remain a key challenge in the future. The increasing number of actors involved, as in Syria, Mali and Yemen for example, makes conflicts harder to resolve and longer-lasting, which means that there are more victims, the majority of them civilians,<sup>43</sup> forcing more people to flee their homes and migrate.

In a globalised economy, economic challenges in one part of the world can quickly impact other regions. Similarly, the consequences of climate change and the degradation of natural resources are felt across borders. All of these challenges require collective action.

## 1.3 Review of the period 2017–20

### 1.3.1 Independent evaluations

International cooperation programmes and projects are evaluated by external, independent experts, based on specific measurable objectives. The Federal Council regularly updates Parliament on the effectiveness of the measures, for example at the end of the dispatch period.

Evaluations are conducted according to international OECD criteria<sup>44</sup> and examine the following factors: relevance (is the choice of activities appropriate for the context?), effectiveness (have the objectives been met?), efficiency (have the results been achieved as cost-effectively as possible?), impact (what were the intended and unintended effects?) and sustainability (will the results last after Swiss funding comes to an end?).

Over 100 international cooperation programmes and projects are evaluated each year. There are also annual reviews of thematic portfolios or institutional issues by independent experts, which foster institutional learning.

As well as promoting accountability, evaluations are also used to adapt the international cooperation strategy, steer future projects and encourage institutional learning. This is equally true in the case of poor results and failures, for example due to contextual, programmatic or institutional factors.

One example of reorientation is Nicaragua, where, in response to the political crisis, and in particular the violent crackdown on anti-government protests in 2018, Switzerland suspended all projects implemented in direct cooperation with the government. It has adapted other development projects to take better account of current conflicts and tensions. In Bolivia, a project focusing on the environmental aspects of waste management and wastewater treatment had to be terminated because it did not take sufficient account of the practicalities for the population and local authorities. In Moldova, Switzerland's work on managing migration did not achieve the intended outcomes and the 2018–21 programme had to be adapted accordingly. It now focuses not only on creating jobs but also on helping potential migrants to develop the skills most in demand on the local labour market so that they have prospects in their home country.

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42 [www.weforum.org](http://www.weforum.org) > Reports > The Global Risks Report 2019

43 [www.un.org/en](http://www.un.org/en) > Documents > Security Council > SG's Reports > 2019 > S/2019/373

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44 [www.oecd.org](http://www.oecd.org) > OECD Home > Development Co-operation Directorate > Evaluation of development programmes > Evaluation Criteria

### 1.3.2 Results

According to the mid-term and final reports<sup>45</sup> on the implementation of the Dispatch on Switzerland's International Cooperation 2017–20<sup>46</sup> ('IC Dispatch 2017–20'), Switzerland's international cooperation has given 8 million people better access to drinking water and effective farming irrigation systems. Some 9 million people, the majority of them women and girls, are receiving basic education or vocational skills development supported by Switzerland. New access to capital has enabled around 827,000 businesses to create jobs. In 63 cities in Africa, Asia and Latin America, around 5.2 million people have benefited from measures for sustainable urban development.

International cooperation has facilitated ceasefire negotiations in six countries, including Myanmar and Colombia. Switzerland has assisted 8.4 million people in crisis situations and helped 1.2 million to rebuild following natural disasters and armed conflicts. For example, in the Azraq refugee camp in Jordan, international cooperation built a drinking water supply system to which 35,000 Syrian refugees have access, thereby saving CHF 1 million a year on trucked-in water deliveries. Thanks to Switzerland, 120,000 children caught up in the Rohingya refugee crisis in Bangladesh were tested for malnutrition and over 10,000 severely malnourished children were treated.

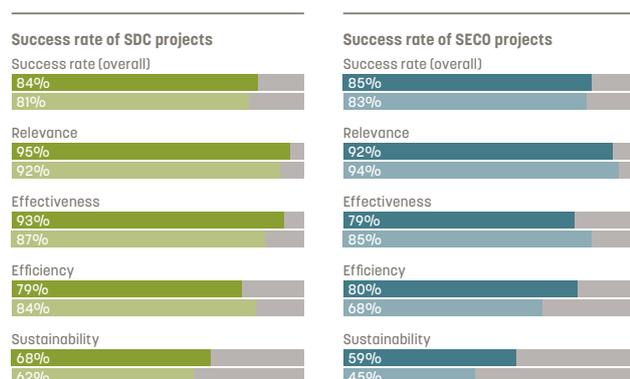


Figure 2: Success rate, relevance, effectiveness, efficiency and sustainability of the programmes and projects of the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO), based on different methodologies. There are plans to harmonise the methodologies.

Internationally, a success rate of between 65 and 80% is considered good. Over the period 2016–18, international cooperation programmes had higher overall success rates than in the past (Figure 2). The programmes received good ratings for relevance, effectiveness and efficiency, despite slight fluctuations between periods, mainly due to the fact that different projects and programmes are evaluated each year. Programme sustainability also improved but remains a significant challenge. Overall, the OECD gives a positive assessment of the results of Switzerland's international cooperation.<sup>47</sup>

### 1.3.3 Lessons learnt

International cooperation attaches great importance to institutional learning, the aim being to learn from unsatisfactory programme results and make the necessary changes. Many factors are beyond its direct control: security and conflicts, political will in the countries concerned, openness to reform, weak institutions and other context-related factors. While it is impossible to eliminate these risks entirely, one of the strengths of international cooperation is its ability to minimise such risks and adapt its programmes accordingly.

By international standards, Switzerland's international cooperation is present in a large number of countries, which increases the risk of a dissipation of effort and a reduction in effectiveness and efficiency. The Federal Council therefore wants the FDFA's bilateral development cooperation to have greater geographic focus (section 3.4.2).

During the debate on the IC Dispatch 2017–20, Parliament decided to strategically link international cooperation to migration policy "in particular by focusing on the causes of conflict and migration. In this context, the conclusion of migration agreements and partnerships should be encouraged".<sup>48</sup> Implementing this approach has strengthened the coordinating role of the interdepartmental structure for international cooperation on migration (IMZ structure). Experience has shown that a degree of flexibility in the use of funds outside of priority countries (section 4.1.2) is needed to make this approach more effective.

45 [www.sdc.admin.ch](http://www.sdc.admin.ch) > Results and impact > Reporting by topic and year > Accountability reports > Mid-term report on the implementation of the Dispatch 2017–20 (de/fr/it) / Final report on the implementation of the Dispatch 2017–20 or [www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch) > Documentation > Reports > Accountability and effectiveness

46 BBI 2016 2333

47 OECD review of Switzerland 2019, available at: [www.oecd.org](http://www.oecd.org) > Countries > Switzerland > Switzerland country reviews > 5 April 2019 OECD Development Co-operation Peer Reviews: Switzerland 2019

48 BBI 2016 8098 8103

The results confirmed the importance of addressing the challenges posed by climate change. These challenges are often drivers of conflict and poverty, and may even jeopardise the successes achieved to date. Mitigating and adapting to climate change will therefore play an increasingly important role in international cooperation.

Analyses recommend exploring the opportunities provided by digitalisation, in both humanitarian aid and development cooperation. Switzerland will therefore test out the possibilities offered by new technologies, including through the Tech4Good<sup>49</sup> initiative, as well as new financial instruments.

Another growing role for Switzerland is linked to its ability – as a knowledge broker – to mobilise the domestic fiscal resources of developing countries, as well as private sector resources, in the interests of sustainable development. To this end, international cooperation must be able to take risks and assess the development of new financial instruments (in line with section 5 of motion 18.4129, submitted by Elisabeth Schneider-Schneiter on 29 November 2018, entitled 'For a reform of development cooperation'<sup>50</sup>). The development of innovative cross-sectoral solutions, involving new forms of collaboration, funding and risk sharing, is key to supporting the implementation of the 2030 Agenda.

International cooperation will communicate its results for the 2021–24 period in annual reports and a final report on the implementation of this dispatch.

## 1.4 Governmental international cooperation still vital

International cooperation approaches have always been the subject of debate. The respective roles of government, the private sector and civil society is one of the topics regularly discussed. Private sector actors are essential for economic development and job creation. In many developing countries, foreign direct investment and remittances from migrants working outside the country far outstrip ODA funds. However, governmental international cooperation remains vital. On the one hand, it is required for dialogue with state institutions in developing countries, to improve framework conditions, establish standards, address market failures, leverage state power to encourage private action in specific areas and supplement the efforts of civil society (especially in fragile and less high-profile contexts). On the other hand, governmental international cooperation remains key to promoting social inclusion, non-discrimination and equal opportunities for all people living in developing countries. Poverty reduction and sustainable development require the involvement of all actors – government, the private sector and civil society – but the role of each will vary according to the country and over time. The long-term aim of international cooperation is a world in which it is no longer needed.

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49 [www.sdc.admin.ch/tech4good-en](http://www.sdc.admin.ch/tech4good-en)

50 [www.parlament.ch](http://www.parlament.ch) > 18.4129 (adopted by the National Council on 22 March 2019)

# 2 Public consultation procedure

## 2.1 Draft put out for consultation

To enable a broad public debate on the strategic approach (section 3.4.1) and ensure a high level of acceptance for the final version, the FDFA and EAER launched the first-ever public consultation procedure on international cooperation.<sup>51</sup> This took place from 2 May to 23 August 2019.

The draft put out for consultation<sup>52</sup> proposed five framework credits totalling CHF 11.37 billion, corresponding to a ratio of ODA to gross national income (GNI) of around 0.45%, according to the forecasts for the first half of 2019. Respondents were asked for their views on three questions relating to 1) the objectives, 2) the new priorities and 3) the geographic focus, bearing in mind the needs of the population in developing countries, Swiss interests and the comparative advantages of Switzerland's international cooperation.

## 2.2 Overview of consultation results

A total of 249 responses were received as part of the consultation: 24 from cantons, 8 from political parties represented in the Federal Assembly, 7 from umbrella associations, 183 from other organisations (of which 50 received a contribution or mandate from international cooperation in 2017–18) and 27 from individuals. The draft was generally welcomed, although various clarifications and changes were suggested. Given the large number of responses, the changes requested were very varied and sometimes contradictory. The high level of participation shows how much interest there is in international cooperation and has helped to ground foreign policy more effectively in the domestic policy debate.

Most of the responses addressed the three questions posed (section 2.1). On the first question (objectives), only 4% of

responses were opposed to the proposed objectives, while 80% supported them, either with or without changes. The desired changes were wide-ranging and related in particular to poverty reduction, the creation of decent work, health, education, strengthening of civil society, gender equality and the 2030 Agenda and its 17 SDGs. 16% of participants did not express an opinion. On the second question (new priorities), only 2% of respondents were against the proposed priorities, while 81% were in favour, either with or without changes. The desired changes were very varied, relating to, among other things, additional funding for climate change mitigation and adaptation, the strategic link between international cooperation and migration policy, the role of civil society in the rule of law, and clarifications on engagement with the private sector. 17% of participants did not express an opinion. On the third question (geographic focus), opinions were more divided among the different stakeholder groups. 45%<sup>53</sup> supported the geographic focus, either with or without changes. The desired changes related to, among other things, the preservation of governance programmes in Latin America and the choice of specific priority countries. 22% of respondents, almost exclusively individuals and other interested organisations, opposed the proposed focus. 33% did not express an opinion.

Other frequently raised issues were the level of ODA, the selection criteria for international cooperation activities, policy coherence for sustainable development and cooperation with NGOs. Regarding the level of ODA, 1% of respondents wanted to see it reduced while 55% advocated an increase (many referencing Parliament's target of moving to an ODA/GNI ratio of 0.5%). On the selection criteria for international cooperation activities, 45% of participants supported the proposal, either with or without changes. A more precise definition of the three criteria and a clarification that international cooperation activities should be in Switzerland's long-term interests were among the changes called for. As regards policy coherence for sustainable development, 22% of participants requested changes (including identifying the negative impacts of other Swiss sectoral policies on developing countries and explaining how contradictions between policy objectives would be resolved with the 2030 Agenda as a frame of reference). On cooperation with NGOs, 14% of respondents (mainly NGOs) wanted greater emphasis on

<sup>51</sup> It was a consultation procedure within the meaning of Article 3 paragraph 2 of the Federal Act of 18 March 2005 on the Consultation Procedure (SR 172.061).

<sup>52</sup> [www.admin.ch](http://www.admin.ch) > Droit fédéral > Procédures de consultation > Procédures de consultation terminées > 2019 > DFAE > CIAE > CI

<sup>53</sup> Figure corrected with respect to the Dispatch on Switzerland's Strategy for International Cooperation 2021–24 (misprint)

the importance of NGOs as partners for sustainable development, while 1% called for cooperation with NGOs to be reviewed (in particular to clarify the criteria for contributions and to reduce the amounts allocated).

A detailed analysis of the results, including a breakdown by stakeholder group (cantons, political parties, umbrella associations and other interested parties), can be found in the report on the consultation results.<sup>54</sup>

## 2.3 Assessment of consultation results

The draft was adapted based on the results of the consultation. The objectives (section 3.3) and thematic priorities (sections 3.4.3 and 3.4.4) of international cooperation were further elaborated, in part to clarify some misunderstandings (e.g. poverty reduction and sustainable development remain the *raison d'être* of international cooperation; international cooperation aims to strengthen the private sector in developing countries rather than support Swiss companies; the jobs created must be decent work). International cooperation funding for climate change mitigation and adaptation (section 3.4.3) was increased from CHF 350 to 400 million per year by the end of 2024 (compared with CHF 300 million per year in 2017–20).

In light of comments received on the proposed geographic focus, the FDFA reviewed the decision to remove some priority countries classed as least developed countries.<sup>55</sup> The four priority regions chosen for the FDFA's bilateral development cooperation were not changed since the cantons and political parties agreed with the principle of geographic focus (though they disagreed in their choice of some priority countries). In response to requests to maintain a presence in certain least developed countries, and after an analysis based on the criteria for choosing the strategic approach of international cooperation (section 3.4.1), Zambia was retained as a priority country for the SDC (Table 1).

Although many responses called for an increase in ODA, the framework credit amounts were not increased, in order to stay within the Confederation's current financial plan. The method for ensuring policy coherence for sustainable development was clarified (section 3.2). Engagement with Swiss NGOs had already been reviewed and clarified in new SDC guidance dated 2 July 2019.<sup>56</sup>

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<sup>54</sup> [www.admin.ch](http://www.admin.ch) > Droit fédéral > Procédures de consultation > Procédures de consultation terminées > 2019 > DFAE > CI > Résultat

<sup>55</sup> [www.unctad.org](http://www.unctad.org) > Themes > Special focus areas > Least Developed Countries > List of LDCs (as at October 2019)

<sup>56</sup> [www.fdfa.admin.ch/sdc](http://www.fdfa.admin.ch/sdc) > Partnerships and mandates > NGOs

# 3 Content of the strategy

## 3.1 Federal Council proposal

The Federal Council proposes to grant five commitment framework credits totalling CHF 11.25 billion over the period 2021–24, to enable the continuation of international cooperation. This amount is slightly lower than that indicated during the consultation procedure (CHF 11.37 billion) owing to an inflation adjustment. In February 2011, Parliament voted to raise Switzerland's ODA to 0.5% of GNI until 2015. Based on available estimates, Switzerland's ODA in the period 2021–24 will be around 0.46% of GNI. This is marginally higher than the projected ratio at the time of the consultation procedure (0.45%) as it is based on the latest GNI forecasts.

In the context of this dispatch, the term international cooperation covers the instruments of humanitarian aid, development cooperation and measures to promote peace and human security implemented by the FDFA and the EAER.

## 3.2 Policy coherence

The objectives (section 3.3) and instruments (section 4.1) of international cooperation contribute to the four thematic focus areas of Switzerland's Foreign Policy Strategy 2020–23 and to its foreign economic policy strategy. The latter also promotes the economic development of developing countries by supporting their integration into the global economy.

The action of international cooperation is guided by the 2030 Agenda and its 17 SDGs, in particular goal 1 to eradicate extreme poverty by 2030. The Swiss Sustainable Development Strategy 2020–30<sup>57</sup> will explain how Switzerland intends to implement the 2030 Agenda but will not go into detail about international cooperation, which is the subject of this dispatch. International cooperation supports developing countries in their implementation of the 2030 Agenda.

International cooperation promotes the coherence of Switzerland's policy action, taking into account its different sectoral policies. The Confederation's sectoral policies can have a significant impact on developing countries. It is therefore important to reduce conflicts between objectives and ensure that the various policies – in the economic, financial, tax, environmental, migration, health and food security domains – are as coherent as possible. The Federal Council ensures consistency in its own decision-making. The three units responsible for implementing international cooperation (section 4.2) contribute actively to federal policymaking processes. Based on the aforementioned Federal Council strategies, the three units identify inconsistencies and, in the event of conflicting objectives, help to look for balanced solutions with a view to proposing more coherent alternatives to the Federal Council. The 2030 Agenda for Sustainable Development also provides a frame of reference.

## 3.3 Objectives of international cooperation in 2021–24

Poverty reduction and sustainable development are the *raison d'être* of international cooperation (Figure 3). This strategy is based on the Federal Constitution mandate and the four relevant federal acts.<sup>58</sup> The aims of international cooperation are set out in Articles 5 and 7 of the IDC-HA Act, Article 2 of the Federal Act of 30 September 2016 on Cooperation with the States of Eastern Europe<sup>59</sup> ('Eastern Europe Cooperation Act') and Article 2 of the Federal Act of 19 December 2003 on Measures pertaining to Civil Peace Support and the Promotion of Human Rights<sup>60</sup> ('Human Security Act').

57 [www.are.admin.ch](http://www.are.admin.ch) > Sustainable development > Strategy and Planning > Sustainable Development Strategy

58 Federal Act of 19 March 1976 on International Development Cooperation and Humanitarian Aid (SR 974.0) ('IDC-HA Act'); Federal Act of 4 October 1991 on Switzerland's Participation in the Bretton Woods Institutions (SR 979.1); Federal Act of 30 September 2016 on Cooperation with the States of Eastern Europe (SR 974.1) ('Eastern Europe Cooperation Act'); Federal Act of 19 December 2003 on Measures pertaining to Civil Peace Support and the Promotion of Human Rights (SR 193.9) ('Human Security Act').

59 SR 974.1

60 SR 193.9

## **Art. 5 IDC-HA Act**

- 1 Development cooperation supports the efforts of developing countries to improve the living standards of their populations. It aims to equip these countries with the means to ensure their own development. In the long term, it works towards creating a more balanced international community.
- 2 It primarily supports the efforts of the poorest developing countries, regions and population groups. In particular, it helps to:
  - a) promote rural development;
  - b) improve nutrition, in particular through subsistence crops for local consumption;
  - c) promote craftsmanship and small local industry;
  - d) create jobs;
  - e) create and maintain an ecological and demographic balance.

## **Art. 7 IDC-HA Act**

The aim of humanitarian aid is to help safeguard human life when it is threatened and to alleviate suffering, by means of prevention or relief measures; it targets in particular people affected by natural disasters or armed conflict.

## **Art. 2 Eastern Europe Cooperation Act**

Switzerland's cooperation with the states of Eastern Europe has the following goals:

- a) to promote and strengthen the rule of law and human rights in these countries and to help build or consolidate their democratic systems, in particular stable political institutions;
- b) to promote sustainable economic and social development based on market-economy principles and fostering economic stability, cultural development, income growth and better living standards, while helping to protect the environment and ensure the rational use of natural resources.

## **Art. 2 Human Security Act**

By means of this Act, the Confederation intends to help:

- a) prevent, alleviate or resolve armed conflicts, in particular by building trust, engaging in mediation and implementing peacebuilding measures at the end of hostilities and by promoting international humanitarian law;
- b) strengthen human rights by promoting the civil, political, economic, social and cultural rights of individuals or groups of individuals;
- c) promote democratic processes.

To implement this legal mandate, the Federal Council sets objectives for its international cooperation strategy. For the period 2021–24, it has set the following four objectives:

-  A) Contributing to sustainable economic growth, market development and the creation of decent jobs (economic development)
-  B) Addressing climate change and its effects and managing natural resources sustainably (environment)
-  C) Saving lives, ensuring quality basic services, especially in relation to education and healthcare, and reducing the causes of forced displacement and irregular migration (human development)
-  D) Promoting peace, the rule of law and gender equality (peacebuilding and governance)



Figure 3: Four objectives

These four objectives are all of equal importance. They complement one another and contribute towards poverty reduction and sustainable development (Figure 3). Through these objectives, Switzerland will support developing countries in their implementation of the 2030 Agenda. Annex 2 sets out the sub-objectives and indicates which SDGs they will help to achieve. International cooperation is committed to promoting gender equality and good governance in all its interventions.

## 3.4 Changes from the 2017–20 period

Based on the review of the previous period (section 1.3), the following changes are planned for international cooperation.

### 3.4.1 Criteria for the strategic approach of Switzerland's international cooperation

Three criteria have been defined for the strategic approach of Switzerland's international cooperation. The intersection between these three criteria is where the best results can be achieved and the different expectations most effectively met (Figure 4 and Annex 3).

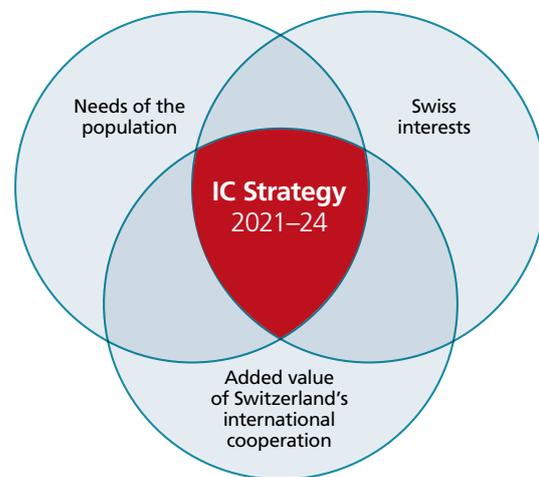


Figure 4: Criteria for the strategic approach of Switzerland's international cooperation

#### 1) Needs of the population

Analysis of the needs of populations in developing countries takes account of, in particular, the level of poverty, the ability of countries to mobilise their own resources and the challenges in terms of sustainable development, for example as regards the creation of decent work, sustainable management of natural resources, access to quality basic services, governance and respect for human rights.

#### 2) Swiss interests

Swiss interests are identified in the long term: a just and peaceful international order underpinned by strong multilateralism, a stable economic environment conducive to investment, a reduction in the causes of forced displacement and irregular migration, and sustainable global development.

### 3) Added value of Switzerland's international cooperation

The added value of Switzerland's international cooperation in comparison with other countries is based on its specific approach and competencies and Switzerland's thematic expertise, including its humanitarian tradition and good offices, federalism, International Geneva, mountain ecosystems, its innovative private sector and its education system (including vocational education and training). International cooperation also takes account of a country's willingness to work with Switzerland and its openness to reform.

#### 3.4.2 Geographic focus

The FDFA will focus its bilateral development cooperation (section 4.1.2) on four priority regions: 1) North Africa and the Middle East,<sup>61</sup> 2) Sub-Saharan Africa, 3) Central, South and South-East Asia, and 4) Eastern Europe<sup>62</sup> (Figure 5). The term 'bilateral development cooperation' refers to activities carried out by Switzerland in a specific country, generally based on a framework cooperation agreement between the Swiss government and the government of the partner country. Focusing efforts on four priority regions will make them more effective and efficient, while offering the flexibility needed to respond to opportunities and challenges, for example linked to Swiss migration policy.

Over the period 2021–24, the FDFA plans to reallocate its bilateral development cooperation resources currently used in Latin America and East Asia to the four priority regions, in particular to Sub-Saharan Africa and North Africa and the Middle East, according to the criteria for engagement (Annex 3). In addition, the number of priority countries for the FDFA's bilateral development cooperation will be reduced from the current 46 to 35 by 2024. At least 90% of geographic commitments of the FDFA's bilateral development cooperation will be within the priority countries. The remainder will be allocated to ad hoc commitments in other countries within the four regions (section 4.1.2).

Humanitarian aid, peacebuilding and the FDFA's global programmes will focus on the four priority regions, while retaining their universal mandate.

The FDFA and the EAER will collaborate closely in the four regions. The EAER will continue to operate in a limited number of priority countries in these four regions as well as in some emerging countries in Latin America where Switzerland has foreign economic policy interests.

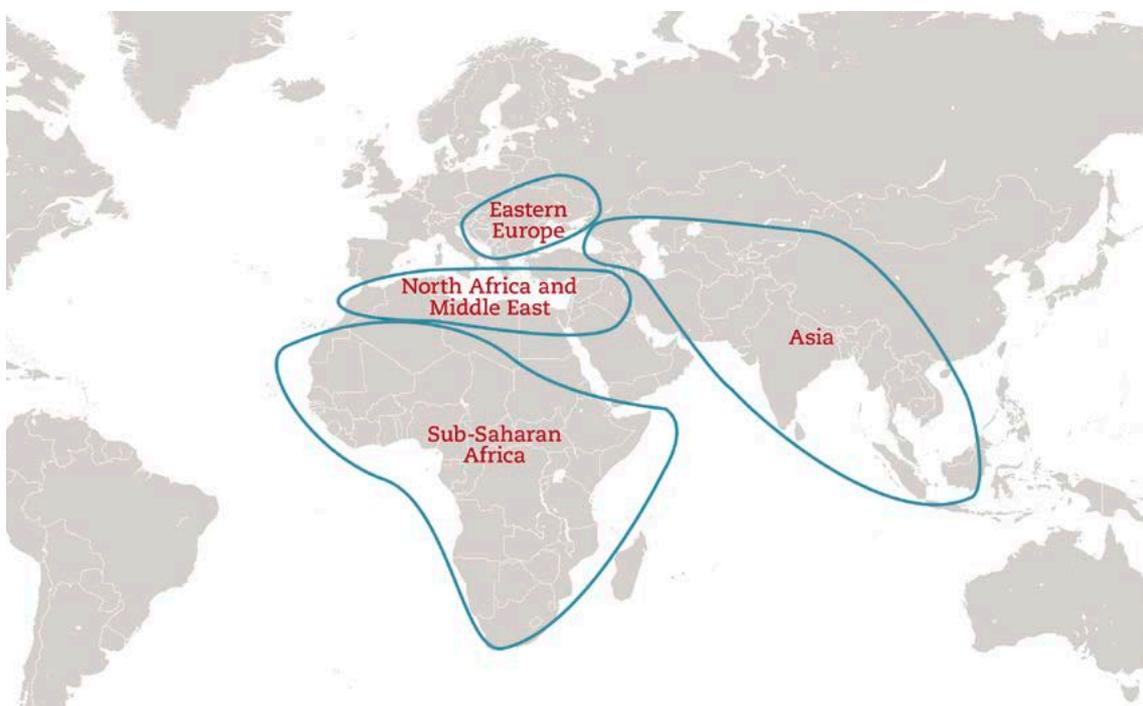


Figure 5: New priority regions for the FDFA's bilateral development cooperation

61 For the purposes of this strategy, the North Africa and Middle East region includes the 'Near East'.

62 The member states of the European Union (EU) are not part of this region. The second contribution to selected EU member states is the subject of a separate dispatch (BBI 2018 6665) and cannot be counted as ODA.

### 3.4.3 Thematic priorities

International cooperation focuses on four thematic priorities (jobs, climate change, migration and the rule of law), which currently lie at the intersection of the criteria presented in Figure 4. This helps to prevent a dissipation of effort and make its action more effective.

#### Jobs

Jobs are key to boosting the economy and reducing poverty. In developing countries, Switzerland helps to strengthen the framework conditions and promote innovative solutions for developing the economy and the private sector, which is a major provider of employment. Inspired by the Swiss vocational education and training system, with its focus on skills development, international cooperation helps to ensure that education and training better meet the needs of the labour market. International cooperation will place greater emphasis on young entrepreneurs with the potential to create decent work and will support the development of start-ups. It also plans to use innovative financing instruments to mobilise public-private investment in promising businesses.

#### Climate change

By 2030, 100 million people risk falling back into extreme poverty due to the effects of climate change, and 143 million people could become climate migrants by 2050.<sup>63</sup> Meanwhile, developing countries are responsible for a growing share of greenhouse gas emissions. In Switzerland, temperatures have already risen by twice the global average.<sup>64</sup> In its report of 10 May 2017 on international climate financing,<sup>65</sup> the Federal Council estimates that Switzerland's fair contribution to implementing the United Nations Framework Convention on Climate Change of 9 May 1992<sup>66</sup> and the Paris Agreement of 12 December 2015<sup>67</sup> is between USD 450 and 600 million of public and private funds per year for the period 2017–20.

International cooperation funding in this area is set to increase gradually from CHF 300 million per year in 2017–20 to approximately CHF 400 million per year by the end of 2024, equivalent to around 15% of total international cooperation resources. These funds will be used for climate change mitigation and adaptation, but always within the mandate to reduce poverty and promote sustainable development. To encourage more pro-climate private sector investment in developing countries, Switzerland will promote partnerships, some of them multilateral, aimed at mobilising private funds. The

subject of climate change is factored into most international cooperation programmes, in addition to those specifically targeting this issue.

#### Migration

Migratory pressures will remain high in the coming years. Tackling their causes and thereby reducing forced displacement and irregular migration remains a global challenge. At the same time, regular migration – in compliance with national laws – continues to play an important role in countries' development and in poverty reduction, for example through knowledge transfer and transfers of private capital (remittances) as well as trade development. However, regular migration can also have downsides, including a brain drain, integration costs and social cohesion issues. It is in Switzerland's interests to reduce forced displacement and irregular migration and to improve the protection of migrants and refugees. Better management of migration in regions of origin and transit benefits Switzerland and promotes economic and social development in these regions.

That is why the Federal Council wants to strengthen the strategic link between international cooperation and migration policy. To this end, it intends to extend this link, which features in two of the four federal decrees of the IC Dispatch 2017–20, to all international cooperation instruments. In the short term, international cooperation helps to tackle the causes of forced displacement, improve living conditions for displaced people, and protect refugees in their initial host countries. In the medium term, it aims to improve prospects for people locally, providing alternatives to irregular migration and delivering optimal solutions for integrating migrants and forcibly displaced persons in developing countries. In the long term, international cooperation addresses the root causes of irregular migration, including poverty, lack of access to basic services, armed conflict, poor governance, environmental destruction and the impacts of climate change. Nevertheless, the reasons for migration and individual decisions are influenced by many other factors and policy choices beyond the scope of international cooperation. Migration governance at all levels therefore remains a key issue.

63 World Bank, 2018, available at: [www.worldbank.org](http://www.worldbank.org) > News > Press Releases > Climate Change Could Force Over 140 Million to Migrate Within Countries by 2050: *World Bank Report*

64 [www.meteosuisse.admin.ch](http://www.meteosuisse.admin.ch) > Climate > Climate Change in Switzerland

65 [www.news.admin.ch/news/message/attachments/48211.pdf](http://www.news.admin.ch/news/message/attachments/48211.pdf)

66 SR 0.814.01

67 SR 0.814.012

The strategic link between international cooperation and migration policy strengthens migration policy instruments, such as migration partnerships and dialogues. However, it would be unreasonable to consider this link as an absolute prerequisite and, for example, terminate an international cooperation engagement in a country where Swiss migration policy ran into difficulties. The experience of other actors, including major donors such as the European Union, shows that strict conditionality rarely has the intended effects. For one thing, threats often prove counterproductive and lead to stalemate as they can be perceived as interference in national sovereignty. Secondly, conditionality could have negative political consequences for Switzerland. Thirdly, the mandate of international cooperation is to help people affected by poverty and crises, and such people are rarely effective levers for pressurising authoritarian governments to comply with conditionality. Moreover, countries are obliged under international law to readmit their own nationals. If compliance with this obligation is financially rewarded, it creates a perverse incentive system that risks spreading to other international obligations and weakening international commitments.

The strategic link between international cooperation and migration policy is implemented at three levels.

1) At political level: migration is systematically addressed in policy consultations. The Federal Council intends to enter into further migration agreements and partnerships. When negotiating new framework agreements for international cooperation with its priority countries, the Federal Council includes a clause<sup>68</sup> providing for the subject of migration to be addressed in its cooperation and policy dialogues.

2) At geographical level: the Federal Council integrates migration policy into its various foreign policy strategies. The SDC and the FDFA's Human Security Division (HSD) as well as SECO within the EAER systematically address the issue of migration in their cooperation programmes, in consultation with the IMZ structure. In addition, there will be financial flexibility in the FDFA's four priority regions outside its priority countries, allowing opportunities linked to migration policy to be exploited more effectively. Over the period 2021–24, CHF 60 million will be earmarked for development projects in countries identified in consultation with the IMZ structure. This is in addition to the migration programmes within the priority countries' cooperation programmes and within the SDC's Global Programme Migration and Development (section 4.1.2).

3) At thematic level: forced displacement and irregular migration is addressed in international cooperation programmes, in particular with respect to prevention (e.g. by promoting respect for human rights and international humanitarian law), protection and integration of migrants in their regions of origin (e.g. by addressing violence against women and girls) and economic, political and social prospects (e.g. by supporting participation in political processes, improving basic education, offering vocational skills development, and supporting integration into the local labour market).

## Rule of law

Switzerland's strong democratic tradition is one of its hallmarks as a dynamic and prosperous country. Swiss know-how is recognised and greatly prized around the world. The rule of law, respect for human rights and the inclusion of women and disadvantaged people are essential for providing a community with long-term prospects. Switzerland is committed to strengthening the accountability of partner governments to tackle obstacles to development such as corruption, cronyism and mismanagement (e.g. by supporting checks and balances and public mechanisms of government oversight). When collaboration with central government offers no long-term prospect of reform, this may constitute grounds for withdrawing from bilateral development cooperation. In such cases, working with regional or local governments, which promotes decentralisation, democratisation and accountability for services that are responsive to the needs of the public, or even with non-governmental partners, can offer a medium-term alternative to working with central government. With its very strong tradition of community engagement, Switzerland strengthens civil society in developing countries so that it can realise its important role in advocacy, monitoring government activity and public accountability.

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<sup>68</sup> The standard clause is worded as follows: "In compliance with their international commitments in this area, the parties agree to incorporate the issue of migration in their cooperation. They undertake to maintain an open and constructive dialogue on the subject of migration in order to address the challenges and opportunities that it presents for both countries and to take appropriate account of this issue in the programmes and projects implemented."

### 3.4.4 Other priorities

#### Private sector engagement

The private sector plays a crucial role in job creation and sustainable development. It is an economic engine capable of lifting huge numbers of people out of poverty. The private sector, with its innovation, specialist knowledge, distribution channels, investment opportunities and vocational education and training potential, is essential to the implementation of international cooperation. Switzerland intends to diversify and strengthen collaborations with the private sector, including social enterprises and impact investors. To support the private sector locally, the FDFA and EAER will assess the possibility of developing new financial instruments and other new forms of cooperation involving the private sector, including in more challenging contexts, factoring in the expertise, complementarities and synergies described in section 4.2. For example, international cooperation plans to bolster the Swiss Investment Fund for Emerging Markets (SIFEM) by means of an additional capital contribution or by enabling the use of concessional or guarantee funds. SIFEM provides capital to companies in low- and middle-income countries to create decent work and mitigate climate change. International cooperation will pay particular attention to the principles of subsidiarity and non-distortion of markets. These analyses are undertaken with the involvement of the Federal Department of Finance (FDF).

#### The potential of digitalisation

New technologies present a raft of opportunities: mobile phone payments and other innovations in the financial sector, the use of blockchain for financial services or satellite data and drones for insurance against crop damage, solar power generation in humanitarian contexts, improved medical diagnoses using artificial intelligence, enhanced access to information for more transparency in democratic processes, and so on. International cooperation will focus on these new technologies, taking on board experiences at other federal offices as well as input from science and academia. For example, *Tech4Good* brings together initiatives that harness technological innovations to improve public services and the lives of the most disadvantaged – a typically Swiss approach. In partnership with the private sector, Switzerland will participate in the World Bank's new *GovTech* platform aimed at improving the management of public finances. In addition to technology, international cooperation will also leverage other innovations – business, financial, social and organisational, among others – to meet future challenges.

#### Multilateral engagement

Switzerland is committed to multilateralism as the guarantor of an international order based on the rule of law rather than power struggles. It also works towards more effective and efficient management of multilateral organisations. Switzerland will focus on reforms aimed at strengthening and promoting international rules and standards as well as better coordinating action between organisations to deliver greater impact in developing countries.

#### Cross-sectoral approaches

In order to effectively meet the challenges of sustainable development, such as migration and climate change, international cooperation will make greater use of cross-sectoral approaches, particularly in urban contexts. Actions targeting multiple SDGs and sectors boost efficiency and will be stepped up. For example, improving health is about more than the quality of healthcare systems: it also entails working on food quality (pesticides), air pollution, water quality and a healthy living environment.

#### Coherence between humanitarian aid and development cooperation

The best investment is one that reduces the structural factors driving vulnerability and fragility and thus prevents the need for emergency aid. To strengthen collaborations between humanitarian aid and development cooperation, it is envisaged that the FDFA's development cooperation will step up its involvement in protracted crises when conditions allow, thus freeing up more humanitarian resources for emergencies. To make countries and populations more resilient to shocks and crises, international cooperation forges a close connection (the 'nexus') between its various instruments (section 4.1), especially during protracted crises.

The need for emergency aid is dependent on certain events (disasters, crises, etc.), which makes precise forecasting difficult. For this reason, a system of permeability between the 'Humanitarian aid' framework credit and the 'Development cooperation' framework credit was introduced in 2013. The possibility of making transfers between the two framework credits, up to a maximum of CHF 120 million, will be renewed for the 2021–24 period (section 4.4).

## Effective risk management

International cooperation operates in accordance with the guidance of 24 September 2010 on the Confederation's risk management policy.<sup>69</sup> It has adopted specific instruments to identify, measure, mitigate and monitor the risks associated with its mandate. Measures to reduce risk include the application of risk management guidelines and guidelines to tackle irregularities, project and programme audits, an effective internal control system and the systematic review of management procedures. Independent analyses and discussions with Swiss representations in relevant countries take place regularly in order to assess and, if necessary, adjust working methods to manage risk. The Federal Council is very mindful of the risks involved in programme implementation and attaches great importance to managing threats to the safety of employees and partners abroad.

## Scientific research to assess the impact of international cooperation

The FDFA and EAER oversee more than 100 external independent evaluations each year to measure the relevance, effectiveness, efficiency, impact and sustainability of international cooperation programmes (section 1.3.1). Taking on board lessons learnt and maintaining a self-critical attitude will remain central to international cooperation work. Results-based management will be strengthened by making better use of data and taking account of scientific research, in particular impact studies. This will generate more evidence-based knowledge, enabling international cooperation to be steered more effectively in the medium and long term.<sup>70</sup> Scientific evaluation through impact studies will be stepped up, with particular emphasis on international peer-reviewed publications. Switzerland uses internationally recognised methodologies and practices to measure the achievement of its objectives and their contribution to meeting the SDGs. Programme and project implementation is closely monitored to ensure that funds are used as intended and deliver the expected results.

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<sup>69</sup> BBI 2010 6549

<sup>70</sup> A large number of summaries of randomised controlled trials (a method that studies the impact of an intervention on a group by comparing it with a randomly selected control group) are available at the following link: [www.3ieimpact.org](http://www.3ieimpact.org) > Evidence hub

# 4 Implementation

## 4.1 Instruments

### 4.1.1 Humanitarian aid (FDFA)

Switzerland's humanitarian mandate is universal (without geographical restrictions). Protecting the lives, safety, dignity and rights of people affected by crises, situations of violence, armed conflict and disasters is at the heart of Swiss humanitarian action. Humanitarian aid is inseparable from international humanitarian law, international norms and humanitarian principles.

Swiss humanitarian aid plays three roles: 1) it is an actor who responds directly, effectively and pragmatically to the consequences of armed conflicts and disasters (with instruments such as direct actions); 2) it is a dependable and flexible donor; and 3) it is a defender of the humanitarian cause through its engagement in negotiations to promote respect for international humanitarian law and humanitarian principles. It is in Switzerland's interests to uphold its international humanitarian tradition.

Direct humanitarian aid will focus its activities on four areas and will chiefly draw on the expertise of the Swiss Humanitarian Aid Unit (see box):

1. water supply, sanitation and hygiene;
2. improved food security and livelihoods;
3. protection of the most vulnerable populations, particularly refugees and internally displaced people (which will also include efforts to end sexual and gender-based violence and help people with disabilities), as well as education in emergencies;
4. disaster risk reduction and resilient reconstruction.

To prevent crises and disasters and respond to their consequences, Switzerland deploys the following instruments: emergency relief, disaster risk reduction and preparedness, and reconstruction and rehabilitation.

Emergency relief covers the basic needs of individuals and communities by providing them with clean drinking water and food, sanitation, temporary shelter, emergency medical treatment and access to education. Its remit also includes the protection of refugees and internally displaced people, as well as assistance for victims of sexual and gender-based violence. Emergency relief is targeted at the most vulnerable sections of the population and helps alleviate the suffering of those who are hardest hit. In protracted crises, it engages in innovative partnerships to help restore decent living conditions.

Switzerland leverages its reputation as a neutral actor and transparent intermediary to advocate for humanitarian action that adheres to humanitarian principles – humanity, neutrality, impartiality and independence – and international humanitarian law. For example, Switzerland works to guarantee humanitarian access. The IC Strategy 2021–24 earmarks a higher percentage of the 'Humanitarian aid' framework credit for emergency relief: 80% compared to 66% for the prior period (2017–20). Emergency relief can be provided directly by the SDC or indirectly by NGOs and multilateral organisations (see Annex 5) like the World Food Programme.

Disaster preparedness refers to pre-emptive action that involves the adoption of preventive measures on the one hand (robust structural design and construction outside at-risk zones, structural protection measures), and preparatory measures on the other (crisis management structures, early warning systems). The reconstruction phase begins after a natural disaster or armed conflict. Switzerland adopts a proactive approach to risk management so that natural disasters do not lead to a humanitarian or financial crisis. The universal mandate will continue to apply to short-term prevention and reconstruction activities, while long-term actions will be mostly limited to the four priority regions for FDFA bilateral development cooperation initiatives.

Harnessing synergies between humanitarian aid, development cooperation and peacebuilding will be an important part of the action Switzerland takes in protracted crisis settings.

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## Swiss Humanitarian Aid Unit (SHA)

The SHA is the face of Swiss humanitarian aid in crises and disasters. It delivers emergency relief during natural disasters, provides emergency shelter, constructs earthquake-resistant buildings, repairs drinking water systems and carries out emergency missions. The SHA is a quintessentially Swiss solution, comprising a rapid deployment corps of some 650 volunteers, many of whom are recruited from the private sector. In addition to its involvement in emergency relief efforts, the SHA shares its experience and expertise with international organisations. This dual role means the unit is an important source of support for crisis- and disaster-hit countries and at head office.

### The Swiss Humanitarian Aid Unit in 2018



**228**  
experts deployed



**300**  
missions



**59**  
countries

#### 4.1.2 Development cooperation (FDFA and EAER)

##### Bilateral development cooperation (FDFA and EAER)

Bilateral development cooperation represents Switzerland's long-term commitment to creating economic, social and environmental opportunities in a select number of priority countries. It supports initiatives by developing countries to raise their living standards, particularly through actions to ensure that poor and marginalised communities enjoy sustainable access to resources and basic services and can participate in decision making that affects them. The FDFA has identified four priority regions for its bilateral development cooperation initiatives (section 3.4.2) based on an analysis of the needs of the population (including global challenges), Swiss interests and the added value that Switzerland can deliver.<sup>71</sup> The EAER will continue to pursue its economic development cooperation efforts in a select number of priority countries within the four priority regions of the FDFA and also in several emerging Latin American countries where Switzerland has foreign economic interests. The FDFA and EAER will work closely together in these four regions.

**North Africa and the Middle East** is a highly volatile and politically polarised region. The political climate in several countries has deteriorated due to the growing disparity between the wishes of the population (frustration among the younger generations, deeper social divisions) and the policies adopted there. Stagnant economic growth and poor management of natural resources add to the challenges faced by the region. Switzerland's interests in this close region are varied and prominent. They include energy transit and supply, economic relations, as well as growing cultural and social ties. Of overriding concern for Switzerland are the security risks posed by political instability, ongoing armed conflict and rising violent extremism not far from the borders of Europe. Instability in the region is a major driver of large migration flows and forced displacements (notably in the context of the Syrian crisis). At the same time, the Middle East is also a hub in the rapidly growing global trading system.

Bilateral development cooperation priorities in the region will be:

- good governance through support for national and local authorities and civil society, equal access to quality public services, public financial management and the mobilisation of domestic resources;
- economic development by fostering competitiveness and improving the framework conditions for the private sector, as well as labour market conditions;
- water and climate change adaptation;
- inclusive, quality basic education and vocational skills development;
- migration: more effective response to challenges and opportunities.

**Sub-Saharan Africa** is a region marked by sustained demographic growth. By 2030, nine out of ten people living in extreme poverty will be in sub-Saharan Africa; by 2035 half of the region's population will live in urban areas. Large parts of Africa suffer from recurrent droughts and floods, which are made worse by climate change. Given that it has the youngest population in the world, the potential labour supply in the region is very high. Many countries in the region have recorded high economic growth; others struggle to attract trade and investment because of armed conflicts, weak government and judicial institutions, corruption and public mismanagement. Sub-Saharan Africa is one of the main sources of irregular migration and forced displacements to Europe. Weak healthcare systems are unable to tackle health crises (AIDS, Ebola) effectively and contribute to the rise in antibiotic resistance. Both of these problems pose a growing risk to Switzerland and the rest of the world. Although economic trade with Switzerland remains modest (except for natural resource extraction), the African market could offer considerable opportunities for Swiss companies in the longer term.

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<sup>71</sup> The other international cooperation instruments will also focus their efforts in these four priority regions, while retaining their universal mandate.

Bilateral development cooperation priorities in the region will be:

- equitable and quality basic services (health, education, access to water, food security) that are responsive to climate change and demographic challenges;
- economic development through the creation of decent work and sustainable economic opportunities (basic education and vocational skills development, access to financial services, regional and global value chains);
- good governance, with different sets of priorities for stable and fragile countries. In stable countries, efforts focus on improving governance, mobilising domestic resources, social inclusion, and the strengthening of the rule of law and the free movement of goods, services and people in the region (with a view to providing alternatives to migration to Europe). The priority in fragile countries is good governance, in particular anti-corruption measures, conflict prevention, the establishment of the rule of law and respect for human rights, based on cooperation with local communities and decentralised government agencies;
- urban development, including energy management, mobility and basic infrastructure development.

In recent decades, **Central, South and South-East Asia** have enjoyed strong economic growth. At the same time, several Central Asian countries still have to contend with the difficult legacy of central planning. The number of people living in extreme poverty has fallen considerably but the situation remains fragile; economic shocks, the effects of climate change and food insecurity threaten to obliterate the progress made to date. This growth is not sustainable, either environmentally (impact of the extractive industry, energy-intensive activities, unchecked urbanisation) or socially (rising disparities and inequalities in a number of countries, authoritarian regimes), which could lead to political and economic instability. In view of the dynamism of the region, its growing importance as an economic centre of gravity and its membership of Swiss voting constituencies in several multilateral organisations, it is in Switzerland's interests to help the region tackle its sustainable development challenges and secure stability.

Bilateral development cooperation priorities in the region will be:

- climate change mitigation and adaptation, including water and energy management, food security and disaster risk reduction;
- good governance, including national and local institution building, as well as the strengthening of public financial management and public services in order to combat inequalities;
- economic development through the promotion of better framework conditions, the strengthening of the financial sector, private sector development, and equal access to quality infrastructure services, including basic education and vocational skills development.

The former communist countries of **Eastern Europe** have made significant progress over the last 30 years on establishing democratic structures, the rule of law and a social market economy. Although extreme poverty has largely been eradicated and the region has seen a new middle class emerge, many problems remain (weak state institutions, corruption and slow pace of reforms). Multiple countries in the region continue to deal with the consequences of previous armed conflicts or are currently affected by conflict. Given its geographical proximity and human ties with Eastern Europe, mostly through the large Balkan diaspora, it is in Switzerland's interests that the region enjoys stability and security, and has a political and economic framework in place which is conducive to market development and investment.

Bilateral development cooperation priorities in the region will be:

- economic development through the promotion of a more robust financial sector, job creation, improved basic service provision and greater urban energy efficiency;
- good governance, including national and local institution building and the strengthening of basic public services, public financial management, inclusion and anti-corruption efforts;
- climate change mitigation and adaptation, environmental protection and disaster risk reduction.

The FDFA will phase out its bilateral development cooperation work in **Latin America and the Caribbean** between now and 2024. The decision to withdraw was based on the findings of a cross-country comparison of the needs of the population,<sup>72</sup> Swiss interests and the added value that Switzerland's international cooperation can deliver. The timetable for disengagement will be designed to ensure that the outcomes are sustainable. Given Switzerland's foreign economic interests in the region, EAER commitments in Latin America will continue (Figure 6). The EAER will focus its efforts on supporting economic development and governance through the promotion of better economic framework conditions; greater transparency in planning processes and financial and natural resource management; integration in global value chains; private sector development; and equal access to quality infrastructure services, particularly in urban regions.

In all regions, priority will be given to joint cooperation programmes that harness the synergies between humanitarian aid, development cooperation and peacebuilding in order to improve the efficiency of the actions taken and generate sustainable outcomes, particularly in protracted crisis settings. It is essential that the implementation process continues to take account of gender equality issues.

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72 Despite the high levels of inequality and violence in certain parts of Latin America, poverty has fallen dramatically, and basic services have greatly improved. The number of democracies in the region has risen sharply since the 1980s: see Center for Systemic Peace, Polity IV database, [www.systemicpeace.org](http://www.systemicpeace.org) > Analysis > Polity Project > Country Reports: South America: Regimes by Type.

In 2017–20, FDFA and EAER bilateral development cooperation extended to 30 priority countries and regions. The total number of countries involved was 52 (FDFA priority countries: 46;<sup>73</sup> EAER priority countries: 13, of which 7 were also FDFA priority countries). To maximise the impact of its bilateral development cooperation actions, the FDFA will reduce the number of priority countries from 46 to 35 by the end of 2024 (Table 1 and Annex 4).<sup>74</sup> The FDFA has not put forward any new priority countries.

The EAER will continue to concentrate its economic development cooperation activities in 13 priority countries. In view of the period 2025–28, it will review its selection and lay the groundwork for exiting certain countries, where appropriate. In addition to its involvement in the 13 priority countries, the EAER can implement complementary measures that mobilise its expertise flexibly and on an ad hoc basis.<sup>75</sup> These measures draw on the EAER’s economic and trade policy expertise as well as on the expertise of other Federal Administration agencies. Here, the EAER decides where to implement these measures based on its engagement criteria for priority countries (Annex 3).

73 The IC Dispatch 2017–20 counted the Horn of Africa region (Ethiopia, Kenya and Somalia) as one country.

74 Some of these countries will be part of cooperation programmes that cover several priority countries, e.g. the Great Lakes (Rwanda, Burundi, Kivu region), South Caucasus (Georgia, Armenia), the Mekong (Laos, Cambodia), and Central Asia (Kyrgyzstan, Uzbekistan, Tajikistan).

75 In Azerbaijan, for example, EAER complementary measures are implemented as part of the SDC South Caucasus programme (Georgia and Armenia).

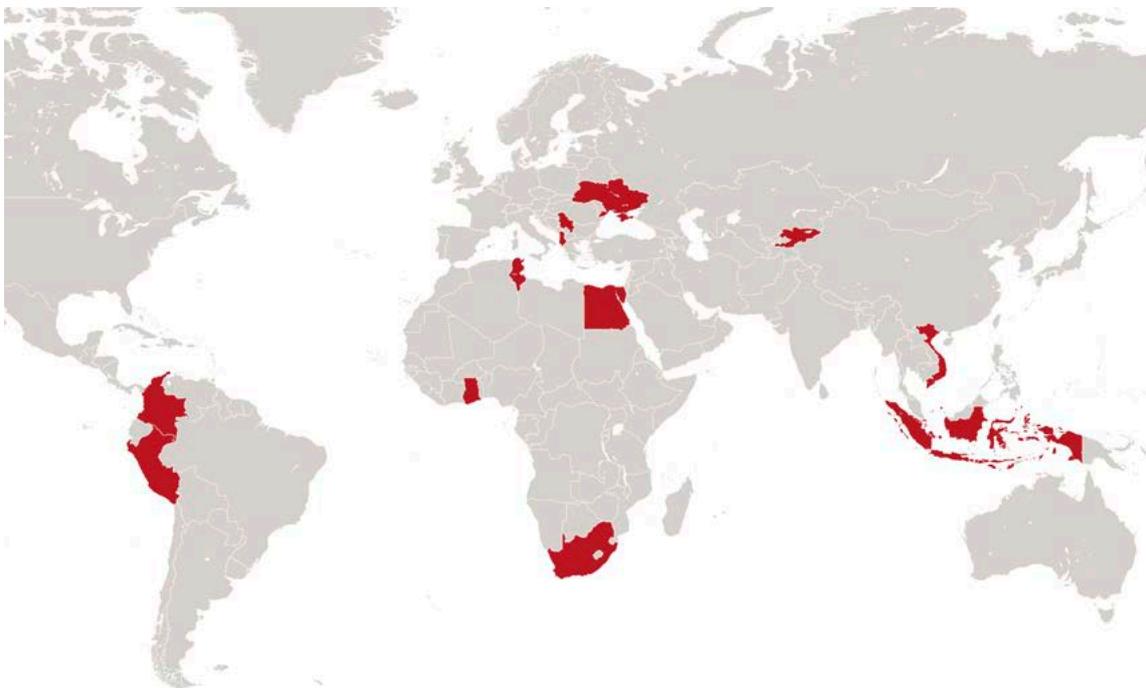


Figure 6: EAER priority countries

**Table 1: Priority countries for bilateral development cooperation (FDFA and EAER)**

Regions	Priority countries	Deselected countries (withdrawal by end of 2024)
North Africa and Middle East	Egypt**, occupied Palestinian territory, Syrian crisis area (currently in Lebanon and Jordan), Tunisia**	
Sub-Saharan Africa	Benin, Burkina Faso, Burundi, Chad, Democratic Republic of the Congo (Kivu), Ghana*, Mali, Mozambique, Niger, Rwanda, Somali crisis area (currently from its offices in Kenya and Ethiopia), South Africa*, Tanzania, Zambia**, Zimbabwe	Eswatini (Swaziland)**, Lesotho**, Malawi**
Central, South and South-East Asia	Afghanistan, Bangladesh, Cambodia, Indonesia*, Kyrgyzstan**, Laos, Myanmar, Nepal, Tajikistan**, Uzbekistan, Vietnam*	Mongolia, Pakistan (2019)
Eastern Europe	Albania**, Armenia, Bosnia and Herzegovina, Georgia, Kosovo, Moldova, North Macedonia, Serbia**, Ukraine**	Azerbaijan
Latin America and the Caribbean	Colombia*, Peru*	Bolivia, Cuba, Haiti, Honduras, Nicaragua
<b>Total</b>	<b>41 countries: FDFA (SDC): 35; EAER (SECO): 13, of which 7 are also FDFA priority countries (see Annex 4).</b>	<b>FDFA: 11 countries</b>

\* 6 priority countries for EAER-only (SECO) bilateral development cooperation

\*\* 7 priority countries with both FDFA (SDC) and EAER (SECO) bilateral development cooperation initiatives

\*\*\* Countries with no permanent Swiss IC presence in 2019

### Ad hoc FDFA commitments outside priority countries

At least 90% of the geographical commitments of the FDFA’s bilateral development cooperation will be undertaken in its priority countries (Table 1). The remaining resources (up to 10%) may be used to fund regional programmes and short or medium-term ad hoc actions in other countries within the FDFA’s four priority regions. This arrangement will allow the SDC to respond more flexibly to opportunities outside its priority countries in the following instances:

- to establish a strategic link between migration policy and international cooperation (in 2021–24, CHF 60 million will be earmarked for projects in countries chosen in consultation with the IMZ structure and based on recommendations from the State Secretariat for Migration);
- to support regional and transboundary dynamics which make it possible, for example, to shape the framework conditions in the countries concerned or influence international policy;
- to promote innovative partnerships with the private sector;
- to respond to opportunities, identified by a Swiss embassy, a federal office or a Swiss NGO, which dovetail with Switzerland’s expertise and priorities, e.g. support for pro-reform transitioning democracies; and
- to build on the activities of Swiss humanitarian aid through longer-term programmes and approaches (‘nexus’).

### Economic development cooperation (EAER)

Through its economic development cooperation, Switzerland supports developing countries in the implementation of structural changes, private sector development and integration into the global economy. Its activities support the creation of reliable economic framework conditions and innovative private sector initiatives, which in turn make it easier for individuals and companies to access markets and take advantage of opportunities while creating decent income opportunities. In doing so, Switzerland contributes to economic growth and sustainable prosperity.

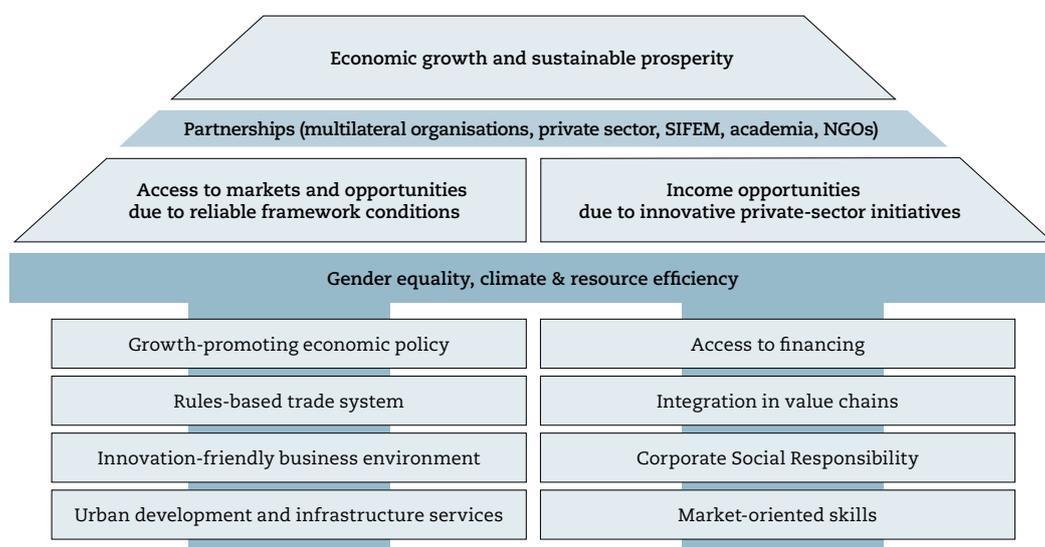


Figure 7: Overview of EAER economic development cooperation

Switzerland works to strengthen framework conditions and governance by way of a growth-promoting economic policy, a rules-based and predictable trade system, an innovation-friendly business environment, and integrated urban development and infrastructure services. The ability of developing countries to mobilise their own resources and use them responsibly is essential to achieving the SDGs. Switzerland will respond to the rising national debt in many countries by focusing its efforts on the financial and capital markets and on improving fiscal and debt management. It will therefore prioritise efforts to modernise local finance administrations and develop local capital markets. The EAER will continue to mainstream the risks associated with climate and environmental changes across all its activities. This measure should enable cities, in particular, to carefully plan infrastructure projects and improve urban mobility, the reliability of their energy supply and their resilience to natural disasters. Digitalisation offers opportunities to further increase the effectiveness and efficiency of administrations, reduce red tape and prevent corruption.

Switzerland will continue its commitment to helping developing countries exploit the potential of trade agreements. The priority here will be the creation of modern trading systems, the implementation of WTO rules and international labour standards, and the protection of intellectual property. These measures boost the innovation capacity, productivity and competitiveness of companies in developing countries while advancing Switzerland's free trade policy. In addition, Switzerland provides developing countries with technical assistance and training programmes so that they can represent their interests effectively in trade negotiations.

The private sector creates 90% of all jobs worldwide. As an important driver of economic growth, it plays a pivotal role for sustainable development. To foster innovative private sector initiatives, Switzerland promotes access to financing, the integration of producers in value chains, corporate social responsibility, and the development of market-oriented skills. It works with private actors to develop innovative financial mechanisms that provide businesses with access to finance and open up new investment opportunities for banks. As part of these activities, Switzerland will step up its involvement in impact investing. SIFEM, the Swiss Investment Fund for Emerging Markets, will play a more prominent role in these activities.

In free trade negotiations, Switzerland advocates for the adoption of trade-related sustainability standards, which are an important economic factor in the commodity trading and textile sectors. Switzerland promotes specific value chains that are particularly relevant for partner countries and to which Switzerland can make a contribution based on its expertise and its major role in international trade. This policy covers tourism, agricultural commodities such as cocoa and coffee, and mineral commodities. Switzerland also encourages business practices that not only pursue economic objectives but are also responsible towards employees, society and the environment. Here, Switzerland places particular emphasis on respect for human rights and compliance with social, labour and environmental standards. Switzerland plays an active role in training and upskilling the labour force through programmes which are responsive to the needs of the labour market and leverage the opportunities offered by digital transformation.

## Global programmes (FDFA)

No country can address global challenges alone. By definition, these problems require a collective response in addition to efforts at national level. Through the FDFA's global programmes, Switzerland endeavours to shape and establish universally recognised standards to help overcome these challenges (Figure 8). It seeks to influence the international normative framework through participation in intergovernmental processes, global and regional initiatives and innovative actions in selected countries. New financial instruments will play an increasingly important role in transboundary and intersectoral cooperation. The FDFA concentrates on activities within its remit in the following five global challenges: migration, climate change and environment, food security, water, and health.<sup>76</sup> It earmarks an average of CHF 30 million per programme, per year.

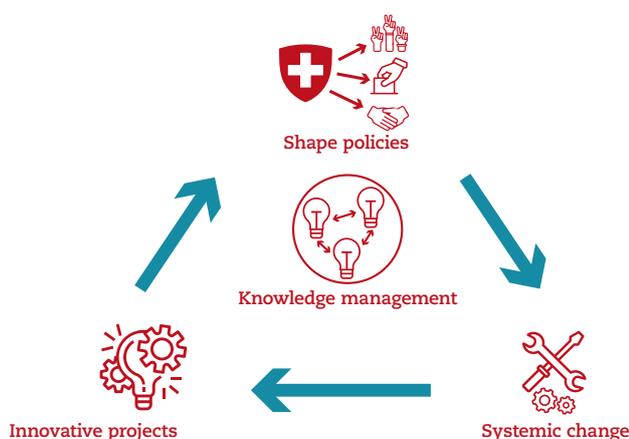


Figure 8: Global programmes – Operational principles

1) The Global Programme **Migration and Development** will focus on regions that are particularly relevant to Swiss migration policy. This priority is fully in line with the aim of strengthening the strategic link between international cooperation and migration policy (section 3.4.3) while retaining a global approach. Activities will include reproducing best practices and experiences acquired along the migration corridors in South Asia, the Middle East and Africa in order to improve protection for migrants and maximise their contribution to the economic development of both the country of origin and the host country. To this end, the programme will step up its cooperation with the private sector, cities and Swiss research facilities.

2) The Global Programme **Climate Change and Environment** will focus on the implementation of innovative solutions that are based on Swiss expertise and scientific evidence. It promotes sustainable, low-emission development, the reduction of environmental pollution, climate change adaptation, as well as sustainable urban and rural management (especially mountain and forest areas), with a particular focus on renewable energies, energy efficiency and waste management. It works to bolster the effectiveness of multilateral climate and environmental financing mechanisms and helps to fund them. An interdepartmental structure coordinates the activities of the participating federal departments (FDFA, EAER and DETEC).

3) The Global Programme **Water** will focus on initiatives that improve the collective management of transboundary water resources in order to reduce the risk of conflicts and disasters. These efforts will benefit from the increased participation of women and young people, and from better framework conditions. A second focus will be the engagement of social enterprises and the private sector, in particular, in efforts aimed at guaranteeing the human rights to water and sanitation. The programme will also promote the effective and sustainable financing of water-related investments.

4) The Global Programme **Food Security** will focus on the influence of global and regional policies on food security and nutrition. From the right to food to the rights of farmers, the programme promotes international standards and innovative solutions that lead to more effective, sustainable and resilient food systems. It also champions agricultural research, the sharing of new technologies, responsible investment and agricultural biodiversity.

5) The Global Programme **Health** will focus on the quality and viable financing of health systems and services so that they are better equipped to respond to the needs of disadvantaged communities. It will promote health, reproductive and sexual rights, maternal and child health, and the fight against the main communicable and noncommunicable diseases that affect developing countries. It works closely with the private sector and the academic community, particularly in relation to research on, development of and better access to new high-quality medicines. It also addresses other health-related factors such as water quality and air pollution.<sup>77</sup>

<sup>76</sup> [www.fdfa.admin.ch/sdc](http://www.fdfa.admin.ch/sdc) > Activities and Projects > Activities > Global challenges > Global projects

<sup>77</sup> The Global Programme Health informs Swiss health foreign policy 2019–24; see: [www.bag.admin.ch](http://www.bag.admin.ch) > Strategy & policy > International relations > Swiss Health Foreign policy

## Multilateral development organisations (FDFA and EAER)

International cooperation strengthens the impact of its activities by actively contributing to multilateral processes that aim to strengthen the general conditions and normative framework for sustainable development. Multilateral organisations are an important pillar of Switzerland's development cooperation. Development banks bring their considerable financial wherewithal and expertise, while UN organisations perform an essential normative function for open economies like Switzerland. They make it possible to scale up development efforts by integrating their positive experiences in policies.

International cooperation works with 16 priority multilateral development organisations (Annex 5).<sup>78</sup> This choice reflects its priorities for the implementation of the 2030 Agenda. They include international financial institutions, UN development organisations, as well as global funds and networks. Switzerland is a donor, member and operational partner of these organisations. By participating in their governing bodies (voting constituency, executive boards, etc.), Switzerland can directly influence the strategic direction of the organisations and bring its priorities to bear, thereby endowing its national interests with a global reach. Switzerland annually evaluates the performance of its priority multilateral organisations. To this end, it has developed a monitoring instrument, which is recognised by the OECD, to ensure that their multilateral partners continue to pursue their strategic focus and improve their efficiency. The evaluation findings inform Switzerland's funding decisions.

### 4.1.3 Measures to promote peace and human security (FDFA)

Thanks to its history and neutrality, Switzerland's support for conflict prevention and resolution processes enjoys a high degree of legitimacy. It is renowned for its inclusive system of government (which affords local actors and minorities an important say), its capacity to innovate and its collaborative approach. Switzerland enjoys particularly high credibility on matters pertaining to international humanitarian law, human rights and disarmament. The secondment of personnel from the Swiss Expert Pool for Civilian Peacebuilding (SEP, see box) bolsters international institutions and raises Switzerland's visibility. Switzerland is well-placed to achieve its objectives thanks in part to Geneva International and its close cooperation with multilateral organisations.

Although this international cooperation instrument will continue to fulfil its universal mandate (no geographical restrictions), it will focus most of its activities on the four priority regions for FDFA bilateral development cooperation.

## Promotion of human rights

The fundamental rights of every human being are the bedrock of a peaceful, inclusive and prosperous society. In bilateral demarches and multilateral forums, Swiss diplomacy adopts an inclusive<sup>79</sup> and coherent approach to the protection and promotion of human rights and efforts to end impunity. It supports and participates in commissions of inquiry and fact-finding missions. Switzerland also promotes the interdependence of civil, political, economic, social and cultural rights, and calls on society as a whole to respect human rights.

## Peaceful resolution of conflicts

In peace processes, international cooperation seeks to establish dialogue with as many relevant actors as possible, including all parties to the conflict. It works to bring about inclusive and lasting peace, and attaches great importance to the participation of women in these processes. In political processes, Switzerland provides its specific expertise on matters such as mediation, federalism, ceasefire talks, dealing with the past and efforts to end impunity.

## Protection of the population in armed conflicts

The number of people who are killed, wounded or forced to flee their homes or country as the result of armed conflicts and natural disasters continues to rise (section 1.2.1). In addition to providing humanitarian aid, Switzerland uses diplomatic means to protect the civilian population, including humanitarian personnel. The FDFA leads initiatives to protect the civilian population and ensure the observance and implementation of the normative framework. For example, Swiss police officers and legal professionals participate in peacekeeping missions where they contribute to efforts to combat the use of sexual violence as a tactic of war. The FDFA works to lessen the impact of armed conflicts through disarmament and arms control.

## Prevention of armed conflicts

Switzerland is committed to preventing crises and conflicts. Respect for human rights and the rule of law is a valuable early warning indicator. International cooperation supports free and peaceful elections, the re-establishment of the rule of law, the equal participation of women and men, the inclusion of minorities and marginalised groups in political processes, and the prevention of violent extremism and atrocities.

<sup>78</sup> Since the IC Dispatch 2017–20, Switzerland has established a partnership with a new multilateral organisation: the Asian Infrastructure Investment Bank (AIIB), which was founded in 2014.

<sup>79</sup> FDFA Strategy on Gender Equality and Women's Rights, 2017

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## Swiss Expert Pool for Civilian Peacebuilding

Every year some 200 civilian experts and police officers from the SEP are seconded to regional and international organisations such as the UN, the OSCE and the EU. The SEP promotes knowledge acquisition by training Swiss experts but also local professionals in crisis-hit regions. Swiss experts observe elections and take part in ceasefire monitoring missions. The police officers and legal personnel deployed by the SEP help national police forces protect those affected by conflicts and support their efforts to strengthen the rule of law. Human rights and legal experts investigate violations of international law and contribute to activities in relation to dealing with the past. The specialist skills of Swiss experts are in demand around the world.

## 4.2 Three implementing bodies

The four draft federal decrees on Switzerland's international cooperation for 2021–24 cover the activities of three administrative units: the SDC and the HSD (on behalf of the FDFA) and SECO (on behalf of the EAER). These activities are funded from the five framework credits submitted to Parliament for approval. Other federal offices – including the State Secretariat for Migration (SEM), the State Secretariat for International Financial (SIF) and the Federal Office for the Environment (FOEN) – finance their international activities from their own budgets; these funds are recorded as ODA, in line with OECD criteria.

### Swiss Agency for Development and Cooperation, SDC (FDFA)

The SDC is responsible for coordinating Switzerland's development cooperation and humanitarian aid activities. It is Switzerland's centre of expertise for development cooperation and humanitarian aid. SDC actions in the fields of humanitarian aid and development cooperation can be classified according to three criteria: geographical (priority countries and regions), thematic (e.g. the five global programmes), and multilateral. The SDC is expected to administer around **84.1%** of the financial commitments in the international cooperation framework credits for 2021–24.

### Human Security Division of the Directorate of Political Affairs, HSD (FDFA)

The HSD is the centre of expertise for the promotion of peace, human rights and the protection of the individual. It works to prevent armed conflicts, bring about a peaceful resolution to existing conflicts, strengthen the international normative framework, particularly in the field of human rights, and protect those affected by armed conflicts, other situations of violence and disasters. The HSD is expected to administer around **2.3%** of the financial commitments in the international cooperation framework credits for 2021–24.

### Economic Cooperation and Development Division of the State Secretariat for Economic Affairs, SECO (EAER)

SECO is the centre of expertise for economic development cooperation. Its work focuses on core economic and trade policy issues. Its aim is to create framework conditions that are conducive to sustainable and inclusive economic growth and private sector development. The actions undertaken by SECO are aligned with its thematic, geographical and multilateral priorities. SECO is expected to administer around **13.6%** of the financial commitments in the international cooperation framework credits for 2021–24. SECO also participates in multilateral development organisations, primarily the international financial institutions, whose financial contributions are budgeted under the SDC's 'Development cooperation' framework credit.

### Complementarities and synergies between the SDC, HSD and SECO

The fact that these administrative units belong to two different federal departments has its advantages and disadvantages. Nonetheless, the positives outweigh the negatives. Although information management can be more complex and working practices may vary across departments, the different viewpoints and areas of expertise of the three administrative units complement one another.<sup>80</sup> The FDFA provides expertise on foreign policy issues. Thanks to the extensive network of Swiss representations abroad, the FDFA has in-depth knowledge of local contexts and realities, and a solid understanding of regional dynamics. The EAER provides economic policy and trade expertise. Mechanisms are in place to coordinate the work of these units, thereby ensuring that strategies are coherent and actions are complementary. A steering committee, comprising the heads of the two departments and the directors of the three administrative units, meets once a year to review their collaboration, the division of responsibilities and the allocation of credits.

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<sup>80</sup> In the 2013 OECD Development Co-operation Peer Review, the complementarity between SDC and SECO programmes, competencies and choice of priority countries was singled out for praise. This positive assessment was also echoed by members of the subcommittees of the National Council and Council of States control committees during their visit to the SDC on 30 August 2016.

The SDC and SECO share responsibility for multilateral financial aid. Together, they decide on all multilateral financial aid measures, the beneficiaries and amounts, as well as the conditions for their implementation. They jointly determine the position that Switzerland adopts in the governing bodies of international and regional development banks. Switzerland's interests are represented on the boards of these organisations by a governor appointed by the EAER and an alternate appointed by the FDFA.

The country-specific cooperation programme instrument ensures the coherence of Switzerland's different interventions (whole-of-government approach). The introduction of integrated embassies, which bring the activities of diplomatic, consular and international cooperation staff under one roof, has strengthened the coherence of Swiss foreign policy. When multiple federal offices work on the same subject, their activities are well coordinated and synergies are sought between their complementary areas of expertise.

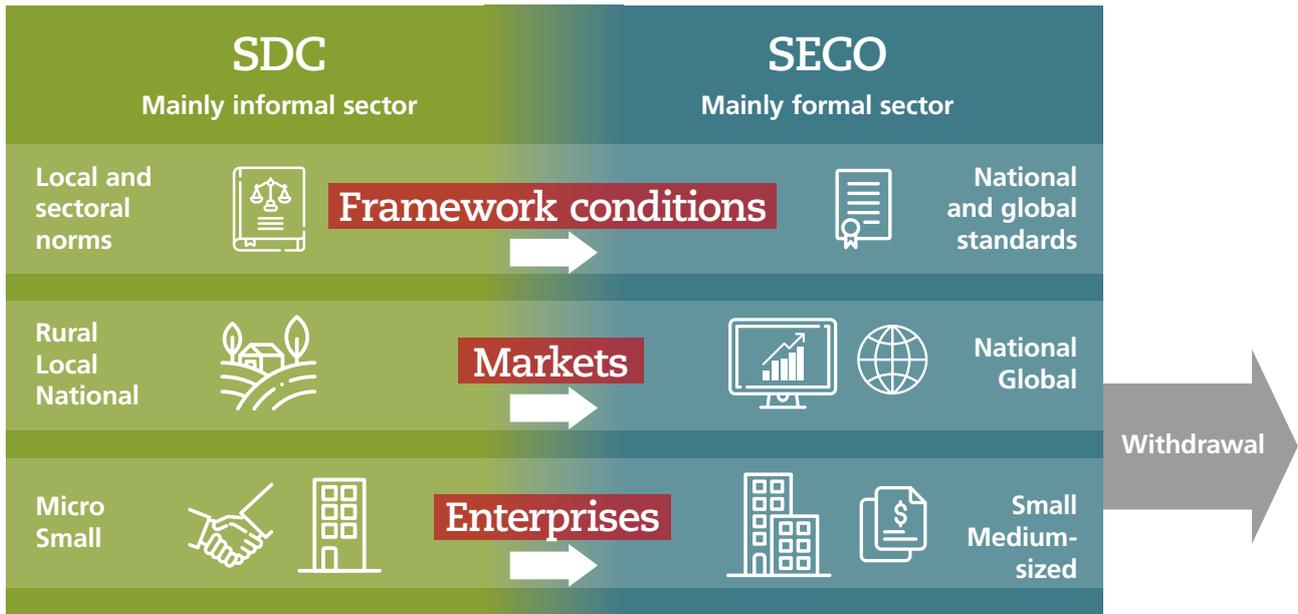


Figure 9: Examples of synergies and complementarities between SECO and the SDC in private sector development

## 4.3 Cooperation with other actors

To bring about lasting and systemic change, Switzerland works with actors who share its reform ambitions. These partners include governments, multilateral organisations, private companies, NGOs, the academic community and any other relevant actors.

### Governments of priority countries

Primary responsibility for development in a priority country lies with its government. Switzerland prioritises direct cooperation with government agencies at national, regional or local level, based on the type of support involved, the willingness of the country to undertake reforms and the potential impact of these actions. A risk assessment helps to identify the modality that can best strengthen national systems without benefiting reform-resistant elites. Regular dialogue with the government of the priority country also provides Switzerland with an opportunity to review and, where necessary, adapt the partnership.

### Multilateral organisations

Partnerships between international cooperation and multilateral organisations are generally based on one of the following two modalities: 1) International cooperation provides general contributions from its multilateral budget to support the specific mandate of the organisation and actively participates in its governing bodies (section 4.1.2); 2) it provides funding from its bilateral budget for specific programmes initiated by such organisations. Programmes can therefore be scaled up thanks to the substantial financial resources available and the mobilisation of international expertise.

### Private sector

International cooperation already selectively engages with the private sector, primarily with companies in developing countries and Switzerland, as well as the financial sector in order to make a joint contribution to the realisation of the SDGs. In line with the 2030 Agenda, international cooperation strategically uses its financial resources to mobilise additional private funds for sustainable development (a combination of public and private funds known as blended finance).<sup>81</sup> The success of a number of initial partnerships has led to the systematic adoption and expansion of these measures; the partnership criteria have also been refined. Furthermore, Switzerland remains committed to ensuring that companies based in Switzerland respect human rights and promote sustainable development wherever they operate.<sup>82</sup>

Humanitarian aid benefits from the expertise of the Swiss private sector through the hiring of its qualified personnel to the SHA and the use of its logistics and procurement channels. Support for companies in priority countries to transition from the informal to the formal economy<sup>83</sup> opens up new markets.

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### Mobilisation of the private sector for sustainable development: two examples

Switzerland is a founding member of the Private Infrastructure Development Group. Between 2012 and 2017 the group mobilised around USD 3.8 billion in private investments for infrastructure projects in Africa and Asia. These investments provided over 230 million people with access to basic infrastructure and created or safeguarded 240,000 jobs. Switzerland wishes to build on these experiences by strengthening this form of public-private partnership, chiefly through close cooperation with the Swiss Sustainable Finance association.

By targeting innovative financial solutions and investments at start-up companies, Switzerland can often generate a sizeable impact on sustainable development with relatively little financial investment. To advance their goal of opening up new markets, even in fragile contexts, and making it easier for small and medium-sized companies with considerable growth potential to access capital, the FDFA and the EAER evaluate new forms of cooperation with a proven track record on sustainable development. The FDF is also involved in the evaluation process.

### Non-governmental organisations

NGOs are important international cooperation actors because of their expertise, long-standing presence in various countries and detailed knowledge of the situational context. They work with the poorest members of society, provide emergency aid, promote sustainable development, and play an important role in terms of public advocacy, scrutiny and accountability.

The aim of cooperation with NGOs is to strengthen democratic processes in priority countries and facilitate access to Swiss expertise and innovations in order to reduce poverty and promote sustainable development. Swiss NGOs work with Switzerland's communes, cantons, universities and the private sector. They support the voluntary sector and seek to raise awareness, particularly among the younger generations, of sustainable development and its challenges. Switzerland works in priority countries to advance the democratisation process and the rule of law by promoting freedom of

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<sup>81</sup> OECD, *Making Blended Finance Work for the Sustainable Development Goals*, 2018.  
<sup>82</sup> Business and Human Rights: Swiss National Action Plan, [www.nap-bhr.admin.ch](http://www.nap-bhr.admin.ch)

<sup>83</sup> The formal economy refers to all economic activities involving the production of goods and services which are officially registered and subject to government regulation.

expression and the participation of local civil society. Cooperation on the promotion of culture, for example, helps to strengthen civil society, democracy, human rights and social cohesion.

Cooperation with NGOs is based on three modalities: 1) contracts awarded according to public procurement rules on transparency and competitiveness for the provision of services (mandates); 2) targeted contributions, thematic or geographic, to advance international cooperation; and 3) programme contributions, i.e. funding that is not tied to a thematic or geographic priority, granted to large Swiss NGOs, Swiss NGO alliances, cantonal federations and umbrella organisations.<sup>84</sup>

### Academic community

Academic research is a source of invaluable knowledge about population needs, evolving global challenges and the impact and effectiveness of international cooperation. The academic community is a key partner in the development of technological, social and political solutions. Academic partners include international research institutions, as well as universities and research facilities in Switzerland and developing countries.

### Other donors

International cooperation cooperates with other donors, most of whom are high-income countries (e.g. EU member states), and occasionally with public and private philanthropic organisations as well. Good coordination is essential as it improves the effectiveness of international cooperation while preventing the duplication of efforts and the piecemeal allocation of funds. Switzerland welcomes partnerships with all donors, especially new actors like emerging donors (China, India, Gulf States) and grant-making foundations, provided that an agreement can be reached on a common set of principles. Through dialogue, Switzerland encourages these donors to adopt OECD values and principles.

### Other federal agencies and the cantons

A number of priority countries for international cooperation have expressed a particular interest in gaining access to Switzerland's expertise, particularly cantonal and federal expertise. To the extent permitted by the legal framework, agreements are established and institutional mechanisms are put in place between the Confederation and the cantons or other Swiss actors to facilitate the provision of expertise. Excellent synergies already exist between international cooperation and other federal agencies, such as the Federal Office of Public Health, the Federal Statistical Office, SEM, SIF, the State Secretariat for Education, Research and Innovation, the Federal Office for Agriculture, the Federal Office of Culture, the FOEN, the Federal Office of Meteorology and Climatology, the Swiss Federal Institute of Intellectual Property and Parliamentary Services. These synergies make it possible to leverage Swiss competencies more effectively.

## 4.4 Financing

Every four years, Parliament decides on the allocation of international cooperation funding for humanitarian aid, development cooperation and measures to promote peace and human security. This funding takes the form of framework credits. With the present dispatch, the Federal Council is requesting five framework credits, in four federal decrees, totalling CHF 11.25 billion and covering the period 2021–24. This amount is slightly lower than that indicated during the consultation procedure (CHF 11.37 billion) owing to an inflation adjustment.

With these five framework credits, Parliament authorises the Federal Council to undertake financial commitments for its international cooperation activities. The requested framework credits are the maximum amount the federal government can grant for the period 2021–24. The disbursements budgeted for this period are less than the framework credits, and may not exceed them. On average, the funding credits are 14% higher than the disbursements budgeted for the period (see box). The payment credits set out in the financial plan 2021–23 are extrapolated for 2024. These disbursements (Table 2) represent approximately 3% of federal expenditure. The availability and use of the five framework credits depends on a favourable evolution of public finances. Therefore, cuts may be made to budgets during the annual federal budget debates in Parliament.

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<sup>84</sup> A list of NGOs which receive funding from the SDC is available at: [www.sdc.admin.ch](http://www.sdc.admin.ch) > Partnerships and mandates > NGOs.

## Comparison of commitments (framework credits) and disbursements (financial plan)

Programme commitments and the resulting disbursements are made at different times, and not always in the same year. In certain instances, disbursements arising from commitments that have been undertaken will be made after the period covered by the dispatch, i.e. after 2024. Likewise, disbursements arising from commitments undertaken prior to 2021 will fall due in 2021–24. The commitments undertaken (framework credits) exceed the disbursements budgeted for the period 2021–24 (as set out in the financial plan). In addition, longer-term commitments require funding commitments that are greater than the disbursement capacity for the following additional reasons:

- the environment in which international cooperation operates, especially fragile contexts (unforeseeable crises, political developments, etc.) may lead to delays, changes and even the cancellation of certain

projects and programmes. In such instances, a share of the commitments will not be paid out;

- commitments include funds allocated by third-party partners (e.g. when a donor country delegates the management of its funds to Switzerland as part of a joint programme) which are not included in the payment credits.<sup>85</sup>

There is no risk that the amounts budgeted for in the legislature financial plan will be exceeded. Framework credits have proven to be an effective budget management instrument and have been used for many years in many other areas too (education, research and innovation, property portfolios of armasuisse and the Federal Office for Buildings and Logistics).

<sup>85</sup> These funds are recorded as revenue and as expenditure. They therefore generate no added net expenditure in the federal finances. Nonetheless, these resources are posted under funding commitments. The amount of third-party funds is difficult to predict.

Table 2: Financial plan and commitments for the implementation of Switzerland's international cooperation in 2021–24

(in million CHF, rounded)	Unit	Commitments <sup>1)</sup>	%	Credit no.	Budget	Financial plan					Total
		2021–24			2020	2021	2022	2023	2024	2021–24	
<b>FC Humanitarian aid</b>	<b>SDC</b>	<b>2145.0</b>	<b>19.1%</b>		<b>461.2</b>	<b>466.7</b>	<b>477.5</b>	<b>489.5</b>	<b>502.7</b>	<b>1936.3</b>	
Humanitarian actions <sup>2)</sup>		1825.0	16.2%	A231.0332	381.2	386.7	397.5	409.5	422.7	1616.3	
Contribution to ICRC headquarters		320.0	2.8%	A231.0333	80.0	80.0	80.0	80.0	80.0	320.0	
<b>FC Development cooperation</b>	<b>SDC</b>	<b>6638.0</b>	<b>59.0%</b>		<b>1347.1</b>	<b>1377.1</b>	<b>1408.9</b>	<b>1444.3</b>	<b>1484.4</b>	<b>5714.7</b>	
Development cooperation (bilateral) <sup>3)</sup>		3910.0	34.7%	A231.0329	803.8	812.9	831.6	852.5	876.6	3373.7	
Contributions to multilateral organisations		1725.0	15.3%	A231.0330	330.4	338.3	348.8	356.8	354.1	1397.9	
IDA replenishments (World Bank)		1003.0	8.9%	A231.0331	212.9	225.9	228.5	235.0	253.7	943.1	
<b>FC Economic development cooperation</b>	<b>SECO</b>	<b>1186.0</b>	<b>10.5%</b>		<b>247.6</b>	<b>252.3</b>	<b>259.4</b>	<b>265.9</b>	<b>273.1</b>	<b>1050.8</b>	
Economic development cooperation (bilateral)		1186.0	10.5%	A231.0202	217.6	222.3	229.4	265.9	273.1	990.8	
Loans and equity investments in developing countries <sup>4)</sup>		-		A235.0101	30.0	30.0	30.0	-	-	60.0	
<b>FC Development cooperation Eastern Europe<sup>5)</sup></b>		<b>1025.0</b>	<b>9.1%</b>		<b>215.9</b>	<b>221.1</b>	<b>224.8</b>	<b>230.4</b>	<b>236.8</b>	<b>913.2</b>	
Development cooperation, Eastern Europe	SDC	673.0	6.0%	A231.0336	138.4	141.9	145.2	148.8	153.0	589.0	
Economic development cooperation, Eastern Europe	SECO	352.0	3.1%	A231.0210	77.5	79.2	79.6	81.6	83.8	324.2	
<b>FC Measures to promote peace and human security</b>	<b>HSD</b>	<b>258.0</b>	<b>2.3%</b>	<b>A231.0338</b>	<b>57.7</b>	<b>58.9</b>	<b>60.2</b>	<b>61.8</b>	<b>63.5</b>	<b>244.4</b>	
<b>TOTAL</b>		<b>11 252.0</b>	<b>100%</b>		<b>2329.6</b>	<b>2376.2</b>	<b>2430.8</b>	<b>2491.9</b>	<b>2560.5</b>	<b>9859.4</b>	
Annual growth rate						2.0%	2.3%	2.5%	2.8%		

1) Total disbursements according to the financial plan 2021–23 and extrapolated for 2024. Owing to the operating structure of international cooperation, certain commitments exceed disbursement capacity (see box). Disbursements resulting from commitments that pre-date 31.12.2024 may be staggered from 2025 onwards.

2) In the interests of more flexible and effective food aid provision in crisis situations, the disbursement credits 'Financial support for humanitarian actions' (A231.0332), 'Food aid in the form of dairy products' (A231.0334) and 'Cereal food aid' (A231.0335), set out in the IC Dispatch 2017–20, are now consolidated under A231.0332 and renamed 'Humanitarian actions' in the IC Strategy 2021–24.

3) In the event that the SDC establishes new forms of cooperation with the private sector, a new budgetary credit line could be created and the requisite funding will be drawn from the 'Development cooperation (bilateral)' credit.

4) In the event that SECO adopts new funding instruments and/or SIFEM has another capital increase as of 2023, the necessary funds will be transferred from the 'Economic development cooperation' credit to the 'Loans and equity investments in developing countries' budgetary credit.

5) Eastern Europe and Central Asia.

The actions covered by the framework credits are set out in section 4.1. Annex 6 provides a more detailed breakdown of each framework credit.

Switzerland's contribution to capital increases of multilateral development banks is not covered by the present IC Strategy because it involves equity and bond investments. As is customary for international cooperation, one-off investments like these are not financed or offset by existing budgets.

### **Budgetary permeability between humanitarian aid and development cooperation**

To be able to respond more flexibly to extraordinary humanitarian and development cooperation needs, the SDC may, as it was also authorised to do during the previous dispatch period (2017–20), transfer funds to and from the 'Humanitarian aid' and 'Development cooperation' framework credits during the period 2021–24; the transfer amounts must not exceed CHF 120 million. Due to the unforeseeable nature of such actions, an annual request is submitted to Parliament as part of the debates on the federal budget, seeking authorisation for possible credit transfers between specific budget items.<sup>86</sup>

## 4.5 Official development assistance (ODA)

The requested framework credits, for the most part, can be recorded as Swiss ODA, in accordance with the OECD definition of official development assistance. The budgets of the three administrative units (SDC, HSD and SECO, excluding operating expenses) cover 70–75% of Swiss ODA. Additional public actors (other federal offices, the cantons and communes) also undertake international development activities. These are funded from their own budgets and of which a part is recorded as ODA. A substantial but fluctuating part of Swiss ODA (between 7% and 21% of the total since recording began in 2004) are the costs of assistance provided to asylum seekers during their first year in Switzerland.

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<sup>86</sup> The Federal Decree on the Federal Budget allows for transfers between payment credits.

**Table 3: Breakdown of Switzerland's official development assistance**

(in million CHF, rounded)	2017			2018		
		%	as % GNI		%	as % GNI
IC Dispatch*	2234.4	72	0.34	2190.4	72	0.32
Others, federal government (excl. asylum)**	472.9	15	0.07	498.7	17	0.07
Asylum costs	324.8	11	0.05	275.5	9	0.04
Cantons and communes	66.3	2	0.01	64.0	2	0.01
<b>Swiss ODA</b>	<b>3098.4</b>	<b>100</b>	<b>0.47</b>	<b>3028.6</b>	<b>100</b>	<b>0.44</b>
GNI***	658 642			691 417		

\* Excluding third-party partner funding and conversion of the SIFEM loan into equity

\*\* Including operating expenses (Table 4)

\*\*\* GNI according to Federal Statistical Office data from August 2019

In 2011 Parliament decided to raise Switzerland's ODA/GNI target to 0.5% by 2015. The Federal Council referred to ODA in the financial plan 2017–19 as follows: "Spending cuts outlined in the 2016 federal budget and stabilisation programme have major implications for international cooperation. Expenditure will only return to 2015 levels in 2018. However, spending on international cooperation could be cut further during the legislature. Starting in 2020, expenditure growth is expected to match nominal GDP growth. Insofar as the financial situation allows, official development assistance should be maintained at a rate of 0.5% of gross national income." As a result of the stabilisation programme 2017–19,<sup>87</sup> the IC Dispatch 2017–20 already included a slightly lower ODA/GNI target of 0.48%. The cuts which were decided during the annual debate on the 2018 federal budget, which included an expenditure and financing plan for 2019–21, led to a further reduction in international cooperation funding. The ODA/GNI target for 2017–20 therefore was projected to fall to around 0.46%.

Based on available<sup>88</sup> forecasts, the credits requested in the present dispatch will correspond to an ODA/GNI ratio of approximately 0.46% for the period 2021–24. This is marginally higher than the projected ratio at the time of the consultation procedure (0.45%) as it is based on the latest GNI forecasts. If in-donor refugee costs are excluded from ODA reporting, the ratio would be around 0.41%.

## 4.6 Time limitation

International cooperation is a long-term undertaking which, by its nature, cannot be limited in time. Contributions are granted on a fixed-term basis and are renewable. In general, however, long-term support is needed to achieve the desired results. In principle, contributions are not regressive.

The Eastern Europe Cooperation Act will expire on 31 December 2024. After this date, development cooperation activities in the countries of Eastern Europe will come under the IDC-HA Act.

<sup>87</sup> BBI 2016 4691

<sup>88</sup> Projections of the ODA/GNI ratio are approximate. Fluctuations may occur, in particular due to the evolution of GNI or costs related to assistance for asylum seekers during the first year of their stay in Switzerland.

# Abbreviation list

CHF	Swiss francs
Cst.	Federal Constitution of the Swiss Confederation of 18 April 1999 (SR 101)
DETEC	Federal Department of the Environment, Transport, Energy and Communications
EAER	Federal Department of Economic Affairs, Education and Research
Eastern Europe Cooperation Act	Federal Act of 30 September 2016 on Cooperation with the States of Eastern Europe (SR 974.1)
Eastern Europe Cooperation Ordinance	Ordinance of 19 December 2018 on Cooperation with the States of Eastern Europe (SR 974.11)
EU	European Union
FC	Framework credit
FDF	Federal Department of Finance
FDFA	Federal Department of Foreign Affairs
FDJP	Federal Department of Justice and Police
GDP	Gross domestic product
GNI	Gross national income
HSD	Human Security Division of the Directorate of Political Affairs (FDFA)
Human Security Act	Federal Act of 19 December 2003 on Measures pertaining to Civil Peace Support and the Promotion of Human Rights (SR 193.9)
IC	Switzerland's international cooperation
ICRC	International Committee of the Red Cross
IDA	International Development Association (World Bank)
IDC-HA Act	Federal Act of 19 March 1976 on International Development Cooperation and Humanitarian Aid (SR 974.0)
IDC-HA Ordinance	Ordinance of 12 December 1977 on International Development Cooperation and Humanitarian Aid (SR 974.01)
IMZ	Interdepartmental structure for international cooperation on migration (created by the Federal Council in 2011 and comprising the relevant offices within the FDFA, EAER and FDJP)
LDCs	Least developed countries
NGO	Non-governmental organisation
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OSCE	Organization for Security and Co-operation in Europe
SDC	Swiss Agency for Development and Cooperation (FDFA)
SDG	Sustainable Development Goals of the 2030 Agenda
SECO	State Secretariat for Economic Affairs (EAER)
SEM	State Secretariat for Migration (FDJP)
SEP	Swiss Expert Pool for Civilian Peacebuilding (FDFA)
SHA	Swiss Humanitarian Aid Unit (FDFA)
SIF	State Secretariat for International Financial Matters (FDF)
SIFEM	Swiss Investment Fund for Emerging Markets (the development finance institution of the Swiss Confederation)
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNHCR	Office of the United Nations High Commissioner for Refugees
USD	United States dollars
WHO	World Health Organization

# Glossary

## **Bilateral development cooperation**

Activities carried out in one or several countries as part of bilateral programmes or projects and generally based on a framework agreement between the government of Switzerland and the government of the partner country.

## **Civil society**

Civil society refers to the section of society that operates relatively independently of the State and the private sector. It is comprised of groups with shared interests, objectives and values such as NGOs, charitable associations and foundations, community groups, faith-based organisations, political parties, trade associations, trade unions, social movements and interest groups.

## **Developing country**

A low or middle-income country which appears on the OECD list of ODA-eligible countries (see footnote, Annex 3).

## **Extreme poverty**

Since 2015 the World Bank considers that a person is living in extreme poverty if they live on less than USD 1.90 per day (purchasing power parity in 2011, i.e. the purchasing power of USD 1.90 in the United States in 2011). People living in extreme poverty usually do not have their own means of transport (e.g. a bicycle) or a bed, and must walk considerable distances every day to collect water and wood. The World Bank regularly adjusts its definition to take account of changes in the cost of living.

## **Forced displacement**

The involuntary or coercive displacement of people, resulting from a variety of causes such as persecution, systematic human rights abuses, armed conflicts and natural disasters.

## **Fragility**

The OECD defines fragility as the combination of exposure to risk and insufficient coping capacity of the State, system or communities to manage, absorb or mitigate those risks. Fragility can lead to adverse outcomes such as violence, the breakdown of institutions, displacement, humanitarian crises or other emergencies.

## **General contribution**

Financial contribution granted to multilateral organisations according to subsidy regulations and untied to any specific project, thematic focus or country in order to fund their work.

## **Global programmes**

The FDFA's global programmes address global challenges whose effects are felt beyond national borders and require a collective response (migration, climate change and environment, water, food security and health). Their aim is to help resolve these problems by shaping and setting universally recognised standards. They seek to shape the international normative framework through engagement in intergovernmental processes, global and regional initiatives and innovative action in specific countries.

## **Grant-making foundation**

Charitable foundation that is not reliant on donations or endowments for the financing of its activities because it has its own assets and finances its activities with the income from the use of these assets (or in the case of asset-consuming foundations also with the assets themselves).

## **Impact investing**

Impact investing is a strategy which aims to generate a positive social and/or environmental impact and, at the same time, yield returns on its investments.

## **International cooperation**

All instruments deployed by the FDFA and the EAER as part of humanitarian aid, development cooperation, and measures to promote peace and human security.

## **Irregular migration**

Movement of persons that takes place outside the laws, regulations or international agreements governing the entry into or exit from the country of origin, transit or destination.

## **Mandate**

Under the arrangements for international cooperation engagement with other actors, mandates refer to contracts awarded to an NGO or another international cooperation actor in accordance with public procurement rules on transparency and competitiveness for the provision of services.

### **Non-governmental organisation**

Any non-profit private entity organised on a local, national or international level for the purposes of pursuing shared objectives and ideals without significant government-controlled participation or representation. NGOs are a part of civil society.

### **ODA/GNI ratio**

The ODA/GNI ratio quantifies the financial commitments made by donor countries by comparing them to their gross national income (GNI). It represents a statistical indicator and is not a steering instrument. The ratio is calculated a posteriori, i.e. after the annual accounts are closed. Its components can fluctuate considerably. This is mainly due to cyclical variations in GNI and to asylum costs, which are hard to forecast. These fluctuations can have an impact on the ODA/GNI ratio, sometimes even when international cooperation funding remains unchanged.

### **Official development assistance**

The OECD Development Assistance Committee (DAC) defines official development assistance (ODA) as “those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are: (i) provided by official agencies; and (ii) administered with the promotion of the economic development and welfare of developing countries as its main objective; and (iii) concessional in character”. ODA is calculated retrospectively and makes it possible to compare donor countries’ commitments and track their evolution over time. Swiss ODA comprises contributions from several Federal Administration departments, the cantons and the communes. The international cooperation budgets (excluding SDC, HSD and SECO operating expenses) cover 70–75% of Swiss ODA.

### **Partners**

Actors with whom Switzerland’s international cooperation works to achieve its objectives. They include governments, multilateral organisations, private companies, NGOs, grant-making foundations, academic institutions or any other relevant actor.

### **Priority countries**

Countries where the majority of bilateral development cooperation funds are invested.

### **Private sector**

The private sector refers to actors which are not majority-owned by the State and exist for the purpose of generating profits. In the present strategy, the term also includes social enterprises, impact investors and certain grant-making foundations (primarily those of multinational companies).

### **Programme**

A programme comprises several projects that are tied to a specific country or thematic focus.

### **Programme contribution**

Contribution granted to NGOs according to subsidy regulations and untied to any specific project, thematic focus or country in order to fund their international programmes.

### **Project contribution**

Contribution granted to development actors (primarily NGOs and multilateral organisations) according to subsidy regulations in order to fund specific projects implemented within the framework of Switzerland’s international cooperation activities.

### **Social enterprise**

A business whose primary purpose is to create social and/or environmental added value while pursuing a commercial strategy to ensure its financial viability. It differs from a conventional business in that profits are reinvested to advance its social and/or environmental goals.

# Overview of Switzerland's international cooperation



Figure 10: International cooperation instruments

## International cooperation instruments, geographic focus and their respective framework credit

Instrument (section 4.1)	Geographic focus (section 3.4.2)	Administrative unit (section 4.2)	Framework credit (section 4.4)	Commitments as % of all five framework credits (section 4.4)*	Reference in the IC Strategy
Humanitarian aid	Based on the needs of the population in developing countries	SDC	Humanitarian aid	19.1% (of which around two-thirds are general contributions to the ICRC and multilateral organisations)	4.1.1
Development cooperation					4.1.2
a) Bilateral development cooperation (FDFA and EAER)	FDFA: 35 countries; EAER: 13 countries (Table 1)	SDC SECO SDC, SECO	Development cooperation Economic development cooperation (bilateral measures) Development cooperation with the countries of Eastern Europe	27.8% 6.3% 9.1%	
b) Economic development cooperation (EAER)	Developing countries according to thematic priority	SECO	Economic development cooperation (global/regional measures)	4.2%	
c) Global programmes (FDFA)	Developing countries according to thematic priority	SDC	Development cooperation	7.0%	
d) Multilateral development organisations (FDFA and EAER)	According to the organisations' priorities	SDC, SECO	Development cooperation	24.2% (excl. multilateral humanitarian aid)	
Measures to promote peace and human security	According to country needs and thematic priority	HSD	Measures to promote peace and human security	2.3%	4.1.3
<b>Total</b>				<b>100%</b>	

\*Similar breakdown as in the IC Dispatch 2017–20

# Objectives of international cooperation 2021–24 and breakdown by framework credit

Framework credit	Unit	Priority sub-objectives	Sustainable Development Goals (SDGs) of the 2030 Agenda	Reference in the IC Strategy	Commitments in million CHF (% of total)
Humanitarian aid	SDC	5, 6, 7, 8	1, 2, 3, 4, 5, 6, 11, 16	4.1.1	2145 (19.1%)
Development cooperation	SDC	1, 2, 3, 4, 6, 7, 9, 10	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 17	4.1.2	6638 (59.0%)
Economic development cooperation	SECO	1, 2, 3, 4, 6, 7, 9, 10	1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 16, 17	4.1.2	1186 (10.5%)
Development cooperation with the countries of Eastern Europe	SDC, SECO	1, 2, 3, 4, 7, 9, 10	1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16	4.1.2	1025 (9.1%)
Measures to promote peace and human security	HSD	8, 9, 10	5, 10, 16	4.1.3	258 (2.3%)

## A) Contributing to sustainable economic growth, market development and the creation of decent jobs (economic development)

*Sub-objective 1: Strengthening framework conditions for market access and creating economic opportunities (link with SDGs 5, 8, 9, 10, 17)*

International cooperation aims at strengthening the framework conditions for stability and economic governance through the promotion of an environment conducive to private initiatives as well as sound management of public resources, balanced trade policies and an investment-friendly environment.

*Sub-objective 2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs (link with SDGs 3, 4, 5, 8, 9, 10, 12, 17)*

International cooperation facilitates access to capital markets and sustainable financing to promote financial inclusion. It works on market mechanisms to enable businesses and producers to benefit from globalisation, integrate into global value chains and contribute to resolving global challenges. International cooperation works in support of entrepreneurship, health systems, basic education and vocational skills development geared to the changing needs of the labour market and financial inclusion. It helps to create decent work and other adequate income-generating activities for all, with a particular focus on disadvantaged populations and young people. In addition, it engages with the private sector to strengthen standards and promote good practices with respect to sustainability, gender equality and respect for human rights.

## B) Addressing climate change and its effects and manage natural resources sustainably (environment)

*Sub-objective 3: Addressing climate change and its effects (link with SDGs 6, 7, 12, 13)*

Through its international cooperation, Switzerland supports developing countries in their efforts to mitigate climate change (reduction of greenhouse gas emissions) and adapt to its effects, while at the same time contributing to the search for sustainable financing. Switzerland's international cooperation contributes to the sustainable management of urban and rural areas by reducing the growing risks related to the impacts of climate change and by promoting renewable energies and energy efficiency.

*Sub-objective 4: Ensuring the sustainable management of natural resources (link with SDGs 6, 12, 15)*

International cooperation supports the sustainable management of resources such as water, air, soil, raw materials and ecosystems as well as the conservation of biodiversity, for the benefit of all people, especially the most vulnerable, along value chains in order to respect planetary boundaries.

## **C) Saving lives, ensuring quality basic services, especially in relation to education and healthcare, and diminishing the causes of forced displacement and irregular migration (human development)**

- Sub-objective 5: Providing emergency aid and ensuring the protection of civilians (link with SDGs 1, 2, 3, 4, 5, 6, 11, 16)*  
International cooperation places at the heart of its work the safety, dignity and rights of populations affected by crises, armed conflicts and disasters, including forcibly displaced persons.
- Sub-objective 6: Preventing disasters and ensuring reconstruction and rehabilitation (link with SDG 11)*  
Switzerland is committed to disaster risk reduction and to reconstruction and rehabilitation in order to prevent natural disasters as far as possible and to restore basic services after a disaster or an armed conflict.
- Sub-objective 7: Strengthening equitable access to quality basic services (link with SDGs 1, 2, 3, 4, 5, 6, 7, 10, 11, 16)*  
Investment in basic education, vocational skills development and health contributes to economic development and to mitigating population growth. Quality and equitable access to health services, education, safe drinking water and sanitation, energy, urban transport and food are fundamental. Switzerland is committed to meeting the basic needs of the poorest and most neglected, in particular migrants and refugees, young people and people with disabilities, by strengthening international standards, the capacities of state systems and state-owned enterprises, and by improving living conditions, taking into account the challenges of growing urbanisation.

## **D) Promoting peace, the rule of law and gender equality (peacebuilding and governance)**

- Sub-objective 8: Preventing conflicts, promoting peace and respect for international law (link with SDGs 5, 16)*  
Switzerland contributes to the prevention and resolution of armed conflicts so that a lasting solution can be found by peaceful means. It acts through mediation, facilitation and political dialogue, as well as through the provision of expertise. As a State party to the Geneva Conventions, it promotes international humanitarian law and disarmament norms, particularly humanitarian aspects, which are essential for the protection of civilians and non-combatants.
- Sub-objective 9: Strengthening and promoting human rights and gender equality (link with SDGs 4, 5, 10, 16)*  
Switzerland defends and promotes the universality, interdependence and indivisibility of human rights. Through its international cooperation, Switzerland is committed to the respect, protection, promotion and development of human rights. Projects and programmes that pay particular attention to possible sources of conflict avoid aggravating tensions while ensuring the participation of beneficiaries in the implementation of projects. Switzerland is committed to reducing factors of exclusion and promotes equal opportunities and equitable access to resources, public services and decision-making processes. The equitable sharing of responsibilities, duties and decision-making powers between men and women is an important driving force for sustainable development, including economic growth (higher level of education, better economic, political, cultural and social participation and choice of the number of children). International cooperation is committed to promoting gender equality and women's rights in all its interventions and with its partners, with particular emphasis on the prevention of gender-based violence, economic empowerment and women's political participation.
- Sub-objective 10: Promoting good governance and the rule of law and strengthening civil society (link with SDG 16)*  
Switzerland promotes democratic values, including citizen participation, transparency and accountability, as well as the fight against corruption and against impunity. International cooperation strengthens state institutions so that they meet the needs of the population. It strengthens the capacity of countries to base their policies on reliable data, with particular emphasis on vulnerable groups. Switzerland is committed to systemic change, aimed at strengthening the accountability of partner governments to tackle obstacles to development such as corruption, cronyism and mismanagement. International cooperation is committed to promoting good governance in all its interventions and with its partners. Support for balance of powers and public mechanisms for government accountability and oversight are key, including through culture and the media. Switzerland strengthens civil society in developing countries because of its key role in ensuring social inclusion, advocacy, monitoring and public accountability.

# Criteria for engagement and withdrawal

## a) Criteria for FDFA bilateral development cooperation (SDC)

The following criteria inform the FDFA's choice of priority countries:

### Basic criteria for international cooperation

- The country features on the OECD list of countries eligible for ODA.<sup>89</sup>
- The country is located in one of the four priority regions (section 4.1.2).
- The security and access conditions allow for programme implementation.

### Needs of the population in developing countries.

- The country has high levels of multidimensional poverty (as measured, for example, by the Human Development Index of the United Nations Development Programme (UNDP) or the World Bank's Human Capital Index).
- The country has limited national capacities to mobilise public resources and domestic expertise, and private investments are very low.
- The country faces sustainable development challenges such as the creation of decent work, sustainable management of natural resources, access to quality basic services, governance and human rights.

### Swiss interests

- Cooperation is in Switzerland's long-term foreign policy interests (a just and peaceful world order rooted in effective multilateralism, reduction of the causes of irregular migration and forced displacement, and global sustainable development).
- Cooperation is in Switzerland's economic policy interests (stable and investment-friendly business environment).
- Switzerland has special links with the country.

### Added value of Switzerland's international cooperation

- Switzerland is a credible actor in political dialogue thanks to its approaches, competencies and thematic expertise.
- Switzerland enjoys privileged access to the government, which has expressed a genuine willingness to engage in dialogue.
- The country is open to reform.

## b) Criteria for humanitarian aid (SDC)

Emergency relief is universal (no geographical restrictions) and is provided according to the following criteria:

- Humanitarian needs are substantial, and a crisis, armed conflict, natural or technological disaster or epidemic has left many people in acute distress.
- Local, national and regional capacities are lacking or are not sufficient to respond to crises and their consequences.

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<sup>89</sup> OECD Home > Development Co-operation Directorate > Financing for sustainable development > Development finance standards > DAC List of ODA Recipients

### c) Criteria for the prevention and resolution of armed conflicts and other crises (HSD)

- The needs of the country: where the situation requires the country to take action to prevent, manage, resolve or transform a conflict.
- The country asks Switzerland for assistance and none of the parties to the conflict object to Switzerland's involvement.
- Switzerland's political interests.
- In terms of access and expertise, Switzerland has a comparative advantage over other countries, international organisations and institutions.
- Resources at the disposal of the FDFA.

### d) Criteria for EAER bilateral development cooperation (SECO)

- The needs of priority countries and their relevance to SECO and EAER thematic competencies.
- The country features on the OECD list of ODA-eligible countries.
- The partner government meets minimum norms (e.g. economic governance and human rights) and is willing and able to pursue reforms.
- Compatibility with Switzerland's foreign economic interests (foreign economic policy strategy, free trade policy).
- Compatibility with Switzerland's foreign policy interests (diplomatic relations, migration-related challenges, voting constituencies).

As a general rule, SECO explores the possibility of disengaging if the priority country no longer meets the above criteria, or diplomatic relations are severed, or the security and access situation in places where SECO is active no longer allow the implementation of its economic development cooperation programmes. Given the complexity of withdrawing from bilateral relations, it is imperative that the process is orderly and the decision is communicated well in advance. To guarantee effective project continuity, the withdrawal process is typically spread over four to six years.

*Criteria a), c) and d) have been revised since the previous period 2017–20.*

## Annex 4

# Priority countries of bilateral development cooperation

This list does not include humanitarian aid, global programmes, contributions to NGO programmes, multilateral organisations and the HSD, or SECO complementary measures. It also excludes the 11 priority countries where Switzerland's withdrawal is scheduled for the 2021–24 period (Table 1). Least developed countries (LDCs)<sup>90</sup> are shown in italics.

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<sup>90</sup> [www.unctad.org](http://www.unctad.org) > Themes > Special focus areas > Least Developed Countries > List of LCDs (last updated: 2019)

Frame-work credit	Region	Priority countries (as at 31.12.2024)	SDC priority countries (as at 31.12.2024)	SECO priority countries (as at 31.12.2024)	Main SDC and SECO activities in shared priority countries (as at 2019)
Development cooperation and economic development cooperation	North Africa and Middle East	Egypt	X	X	SDC: citizen participation, jobs, migration SECO: public financial management, private sector development and jobs, trade promotion, integrated urban development
		Occupied Palestinian territory	X		
		Syrian crisis area (currently in Lebanon and Jordan)*	X		
		Tunisia	X	X	SDC: decentralisation and citizen participation, education and jobs, migration SECO: public financial management, private sector development and jobs, trade promotion, integrated urban development
	Sub-Saharan Africa	Benin	X		
		Burkina Faso	X		
		Burundi	X		
		Democratic Republic of the Congo (Kivu)	X		
		Chad	X		
		Ghana		X	
		Mali	X		
		Mozambique	X		
		Niger	X		
		Rwanda	X		
		Somalian crisis area (currently run from Kenya and Ethiopia)**	X		
		South Africa		X	
		Tanzania	X		
		Zambia	X		
	Zimbabwe	X			
	Latin America and the Caribbean	Colombia		X	
		Peru		X	
	South Asia and South-East Asia	Afghanistan	X		
		Bangladesh	X		
		Cambodia	X		
		Indonesia		X	
		Laos	X		
		Myanmar	X		
		Nepal	X		
		Vietnam		X	

Development cooperation with the countries of Eastern Europe					
Development cooperation with the countries of Eastern Europe	Central Asia	Kyrgyzstan	X	X	SDC: water management, decentralisation and citizen participation, rural economy, health SECO: financial markets, public financial management, integrated urban development, improved efficiency of water utilities, private sector development and jobs, trade promotion
		Tajikistan	X	X	SDC: water management, decentralisation and citizen participation, rural economy, health SECO: financial markets, public financial management, integrated urban development, improved efficiency of water utilities, private sector development and jobs, trade promotion
		Uzbekistan	X		
	Eastern Europe	Albania	X	X	SDC: decentralisation and citizen participation, vocational skills development, health SECO: public financial management, financial markets, private sector development and jobs, energy, urban infrastructure development
		Armenia	X		
		Bosnia and Herzegovina	X		
		Georgia	X		
		Kosovo	X		
		Moldova	X		
		North Macedonia	X		
		Serbia	X	X	SDC: decentralisation and citizen participation, jobs, vocational skills development SECO: public financial management, financial markets, private sector development and jobs, trade promotion, energy, integrated urban development
Ukraine	X	X	SDC: decentralisation and citizen participation, health SECO: public financial management, integrated urban development, energy, improved efficiency of water utilities, private sector development and jobs, trade promotion		
<b>Total</b>		<b>41 priority countries incl. 18 LDCs</b>	<b>35 priority countries incl. 18 LDCs</b>	<b>13 priority countries</b>	<b>7 priority countries shared by the SDC and SECO</b>

\* Syrian crisis area: bilateral development cooperation is currently suspended in Syria due to access and security issues. Nonetheless, Switzerland's humanitarian aid continues to fund activities there. Bilateral cooperation activities continue in Jordan and Lebanon due to the impact of the Syrian crisis (refugees). As soon as the situation in Syria allows, Switzerland's bilateral development cooperation will explore the possibility of involvement on the ground.

\*\* Somalian crisis area: Switzerland's bilateral development cooperation funds programmes in Somalia but does not have an office there. It oversees activities remotely from its offices in Kenya and Ethiopia, and funds activities that deal with the impact of the Somalian crisis (refugees) in both of these countries.

## List of priority multilateral organisations

Switzerland chooses the multilateral organisations it wants to cooperate with according to one or more of the following criteria:

1. Switzerland's economic and foreign policy interests
2. relevance of the organisation to the priorities of Switzerland's international cooperation strategy
3. outcomes generated by the organisation
4. opportunities within the organisation to shape policy and strategies.

Switzerland supports a total of 23 priority multilateral organisations: 16 development organisations, 2 human rights organisations, and 6 humanitarian aid organisations.<sup>91</sup>

### International financial institutions

Swiss contributions to international financial institutions (IFI) for 2021–24 amount to CHF 1,800 million, or approximately 66% of multilateral commitments in the 'Development cooperation' framework credit.

1. World Bank and International Development Association (IDA): The mission of these IFIs is to reduce poverty by issuing governments with loans at preferential rates and, in the case of the IDA, providing non-repayable grants to the poorest countries in order to stimulate pro-poor growth, reduce inequalities and raise living standards.
2. African Development Bank and African Development Fund (AfDB/AfDF): The mission of the AfDB and the AfDF is to promote sustainable economic and social development in Africa.
3. Asian Development Bank and Asian Development Fund (AsDB/AsDF): The mission of the AsDB and the AsDF is to help member countries reduce poverty and improve the quality of life for their populations.
4. Inter-American Development Bank (IDB): The mission of the IDB is to alleviate poverty, reduce social inequalities and promote sustainable economic development in the region.
5. Asian Infrastructure Investment Bank (AIIB): The mission of the AIIB is to provide funding for sustainable infrastructure projects.

### United Nations development agencies, including global funds and networks

Swiss contributions for 2021–24 to UN organisations, which also include coordination mechanisms, priority funds and global networks, amount to around CHF 928 million, or approximately 34% of the multilateral commitments in the 'Development cooperation' framework credit.

6. United Nations Development Programme (UNDP): UNDP helps developing countries design and implement national sustainable development policies in order to achieve their national development objectives and internationally agreed goals, particularly the SDGs.
7. United Nations Children's Fund (UNICEF): UNICEF plays a decisive role in the promotion of children's rights, helps to meet their basic needs, and provides them with opportunities to fulfil their potential. UNICEF is also a humanitarian aid partner (see below).
8. United Nations Population Fund (UNFPA): UNFPA is a United Nations agency specialising in issues surrounding population dynamics, particularly the promotion of sexual and reproductive health and rights.
9. International Fund for Agricultural Development (IFAD): IFAD, which operates like an IFI, aims to provide poor rural communities with the means to improve their food security and nutrition, raise their incomes and strengthen their resilience.
10. World Health Organization (WHO): The WHO directs and coordinates international health within the United Nations system. Its responsibilities include providing leadership on global health matters, shaping the health research agenda, setting standards and criteria, and providing countries with technical support.
11. Entity for Gender Equality and the Empowerment of Women (UN Women): UN Women works to eliminate discrimination, end violence against women and girls, and ensure equal rights for women and men.

<sup>91</sup> UNICEF appears twice on this list because it receives financial support from two sources: development funds and humanitarian funds. UNICEF features only once in the overall count of priority multilateral organisations; this is why the total number is 23, not 24.

12. Joint United Nations Programme on HIV/AIDS (UNAIDS): UNAIDS coordinates efforts within the UN system to end HIV/AIDS.
13. Consultative Group on International Agricultural Research (CGIAR): The CGIAR is a global agricultural research partnership which works in the areas of poverty alleviation, food security, human health and nutrition, and the sustainable management of natural resources.
14. Global Fund to Fight AIDS, Tuberculosis and Malaria: The Global Fund is responsible for raising and providing additional funds to improve the prevention and treatment of AIDS, tuberculosis and malaria.
15. Green Climate Fund (GCF): The mission of the GCF is to help developing countries respond to the challenges of climate change by investing in prevention activities that contribute to cutting greenhouse gas emissions and adapting to the effects of climate change.
16. Global Partnership for Education (GPE): The GPE works to ensure that all children, especially the most disadvantaged, enjoy equal access to education by helping to improve the quality of teaching and support for education reforms.

Switzerland earmarks around CHF 16 million, or approximately 6% of the 'Measures to promote peace and human security' framework credit, to support the following **organisations which work to promote peace and human rights**:

1. Office of the United Nations High Commissioner for Human Rights (OHCHR): The OHCHR is mandated to promote and protect all human rights for all people. To this end, it spearheads international human rights efforts, and investigates and speaks out on human rights violations worldwide.
2. United Nations Peacebuilding Fund (PBF): The PBF provides financial support for peacebuilding efforts in post-conflict countries and countries at risk of lapsing into conflict.

Switzerland earmarks around CHF 1,415 million, or approximately 66% of the 'Humanitarian aid' framework credit, to support the following **humanitarian organisations**:

1. International Red Cross and Red Crescent Movement<sup>92</sup>
  - International Committee of the Red Cross (ICRC)
  - International Federation of Red Cross and Red Crescent Societies
2. World Food Programme (WFP): The WFP is the largest humanitarian organisation in the world and one of Swiss Humanitarian Aid's most important partners. Every year it provides food aid to more than 80 million people in over 75 countries and regions.
3. Office of the United Nations High Commissioner for Refugees (UNHCR): The UNHCR is the only United Nations organisation authorised by the UN General Assembly to protect and aid refugees and stateless persons worldwide.
4. United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA): UNRWA makes a major contribution to stability in the region, where it provides basic services to around five million Palestinian refugees.
5. United Nations Office for the Coordination of Humanitarian Affairs (OCHA): OCHA plays a leading role in the coordination of humanitarian action and works to ensure a coherent and effective response to emergencies.
6. United Nations Children's Fund: UNICEF is an important humanitarian partner when it comes to the protection and care of children in crisis situations. UNICEF is also one of Switzerland's development partners (see above).

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<sup>92</sup> Although the International Red Cross and Red Crescent Movement is not a multilateral organisation, it appears on the list because it is one of Switzerland's most important international cooperation partners.

# Financial breakdown by framework credit

## Climate

In the IC Dispatch 2017–20, the Federal Council earmarked around CHF 300 million per year, or 12.5% of the international cooperation budget, for activities that address climate change and its effects. From now until the end of 2024, these funds are to be progressively increased to close to CHF 400 million per year; this roughly equates to 15% of the international cooperation budget.

### ‘Humanitarian aid’ framework credit

80% of the framework credit is earmarked for emergency relief and 20% for prevention and reconstruction.

### ‘Development cooperation’ framework credit

Table 5: Approximate breakdown of commitments

Breakdown (rounded)	Category according to the OECD	Commitments (in million CHF)	Activities (including approximate average breakdown computed over the duration of the framework credit)
40%	<i>Bilateral</i>	2650	FDFA bilateral development cooperation*, of which - approx. 60% for sub-Saharan Africa - approx. 11% for North Africa and the Middle East - approx. 28% for South and South-East Asia - approx. 1% for Latin America
12%	<i>Bilateral</i>	787	Global programmes and initiatives
7%	<i>Bilateral</i>	473	Programme contributions to Swiss NGOs
41%	<i>Multilateral</i>	2728	General contributions to multilateral organisations, of which - 66% for international financial institutions - 34% for UN organisations, global funds and networks
100%		6638	Total

\* Up to 10% of commitments earmarked for priority countries may be used for ad hoc commitments (section 4.1.2)

## ‘Economic development cooperation’ framework credit

Table 6: Approximate breakdown of commitments

(in million CHF, rounded)	Commitments	
	2021–24	
<b>‘Economic development cooperation’ framework credit</b>	<b>1186.0</b>	
Bilateral measures	712.0	60%
Global/regional measures	474.0	40%

## ‘Development cooperation with the countries of Eastern Europe’ framework credit

Table 7: Approximate breakdown of commitments

(in million CHF, rounded)		Commitments	
		2021–24	
<b>‘Development cooperation with the countries of Eastern Europe’ framework credit</b>		<b>1025</b>	
Development cooperation, Eastern Europe*	SDC	673	66%
Economic development cooperation, Eastern Europe	SECO	352	34%

\* Up to 10% of commitments earmarked for priority countries may be used for ad hoc commitments (section 4.1.2)

## ‘Measures to promote peace and human security’ framework credit

Table 8: Approximate breakdown of commitments (by thematic priority)

Measures to promote peace	60%
Human rights policy	25%
Humanitarian policy and Switzerland’s foreign policy on migration	15%

Table 9: Approximate breakdown of commitments (by geographic focus)<sup>93</sup>

Sub-Saharan Africa	25%
North Africa and Middle East	45%
OSCE area	15%
Other countries	15%

<sup>93</sup> The ‘Measures to promote peace and human security’ framework credit does not cover the costs resulting from the secondment of experts on FDFA mandates. With the inclusion of these secondments, which also advance the objectives of the ‘Measures to promote peace and human security’ framework credit, the breakdown by geographic focus is as follows: Sub-Saharan Africa 30%, North Africa and Middle East 30%, OSCE area 20%, other countries 20%.

