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ABC of Development Policy



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Introduction

Over the past quarter of a century, real incomes in developing countries have almost doubled. Child mortality has fallen by half and the number of people receiving a basic education has risen sharply. Nowadays, two-thirds of all states are elected democracies. These success stories, which, in no small measure, are the result of development cooperation, contrast sharply with media reports of famine, epidemics and conflicts. It is those reports that remind us that there are no simple solutions to ensure global peace and prosperity. The problems associated with development are always complex and can never be attributed to any single cause, or solved by stand-alone measures. This glossary is intended to illustrate the diversity of issues associated with development policy. It also provides insight into the most important concepts and themes relating to development cooperation.

Development – an evolving concept

What is development? In order to gain a clearer understanding of the term “development cooperation”, we must first clarify the meaning of “development”, which has evolved over the decades. As our understanding of development has changed, so too has the focus of development cooperation.

Development issues first became widely discussed in the 1950s and 1960s, in the wake of decolonisation in Africa and the ambitious aid programmes launched by the United Nations. Development was regarded as synonymous with the evolution of a country from a poor, traditionally rural-based economy to a prosperous industrial nation. Both the route and objective of development were considered as self-evident and involved the transposition of Western economic, social, cultural and political ways of living upon non-European societies. The only uncertainty

in the minds of development planners of the time was the pace of development, which depended on the resources available in each country.

Back then, development cooperation was likened to the Marshall Plan. The prevailing opinion was that post-colonial countries needed financial stimulus to set catch-up processes in motion, just as Germany had required such aid in the aftermath of World War II. People widely believed that in a few decades, with enough capital and forced industrialisation, developing countries would be able to achieve the same level of prosperity as in Western Europe.

In practice, however, the predicted level of progress failed to materialise. As a result, the capital-injection model that had been intended to allow developing countries to catch up was called into question. Capital alone was not sufficient. During the political turmoil of the late 1960s and the 1970s, greater emphasis was placed on the role of people in the development process. International development aid began to flow heavily to human resources and social infrastructure. As a result, roads and water pipelines were built and healthcare and education systems were established and expanded.

From catch-up to sustainable development

The previous view that issues were primarily limited to southern hemisphere countries gradually gave way to a more global perspective. Unfair trading practices and international dependency were portrayed as the structural causes of slow or stagnant development and became the subject of political debate. Civil society organisations called for reform of international trade relations and for developing countries to be granted genuine rights of co-determination within international bodies. The export of Western-style development models to southern hemisphere countries whose socio-cultural conditions were very different from those in Europe or North America also drew criticism. Discussions began to focus on a new development policy that would consider the specific

needs and different starting points of individual southern hemisphere countries.

In the 1980s and 1990s, the model intended to help developing countries catch up with their Western counterparts was supplanted by the sustainable development model. In 1987, a report by the World Commission on Environment and Development (known as the Brundtland Report) introduced the concept of sustainable development. The report stated that development had to satisfy the needs of the present without undermining the development prospects of future generations. The report formed the starting point for the United Nations Conference on Environment and Development in Rio in 1992. This summit meeting called for the careful use of natural resources in northern and southern hemisphere countries. The development concept once again evolved, away from a purely economic and social focus to a more comprehensive one that included environmental issues.

Accelerated by the fall of the Berlin Wall in 1989 and rapid technological advances (e.g. the Internet), globalisation expanded the development concept by bringing human rights and universal standards to the forefront. In the year 2000, 189 Heads of State and Government laid down a number of requirements in the Millennium Declaration. Principles such as respect for human rights, equal opportunities for men and women, the fair distribution of wealth and good governance were added to the development concept. Since then, development has no longer been a national or bilateral affair, but rather a global challenge with binding objectives and a binding timeframe. As part of the Millennium Development Goals (MDGs), industrialised and developing countries undertook to work together to halve global poverty by 2015.

The MDGs marked a paradigm shift: until then, development aid had connotations of charity as well as a clear division of roles between donor countries (which provided available funding and development models)

and recipient countries (which implemented proscribed measures). With the MDGs, development aid gave way to a new concept of development cooperation, which set out to develop and implement programmes in consultation with the authorities and civil society in partner countries. Partnership-based approaches combined with mutual and differentiated responsibilities took centre stage.

Advance of emerging countries

What is development? It is impossible to give a conclusive answer to this question. As a concept, development is closely associated with individual and collective values, which vary with distance and time. The shift in development policy attitudes and activities is a reflection of the upheavals taking place in world politics. In past decades, developing countries could be categorised as a fairly homogenous group of countries with similar underlying structural problems. It was during this time that the term “Third World” was coined. However, the term no longer applies since the map of the world has become much more nuanced. There is still a group of extremely poor countries that rely on external aid. At the same time, there are many large and medium-sized developing countries that have progressed considerably and have managed to significantly reduce poverty. Moreover, emerging countries such as China, India and Brazil now play an important role in the global economy and are helping to shape international policies. Other countries, such as South Africa, Mexico, Chile, Indonesia, Thailand, Vietnam and many others are making rapid economic and social advances. The power to influence world economic and policy matters is rapidly shifting and new realities are now upsetting conventional worldviews.

Emerging countries, the cross-border movement of goods and people combined with new communication technologies have blurred the divisions between northern and southern hemisphere countries. The world has become one global village. The increasing interdependence of industrialised, emerging and developing countries has also made Earth

more vulnerable to climate change, the increasing scarcity of water and other vital resources and major migration flows. Globalisation coupled with the strong economic growth of the past 20 years has exacerbated latent problems while simultaneously creating new ones. The fragility of our ecosystems and the loss of biodiversity have now become development cooperation issues.

This vulnerability means that international cooperation has become more important than ever. Global problems cannot be resolved by the richer countries acting in isolation, but rather through close cooperation with developing and emerging countries. Development is therefore a common worldwide endeavour to secure the foundations for the long-term social and economic development of humankind.

Switzerland's development cooperation

In 1961, the Federal Council appointed the first delegate from the Technical Cooperation Service. This event marked the start of Switzerland's state-run development aid. Switzerland's development work in those early days typically involved building bridges, setting up dairy farms to produce cheese and facilitating development in mountainous regions. Today, Switzerland is active in areas such as health and education, microfinance, the water sector, decentralisation and the promotion of democracy.

While the themes and methods may have changed, one aspect of Swiss development cooperation that remains constant is the grassroots principle, i.e. that development must grow upwards from local community level. This is why local community involvement is included in the planning of all programmes and projects. Switzerland enjoys a solid reputation for its development cooperation work thanks to its grassroots approach and other Swiss virtues such as continuity, professionalism and neutrality. Swiss development cooperation is free of geopolitical interests. Nowadays, Switzerland is active in over 40 partner countries and regions of the southern hemisphere as well as in Central/Eastern Europe and the Commonwealth of Independent States (CIS). In 2009, Switzerland earmarked CHF 2.5 billion in public funding for global poverty reduction, humanitarian aid and institutional reforms in Eastern Europe (for more information, visit www.sdc.admin.ch).

Federal development cooperation focuses on the needs of impoverished countries and involves initiatives designed to encourage people to help themselves. The aim is to transfer the knowledge and technology that a country needs so that people, organisations and society can proactively and sustainably improve their living conditions.

Global shared responsibility

Nowadays, Swiss development cooperation is a multi-disciplinary activity spanning various federal departments and policy areas. The Swiss Agency for Development and Cooperation (SDC), which is part of the Federal Department of Foreign Affairs (FDFA), is responsible for coordinating all development cooperation activities. Important contributions to development cooperation are also made by other federal agencies: the State Secretariat for Economic Affairs (SECO), which is part of the Federal Department of Economic Affairs, the Federal Office for Migration (FOM), which is part of the Federal Department of Justice and Police, the various Political Affairs Divisions of the FDFA and many non-governmental organisations. In order to achieve sustainable improvement, all sub-policy areas that have a bearing on development issues must be coordinated. Improving development coherence is a specific challenge for all donor countries, including Switzerland.

Over the past 50 years, Swiss development cooperation activities have adapted to provide an appropriate and effective response to changing demands. One thing that has not changed, however, is the strong level of support that the Swiss population shows for development cooperation. This support that began back in the 1960s has never faltered. A representative survey conducted in 2009 showed that 83% of the Swiss people want their country's development cooperation activities to remain at the same or a higher level. Switzerland is an economically strong and technologically advanced country that nurtures extensive international ties. As such, Switzerland is in the good position to make a relevant contribution to worldwide poverty reduction. The aid we provide is therefore more than merely a gesture of solidarity. We bear our share of overall international commitments through our cooperation efforts and are investing in a sustainable future for our planet. This is an investment that benefits all of us.

Glossary

A

Anchor countries

Countries, which, when viewed in the relevant regional context, enjoy prominent economic and political significance, are known as anchor countries. Anchor countries maintain good commercial ties with other countries and are active participants in regional integration processes. A number of anchor countries are becoming increasingly self-confident and active in international economic and political affairs. These populous countries also play a key role in efforts to solve global issues such as climate change, > *food security* and water shortages. Alongside China, India and Brazil, other anchor countries include medium-sized states such as Indonesia, Pakistan, Thailand, Egypt, Nigeria, South Africa, Mexico and Turkey.

Assessing effectiveness

The effectiveness of development cooperation cannot be assessed solely on the basis of what is done, but rather (and more importantly) on what is achieved. As such, greater attention is now being paid to the outcomes of development cooperation expenditure. Three different levels are used to assess the effectiveness of development programmes and projects.

- Outputs (i.e. individual results)
- Outcomes (i.e. overall results)
- Impact (i.e. effectiveness)

Assessing the effectiveness of development programmes and projects is quite an ambitious undertaking. The effects within social processes are not always easy to ascertain. In some cases, it may not be possible to irrefutably prove that observed changes are directly the result of the support provided. Development cooperation takes place within a

dynamic setting and involves a large number of players and influencing factors. Nevertheless, the effects of development cooperation can clearly be seen in certain sectors such as: > *education*, > *health*, water, > *food security*.

Swiss development policy is intended to achieve results and make an impact. When planning their programmes and projects, the > *SDC* and > *SECO* decide what effectiveness criteria, what indicators and what monitoring mechanisms should be used to determine whether ongoing projects are actually making progress towards established objectives. At regular intervals, the SDC and SECO produce impact reports on the effectiveness of their activities.



1960s

Swiss development activities in the field begin with a pioneering spirit and a willingness to help others:
Agricultural project in Kerala/India.

B

Bilateral development cooperation

Bilateral development cooperation is intended to help countries to address poverty and development issues. Development cooperation partners include national, regional or local authorities, > *civil society* and the private sector. Bilateral development cooperation is not solely confined to specific projects (> *project-based aid*). Some programmes focus on structural changes needed to sustainably improve the living conditions of the poor (> *programme-based aid*). These programmes seek to improve local healthcare services by introducing reforms to the national healthcare system.

Bottom-up approach

“Bottom-up” literally means working from the bottom to the top. In > *development cooperation*, the term refers to an approach that starts by addressing the needs of the people on the ground. By improving their living conditions, development is stimulated from the bottom up. It is particularly important for local stakeholders to be involved in the search for suitable solutions. The “top-down” approach involves the use of government policy measures to set development processes in motion. Depending on the context, either approach may achieve the desired results. In some cases, both may be implemented in conjunction with one another.

Switzerland’s strong federal tradition, coupled with a well-developed system of direct democracy, explains why the bottom-up approach plays such a prominent role in Swiss development aid. This is illustrated by the importance that Switzerland gives to strengthening local communities, improving > *rural development* and providing assistance to small and medium enterprises.

Bretton Woods Institutions

In 1944, the ministers of finance of the countries that would later achieve victory in World War II gathered at the Bretton Woods Conference in the United States. Decisions were taken regarding reconstruction as well as the financial and economic policies to be adopted in the post-war period. In order to implement the policies agreed at Bretton Woods, international financial institutions such as the World Bank, the International Bank for Reconstruction and Development and the International Monetary Fund (IMF) were established. Though their role has since evolved, these same institutions still play an important role in development cooperation and > *development finance*. The World Bank extends long-term loans to > *developing countries* at preferential rates. In times of emergency, the IMF helps stabilise national economies by providing cash injections. Its activities focus on developing and emerging countries. In 2010, the IMF was also involved in measures to contain the debt crises in Greece and Ireland.

Budgetary aid

When providing budgetary aid, the donor does not channel funding to individual projects, but rather contributes funding to state coffers instead. There are two forms of budgetary aid: unallocated budgetary aid, where funding helps to sustain the overall budget of the partner country, and allocated budgetary aid, where funding may be used only for specific development sectors (such as > *education or > health*).

The advantage of budgetary aid over project-based aid is that it strengthens state institutions and reduces the costs associated with the provision of aid. The recipient country is free to develop more suitable, and often more cost-effective, solutions. Budgetary aid is most successful when funding is tied to specific conditions and verification. According to estimates made by the Organisation for Economic Co-operation and Development's (> *OECD*) Development Assistance Committee (> *DAC*), experiences with budgetary aid have been positive in most recipient

countries. Despite this, budgetary aid still accounts for only 10% of all development aid flows. This percentage is expected to increase since it enables donor countries to pool their contributions together into a single large-scale contribution, thereby reducing the amount of planning required. Switzerland currently devotes around 3% of its total development expenditure to budgetary aid.

Civil society organisations

In the field of development cooperation, there are three main participants with overlapping roles: state institutions, private sector and civil society organisations (CSOs). CSOs include > *non-governmental organisations* and other non-profit organisations that represent the interests of citizens. CSOs include: consumer groups, trade unions, human rights groups, grassroots movements, non state-run media and environmental organisations. Strengthening civil society is an important priority in development cooperation activities. CSOs encourage citizens to take responsibility and proactively address issues associated with poverty and development.

The concept of civil society originated within the dissident movements in Eastern Europe. Through their own organisations, dissidents attempted to broaden their range of action so as to achieve greater freedom for society. In the period following 1989, the term found currency in international politics.

Climate protection

Droughts and floods caused by climate change have the power to considerably worsen poverty. Climate protection is therefore one of the most pressing concerns of > *development cooperation*. Two main strategies have been adopted:

- **Adaptation.** With this strategy, countries are able to face the unavoidable consequences of climate change by taking appropriate adaptation measures, e.g. irrigating fields, building protective dams or developing drought-resistant seeds.
- **Mitigation.** This strategy addresses one of the main causes of climate change by reducing overall emissions of greenhouse gases. Current measures include the introduction of energy- and resource-efficient processes in the manufacture of building materials as well as targeted reforestation. Mitigation measures are particularly critical in emerging countries, where rapid growth is coupled with sharply rising emissions of greenhouse gases.

The transfer of know-how and climate protection techniques can potentially become the driving force for a sustainable development model. In the development field, greater emphasis is placed on innovation as well as on scientific and technological cooperation.



1960s

Infrastructure projects launched to improve the living standards of local inhabitants: road building in Rwanda.

Coherence

Coherence refers to a situation where various policy areas within a country are coordinated so as to ensure that they do not run counter to one another. > *Development policy* is regarded as coherent if foreign policy, trade policy, financial policy, economic policy, agricultural policy, research policy, labour market policy, refugee policy and migration policy have all been aligned so as not to undermine the country's development policy objectives. A state is regarded as acting inconsistently, for example, if it provides development aid while at the same time pursuing a foreign trade policy that defeats its own development policy objectives. Since conflicting objectives are unavoidable, development policy coherence remains an ongoing challenge for all donor countries.

Conditions

A donor country may attach specific conditions to the > *development cooperation* it provides. Political conditions would require compliance with certain ground rules relating to development cooperation (such as good > *governance*, respect for human rights, a willingness to implement reforms, etc.). Economic conditions, on the other hand, might link the provision of aid to certain financial and economic policies of the recipient country. Imposing political and especially economic conditions as a standard practice is a contentious matter. Nowadays, more attention is devoted to linkages between pragmatic conditions and political and economic reform processes.

Conflict prevention > *Peacebuilding*

Contribution to EU enlargement

Switzerland's contribution to EU enlargement helps to preserve security and prosperity in Europe. Based on the criteria established by the

> *OECD*/*DAC*, this contribution is not considered as official development assistance (ODA). The enlargement of the EU into Eastern Europe has stimulated the economy and has improved security in Europe. Both outcomes have been of benefit to Switzerland, which is why efforts are also being made to reduce prosperity gaps between the original EU-15 member states and the 12 new EU member states. As part of its contribution to EU enlargement, Switzerland implements projects in four development-related areas:

- Security, stability and reforms
- Environment and infrastructure
- Promotion of the private sector
- Human and social development

Poland, Hungary, the Czech Republic, Slovakia, Estonia, Latvia, Lithuania, Malta and Cyprus have received support since 2007. Rumania and Bulgaria became recipient countries in 2010. Funding is jointly used by the > *SDC* and > *SECO* in remote regions that have derived little benefit from previous growth. Specific examples of the use of funding include: modernisation of hospitals in Estonia, boosting small and medium enterprises in Poland and awarding fellowship grants for young scientists. Around one-third of the projects are carried out with the involvement of Swiss companies.

www.erweiterungsbeitrag.admin.ch/en/Home

Cooperation offices

Swiss > *development cooperation* is based on maintaining a strong local presence, pursuing outcome-oriented dialogue with local authorities and > *civil society*, and carefully monitoring programmes. The > *Swiss Agency for Development and Cooperation* therefore runs its own cooperation offices in various > *priority countries* in the southern hemisphere as well as in Eastern Europe and the CIS. Each cooperation office has its own team of Swiss experts. This team then works with locally hired staff in the partner country to implement programmes and projects.

The proximity to the places where programmes and projects are being implemented enables Swiss cooperation offices to observe first hand whether the programmes and projects, which represent a cost of between CHF 5 million and CHF 25 million per country per year, actually address local needs. It also enables cooperation offices to determine whether resources are being used effectively.

Corruption

Corruption generally refers to the abuse of power for personal gain. It is one of the fundamental causes of inefficiency for a number of states. Not only does corruption take place at state level, it also has a negative impact on everyday business and corporate life in many countries. Corruption may give rise to a situation where individuals cannot gain access to public services unless they pay a bribe. The healthcare and education sectors are two areas in which this occurs.

Tackling corruption is a constant challenge, both within > *development cooperation* programmes as well as within politics and public life. Experience shows that although stringent legislation and clear rules may reduce incidences of corruption in the awarding of public contracts, it is not possible to entirely halt corrupt practices in this manner. The approach nevertheless instils an awareness that corrupt practices are wrong.

Culture and development

Cultural values and orientations drive development processes in a country. Within the context of > *development cooperation*, culture is increasingly being regarded as a cross-cutting task that serves to promote understanding across cultural boundaries and encourages joint efforts to handle common tasks. The acknowledgement of cultural diversity is an important pre-condition for sustainable development.

D

DAC

The Development Assistance Committee (DAC) is part of the Organisation for Economic Co-operation and Development (> *OECD*). Its role is to audit and assess the development aid performance of industrialised countries and to establish key development policy parameters. Swiss development cooperation activities are also assessed on a regular basis. The DAC's report for 2009¹ gave Switzerland positive reviews. Swiss aid was seen to be reliable and innovative, especially its > *humanitarian aid*. The report also highlighted the constructive role that Switzerland plays in the context of > *multilateral aid*. One of the strengths noted by the DAC was the > *bottom-up approach*. On a more negative note, the DAC felt that the overall level of Swiss official development assistance (ODA) was insufficient, since it corresponded to only 0.47% of Switzerland's gross national income (GNI) (2009). They pointed out that Switzerland's ODA/GNI ratio is significantly lower than the 0.7% of ODA/GNI target recommended by the > *United Nations* and also lower than the ODA/GNI of comparable industrialised countries.



1970s

Swiss integrated projects seek to intensify the impact of development aid by bringing simultaneous improvements to several areas of life. These integrated projects include sub-projects such as building hanging bridges in Nepal.

¹ www.oecd.org/dac/peerreviews/switzerland

Decentralisation

In many > *developing countries*, political power and economic growth are concentrated in a small number of major cities, while rural areas scarcely benefit from any progress at all. Highly centralised political systems also serve to perpetuate this situation. The consequences of uneven development include a rural exodus to urban areas, the emergence of slums and high levels of unemployment.

Decentralisation and the transfer of resources (decision-making powers, financial resources) from the central government to regional and local authorities is one way to reduce disparity. Municipalities and regions should be involved in decision-making processes. They should also be given the authority to improve services (> *education, > health, water etc.*) at a local level. Finally, the role of local authorities needs to be strengthened so that they plan and implement projects in close cooperation with local communities.

Switzerland works with local authorities and institutions to facilitate decentralisation processes in the Western Balkans, Africa, Latin America and Asia. As a federal country with a decentralised structure, Switzerland has both experience and credibility when it comes to decentralisation.

Developing country

This is the term usually used to refer to poor countries. The > *UN* uses the > *Human Development Index* (HDI) as a means of determining poverty levels. In addition to considering such things as per capita income, the HDI also takes education levels and life expectancy into account. Many developing countries suffer from widespread poverty (> *poverty reduction*), high levels of unemployment and limited access to health-care and education.

Development aid/Development cooperation

Nowadays, development practitioners tend to use the term “development cooperation” rather than “development aid”. This is because development cooperation emphasises the partnership approach needed to solve problems relating to poverty and development. The purpose of development cooperation is to reduce global poverty and help countries to overcome local, regional and global factors that inhibit development. Development cooperation includes both > *bilateral cooperation* with partner countries and the co-drafting of international regulations and agreements that encourage development. Unlike > *humanitarian aid*, which is generally emergency relief provided in response to natural disasters or armed conflict, development cooperation seeks to bring about long-term, structural changes.

Development funding

Development funding comes from a variety of sources. In addition to > *official development assistance* (ODA) from industrialised countries, funding also comes from > *international financial institutions*, the > *United Nations* and > *non-governmental organisations*. An important development funding milestone was the United Nations International Conference on Financing for Development, which took place in Monterrey (Mexico) in 2002. The Monterrey Consensus requires developed countries to devote at least 0.7% of their gross national income (GNI) for ODA to achieve the > *Millennium Development Goals*. The Monterrey Consensus also called for regulations to be established to ensure that the movement of goods between industrialised and developing countries would favour development objectives. (> *fair trade*).

Development policy

Development policy refers to all political, economic and social measures taken by a donor country to achieve sustainable improvements in living conditions in developing and > *transition countries*. Development policy is not a clearly defined field in its own right, however, since trade policy and agricultural policy also include development policy-related aspects. One of the main development policy challenges is how to coordinate all sub-policy areas into a coherent whole (> *coherence*).

In Switzerland, development policy is determined by statutory guidelines established by the Swiss Parliament. The legal basis for development policy is the Federal Act of 19 March 1976 on International Development Cooperation and Humanitarian Aid (SR 974.0). Budget requests are submitted to the Swiss Parliament in four- to five-year cycles in the form of a Federal Council Dispatch. When allocating budget funding, the Swiss Parliament sets specific development policy objectives as well as thematic and geographical priorities.



1970s

Swiss development efforts bring improvements in agriculture and forestry, the promotion of health and water supply. Swiss integrated projects include sub-projects to establish schools, build roads and encourage local trade.

Do no harm

“Do no harm” refers to a set of principles intended to ensure conflict-sensitive planning of aid measures, especially in conflict zones. This approach, which was developed by the American economist Mary B. Anderson, has also proved its worth in the context of Swiss development cooperation.

The “do no harm” approach acknowledges that development projects and the supply of material aid can have both intended and unintended consequences. A less than cautious approach may do harm, for example, if the aid provided strengthens a warring party. In order to avoid negative consequences, it is therefore essential to investigate the context and the parties involved before any material aid is distributed or any development projects are implemented. In the case of violent conflicts, certain parties involved may fuel tensions between the warring parties (“dividers”), while others may manage to ease tensions (“connectors”). All external support measures should be consciously intended to strengthen the position of the “connectors”. This can be particularly difficult to achieve in a situation of war.

Donor committees

Donor committees are groups of donor countries that coordinate their > *development policy* with one another. By working together in this fashion, donor committees are able to align international aid according to shared objectives and standards. The pooling of resources also lends more weight to policy discussions with the government of the recipient country. Donor committees play a particularly important role in coordinating > *budgetary aid*.

E

Education

Education opens the door to better prospects. Educated people more easily find gainful employment and can better provide for their own material needs. Those who lack an education often remain trapped in poverty. It is for this reason that > *development cooperation* places considerable value on education. Switzerland works to help girls, women and ethnic minorities to gain access to basic education. Switzerland also encourages the development of upper-secondary level vocational education and training (VET). Local languages are used as the language of instruction, thereby making it easier for students to acquire the skills needed on the local labour market. Generally speaking, development cooperation in the field of education has been successful: globally, illiteracy rates are falling and the number of people admitted to school is increasing. In addition, fewer girls and women are being excluded from education.

Emerging countries

Emerging countries are countries that are well on their way to becoming industrialised nations, but have not yet joined the club of the wealthy industrialised countries. The term “newly industrialised countries” expresses the idea that emerging countries differ from > *developing countries* both in terms of extent of industrialisation and economic strength. In emerging countries, social development often lags behind economic development.

As economic powers, emerging countries can play an important role in the development of entire regions. One example of this is the fact that the BRICS group of countries (Brazil, Russia, India, China and South Africa) is causing shifts in the balance of global political power. Populous and rapidly expanding emerging countries are therefore in a position to influence international climate policy and find solutions to global problems. As a result, emerging countries are now demanding stronger rep-

resentation in multilateral institutions. Power and prosperity are being redistributed in this multi-polar world that is now taking shape. In view of the fact that resources are becoming increasingly scarce, competition on world markets will only intensify.

Empowerment

Empowerment refers to efforts to reduce poverty by strengthening the position of disadvantaged groups within the population. Literally speaking, the verb “to empower” means to “authorise” and “give power”. In the context of > *development aid* empowerment means enabling disadvantaged people to proactively shape and improve their living conditions. Poverty is always an expression of limited social, economic and political prospects and power. These must be overcome so that people are able to identify their own needs and develop adequate solutions thus enabling them to exert greater influence over local and national > *poverty reduction* policies.

Fair trade

International trade is a strong driver of development and is an important source of foreign currency. Trade can also contribute to sustainable development (> *sustainability*) if producers receive a suitable share of the profits and are able to earn a viable income for their work. Fair-trade products are produced in a socially justifiable and environmentally friendly manner and are therefore slightly more expensive than competing products. Fair trade mainly flourishes whenever access to markets in industrialised countries is not subject to excessively high trade barriers.

The market share of fair-trade products is constantly growing in Switzerland and the main supermarket chains have included fair-trade products in their product range for many years now.

1980s

Greater recognition is given to the role of women in the development process. Gender is mainstreamed into development cooperation activities. (Women at a hand pump in Lesotho)



Food security

Despite the continual expansion of arable land, the number of people suffering from malnutrition exceeded one billion in 2009. Improving food security is therefore an urgent requirement. Food security is achieved when a sufficient quantity of good and healthy food is available to everyone. However, not only must sufficient food be available, the poor must also be able to afford it.

For many decades now, Switzerland has focussed mainly on the production and distribution of agricultural products as a means of fighting hunger. It also invests in applied agricultural research and provides small-holder farmers with access to high-quality, drought-resistant seed.

Foreign policy

Foreign policy determines the relations that a state maintains with other states and with international organisations. It includes a number of different policy areas such as trade, environment, security, development and culture. Foreign policy is intended to safeguard the interests of a state abroad. Forward-looking foreign policy sets out to solve global problems such as famine, climate change, > *migration*, scarcity of resources, etc. Switzerland's foreign-policy objectives are set forth in Arti-

Article 54 of the Federal Constitution: “The Confederation shall ensure that the independence of Switzerland and its welfare are 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.”

Gender/Gender equality

Gender refers to the gender-specific role that a person plays, as opposed to his/her biological sex. One’s social gender is a function of the roles, resources, rights and obligations attributed to men and women in society. As mothers, nurturers and caregivers, women shoulder a great deal of responsibility, but often find themselves in disadvantaged situations. A large part of the work they do is unpaid, which narrows women’s development potential and prevents them from enjoying equal rights. A sustainable development strategy must therefore attempt to eliminate gender-specific disadvantages so that men and women may receive an equal share of the development process (gender equality).

Gender mainstreaming seeks to ensure that women hold an equal position at all levels within society, e.g. in the training and healthcare sector, rural development and economic life.

Globalisation

Globalisation refers to the process of global interdependence in areas such as the economy, politics, culture, the environment, communication, etc. The pace of that process is accelerating due to the massive reduction of transportation and communication costs as well as the removal of barriers to the cross-border exchange of goods, services, capital, knowledge, and – to a lesser extent – people. The effects of globalisation on developing and emerging countries are multi-faceted and vary from country to country. Globalisation enables developing countries that are resource-rich and export-driven to gain access to new markets and enjoy greater political influence. At the same time, however, countries

with few products suitable for sale on world markets will be unable to compete with cheap, mass-produced imported goods and will lose influence. Globalisation and global risks (climate change, scarcity of resources, etc.) will especially affect the development prospects of poor countries. One of Switzerland's main > *development policy* objectives is to promote a form of globalisation that fosters development. This includes closer cooperation and stronger negotiating power of southern hemisphere countries during negotiations to establish international rules and standards.

Global public goods

Within the space of only a few years, the concept of global public goods (GPGs) has become a new reference framework for global environmental and development policy. The term global public goods was first coined in the > *UNDP* publication "Global Public Goods; International Cooperation in the 21st Century" (1999). GPGs are goods, whose usefulness extends beyond national borders and regions, generations and groups within society. This broad definition includes such items as peace and security, health, an intact environment, cultural heritage, financial stability, knowledge and information as well as fairness and equity.

As a concept, Global Public Goods is shaped by two characteristics. First of all, no-one should be excluded from using a GPG (non-excludability) and secondly, it should be possible for a GPG to be used by various people at the same time (non-rivalry).

Governance

The concept of governance, or rather, good governance, is based on the premise that development cooperation will never be able to achieve satisfactory outcomes without legal certainty, the rule of law and the ability to hold those in government accountable for their actions. Governance refers to the functioning of a state or political authority (political governance) or of the private sector (economic governance). The concept of

governance relates to the decision-making processes in various areas within society as well as at various levels of responsibility.

The essential prerequisites for good governance include transparent decision-making as well as reliable and efficient implementation of business and policy decisions. In order to monitor governance, a state must have independent institutions, an impartial judiciary and a strong > *civil society*. Promoting good governance is one of the core concerns of development cooperation, both at the level of the centralised state as well as at the level of individual provinces and municipalities.

Governance is a cross-cutting theme in Swiss development cooperation activities. Capacity building within municipal governments, decentralisation of political structures and the development of an independent judiciary are three prominent examples of governance-related activities.

Health

Access to reliable, basic healthcare is one of the most important requirements for human development. The promotion of health is also among the > *Millennium Development Goals (MDGs)*. In addition to access to healthcare, a person's basic health also depends on good food, access to clean water, family planning, prevention and vaccination campaigns, etc. Basic health also requires a minimum level of education as well as information about the healthcare system. This is especially important for girls. The development of basic health is therefore associated with aspects such as > *gender* and > *education*.

Promoting health is an important concern for Swiss development cooperation. For one thing, activities are focussed on improving access to basic healthcare for poor and disadvantaged groups within society. At the same time, efforts are made to reform state healthcare systems so that they are more effective and better able to satisfy the needs of the population. The widespread fall in infant mortality, increased life expectancy and the decreasing rate of infection with life-threatening diseases show that health promotion activities in developing countries have been successful.

Helping people to help themselves

Helping people to help themselves is an important principle of Swiss development cooperation activities. It involves supporting states, societies and people in their own efforts to address poverty and development issues. People are able to help themselves if they can be provided with better access to knowledge, technology and resources. The aim is to encourage institutions and organisations receiving support to take initiative, to the extent of their capabilities, and to contribute their own resources. The introduction of improved cultivation systems and access to microfinance for the poor are two examples of how this objective can be reached.

Human Development Index (HDI)

The Human Development Index (HDI) measures the quality of life and the level of development in a given country. Developed by the United Nations Development Programme (> *UNPD*) in 1990, the HDI takes three main factors into account: life expectancy, > *education* and income. Since it also includes social indicators, the HDI also provides a more accurate picture of a country's state of development than what would normally be possible using the per capita income figure. Swiss development cooperation focuses on > *developing countries* whose HDI is particularly low. The index for 2009, which encompasses 182 countries, includes several countries at the lower end of the scale that are currently working with Switzerland: Chad (175), Burkina Faso (177), Mali (178) and Niger (182). Switzerland held the 13th position in 2010, while Norway held the 1st position.

Humanitarian aid

The main objective of humanitarian aid is to provide emergency relief in the aftermath of natural disasters and violent conflicts. Saving lives, securing drinking water supplies, building emergency shelters and administering medical treatment to victims are the most important humanitarian aid tasks. Unlike > *development cooperation*, which is provided over a much longer term, humanitarian aid is mostly concerned with short-term priorities that need to be addressed right away.

The SDC's Humanitarian Aid Division and the Swiss Humanitarian Aid Unit (SHA) work closely together to provide humanitarian aid. The SHA is able to deploy experts in as little as a few hours after a crisis situation arises. In addition to emergency relief and reconstruction, other important humanitarian aid activities include early detection of risks and risk mitigation measures (prevention and preparedness). This may include such things as setting up early warning systems or training rescue workers in hazardous areas. Finally, humanitarian aid also involves advocacy on behalf of the victims of humanitarian crises.



1980s

Women play a decisive role in promoting better hygiene and health. (Health campaign in India)

Human rights

The Universal Declaration of Human Rights was adopted on 10 December 1948. This declaration formed the basis of over 60 international and regional human rights conventions. Human rights are those to which all human beings are entitled, irrespective of their nationality or skin colour, their political or religious persuasion, social position, gender or age. The State may not grant or deny those rights, nor may an individual forgo them, either voluntarily or under duress. Human rights acknowledge the value and dignity of human personality. > *Development cooperation* itself is also based on human rights. (More information about human rights can be found in the publication entitled, “An ABC of Human Rights”, which may be ordered from publikationen@eda.admin.ch)

I International financial institutions (IFIs)

International financial institutions (IFIs) are institutions that provide financial support and professional advice to developing and emerging countries. Their financial resources and expertise enable them to conduct highly complex, large-scale projects and reform initiatives. IFIs are also able to provide loans on favourable terms to developing countries experiencing economic hardship. In addition, they grant loans on preferential terms to the poorest countries. In cases where support is tied to structural changes of an economic or institutional nature (such as the opening up of local markets, good governance etc.), IFIs are able to shape policies in loan recipient countries. It is this influence that makes IFIs the target of recurring public criticism.

The most important IFIs are the World Bank Group and four regional development banks (European Bank for Reconstruction and Development, African Development Bank, Asian Development Bank and Inter-American Development Bank). These IFIs are collectively referred to as multilateral development banks. Another major IFI is the International Fund for Agricultural Development. The World Bank Group extends around CHF 25 to 30 billion in loans each year. Switzerland provides

both specialised knowledge and cash contributions to IFIs and holds a seat on their steering bodies. It also contributes funding for loans to the poorest countries.

Livelihood approach

Livelihood refers to the overall living conditions of individuals. In the context of development cooperation, the livelihood approach involves a comprehensive analysis of the living conditions of poor population segments. Bundled measures such as the promotion of agriculture, > *health* and > *education* are used to improve these conditions. These bundled measures vary according to the region and population group involved.

Microfinance

Microfinance is a collective term to describe financial services that are mainly used by the poor. These include microloans, savings accounts, insurance policies and money transfers. The most familiar vehicle in this regard is the microcredit (small loan). Microcredits enable people, who lack the collateral needed to qualify for credit by conventional banks, to gain access to financing. Microcredits are granted to individuals and groups who use them to lease land, purchase seed or set up a small business. Microfinance is a cost-effective and market-based method of > *poverty reduction*, which has been implemented in many countries in Asia and Latin America. Thanks to new methods and technologies (such as bank transfers via cell phones), microfinance services can be offered at favourable rates in rural areas. In many partner countries, Swiss development cooperation provides advice and start-up funding to microfinance institutions.

Migration

Migration is the term used to refer to the movement of people. Over the past two decades, disparities in income between different countries, rapid population growth in poor countries, converging labour markets and unrelenting global demand for cheap labour have led to increased migration between developing countries, as well as between developing countries and industrialised countries. While this has certainly caused problems, it has also created development policy opportunities. One example of this are > *remittances*, which are money transfers that migrants make to their home countries. At present, remittances are now more than twice the total volume of > *official development assistance*. Development planners now need to find ways in which legal and social measures can be used to capitalise on the potential of migration (i.e. to foster development in the migrants' home countries) and minimise the negative consequences of migration (e.g. the loss of highly qualified workers in the home country).



1990s

Earth Summit in Rio (1992) sets new standards: environmental and social issues can no longer be tackled separately. Development must be sustainable. (Water heated by solar power, Jamkhed/India)

Millennium Development Goals (MDGs)

In order to halve extreme poverty by 2015, the international community has agreed to a set of common development goals for the first time. The > *United Nations' Millennium Declaration of 18 September 2000* covers four areas:

- Peace, security and disarmament
- Development and poverty eradication
- Protecting our common environment
- Human rights, democracy and good governance

The eight development policy objectives reflect the resolutions made at global summits held in the 1990s and apply to both developing and industrialised countries in equal measure.

1. End poverty and hunger: the number of people living on less than 1 US dollar a day must be reduced by half by 2015.
2. Universal education: all children should be able to complete a full course of primary schooling (> *education*).
3. Gender equality: gender disparity, particularly in primary and secondary education, should be eliminated (> *gender*).
4. Child health: the under-five mortality rate must be reduced by two-thirds.
5. Maternal health: the maternal mortality rate must be reduced by three-fourths.
6. Communicable diseases: the spread of AIDS, HIV infections, malaria and other major diseases must be halted and eventually reversed (> *health*).
7. Environmental sustainability: access to drinking water must be improved and measures taken to halt the spread of shantytowns around urban areas. Renewable energies should increasingly be put to use to serve the poor.
8. Global partnership: a global development partnership between industrialised and developing countries should be established.

Each year, the UN and the World Bank publish reports showing the amount of progress being made towards achievement of the MDGs. Progress differs considerably in the various impoverished regions of the world. Populous countries, such as China and India, have made considerable progress, while the countries of sub-Saharan Africa have found it more difficult to make any progress at all.

Multilateral cooperation

Problems that transcend national borders cannot be solved by individual states acting alone. The > *United Nations (UN)*, the international finance institutions and global funding organisations are currently working together to address economic and social development issues. International institutions use approximately one-third of > *official development assistance (ODA)* worldwide. The most important institutions involved in multilateral cooperation include: the World Bank Group; the regional development banks and their corresponding development funds; UN agencies and programmes; as well as global funding organisations, which also receive funding contributions from private foundations and companies.

Due to their size and importance in the international cooperation field, multilateral institutions are able to help governments implement reform projects and broadly based programmes. Multilateral institutions are not only able to influence international development objectives and agreements, they also have a say on how initiatives are implemented.

Around 40% of Swiss development activities for southern hemisphere countries take the form of multilateral cooperation. Switzerland also sits on the steering bodies of UN organisations and > *international financial institutions*. Switzerland is therefore in a position to influence international development policy.

N

NGOs/Non-governmental organisations

Non-Governmental Organisations (NGOs) are generally non-profit organisations whose activities are conducted independently of state authorities. NGOs implement projects on a local level and their campaigns can influence public opinion and perceptions. NGOs therefore play a major role in > *development cooperation* and exert considerable influence within > *civil society*. NGOs fund their activities by selling services, canvassing for donations and applying for state grants. Many donor countries, including Switzerland, provide funding to specialised NGOs for the implementation of programmes.

O

Official development assistance (ODA)

Official development assistance (ODA) refers to the services and funding provided by public bodies (e.g. the Confederation, the Cantons and local municipalities in Switzerland) for the purpose of promoting economic and social development in developing countries. According to the definition used by the OECD's Development Assistance Committee (> *DAC*), ODA also includes debt relief measures and expenditure relating to asylum seekers in their first year of residence.

The ratio of ODA to gross national income (GNI) is used as an international benchmark. In order to reduce global poverty, the > *UN* recommends that industrialised countries devote 0.7% of their GNI to ODA. Switzerland's development activities correspond to an ODA/GNI ratio of 0.47% (2009), which puts Switzerland in 10th position among the 23 OECD/DAC member states.

Organisation for Economic Co-operation and Development (OECD)

The Organisation for Economic Cooperation and Development (OECD) was established in 1961. It is made up of 34 member states, all of which are regarded as developed countries committed to democratic principles and market-based economies. The Development Aid Committee (> DAC) formulates binding quality standards, informs its members of best development cooperation practices and uses a peer review system to monitor compliance with standards. Switzerland also aligns itself with OECD recommendations on matters relating to development cooperation.

Ownership

The concept of “ownership” is used in the context of development cooperation to refer to how people identify with an initiative that affects them directly. Ownership also refers to the individual responsibility assumed by the target groups and partner organisations. Ownership is an important pre-condition for the effectiveness, sustainability and success of development cooperation initiatives.



1990s

Planting trees for future generations: sustainable forestry becomes an important part of Swiss development cooperation activities.

P

Participation

In the context of development cooperation, participation refers to the active role played by target groups in the design, implementation and control of programmes and projects. Participation helps prevent development cooperation from being regarded as a form of charity and reduces dependency. Moreover, it serves to enhance project > *sustainability*, promotes a culture of open exchange and reinforces democratic processes within > *civil society*.

Peacebuilding

There can be no development without peace – and there can be no peace without development. Peacebuilding creates or reinforces the overall conditions needed to bring about sustainable > *development cooperation*. In order to secure peace, both military (“peacekeeping”) and civilian (“peacebuilding”) measures are needed. Peacebuilding includes such things as supporting transparent elections, encouraging greater respect for > *human rights*, developing police institutions that work closely with citizens, and establishing an independent judiciary. Peacebuilding also includes peace talks. There are two specific tracks involved in peacebuilding:

- Track 1 starts at government level and involves dialogue with those who wield political or economic power.
- Track 2 is based on initiatives from > *civil society* (churches, > *NGOs*, the private sector etc.).

Peacebuilding is an important tool used in Swiss foreign and development policies. As a neutral country without a colonial history, Switzerland acts with a high degree of credibility.

Political dialogue

Successful development cooperation depends on favourable conditions, such as political stability, economic efficiency, social justice, social > *participation* and environmental > *sustainability*. In order to effect change across a broad spectrum, donor countries maintain regular dialogue with the authorities in partner countries. Political dialogue is intended to raise policymaker's awareness of the issues and enable sustainable solutions to be found. In many cases, comprehensive structural reforms are required before the state is able to make progress towards > *poverty* reduction. Political dialogue is one of the main tasks carried out by Swiss > *cooperation offices* in partner countries.

Poverty reduction

Poverty reduction is the main objective of > *development policy* and > *development cooperation*. Even today, over one billion people must live on less than one US dollar a day. Poverty is not only a material problem; it also excludes people from political and cultural life.

Securing economic, political and cultural rights is therefore a prerequisite for poverty reduction. Significant progress has been made over the past 20 years. For example, a number of Asian countries now enjoy greater > *food security* thanks to efficient crop-growing methods. At the same time, the rapid economic growth in these countries has reduced the proportion of people living in poverty.

With the > *Millennium Development Goals*, the international community committed itself to halving global poverty by 2015. Sustainable poverty reduction can be achieved if disadvantaged groups within the population are brought back into the economic cycle and their purchasing power is increased. Investment in > *health*, > *education* and basic infrastructure is also a contributing factor.

Priority countries

Swiss development cooperation work is directed towards individual partner countries, which are known as priority countries. In each of the selected partner countries, development cooperation focuses on a small number of specialised themes (such as water, vocational > *education* and training, support for SMEs, > *health*). Swiss > *cooperation offices* are responsible for implementing programmes inside priority countries. They also maintain dialogue with partner countries and other donors. When considering Federal Council Dispatches and associated budget requests, the Swiss Parliament decides which countries are to be considered as priority countries. The following criteria are used: amount of need (level of poverty, propensity to crisis); good governance; added value of Switzerland's contribution; and likelihood that the cooperation endeavour will be successful. The current list of priority countries includes a number of poor mountainous or land-locked countries with similar natural landscapes as those in Switzerland. Such countries include Nepal, which was one of Switzerland's first priority countries for development cooperation.

Programme-based aid

Programme-based aid furthers the development of a specific sector (such as healthcare, rural development, vocational education and training or infrastructure) or geographical region through a number of complementary or coordinated measures. Programme-based aid is based on the premise that the causes of poverty are numerous and cannot be addressed by means of individual, stand-alone measures.

Project-based aid

Project-based aid supports implementation of individual initiatives. It is easy to monitor and manage project-based aid and outcomes are generally easy to ascertain. The drawbacks of project-based aid include the limited scope of individual projects, limited > *sustainability* of projects after donor funding has ceased and a lack of > *ownership* by partners since project-based funding is mainly intended to further the donor's own priorities.

Promoting democracy

Political co-determination is a > *human right*. Promoting democracy is an important part of development cooperation, as countries are in a better position to achieve sustainable development if people are included at all levels of the policymaking process. Through this involvement, people begin to take greater responsibility for their own lives. Democracy is mainly promoted at the local community level in Africa, Asia and Latin America. Promoting democracy is also important in Swiss development aid to Eastern Europe and the Commonwealth of Independent States. In this context, Switzerland's role is to facilitate the development of democratic institutions and processes in countries that were formerly governed by communist regimes.



From 2000

With the Millennium Declaration of 2000, the international community makes a commitment to halve global poverty by 2015.

onwards

Pro-poor growth

Pro-poor growth seeks to achieve sufficient economic growth and provide poorer population segments with a suitable stake in that growth. Developing countries are able to set pro-poor growth in motion through various measures, e.g. raising the minimum wage, operating a fair taxation policy and making investments in > *health* and > *education*.

Public-private partnership (PPP)

Efficient institutions, good quality education and research and development activities are the cornerstones of a dynamic economy. The private sector also plays an extremely important role in helping to address poverty and development issues. Public-private partnerships (PPPs) play an increasingly important role in development cooperation. Such partnerships are intended to strengthen local markets and public services. By tapping into the private sector's capacity for innovation, sustainable progress can be made towards > *poverty reduction*.

Switzerland has entered into public-private partnerships mainly in sectors where Swiss companies are able to provide specific know-how in such areas as effective medicines, cost-effective environmental technologies and efficient water supply systems.

Remittances

Remittances are money transfers that migrants send to their countries of origin to ensure that family members, relatives and friends left behind will have enough money to cover their daily needs. Nowadays, total cash flows transferred in the form of remittances are more than twice the amount of > *ODA* provided worldwide.

Development planners have now recognised the importance of remittances and are looking for ways to reduce transfer fees and more productively include remittances in development processes.

Rural development

The prosperity gap between urban and rural areas in a great many countries causes people to leave the countryside and move to the city, which leads to the rapid development of slums. Rural development programmes must therefore improve living conditions in the countryside in order to stave off rural migration. Rural development programmes include such measures as promoting smallholder farming, improving market opportunities for locally grown products and establishing education and healthcare facilities. Switzerland has solid experience in rural development and the relevant programmes play a prominent role in Swiss development cooperation activities.

SECO

The State Secretariat for Economic Affairs (SECO) is part of the Federal Department of Economic Affairs (FDEA) and is an important player in Swiss development cooperation activities. SECO's Economic Cooperation and Development Division is responsible for economic and trade policy measures for > *developing countries* and > *transition countries*. SECO's economic development activities also benefit disadvantaged groups within the population (> *pro-poor growth*). SECO mainly seeks to achieve stable economic conditions, diversify exports, promote fair trade and improve basic infrastructure. SECO also closely monitors issues relating to energy, the environment, climate (> *climate protection*) and economic > *governance*.

Sustainability

Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs. This was the definition used by the World Commission on Environment and Development (Brundtland Commission) in 1987. > *Development cooperation* programmes are considered sustainable if they support the local

stakeholders' own efforts to eradicate poverty and if local stakeholders are able to continue development programmes after the initial support funding has been phased out. Development policy interventions only make sense if they satisfy the criterion of sustainability.

Swiss Agency for Development and Cooperation (SDC)

In addition to providing humanitarian aid, the Swiss Agency for Development and Cooperation (SDC) also coordinates development cooperation and aid to the countries of Eastern Europe and the Commonwealth of Independent States (CIS). Part of the Federal Department of Foreign Affairs, the SDC employs around 1,500 people in and outside of Switzerland. The SDC's activities can be broken down into four main domains:

- The SDC's Regional Cooperation helps people, organisations and societies in > *priority countries*, as well as in selected regions and countries mired in conflict, to resolve issues associated with poverty and development.
- The SDC's Global Cooperation contributes funding to > *UN* organisations and > *international financial institutions*, where it also plays an active role in steering bodies. The SDC's Global Cooperation also influences global discussions and contributes to efforts to overcome international challenges (climate change, > *migration*, > *food security* and water shortages).
- The SDC's Humanitarian Aid and Swiss Humanitarian Aid Unit (SHA) saves lives and alleviates human suffering in disaster and conflict zones by taking preventive measures before, and emergency relief measures after, crisis situations arise. Switzerland actively takes part in reconstruction efforts and devotes resources to help the victims of natural disasters and conflicts.
- The SDC's Cooperation with Eastern Europe supports reform processes in the Western Balkans and the CIS. It also works with the State Secretariat for Economic Affairs (> *SECO*) to implement Switzerland's > *contribution to EU enlargement*.

The Paris Declaration

The Paris Declaration on Aid Effectiveness of 2005 contains measures designed to improve the coordination and allocation of tasks among donors. It also seeks to create a stronger sense of individual responsibility on the part of recipients of ODA. The Paris Declaration establishes five objectives:

- **Ownership.** Developing countries should take on greater responsibility (> *ownership*).
- **Alignment.** Donors should not set up parallel structures but rather implement programmes with existing institutions in partner countries. They also need to align their objectives with those of partner countries.
- **Harmonisation.** Donors should harmonise their programmes and processes more effectively.
- **Results.** Developing countries and donors should focus more on development results and measurement rather than merely on the services rendered.
- **Mutual accountability.** Donors and partners should be held accountable to the general public for development results.

The Paris Declaration has led to greater coordination among donors and has influenced Swiss development cooperation activities.



From 2000

By 2015, all children, both boys and girls, should be able to attend and complete a full course of primary schooling.

onwards

Third World

Though imprecise and outdated, the term “Third World” is frequently used to refer to > *developing countries*. The term originally meant the non-aligned countries, which during the Cold War were neither part of the capitalist West (the First World) nor the communist East (the Second World). It was only later that the term became equated with developing countries.

As a collective term, the “Third World” encompassed a broad range of countries such as India, Nigeria and Honduras that, despite their differences, shared similar problems. Nowadays, > *development cooperation* is based on the premise that the problems experienced by developing countries can be attributed to a variety of causes that all need to be addressed on an individual basis. In some cases, the most sensible option is to adopt a variety of approaches that take into account the raw materials, resources and potential of the country concerned. Based on current perceptions, there is only “one world” comprised of interdependent poor, emerging and wealthy countries.

Tied aid

Tied aid is a term used to describe a situation where the recipient country is obliged to purchase specific products and services from the donor country. With this type of aid, the recipient country must be willing to develop market outlets for the donor country’s products and services. Nowadays, this approach is rarely used because it prevents tailor-made solutions from being applied and because it is mainly intended to impose the donor country’s (expensive) pricing levels on the recipient country. Moreover, tied aid also contravenes one of the rules established by the World Trade Organisation, whereby procurement orders must be made on the basis of international calls for tender. In 2001, the Organisation for Economic Co-operation and Development (> *OECD*) recommended that the least developed countries (LDCs) no longer be required to purchase a donor country’s goods in exchange for the provision of aid.

Switzerland also shares this concern and supplies almost no tied aid to developing countries. Some of the funding for infrastructure projects in the transition countries of Eastern Europe is partly tied to certain conditions.

Transitional aid

Transition implies a shift from one situation to another. Under the heading of transitional aid, Switzerland helps countries of Central and Eastern Europe to shift from planned economies, which were prevalent under the communist system, towards democracy and market-based economies. Transitional aid was first provided shortly after the fall of the Berlin Wall in 1989. Working closely with other Western European states, Switzerland provided technical and financial support to countries wishing to implement reforms. Thanks to rapid economic and institutional advances, ten former communist countries in Central and Eastern Europe were admitted to the European Union in 2004 and 2007.

Since 1990, Switzerland has provided transitional aid worth a total of CHF 4 billion (as of 2010). The specific priorities of transitional aid include the following: development of democratic institutions, reform of healthcare and education sectors, support for small and medium enterprises (SMEs) and consolidating the position of *> civil society*. Nowadays, the transitional aid provided by the *> SDC* and *> SECO* goes to countries in the Western Balkans and the former Soviet Union (the Republic of Moldova, Ukraine, the Southern Caucasus and Central Asia). In these countries and regions, the transition process has not yet been completed.

U

UNDP

With offices in New York, the United Nations Development Programme (UNDP) is one of the largest institutions involved in > *multilateral cooperation*. As such, it plays a decisive role in shaping international development policy. The UNDP was established in 1965 and its global presence has enabled it to play a key role in > *poverty reduction* and pursuit of the > *Millennium Development Goals*. The UNDP is active in almost every area of development cooperation and maintains a worldwide network of employees. It is funded through voluntary contributions from > *UN* member states. Switzerland is one of the UNDP's top 10 contributors and is also home to the UNDP's European headquarters, which are located in Geneva.



From 2000

The Millennium Declaration includes the objective of providing access to clean drinking water. Swiss development efforts over the past five years have made this a reality for 370,000 people.

onwards

United Nations (UN)

The United Nations (UN) is an organisation comprised of 192 member states. The most important tasks of the UN are to secure world peace, uphold international law, protect human rights and promote international cooperation. Around 70% of the UN's total expenditure is directed towards development work. The UN also includes a number of affiliated institutions that are responsible for various development policy-related activities. The most prominent of these UN institutions is the United Nations Development Programme (> *UNDP*). The UN General Assembly is another major catalyst for development cooperation. In 2000, for example, it adopted the Millennium Declaration, in which 189 Heads of State and Government committed to achieve the > *Millennium Development Goals*.

Switzerland has been a full-fledged member of the United Nations since September 2002. Thanks to the presence of the United Nations Economic Commission for Europe (UNECE) and various sub-organisations of the UN, Geneva is the UN's most important location in Europe.

Additional terms

An explanation of other specialised terms relating to development cooperation can be found in the web-based glossary of the Swiss Agency for Development and Cooperation (SDC): www.deza.admin.ch/en/Home/glossar

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