

Annual Report 2013

Swiss International Cooperation



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

State Secretariat for
Economic Affairs SECO

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HIGHLIGHTS 2013

1



POSITIVE DIALOGUE ON MIGRATION

In March 2013 at a meeting in Bangladesh 50 countries signed the Dhaka Declaration. In so doing they underlined their intention to put the issues of migration, demographic development and urbanisation on the sustainable development agenda. The SDC played a decisive role in the success of the negotiations. It has long advocated that the different aspects of migration be included in the development debate.

2



REMOVING THE CAUSES OF FRAGILITY

Since 2006 the SDC has supported reform of the land registries in Ngozi province, Burundi. Thanks to GPS technology, numerous discussions and improved institutional structures, tens of thousands of families have since been able to register their land. This has resulted in fewer conflicts over access to agricultural land. The government and other donors are now adopting the same approach for other provinces.

3



SWITZERLAND HELPS DEFINE THE INTERNATIONAL AGENDA

Switzerland is playing an active role in shaping the new international development agenda. In 2013 it helped establish the World Bank fund to aid the poorest populations thereby ensuring that the Swiss priority development concerns – engagement in fragile contexts, gender equality and climate change – receive special attention.

4



BETTER HEALTH PROVISION FOR MOTHERS AND CHILDREN

In the Republic of Moldova Switzerland has in recent years made a significant contribution to improving antenatal and postnatal care for mothers and children. In addition specialised emergency centres for children have been set up in all regions of the country. This engagement helped Moldova achieve its millennium development goal to reduce infant mortality.

5



PROMOTING SUSTAINABLE DEVELOPMENT

SECO entered into a strategic partnership with the Dutch Sustainable Trade Initiative in 2013. The Federal Council has pledged CHF 30 million in support over the next four years. This partnership underlines and reinforces the existing commitment in sustainable agricultural value chains, such as cocoa, coffee, cotton, palm oil and soya.

6



150 YEARS ICRC

Be it in the Syrian crisis, the Central African Republic or following the typhoon in the Philippines – the International Committee of the Red Cross (ICRC) is one of the most important humanitarian aid partners of the Swiss Confederation. To mark its 150th anniversary in 2013 Switzerland presented it with a special gift: it covered the cost of recruiting and training 150 extra ICRC delegates.



Global challenges like climate change, migration and economic and financial crises affect all people and regions of the world. However, developing countries are often more susceptible and are less able to withstand the impact of these challenges. A country's prospects for development and stability, and efforts to combat poverty can all be compromised.

Switzerland's international cooperation is focusing increasingly on six global challenges. It is developing innovative, cross-border solutions to these challenges, taking an active part in multilateral policy dialogue, and promoting the dissemination of knowledge.

The annual report picture series gives an insight into these different programme areas.



*Martin Dahinden,
SDC Director-General*



*Marie-Gabrielle Ineichen-Fleisch,
State Secretary, SECO Director*

Martin Dahinden / Marie-Gabrielle Ineichen-Fleisch

“DOING JUSTICE TO THE DIVERSE REALITY”

In 2013 half as many people worldwide were living in extreme poverty as in 1990. For the first time it seems possible we can eradicate extreme poverty within one generation. What is more, many developing and emerging countries are reporting impressive economic growth rates, and have increasing political influence.

These are hopeful signs, yet they are just one side of the global picture. We look back on a year that was also marked by conflicts and crises in many places, by huge differences and by contradictory developments. Syria, South Sudan and the Central African Republic reflect a reality that contrasts starkly with the rise of the emerging countries, and the successful war on poverty.

Such diverse realities pose a challenge to international cooperation, which has to find solutions to a broad range of problems: fragility and transnational risks, questions of sustainable development, as well as demands for freedom and social justice.

A unified strategy

In 2013, for the first time, the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO) worked according to a unified strategy: the Dispatch on Switzerland’s International Cooperation in 2013–2016. Humanitarian aid, development cooperation, economic trade and policy measures, as well as cooperation with the countries of Eastern Europe are now

following a unified line. This allows us to better tackle the various challenges, to join forces and to pool our resources. While the principal objective of development cooperation remains poverty reduction, Switzerland is adapting to the changed international environment by focusing more on fragile contexts and global challenges.

In recent years the SDC and SECO have increased their efforts to give a systematic and complete account of the impact of their work. This is reflected in this year’s annual report, which is structured according to the five strategic goals of Switzerland’s international cooperation.

A roadmap for sustainable development

The OECD examined, and praised, our work and its impact last year. We continue to enjoy broad support among the Swiss people and in Parliament. Nevertheless, we are aware that given the changing nature of the challenges we face our task will not be easier in the future. Flexibility, tenacity and a long-term, comprehensive commitment are needed if we are to make a contribution to resolving these complex problems.

To this end, over the next two years Switzerland will also play an active role in the negotiations on a new development agenda. With our knowledge and experience we intend to contribute to producing an agenda in 2015 that will be seen as a universal roadmap for sustainable development.

COOPERATION THAT REFLECTS THE INTERCONNECTED GLOBAL REALITY

The demands made of international cooperation have become more complex. The number of challenges and players has grown. Problems are increasingly seen as being linked and require cross-border intervention. The Swiss strategy takes these changes into account. On an international level it advocates a new development agenda that reflects the interconnected global reality.

The global poverty map is undergoing dramatic change. Many developing countries have recorded strong growth in recent years – despite global financial and economic crises. States including China and India as well as Ghana and Indonesia have climbed into the middle income range.

The new geography of poverty

However, not all developing countries enjoy the same impressive growth rates. Development progress among countries, regions and social groups varies greatly.

The majority of people who live below the poverty line are no longer in the poorest developing countries but in the middle income states. Economic growth means that these countries increasingly have the financial means to invest in their own development. However the benefits of prosperity are often unevenly distributed, so that the poorest scarcely benefit from the economic upswing.

The increasing complexity of international cooperation

Meanwhile one-third of the world's poorest – around 350 million people – are still to be found in fragile states. Conflicts, violence, corruption and instability in these countries seriously impede efforts to tackle poverty in an effective and sustainable way. Only a small minority of the over 40 fragile states worldwide will achieve the Millennium Development Goals by 2015. Furthermore, fragility is not limited to the poorest states, but also affects middle income countries. Such differing realities show that the SDC and SECO areas of deployment do not form a homogeneous bloc.

A trend being observed in international cooperation is the sharp increase in the number of stakeholders in developing and emerging countries. New donor countries in the global South are playing a key role. Civil society and private sector actors are also becoming more important. At the same time global challenges, such as climate change and food security, require cross-border solutions and partnerships.

Focused on fragility and global risks

The SDC and SECO have taken this changed reality into account in their new, unified strategy – the Dispatch on Switzerland's International Cooperation in 2013–2016. The greater focus on fragile contexts is a major, long-term investment in the places that need it most. Patience and tenacity are particularly important in fragile contexts as it takes time to build up and stabilise state structures and win the trust of the population.

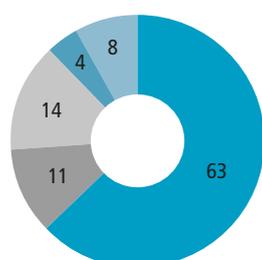
Switzerland's greater emphasis on global risks reflects the fact that many of the central challenges of our day transcend national boundaries. These include climate change, migration, unstable financial markets and epidemics. There is a close interplay between these phenomena and combating poverty.

Switzerland is responding to the increased diversification among international cooperation actors by working more closely with stakeholders from the private sector and civil society. Multilateral cooperation is also becoming more important to Switzerland.

Towards a new development agenda

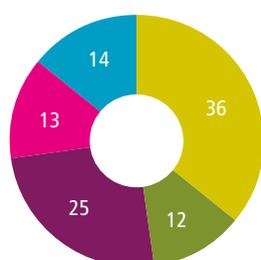
Preparations for the new post-2015 development agenda to be approved by the UN General Assembly

Graph 1
SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) 2013 (IN %)



- SDC
- SECO
- Asylum seekers (FOM)
- Peace and security (HSD/DDPS)
- Other

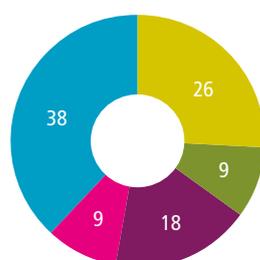
Graph 2
SDC BILATERAL GEOGRAPHICAL BREAKDOWN 2013¹ (IN %)



- Sub-Saharan Africa
- Northern Africa and the Middle East
- Asia
- Latin America
- Eastern Europe and the CIS

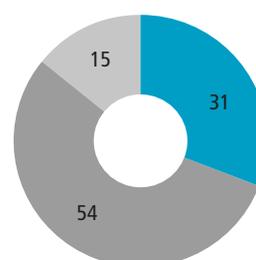
¹ Excl. geographically unclassified contributions and contributions to EU enlargement.

Graph 3
SECO BILATERAL GEOGRAPHICAL BREAKDOWN 2013¹ (IN %)



- Sub-Saharan Africa
- Northern Africa and the Middle East
- Asia
- Latin America
- Eastern Europe and the CIS

Graph 4
SWISS MULTILATERAL ODA 2013 (IN %)



- United Nations organisations
- International financial institutions
- Other international organisations

at the end of 2015 also played a prominent role in 2013. The process is expected to link the Millennium Development Goals follow-up agenda with sustainable development targets. The goal is very ambitious: for the first time the environmental, social and economic dimensions – the three pillars of sustainable development – will be contained in one global development agenda.

Switzerland has a keen interest in the success of the post-2015 agenda. It is an active member of the UN Open Working Group on Sustainable Development Goals, and has assumed a leading role in the UN global consultations on water and population dynamics. The SDC is charged with coordinating the work within the federal administration. In 2013 it

held regular public consultations at a national level on the Swiss position. The interdepartmental task force responsible will further develop the Swiss positions until summer 2014. In the autumn the Federal Council will draw up a mandate for negotiations, and in winter negotiations will take place between states under the aegis of the UN General Assembly.

Strengthening coherence

One of the challenges of the negotiations will be to defuse conflicts between environmental, economic and development goals. Furthermore, the new goals are not just intended for developing countries, but represent a strategic framework that is universally applicable.

Sustainable solutions in the globalised world require behavioural changes from all stakeholders. The new dispatch takes account of these global linkages in that it lays greater stress on coherence between development policy and other policy areas in Switzerland, such as migration, international financial and taxation issues, and the commodities trade. Swiss foreign policy on migration and the commitment to environmentally sustainable development and its financing were areas where cooperation was seen to work particularly well between the different offices and departments in 2013, showing that coherence in development policy is something Switzerland takes seriously.

On an international level too the policies and activities of the various bilateral and multilateral development actors have to be better coordinated. The process to agree a new global development agenda presents an ideal opportunity in this respect.

“Sustainable solutions in the globalised world require behavioural changes from all stakeholders. The new dispatch takes account of these global linkages.”

COMMENDATION FOR SWITZERLAND

Switzerland's international cooperation deserves to be commended, according to the Organisation for Economic Co-operation and Development (OECD). In a peer review in 2013 the OECD Development Assistance Committee (DAC) examined the quality and effectiveness of Switzerland's engagement in developing, emerging and transition countries.

It came to the general conclusion that Switzerland's international cooperation produces very good results. The DAC established that Switzerland had largely complied with the recommendations made in the last peer review in 2009.

Through a stronger focus on reducing poverty and alleviating global risks, greater engagement in fragile contexts, exemplary cooperation with multilateral organisations and increased cooperation with the private sector, Switzerland is responding to the changed global environment, according to the OECD. The report particularly welcomed the Swiss Parliament's decision to raise official development assistance to 0.5% of gross national income by 2015 as well as the new unified international development strategy.

The OECD saw room for improvement in reconciling development policy issues with policy in other areas including migration, agriculture and the environment. It also said that Switzerland should concentrate its resources more on specific geographical areas, and play a more active role in international forums and multinational bodies.



The town of Muynak in Uzbekistan once lived mainly from fishing. But where the Aral Sea used to flow there is now only a sandy desert. The drying up of the sea, caused by human activity, has largely deprived farmers in the region of a livelihood.

Globally it is being observed that the scarce resource of water is under increasing pressure. The Global Programme Water Initiatives seeks solutions to the challenges connected with the management of water resources. This affects access to drinking water as well as agricultural, industrial and household water use.



CRISIS PREVENTION AND EMERGENCY AID

- *Humanitarian aid*
- *Work in fragile contexts*
- *Resilience to crises*

Switzerland provides assistance to help population groups affected by armed conflict, crises and natural disasters. This includes preventing and reducing the risks associated with natural disasters, averting violent conflict, providing humanitarian aid in emergency situations, conflict management, state building and reconstruction as well as reform of the security sector.

Support is mainly short term; emergency aid is provided for as long as it is needed. Priorities are set for longer term humanitarian commitments (reconstruction) and for development measures (employment, social services, state building).

COMMITMENT TO HELP VICTIMS OF WAR AND DISASTER

Saving lives and alleviating suffering – this is at the heart of humanitarian aid work. But Switzerland's commitment goes beyond emergency aid. Particularly in fragile countries long-term, wide-ranging cooperation is required in order to protect the population and promote economic and political stability.

It started with a demonstration. In March 2011 Syrians took to the streets. Inspired by the Arab uprisings they demanded political reforms. At first the number of demonstrators was small, but popular resistance grew rapidly following the brutal crackdown by the security forces, culminating in a civil war with the Syrian people as the target. Grave human rights abuses and violations of international humanitarian law are everyday occurrences. The humanitarian situation is catastrophic; there is a shortage of water, food and basic health care.

The war has long since spread to neighbouring states. By the end of 2013 around 2.5 million Syrians had left the country. However, security has also broken down in Lebanon, Jordan and Iraq – destination countries for the majority of Syrian refugees. These countries lack the resources to cope with those in need.

Protecting the civilian population

The scale of the Syrian war is unparalleled in the world but that does not mean that the list of ongoing conflicts is not long. Afghanistan, Somalia and the



Central African Republic: the current flash points show that the potential for conflict is greatest in fragile contexts where institutions are weak or unstable, and where the population has to endure great poverty, violence, corruption and despotic rule. In these countries basic state functions such as public security and the rule of law can no longer be taken for granted. In such conditions local conflicts can spread like wildfire, and often have devastating consequences for those affected.

Protecting civilian populations is central to the work of Swiss Humanitarian Aid. It seeks to help those affected before, during and following conflicts, crises and natural disasters. Rapid, unimpeded access is paramount for the distribution of relief supplies and the provision of basic amenities. In fragile contexts this is often a challenge.

Cooperation at all levels

Protection and emergency aid alone, however, are no guarantee of a sustainable future for the affected population. A comprehensive, long-term approach is required that includes political stabilisation of the affected countries and strengthening of the local economy. This necessitates close cooperation with the government, local authorities, multilateral organisations and aid agencies as well as representatives of civil society.

Long-term development cooperation plays an important role in dealing with the causes of fragility. For it has long been recognised that fragility is one of the greatest obstacles to tackling poverty in an effective and viable way. According to the World Bank, fragile states are twice as likely to be affected by malnutrition and infant mortality as other developing countries.

And yet it is not just the poorest states that are affected by fragility. Around half of all fragile states today have a middle per capita income.

Comprehensive approach

Switzerland's international cooperation has long experience working in fragile states, and knows the importance of linking humanitarian assistance to long-term development programmes and projects. Half of the approximately 30 priority countries and regions for Swiss cooperation are considered fragile. In order to support these states on their path to stability, Switzerland is increasing its financial commitment in the countries and regions in question by up to 20% by 2016.

This also explains why more than 100,000 people in need benefited from Swiss aid to the victims of the Syrian crisis in 2013. In Lebanon, for instance, cash assistance to 2,400 host families resulted in approximately 20,000 Syrian refugees having a roof over

"Protecting civilian populations is central to the work of Swiss Humanitarian Aid. It seeks to help those affected before, during and following conflicts, crises and natural disasters."



CLEAN WATER CAN CHANGE LIVES

The SDC provides returnees to South Sudan with access to clean water – and gives them hope for a new life in their old homeland.



Hopes were high when in 2011 South Sudan gained independence after 30 years of civil war. Around 1.9 million people returned to their homeland. Some settled in one of the numerous camps for returnees that are mainly dotted along the border with Sudan. Among them were two boys, Joseph and Santino. Since spring 2013 they have been living in a camp in the state of Northern Bahr el Ghazal where around one-third of the population is made up of returnees.

The reality there is hard and there is great need. The only source of water is a dirty watering hole that puts people at risk of contracting dangerous diseases. The SDC is one of few international aid organisations present. In the place where the two boys live it is drilling and repairing boreholes leading down to the ground-

water at a depth of up to 80 metres. The clean drinking water is then pumped to the surface using a hand operated pump.

The Bahr el Ghazal region is lucky not to have been greatly affected by the armed conflict that broke out at the end of 2013. In cooperation with the local authorities the SDC is working continuously to ensure access to water and basic sanitation facilities. The population is closely involved in these efforts.

More than 130,000 people from surrounding areas have gained access to clean drinking water through this project. It has changed lives. "The water from the pump doesn't make me sick and it tastes much better than the water from the watering hole," says Santino.



their head. Worldwide around 1 million people also benefited in 2013 from reconstruction assistance from Swiss Humanitarian Aid.

In fragile states the SDC and SECO work hand-in-hand with international organisations, Swiss aid agencies and local and national authorities. The Swiss programmes in Mali, Haiti and North Africa, where humanitarian interventions are closely aligned with long-term development projects, are examples of this whole-of-government approach.

The SDC additionally supports humanitarian organisations that seek to protect civilian populations. It also works in the field to ensure that affected population groups are given a voice. In particular SECO supports efforts to better prepare its partner countries to deal with crises and to become more resilient.

A high-risk working environment

The Swiss engagement in fragile contexts is not without risks. In the past 10 years close to 900 people have been killed while carrying out humanitarian work. The majority of victims were people working in their own country. A risk is also posed by the growing politicisation of humanitarian aid. Political groupings increasingly seek to instrumentalise humanitarian organisations for their own ends and to hamper their work. This often has direct consequences for the civilian population in urgent need of relief supplies. These risks are evident in the Syrian crisis. Therefore independence, impartiality and neutrality remain key principles of Switzerland's humanitarian aid.

“In fragile states the SDC and SECO work hand-in-hand with international organisations, Swiss aid agencies and local and national authorities.”

DISASTER RISK REDUCTION

Droughts, floods, storms and earthquakes all result in deprivation and distress. In the past 30 years the number of crises triggered by natural disasters has trebled. The reasons for this include political instability, a lack of resources, inadequate preventive measures, but also the effects of climate change.

Disaster risk reduction is vital for sustainable development and is one of the SDC's priority areas. The disaster risk reduction strategy has the goal of reducing existing risks and averting imminent danger.

In recent years the SDC has spent approximately 10% of Swiss Humanitarian Aid funds not already earmarked for other projects (around CHF 10 million) on disaster risk reduction. This investment is paying off: every year damage amounting to CHF 40-70 million is averted.

Risk reduction is not just important with regard to natural disasters, however. The financial crisis has shown that financial threats can also have grave consequences – for industrialised and developing countries alike. SECO supports its partner countries by increasing their resilience to potential crises. For instance, it supports government reforms aimed at improving use of public finances. Better income and expenditure planning and improved debt management mean these countries are better equipped to deal with times of crisis.



“LIVES DEPENDED ON HOW WELL I WORKED”

Heidi (37) is a social worker in Daanbantayan in the Philippines, a municipality particularly badly affected by Typhoon Haiyan. She was the contact person for the SDC emergency aid team.



“I was directly affected by the typhoon. Part of the roof of my house was ripped off, and I was very afraid. When I later found out how many people in my home town had lost their lives it was clear that despite everything we had been lucky here ... because it was just houses, coconut palms and fishing boats that were destroyed.

In the wake of the disaster, the mayor entrusted me with the distribution of relief supplies. My team and I noted down the details of those people who needed urgent help. I had worked closely with the people in this district before the typhoon struck. This experience was useful to me. We were on our feet

virtually 24 hours a day. For the first time I had the feeling that human lives depended on how well and fast I worked.

I met the SDC team for the first time four days after the typhoon at a meeting with our mayor. At first we jointly distributed food parcels to the poorest families. A few days later we started distributing shelter kits, tools and roofing materials, so that the affected families could mend their simple huts themselves. I am grateful that I could help people in need. My experience of taking responsibility in an emergency motivates me to do so again in the future.”



“A LONG-TERM COMMITMENT IS IMPORTANT”

Sabine Rosenthaler was a programme officer with the Swiss Humanitarian Aid Unit in Haiti from 2010 to 2013.



What was the greatest challenge during your mission?

Even before the earthquake, Haiti was considered fragile. State structures are weak and the infrastructure is inadequate. Our work was further complicated by the ongoing political instability, requiring a high degree of flexibility and persistence.

Owing to its geographical situation Haiti remains at risk from natural disasters...

Following the earthquake, the SDC set up a centre of expertise to analyse risks, raise awareness of these risks among the population and institutions, and offer advice. Standards of construction are very low in Haiti, and in some cases there are no building standards. So in addition to rebuilding schools, model building plans for schools were drawn up, and an

immersion course on earthquake-resistant construction was developed for bricklayers. In the medium term protective measures are planned so that the population is better prepared for the risk of hurricanes and the associated flooding and landslides.

Haiti has been an SDC priority country since 2013. What does that mean for the work on the ground?

In an institutionally fragile country where there is a regular need for major humanitarian assistance, a long-term commitment is important. Humanitarian aid needs to be supplemented by development cooperation to ensure lasting change and contribute to stability.



RESULTS 2013

NORTH AFRICA AND THE MIDDLE EAST

1 SDC aid to victims of the crisis in Syria in 2013 reached more than 100,000 people in need in Syria as well as in neighbouring countries. Aid was focused on particularly vulnerable groups, among them single mothers and children. The support included financial contributions to humanitarian partners, direct operations, the secondment of experts to UN organisations, and the promotion of humanitarian dialogue.

2 The SDC commitment to training national search and rescue units in cities is bearing fruit. In 2013 the rescue unit in Jordan received international certification.

3 Thanks to cash contributions to 2,400 guest families, approximately 20,000 Syrian refugees received long-term accommodation in Lebanon. Additionally, at the end of 2013 CHF 5 million

was provided specifically for winter assistance to Syrian refugees (winter clothing, thermal blankets, heaters etc.)

LATIN AMERICA

1 In Colombia the SECO-supported programme to mitigate financial risks was continued. One aspect of the programme is the development of an instrument that alleviates financial risks resulting from earthquake damage. The programme also provides better insurance for public buildings.

ASIA

1 When Typhoon Haiyan struck the Philippines the SDC provided prompt emergency aid. Humanitarian Aid Unit experts





organised the provision of drinking water and distributed locally bought kits for repairing houses. They also helped ensure schools and medical facilities could reopen. **Switzerland's support to the Philippines reached more than 100,000 people in total.**

2 In 2013 the SDC supported the reconstruction of schools and medical facilities in Myanmar that had been damaged during armed conflicts. This **strengthened the crisis resilience of around 40,000 people** in areas affected by conflicts or natural disasters.

SUB-SAHARAN AFRICA

1 In Somalia the International Committee of the Red Cross and the Somali Red Crescent Society **treated over 2,500 wounded in 11 hospitals** last year. A further 750 injured received medical treatment at 55 first aid posts. In addition, 1,200 operations and 1,300 births took place in the SDC-supported medical facilities.

2 In Chad, where the peace is still fragile, Switzerland **promoted dialogue between the political actors.** Furthermore, an educational programme on the different religions contributed to a better understanding between members of the various faith groups.

3 In the Horn of Africa the SDC, in cooperation with multilateral and regional partners, supported **water, sanitation and hygiene projects.** The result was improved access to water for many people.

GLOBAL

1 Switzerland was co-organiser of the **4th Regional Forum on the Prevention of Genocide** that took place in Phnom Penh, Cambodia, in February 2013. As such, the SDC played a role in forming the genocide prevention network for the ASEAN region. It also supported a number of national and regional peace and reconciliation initiatives last year.

2 In 2013 **Switzerland became a member of the Executive Board of the World Food Programme.** A Swiss advisor for humanitarian affairs was appointed to the permanent mission in Rome. Switzerland actively participated in discussions on the strategic direction of the organisation in 2014–2017.

3 In 2013 Switzerland was able to position itself internationally as a key player in disaster risk reduction, **chairing the process to develop a risk reduction framework.** The Fourth Session of the Global Platform for Disaster Risk Reduction held in Geneva in May 2013 was a success. Integrated risk management, a priority for Switzerland, was one of the main focuses of discussion at the event attended by around 3,500 representatives from international institutions, governments, NGOs, scientific circles and the private sector.

4 Around **2.2 million people worldwide benefited from SDC emergency aid measures** last year. Reconstruction assistance helped some 1 million people. The consistent use of quality assurance instruments ensures that this support is provided in a needs oriented, context specific and efficient manner.





Thousands of foreign domestic staff work in Lebanon. Frequently they are completely at the mercy of their employers. At the same time the remittances they send home are often essential for their family's survival. The picture shows a reception centre for labour migrants in Beirut.

The Global Programme Migration helps leverage the positive aspects of migration for development while containing its negative effects. It stresses that migration should take into account the rights and interests of the people and states affected. It also supports a better use of money transfers and the expertise of migrants for development in the countries of origin, and calls for the potential of the diaspora to be more fully exploited.



The Lebanese film maker Katia Saleh lives in Beirut. A pioneer of web film production in the Arab world, she has worked amongst others for Al Jazeera and the BBC.

by Katia Saleh, Lebanon

“WE WILL FIND A WAY”

A mother whose pregnant daughter died in an explosion and whose children she is now raising; a 14-year-old child with the blood disorder thalassaemia who needs a blood transfusion every three weeks; a former dancer working as a cook in Beirut; a musician in Aleppo whose studio was stripped bare; a woman with cancer who gives needlework lessons in a refugee centre to provide for her six children...

These are people I met during my last project. *Days Away From Home* is a UNHCR-funded website with documentary videos about Syrian refugees in Lebanon.

The project reawakened memories for me of my mother in the time of the Lebanese civil war. How did she as a single mother manage to take us from one place to another and find us lodgings in other people's homes when our district was being bombed? She sat us in the car and said we shouldn't look back: 'We will find a way'. Twice, in 1976 and 1981, we stayed with family friends in Syria who took us in.

Today, I am a mother of a five-year-old boy. Since he was born I no longer take postings in conflict zones, but I am no less eager to make a change and fight for a better life for all.

It is just that recently my focus has switched from television to internet. In contrast to the mass media that serve up distorted images to the public, the internet is a way to challenge traditions and break taboos.

That was the aim of my first web-based project, the *Shankaboot* internet series that won an Emmy. Discrimination, child soldiers, migration, abuse of foreign workers, domestic violence and other controversial subjects were explored in this the first Arab-language internet series. More than 1.5 million people watched the films on YouTube.

Shankaboot ended up falling victim to organised internet crime and aroused the indignation of those who wanted Lebanon portrayed through the night-life and beach parties rather than social problems. Despite that *Shankaboot* was a success.

Fasateen, a web series I made later, threw up other questions, mainly regarding the life of women in the Arab world. This series gathered another 1.5 million viewers.

Since the beginning of the crisis in Syria television has reported on the millions of refugees in need. It is easy to forget that all of these individual refugees have their own unique story. *Days Away From Home* focused on the diversity and the perseverance of the refugees. Artists, skilled workers and housewives – people doing all in their power to stand on their own two feet and avoid humiliation. People who press on despite prejudice and even though they are regularly assigned to a category they don't belong to – because they are not just a number.

Shocked by the hardship endured by these people but also conscious of the impact on Lebanon, I no longer know what to focus on in my work. The instability in Lebanon and the crumbling infrastructure, or the continuing crisis in Syria? Or should I rather bemoan the lack of water and electricity, unemployment and the powerlessness of the Lebanese government? What should I direct attention to: the mountains of rubbish or the occasional car bomb? How could I, who have experienced Syrian hospitality myself, not do everything in my power to help?

What consumes my energy and thoughts most is how I would take care of my little boy if war erupts in Lebanon again.

Would I succeed in finding a safe place for myself and my son? Would I be able to handle the situation as my mother did and all Syrian mothers do? Would I leave my country and seek refuge in another?

When I say to my mother 'Come on, let's go,' she immediately refuses. In spite of all the pain and the wars she has gone through she says, 'I'm like an old tree with old roots. At my age you can't just uproot me and plant me in a new country.'



PROVIDING ACCESS TO RESOURCES AND SERVICES

- *Health*
- *Sustainable water use and sanitation*
- *Basic education and vocational training*
- *Sustainable use of land*

The primary aim of improving access to resources and services is long-term poverty reduction. "Resources" refers to the availability of shelter, sufficient food, clean water and job opportunities. "Services" refers to a country's education and health systems.

Long-term cooperation is required in order to tackle poverty effectively. In the interests of effective and cost-efficient cooperation, Switzerland sets geographical priorities, and concentrates on selected priority countries and regions.

AN EDUCATION SYSTEM THAT EXCLUDES NO ONE

Education is essential if a society is to develop. Despite progress in recent years, in many developing countries considerable inequalities remain in access to education and in educational quality. Education is a priority for Switzerland, and it knows that to make improvements in this area requires a long-term and targeted commitment.

Worldwide around 57 million children had no access to education in 2013. Poor standards of teaching, a high drop-out rate and long and dangerous journeys to and from school are a reality for schoolchildren in many places. Education is a rare commodity in many developing countries. Yet there is no doubt that a solid basic education can lift people out of poverty. Investments in education have certainly paid off.

Access to education and reducing inequalities

A glance at the statistics shows there has been progress. Between 2000 and 2011 the global school

enrolment rate rose from 83% to 90%. Yet often huge inequalities remain. The number of children without a school education is especially high in Sub-Saharan Africa and in South Asia. Huge differences exist not just between countries but also within them: between rich and poor, girls and boys, town and country and between different ethnicities.

A basic education is fundamental for better job prospects, especially when combined with relevant vocational training. Yet the long-term benefits of education go far beyond employment – particularly for girls and young women. Education results in better health,



reduces the likelihood of early marriage, and is associated with a lower birth rate.

Long-term investment in education is the key to tapping the potential of millions of people who cannot at present fully participate in social and economic processes.

Quality and practicality

Just as important as access to basic education is educational quality. This varies considerably around the world. In many developing countries there may at times be over 100 children in the classroom. Often a shortage of well-trained teachers leads to some curriculum content being taught badly or not at all. Language barriers can also stand in the way of learning. When lessons are only given in the official language of the country ethnic minorities often perform less well.

The quality of education is also measured in terms of its social and practical value. Reading, writing and arithmetic are indispensable, yet these basic skills are usually not enough to ensure entry to the job market. Curriculum content without practical relevance, a lack of access programmes, and the unpopularity of skilled trades make the transition to working life difficult in many countries. In many places there is an urgent need for training provision that meets local needs.

Promoting basic education and vocational training

Universal literacy and basic education is about more than primary school education. Worldwide there are still around 770 million adults who can neither read nor write. The door to learning is closed to them.

The SDC is continuing its commitment in the area of literacy, and conducts literacy programmes in cooperation with the local authorities in Benin, for example. The continuity and stability of education programmes are key pillars of its work. In Mali the SDC remained in place even during the conflict, offered courses so internally displaced children could catch up on missed lessons, and supported schools for nomadic peoples. It thus contributed to alleviating the long-term effects of school time lost owing to the civil war.

In order to improve educational quality the SDC is promoting innovative programmes that involve not just the children but the whole community. Passing on informal, local knowledge – for instance, about different types of fish or medicinal plants – also has a place in these programmes. In various countries the SDC additionally supports the training of teachers. In 2013 teachers in Benin, for instance, received training to develop their professional skills. The result was very encouraging: at the primary level the

“Long-term investment in education is the key to tapping the potential of millions of people who cannot at present fully participate in social and economic processes.”



“CONFIDENT DESPITE HIV”

The Newlands Clinic in Harare, Zimbabwe, which is supported by the SDC, has given Jacob (33) a new perspective. Today he supports other people infected with HIV, and passes on the message that helped him.



“I live with my wife and stepdaughter outside Harare. We are all HIV positive. Thanks to the therapy we received in the Newlands Clinic, we are now in good physical health. That wasn’t always the case.

My sister and I were brought up by relatives after our parents could not look after us any more. I was mistreated there and at 11 years of age had to look after the cattle alone and work in the fields. When I couldn’t take it any more I fled to Harare, to my mother. We were overjoyed to be reunited. But her new husband insisted I contribute to the household income. I found work, but soon after my employer had to move away because of the land reform programme.

I went through a difficult time after that. I was involved with a woman who suddenly turned ill. It was only then that we found out that she was HIV positive. Shortly after that she died. I also lost a great deal of weight, vomited a lot and had diarrhoea. My mother and relations started avoiding me. So I moved away.

In the new place a local organisation found out about me and persuaded me to take an HIV test. The result was positive. Since then I have been receiving antiretroviral therapy and counselling at the Newlands Clinic. I wish all people in Zimbabwe could receive the same care. The clinic operates mobile units in my district. As a volunteer there I explain to those affected by HIV how important the therapy is – just as someone did to me.”



“As part of its assistance to the private sector SECO develops the skills and knowledge of people in the labour market.”

Better prospects on the labour market

Switzerland also seeks to foster practical skills. In Nepal the SDC is funding vocational training to turn disadvantaged youths into electricians, builders and shoemakers. In Albania it is helping young people enter the job market through modernised vocational education and training courses, closer cooperation with the private sector, and improved employment services.

As part of its assistance to the private sector SECO develops the skills and knowledge of people in the labour market. In Colombia it supports reform of the

national education system and in North Africa helps improve the job prospects of young unemployed people. In order to increase the jobs offer SECO also supports projects in its partner countries aimed at improving the business environment.

Lifelong education for all – a means to many ends

Universal access to quality education is a human right. Furthermore, education spurs development in many other areas, and this has long-term benefits for the whole of society: education enables people to help shape policy and to insist on their rights as citizens. A basic education that is available to all people, regardless of their gender, origin and age is a central concern of development policy.



“UNRESOLVED DISPUTES OVER LAND HAMPER OUR WORK”

Simon Zbinden works for the SDC in Cotonou as a programme officer for rural economic development.



Benin’s economy is heavily dependent on agriculture. What are the SDC’s priorities in this area?

The SDC works closely with farmers’ associations that offer, for example, courses on sustainable farming. They are also involved in land access issues. In cooperation with growers’ organisations they signpost land corridors along which semi-nomadic herders can drive their herds. As a result, there is no damage to the areas cultivated by settled farmers, reducing the potential for conflict.

Technological advances in agriculture can contribute to food security. To what extent is this seen in Benin?

Only at a rudimentary level. Increasingly, however, new, drought-resistant seed is being planted, ensuring

crops even when rainfall is irregular. But food security depends on more than increasing crop yields quickly. Given the high population growth, preserving soil fertility long term is becoming increasingly important.

In West Africa disputes over land rights are a major problem. How do you deal with that?

Unresolved land conflicts are a factor that constantly hampers our work. They compromise the sustainability of our efforts. But often our hands are tied. The partner country has to pursue a policy of seeking solutions with the various interest groups. We support the farmers’ organisations. They know best how the traditional system of land use rights can be reconciled with modern law.



EDUCATION FOR ALL

In addition to supporting education projects at a national and regional level, Switzerland plays an active role in the international policy dialogue on education in development countries. The Global Partnership for Education (GPE) serves as an example. The goal of the initiative, which was launched in 2002 as a programme to finance primary and secondary education in developing and emerging countries, is to ensure a basic education for all. It now comprises 60 partner countries as well as representatives of civil society and business. Switzerland will have contributed CHF 20 million to the partnership by 2015.

In the past 11 years GPE has had considerable success. So far it has helped 22 million children gain a school education, trained 300,000 teachers and built or refurbished 52,000 classrooms. However, improved access to education is just one of the aims of the initiative. Educational quality and gender parity are other priorities.

Apart from financial support for education provision in partner countries, the initiative seeks to persuade local authorities and decision makers to increase spending on education where required and to introduce measures to improve the education system.



“I WANT TO SHOW MY FAMILY THAT I CAN EARN AN HONEST LIVING”

Fernando (16) from Honduras was exposed to crime from a young age. Thanks to the Projovent project co-financed by the SDC, he now works as a hairdresser and has good prospects.*



“There are ten of us in my family: five siblings, three nephews, Papa and Mama. My mother and one sister do cleaning; another sister works in the textile industry. My father doesn’t have work – he drinks heavily. There are many problems at home and often we have nothing to eat.

My mother took me out of primary school in order to give my sister a chance. After that I spent a lot of time on the streets. That was a bad experience. Some of my friends were killed in gang fights. Many youths are armed; even the bravest are afraid.

When I heard about the opportunity to learn a trade I applied straight away. I wanted to get off the streets. Hairdressing is the right career for me; no

one can take that away from me. Since starting the training I have never gone hungry. My mother sometimes asks me where I get my money. When I tell her I cut hair she just laughs. I want to show my family that I can earn an honest living.

Recently I had the chance to work with the best hairdresser in the area. He paid me 420 lempiras (20 Swiss francs) a day. In future I would like to work as a hairdresser, pay for my own things and help my mother to finish building our house. Lots of people ask me to cut their hair. They think I have a gift for it. One day I would like to open my own salon. I know I can do it if I really put my mind to it.”

**Name changed*



RESULTS 2013

EASTERN EUROPE AND THE CIS

- 1 In Central Asia, Ukraine and Moldova **103,000 people had access to safe drinking water for the first time** at the end of 2013, thanks to SDC support. In Bosnia and Herzegovina and in Kosovo 120,000 citizens benefited from improved drinking water supply and sewage systems in 2012 to 2013.
- 2 In Kosovo more than **5,000 young people took part in vocational training programmes** co-financed by the SDC. Half of those who completed the courses found a job afterwards – a successful outcome given the youth employment rate of 30%.

LATIN AMERICA

- 1 In Bolivia more than **18,000 young people – mostly women – benefited from vocational education and training programmes** supported by the SDC. Since completing their course 56% of them have an income above the national minimum wage of USD 120 per month.
- 2 In various countries of Latin America SDC assistance **helped improve the population's access to clean water**. Last year clean drinking water was available for the first time to 21,000 people in Central America, 26,000 people in Colombia and 95,000 in Peru. Municipalities and water cooperatives are ensuring a lasting supply.
- 3 In Haiti SDC support enabled **800 families to increase their income from agriculture** by around 90% between 2011 and 2013. Encouragement to grow vegetables and raise cattle also led to improved food security.





ASIA

- 1 An SDC vocational education and training programme in Nepal **enabled around 16,500 young people to improve their professional skills.** As a result 73% of them found a job.
- 2 In cooperation with local governments in Mongolia contracts were drawn up for use of grassland. As a result the **potential for conflict was greatly reduced and large areas of grassland were able to regenerate.**
- 3 SDC financial assistance to Kantha Bopha hospitals in Cambodia ensured that a total of **around 687,100 children received medical care.** Almost 120,000 seriously ill children were treated in hospital.

SUB-SAHARAN AFRICA

- 1 Thanks to SDC support, the health ministries in Malawi and Zambia established **special sexual and reproductive health services for young people** in six regions in 2013. Services provided include HIV tests, counselling and access to contraception.
- 2 In Benin the SDC is supporting improvements to the quality of education, for instance by **providing continuing training to teachers.** As a result the number of children passing school exams rose by 13% at the primary level and 22% at the secondary level.
- 3 In southern Africa SDC support led to the **introduction of 25 new varieties of maize that are better able to withstand extreme weather.** In the past three seasons the use of more drought-tolerant maize varieties in the region has increased ten-fold, and these now comprise 30% of all maize grown.

GLOBAL

- 1 The SDC-supported global network Providing for Health played a part in **setting up health insurance systems in 22 developing countries.** Tanzania, Chad, Benin, Rwanda and Cambodia are now

in the process of establishing or improving frameworks and policy regarding the setting up of health insurance companies.

- 2 SDC support for the Swiss Water & Sanitation NGO Consortium resulted in **360,000 people in 16 countries having improved access to drinking water** and 117,000 people benefiting from better access to toilets.
- 3 In Tanzania SDC support to the **national programme to combat malaria, combined with a dialogue on policy,** led to a new global fund being set up to distribute mosquito nets.
- 4 Switzerland supported the WHO in establishing a global framework agreement on financing **research into and development of new medicines to treat neglected tropical diseases.**





The countries of the Sahel region regularly experience droughts that lead to food shortages. The picture shows a woman in Niger processing millet, the country's main foodstuff.

The Global Programme Food Security advocates a sustainable use of natural resources. It specifically promotes a sustainable increase in the productivity of smallholder farmers, fosters the application of agricultural research, and supports advisory services as well as smallholders' organisations.



Gedion Onyango is a Kenyan political scientist and doctoral student at the University of the Western Cape in South Africa. He is also a research fellow at the Kenyan Centre for Research and Technology Development (RESTECH).

by Gedion Onyango, Kenya

RISING AFRICA – REALITY OR MYTH?

The impressive economic growth rates reported in Africa in recent years have triggered a paradigm shift: Sub-Saharan Africa is no longer seen only as a breeding ground of crises and disasters but as an emergent continent, a place of opportunity and possibility. But is there any truth in this new, hopeful image of Africa?

Some argue that what is taking place in Africa is far removed from sustainable economic development. In fact there are numerous arguments that support this point of view. In most of the countries democracy is still developing: many governments have only limited institutional capacity. Worldwide Africa still has the greatest number of repressive regimes, and poverty levels, and the gap between the haves and the have-nots remains dispiritingly high. What is more, many African countries appear to have lost the battle against corruption, and only in Africa do apparently stable countries like Kenya still receive food aid for those people without enough to eat.

Yet Africa is not a homogenous whole and it is misleading to speak in general terms about economic or political progress – or stagnation – in Africa. Whereas countries like Botswana and Rwanda can point to high rates of growth and considerable developmental progress, others such as Mali and South Sudan are still suffering the effects of armed conflict. Since the 1990s an economic middle class has formed, yet at the same time there are very high levels of poverty in many countries. In short: there has been gratifying progress, but there are also many challenges to address.

However, it is undeniable that many countries of Sub-Saharan Africa have made democratic progress since the 1990s. One-party states are slowly dying out in Africa. In many places elections are held regularly and many countries have already experienced a peaceful political transition.

Many African states have drawn up democratic constitutions or are in the process of doing so. Numerous states point not without justification to the political

pluralism that has helped nurture a flourishing civil society and media landscape. Even autocratic regimes like Angola, Cameroon and Uganda have become more cautious, and are attempting to fall into line with international standards in order to remain recipients of international aid.

Although in large parts of Africa the democratic process is in its infancy a start has nevertheless been made. I believe that we are currently witness to a slow but irreversible retreat from the dictatorial forms of government that for so long dominated much of Africa. It is still unclear how the democratic progress achieved will affect the future of African countries. However, as a whole the democratic consciousness on the continent has become stronger.

It is commonly said that there is no direct connection between a country's form of government and its development. Reference is made to the Rwandan or Ethiopian model, or to the Asian Tigers – states that have growing economies although they are not democracies.

In my view, however, democracy is the only political model that strengthens institutions long term, creates a political culture that favours development and leads to political accountability. History has shown that in a repressive regime functioning institutions and development progress often rely on a strong dictator and collapse when that leader dies. Therefore we should be cautious when we congratulate Kagame in Rwanda or dos Santos in Angola on their economic success.

On the whole, Africa has opened up and finally international media are also painting a differentiated picture of this continent made up of over 50 countries. Given the different realities on the continent, there can be no global answer to the question of whether Africa is experiencing an upturn. The sustainability of the positive overall trend depends in particular on whether structural change and economic progress endure.

BEYOND BOUNDARIES: ART AND CULTURE

What would life be without art and culture? People in the wealthiest cities would surely give a similar answer to those in the poorest villages. We need art and culture; they create a sense of identity and confer dignity. Art and culture transcend borders. They are a means of self-expression and can alter our self-perception.

Switzerland recognises the important role of art and culture in sustainable development – particularly in regions marked by unrest and instability. Switzerland's international cooperation supports the culture sector in its areas of deployment, and helps artists gain access to an international public. It thereby contributes to protecting and promoting diverse forms of cultural expression as well as to intercultural dialogue and peace.



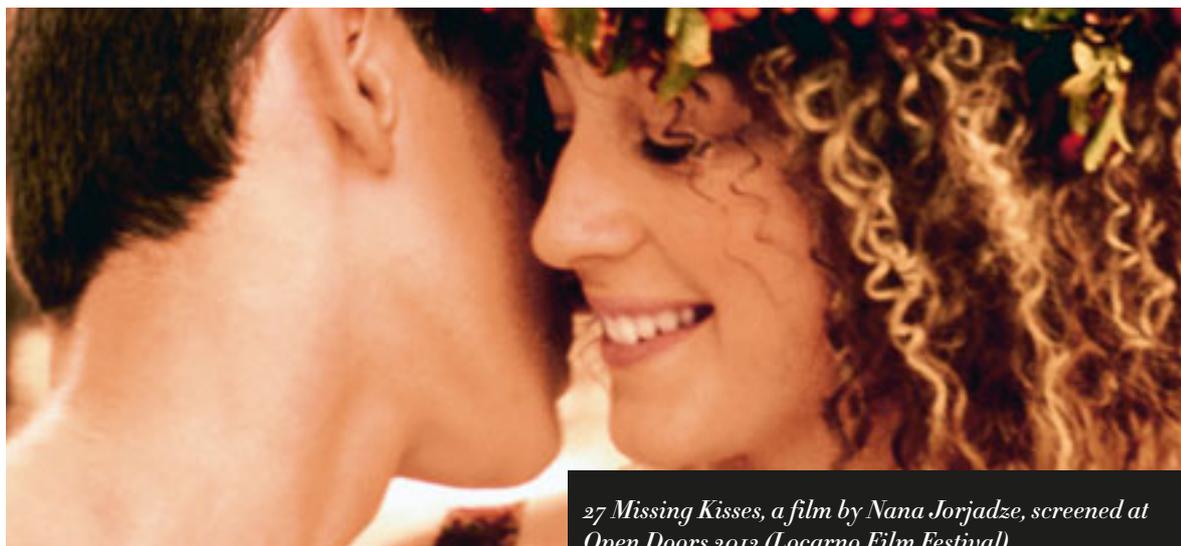
“It is my task to give these women back their dignity.”

*Karina Muench,
creator of *El grito del silencio* photo exhibition,
La Paz, Bolivia*

“The people in the portraits were ready to show their face, reveal their fear and shame and denounce violence, mistreatment and discrimination. In my work I was led by the trust shown me and by the intimacy of the moment. I wanted to restore their dignity to these women and not make them victims again. This work is dedicated to the countless girls, adolescents and women who have had similar experiences, and to all those people looking at the pictures who are ready to think about the lives behind the faces.”

“We must launch joint projects to re-establish trust and stability in the region.”

*Rusudan Pirvelli,
film maker and producer
from Georgia*



27 Missing Kisses, a film by Nana Jorjadze, screened at Open Doors 2013 (Locarno Film Festival)

Armenia, Georgia and Azerbaijan were isolated following the collapse of the Soviet Union and the various conflicts. Can art help to rebuild relationships?

At the start of 2000, the SDC began supporting the resurgent regional film industry. The Open Doors section of the Locarno Film Festival, supported by the SDC, focused in 2013 on the South Caucasus, and presented a new generation of rising film makers. The films dealt with social norms, living space and justice. They were mainly co-productions that showed that despite the political stalemate, cultural cooperation was still possible.



War destroys not only lives but also the memory and with it the possibility of thinking about the past and shaping the future anew. The occupation of northern Mali threatened the cultural heritage – in particular the Timbuktu manuscripts that had been preserved by families for more than 800 years. These manuscripts are a unique testament to African history. Since January 2013 more than 370,000 manuscripts have been removed from Timbuktu to Bamako. There they are being restored in a safe environment; their contents are filed and digitalised. This work is being carried out by the Malian NGO SAVAMA-DCI supported among others by the SDC.

These manuscripts are a unique testament to African history. Since January 2013 more than 370,000 manuscripts have been removed from Timbuktu to Bamako. There they are being restored in a safe environment; their contents are filed and digitalised. This work is being carried out by the Malian NGO SAVAMA-DCI supported among others by the SDC.

“Artists had the opportunity to counterbalance nationalism and xenophobia.”



*Milena Dragicevic-Sesic,
writer and professor
from Serbia*

“Through the Swiss Cultural Programme in South Eastern Europe artists ... had an opportunity to participate in programmes on social responsibility, raising political awareness and combating nationalism, chauvinism and xenophobia. The Swiss cultural programme provided continuous support to artists to stage productions of high artistic value and high ethical standards. In Serbia the programme contributed to democratising society and to a sense of civil awareness.”

“Such a precious legacy is the responsibility of humankind as a whole.”

*Yves Rossier,
State Secretary of the Federal Department
of Foreign Affairs,
30 May 2013 during a visit to Timbuktu*

WHERE WE WORK



SUB-SAHARAN AFRICA

In Sub-Saharan Africa the SDC puts the accent on rural development, providing access to public services, and improving local governance. It helps the population to manage its resources in a sustainable way.

To this end the SDC develops the technical skills of the local authorities and supports the establishment of grass-roots state institutions. A priority here is the involvement of civil society. In the area of basic

services, the SDC concentrates in West Africa on basic school education and vocational education and training, whereas in eastern and southern Africa it helps mainly to develop healthcare systems.

In the context of its economic development cooperation, SECO primarily supports its partner countries in Sub-Saharan Africa in strengthening sustainable and climate-friendly economic growth and in integrating into the global economy.



NORTH AFRICA AND THE MIDDLE EAST

Switzerland's cooperation in North Africa concentrates on three areas: democratic transition and strengthening human rights; economic development and job creation; and migration and the protection of endangered people. The programmes are implemented by the SDC and SECO jointly with the Directorate of Political Affairs, the Directorate of International Law and the Federal Office for Migration.

Through its rapid programme expansion in North Africa in recent years, Switzerland has completed

the necessary groundwork to be able to contribute to the region's successful transition.

In the Middle East the SDC seeks to ensure safe, viable and peaceful living conditions. The SDC Middle East strategy puts the focus on basic services, protection, and disaster risk reduction.

The programme for the Occupied Palestinian Territory aims to ensure respect for international humanitarian law and human rights, and to improve basic services and the economic situation.

SDC/SECO 2013

PRIORITY COUNTRIES AND REGIONS

		2013	2012			
		Mil.	Mil.			
		CHF	CHF			
SDC Priority countries and regions South	Sub-Saharan Africa	Southern Africa ¹	34.4	30.8	1	
		Great Lakes ²	31.1	29.0	2	
		Mozambique	23.0	23.9	3	
		Tanzania	22.8	23.0	4	
		Burkina Faso	21.3	20.6	5	
		Mali	20.2	16.5	6	
		Niger	16.6	18.5	7	
		Benin	15.3	17.4	8	
		Chad	14.3	11.7	9	
		Horn of Africa ³	8.1	2.5	10	
North Africa and the Middle East	North Africa ⁴ / Occupied Palestinian Territory		26.5	38.8	1	
		Latin America	Central America ⁵	42.3	40.8	1
Latin America		Bolivia	24.5	28.3	2	
		Cuba	8.2	5.4	3	
		Haiti	6.9	5.4	4	
		Asia	Mekong ⁶	49.8	40.6	1
Asia		Nepal	38.2	33.4	2	
		Hindu Kush ⁷	30.9	27.4	3	
		Bangladesh	29.5	25.9	4	
		Mongolia	18.2	14.1	5	
		SECO Priority countries South	Sub-Saharan Africa	Ghana	25.0	15.5
North Africa and the Middle East		South Africa	4.1	3.4	12	
		North Africa and the Middle East	Egypt	9.9	4.4	2
Latin America		Tunisia	9.1	3.6	3	
		Latin America	Peru	10.7	7.0	5
Asia		Colombia	5.5	3.1	6	
		Vietnam	16.5	4.6	6	
		Indonesia	14.3	13.9	7	
SDC Humanitarian Aid Focus areas	Sub-Saharan Africa	Horn of Africa ⁸	20.5	21.1	A	
		South Sudan	12.5	8.6	B	
		Sudan	9.4	7.4	C	
		Congo (D. R.)/Kivu	9.1	5.6	D	
		Zimbabwe	6.2	6.5	E	
		Sahel ⁹	6.2	6.0	F	
	North Africa and the Middle East		Middle East ¹⁰	49.2	33.5	G
			North Africa ¹¹	7.2	8.0	H
	Latin America		Colombia	9.3	8.2	I
			Haiti	7.8	6.5	J
Asia		North Korea	10.0	6.5	K	
		Sri Lanka	8.2	6.5	L	
		Myanmar	7.7	6.5	M	

		2013	2012		
		Mil.	Mil.		
		CHF	CHF		
SDC Priority countries and regions East	Eastern Europe and the CIS	Central Asia ¹²	27.8	21.4	1
		Kosovo	12.2	10.6	2
		Bosnia and Herzegovina	10.5	8.7	3
		South Caucasus ¹³	10.2	10.4	4
		Albania	9.3	6.9	5
		Serbia	9.2	7.3	6
		Moldova	9.0	7.0	7
		Macedonia	8.2	5.1	8
		Ukraine	5.9	7.4	9
		SECO Priority countries East	Eastern Europe and the CIS	Albania	16.2
Tajikistan	14.7			11.1	10
Kyrgyzstan	11.8			11.2	11
Ukraine	9.7			5.9	9
Kosovo	7.1			8.5	2
Serbia	6.0			6.3	6
Azerbaijan	4.4			2.9	12
Bosnia and Herzegovina	3.0			2.7	3
Macedonia	2.8			0.8	8
SDC/SECO Contribution to EU enlargement	Eastern Europe and the CIS			Poland	59.4
		Romania	19.3	12.1	2
		Estonia	9.0	8.2	3
		Bulgaria	8.0	5.1	4
		Czech Republic	7.8	6.1	5
		Hungary	6.0	3.9	6
		Latvia	5.0	8.0	7
		Slovenia	4.6	3.8	8
		Lithuania	4.1	1.2	9
		Slovakia	3.5	2.0	10
		Malta	2.8	1.1	11
		Cyprus	0.1	0.2	12

¹ Lesotho, Malawi, South Africa, Zimbabwe, Swaziland, Zambia

² Burundi, Rwanda, Congo (Democratic Republic)

³ Ethiopia, Eritrea, Djibouti, Kenya, Somalia, South Sudan, Sudan, Yemen

⁴ Libya, Morocco, Tunisia, Egypt, Algeria

⁵ Nicaragua, Honduras

⁶ Myanmar, Cambodia, Laos, Vietnam

⁷ Afghanistan, Pakistan

⁸ Ethiopia, Eritrea, Djibouti, Kenya, Somalia

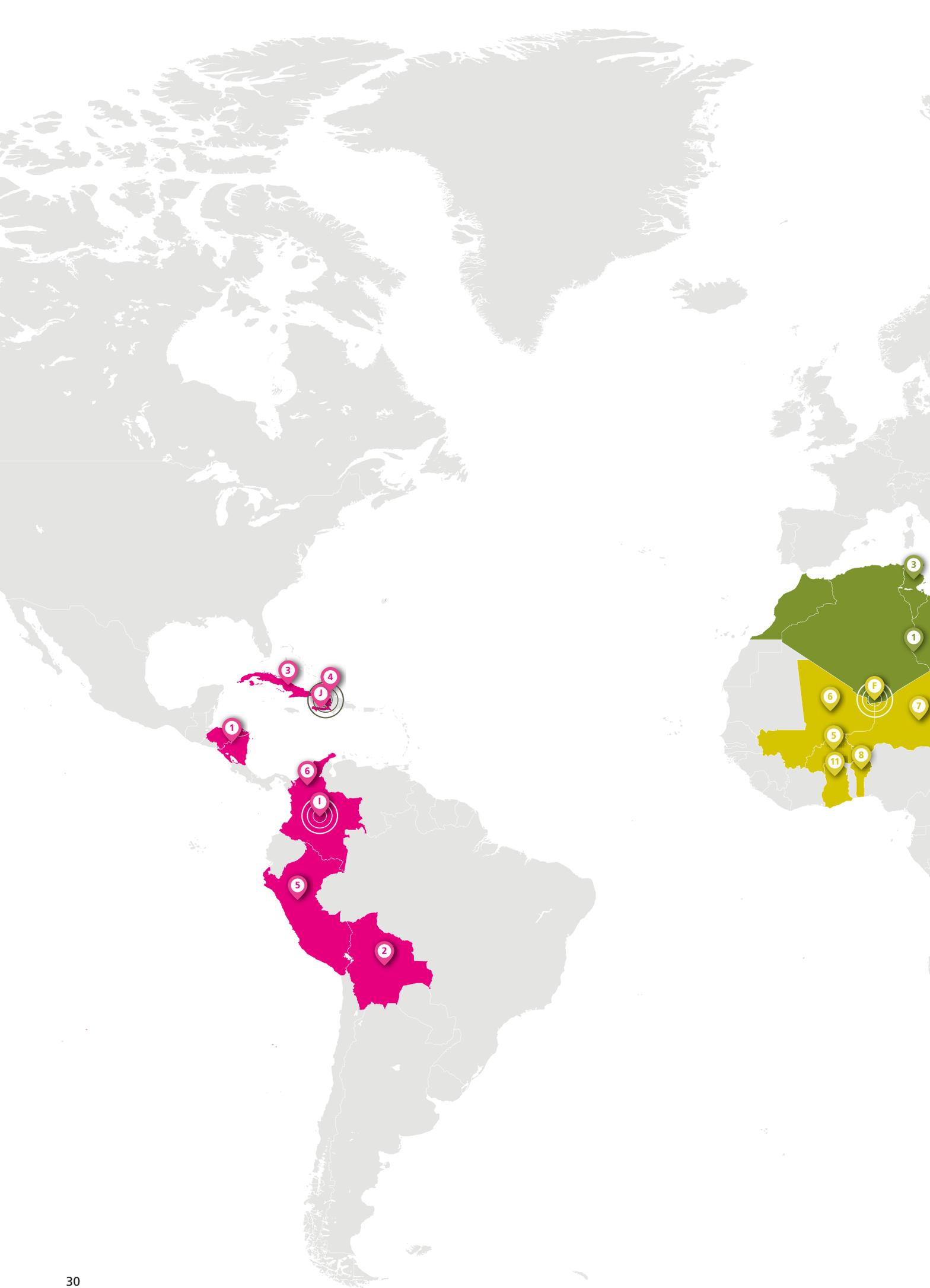
⁹ Mali, West Africa regional

¹⁰ Syria, Iraq, Jordan, Lebanon, occupied Palestinian territory

¹¹ Libya, Morocco, Tunisia, Egypt, Algeria

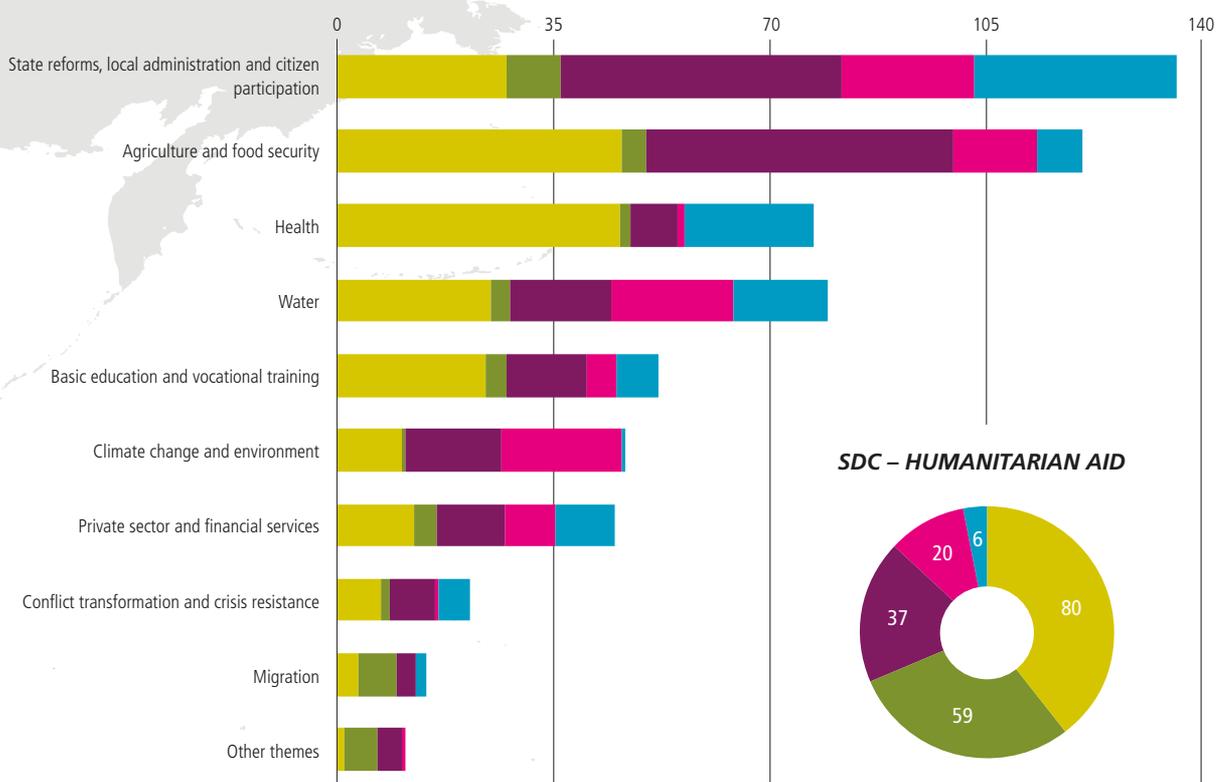
¹² Kyrgyzstan, Tajikistan, Uzbekistan

¹³ Azerbaijan, Armenia, Georgia

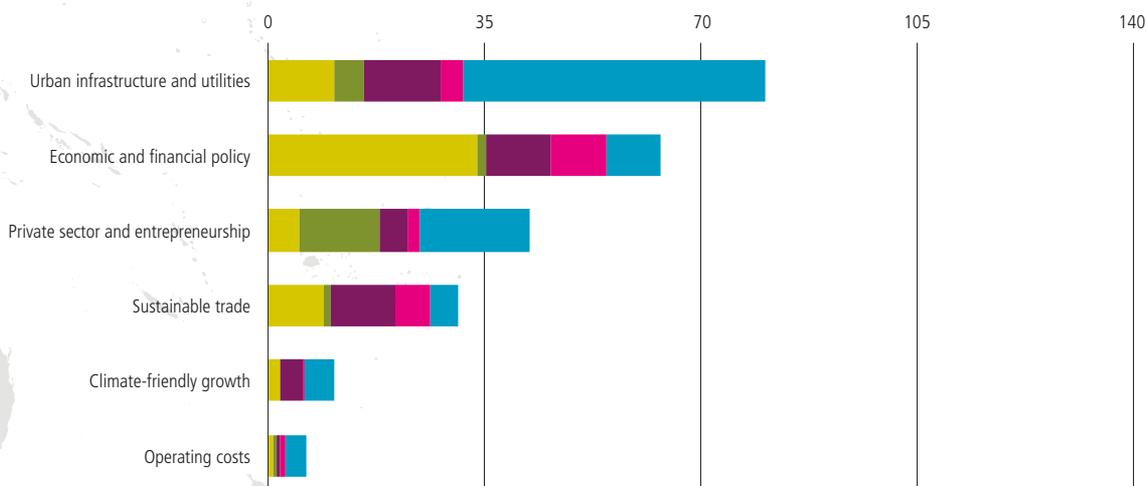


SDC/SECO GEOGRAPHIC AND THEMATIC BREAKDOWN (BILATERAL EXPENDITURE, MIL. CHF)

SDC – COOPERATION WITH THE SOUTH AND THE EAST



SECO – COOPERATION WITH THE SOUTH AND THE EAST





LATIN AMERICA

The SDC engagement in Latin America concentrates primarily on the thematic areas of climate, employment and income, and governance. The SDC helps alleviate the negative effects of climate change and natural disasters, and improve employment levels and vocational training. In addition, it supports financial services and agricultural development, and strengthens human rights and decentralisation processes. The Andean states also receive support in the areas of climate change and water.

In Latin America SECO concentrates on economic and trade policy challenges. One focus is on building up the private sector and diversifying the economy, which is strongly dependent on raw materials. Strengthening public institutions, sustainable urban development and alleviating the effects of climate change are further pillars of the SECO commitment.



EASTERN EUROPE AND THE CIS

The SDC and SECO cooperate with the countries of Eastern Europe in the framework of Switzerland's transition assistance and its EU enlargement contribution. They are active in the former socialist states of Eastern Europe, in the South Caucasus and in Central Asia.

In the countries of the Western Balkans and in the former Soviet countries of the Commonwealth of Independent States (CIS) Switzerland supports the sustainable transition to democracy and a market economy. Cooperation is targeted at reforms in the areas of democratisation and decentralisation, improved health systems, and developing water and

energy provision as well as sewage systems. Other priorities are to strengthen economic and financial policy, reforms in support of market-orientated vocational education and training systems, and the promotion of the private sector.

Through its enlargement contribution, which is not part of official development assistance, Switzerland contributes to dismantling social and economic disparities in the enlarged European Union. It works to bolster the economy, increase social and public security, protect the environment, and strengthen civil society.



ASIA

The SDC programmes in South Asia are focused on promoting human rights and peace, strengthening civil society and local governance, and rural development, professional training and climate change. The SDC also seeks to make a contribution to national reforms and a successful transition in conflict-affected regions.

In East Asia the SDC focus is on reducing the marked political, social and economic disparities. Reducing poverty, promoting human rights, and strengthen-

ing the rule of law, in particular with regard to land issues, are the most important pillars of its commitment. The SDC is additionally involved in the areas of vocational training, agriculture, health and civil society.

SECO supports its partner countries in South-East Asia in improving economic conditions and the competitiveness of local SMEs. A further concern is to strengthen environmentally-friendly infrastructure.



SUSTAINABLE ECONOMIC GROWTH

- *Financial stability and good governance*
- *Sustainable growth in trade*
- *Development of the private sector and financial services*
- *Infrastructure and urban development*

Sustained economic growth is essential for reducing poverty and inequality. The private sector is the main driver of this growth. Integration in the global market gives developing countries access to sales markets and sources of investment.

Switzerland promotes sustainable and broad-based economic growth in its partner countries. It focuses on the financial management of public funds, framework conditions for private investments, the stability of the financial sector, public services funding, infrastructure, use of resources, trade liberalisation and the labour market.

GROWING SUSTAINABLY

Many developing and emerging countries report impressive economic growth figures. Yet often the increase in prosperity is unevenly distributed. For the population as a whole to benefit, jobs have to be created. It is equally important that social and environmental sustainability standards and the principles of economic governance are observed. Switzerland promotes these objectives.

Poor, unemployed or both: around the world almost 1.2 billion people of working age have either no job or earn so little that they live below the poverty line. Job provision alone is not enough; a decent quality of life and fair working conditions are also required.

Creating jobs to ensure growth that benefits all

Numerous developing countries have made the leap in recent years into the category of middle-income states. However, this impressive economic growth does not always have a positive impact on the poorest population groups. For all to benefit, economic growth must result in job creation. This is a particular

challenge for the world's poorest countries. Since the year 2000 the average economic growth in the lowest-income states has stood at 7%, while the employment rate has risen by just 3%.

The private sector is the driving force behind job creation. However, a stronger linkage of growth and employment requires specific economic measures. These include transparent public finance management, a stable national economy with a robust financial sector, a clear legal framework for business activities, and improved access to international markets.



Improving labour conditions and environmental standards

Just as important as creating sustainable employment is to guarantee fair working conditions. In Africa around 80% of those in employment are in a precarious work situation. They are often badly paid or work in the informal sector. Only fair remuneration for work and respect for international standards offer an escape from poverty. Fair remuneration contributes to greater self-esteem, social cohesion and social progress. Only once daily concerns about survival are lifted are people free to engage in community issues or claim their civil rights and liberties.

At the same time sustainable growth needs to take account of environmental factors. A new, green direction for the global economy – ensuring environmentally and climate-friendly economic activity in industrial, emerging and developing countries – is a precondition for economic growth with long-term benefits for all. Considerable financial investment is needed. But just as important is a new way of thinking – in the northern as well as the southern hemisphere.

Switzerland's commitment

SECO is committed to a business-friendly climate in its partner countries, and helps to improve access to credits, loans and long-term investment capital. In

addition, SECO supports these countries in introducing more efficient means of production that use fewer resources. It further seeks to improve international market access and to ease customs formalities. This allows trade and investment to increase and results in job creation. As an example of SECO support, four Macedonian firms were able to take part in international trade fairs in 2013 and consequently reach new markets. Furthermore, Switzerland successfully lobbied for Laos and Tajikistan to be accepted into the World Trade Organisation.

As part of its efforts to improve working conditions, SECO supports a programme in selected partner countries that works with international manufacturers of branded goods to introduce and implement core labour standards in the textile sector. Results so far are promising and show that sustainability can pay off for all stakeholders. Employees of the project partner firms are happier and more motivated at work, there are fewer accidents, and days lost to sickness and worker turnover are falling. At the same time the quality of the manufactured goods has improved and productivity has increased.

The SDC works to ensure that poor population groups have access to local markets and finance, and can find better jobs and so raise their income. In Tanzania and Mozambique, for instance, it advocates

“Only fair remuneration for work and respect for international standards offer an escape from poverty.”



EFFICIENT ADMINISTRATION CREATES BETTER BASIC SERVICES

Many local authorities in Peru have difficulty in guaranteeing their people reliable basic services. SECO supports them in dealing with this challenge.

With the start of decentralisation in Peru in the 1990s the responsibility of communal and regional governments for public finances increased considerably. Today they manage over 40% of total expenditure in areas including education, health, water, waste management, public transport, urban development and security.

Often the local authorities are unable to cope with these responsibilities. Above all they lack the resources, trained staff and necessary infrastructure. This has a direct influence on efforts to stamp out poverty, as effective financial control is needed to ensure basic services.

In order to address these shortcomings, SECO has launched a programme to support the authorities in managing the challenges. This support comprises a variety of measures tailored to specific local needs. Further education of staff includes professional training and technical support sessions, for example on drawing up legal reforms.

Currently three regional and three municipal governments are beneficiaries of the programme. However, Peru as a whole should reap the benefits of the project. Acquired knowledge of efficient financial and budgetary management will be spread around the country, and should help to improve basic services at a local level in all parts of Peru.





structural changes to allow smallholder farmers in the cotton and soya sectors to sell their crops on the market at a fair price. In the Balkans programmes utilise specific vocational education and training measures and improved employment services to increase the chances of young people on the labour market.

Lastly, Switzerland supports various multilateral initiatives that aim to ensure that international companies operate in a sustainable way in developing countries. These include the United Nations Global Compact, the largest corporate sustainability initiative in the world.

Reducing inequalities

The creation of jobs and the promotion of fair labour conditions contribute to reducing social inequality. This is key for the long-term economic prosperity and political development of a country. Given the increasing inequalities in many regions of the world, narrowing the income gap between the richest and the poorest is an important development goal.

When the benefits of growth are not accompanied by a decrease in economic inequality, and this gives rise to social tensions, the stability and sustainable development of a country are at risk. This applies especially to developing countries with a large, young population that is badly affected by unemployment. If these young men and women can be given prospects through the creation of stable and fairly remunerated jobs, the prosperity of the population will grow along with the economy.

“When the benefits of growth are not accompanied by a decrease in economic inequality, and this gives rise to social tensions, the stability and sustainable development of a country are at risk.”

THE WTO BALI AGREEMENT: A CHANCE FOR DEVELOPING COUNTRIES?

Roberto Azevêdo, Director-General of the World Trade Organization (WTO), described the trade deal signed in Bali in December 2013 as “a leap forward in favour of developing countries”. The breakthrough at the WTO Ministerial Conference after years of stagnation was indeed a positive outcome of the negotiations, but to what extent will developing countries benefit from the package of agreements?

The accords envisage a lowering of tariffs to ease access for the poorest developing countries to the markets of industrialised and emerging countries. They foresee a strengthening of development cooperation in the area of trade and a lowering of agricultural subsidies.

For many developing countries agriculture is of vital importance. Until now international trade barriers have made it difficult for these countries to access the global market. The Bali accords promise an improvement in this area. The WTO envisages that the liberalisation will result in millions of new jobs being created in developing and emerging countries. The Federal Council considers the adoption of the Bali Package to be an important step that will create impetus for further WTO negotiations.

Representatives of civil society organisations warn, meanwhile, that the Bali Package could go against the interests of developing countries. They particularly criticise the fact that comprehensive state measures to support smallholder farmers will not be allowed in future. Furthermore, some of the industrialised countries’ commitments are not clearly enough defined, they say.



ECONOMIC GROWTH THANKS TO A RELIABLE ENERGY SUPPLY

Thanks to the support of SECO, electricity is now available around the clock in eastern Tajikistan, greatly improving living conditions for the population.



Previously shops, restaurants and factories in the autonomous province of Gorno-Badakhshan in eastern Tajikistan operated only in the summer months; there was no power in winter.

Now they are open all year round. Schools stay open in winter too, and homework can be done even in the hours of darkness. This was made possible by the Pamir Private Power project, co-financed by SECO. The project included the rehabilitation of hydropower plants and transmission lines. At the same time cheap rates and subsidies were introduced for the poorest members of society.

The provision of power round the clock has given a great boost to the economy in the province's

main city. Whereas there were previously 9 bakeries, there are now 30. The number of restaurants has increased from 2 to 11. Three new dairies have resulted in a 56% increase in dairy production. In addition, a mineral water plant has started up, and a second plant is expected to open soon in Dushanbe, the capital of Tajikistan.

The project has also had a positive impact on the environment and health. For a long time following the collapse of the Soviet Union diesel generators were used to produce power; wood was used for cooking and heating. This resulted in the destruction of around 70% of the forests in the province. Thanks to the improved energy supply these forests have been able to regenerate. The air quality in buildings has also improved considerably.



“TAILORED TO THE PRIORITIES AND NEEDS OF THE COUNTRY”

Thierry Buchs is SECO head of economic development cooperation in Colombia.



Armed conflict has been raging in Colombia for more than 40 years. What impact is that having on the country's economic development?

The conflict with the FARC guerrilla movement has had a major impact on the country. There are around five million internally displaced persons who have sought refuge in the cities. And after Haiti the country has the greatest income disparities in the western hemisphere. That increases the gulf between town and country and the formal and informal economy.

How can Switzerland contribute to improving the situation?

We are one of the few donor countries with an economic cooperation programme in Colombia. It is specially tailored to the priorities and needs of the country – sustainable urban development and job creation.

This commitment is supplemented by the humanitarian aid programme and the human rights promotion programme. Our Colombian partners greatly appreciate the linkage of these instruments that take account of the different realities and challenges on the ground.

SECO is also involved with improving infrastructure. What are the biggest challenges there?

The road network is inadequate and in a deplorable state. There is also an urgent need for investment in waste management, water treatment and spatial planning in order to promote sustainable urban development.



RESULTS 2013

NORTH AFRICA AND THE MIDDLE EAST

1 SECO support helped provide access to a **centralised sewage system for 6,800 households** in Egypt. In parallel to the quantitative and qualitative expansion of provision the system's financial sustainability was improved.

EASTERN EUROPE AND THE CIS

1 Macedonian companies were able to take part in international trade fairs, thanks to SECO support. The contacts they made there **enabled them to find international markets for their products**.

2 In Tajikistan SECO help ensured around **3,050 households were provided with water meters and 10,000 households received electricity meters**. This means bills can be accurately calculated, improving the financial sustainability of the water and electricity companies.

3 In Georgia SDC support helped 19,000 farmers increase their income. **Around 300 part-time and full-time jobs** were created in the agrarian sector. In Armenia around 3,000 farmers managed to increase their income. In Azerbaijan at least 70 new jobs were created while the income of around 650 farmers rose.

4 In southern Serbia the Swiss commitment to the private sector has led to a **10% rise in timber processing industry jobs** since 2010 (from 12,000 to 13,130 jobs).

5 SDC support to health reform and specific health projects in Central Asia, the





Western Balkans, Ukraine and Moldova has led to considerable improvements in health provision. In Tajikistan, for instance, initial and continuing training of family doctors since 2011 **has ensured medical provision for 500,000 people.**

LATIN AMERICA

1 In Colombia SECO is supporting a project to simplify building permission regulations and inspections. This has resulted in an almost **80% reduction in the time required to obtain building permission**, with a 45% cut in resources used. The simplified regulations are resulting in annual savings of USD 7 million for the Colombian private sector.

2 In Peru SECO contributed to **improving strategic planning processes in the Ministry of Foreign Trade and Tourism.** This included the introduction of monitoring software that gives the ministry and regional government authorities better oversight over export plans.

3 With SDC assistance over 8,000 families in Nicaragua were able to **increase their income by around USD 500** in 2013, thanks to improved agricultural value chains.

4 Between 2010 and 2013 around **6,000 people in Bolivia gained access to innovative financial services, such as microcredit**, thanks to the SDC. During the same time frame training measures and technical support helped 15,500 local producers develop their professional skills.

ASIA

1 In Mongolia the SDC supported a **reform of gold mining operations by small-scale cooperatives.** At the centre of this reform were improved working conditions, better pay for workers and a reduction in mercury poisoning of the streams used for gold panning.

2 In Vietnam SECO supported the reform of the companies register. This simplified the registration process for firms, and

made it easier for the public to access company information. It now takes 88% of newly registered firms **just three days instead of 15 to obtain a licence to operate.** Associated costs also fell, by around 60%.

3 In Vietnam SECO credits to Vietnamese banks and technical support led to the development of new small hydroelectric power plants that **generate an additional 261 gigawatt hours of electricity a year.** This corresponds to the annual electricity consumption of 35,750 four-person households in Switzerland.

SUB-SAHARAN AFRICA

1 In Ghana SECO supported the creation of the first collateral registry in Africa. After six months **loans totalling USD 3 billion had been allocated**, resulting in access to credit for 5,000 small and medium-sized companies and 22,000 micro-enterprises.

GLOBAL

1 Thanks to the SECO-supported Better Work project **income disparities between male and female labour migrants have been greatly reduced.** Better Work applies the labour standards of the International Labour Organization (ILO) in the textile sector. Since female migrants transfer up to 25% more money to their families through remittances than male migrants do, the project also makes a direct contribution to poverty reduction.

2 The SECO-supported International Finance Corporation of the World Bank Group completed a four-year programme at the end of 2013. This had great financial leverage: for every dollar given by a donor, banks provided USD 49 to **support SMEs investing in environmentally friendly technology.**





DEMOCRACY AND THE MARKET ECONOMY

- Strengthening parliaments, democratisation and state reform
- Promoting local government
- Developing market economies

Switzerland supports countries of the South and East in their transition to democratic, social and constitutional systems with a market economy and community-oriented local governments.

In promoting democracy Switzerland's focus is on strengthening parliaments, legal systems and good governance. Preventing and fighting corruption is of particular importance. Improving framework conditions for the private sector is another priority of Swiss transition assistance.



DEMOCRACY IN PRACTICE

Calls for freedom and democracy have become louder in many parts of the world. But the road to democracy is a long one. The example of the Western Balkans shows that it involves far more than elections and the existence of formal democratic institutions. For Switzerland, promoting democracy is an important concern.

In 2013 more than 17 million citizens in the Western Balkan countries had the opportunity to elect their representatives in communal, parliamentary and presidential elections. That can be seen as an important milestone as this formerly socialist region moves towards democracy.

Conducting elections is, however, just one element of democracy. Albania, Serbia, Kosovo, Macedonia and Bosnia and Herzegovina have all made strides in the process of democratisation, but the underlying reality shows that work has to be done to consolidate democracy and in many places to breathe life into it.

Transition: a long way to go

Since the collapse of the Socialist Federal Republic of Yugoslavia, the countries of the Western Balkans have been in a state of transition to democracy and a market economy. The process of applying for EU membership initiated key reforms that are, however, still incomplete and whose implementation is hampered by a lack of political will in many places.

Progress can be seen in decentralisation, municipal service provision and in citizen participation. However, the region's political institutions are still often weak and fragile, the economy has a great deal of catching up to do, and unemployment is a pressing problem.



More than 20 years after the first democratic elections in the region, the countries of the Western Balkans still face major challenges on the road to a functioning democracy and market economy.

Civil society and parliament

It is important that rule of law institutions and democratic instruments formally exist, but whether they function properly depends to a large extent on whether democracy has taken root.

Greater political involvement of civil society is of fundamental importance. Federations, associations and non-governmental organisations increase the population's democratic participation, and their demands contribute in the long term to ensuring that state actors operate in a transparent way and in the people's best interests.

However, successful democratisation depends on a reinforcing of all the pillars that support it. These include parliaments, as well as civil society, the media, national and local government authorities, and the judiciary. Parliaments have an important monitoring function – at the local as well as at the national level. Parliament is not just a place where laws are made and where political debates take place; it also has democratic legitimacy to monitor the workings of government.

Swiss support to the democratisation process

The promotion of democracy is a key aspect of Switzerland's international commitment. Switzerland conducts democratisation programmes not only as part of its strategy of cooperation with Eastern Europe, but in all geographical contexts.

In the Western Balkans the Swiss commitment focuses not just on administrative capacity building and promoting decentralisation, but also on strengthening civil society. SDC programmes promote the participation of citizens at the municipal level and the development of civil society organisations, for instance those active in exposing corruption. In Kosovo the SDC supports local organisations involved in citizens' initiatives, the protection of minorities, and women's rights. In Macedonia it works with non-governmental organisations that monitor public expenditure and the practices of the corporate sector.

The SDC has recently become more involved in strengthening parliaments. In Macedonia and Serbia it has launched projects to increase the transparency and efficiency of the national parliaments and to increase their monitoring function. In another example from 2013, in four regions of Georgia the SDC strengthened the local regional authorities' capacity for development planning.

“It is important that rule of law institutions and democratic instruments formally exist, but whether they function properly depends to a large extent on whether democracy has taken root.”



“I HAD TO FLEE ALTHOUGH I HADN'T DONE ANYTHING WRONG”

Vladimir Šćepanović from Kosovo had to leave his property behind during the war. The SDC-supported Kosovo Property Agency (KPA) helped him to claim back his rightful property. So far the KPA has ruled on around 40,000 cases.

“The property I laid claim to is a 44m² commercial unit in Pristina. I had bought it for one of my sons who wanted to open a small business. I married in Skopje and have a house there. Originally I'm from Montenegro. I moved to Kosovo in the 1970s...I was a real Yugoslav! That was in the good old days when Yugoslavia as such still existed.

Before the war broke out I was the director of the Gazivode waterworks that supplied Mitrovica, Srbica, Vučitrn and Pristina with drinking water. I was one of the leading experts in water supply in Kosovo.

We were all caught off guard when war broke out in 1998. No one had expected it – despite the build-up. I had to flee although I hadn't done anything wrong.

The day after I left Kosovo I heard that my business premises had been broken into and that ‘persons unknown’ had moved in. At that time there were no courts or laws. Justice didn't exist. Thousands of others were in the same position and had to abandon their property. Many never returned. Those who did go back often found their homes or businesses occupied.

After the war my son heard about the property agency. This body helps with property claims relating to homes, farming land and shops.

The proceedings involved a lot of paperwork, but in 2012 the KPA finally told me the business premises did belong to me. It took a very long time.”





“SDC programmes promote the participation of citizens at the municipal level and the development of civil society organisations, for instance those active in exposing corruption.”

Democratisation goes hand-in-hand with improved governance. That is why in its partner countries SECO particularly stresses the need for effective systems to manage public finances, a healthy and well regulated financial sector, and transparent reporting by the authorities. SECO’s multiple-level approach includes involvement in political dialogue as well as support for specific reforms.

A long, arduous process

A look beyond Europe’s borders shows that democratisation is a long, arduous process in many countries. Egypt, Tunisia and Myanmar – the recent history of these countries shows that calls for freedom and democracy in many parts of the world have not grown less loud. At the same time the current political situation in Cairo, Tunis, Yangon and in many African and Latin American states indicates that in many places the desire and the reality are far apart. This is not a misleading impression: various studies provide evidence that the level of global democratisation in recent years has actually fallen. Although there has been an observable increase in protests these have only occasionally sparked far-reaching change.

Democracy – the government of the people, by the people, for the people – is still for many the favoured form of government. However, the road to democracy is not always smooth. And yet a look back at history shows that walking this road is most likely to pay off in terms of long-term political stability and economic development that benefits all.



REDUCING BUREAUCRACY IN KYRGYZSTAN

Thanks to a SECO-supported project state inspections of companies in Kyrgyzstan are now far more efficient.



Chingiz Makeshov’s jewellery business, Keldike, in Bishkek, the capital of Kyrgyzstan, employs 80 people. They make traditional jewellery that women wear at their weddings and later hand down to their daughters. Makeshov has been in business eight years and has noticed that the number of fire safety, water and sanitation inspections by the state has fallen steeply. He sees that as a good sign.

“The numerous inspections increase the companies’ costs. Thanks to a fall in the number of inspections we were able to lower costs, and reporting figures have doubled since 2010,” explains Makeshov.

No one questions the importance of these state checks, but the countless inspections greatly impeded

business operations, says Mikhail Khakvalyuk, the owner and director of a steel construction firm outside Bishkek.

“The fall in inspections is having a positive impact on the economy, as companies are growing again. That is just what we needed. We want to pay our taxes, grow and create jobs,” says Khakvalyuk.

SECO funds enabled the World Bank International Finance Corporation to support Kyrgyz inspection reform. As a result the number of state inspections was practically halved, from 21,000 in 2011 to 13,500 in 2013. At the same time the government cut the number of inspection agencies from 21 to 12.



ENLARGEMENT CONTRIBUTION

In the framework of its enlargement contribution Switzerland supports those countries that have joined the EU since 2004. It thus contributes to reducing social and economic inequalities in Europe. Switzerland's commitment to the enlarged EU is an expression of solidarity. At the same time Switzerland's contribution strengthens the foundation for solid bilateral relations with the new EU member states. The enlargement contribution is implemented by the SDC and SECO, but is not considered official development assistance.

Between 2007 and 2012 Switzerland approved a total of 210 projects to which it contributed CHF 1 billion. It is not least thanks to the good cooperation Switzerland has with its partner countries that the majority of projects are implemented in a satisfactory way, and the first positive interim results are being seen. For instance, the microcredit programme in Latvia exceeded its goals in 2013. The Hipotēku Banka development bank, which is responsible for implementing the programme, has already awarded 800 microcredits to a total value of CHF 8 million instead of the planned 650 microcredits. As a result up to 2,000 jobs have been created.

Cooperation with Romania and Bulgaria began in 2010. The commitment period for projects ends in December 2014. Already 93% of the total budget of CHF 257 million has been allocated to projects, and some of these have already been implemented. In Romania, for instance, a careers orientation programme was launched, involving secondary school pupils and businesses, and in Bulgaria an ambulatory care service was introduced that is based on the tried and tested Swiss Spitex model.



“PEOPLE WANT TO KNOW WHAT THE GOVERNMENT IS SPENDING THEIR MONEY ON”

Katharina Häberli Harker works for the SDC in Belgrade, Serbia, as a senior regional governance advisor:

What is the nature of your work?

In 2013 my work focused on promoting regional conferences on topics such as planning and transparency of municipal funding and the achievements of municipal associations. At the end of 2013 we launched an interesting regional programme that took the imposition of a property tax as an opportunity to encourage the municipalities to show accountability towards the people. After all, citizens want to know what the government is spending their money on.

What event in 2013 do you look back on with most satisfaction?

One thing that stands out is our regional governance workshops, at which employees of the country offices and headquarters together developed ideas

for programmes and partnerships and expanded local expert networks. In 2013 we met in the south of Serbia. We developed instruments to support civil society, and looked for ways the SDC could promote adequate municipality funding.

Where do you see the greatest challenges for the region in the field of governance?

One troubling but very widespread development is the awarding of public sector jobs to party members – regardless of their suitability. This undermines the quality of services provided. The SDC supports new initiatives for a performance-driven reform of the public sector and is broadening its support to local parliaments so that they can monitor the work of the executive.





RESULTS 2013

EASTERN EUROPE AND THE CIS

- 1 In Macedonia the SDC supports cooperation and dialogue between municipalities. This contributed to the fact that **70% of citizens of these municipalities were partially or completely satisfied with the quality of services offered by their local authorities** in 2013.
- 2 The SECO partner countries of Ukraine, Kosovo and Macedonia are among the 10 states that have done most to reform their business environment, according to the latest Doing Business report of the World Bank. **Specific measures to improve the business environment** have

led to a considerable increase in company efficiency. The relevant authorities have also been able to save resources or use them more efficiently.

- 3 In Kyrgyzstan the SDC helped between 2011 and 2013 to develop a model for the Issyk Kul and Jalalabad regions to promote the participation of citizens in political processes. **In discussions with the local populations 146 action plans were developed at the municipal level.** The participation of women stood at 47%. The model is now being extended to other regions of the country.



LATIN AMERICA

- 1 In Peru considerable progress was achieved in implementing a national programme, co-financed by SECO, to reform the management of public finances.



Clear improvements are visible in the areas of budgeting and cash management. The Ministry of Economy and Finance is also very keen to implement reform at the subnational level.

new constitution in June 2013 reflects this.

- 2 In South Africa access to courts has improved. Thanks to SDC support, **15 new local courts were established** in the townships and in rural districts.

ASIA

- 1 In the Malakand region of Pakistan reforms strengthened the rule of law. Through its **support for mobile courts and alternative approaches to conflict resolution**, the SDC made an essential contribution to this development.
- 2 In Nepal access to courts was improved for marginalised population groups. Thanks to Switzerland's partner organisations, 24 cases were passed to the national court and three cases to the UN High Commissioner for Refugees. In addition, the SDC helped with **legal counselling and support for 530 labour migrants**.
- 3 In Laos over 500,000 families were involved in drawing up the **development plans that guaranteed them access to their land**.
- 4 In Pakistan the 2013 elections were more peaceful than those held five years previously. Voter participation stood at 60%, considerably higher than in 2008 when it was 45%. Ahead of the polls, Switzerland **supported the training of around 25,000 police personnel** who contributed to the peaceful conduct of the elections.
- 5 A SECO co-funded programme in Indonesia led to improved transparency in the public administration. This included **improvements to the public procurement system, accounting, and budget procedures**.



SUB-SAHARAN AFRICA

- 1 In Tanzania the SDC helped strengthen civil society organisations, which were then able to establish **closer dialogue with the government at the national and local level**. As a result, government decisions are increasingly in line with the interests of the people. The drafting of a

RESEARCH AND INNOVATION: KEY TO GLOBAL SUSTAINABLE DEVELOPMENT

Research together with technological and social innovation plays an essential role in reducing poverty and global risks.

Science contributes to solving development problems and coping with future challenges. It questions and analyses, delivers new findings and well-founded recommendations, and in doing so creates the basis for a shift towards climate-friendly sustainable development in all regions of the world.

The SDC and SECO work with Swiss research institutes as well as with numerous partners in Eastern

Europe, Africa, Asia and Latin America. They primarily support research projects dealing with global challenges, such as poverty and hunger, inequality, scarcity of resources and environmental change in developing regions.

The research findings support the planning and implementation of development projects. The SDC and SECO benefit from the expertise of universities and institutes of higher education, and they in turn contribute to the effectiveness of international cooperation.

The first SDC research fair



At a joint event held by the SDC and the Swiss Commission for Research Partnerships with Developing Countries (KFPE) in June 2013, researchers presented innovative products that they had developed with their research partners from Africa, Asia and Latin America.

A spectographic method to measure soil quality, measures to improve standards of sanitation in the slums, ways of reducing CO₂ emissions in herds, and sensors to locate water in dry areas – these diverse examples from the first research fair show how research in and with developing and emerging countries can contribute to solving development problems.

The North-South National Centre of Competence in Research – a success story

The National Centre of Competence in Research North-South (NCCR North-South), which concluded successfully in 2013, was a collaboration between six Swiss research institutes and 140 partner organisations in Africa, Asia and Latin America. South-South cooperation was one of the cornerstones of the NCCR North-South.

From 2001 until 2013 around 1,250 researchers worldwide worked together to find solutions to problems in the areas of poverty, conflict, migration, health, waste water, natural resources, regional development and governance. They compiled more than 2,300 publications, including over 65 policy briefs. Policy Brief No. 14, Social resilience: a new approach in mitigation research, for instance, illustrates what malaria in Tanzania, labour migration in Pakistan and pregnant teenagers in Ghana have in common.

The SDC provided CHF 42.5 million in funding to the NCCR North-South over 12 years.



“Involving social actors throughout the research process is one way to attain not only useful results, but also outputs that can become part of public policies and local development practices.”

*Elisabeth Jimenez,
Centre for graduate studies in development (CIDES), Bolivia*

“We expect that in the coming years research will deliver new answers and insights, as well as innovative tools that support the process of transformation to a sustainable global development for all.”

*Martin Dahinden,
Director-General
of the SDC*



r4d – Research for Development: A joint SDC-Swiss National Science Foundation (SNSF) Programme

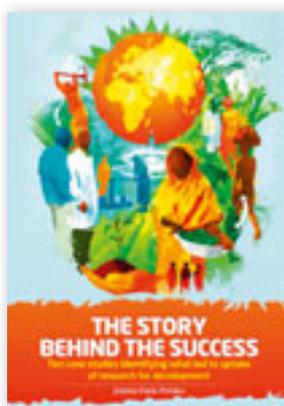
In response to the global challenges of international cooperation, the SDC and the Swiss National Science Foundation (SNSF) launched the Swiss Programme for Research on Global Issues for Development (r4d) in 2012. The programme will provide around CHF 100 million in funding over the next ten years to support partnerships between research institutions in Switzerland, Africa, Asia and Latin America.

Central to this programme are development-relevant topics, such as conflict, employment, food security, ecosystems and health in poor and developing re-

gions. In evaluating research applications equal weight is given to scientific quality and relevance for development. In 2013 the first funding decisions were taken. In the thematic modules “Causes of and solutions to social conflicts in contexts of weak public institutions” and “Employment in the context of sustainable development” three research projects each will be funded over six years. The SDC is contributing a total of CHF 72 million to the programme.

Translating research into practice

In the context of Switzerland’s multilateral engagement, the SDC supports the CGIAR global agricultural research partnership that unites 15 international research centres. The work and findings of CGIAR have in many places led to positive developments in agriculture.



This is illustrated by *The story behind the success*, a book that came out in 2013 and that is based on ten case studies compiled by the CGIAR International Water Management Institute (IWMI) over the past ten years. The book describes efforts to promote the uptake of research results and the effect achieved.

“The implementation of research results (uptake) is a discipline in its own right, which must from the outset be integrated into the research to ensure that the recommendations are adopted.”

*Joanna Kane-Potaka,
author and former
director of the
Information and
Knowledge Group
of the IWMI.*



GLOBALISATION THAT PROMOTES DEVELOPMENT

- *Protecting the environment and natural resources*
- *Renewable sources of energy and greater efficiency*
- *Efficient use of resources*

International rules that promote development also allow small and poor countries to assert their rights. The international community's collective rules must be formulated in such a way that all countries understand their environmental rights and can be integrated into the global market in a lasting way.

Switzerland plays an active role in the UN environmental organisations, the World Bank, regional development banks and the UN Food and Agriculture Organization (FAO).

But developing countries too must make a contribution and assume their obligations. These include a sustainable and efficient use of the environment and its resources, and the provision of non-fossil energy sources.

CLIMATE CHANGE AS AN OBSTACLE TO DEVELOPMENT

Climate-related development projects often have multiple benefits: they reduce the causes and effects of climate change, and at the same time contribute to reducing poverty. The commitment to sustainable forest management exemplifies this. Environmental sustainability is a guiding principle of Switzerland's international cooperation.

Worldwide 13 million hectares of forest is burned or cleared annually – an area three times that of Switzerland. This has a noticeable effect on the climate: almost one-fifth of the global increase in carbon dioxide in the atmosphere is attributable to deforestation.

Developing countries are particularly badly affected by deforestation. At the same time, in those countries forests form the economic basis of many people's existence. According to the World Bank, around 400 million people living in poverty depend on forest resources for a livelihood.

The forest protection agreement – a multilateral success

Forest protection cannot be separated from global climate change and efforts to combat poverty. Yet for a long time deforestation was scarcely considered at the international level. It was only in 2006 at the Bali Climate Change Conference that an initiative was launched to halt the rapid decline in global forest cover. The REDD forest protection mechanism ("Reducing Emissions from Deforestation and Degradation") creates a financial value for the carbon stored in timber. It financially rewards local communities, forest users and



countries for protecting their forests. In so doing they not only mitigate climate change, but ensure the livelihoods of millions of people.

Although REDD makes economic sense – curbing deforestation is one of the most cost-effective ways to lower greenhouse gas emissions – a conclusion to the negotiations was only reached in November 2013 at the Warsaw Climate Change Conference. This was one encouraging outcome of the otherwise arduous climate negotiations.

Climate and development

Climate change is a global phenomenon. Yet its effects are felt most keenly in places where people's existence depends directly on nature. Poor countries are frequently worst affected, especially since they are often inadequately prepared for the challenges associated with climate change. They lack the financial, technical and political means to adapt to the new climate conditions.

Droughts, flooding, heatwaves, the drying up of sources of water, and rising sea levels may pose huge problems to large sections of population and put their future in jeopardy. The UN Intergovernmental Panel on Climate Change (IPCC) also fears that the results of climate change – particularly a shortage of water – could lead to more political instability and violent conflicts.

Switzerland's broad commitment

In view of these challenges Switzerland has in recent years extended its international commitment in the area of climate change. In 2011 Parliament approved around CHF 140 million for additional climate measures in developing countries, to help affected regions better prepare for climate change and lower greenhouse gas emissions. For instance, in the Mekong region, in Colombia and in Peru 28 small and medium-sized enterprises were able to greatly reduce their volumes of waste thanks to a programme to promote more environmentally-friendly means of production.

The SDC is also helping, notably in the highlands of Peru, to better predict natural disasters – and to reduce the associated risks, including food shortages. Aided by Swiss experts, China, India and South Africa developed new national climate policies and legislation in 2013. In India the SDC promoted renewable energy sources. An important aspect of these projects is political dialogue: only if the relevant authorities give political support to adaptation can these projects have a lasting impact. In Asia and Africa the SDC supports two regional development programmes to increase the role of forests in the climate strategies of the countries concerned. SECO puts its main focus on tackling the causes of climate change. Reducing greenhouse gas emissions, improving

“Climate change is a global phenomenon. Poor countries are frequently worst affected, especially since they are often inadequately prepared for the challenges associated with it.”



CLEAN ENERGY FROM RICE HUSKS

Le Minh Truong is the director of a Vietnamese food manufacturer. A SECO project enables him to produce clean energy from surplus rice husks.

The food manufacturer Song Hau Food in southern Vietnam produces 200,000 tonnes of rice a year for the local market and for export. This requires a huge amount of energy. At the same time there is great potential to optimise the firm's use of resources as well as its production processes.

Between 2000 and 2010 the Vietnam Cleaner Production Centre was established with the support of SECO and the United Nations Industrial Development Organisation (UNIDO). Experts at the centre analysed all aspects of Song Hau Food's production. The result was around two dozen easily implementable measures to increase productivity and environmental protection.

These included the utilisation of surplus rice husks for energy generation. This measure has paid off for the company of Le Minh Truong. It allows Song Hau Food to save over 230,000 kilowatt hours of energy every year. That corresponds to USD 15,000, or 140 tonnes of CO₂ emissions.

“We are very grateful for the support,” says Le Ming Truong. “It allowed us to substantially increase production and at the same time reduce environmental pollution.”

The director is already eyeing further adaptations. He wants to use organic waste to create the heat needed to dry his rice. This very promising venture could result in annual savings of around USD 500,000.





energy efficiency and promoting renewable energies are key examples of its commitment. In addition, SECO campaigns within international institutions like the World Bank for tougher measures against climate change, and promotes economic growth in line with environmental principles.

Development cooperation with multiple benefits

Climate projects often have multiple benefits. They fight the causes and mitigate the effects of climate change, and at the same time contribute to poverty reduction and safeguard livelihoods. This is demonstrated by the switch to sustainable forest management in Brazil. The 80% fall in deforestation country-wide was accompanied by a massive reduction in extreme poverty. The SDC commits around CHF 10 million per year to forestry projects.

Global solutions required

Given the global significance of climate change, a commitment at the local level is not sufficient. Switzerland plays an active part in the international UN climate negotiations, and campaigns for a fair and binding political framework for developing countries. In cooperation with the Federal Office for the Environment, the SDC and SECO are pressing for the completion of a new climate accord set to be adopted in Paris in 2015.

The results of the negotiations have so far fallen well short of expectations. In particular the financing of climate change adaptation is proving to be a sticking point. According to estimates, up to USD 67 billion is needed in the poorer developing countries alone to noticeably mitigate the worst effects of climate change. The failure of the talks would have drastic consequences – for developing countries as well as for industrialised states. If the opportunity to act is missed today, in the future it may be too late. The forests illustrate this well: a tree can be chopped down quickly, but for it to reach its full size takes dozens if not hundreds of years.

“Climate projects often have multiple benefits. They fight the causes and mitigate the effects of climate change, and at the same time contribute to poverty reduction and safeguard livelihoods.”

EXPLOITING SYNERGIES THROUGH NETWORKS

The SDC and SECO have been implementing climate projects for over 20 years, and have built up a treasury of knowledge and experience on which they can draw in current and future projects.

But communication across continents is not always easy. The potential for synergies and a transfer of knowledge, for instance, between the Andean countries, the mountain regions of Switzerland and the Himalayan region is huge – but it has to be tapped. This is why the SDC launched thematic networks five years ago.

The SDC Climate Change and Environment Network comprises over 200 members from Switzerland and abroad. In addition to specialists from SDC cooperation offices and headquarters it includes external experts and partner institutions. Experts in the field have the opportunity to share experiences with colleagues in other countries and working environments. In this way experiences and skills are pooled and developed.

Members of the Climate Network recently developed the Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) instrument, a practical handbook that is freely accessible and enables other institutions to draw on the network’s experience and expertise. The OECD highlighted CEDRIG as a good example of how to integrate environmental and climate risks in humanitarian and development programmes.

SECO also has networks, including one for climate issues. Activities in this area are cross-departmental. SECO’s climate network acts as an important coordinator between departments dealing with this topic. Climate issues can be addressed in a more integrated and effective way through exchanges and networking between different perspectives.



BEES, TREES AND MOUNTAIN STREAMS: COMPENSATION FOR THE PROTECTION OF WATER CATCHMENT AREAS

The Bolivian mountain farmer Diovigildio Ayala is receiving compensation from the SDC-supported Natura Foundation for conserving natural reservoirs. He doesn't want money – he would rather be paid in bees.

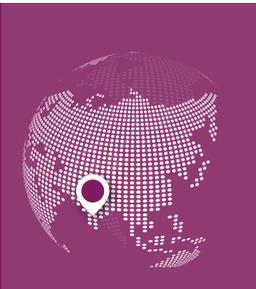


Diovigildio Ayala grew up on the rough slopes of the Bolivian Santa Cruz valley. As a child he learnt to value bees as plant pollinators, honey producers and a source of income. Now he farms in this region that provides water for the people in the valley far below.

So that the people down the valley can also benefit from clean, fresh water Natura, aided by the SDC, is trying to win the municipalities' support for a programme to compensate farmers for conserving natural water reservoirs like pastures or forests. Taxpayers further down in the valley pay into a water fund, which compensates landowners upriver for their conservation efforts.

Natura also offered Ayala financial compensation to adapt his cultivation methods and protect the drainage basin. He didn't want money though – he preferred payment in bees. "If I am paid in Bolivianos I will just spend them again straight away," says Ayala. "I want to create something lasting with these payments."

Natura places great emphasis on sustainable projects. In the past eight years the model has been further developed and extended to other parts of the valley. In this way Natura contributes to ensuring that around 1.5 million people benefit from clean water, and mountain farmers are better protected against logging. The programme could blaze a trail for the Andes region.



“DEVELOPMENT AND ENVIRONMENTAL PROTECTION MUST GO HAND IN HAND”

Janine Kuriger works for the SDC in New Delhi, India, as Head of Cooperation, Climate Change and Development.



New Delhi is one of the cities in the world with the worst air pollution. What is the reason?

There are many reasons: car exhaust fumes, diesel generators, coal-fired power plants, open fires to provide heat in the winter. Air pollution isn't just detrimental to health, it is also bad for the climate. The fine dust particles released through the incomplete combustion process absorb sunlight and contribute to global warming. Fine particles are also being linked to the retreating glaciers in the Himalayas. Deposits on the ice lead to greater absorption of sunlight and the ice melting faster.

Is the local population fully aware of this issue?

There is some awareness. However, for many people the priority is an improvement in their economic situ-

ation. The challenge is to find ways that economic and social development can go hand in hand with environmental protection. This is also where our climate programme comes in.

What Swiss competences in the area of climate research can benefit India?

Switzerland contributes recognised expertise in climate research and in energy issues. For that reason one of the things we support is an exchange of knowledge between researchers, authorities and the private sector in the areas of glaciology and energy-efficient construction. Thanks to our long and acknowledged experience, we also play a leading role in donor coordination in the building and SME sector.



RESULTS 2013

NORTH AFRICA AND THE MIDDLE EAST

1 The Blue Peace initiative launched by the SDC initiated a **political dialogue on cross-border water management** in Libya, Jordan, Syria, Turkey and Iraq.

LATIN AMERICA

1 The SDC supports the water footprint principle. In Peru and Chile many companies have adopted the concept that enables **more efficient water management**.

ASIA

1 Through the “green credit line”, SECO supported measures in Vietnam including **the replacement of outdated production lines by modern, more environmentally friendly processes**, considerably lowering electricity usage and greenhouse gas emissions.

SUB-SAHARAN AFRICA

1 The Interact Climate Change Facility, in which the SECO-supported Swiss Investment Fund for Emerging Markets (SIFEM) invests, provided backing to an energy-efficiency project in Ghana. By the end of 2013 **this project had cut CO₂ emissions by around 0.53 million tonnes** in total. That corresponds to the level of CO₂ emissions that would be caused by 1000 persons making 230 round trips from Zurich to New York.





GLOBAL

- 1 SDC efforts in support of organic farming prompted the African Union to launch an initiative across the continent to **promote healthy and balanced nutrition**. The initiative is also intended to increase the sustainability of production systems, which are under great pressure as a result of climate change.
- 2 Through SIFEM, SECO is supporting a fund for sustainable forestry in Africa that invests in FSC-certified plantations. Thanks to this, **2.8 million tonnes of CO₂ emissions have been prevented** so far. This corresponds to the emissions produced by a small coal-fired power station in one year.
- 3 Through its expertise and long experience in Central America and the Caribbean, the SDC helped **step up the global transfer of knowledge on reducing post-harvest losses**, focusing particularly on the storage of grain and legumes. New initiatives in this area were launched in 10 African countries.
- 4 Switzerland has greatly influenced the international debate on direction-setting in the post-2015 development agenda. It is **the only country to have taken on a leading role in 2 of 11 UN Global Thematic Consultations**. Switzerland's position in the domains of water and population dynamics has been discussed throughout the world.
- 5 In the Mekong region, Colombia and Peru 28 small and medium-sized enterprises were able to reduce their volumes of waste, thanks to a programme **promoting more environmentally-friendly production processes**. In 2013 this resulted in a drop in CO₂ emissions of around 220 tonnes. This corresponds to the emissions produced by one person flying from Zurich to Athens and back 440 times.
- 6 The SDC helped its multilateral partners **to improve their systems of self-evaluation**. These efforts included creating an independent evaluation office within the United Nations Population Fund (UNFPA), and setting up an evaluation system at UNICEF. Thanks to these measures, the institutions can better channel their experience and acquired knowledge into their future activities.
- 7 Through the SDC presence in the Green Climate Fund board as well as in the Geneva International Finance Dialogues, Switzerland was able to **involve the private sector more fully in multilateral negotiations on climate change financing** in the energy sector.
- 8 As a member of the governing board of various international organisations, Switzerland played an active role in **consolidating and strengthening gender equality** in the UN organisations and in the World Bank.
- 9 The SDC supported innovative projects in the area of agricultural advice. Using the latest communications technology, such as mobile services and farmer-to-farmer videos, these projects **involved farmers more fully in agricultural research and advice**, and enabled them to increase their production.
- 10 With the support of Swiss experts, China, India and South Africa developed **new national climate policies and legislation**.
- 11 In partnership with the Forest Trends think tank and the global Katoomba Group network, the SDC advocated an international initiative that foresees **higher investment in and payments for the provision of cross-border watersheds**.
- 12 In cooperation with the World Bank, the SDC launched the Global Knowledge Partnership on Migration and Development (KNOMAD). The project will take the form of a single platform, **making studies, data sets and development instruments available to states and other stakeholders**, and generating new knowledge.





Sunda Kalepa is the oldest port in the Indonesian capital, Jakarta. It is a gateway to the world for around 17,000 islands around Java. From here traditional boats transport goods for trade between the capital and the islands.

Economic prosperity and growth, which extends to broad sections of society, is the key to development that alleviates poverty. The Global Programme Finance and Trade advocates the creation of global and national economic rules that are as development-friendly and sustainable as possible. Dismantling trade barriers, use of intellectual property, the optimisation of framework conditions for productive investment, and the promotion of technology transfer are key aspects. A further priority is the development of a fair and efficient taxation system.





Swiss partnerships

PARTNERSHIPS FOSTERED ON THE BASIS OF EXPERTISE

Development cooperation is effective when it contributes to political, economic and social change, and creates new opportunities for action. This requires a variety of partners with complementary knowledge and experience.

Partnerships with independent non-governmental organisations (NGOs) and the Swiss private sector are a key pillar of Switzerland's international cooperation. Experience, knowledge and skills can be pooled through operational cooperation and an exchange with NGOs and firms on different policy issues. Partnerships are an investment in these actors' development expertise, and support social, economic and political change.

Knowledge as a key element

Broadening knowledge, critical analysis of lessons learned and promoting learning processes are all central to the SDC and SECO partnerships with Swiss NGOs. A further aim of the partnerships is that civil society organisations in partner countries, such as farmers' associations and social movements, expand their analytical knowledge. As a result they are able to mobilise disadvantaged population groups to press for basic services and respect for social and environmental standards. In this way local organisations are strengthened in their ability to devise solutions to problems and to enter into negotiations with government decision makers.

Swiss NGOs have developed unique expertise in a variety of areas and have implemented innovations, including improved local health information systems and educational forms of juvenile justice. NGOs have passed skills on to local partners, enabling them to tackle problems on the ground. This practical knowledge is a central element in the partnerships.

Private investment as an opportunity

Company investments also have an important influence on the development of partner countries. Therefore the SDC and SECO work with various

companies towards a common goal: shaping social, environmental and economic development to which all contribute and from which all benefit. To this end, Switzerland conducts a strategic dialogue on development issues with a variety of Swiss firms, and supports operational partnerships in partner countries.

In Colombia, for example, public-private development partnerships support companies in reducing their water footprint. This not only spares the natural resource but also has a positive effect on water pollution and consumption in production processes. The partnership is also making an important scientific contribution to developing an ISO water footprint standard.

Through these partnerships Swiss development cooperation gains access to expertise and resources that enable it to have a lasting and effective influence on a country's development. At the same time companies also benefit from the experience. They know that it is only possible to operate successfully in the long term in a stable environment where development is sustainable.

Partnerships are increasingly important

In view of today's development challenges, it is likely that emphasis will be placed on extending and transferring knowledge among development partners in the future. Multi-stakeholder partnerships between governments, civil society, research institutes and the private sector are therefore increasingly important. At the same time a higher level of expertise is being required of stakeholders. Greater interaction between the different actors is needed, along with scope for innovative solutions.



Multilateral cooperation

MORE THAN THE SUM OF ITS PARTS

Joint action is needed to respond effectively to the increasingly complex and interconnected challenges of international cooperation. Multilateral organisations have a central role to play here. Switzerland makes a significant contribution to their work and effectiveness.

Multilateral organisations are key players in international cooperation. They have the necessary technical and financial means, the weight and the experience to successfully coordinate and implement measures at a national and an international level.

Switzerland is an active member of various multilateral organisations, and contributes to joint efforts to tackle global problems, to combating deprivation and poverty, and to overcoming crises. It sits in the governing and monitoring bodies of the international financial institutions and UN organisations that it supports financially.

Cooperation on new strategies

At the multilateral level, the year 2013 was marked by the replenishment of the concessional funds of the International Development Association (IDA) and the African Development Fund (ADF). These funds are used to finance development programmes. In addition, a new World Bank strategy was passed in 2013. It is primarily aimed at reducing extreme poverty worldwide and promoting a prosperity that all, and especially the poorest, can share in.

Several UN organisations – including the Development Programme (UNDP), the Population Fund (UNFPA) and the Children’s Fund (UNICEF) – agreed new strategic frameworks in 2013. Switzerland had played an active role in the preparatory discussions, and succeeded in introducing numerous thematic and institutional priorities. Apart from the focus on the poorest and most vulnerable, these include a greater emphasis on issues such as fragility, governance, health and gender equality.

The greater thematic focus and exploitation of synergies should enable multilateral organisations to work in a more targeted way towards the desired results.

Improving effectiveness

The SDC and SECO regard it as a priority that the multilateral organisations in the field work effectively. In 2013 they actively sought to improve coordination between the UN organisations and the World Bank in the areas of operation, thereby contributing to more effective and efficient cooperation. In Yemen, for instance, Swiss support helped to define a joint outcome framework for development cooperation by donors, multilateral organisations and the government. Thanks to its support over many years, Switzerland was also able to actively contribute to a reform of the UN operational development system. The measures agreed will improve the effectiveness and coherence of the UN system, both at the headquarters in New York and in the field.

Furthermore, in 2013 Switzerland again made an active contribution to the Multilateral Organisation Performance Assessment Network. This international donor network aims to improve the capacity of international organisations to measure their effectiveness. As a member of the task force, Switzerland played an essential role in re-orienting the network in 2013, with the aim of improving the quality of evaluations by multilateral institutions.

Members of the Advisory Committee on International Development Cooperation in 2013 visited the World Bank and the UN funds and programmes that are priorities for Switzerland. They were impressed by Switzerland’s work in these multilateral organisations, and noted that Switzerland was making very good use of its scope for action and involvement at a multilateral level.

Multilateral humanitarian aid

In 2013, as in previous years, two-thirds of Switzerland’s humanitarian budget was allocated to multilat-



Bangladesh is particularly affected by the rising sea level. The two women look out over a flooded river in Khulna, an area in the south-west of the country that is regularly hit by floods.

Climate change is causing more poverty, hunger and natural disasters in developing and emerging countries. These global challenges are the focus of the Global Programme Climate Change. By promoting access to sustainable energy sources and the ability to adapt to changed environmental conditions the programme contributes to reducing poverty and to climate-compatible development.



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On a market in the Peruvian capital, Lima, a man waits for customers with a set of scales and a blood-pressure gauge. Good, easily accessible health care remains a major challenge in many developing countries.

Switzerland's international cooperation in the health sector aims at ensuring that developing countries are in a position to offer their people affordable, good quality health services. It is founded on Switzerland's long experience in the health sector as well as on the expertise of research institutions, specialised aid organisations and industry.

eral activities. Through these activities Switzerland helps save lives and alleviate suffering in many countries. Support to multilateral partners consists of financial contributions and technical know-how, particularly in Syria and surrounding countries, in Sudan and South Sudan, in Central Africa, Mali and the Horn of Africa. In fragile contexts it is often only possible to extend emergency aid through multilateral partners. In 2013 Switzerland took part in projects delivering emergency aid to around 19 million people.

An important partner for Switzerland is the International Committee of the Red Cross (ICRC). In 2013, Federal Councillor Didier Burkhalter and ICRC President Peter Maurer signed an agreement on strengthening cooperation. The already close contact in areas including international humanitarian law will be further developed, along with the exchange of knowledge and experience in multilateral cooperation and at an operational level.

Neutrality, independence, impartiality

In 2013 Switzerland provided financial and material contributions, in addition to placing specialists at the disposal of multilateral organisations. As a member of the UN organisations, Switzerland actively promoted international humanitarian law and respect

for the humanitarian principles of neutrality, independence and impartiality.

Switzerland and 41 other donor countries also supported the promotion of the Good Humanitarian Donorship principles in 2013, whose aim is to ensure aid is delivered in the most coherent and coordinated way.

Which multilateral organisations are priority recipients of Swiss support?

UN-Organizations: **UNDP** – Development program, **UNICEF** – Children's fund, **UNRWA** – Agency for palestine refugees in the Near East, **UNFPA** – Population fund, **UNHCR** – Office of the high commissioner for refugees, **WHO** – World health organization, **UNAIDS** – Program on HIV/AIDS, **WFP** – World food program, **UNWOMEN** – Development fund for women, **UNISDR** – The United Nations Office for Disaster Risk Reduction

International financial institutions: **IDA** – International Development Association, **AfDB** – African development bank, **AsDB** – Asian development bank, **IDB** – Inter-american development bank, **IFAD** – International fund for agricultural development

Additional international organizations and networks: **GFATM** – Global Fund to fight AIDS, Tuberculosis and Malaria, **CGIAR** – Consultative Group on International Agricultural Research, **ICRC** – International committee of the Red Cross, **IFRC** – International federation of Red Cross and Red Crescent societies



“AN END TO IMPUNITY FOR CRIMES OF SEXUAL VIOLENCE IS CENTRAL”

With the help of the UN Trust Fund to End Violence Against Women, which is co-financed by the SDC, networks of medical workers, police and members of the judiciary in Kenya are for the first time receiving training in combating sexual violence.



Every year tens of thousands of people in crisis areas fall victim to sexual violence. However, it is rarely possible to bring the perpetrators to court. The impunity of perpetrators makes it harder to combat sexual violence, and increases the social stigma that attaches to the victims. “To open up and say what has happened to you – that is the most difficult thing. Everyone will look at you differently, and exclude you from society,” says Wangu, a rape victim. Even if she does find the courage to press charges against the rapist there is a good chance that the justice system will fail her, or that there will not be enough evidence.

Through the UN Trust Fund, the SDC supports a project run by Physicians for Human Rights (PHR) that deals with exactly this problem. More than 350 doctors,

police officers, lawyers and judges have so far received training. “We had no idea how the other departments worked,” said a doctor after one of these training sessions. “Now I understand how I must document the evidence so that it can be used in the courtroom. We are all working together.”

Last year PHR launched an app for mobile phones that makes it easier for doctors to document the medical evidence correctly and pass it on so that all the legal requirements are fulfilled. “Our biggest problem is a lack of evidence,” says Michael Sang, a prosecutor from Kenya. “In future we will be able to deliver this evidence and finally make convictions. There will be justice in this country!”

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)

The SDC is the international cooperation agency of the Federal Department of Foreign Affairs (FDFA). Its activities cover the following areas:

Regional Cooperation helps people and organisations in their own efforts to overcome poverty and development challenges in priority countries in Africa, Asia and Latin America. The regional development banks are important partners.

Cooperation with Eastern Europe and the Commonwealth of Independent States (CIS) supports political and economic reform processes in the Western Balkans, the Caucasus region and Central Asia. Together with SECO the SDC provides support to new EU member states as part of Switzerland's contribution to EU enlargement.

Global Cooperation enables Switzerland to lend material and financial support to UN institutions, international financial institutions (i.e. World Bank, regional development banks) and global networks. Through its global programmes, the SDC helps deal with global challenges such as climate change, food security, water scarcity and migration, all of which severely affect the development prospects of poor countries.

Humanitarian aid saves lives and alleviates suffering in the wake of natural disasters and armed conflict. Swiss Humanitarian Aid and the Swiss Humanitarian Aid Unit (SHA) seek to help victims of crises and conflicts through emergency relief and reconstruction as well as through preventive action.

As at the end of 2013, the SDC had a total of 1,651 full-time equivalent positions, of which 365 at the head office, 135 expatriates and 1,151 local employees. Martin Dahinden serves as the SDC director-general.

STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)

SECO is part of the Federal Department of Economic Affairs, Education and Research (EAER). SECO's Economic Cooperation and Development Division designs and implements economic and trade policy measures with selected advanced developing and transition countries. It also works with new EU member states (Swiss contribution to EU enlargement).

The main priority of SECO's Economic Cooperation and Development Division is the **promotion of economically, environmentally and socially sustainable growth**, which creates new jobs, encourages greater productivity and helps to reduce poverty, inequality and global risks. The division also coordinates Swiss relations with the World Bank Group, regional development banks and UN economic institutions.

In order to **help partner countries become a part of the global economy and make them more competitive**, the activities of the division are focused on strengthening economic and financial policy, expanding urban infrastructure and supply, supporting the private sector and entrepreneurship, encouraging sustainable trade and providing stimulus for climate-friendly growth.

SECO is run by State Secretary Marie-Gabrielle Ineichen-Fleisch. As at the end of 2013, the Economic Cooperation and Development Division had a total of 186 full-time equivalent positions, of which 89 at the head office, 19 expatriates and 78 local employees. This division is run by Ambassador Beatrice Maser.

Statistics 2013

Swiss International Cooperation



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

State Secretariat for
Economic Affairs SECO

Official development assistance (ODA)

- Official development assistance (ODA) is defined on the international level as the total of all financial flows to developing countries and territories (currently 148) and to multilateral development institutions (i) from the official sector; (ii) with the promotion of economic development and welfare as its main objective; (iii) at concessional financial terms.
- The performances of donor countries are usually compared on the basis of the ODA percentage referring to the gross national income (GNI).
- To ensure the comparability and transparency of ODA contributions of its 29 members (28 countries and the European Union), the Development Assistance Committee (DAC) of the OECD has established comprehensive statistical reporting directives to regulate the reporting procedures. These rules define the activities and the contributions that are ODA-eligible and are being periodically adapted and updated.
- Swiss ODA contributions contain mainly the SDC and SECO budgets, the two organs which are commissioned to execute the Federal Act on International Development Cooperation and Humanitarian Aid and the Federal Act on the cooperation with Eastern European countries. Other federal offices as well as 25 cantons and about 200 municipalities also participate in Switzerland's international cooperation. In conformity with DAC's reporting rules, Switzerland also declares since 2003 bilateral debt relief measures (within the framework of the Paris Club) as well as the costs for the assistance to asylum seekers from developing countries during their first year of stay in Switzerland.
- Not all annual SDC and SECO expenditures that appear in the Confederation account are automatically reproduced in the ODA statistics. Certain statistical adjustments are made in order to comply with the international directives (not included are disbursements intended for countries or organisations that are not on the OECD/DAC list, different notification practice for specific multilateral contributions, see comment to table 4, p. 15).
- The financial contribution of the SDC and SECO to the enlargement of the European Union (EU) is not reflected in detail in this booklet.

Financing for development beyond ODA

- Non-ODA flows beyond ODA account for an important part in the broader picture of the development finance. These include mainly for Switzerland private capital flows at market terms (foreign direct investments, bank lending, guaranteed export credits) as well as private grants by non-governmental organisations and foundations.

Symbols:

- | | |
|------------------------------------|-------------------------|
| 0.0 = amount less than CHF 50'000. | p = provisional figures |
| – = nil | r = revised figures |
| .. = not available | |

More detailed information is available in the annual SDC statistical publication "Aide au développement de la Suisse" and on SDC's and SECO's web sites:

www.sdc.admin.ch/en/Home/About_SDC/Facts_and_figures

<http://www.seco-cooperation.admin.ch>

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SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA)

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SDC/SECO EXPENDITURES



Table 1

DEVELOPMENT OF SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) AND NGO DONATIONS 1960–2013 (MIL. CHF)

	1960	1970	1980	1990
ODA	15.1	130.0	423.1	1 041.4
Confederation	15.1	126.4	416.7	1 025.6
Cantons and municipalities ^a	..	3.6	6.4	15.8
Gross national income (GNI) ^b	37 066	92 570	177 270	347 228
ODA as % of GNI	0.04%	0.14%	0.24%	0.30%
ODA as % of expenditures by the Confederation	0.56%	1.63%	2.38%	3.29%
ODA as % of public spending ^c	0.23%	0.64%	0.90%	1.20%
Private NGO donations	..	50.8	106.6	148.6
Private NGO donations as % of GNI	..	0.05%	0.06%	0.04%

a Estimate for 2013.

b Definitive figures up to 2011, provisional for 2012 and 2013 (FSO August 2013). For 2013, estimate from Federal Finance Administration (18.3.2014).

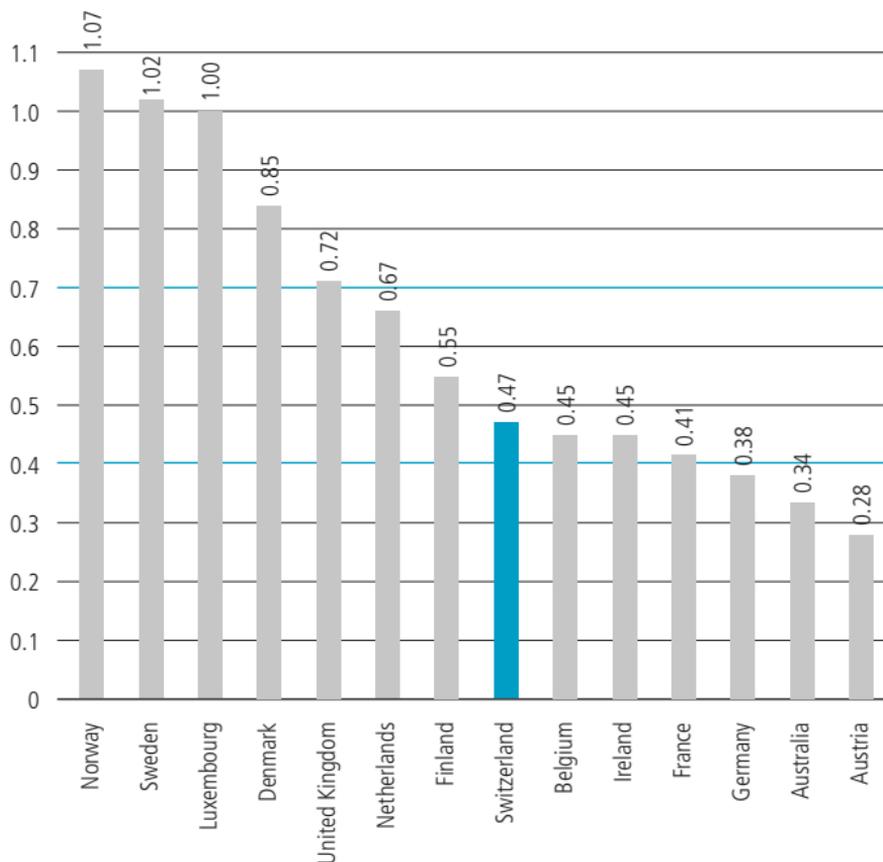
c General government outlays, after elimination of double countings (FSO/FFA).

2000	2009	2010	2011	2012 ^r	2013 ^p
1 510.9	2 503.9	2 398.0	2 706.7	2 864.6	2 963.8
1 488.6	2 460.0	2 350.4	2 664.5	2 800.3	2 903.8
22.3	43.9	47.6	42.2	64.3	60.0
463 558	566 836	610 174	590 441	611 979	634 779
0.33%	0.44%	0.39%	0.46%	0.47%	0.47%
3.21%	4.30%	4.05%	4.34%	4.64%	4.65%
1.23%	1.71%	1.60%	1.70%	1.80%	1.84%
272.0	380.9	431.6	413.3	443.1	..
0.06%	0.07%	0.07%	0.07%	0.07%	..

The Swiss official development assistance (ODA) continued to rise, reaching CHF 2'964 million. It was CHF 99 million above the 2012 level. This increase was mainly due to the additional funds allocated to SDC and SECO following the Parliament's decision to gradually scale up ODA to reach the target of 0.5% of gross national income (GNI) by 2015. This growth was offset by the lower cost for the stay of asylum seekers in Switzerland and the absence of debt relief operations. In 2013, expressed as a percentage of GNI, ODA was maintained at 0.47%.

Graph 1

SWITZERLAND'S PERFORMANCE COMPARED WITH OTHER COUNTRIES 2013 (ODA IN % OF GNI)



Preliminary data published by OECD/DAC on 8th April 2014 for all DAC countries

After a decrease two years in row, net ODA of the 28 member countries of OECD's Development Assistance Committee (DAC) rose by 6.1% in real terms in 2013 to reach the highest level ever recorded of US\$ 134.8 billion. Five new countries (Iceland, Poland, Czech Rep., Slovak Rep., Slovenia) recently joined with a total ODA of US\$ 867 million. Five countries exceeded the ODA target of 0.7% set back in 1970 by

UN Target 0.7%

Average country effort 0.40%



the United Nations and six other countries (incl. Switzerland) are situated above the average DAC performance of 0.40%.

Despite the stagnation of its ODA/GNI ratio at the level of 0.47%, Switzerland improved again its ranking in 2013 (place 8, against place 10 in 2012 and 11 in 2011).

Table 2

**SWISS OFFICIAL DEVELOPMENT ASSISTANCE (ODA) 2012–2013
(MIL. CHF)**

Confederation
Swiss Agency for Development and Cooperation (SDC)
Humanitarian aid
Development cooperation
Cooperation with Eastern Europe and the CIS
State Secretariat for Economic Affairs (SECO)
Development cooperation
Cooperation with Eastern Europe and the CIS
Debt relief (Club of Paris)
Federal Office for Migration (FOM)
Return assistance
Assistance for asylum seekers in Switzerland
Federal Department of Foreign Affairs (FDFA)
Conflict transformation and human rights
Other contributions
Federal Department of Defence, Civil Protection and Sports (DDPS)
Activities for promotion of peace and security
Federal Office for the Environment (FOEN)
of which: contributions to international organizations
State Secretariat for Education, Research and Innovation (SERI)
Scholarships to foreign students in Switzerland
Other federal offices
Cantons and municipalities ^a
Total
ODA as % of gross national income (GNI)

a Estimate for 2013.

The share of SDC and SECO in total ODA expanded, from 67% in 2012 to 74% in 2013. The assistance costs for asylum seekers originating from developing countries during their first year of stay in Switzerland were proportionally lower (14% in 2013 against 21% in 2012).

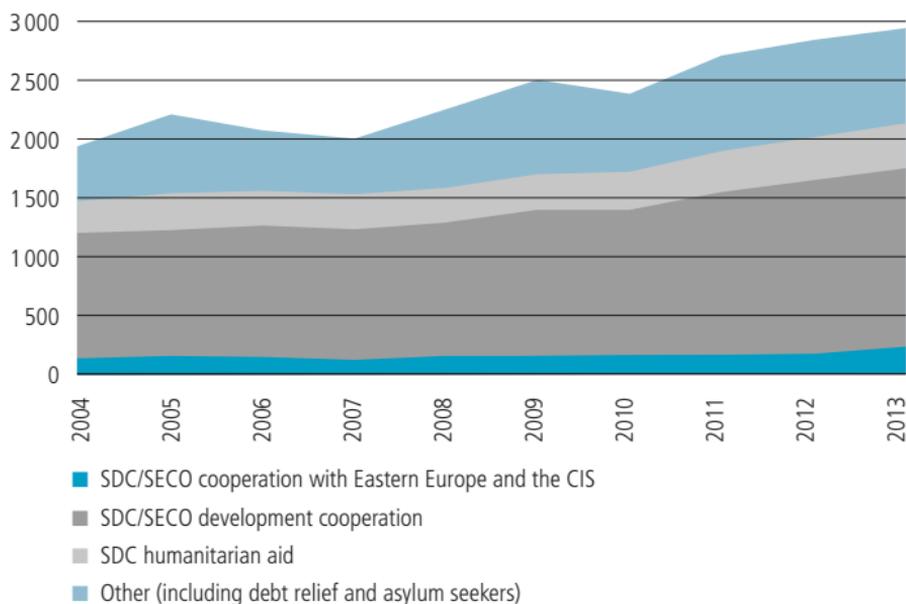
2013 ^p			2012 ^r		
Bilateral ODA	Multilateral ODA	Total ODA	Bilateral ODA	Multilateral ODA	Total ODA
2 266.0	637.7	2 903.8	2 239.2	561.1	2 800.3
1 317.2	555.5	1 872.7	1 179.9	477.0	1 656.9
346.5	39.6	386.0	301.9	35.5	337.4
842.4	515.2	1 357.6	769.9	440.6	1 210.5
128.3	0.8	129.1	108.2	0.8	109.0
328.3	3.9	332.2	271.9	8.5	280.3
240.1	3.9	244.0	185.8	8.5	194.3
88.2	–	88.2	71.8	–	71.8
–	–	–	14.2	–	14.2
436.5	–	436.5	629.8	–	629.8
19.2	–	19.2	16.3	–	16.3
417.3	–	417.3	613.5	–	613.5
107.5	30.7	138.3	97.9	26.7	124.6
70.0	17.6	87.5	62.5	17.3	79.9
37.6	13.1	50.7	35.4	9.3	44.7
46.4	–	46.4	42.8	–	42.8
46.4	–	46.4	42.8	–	42.8
4.1	37.0	41.0	4.5	36.9	41.4
3.0	37.0	39.9	4.5	36.9	41.4
6.4	–	6.4	6.2	–	6.2
6.4	–	6.4	6.2	–	6.2
19.6	10.6	30.2	6.2	12.1	18.3
60.0	–	60.0	64.3	–	64.3
2 326.0	637.7	2 963.8	2 303.5	561.1	2 864.6
		0.47%			0.47%

The distribution between bilateral ODA (75%) and multilateral ODA (25%) has remained stable over many years. Starting from 2011, the share of bilateral ODA has gone up (78% in 2013, 80% in 2012).

Graph 2

SWISS ODA BY AID CATEGORIES 2004–2013

(MIL. CHF)

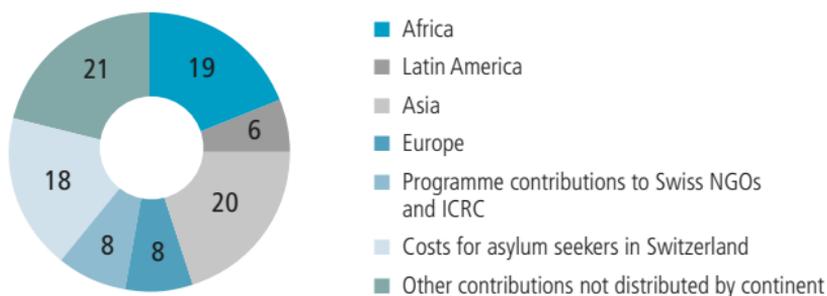


The statistical adjustments introduced from 2003 onwards (see technical notes, p. 2) have influenced the growth of ODA and affected persistently the breakdown of aid categories.

- The share of SDC and SECO development cooperation activities with the South within ODA decreased from 60% in the early 2000s to 49% in 2012, but increased again in 2013 (54%).
- During the last decade the share of humanitarian aid in ODA diminished from 18% to 13%.
- The SDC and SECO cooperation with the East returned to the level of 7% (after a drop to 6% in 2011 and 2012).
- The contributions from other federal offices, cantons and municipalities (11%), and costs for asylum seekers (14%), represented 25% of total ODA in 2013. There was no debt relief that year. This aid category, very volatile, has varied a lot during the ten last years, ranging between 23% in 2004 and a maximum of 33% in 2012.

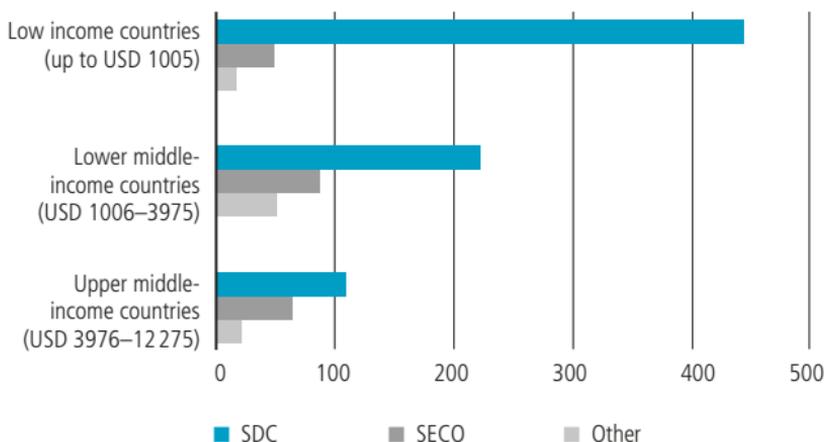
Graph 3

**BREAKDOWN OF BILATERAL ODA BY CONTINENTS 2013
(IN %)**



Graph 4

**BILATERAL ODA ACCORDING TO INCOME GROUPS 2013
(MIL. CHF)**



See list of ODA recipients according to their level of revenue
<http://www.oecd.org/dac/stats/49483614.pdf>

Table 3

GEOGRAPHICAL BREAKDOWN OF BILATERAL ODA BY CONTINENTS AND COUNTRIES 2012–2013 (MIL. CHF)

	2013 ^p	2012 ^r
Africa	461.1	496.1
Mozambique	32.5	34.6
Burkina Faso	31.4	34.9
Ghana	25.8	17.3
Tanzania	25.3	32.7
Mali	24.4	23.1
Niger	20.3	25.3
Tunisia	19.9	16.8
Congo (Democratic Republic)	19.1	15.4
Chad	17.1	16.3
Zimbabwe	16.5	16.3
South Sudan	16.0	14.6
Benin	15.4	19.7
Egypt	15.0	13.5
Somalia	11.9	7.6
Sudan	9.6	10.2
Burundi	9.5	12.2
South Africa	7.1	6.6
Kenya	6.7	11.2
Morocco	6.6	7.7
Ethiopia	6.5	8.9
Other countries	30.6	64.0 ^a
Regional projects and not distributed by country	94.1	87.0
Latin America	148.7	165.5
Bolivia	25.3	32.8
Colombia	17.5	18.9
Peru	17.4	16.8
Nicaragua	16.6	19.7
Honduras	16.5	7.2
Haiti	14.8	15.3
Cuba	8.4	6.0
Other countries	2.0	14.1
Regional projects and not distributed by country	30.2	34.6

a Incl. bilateral debt relief measures which were negotiated within the framework of the Club of Paris.

	2013 ^p	2012 ^r
Asia	459.1	399.8
Nepal	39.6	37.6
Bangladesh	30.3	30.6
Tajikistan	27.1	21.7
Vietnam	26.2	16.2
Gaza and West Bank	24.5	27.4
Afghanistan	24.2	26.6
Kyrgyzstan	22.1	21.4
Laos	19.5	19.4
Mongolia	18.5	14.3
Myanmar	18.2	11.4
Syria	18.1	10.0
Pakistan	16.4	12.9
Lebanon	14.1	6.9
Indonesia	12.0	12.1
Jordan	11.5	6.6
Sri Lanka	10.4	8.0
China	10.3	9.2
North Korea	10.1	6.7
Georgia	9.6	9.5
Yemen	7.6	4.8
Cambodia	7.2	5.5
Iraq	6.7	5.8
India	6.7	10.0
Philippines	5.9	2.0
Other countries	18.5	19.4
Regional projects and not distributed by country	44.1	43.7
Europe	188.8	169.4
Kosovo	61.8	60.4
Albania	25.6	10.6
Bosnia and Herzegovina	19.6	17.6
Serbia	16.6	19.2
Ukraine	16.0	13.9
Macedonia	11.4	6.4
Moldova	9.4	8.3
Other countries	0.5	1.9
Regional projects and not distributed by country	28.0	31.2
Other contributions not distributed by continent	1 068.3	1 072.7
Total	2 326.0	2 303.5

Table 4

**SWISS MULTILATERAL ODA BY ORGANISATIONS 2012–2013
(MIL. CHF)**

United Nations organisations
UN Development Programme (UNDP)
UN Children's Fund (UNICEF)
Office of the UN High Commissioner for Refugees (UNHCR)
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)
UN Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)
UN Programme on HIV/AIDS (UNAIDS)
International Fund for Agricultural Development (IFAD)
Central Emergency Response Fund (CERF)
Special programmes of the World Health Organisation (WHO) ^a
World Food Programme (WFP)
UN Environment Programme (UNEP)
UN Population Fund (UNFPA) ^b
UN Office for the Coordination of Humanitarian Affairs (UNOCHA)
Contributions to UN organisations reportable in part in ODA ^c
Other UN organisations
International Financial Institutions
African Development Fund (AfDF) ^d
Asian Development Fund (AsDF)
International Development Association (IDA) ^d
World Bank
Other development funds and banks
Other international organisations
Global Environment Facility (GEF)
Consultative Group on International Agricultural Research (CGIAR)
Geneva Centre for the Democratic Control of Armed Forces (DCAF)
The Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM)
Climate Adaptation Fund
Geneva International Centre for Humanitarian Demining (GICHD)
Other institutions
Total multilateral ODA

a Excl. the core contribution to WHO, which is reportable in part (see c).

b The core contribution to UNFPA for 2013 was divided into two payments:
10.6 mil. CHF in 2012 and 4.1 mil. CHF in 2013.

2013 ^p	2012 ^r
195.0	193.1
60.0	54.0
21.0	20.0
14.0	14.0
12.0	12.0
11.0	8.0
10.0	5.0
9.5	7.2
7.0	5.5
5.9	5.5
5.3	4.8
4.2	4.1
4.1	24.6
2.5	2.0
23.0	22.0
5.6	4.3
345.3	279.4
52.7	43.3
12.0	13.3
252.8	198.4
12.2	12.2
15.6	12.2
97.5	88.6
28.5	28.5
15.5	14.0
10.7	10.6
10.0	8.0
10.0	–
8.1	8.1
14.6	19.5
637.7	561.1

Multilateral ODA includes general contributions paid by SDC and other federal offices to international development institutions. In 2013, the share of the Swiss multilateral ODA was 22% of total ODA, lower than the average share for all DAC countries (30%).

Contributions to international non-governmental organisations (including the International Committee of the Red Cross (ICRC) are considered as bilateral ODA).

Multilateral cooperation has three pillars: as in previous years, the international financial institutions (IFI) were the main recipients of the Swiss multilateral ODA in 2013, but in a higher proportion than in 2012 (54% against 50%). The United Nations agencies and the other international organisations absorbed 31% and 15% of multilateral ODA, respectively.

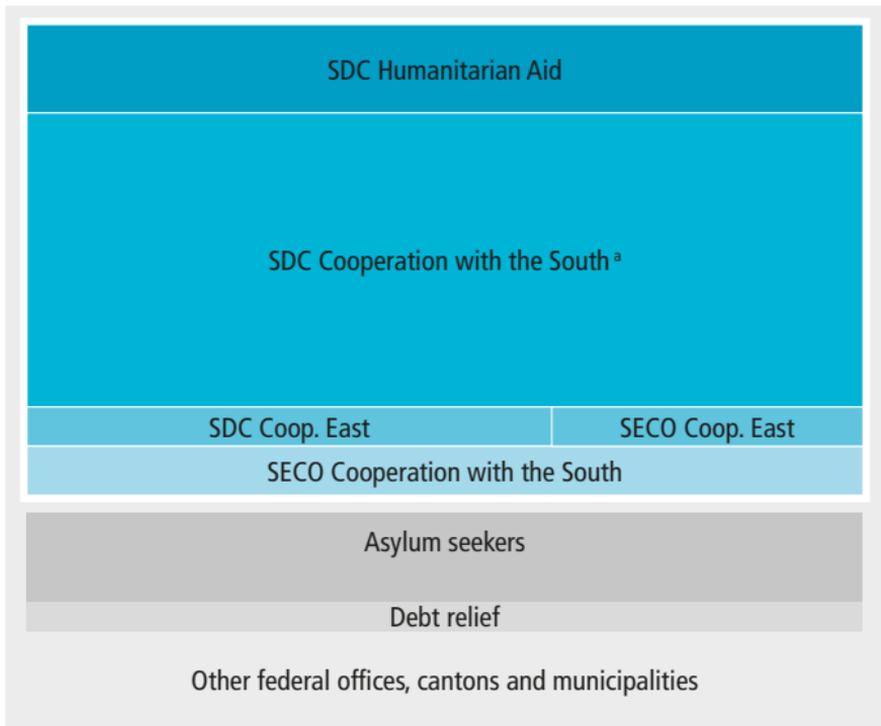
Contributions to IFIs are registered in ODA at the time of the deposit and not upon encashment of the “promissory notes” (sight drafts). This notification practice explains on one hand the variations which may result from one year to another and on the other hand the differences observed with the State accounts for SDC, where drawings deriving from prior promissory notes will spread over many years (see also technical notes, p. 2).

c. Percentages applied according to DAC directives.

d. Incl. Multilateral Debt Relief Initiative (MDRI).

Graph 5

COMPOSITION OF ODA (FOUR FRAMEWORK CREDITS OF THE INTERNATIONAL COOPERATION AND OTHER COMPONENTS)



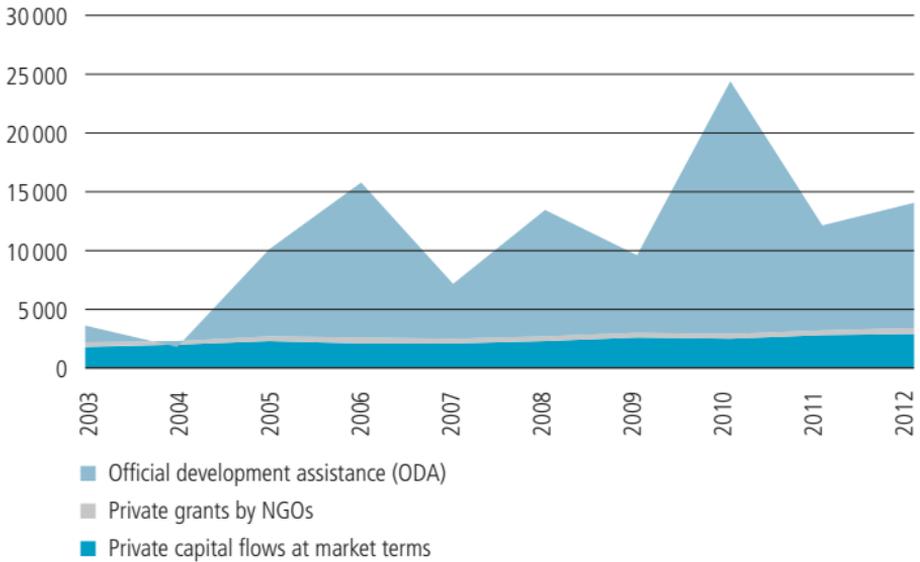
a Multilateral development cooperation is a common task SDC/SECO

This graph shows the composition of Swiss ODA. Its main components are represented proportionally in relation to total disbursements.

ODA originates principally from the four framework credits of the international cooperation of the Swiss Confederation. In accordance with the international statistical directives, various contributions made by other federal offices, cantons and municipalities, as well as the costs for asylum seekers and bilateral debt relief operations are also included in the ODA calculation.

Graph 6

**SWISS NET FINANCIAL FLOWS TO DEVELOPING COUNTRIES
2003–2012 (MIL. CHF)**



The global development finance landscape is changing rapidly. Resources flows beyond ODA have gained in importance, as most developing countries have access to a much wider range of flows.

The private capital flows, mainly direct investments and guaranteed export credits, represent more than 80% of the total Swiss net financial flows to developing countries. There are also other resources not captured by the DAC statistics, such as migrants' remittances to their country of origin, amounting to some CHF 1 billion yearly.



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SDC/SECO EXPENDITURES



Table 5

**OVERVIEW OF SDC/SECO EXPENDITURES
2009–2013 (MIL. CHF)**

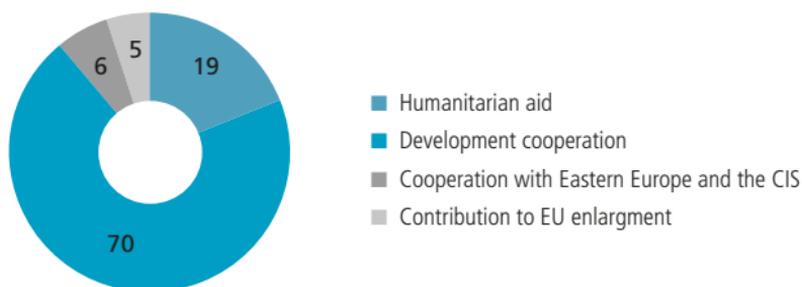
Total expenditures SDC
Humanitarian aid
Development cooperation
Cooperation with Eastern Europe and the CIS
Contribution to EU enlargement

Total expenditures SECO Economic Cooperation and Development
Development cooperation
Cooperation with Eastern Europe and the CIS
Contribution to EU enlargement

The table and the graphs show the financial results for SDC and SECO as they appear in the state account without return flows.

Graph 7.1

SDC EXPENDITURES BY FIELDS OF ACTIVITY 2013 (IN %)



2009	2010	2011	2012	2013
1 452.9	1 507.0	1 681.8	1 848.6	2 045.1
303.7	314.9	336.1	337.7	387.2
1 038.5	1 066.9	1 204.4	1 338.7	1 419.5
102.8	106.7	105.4	109.0	129.1
7.9	18.5	35.9	63.2	109.3
273.4	238.4	268.4	294.6	331.3
159.8	161.2	194.6	208.5	217.3
57.8	59.6	60.0	72.0	88.2
55.8	17.6	13.8	14.1	25.8

Graph 7.2

SDC EXPENDITURES BY FIELDS OF ACTIVITY 2013 (IN %)

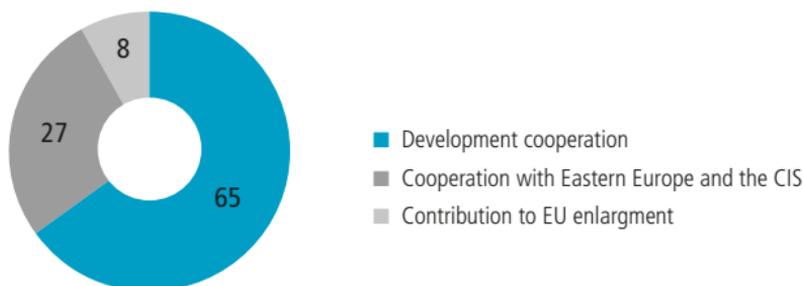


Table 6

SDC DEVELOPMENT COOPERATION BY PRIORITY COUNTRIES AND REGIONS 2012–2013 (MIL. CHF)

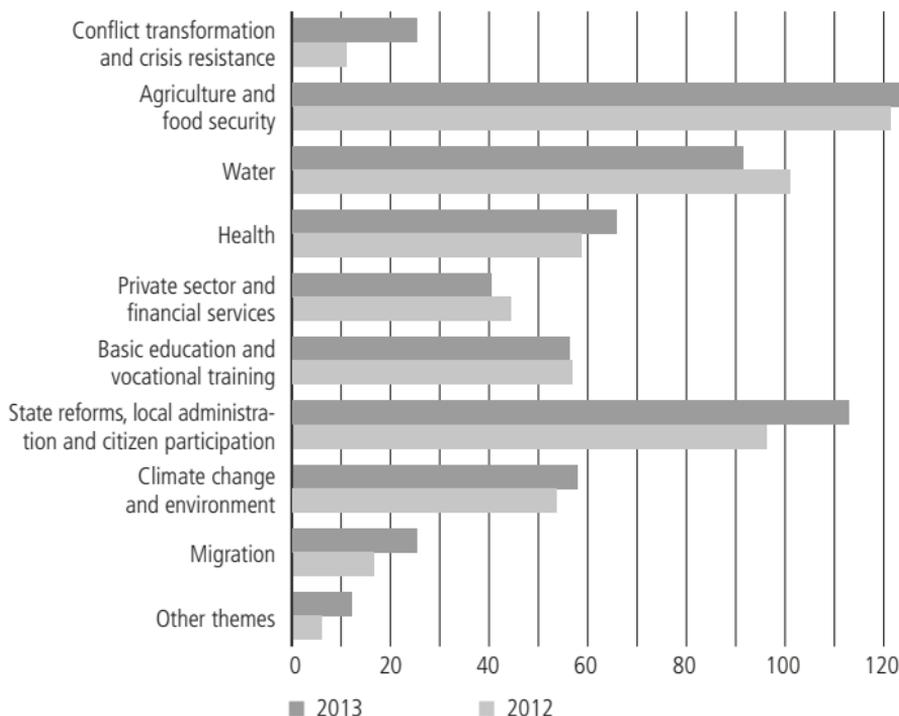
	2013	2012
Priority countries and regions	500.5	459.7
Mekong	49.8	40.6
North Africa and Near and Middle East ^a	44.9	44.5
Central America	42.3	40.8
Nepal	38.2	33.4
Southern Africa	34.4	30.8
Great Lakes	31.1	29.0
Hindukush	30.9	27.4
Bangladesh	29.5	25.9
Bolivia	24.5	28.3
Mozambique	23.0	23.9
Tanzania	22.8	23.0
Burkina Faso	21.3	20.6
Mali	20.2	16.5
Mongolia	18.2	14.1
Niger	16.6	18.5
Benin	15.3	17.4
Chad	14.3	11.7
Cuba	8.2	5.4
Horn of Africa	8.1	2.5
Haiti	6.9	5.4
Other activities	366.1	312.1
Other countries and regions ^b	74.5	72.3
Programme contributions to NGOs	96.5	76.1
Thematic mandates and operating costs	195.2	163.6
Bilateral development cooperation	866.6	771.8
Multilateral development cooperation	552.8	566.9
Total	1 419.5	1 338.7

a General contribution to the UNRWA in 2013 of 1.2 mil. CHF for Syria is reported as "multilateral development cooperation".

b This category covers countries in which global programmes are achieved (Peru, India, China).

Graph 8

BILATERAL EXPENDITURES OF SDC DEVELOPMENT COOPERATION BY THEMES 2012–2013 (MIL. CHF)^a



^a Excluding programme contributions to Swiss NGOs, multisectoral activities and operating costs

The diagram shows the allocation of resources to the thematic domains where SDC concentrated its bilateral development activities in 2012 and in 2013.

Through its global programmes acting at various intervention levels, SDC focuses on the development of innovative solutions in the following four areas: climate change, food security, migration and water. These programmes are not specific to any geographic region, but rather focus on those regions where the impact will be greatest.

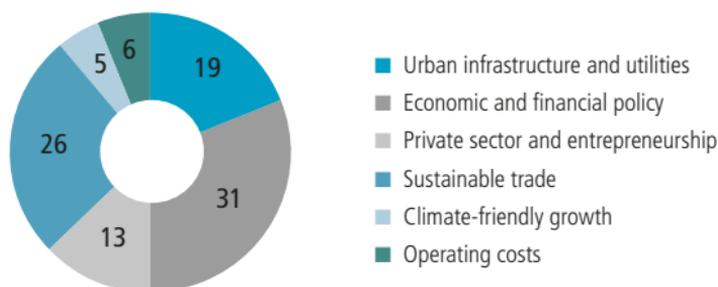
Table 7

SECO DEVELOPMENT COOPERATION BY PRIORITY COUNTRIES AND PROGRAMMES 2012–2013 (MIL. CHF)

	2013	2012
Priority countries and programmes	95.1	55.5
Ghana	25.0	15.5
Vietnam	16.5	4.6
Indonesia	14.3	13.9
Peru	10.7	7.0
Egypt	9.9	4.4
Tunisia	9.1	3.6
Colombia	5.5	3.1
South Africa	4.1	3.4
Other	122.2	153.1
Global/regional programmes and other countries, various contributions ^a	112.3	144.1
Operating costs	9.9	9.0
Total	217.3	208.5

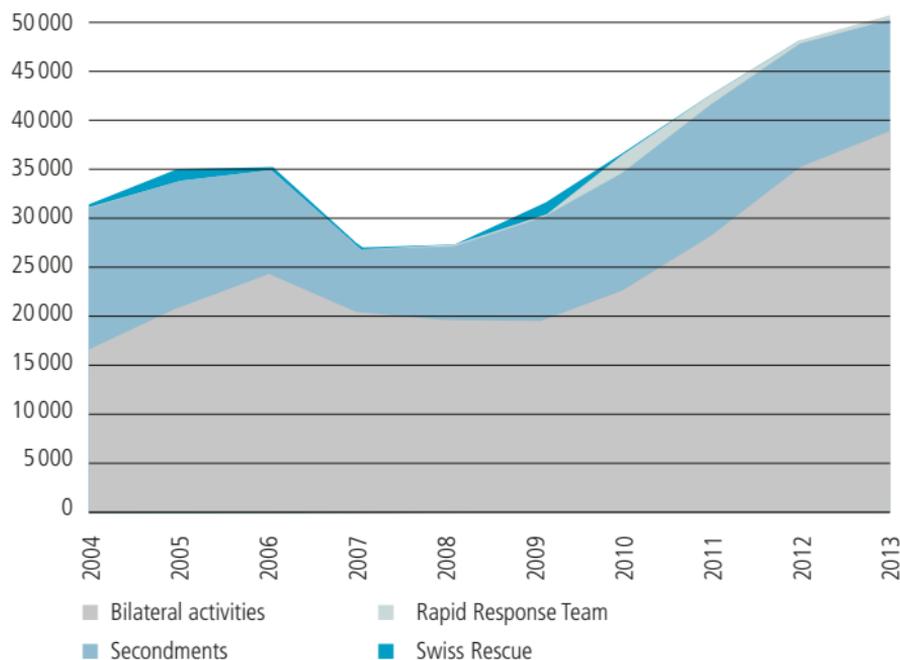
a Significant complementary programs to the SDC measures have been implemented in Burkina Faso, Mozambique and Tanzania.

Graph 9

SECO DEVELOPMENT COOPERATION BY THEMES 2013 (IN %)


Graph 10

HUMANITARIAN AID / SWISS HUMANITARIAN AID UNIT (SHA): MISSION DAYS ABROAD 2004–2013



Graph 11

HUMANITARIAN AID BY STRATEGICAL FIELDS 2011–2013 (IN %)

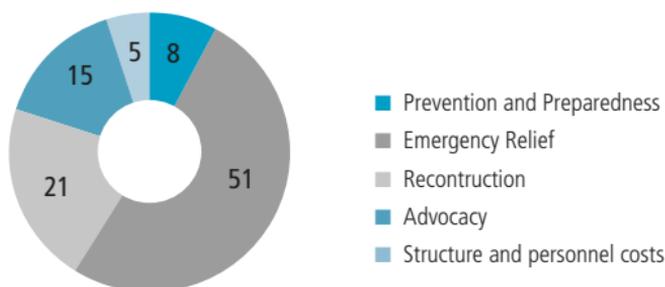


Table 8

**SDC HUMANITARIAN AID BY INTERVENTION COUNTRIES
AND REGIONS 2012–2013 (MIL. CHF)**

	2013	2012
Africa	96.8	93.7
South Sudan	12.5	8.6
Sudan	9.4	7.4
Congo (Democratic Republic)	9.1	5.6
Somalia	7.3	6.7
Zimbabwe	6.2	6.5
Ethiopia	5.8	4.9
Kenya	5.2	8.3
Niger	3.6	4.7
Morocco	3.5	4.1
Central African Rep.	2.9	1.5
Madagascar	2.5	0.4
Liberia	2.5	3.6
Chad	2.5	2.3
Algeria	2.3	2.0
Burundi	2.3	3.4
Mali	1.6	3.9
Ivory Coast	1.4	2.8
Burkina Faso	1.0	3.4
Angola	1.0	0.3
Other countries	4.6	9.7
Regional projects and not distributed by country	9.4	3.5
Latin America	22.4	19.0
Colombia	9.3	8.2
Haiti	7.8	6.5
Nicaragua	1.1	0.2
Other countries	1.6	3.2
Regional projects and not distributed by country	2.5	1.0

	2013	2012
Asia	104.2	79.0
Lebanon ^a	12.4	5.3
Syria ^b	11.6	8.3
North Korea	10.0	6.5
Gaza and West Bank ^a	9.9	8.3
Jordan ^a	8.2	4.0
Sri Lanka	8.2	6.5
Myanmar	7.7	6.5
Yemen	7.2	4.4
Iraq	6.0	3.6
Afghanistan	4.9	5.3
Pakistan	4.8	5.2
Georgia	3.3	3.2
Philippines ^c	2.8	0.9
Tajikistan	1.6	1.2
Other countries	4.0	5.7
Regional projects and not distributed by country	1.7	4.2
Europe	0.4	1.7
Other activities, not distributed geographically	163.5	144.2
General contribution to the International Committee of the Red Cross (ICRC)	70.0	70.0
Contributions to international organisations ^a	39.8	35.8
Programme contributions to NGOs	10.5	5.7
Various contributions and administrative costs	38.2	26.1
Structure personnel	5.0	6.6
Total	387.2	337.7

a The general contributions to UNRWA of 9.8 mil. CHF in 2013 (8 mil. CHF in 2012) are recorded under "contributions to international organisations". These amounts are distributed as follows: 5.8 mil. CHF in Gaza and West Bank, 2.4 mil. CHF in Jordan, and 1.6 mil. CHF in Lebanon.

b Excl. 14 mil. CHF financed through the credit for development cooperation

c Excl. 2 mil. CHF financed through the credit for development cooperation

Table 9

PARTNERS OF SDC HUMANITARIAN AID 2013 (MIL. CHF)

UN organisations
World Food Programme (WFP)
Office of the UN High Commissioner for Refugees (UNHCR)
UN Office for the Coordination of Humanitarian Affairs (UNOCHA)
UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA)
UN Children's Fund (UNICEF)
Other UN organisations
International Committee of the Red Cross (ICRC)
Other partners and direct interventions
Swiss NGOs
International organisations and foreign NGOs
Direct interventions by the Swiss Humanitarian Aid Unit (SHA) and Swiss Rescue
Private sector and research institutes
Operating, personnel and material expenditures
Total Humanitarian aid 2013
Total Humanitarian aid 2012

a This figure includes CHF 20 million in Swiss dairy products and CHF 14 million in grain.
(2012: resp. 19.5 and 13.6 mil. CHF).

General contributions	Specific contributions	Food aid	Total
39.3	70.7	27.0	137.0
5.3	17.2	27.0	49.4
14.0	20.3	–	34.3
9.5	10.5	–	20.0
9.8	4.8	–	14.6
–	6.1	–	6.1
0.8	11.9	–	12.7
70.0	46.1	–	116.1
0.5	126.6	7.0	134.1
–	21.8	5.4	27.3
0.5	28.5	1.3	30.3
–	40.2	0.3	40.5
–	2.0	–	2.0
–	34.1	–	34.1
109.8	243.4	^a 34.0	387.2
105.8	198.7	33.1	337.7

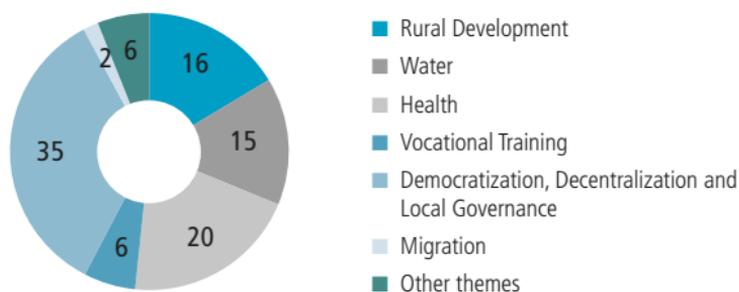
Table 10

**SDC COOPERATION WITH EASTERN EUROPE AND THE CIS
BY PRIORITY COUNTRIES AND REGIONS 2012–2013
(MIL. CHF)**

	2013	2012
Priority countries and regions	102.2	84.8
Central Asia	27.8	21.4
Kosovo	12.2	10.6
Bosnia and Herzegovina	10.5	8.7
South Caucasus	10.2	10.4
Albania	9.3	6.9
Serbia	9.2	7.3
Moldova	9.0	7.0
Macedonia	8.2	5.1
Ukraine	5.9	7.4
Other activities	26.9	24.2
Other countries and regions	12.4	12.8
Contribution to IDEA	0.8	0.8
Programme contributions to NGOs	5.6	4.0
Various contributions and administrative costs	8.1	6.6
Total	129.1	109.0

Graph 12

**SDC COOPERATION WITH EASTERN EUROPE AND THE CIS
BY THEMES 2013 (IN %)^a**



^a Excluding programme contributions to Swiss NGOs, multisectoral activities and operating costs

Table 11

**SECO COOPERATION WITH EASTERN EUROPE AND THE CIS
BY PRIORITY COUNTRIES AND REGIONS 2012–2013
(MIL. CHF)**

	2013	2012
Priority countries and programmes	75.8	52.5
Albania	16.2	3.1
Tajikistan	14.7	11.1
Kyrgyzstan	11.8	11.2
Ukraine	9.7	5.9
Kosovo	7.1	8.5
Serbia	6.0	6.3
Azerbaijan	4.4	2.9
Bosnia and Herzegovina	3.0	2.7
Macedonia	2.8	0.8
Other	12.4	19.5
Regional programmes and other countries	8.5	16.7
Operating costs	3.9	2.8
Total	88.2	72.0

Graph 13

**SECO COOPERATION WITH EASTERN EUROPE AND THE CIS
BY THEMES 2013 (IN %)**

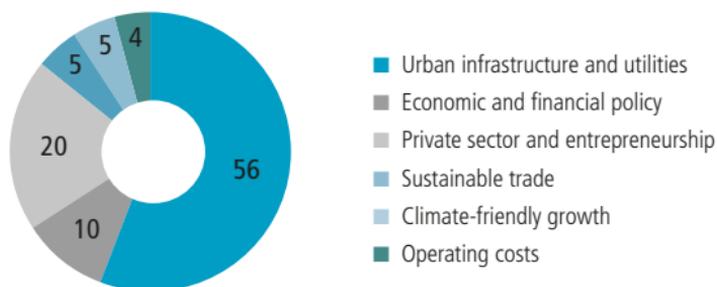


Table 12

SDC PARTNERS IN BILATERAL ACTIVITIES 2013 (MIL. CHF)

Swiss NGOs and centres of excellence
of which:
HELVETAS Swiss Intercooperation
Swisscontact
Swiss Red Cross
Caritas Switzerland
Terre des Hommes, Lausanne
Swiss Interchurch Aid (EPER)
Bread for all
Solidar Switzerland
Swissaid
Catholic Lenten Fund
MSF – Médecins sans Frontières
Enfants du Monde
Pestalozzi Children's Foundation
Geneva Federation for Cooperation (FGC)
Solidarmed
Swiss research and university institutions
Swiss private sector
Swiss public sector
United Nations organisations, multi-bilateral activities
International financial institutions, multi-bilateral activities
Other foreign and international organisations
of which: International Committee of the Red Cross (ICRC)
Organisations in the South and the East
Total Partners
Direct interventions, operating costs
Total 2013
Total 2012

Contributions and specific mandates

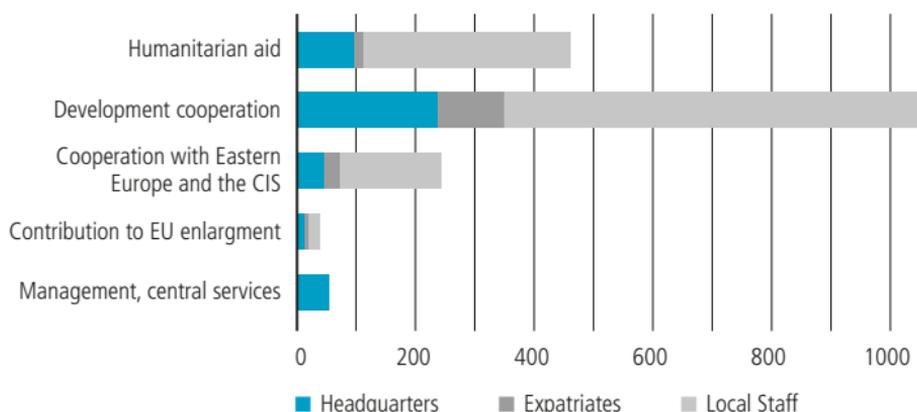
Programme contributions ^a	Humanitarian aid	Dev. coop.	Coop. East	Total ^b
112.6	16.8	106.2	15.3	250.8
10.7	0.3	53.3	9.9	74.2
4.3	0.3	21.1	1.0	26.7
8.5	4.4	–	1.9	14.9
11.0	2.0	–	–	13.0
10.5	0.5	1.4	0.4	12.8
7.4	–	–	1.5	8.9
6.4	–	–	–	6.4
3.2	1.1	2.1	–	6.3
6.2	–	–	–	6.2
5.6	–	–	–	5.6
5.0	0.3	–	–	5.3
2.5	–	1.5	–	4.0
3.5	–	–	–	3.5
3.3	–	–	–	3.3
2.2	0.1	–	–	2.3
–	0.4	30.3	11.1	41.8
–	1.2	32.6	7.2	40.9
–	0.3	8.4	0.7	9.4
–	97.7	115.1	15.3	228.1
–	0.4	27.6	5.4	33.4
–	138.7	111.5	24.5	274.7
–	116.1	3.3	–	119.4
–	7.8	173.2	23.1	204.1
112.6	263.2	604.8	102.6	1 083.2
–	73.8	164.9	20.1	258.8
112.6	336.9	769.7	122.7	1 342.0
86.3	296.2	695.1	104.2	1 181.8

a Core contributions to NGOs for development and humanitarian programmes in countries of the South and the East as well as to centres of excellence for sensibilisation activities

b Excl. SDC contribution to EU enlargement (109.3 mil. CHF in 2013).

Graph 14

SDC AND SECO STAFF AS OF END OF 2013 (NUMBER OF FTE)



As of December 31 2013, SDC had 1651 full-time equivalent employees (FTE), of which 365 at the head office, 135 expatriates and 1151 local employees.

SECO's Economic Cooperation and Development Division had, as of December 31, 2013, 186 full-time equivalent employees (FTE), of which 89 at the head office, 19 expatriates and 78 local employees.

NUMBER OF ONGOING PROJECTS AS OF 31.12.2013

	SDC	SECO
0.5–1.0 mil. CHF	221	15
1.0–3.0 mil. CHF	402	79
3.0–5.0 mil. CHF	251	44
From 5.0 mil. CHF	253	93
Total	1127	231

NUMBER OF SWISS REPRESENTATIONS ABROAD AS OF 31.12.2013

Cooperation Offices ^a	39
Field Offices	25
Offices for the Swiss contribution to the EU enlargement ^b	6
Total	70

^a SDC: 31, SECO: 17 (of which 9 offices are in common)

^b SDC/SECO offices

Imprint

Publisher:

Federal Department of Foreign Affairs FDFA

Swiss Agency for Development and Cooperation SDC

Freiburgstrasse 130

3003 Bern

Phone +41 (0)58 462 44 12

www.sdc.admin.ch

deza@eda.admin.ch

Federal Department of Economic Affairs, Education and Research EAER

State Secretariat for Economic Affairs SECO

Holzikofenweg 36

3003 Bern

Phone +41 (0)58 464 09 10

www.seco-cooperation.admin.ch

info@seco-cooperation.ch

Editing/Coordination/Statistics:

SDC Staff of the Directorate

SECO Cooperation

Graphic Design/Concept:

Julia Curty, SUPERSCRIP T GmbH, Brügg b. Biel/Bienne

www.superscript.ch

Pictures:

Front: TAO Images/Getty Images

Others: SDC

Print:

galledia ag

9442 Berneck

The statistical booklet to the Annual Report is available in English,

German, French and Italian. Copies may be ordered from

deza@eda.admin.ch, or

phone +41 (0)58 462 44 12

Imprint

Publisher:
Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC
Freiburgstrasse 130
3003 Bern
Phone +41 (0)58 462 44 12
www.sdc.admin.ch
deza@eda.admin.ch

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO
Holzikofenweg 36
3003 Bern
Phone +41 (0)58 464 09 10
www.seco-cooperation.admin.ch
info@seco-cooperation.ch

Editing/Coordination/Statistics:
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SECO Cooperation

Graphic Design/Concept:
Julia Curty, SUPERScript GmbH, Brügg bei Biel/Bienne
www.superscript.ch

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