Annual report 2010 Switzerland's International Cooperation



Swiss Agency for Development and Cooperation (SDC)

The SDC is part of the Federal Department of Foreign Affairs (FDFA) and is the agency responsible for international cooperation. The SDC's core activities are described below:

Regional Cooperation supports the efforts of people and organisations to overcome poverty and cope with development issues. Activities are carried out in priority countries as well as in selected countries and regions in conflict.

Through the SDC's **Global Cooperation**, Switzerland provides funding to UN institutions, international financial institutions (i.e. World Bank, regional development banks) and global funds, and holds a seat on their corresponding governing bodies. Switzerland also makes targeted contributions to address international risks such as climate change, food security, water scarcity, and migration.

Humanitarian Aid with the Swiss Humanitarian Aid Unit (SHA) mainly seeks to save lives and alleviate suffering by providing emergency supplies to victims of natural disasters and armed conflict. It also plays an active role in reconstruction efforts as well as in disaster risk reduction (DRR).

SDC and SECO priority countries and regions 20106 - Africa, including the Mediterranean countries 11 - Latin America 21 Global themes – results 2010 The **Cooperation with Eastern Europe** domain provides support to political and economic reform processes in the Western Balkans as well as in the Commonwealth of Independent States (CIS). Within the framework of Switzerland's contribution to the EU enlargement programme, it also sponsors projects in the new EU member states. The SDC employs around 1500 people – including local staff – in Switzerland and abroad. In 2010, the SDC's budget was CHF 1.51 billion. Ambassador Martin Dahinden serves as SDC Director-General.

State Secretariat for Economic Affairs (SECO)

SECO is part of the Federal Department of Economic Affairs (FDEA). SECO's Economic Cooperation and Development division is responsible for implementing economic and trade policy measures for the benefit of developing and transition countries.

SECO seeks to reduce poverty by helping partner countries to gain access to world markets and achieve sustainable economic growth. It is also responsible for coordinating relations between Switzerland and the World Bank Group as well as with regional development banks. Its priorities include: promoting stable economic conditions; improving trade competitiveness and diversification; encouraging domestic and foreign investment; and improving basic infrastructures. Special emphasis is placed on issues relating to energy, the environment and climate, as well as on economic governance. State Secretary Marie-Gabrielle Ineichen-Fleisch took office in the spring of 2011 as SECO's Director. SECO's Economic Cooperation and Development division employs 70 people and spent CHF 238 million in 2010. Ambassador Beatrice Maser Mallor heads the division. In recent years, the SDC and SECO have intensified their efforts to systematically provide the Swiss people with comprehensive information about the impact of publicly funded development cooperation. Various publications have shown that Swiss development cooperation activities have had a real impact. The SDC/SECO Annual Report 2009, as well as the present SDC/SECO Annual Report 2010, Switzerland's Report on Aid Effectiveness in the Agricultural Sector 2010, and SECO's Annual Report 2009 on the Effectiveness of Economic Development Cooperation. These reports have also enabled Switzerland to position itself at the international level, particularly in view of the upcoming Fourth High Level Forum on Aid Effectiveness (HLF-4), which will be held in South Korea in December 2011.

Results-based management will be an important objective in the future. In the Federal Council Message on International Cooperation for 2013–2016, which will be submitted to the Swiss Parliament in 2012, the results achieved in the previous budget period are mentioned along with the expected results for 2016. The main strengths of Swiss development cooperation activities include proximity to field operations, flexibility, synergies between bilateral and multilateral aid, and the development of national know-how. All of these factors contribute to greater aid effectiveness.

The intention has never been for Swiss development cooperation and humanitarian aid alone to solve the problems of developing and transition countries. Nowadays, financial flows to recipient countries have become more diversified. Moreover, development cooperation is being complemented by private direct investments, contributions from new actors (emerging countries, private foundations, etc.) and remittances from migrants to their countries of origin. Development cooperation must therefore serve as an intermediary platform enabling recipient countries not only to improve macroeconomic indicators, but also to distribute the benefits of economic growth more fairly. This, in turn, should contribute to poverty reduction.

As a highly globalised country, Switzerland has long had a vested interest in ensuring that things go well in the world. This is particularly true today in the face of such global challenges as climate change, economic governance, or migration, which affect both industrialised and poor countries alike. Sustainable development is a universal endeavour in which development cooperation plays an essential role.

Martin Dahinden Ambassador, SDC Director-General



Marie-Gabrielle Ineichen-Fleisch State Secretary, SECO Director



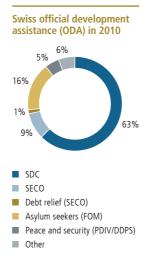
4 lund

Development policy context

In September 2010, the UN General Assembly held a high-level plenary meeting on the Millennium Development Goals in New York, commonly referred to as the MDG+10 Summit. Delegates from governments around the world gathered to take stock of progress towards the MDGs set by the international community for 2015. While progress has certainly been made, it varies from region to region. Efforts have also been inadequate in terms of both funding allocations and the impact of the various activities. In fact, few concrete proposals have been made to identify new sources of funding.

Switzerland has drafted a report on its own contribution and the specific challenges that need to be overcome in order to achieve the MDGs more effectively. Switzerland and the international community recognise their role in the achievement of the MDGs. In its report, Switzerland highlights various weak points such as the heavy emphasis on the symptoms of poverty rather than on causes (e.g. the lack of economic growth prospects).

Despite efforts to make progress towards the Millennium Development Goals (MDGs), the gap between rich and poor population groups persists. The Swiss Parliament has now given its approval to raise official development assistance (ODA) to 0.5% of GNI by 2015.



However, responsibility for development should not be placed entirely on the shoulders of donor countries. Developing countries also need to play a more proactive role. The involvement of the population in public affairs, corporate social and environmental responsibility, and the political resolve of governments are all important factors contributing to the achievement of the MDGs.

Development cooperation is not limited to activities aimed at reducing poverty and helping the poorest countries. Global challenges (e.g. climate change and the use of natural resources) have a direct impact on the lives of the most vulnerable population groups. These challenges require not only cooperation with the poorest countries, but also cooperation with emerging countries such as India or China, which have become important players in the international policymaking arena.

Efforts to achieve the MDGs must take into account both aid volume and aid impact as well as the full range of national policies adopted by industrialised and emerging countries. Specific examples include the agricultural or trade policies of donor countries, which determine the extent to which developing countries can take part in the tightly woven global economy.

Growth should benefit all

Poverty statistics can certainly indicate status and progress of development. However, relying on poverty statistics alone can be very misleading. As a case in point, the countries that have experienced the highest levels of growth also have the largest number of poor people. India, which achieved 9.7% growth in 2010, still has over 400 million poor people. Economic growth alone is not enough. There needs to be a better distribution of wealth. In order to achieve this, the governments of developing countries need to implement national policies that create opportunities for everyone.

Poverty and environmental pollution are closely linked. Both are caused by market deficits such as unfair framework conditions and insufficient national and international governance. No single country is able to find solutions to inadequate framework conditions on its own. Global problems such as climate change and water shortages have a tremendous impact on the development prospects of poor countries. In 2010, progress was made in the area of global governance: while the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP-16) in Cancun, Mexico did not lead to a binding final document, industrialised countries did agree on a binding plan to reduce their CO₂ emissions. In addition, various coordination mechanisms were launched to tackle climate change, including the "Green Climate Fund". Between now and 2020, various countries will make annual contributions of up to USD 100 billion to this fund.

Long gone are the times, when countries from the Global South constituted a more or less homogeneous category. Nowadays, they include industrialised countries, emerging countries as well as poor countries that have not yet been able to benefit from global development dynamics. This new reality needs to be more strongly reflected in international governance and decision-making within international organisations. The World Bank, for instance, has decided to increase the voting rights of emerging countries in exchange for greater contributions to its development funds. In 2010, China contributed USD 2 billion to the World Bank's International Development Association (IDA), which provides funding to the poorest countries.

Swiss context

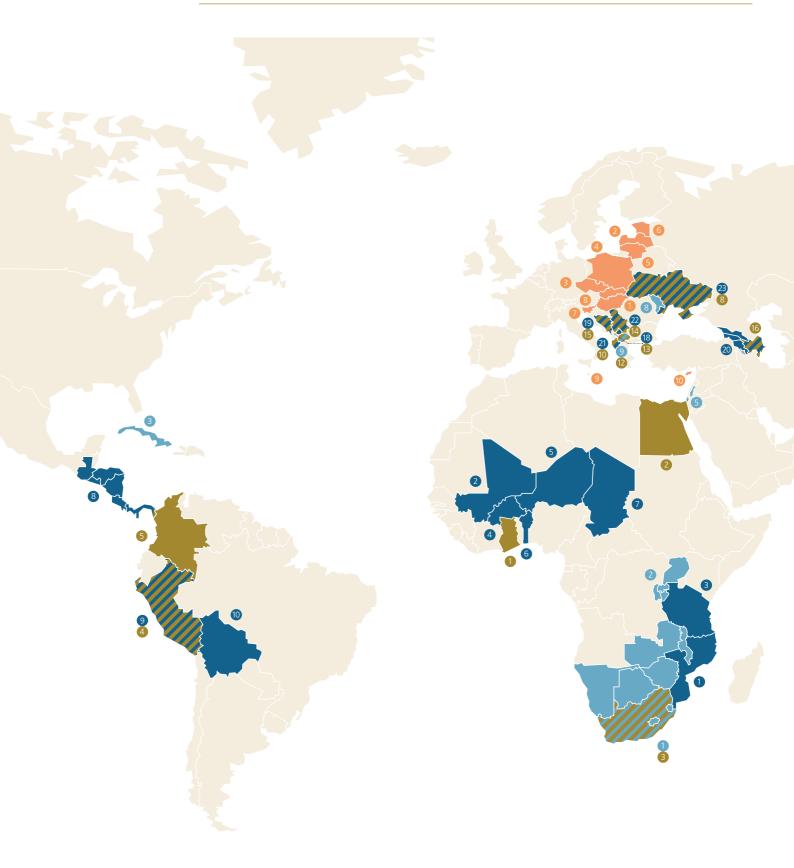
On 28 February 2011, the Swiss Parliament decided to raise official development assistance (ODA) to 0.5% of gross national income (GNI) by 2015. Additional funding was also allocated for 2011 and 2012. This funding will be used to quickly launch water and climate projects at both bilateral and multilateral levels. In 2010, Swiss ODA stood at 0.41% of GNI, which is not only below the UN target of 0.7% but also the average ODA level of OECD member countries (0.48% in 2009, 0.49% in 2010).

Switzerland has often been praised for the quality of its development cooperation activities. Two reports highlight recent achievements: the SDC/SECO Report on Aid Effectiveness in the Water Sector 2009, and the SDC/SECO Report on Aid Effectiveness in the Agricultural Sector 2010. Like the Annual Report published last year, this year's Annual Report provides an overview of the results obtained.

Countries from the Global South no longer constitute a homogeneous category.

Swiss commitment to the agricultural sector

The SDC and SECO contribute a combined total of CHF 200 million each year to agriculture and food security. Switzerland is among the donor countries that spend the most in these areas. A report on the Effectiveness of Swiss Development Cooperation in the Agricultural Sector was published in 2010. It presents the results obtained in four priority areas: production and productivity, trade policy frameworks, producer-to-consumer value chains, and food crises.



SDC and SECO priority countries and regions 2010

mil. CHF

SDC Africa Mozambique 19.9 priority countries and Mali 14.7 2 regions South 14.6 3 Tanzania Burkina Faso 13.8 4 Niger 13.2 5 Benin 11.5 6 Chad 10.2 7 Latin America Nicaragua/Central America 25.0 8 Bolivia 17.8 9 Peru 10.4 10 Asia Vietnam/Mekong 26.2 1 25.7 12 Nepal 18.2 B Bangladesh Pakistan 11.2 14 India 7.6 15 Bhutan 1.5 16 SDC Africa South Africa/Southern Africa 18.9 1 Rwanda/Great Lakes 12.9 special programmes 2 Latin America Cuba 5.2 South 3 Afghanistan 14.4 4 Asia Gaza and West Bank 12.0 5 Mongolia 11.7 6 North Korea 3.7 7 17 22.9 SDC Central Asia priority countries and 10.7 18 Kosovo Bosnia and Herzegovina 10.1 19 regions East South Caucasus 8.8 20 Albania 8.0 21 Serbia 7.6 5.5 Ukraine SDC Moldova 7.7 8 special programmes East Macedonia 6.3 9 Africa Ghana 13.8 priority countries and Egypt 5.5 2 programmes South South Africa 2.7 3 Latin America Peru 8.4 4 Colombia 2.6 5 Asia Vietnam 18.2 6 Indonesia 5.6 7 **SECO** Ukraine 9.6 8 priority countries Kyrgyzstan 7.8 9 and programmes Albania 5.8 10 East 2010 Tajikistan 5.1 1 Macedonia 4.3 12 Kosovo 3.4 B Serbia 2.7 14 Bosnia and Herzegovina 2.7 15 Azerbaijan 1.1 16 SDC/SECO 15.1 Hungary **New EU member** 6.4 Latvia 2 5.7 states Czech Republic 2.5 Poland 0.5 Lithuania 0.4 Estonia Slovenia 0.2 Slovakia 0.2 Malta 0.0 0.0 Cyprus



Global food crisis

In many countries, including Switzerland, eating is generally something that the majority of the population takes for granted. Our lamb comes from New Zealand, our cherry tomatoes come from North Africa and our rice comes from Thailand. Modern society relieves us of the daily necessity of planting, harvesting, and preparing our own food. All we need to do is pay for our food and we only feel an impact when prices rise. For people living in poor countries, however, rising food prices have a much greater impact. Angry crowds gathered around a kiosk near the Pyramids of Giza in Egypt to get hold of government-subsidised bread. Rising demand and insufficient supply worldwide have once again raised questions as to

whether food production can keep up with population growth.

The End of Plenty

Poverty reduction works

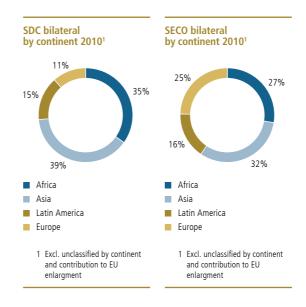
Greater opportunities mean less poverty, more hope, more stability and more security. For this reason, Switzerland has maintained a long-term commitment to bilateral cooperation in Africa, Asia, Latin America and Eastern Europe. Drawing on Swiss know-how and long years of experience, the SDC and SECO work with partner institutions to find innovative solutions to poverty and development issues.

At the same time, however, 2010 was a year of major natural disasters that claimed the lives of 295 000 people and caused around USD 130 billion in economic damage. These natural disasters directly or indirectly affected over 200 million people.

In 2010, Swiss bilateral cooperation improved the lives of thousands of people in partner countries: through education, new sources of income, better access to healthcare and improvements to economic and legal systems.

The number of natural disasters handled by relief workers in 2010 alone was higher than in all other years and included major earthquakes (in Haiti and Chile), floods (in Pakistan, Moldova and Columbia), droughts and associated effects (crop failure in the Sahel region; fires in Russia and Israel). The SDC's Humanitarian Aid responded to each situation in a timely, targeted and coordinated manner.

With its commitment to reducing poverty, overcoming inequality and relieving suffering, what has Switzerland achieved? The following pages provide an overview of major activities and results.





A dust storm sweeps through the village of Mabaalea, in Ethiopia. Lasting drought has led to acute malnutrition. Nearly all of the animals have already perished.

The End of Plenty

In relation to its total population, sub-Saharan Africa has by far the world's largest proportion of poor people: 46% of the population lives on less than USD 1 per day. Following a brief decline in the wake of the financial crisis, growth rates have returned to the 5% range. However, development progress has not been the same everywhere. In many African countries, economic growth has not led to corresponding improvements in living standards.

The SDC's development cooperation activities in Africa are concentrated in seven priority countries and two regions. Emphasis is also placed on encouraging regional cooperation between countries. The main areas covered include basic education and vocational education and training (VET), decentralisation, health and rural development.

Political and social stability have improved in most countries over the past few years. In some countries, however, there is a risk that autocratic governments will undermine recent democratic progress. Among other things, support for civil society organisations (CSOs) makes it easier for the population to demand and obtain basic rights.

Africa

Development progress in many African countries is clearly visible. Nevertheless, the road to greater prosperity and less poverty remains long: limited access to clean water, precarious healthcare services in many countries and growing insecurity in the Sahel region are major challenges on the continent.

A complex array of trafficking in narcotics, arms and human beings, combined with the terrorist activities of the Al-Qaeda organisation in the Islamic Maghreb have created a climate of insecurity in the countries of the Sahel region. The deteriorating security situation in some partner countries such as Niger and Mali poses major challenges for Swiss bilateral cooperation and humanitarian aid activities. Insecurity prevents programmes from being implemented efficiently and puts personnel on the ground at risk.

While major aid programmes were needed in 2010 in order to ensure food security in the Sahel region, the harvest later in the year was good. Nevertheless, the International Food Policy Research Institute estimates that roughly 265 million people still suffer from malnutrition. Rising prices for staple foods can quickly have dire consequences. Most countries in sub-Saharan Africa will not reach the MDGs by 2015. Nevertheless, significant progress has been made in the areas of education and health.

The gross domestic product (GDP) of African countries grew more quickly than the world average between 2000 and 2008. African economies have become more diverse and dynamic. Still, the

Fifty years of independence Around one-third of all African countries celebrated fifty years of independence in 2010. These commemorations allowed people to reflect upon their respective strengths and untapped potential. In many countries, elections and/or referendums have either already been held at various levels or are being planned. These democratic processes have caused civil unrest in Ivory Coast, Niger and Madagascar. In Sudan, the separation of southern Sudan was a veritable breakthrough. In Zimbabwe, there are various indications that the severe crisis may be easing somewhat.

economic crisis threatens to reverse widespread development progress. The following challenges persist: life expectancy in sub-Saharan Africa is about age fifty; over half of the rural population has no access to clean water; and maternal mortality rates remain high.

Countries belonging to regional organisations such as the East African Community (EAC) or the Economic Community of West African States (ECOWAS) work together to resolve issues that no individual country can face on its own: trade, transport infrastructure, water management. Despite this, the conclusion of partnership agreements between ECOWAS and the EU is advancing but slowly, as both sides have been unable to see eye-to-eye on matters relating to the liberalisation of trade and tariff protection.

Local development

Improvements in agricultural inputs have significantly increased incomes. Working with three municipal governments in Burkina Faso, the SDC has improved the economic conditions of around 400 000 people. By building infrastructure and services such as roads, marketplaces or slaughterhouses, these municipalities managed to increase their tax revenues by 30% last year. The additional tax revenues can now be used to fund the construction or renovation of social infrastructures such as schools or hospitals.

The municipal governments were also able to improve their technical expertise in the area of planning and administration while working with civil society organisations (CSOs) and private organisations. By developing their technical, administrative and financial capacities, the municipal governments found it easier to mobilise local resources and play a more proactive role in the planning of public sector activities.

Improvements in agricultural inputs such as fertiliser, dung and farming equipment, better storage of agricultural produce, the formation of interest groups and the creation of outlet markets have significantly increased incomes. The introduction of sprinkler irrigation systems has enabled 500 farmers, 200 of whom are women, to increase their incomes by 30%. Small- and medium-sized enterprises (SMEs) offer the population the opportunity to buy services such as training, clothing, medical care as well as more nutritionally balanced food. The food security situation has improved considerably. The consequences of food shortages and malnutrition are now being felt to a much lesser extent.

Training and information on rights and obligations have enabled community councils, and particularly women, to more effectively express the concerns of the population at the community level. Switzerland seeks to encourage central governments to transfer powers to local governments and to compensate them accordingly. It also works with governments to ensure that local experiences can bring benefits at the national level.

Health and education

According to the World Health Organization (WHO), around 800 000 people in Africa die of malaria each year. In 2009, the Swiss Tropical Institute conducted a successful trial of a new vaccine for infants and children. Since then, infection rates among vaccinated children have fallen by 65%. Major progress has also been made in Rwanda, Tanzania and Madagascar thanks to the large-scale distribution of impregnated mosquito nets.

HIV/AIDS has hit the region of East Africa particularly hard. Efforts to prevent and treat the disease seem to be having a positive effect. In sub-Saharan Africa, the rate of new infections has fallen by 15%. Thanks to the more frequent use of antiviral therapies (44% at the end of 2008 compared to 2% in 2003), the number of people undergoing treatment enabling them to live with HIV/AIDS has risen. Despite this progress, the impact of the AIDS epidemic can still be felt: in Mozambique alone, there are around 1.6 million AIDS orphans.



Many countries now offer free school tuition. Despite high population growth, enrolment rates have increased by 75%–82%. As in the past, however, fewer than half of the children who start primary school will actually finish. The quality of teaching is often insufficient and teachers are poorly trained. Given limited state budgets, there have also been cutbacks in education expenditure.

In Chad, the decentralised provision of public services is still underdeveloped and of poor quality. Local communities often have to fend for themselves. The SDC programme supports the efforts of rural inhabitants to increase agricultural output and provide for their own education and healthcare. Increased harvest yields should generate more income for family-owned farms. This income can then be used for basic education and good-quality healthcare. Local communities should be able to manage both services on their own.

Of the 8000 family-owned farms that received SDC support in 2010, nearly two-thirds were able to cover their own needs despite a massive food crisis that affected a million people. Of the women who received training in the processing of agricultural products, over 60% were able to increase their income and pay for such things as school tuition and healthcare. Under an SDC-sponsored decentralised school system, 426 locally managed and funded schools were established. This corresponds to 11% of all public schools in the country.

The provision of basic and continuing training to over 1000 teachers and the introduction of innovative teaching approaches have enabled roughly 60 000 young boys and girls to receive good-quality schooling. Enrolment rates at upper-secondary level have increased significantly. Training provided to 200 midwives encouraged a greater interweaving of traditional and modern medicine. The number of visitors to healthcare centres has increased as a result.

Today, around 700 of the SDC-sponsored farmer unions, parent councils and healthcare committees play an active role in regional and national policymaking. Their involvement has helped to encourage the state to provide the types of services that people need.

Humanitarian aid

Humanitarian aid is intended to help the victims of conflicts and natural disasters. Millions of people find themselves powerless in the face of armed conflicts raging through Somalia, Ethiopia, Chad, the Republic of Congo, Kenya and Burundi. Many have fled to camps for refugees and/or internally displaced persons (IDPs) and depend on outside aid. In 2010, the SDC's Humanitarian Aid ensured the survival of about three million people by contributing the necessary funding and experts to both Swiss and international organisations. It also coordinated the direct missions of the Swiss Humanitarian Aid Unit (SHA).

In Sudan, the SDC concentrated its activities on the provinces of Darfur, northern Bar el Ghazal and southern Kordofan. In Darfur, 4.7 million people have been dependent on outside aid since 2003. The SDC's Humanitarian Aid distributed emergency supplies (e.g. food and water) to the civilian population and took steps to ensure their protection. It has also provided the UN World Food Programme (WFP) with Swiss powdered milk for 370 000 undernourished children, along with an expert specialised in the management of local partnerships. In southern Sudan and southern Kordofan, support was given to the reintegration of refugees and IDPs returning from the north. In addition to providing financial contributions to UN partners and Swiss NGOs, the SDC's Humanitarian Aid launched a direct project in the second half of 2010 to secure water supplies for a million people living in the province of northern Bar el Ghazal.

In 2009, a renewed period of drought in the Sahel region worsened an already difficult food security problem. Over 15 million people were exposed to hunger and undernourishment at the start of 2010. The SDC's Humanitarian Aid intervened both through bilateral programmes and through contributions to international organisations and Swiss charities.

In the Middle East, SDC programmes focused on the economy and employment, the rule of law, human rights and the provision of basic services to the population. In the area of migration in Morocco, the SDC helped to improve the quality of basic services provided to transit migrants and refugees. A total of 2400 children and adults were aided in this manner.

The provision of basic and continuing training to over 1000 teachers has enabled roughly 60 000 young boys and girls to receive good-quality schooling.





Disaster risk reduction (DRR) is another important part of humanitarian aid activities. As one of the few donor countries involved in this field, Switzerland continues to play a key role in helping government agencies, non-governmental organisations (NGOs) and civil society organisations (CSOs) in Morocco, Jordan, Syria and Lebanon to build their DRR capacities.

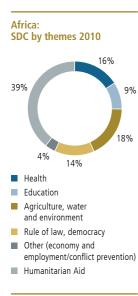
Economic cooperation

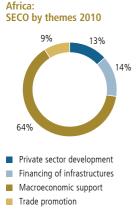
In 2010, SECO's activities in priority countries Ghana, South Africa and Egypt were devoted to raising awareness of taxation policy matters. SECO is also actively involved in two global initiatives launched by the International Monetary Fund (IMF) to help developing countries in all areas relating to taxation and taxation policies, and particularly also the taxation of natural resources.

In addition, Phase II of the taxation reform project was launched in 2010. This project seeks to introduce a performing tax administration that should eventually lead to sustainable increases in tax revenues, and also ensure that the taxation system is both fairer and more efficiently designed. Through its work with the "African Tax Administration Forum", SECO encourages the exchange of information between the tax administrations of African countries.

A bilateral agreement on sustainable public procurement was also signed with Ghana. Greater transparency and accountability should lead to a more efficient use of public funds. Ghana is the first African country to adopt sustainable public procurement principles.

In Egypt, a SECO project seeks to encourage mediation as an alternative method of settling trade disputes. This ensures the faster resolution of disputes and leads to tremendous cost savings. In the future, Egypt should become a regional competence centre for dispute settlement matters. This will enable more countries in the Middle East and North Africa to become familiar with the mediation approach. 37 people have already received mediation training. State judges will also attend a recognised training programme in mediation. Waste management efforts in Egypt were also intensified. Projects focus on the environmentally sound disposal of toxic substances, in particular hospital waste.





Fair trade and tourism In South Africa, SECO backed an organisation specialised in fair trade and tourism, which seeks to develop recognised fair trade and travel packages. After several years of cooperation between industry, civil society organisations and government agencies, the first international fair trade travel packages were launched on the Swiss market in 2010. The project meets a sizeable demand for fair, environmentally friendly and socially responsible tourism.

Power infrastructure in Ghana SECO has been helping the government of Ghana to develop a strong electricity sector. Eighty towns now enjoy the benefits of an expansion of the power grid. In addition, measures were taken to improve energy efficiency such as the identification of power leakages.

A man in northern Bangladesh buys a ration of rice for his family. For people who have to live on less than USD 1 per day, food is never cheap.

The End of Plenty



Asia

In 2010, economic growth in East Asia remained high at 8%, despite the financial crisis. This growth, which has nevertheless intensified social inequalities, was driven mainly by China – the dominating power – as well as Indonesia and South Korea.

All things considered, China, Vietnam, Laos, Mongolia, Bhutan and Indonesia made progress towards the MDGs. Important development activities relating to rural development, food security, or access to education and healthcare still need to be carried out, particularly in Laos and Vietnam. Inadequate progress in the areas of good governance, public services and civic participation make it more difficult to reduce inequalities. In the Mekong region, Swiss activities also include climate adaptation measures for the local population.

Living conditions – particularly access to education and healthcare – have generally improved in Nepal,

Asia has been developing at different speeds: a dynamic economic growth, on the one hand, but insufficient good governance and widespread poverty. Disparities have intensified, as has the depletion of natural resources.

SECO by themes 2010 SDC by themes 2010 6% 2% 12% 32% 23% 42% 36% 17% 23% Health Private sector development Education Financing of infrastructures Agriculture, water Macroeconomic support and environment Trade promotion Rule of law, democracy Other (economy and employment/conflict prevention) Humanitarian Aid

India, Pakistan and Bangladesh. Southern Asia is still the region with the largest number of people living on less than USD 2 per day (844 million), compared to 458 million people living under the same circumstances in sub-Saharan Africa. The extremely difficult situation in Nepal, Afghanistan and Pakistan requires special measures to be taken to prevent conflicts and reduce risk.

On the one hand, Bangladesh has experienced around 6% annual growth and enjoys a relatively stable political situation. On the other, the government shows little support for reform processes, corruption runs rampant, and very little progress has been made on urgently needed infrastructure projects. The roles of donors, government, civil society and the private sector therefore need to be redefined.

In the summer of 2010, the SDC managed to quickly and unbureaucratically provide relief to thousands of flood victims in Pakistan who had been caught offguard by unprecedented monsoon rain.

Security remains a problem in both Afghanistan and Pakistan. Despite the deteriorating security situation – particularly in the Hindu Kush region bordering Afghanistan and Pakistan – the SDC managed to complete nearly the entire programme as planned and achieve good results.



Rural development

In 2010, the SDC continued its rural development activities, effectively reducing poverty by helping inhabitants to increase their incomes. In addition, the SDC contributed to more transparent and efficient governance. Women, children and minority groups were the main focus.

In Afghanistan, community bakeries built by Helvetas considerably reduced the workload and economic burden of over 1000 families. In addition, 110 000 children received schooling from around 4000 teachers, which enabled 42 000 children to complete their basic education.

In Pakistan, flood victims (e.g. in the Swat valley) were quickly supplied with drinking water, food and sanitary products. Despite the difficult situation on the ground, the economic livelihoods of 25 000 families – or around 200 000 people – were sustainably improved: the families were able to increase their incomes by 25% to 50%.

In Nepal, the SDC provided technical expertise for the construction of 177 suspension bridges. These bridges provided 2.27 million people with better access to local markets, education and healthcare. At the same time, the incomes earned by marginalised rural inhabitants from work in the construction sector reached CHF 6.5 million. 57% of the workers who benefited from this programme came from population segments that were either poor or suffered from discrimination. By generating at least USD 1 per day in income, they were able to significantly improve their living conditions.

In Bangladesh, the SDC's relatively limited resources were used to launch high-impact projects that also attracted third-party resources: thanks to new value chains in the agricultural sector, over 200 000 jobs were created in small companies. In addition, over

300 000 people received direct training through these SDC-sponsored projects.

In North Korea, integrated pest management (IPM) methods developed over the years have shown a potential increase of crop yields of cabbage – the staple food – by over 40%. As a result, the government has issued national IPM guidelines. The SDC also worked with North Korea's National Academy of Agricultural Science (NAAS) in Pyongyang to devise an IPM study programme, which was then included in the NAAS syllabus.

In Mongolia, potato crops went from covering 55% of domestic needs in 2004 to 110% in 2010. These improvements in crop yields were made possible thanks to Swiss efforts to introduce new types of potatoes. The SDC has also been working with shepherd communities, introducing rotation to make better use of pastureland encouraging the preservation of natural resources, and improving their access to meat markets. All things considered, 17 shepherd communities managed to generate a total of CHF 1.2 million in additional income. Contacts with the private sector were also established to develop meat exports.

In two provinces of Vietnam, the SDC worked with the Ministry of Agriculture and Rural Development on a monitoring scheme that will be used to plan and implement rural policies. Improved animal husbandry techniques and the introduction of veterinary medicine at provincial level have already enabled 5000 farmers to increase their monthly household incomes by up to USD 80. Improved animal husbandry techniques have also helped people in Laos to increase their incomes. Moreover, rural advisory services have improved thanks to Swiss know-how, which has enabled farmer families to increase their average annual household income by USD 150.

In Mongolia, potato crops went from covering 55% of domestic needs in 2004 to 110% in 2010. Protecting human rights The security situation in Afghanistan continued to deteriorate in 2010. Human rights violations occur on a frequent basis and there is no truly functioning legal system in place to protect the rights of the Afghan people. In this difficult, wartorn context, the SDC-sponsored Afghanistan **Independent Human Rights Commission** (AIHRC) seeks to lay the foundation for the protection of human rights in Afghanistan. Working with civil society partners and the **International Committee of the Red Cross** (ICRC), the AIHRC has managed to greatly improve the conditions of Afghan prisoners. Thanks to their efforts, the number of torture cases has fallen by over 30% and nearly 400 illegally incarcerated prisoners have been released. The AIHRC was also instrumental in ensuring that four recently enacted national laws are less discriminating of women, the destitute and families.

Sustainable agriculture Over 70% of the North Korean terrain is hilly or mountainous. As a result of inefficient, planned economies and the poorly conceived centralised distribution of food, these areas were intensively used for food production, which led to deforestation and soil erosion. An SDC-sponsored project now seeks to encourage the sustainable use of slopes. Working with the North Korean environmental authorities and the **World Agroforestry Centre, trained farmers** use environmentally sound cultivation and agroforestry techniques on slopes. These farmers are also able to reap the benefits of the higher yields. This has significantly increased the level of productivity and diversity of farming and forestry products, which has led to a general improvement in the living conditions of rural inhabitants.

Good governance

The Afghan Ministry of Justice established a special support unit to deal with human rights issues. Close cooperation with the United Nations Development Programme (UNDP) has allowed Switzerland to make a significant contribution to good governance, despite limited financial resources.

The lack of progress towards peace and the political impasse in Nepal have forced Switzerland to reconsider its role. It has become more difficult to implement activities at the governmental level. Established advisory services and the new capacity-building activities in constitutional matters nevertheless enjoy considerable support.

Following the positive experiences in Bhutan, Laos and Vietnam, the SDC has been able to considerably facilitate access to public services for 1.4 million inhabitants of Mongolia. The introduction of "one-stop shops" led to a 48% reduction in travel, waiting and processing times. Various administrative procedures can now all be carried out at a single local service centre established specifically for this purpose.

Laos has taken first steps towards introducing a more efficient human resources management system and has drafted a strategy paper on government reform. 125 000 villagers in 21 districts have already become involved in decision-making on the allocation of government funding to health, education and advisory services. In Vietnam, the SDC has been working with the government and the UNDP to conduct an external evaluation of government reform. The results of this evaluation should provide information on the strength and efficiency of the civil service. At the same time these results should shed light on the benefits of government reform processes. Meanwhile, the provinces of Hoa Binh and Cao Bang provide clear evidence of a stronger involvement of village communities in the planning and use of government funding. Over 56 000 households carried out more than 1500 small-scale projects that were directly funded at the village level.

Humanitarian aid

In Pakistan, monsoon rain led to flooding covering nearly one-fifth of the country. The SDC's Humanitarian Aid dispatched relief workers to the region in a matter of days. 20000 flood victims received drinking water, food and sanitary products. Plastic covers, tents, mattresses, household goods and sanitary products were also distributed to 2000 families. At the same time, relief workers began efforts to purify and distribute local water supplies.

The SDC's Humanitarian Aid launched a cash project to provide housing to flood victims during the winter period. Homeless families received money to pay for winter-proof accommodation and basic necessities. Construction materials were also provided to 1000 families to help them rebuild the roofs of their homes.

In Sri Lanka, the SDC's Humanitarian Aid provided emergency relief for internally displaced persons as well as support for reconstruction. Thanks to a project contribution to the Swiss Foundation for Mine Action (FSD), 9.5 km² of minefields in the proximity of nine villages could be cleared and resettled. 59 villages and 647 wells were cleared of landmines and unexploded ordnance. A housing project in Maravanpulo (Jaffna) led to the construction of 300 houses, which allowed 1800 people to safely return to their villages and local community. An additional 500 families were able to benefit from projects designed to increase their incomes. Two new schools were built and repair work was done on ten seriously damaged school buildings. This improved access to schooling for children in the Jaffna district.

In 2008, the SDC's Humanitarian Aid dispatched relief workers to Myanmar in the aftermath of Cyclone Nargis. Direct measures were taken to rebuild 15 schools and emergency shelters in the Irrawaddy Delta. As a result, 2300 children were able to remain in school. These buildings will also provide comprehensive protection to the local community in the event of future natural disasters. In Thailand, the SDC's Humanitarian Aid helped 140 000 refugees from Myanmar and dispatched experts specialised in technical and strategic matters.

In North Korea, the World Food Programme (WFP) distributed Swiss powdered milk to nurseries and healthcare centres. This helped to greatly reduce chronic malnutrition among children, pregnant women and patients.

Economic cooperation

In Indonesia, SECO continued to lend support to the reform of public finances. In 2010, the activities related mainly to budgeting, planned expenditures and monitoring. SECO also helped the national tax authority in its efforts to reform the tax system. In addition, SECO launched a programme to develop sustainable tourism on the island of Flores, which is one of the poorest islands of the archipelago. The presence of local tourist offices makes it easier for public and private partners to establish contacts and market the island together. One of the main target groups – tourists who normally travel to the Indonesian island of Bali.

In Vietnam, SECO is part of a programme to improve wastewater treatment in three towns in the northern part of the country. Sustainable wastewater treatment facilities are expected to lead to improvements in wastewater disposal and settlement sanitation. This, in turn, will help to reduce contamination in surface water and groundwater. In addition, SECO and the World Bank are currently co-sponsoring a project to encourage the use of renewable energy sources.

In the Vietnamese financial sector, SECO has backed measures to ensure the sustainable use of public funding and the development of a strategy for the banking sector. Another project designed to protect intellectual property rights has helped to align Vietnamese legislation with WTO standards. The project has also enabled the authorities to bring their knowledge and skills to an international level. The "Vietnam Cleaner Production Center" has successfully positioned itself on the market as a provider of sustainability services for small- and medium-sized enterprises.





In Vietnam,
SECO is part
of a programme
to improve
wastewater
disposal and
settlement
sanitation.
This should
reduce contamination in surface water and
groundwater.

Transparent corporate activities In October 2010, the Business Registration Reform project in Vietnam was launched for the purpose of stimulating innovation, entrepreneurship and private investment. The first step in the process was the creation of a unified national trade register. This SECO-sponsored project seeks to ensure that legally relevant data regarding companies (e.g. financial reports) are freely accessible on the Internet.



The conversion of forests to farmland has led to an increase in food production, but at very high environmental costs (fire hazards in the

In the second half of 2010, economic growth in Latin America exceeded 4%, which is higher than the worldwide average of 3.9%. Despite positive economic growth, the world's greatest social disparities can be found in Latin America. Although success in poverty reduction has been achieved, we should not forget that 30% of the continent's population live on less than USD 2 per day and therefore continue to suffer from the effects of poverty.

The Andean countries of Bolivia and Peru, as well as the countries of Central America, remain priority regions for Swiss development cooperation. A special programme is currently underway in Cuba and the programme in Peru is in the process of being restructured. Starting in 2012, cooperation will be focused primarily on the priority themes of climate and water. At the same time, SECO will begin work on a new economic cooperation programme with Peru and Colombia.

After the major earthquake that struck Haiti in January 2010, the Federal Council asked the SDC to develop a special reconstruction programme and devise plans for the medium-term development of this devastated country. In March 2010, the Federal Council authorised the SDC to strengthen its commitment in Haiti.

Swiss training measures in Nicaragua and Honduras have enabled over 67000 people, including 28000 women, to establish small or medium-sized enterprises and improve their income.

Latin America

Latin America weathered the global economic and financial crisis better than other world regions. Widespread poverty and major social disparities are nevertheless breeding grounds for conflict. Natural disasters also wreaked havoc in certain countries – particularly the island nation of Haiti.

SDC activities in Latin America are based on the following priority areas: employment and income, natural resources, rural development, and good governance. Gender has been mainstreamed as a cross-cutting theme in all SDC programmes and projects. A particular concern in the now politically more stable Latin American countries is how to strike an optimum balance between foreign policy and development policy interests. There is also an ever growing demand for community involvement in Swiss-guided decentralisation processes.



Employment and income

The SDC's many years of commitment to vocational education and training (VET) has paid dividends. Swiss training measures in Nicaragua and Honduras have enabled over 67 000 people, including 28 000 women, to establish small or medium-sized enterprises and improve their income through the value chain. Thanks to continuing education and training



programme in four highland communities in 2010 led to the preservation of nearly 2000 hectares of forest as well as the replanting of 7200 indigenous plant species. The programme therefore contributed to preserving biodiversity in the country. It also raised the awareness of the population of the need to protect natural resources. Here, local customs and traditions with regard to nature play an important and positive role.

Rural development and good governance

Hundreds of thousands of rural inhabitants in Andean countries still have no access to formal judicial proceedings. In four remote provinces of Peru, Switzerland has established a programme to promote a rural legal and justice system. This programme seeks to train justices of the peace on how to handle community conflicts and to give rural inhabitants the opportunity to settle such conflicts in court. After five years, encouraging results were observed in 2010. The training of 2500 people as justices of the peace will enable over 150 000 inhabitants of the four provinces to gain access to formal judicial proceedings. The experiences gained from the Swiss community law programme have also had a direct impact on national legislation. In 2010, the Peruvian government enacted a law that gives rural inhabitants access to local justice and enables them to settle social conflicts at the community level.

In Bolivia, Switzerland launched a very popular platform that enables indigenous peoples to submit their cases to formal state courts. In this manner, Switzerland has made an important contribution to promoting democracy and instilling civic values in the country, which also helps to secure indigenous rights. At the SDC's initiative, farmers, university research institutes and a state agricultural and forestry research

in finance, women in these countries have developed considerable selfconfidence as entrepreneurs. Many have set up their own small business. In Bolivia, entrepreneurial training provided by the SDC has enabled 12 000 producers to increase their productivity and market competitiveness. In the future, these measures will also be scaled up to other regions of the country. The SDC's economic development programme in Cuba has become even more critical in the wake of government layoffs, which have left over a million civil servants jobless. This programme can actively help them to find alternative sources of employment and income, particularly in agriculture.

justices of the peace will enable over 150000 inhabitants to

gain access to

formal judicial

proceedings.

The training of

2500 people as

Natural resources

In Latin America, metal silos have successfully been used to store corn and beans for longer periods of time. This approach will now be introduced in the SDC priority country of Tanzania in Africa. In Cuba, a study of the Swiss rural development programme showed that the farmer families that took part in the programme were able to increase their bean, corn and rice yields by an average of 53%. This has greatly contributed to food security. In Bolivia, the SDC





facility (founded in 2006) formed a network in Bolivia in 2009. This network seeks to achieve greater food security, increase incomes and improve living standards for the rural inhabitants of four Bolivian provinces. Joint experiments were conducted, for example, to test new peach varieties that ripen more quickly, thereby extending the amount of time that farmers are able to sell their produce.

Over 2500 farming families were able to increase their income and improve their level of nutrition. As a result, considerably fewer farmers felt the need to leave their homes in search of employment in the surrounding towns. In addition, a new type of bean with higher iron content was produced. The new bean has enabled around 900 farmers to not only increase their harvest yield, but has also led to improved health among rural inhabitants.

Humanitarian aid

Haiti was the main focus of humanitarian aid activities. On 12 January 2010, a 7.0 magnitude earthquake caused widespread devastation with the epicentre not far from the capital Port-au-Prince. Over 220 000 people died, 300 000 were injured and around 1.5 million lost their homes. Relief workers provided a total of 155 tonnes of emergency supplies to earthquake victims. Over 110 experts from the Swiss Humanitarian Aid Unit (SHA) – specialised in medicine, water supply and sanitation, and emergency shelters – were immediately dispatched to the earthquake zone. This is the greatest emergency relief programme in the history of the SDC's Humanitarian Aid.

In the first three months after the disaster, Swiss medical personnel treated over 800 patients, performed 620 life-saving surgeries, assisted 300 births and treated hundreds of children. Using the building materials provided, 2000 families were able to build makeshift shelters for themselves. Fifty water distribution points were rebuilt, which enabled clean water to be provided to 50 000 people over a three-month period. In the initial stages, the SDC's Humanitarian Aid provided the International Committee of the Red Cross (ICRC), the United Nations World Food Programme (WFP) and the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) with over CHF 3.5 million in funding and made numerous experts available.

In July 2010, the SDC established a competence centre for reconstruction. This centre will provide technical support and training for proper reconstruction and will help to better coordinate the many reconstruction programmes that are currently underway. The SDC was the first and only organisation to receive authorisation from the Haitian Ministry of Education to build two permanent public schools. Construction of these two model schools began at the end of 2010.

The SDC also provided experts, medical supplies and funding to deal with the cholera outbreak, which posed an additional humanitarian challenge. In addition, support was given to the water authorities, the activities of non-governmental organisations (NGOs) and the Albert Schweitzer Hospital.

In Colombia, internal conflicts have displaced around 4 million people. In this country, the SDC seeks to help the victims of armed conflict. In order to improve the level of protection afforded to the civilian

Improved access to financial services

Improved access to microcredits and other financial services in the insurance sector has increasingly become essential to the poor rural inhabitants of Nicaragua and Honduras. SDC-sponsored microcredit institutions have been particularly important for women. Between 2009 and 2010, microcredits enabled 149 000 people in Nicaragua to increase their income by an average of 75%. In Honduras, 152 000 customers were able to increase their incomes by 60%. In both countries, nearly 66 000 small enterprises improved the value of their products and services, which had a positive impact on turnover. The additional income was mainly spent on child education, the purchase of farmland and better quality healthcare.

population, the SDC works closely with international organisations (ICRC, UNHCR, WFP, OCHA), charitable organisations and the Colombian government's mine action programme.

Economic cooperation

SECO has been lending support to decentralisation, sustainable trade mechanisms, and the transfer of environmental and climate technologies in Colombia since 2009. In 2010, emphasis was placed on accompanying measures to the EFTA free-trade agreement, to private market incentives as well as to the modernisation of infrastructures, particularly the national environmental network. In addition, a new project was launched to provide early detection of major weather events. The severe storms of 2010 have underscored the importance of this project.

In an effort to help Columbia make better use of the EFTA free-trade agreement, SECO – acting through the Swiss Import Promotion Programme (SIPPO) – teamed up with the Colombian export agency ProExport to conduct five market studies in the following promising sectors: software, clothing, processed foods, cosmetics and organic produce. SECO also contributed funding to an International Labour Organization (ILO) programme called "Sustaining Competitive and Responsible Enterprises (SCORE)". This programme,

Haiti was the main focus of humanitarian aid activities. which seeks to improve working conditions in Colombian small and medium-sized enterprises (SMEs) in the textile industry, has improved workers' motivation and made participating SMEs more competitive.

In Peru, SECO lent support to local service providers wishing to sell biodiversity products on export markets. One example has been the "Sacha Inchi" Inca nut, which is becoming increasingly popular in Switzerland for its omega fatty acid content.

SECO also sponsored the publication of an export guide on how to sell Peruvian products on the Swiss market. In addition, it backed the creation of public-private networks to promote tourism. Alongside accompanying measures to the EFTA freetrade agreement, SECO also provided support to various advisory and training programmes relating to the finance sector.

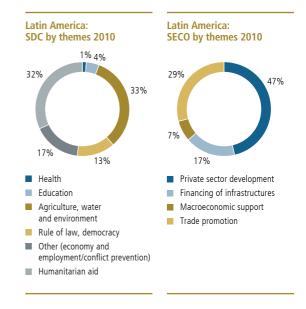
In Guatemala, SECO has been instrumental in the creation of Latin America's most modern coordination networks. In 2010, the land registry project was successfully continued. In addition, courses were offered for the accreditation of official surveyors. A system is currently being developed to manage territorial data at community level. In the future, this system should serve as the basis for the collection of property tax.

Reducing the risk of natural disasters

According to the German reinsurance company Munich Re, most of the world's natural disasters tend to occur on the American continent, which recorded 365 natural disasters in 2010. Latin American countries not only have to deal with earthquakes, but also experience heavy rainfall as well as the associated flooding and landslides. Humanitarian aid activities include support for disaster mitigation projects in Central America, the Caribbean, and Andean countries. The various measures include: introducing earthquake-resistant building techniques, helping local communities and government authorities to analyse risks and take protective measures, and providing basic and continuing education training to rescue workers. Experts in the field have estimated that the budget allocated to disaster mitigation projects (currently around CHF 10 million) will prevent roughly CHF 40-70 million worth of future damages each year.

Successful environmental advisory services

in Medellin The SECO-sponsored "Cleaner Production Centre" in Medellin currently operates as an independent institution. With over 20 employees, this institution provides specialised environmental advisory services which include promoting the efficient use of energy and resources, managing a waste recycling and disposal market, performing life-cycle analysis, and carrying out climate protection projects. The Cleaner Production Centre also launches innovative initiatives such as encouraging Colombian industries to reduce their water footprint.



A modest supper for the seven members of the Tolentino family in a village not far from Manila (Philippines). Over two-thirds of

the family's income is used to purchase food.

The End of Plenty



Eastern Europe and the CIS

Swiss cooperation with Eastern Europe and the CIS includes transition aid to the Western Balkans and the former Soviet republics, as well as support to new EU member states under Switzerland's contribution to the EU enlargement programme. Swiss transition aid is intended to ease the shift towards constitutional, pluralistic and market-based systems. In CIS countries, the aim is to reduce poverty, which affects between one-third and one-half of the population in some countries. The Swiss contribution to the EU enlargement programme seeks to reduce social and economic disparities within the broader European Union. Thanks to these cooperation activities, Switzerland has been able to build trust with the new EU member states. The programmes sponsored also offer new opportunities to the Swiss private sector.

CIS countries were hit particularly hard by the economic crisis of 2008–2009. As a result, remittances from labour migrants dropped sharply. They were also affected by severe recessions in 2009 and 2010.

The countries of the Western Balkans are moving forward with plans to join the EU. A severe recession hit several countries of the Commonwealth of Independent States (CIS) particularly hard in 2010. Given violent conflict and political instability, the future of Central Asia remains unclear.

Although the situation improved somewhat in 2010, cutbacks in state budgets and interruptions in family income are sources of concern. Swiss cooperation with Eastern Europe and the CIS is intended to help reduce the negative consequences of the crisis, particularly among the most vulnerable population groups.

Increasing instability in Tajikistan and violent conflicts in Kyrgyzstan were the main cooperation challenges in 2010.

Western Balkans / transition aid

Rule of law and democracy

Promotion of the rule of law and democracy are the cornerstones of efforts to support political transition processes in the Western Balkans. Thanks to its tradition of direct democracy, Switzerland is well positioned to effectively guide such processes. Good quality community services that are accessible to all population groups, combined with the opportunity for active participation in political processes, have a direct impact on the well-being of the population. For this reason,

nearly half of all SDC funding in the Western Balkans over the past few years has been used to promote the rule of law and democracy. This expenditure is also important in view of future integration of the Western Balkans within the European Union. Among other things, progress towards the integration depends on compliance with good governance principles by both central and local governments.

Strengthening communities and local governments

Strengthening community and municipal associations enables the interests of communities and towns to be represented more effectively in dealings with central governments. Moreover, programmes to improve the efficiency of public administration have enabled local governments to provide better quality services to the population and offer citizens a greater say in political processes.

In the wake of the global economic and financial crisis, however, central governments in the Western Balkans cut budget transfers to local governments sharply. Thanks to the effective representation of their interests, community associations in Serbia and Macedonia managed to reverse this trend. At the same time, membership dues to the Kosovar community association swelled, which is an indication that it provides good quality services.

In Bosnia-Herzegovina, 20% of all communities have started using a planning method for the provision of services that comply with EU norms. In Albania, six communities have started to implement local

development plans, which were submitted to regional authorities for approval for the first time. In Macedonia, the community forum was included as a means of civic participation in the statutes of 25 communities. 24 other communities intend to follow suit.

Employment and income

In 2010, several programmes were carried out in various markets to improve the employment and income prospects of disadvantaged population groups. Youth unemployment received the greatest attention. Over the next few years, innovative approaches will be adopted to establish links between vocational education and training (VET), vocational skills and labour market demand.

In Albania, Switzerland is helping to establish VET schools as part of a national VET reform process taking place at various levels. Support includes drafting of curricula that match the needs of the labour market, quality control in VET programmes, working with all stakeholders in schools, government, and companies, and consideration of the needs of marginalised groups. Among other things, Swiss-sponsored VET programmes in Albania cover the entire occupational field of heating, air conditioning and plumbing. During the apprenticeships developed by VET authorities and project partners, emphasis was placed on regular contact between students and host companies, suitable training plan duration, modern equipment, and qualified VET teachers. For the 2009–2010 school year, ten VET schools once again attracted around 300 new students. By the end of the programme,

Promotion of the rule of law and democracy are the cornerstones of efforts to support political transition processes in the Western Balkans.



around 12% of all VET students in Albania will complete their four-year VET programmes in this fashion.

Economic cooperation

In 2010, SECO funding in Eastern Europe was used to improve energy, water and wastewater treatment infrastructures. In Macedonia, the water programme was expanded to include a project for cross-border water-treatment, as well as a project to develop a water catchment area. These two projects have helped Macedonia to implement EU environmental directives, thereby enabling it to meet the general conditions for future accession to the European Union.

In Serbia, SECO provided funding for a study to examine the feasibility of a biomass power station. This study should clarify the origin and availability of biomass. At the same time, suitable technologies will be identified to provide surrounding buildings with electricity and heat.

In the Uzbek towns of Samarkand and Bukhara, new pump systems have reduced energy costs by 15% and inhabitants now benefit from reliable water supplies.

Commonwealth of Independent States / transition aid

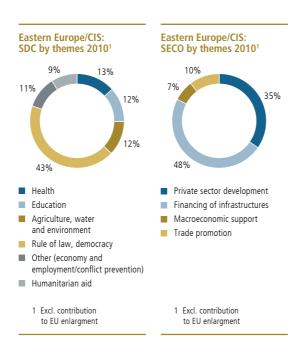
Employment and income

In 1990, Armenia became the first former Soviet republic to enact legislation privatising land. Agricultural land went from state to private ownership. The large state-run collective farms (kolkhozy) gradually gave way to small-sized private farms. As a result, kolkhozy infrastructures began to fall into disrepair, distribution channels for agricultural produce dried up, and key services such as veterinary care were no longer available. Twenty years later, Armenian agriculture remains mainly subsistence-based and lacks sufficient market integration. In the Syunik region, located in south-eastern Armenia, the SDC seeks to address these problems by facilitating farmer access to markets. Market participants receive training so that they may fulfil their role more effectively. Activities focus mainly on dairy farming, fruit and vegetable cultivation and include the entire value chain, from production to market.

Natural resources

The Swiss Ukrainian forestry research project in the Transcarpathian region was successfully completed at the end of 2010. Over the past seven years, the SDC has made a valuable contribution to the sustainable use of forests. This has enabled the inhabitants of the region to make better use of local natural resources. Today, Ukrainian legislation provides for the selective felling of trees and requires lumber to be processed in an environmentally sustainable way. In recent years, schools and forestry authorities at various levels have been working together on a forestry development project to ensure that modern techniques are used in the day-to-day practices of workers in the lumber industry.

The forestry development project has also led to greater awareness of the importance of involving the local population in forestry planning. The opening of a new hiking trail is a first step towards the development of eco-tourism in the Ukrainian Transcarpathian region. A cluster analysis of the lumber industry was also conducted within the framework of the project. This analysis has led to a few very promising private sector initiatives (e.g. furniture production), which will create new jobs.



Economic cooperation

In CIS countries, SECO devoted its attention to funding infrastructure projects related to energy, water and wastewater treatment. In 2010, special emphasis was placed on energy efficiency, renewable energy and the economic strengthening of public services. The reduction of power and water leakage contributed to economic and social development.

In the Uzbek towns of Samarkand and Bukhara, a major water project was brought to completion. New pump systems have reduced energy costs by 15% and inhabitants now benefit from reliable water supplies. The respective responsibilities of national water authorities and municipal water utility companies are clearly set forth in a public service agreement. Other water-related projects are currently being planned for Central Asia, e.g. southern Kyrgyzstan.

In the area of macroeconomic support, a new partnership was established with the International Monetary Fund (IMF). This partnership will facilitate the transfer of technical know-how and covers several Western Balkan and CIS countries. The corresponding projects are intended to improve the state of public finances and develop financial markets in these countries.

SECO is also implementing regional support measures to improve the general conditions affecting the private sector. In Azerbaijan, a study has confirmed the significant cost savings that the private sector has been able to achieve thanks to simplified company incorporation procedures. Tajikistan and Kyrgyzstan have also made progress towards reforming their taxation and auditing systems, as well as in the area of local management consultancy.

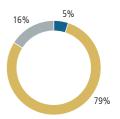
Central Europe and the Baltic countries / Swiss enlargement contribution

In Hungary, Switzerland has backed projects to improve the water supply infrastructure, which is now 50 to 60 years old. Countless pipes are made of cast iron and asbestos cement. Over 200000 inhabitants will enjoy the benefits of the new water supply network and have access to better quality water. The repair and replacement of old water-main pipes have greatly reduced the incidence of burst pipes. This, in turn, has led to lower maintenance costs and has made the water supply more reliable.

Implementation of the Swiss contribution to the EU enlargement programme in the ten countries that joined the EU in 2004 is on track. The project selection process has been completed in Malta and Cyprus and considerable progress has also been made in the other eight countries. Switzerland has given preliminary approval to 68 project proposals and final approval to 82 project proposals with a total value of CHF 788 million.

Since 2009, Switzerland has extended its enlargement contribution to include Bulgaria and Romania, which joined the EU in 2007. The corresponding bilateral agreements were signed with these two countries in September 2010. By the end of 2010, one project had been approved in each country.

Financial absorption of the enlargment contribution, as at end 2010



- Swiss administrative costs 2008 2017
- Provisionally and definitively approved projects
- Project budget to be approved

Improvements to the school transport system

Within the framework of the Swiss-Latvian cooperation programme, Switzerland co-funded the purchase of 110 school buses in Latvia. This fleet of buses ensures that children living in rural, disenfranchised regions now have access to a functioning school transport system.







Practiced hands separate good and bad rice seeds at the International Rice Research Institute (IRRI) in Los Baños, Philippines. Many governments have cut back on agricultural expenditure. Was this a wise decision?

The End of Plenty

In September 2010, the UN General Assembly held a high-level plenary meeting on the Millennium Development Goals in New York to take stock of a decade of efforts to implement the MDGs. Many countries have made considerable progress and some of the MDGs will be achieved by 2015. However, progress has been uneven. MDGs relating to maternal mortality rates and the environment are still a long way off. Over 40 of the poorest countries are still caught in a vicious spiral of conflict, violence and serious human rights abuses. The high-level plenary meeting enabled current development issues to be analysed. It also moved MDGs back to the top of the political agenda. More efforts are needed if the MDGs are to be achieved, and the involvement of multilateral institutions is absolutely essential.

Switzerland provides funding to the main multilateral institutions and regional development banks. It also holds a seat on their governing bodies. Switzerland uses its position to defend issues that are considered important, such as the achievement of the MDGs, especially poverty reduction. Its chairmanship of the UN General Assembly in 2010–2011 will enable Switzerland to raise its international profile. The high-level plenary meeting enabled current development issues to be analysed and moved MDGs back to the top of the political agenda.

Multilateral cooperation

Multilateral institutions are absolutely essential for the achievement of the Millennium Development Goals (MDGs) and to tackle global challenges such as climate change. Switzerland contributes funding and expertise to their activities. Among other things, Switzerland helps to improve cooperation between the World Bank and the United Nations both during and after crisis situations.

In preparation for the high-level plenary meeting, Switzerland published an interim report on its own contribution to the MDGs. This report was adopted by the Federal Council and can be found on the SDC website.

Innovative developments at the UN

In an effort to improve the living conditions and uphold the rights of women worldwide, the UN General Assembly merged four different UN entities to form the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women). Switzerland played a key role in the negotiations leading to adoption of the founding agreement of UN Women, which included clarification of its mandate and organisational set-up. UN Women will be responsible for mainstreaming gender issues in UN development activities. UN Women will therefore be able to contribute to the achievement of the MDGs, addressing such urgent issues as maternal mortality.

Swiss multilateral ODA 2010 13% 28% UN organisations Internat. financial institutions Other

With its MDG Acceleration Framework, the United Nations Development Programme (UNDP) now has an additional means of spurring progress towards the MDGs. The first phase of this initiative will entail an analysis of current challenges in 50 countries and the identification of realistic approaches that can accelerate the achievement of each MDG. Implementation will take place in cooperation with national authorities.

Renewable energy SECO supports the World Bank Climate Investment Fund (CIF), which aims to encourage the use of renewable energy in low-income countries. By sponsoring a combination of public and private initiatives, the fund seeks to overcome economic and other barriers to private investment in renewable energy. The CIF also intends to show that renewable energy can serve as the basis for economic growth and development. As a member of the corresponding trust fund committee, SECO is in a position to influence decisions of the Fund.

Regional development banks increase their commitment

At the high-level plenary meeting, the World Bank showcased its efforts to achieve the eight MDGs. The World Bank intends to increase its commitment in the areas of healthcare, education and agriculture. In the area of healthcare, it will focus on 35 countries in Southeast Asia and sub-Saharan Africa, where high birth rates combined with malnutrition affecting mothers and children pose serious challenges. In the area of education, the World Bank intends to increase its funding allocation and focus on the countries that are unlikely to achieve the MDG target for education by 2015. Where agriculture is concerned, it will double its funding allocation.

The IDA-16 replenishment process, which was completed in 2010, reached a record level of nearly USD 50 billion. The World Bank intends to use this

budget to fight poverty and stimulate growth in the poorest countries. It will also strengthen its commitment in unstable countries and work to mitigate the negative consequences of climate change in developing countries.

In response to the economic and financial crisis, the World Bank Group and the four regional development banks (AfDB, ADB, EBRD, IDB) decided to increase their capital base and use this capital to promote further development in the private sector.

World Bank – United Nations Fragility and Conflict Partnership Trust Fund

Switzerland has launched a trust fund to support enhanced cooperation between the World Bank and the United Nations both during and after crisis situations. The trust fund should also enable potential partnerships to be identified between the various (and often complementary) activities of the World Bank and the United Nations. The aim is to formulate programmes more precisely, improve dialogue in strategic and operational matters, achieve greater understanding of the organisations' respective mandates, and develop instruments to improve cooperation on the ground.



Workers in the fertile Indian region of the Punjab transport an over-abundant load of animal feed to the farmyard. High-yield seed varieties, irrigation and subsidised fertiliser have helped to reduce

hunger in India. Soil erosion and the depletion of groundwater are, however, major environmental problems.

The End of Plenty

Global themes

Poverty has local, regional and global causes. Many of today's risks to prosperity and development spread beyond national borders. They have a particular impact on the development prospects of poor countries. The SDC has responded to these changing development policy conditions by establishing four global programmes in the following areas: climate change, food security, migration and water.

Working closely with international organisations, education institutions, research facilities and partner countries, SDC devises and implements solutions to bring about development, which is globally sustainable. For its part, SECO contributes to activities relating to climate change and economic governance. It also lends support to water and migration initiatives.

Environmental changes, the depletion of natural resources, water shortages, pandemics, migration flows and global trade distortions affect the lives of people in all countries, rich or poor. Switzerland plays an active role in the search for solutions.

Climate change

The various effects of unchecked climate change include the greater frequency and intensity of extreme weather conditions such as droughts and flooding. It is the poorest countries and population groups that bear the brunt of climate change. In most cases, extreme weather conditions occur in the most vulnerable rural and urban areas.

It has been estimated that, owing to pressures on energy and land resources, over 70% of the total increase in global greenhouse gas emissions over the next decade will come from emerging and developing countries. Working with India, Peru, South Africa and China, the SDC's Global Programme Climate Change is working on global, regional and local solutions to adapt to and mitigate the effects of climate change.

In 2010, the SDC initiated a national policy debate in India on measures to address climate change. A new project was launched to encourage the widespread adoption of an innovative, decentralised power supply system that uses biomass as fuel. In the state of Sikkim, the SDC has partnered with the state agency for renewable energy to establish a new office that encourages the use of mini-hydropower plants. In addition, a platform has been created within the Indian energy sector to promote energy-efficient production processes in small and medium-sized enterprises (SMEs). Thanks to support received from local SDC partners, SMEs have been able to limit concentrations



of harmful particles and gases and reduce their CO₂ emissions by over 70 000 tonnes.

In Peru, South Africa and China, successful climaterelated activities involving local populations, authorities and small companies have given rise to local, national, and regional policy dialogue with neighbouring countries. In December 2010, representatives from Peru and India presented the main aspects of their programmes at the 16th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP-16) in Cancun (Mexico). In Peru, 1600 families from 36 communities implemented rural adaptation and disaster mitigation measures. The experience gained is already being used in the preparations for several regional climate adaptation plans. The Latin American programme to encourage energy efficiency in the production of bricks was launched in 2010. This programme seeks to scale up technologies developed in Peru for use in production facilities in Argentina, Brazil, Bolivia, Colombia, Ecuador and Mexico.

In South Africa and China, the SDC pursued various climate adaptation initiatives, encouraged energy efficiency, took measures to reduce air pollution and established energy policy monitoring systems.

For its part, SECO devoted its attention in 2010 to helping towns in South Africa and Tanzania to establish government structures and build local capacities so that modern environmentally friendly technologies can be used in public transport, lighting and waste management. SECO-sponsored feasibility studies gave rise to various climate protection projects, such as wind measurement in Kosovo, electricity production using fish waste in Ecuador, solar lamps in remote rural regions of Ethiopia, and solar-powered water pumps in Mali.

Food security

Food insecurity is a reality for approximately 1 billion people. In 2010, reform of the global architecture on food security continued in various institutions and networks.

An independent report commissioned by the SDC and SECO (see box on page 5) confirms that Swiss contributions to the agricultural sector between 2003 and 2008 had a positive impact. The various measures taken have enabled smallholder farmers to increase their output and productivity, have improved the general conditions for trade and have helped optimise the value chain between producers and consumers. The report goes on to say that bilateral and multilateral funding in the area of food security is complementary.

The SDC's Global Programme Food Security helps to reduce poverty and hunger. It supports various initiatives with a global impact such as the International Rice Research Consortium (IRRC). This public-private partnership project facilitates international learning and the sharing of current agricultural practices.

In 2010, the programme introduced over 125 000 farmers in South and East Asia to an irrigation technique that uses up to 30% less water while maintaining harvest yields. In Bangladesh, the use of this technique resulted in lower water pumping costs and reduced fuel consumption. At the same time, farmers were able to increase their profits by USD 67 to 97 per hectare.

Over the next two years, irrigation techniques will be scaled up. Anticipated water shortages are expected to affect 15 million hectares of rice fields by 2025. Given this likelihood, the new technologies will become more important than ever.

Migration

International migration remains at the top of the political agenda. According to current estimates, 214 million people worldwide (or 3.1% of the world's population) leave their countries in search of better prospects elsewhere.

In 2010, the SDC's Global Programme on Migration (GPM) consolidated its activities, focusing on both regular migration and the positive effects that migration can have on development.

In Sri Lanka, the SDC lent support to the implementation of the new national labour migration act. Legal counselling is provided to migrants and their families back home, thereby ensuring that the migration process runs more smoothly. The SDC has been supporting similar activities in Nepal and Bangladesh.

In the Middle East and sub-Saharan Africa, another project should help 13 countries in their efforts to encourage workers from the diaspora to return home. The project should also provide economic incentives for remittances and investment.

The contributions made by the SDC's GPM to the Global Forum for Migration and Development (GFMD) have led to other developments, such as its co-chairmanship of a round table meeting to discuss the effects of migration on economic and social development, and its co-chairmanship of a working group on policy coherence and research. The Global Forum encourages the exchange of information and cooperation between countries and other protagonists involved in migration and development issues. In addition, it helps to ensure a better overall understanding of migration issues and the development of common mechanisms to minimise the negative effects of migration while maximising the positive ones.

The GPM also worked closely with other Swiss partners to plan the fifth Global Forum for Migration and Development. The topic of migration received considerable attention in domestic policy debates in 2010.

A recently published SECO brochure discussing the various opportunities offered by remittances continues to be very popular. Including remittances in the financial system will help enhance their impact on development.

In India, the SDC has lent support to an innovative power supply system that uses biomass as fuel.

Water

An estimated 900 million people have no access to clean water and 2.6 billion people have no access to basic sanitation. In light of the imminent worldwide water crisis, urgent action is needed. This fact has received growing recognition both in Switzerland and elsewhere around the world in 2010.

The United Nations General Assembly declared access to water and basic sanitation as a human right. In doing so, it took an important step forward. For many years, the SDC has urged multilateral institutions

Clean water A device invented in Geneva enables one litre per day of active chlorine to be produced from ordinary cooking salt. This is enough to disinfect 4000 litres of water. Active chlorine can be sold at a profit. In the region of Goma, in the Democratic Republic of Congo, women can earn USD 30 to USD 200 per month by selling active chlorine. Thanks to its ease-of-use, the device can also be used in remote regions.

to take such a step. This has been reflected in Swiss positions on the issue over the past years.

A new project aims to provide poor people with greater access to cost-effective micro-irrigation systems and water disinfection kits. In Central America, for instance, support was given to the local production of low-cost sprinkler systems. Thanks to this initiative, the corresponding technology no longer needs to be imported from India. Water disinfection kits were widely used in humanitarian aid missions in Pakistan.

In Columbia, efforts were made to reduce the water footprint of four Swiss multinational companies. Their manufacturing processes were analysed and measures were devised to reduce their water consumption. The knowledge gained from this project will be used to develop an ISO standard for small water footprints. Here, Switzerland is playing a leading role.

Solidarit'eau suisse – a joint initiative launched by Swiss municipalities and water utility companies, Swiss charities, the Swiss Gas and Water Association and the SDC – manages development projects in the water and sanitation sector and enables Swiss municipalities to show their solidarity with developing countries.

In 2010, ten municipalities contributed a total of CHF 400 000 to the water sector. This is far more than what it originally cost to launch the initiative. A promising partnership was established between the water utility company in Lausanne and a "sister" water utility company in Nouakchott, Mauritania.

Economic governance

Economic governance gained greater importance with the global financial and economic crisis. The concept focuses on national economic policies, primarily the impact of regulatory reform discussions in industrialised countries on developing and transition countries. Economic governance also addresses matters relating to private-sector conduct, mainly corporate social responsibility and a review of standards and guidelines for corporate governance.

At the operational level, greater efforts were made to encourage the sound management of public finances and to identify framework conditions that would more effectively encourage business activities. In addition, SECO provided continued support to the Global Corporate Governance Forum. This forum has led to the creation of competence centres in partner countries, as well as to the implementation of specific activities in SECO priority countries (Egypt, Azerbaijan, Indonesia and Columbia). The Global Corporate Governance Forum has made an important contribution to financial stability and sustainable economic growth in partner countries.

Workers unload Vietnamese rice at Manila harbour. The Philippines have had to resort to rice imports to

compensate for insufficient domestic production.

The End of Plenty



Institutional partnerships

In implementing its programmes, Swiss Development Cooperation emphasizes cooperation with non-governmental organisations (NGOs), the private sector and research institutes.

A successful interaction between government, civil society and the private sector is key to effective development cooperation. Institutional partnerships are a central element in overcoming development obstacles and addressing new challenges. The SDC and SECO work closely with NGOs, the private sector and Swiss research institutes.

In 2010, the SDC and Swiss NGOs worked together on the following priority themes: poverty focus in programmes, new development policy challenges such as climate change and migration, and coherence between development and sectoral policies. Partnerships between the public and private sector (e.g. public-private development partnerships) were also encouraged. One example involves a partnership with the private sector in the area of food security. In this case, Swiss companies played an important role. New initiatives included the implementation of voluntary standards for investment in agriculture and the purchasing of land reserves. SDC also took part in the Water Initiative launched by the World Economic Forum. In addition, SDC partnered with companies and NGOs to implement a sustainable regional water management programme.

In response to the report drafted by the Control Committee of the Council of States in 2009, the SDC devised a new model for its contributions to NGOs. This new model provides the required level of transparency in the awarding of programme funding. As far as its mandate is concerned, the SDC has revised its directives and procedures and now makes greater use of competitive bidding in the awarding of contracts.

For its part, SECO worked with Swiss higher education institutions on various issues, including those relating to economic policy matters, public finance and taxation. SECO also maintains a long-term partnership with the Swiss Federal Laboratories for Materials Science and Technology (EMPA) to encourage the adoption of sustainable development principles by companies in developing countries. In addition, SECO lends support to public-private partnerships, private-sector participation in infrastructure projects, and targeted measures to encourage development in the private sector.

Organisational set-up

The SDC and SECO have increasingly transferred managerial tasks to field offices. Greater emphasis is being placed on results and impact.

In 2010, new managerial steps were taken to improve cooperation between headquarters and field offices (phase 2 of the restructuring process). New working tools, standards and instruments for the internal control system were implemented. These enhancements should improve the overall effectiveness of programmes.

Many operational and administrative tasks have now been delegated to field offices. SDC employees have been transferred from SDC headquarters to field offices in a bid to strengthen the SDC's presence on the ground.

A public service agreement has been drafted to cover cooperation between the FDFA's Directorate for Resources (DR), FDFA Information and the FDFA's General Secretariat.

The SDC has also implemented the recommendations made in the strategic management report drafted by the Control Committee of the Council of States in 2006. The restructuring process is expected to continue until 2012.

SECO has consolidated its country programme portfolio to cover seven priority countries: South Africa, Columbia, Egypt, Ghana, Indonesia, Peru and Vietnam. This was done on the basis of the Federal Council's strategy paper on economic cooperation, which was drafted in 2009. The effectiveness of country programmes will be assessed regularly in an annual review of adopted strategies. The allocation of resources to field offices is now complete, which enables the delegation of more tasks and responsibilities.

















The food crises of 2007 and 2008 have left deep scars. Photographer John Stanmeyer spent a year travelling to nearly every continent to document the causes and effects of rising food prices. His documentary entitled "The End of Plenty" provides deep insight into how we nourish ourselves.

The End of Plenty

Imprint

Publisher:

Federal Department of Foreign Affairs (FDFA)

Swiss Agency for Development and Cooperation (SDC)

Freiburgstrasse 130 3003 Berne Phone +41 31 322 44 12 www.sdc.admin.ch info@deza.admin.ch

Federal Department of Economic Affairs (FDEA) **State Secretariat for Economic Affairs (SECO)**

Holzikofenweg 36 3003 Berne

Phone +41 31 324 09 10

www.seco-cooperation.admin.ch info@seco-cooperation.ch

Editing/Coordination/Statistics: SDC Staff of the Directorate Communication SECO

Graphic Design/Concept: Bruno Caderas, Zurich Urs Scheiwiller, Zurich www.caderas.ch

Photos:

"The End of Plenty" John Stanmeyer/VII

Project Photos: Page 12 Till Förster Page 13 PHOTOPRESS/Alexandra Wey Page 17 PHOTOPRESS/Alexandra Wey Page 19 PHOTOPRESS/Alexandra Wey Page 19 Toni Linder/SDC

PHOTOPRESS/Alexandra Wey Page 21 SDC Page 22 SDC

International Potato Center (CIP)

SDC Vladimir Pirogov Rémy Steinegger/SDC Page 27 Page 29

Thomas Jenatsch/SDC Page 34 Kuno Schläfli/SDC

Print: Werner Druck AG 4001 Basel

The Annual Report is available in English, German and French. Copies may be ordered from info@deza.admin.ch, or phone +41 31 322 44 12

Berne 2011

Statistics 2010

Switzerland's International Cooperation



Introduction

This booklet is divided into two main sections:

- Statistics on Swiss official development assistance
- Use of funds dedicated to international cooperation by the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO, Economic Cooperation and Development Division)

Official development assistance (ODA): clarifications

- Official development assistance (ODA) is defined on the international level as the total of all financial flows to developing countries and territories (currently 15.2) and to multilateral development ment organisations (i) from the public 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 23 member countries,
 the Development Assistance Committee (DAC) of the OECD has established comprehensive statistical repotning directives to regulate the reporting procedures. These rules define the activities
 and the contributions that are ODA eligible and are being periodically 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 slid 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 several years bilateral debt relief measures (within the framework of the Paris Club) as well as the costs related to asylum seekers from developing countries during ther first year of stay in Switzerland.

chnical note

- 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 that are not on the list of developing countries, different notification method for certain multilateral contributions).
- The financial involvement of the SDC and SECO in the enlargement of the European Union (EU) is not reflected in detail in this booklet (see www.contribution-enlargement.admin.ch).

Symbols

```
0.0 = amount less than CHF 50000 p = provisional figures
- = nil
- = not available
```

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

loppement de la Suisse" and on the SDC's and SECO's websites: www.sdc.admin.dh/en/Home/About_SDC/Facts_and_figures www.seco-cooperation.admin.ch

7

Swiss official development assistance (ODA)

Page 4-15

SDC/SECO expenditures

Page 17-31

Development of Swiss official development assistance (ODA) and NGO donations 1960-2010 (mil. CHF)

	1960	1970	1980	1990
ODA	15.1	130.0	423.1	1041.4
Confederation	15.1	126.4	416.7	1025.6
Cantons and municipalities ^a	:	3.6	6.4	15.8
Gross national income (GNI) ^b	37066	92570	177 270	326102
ODA as % of GNI	0.04%	0.14%	0.24%	0.32%
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%	%06:0	1.20%
Private NGO donations	:	50.8	106.6	148.6
Private NGO donations as % of GNI	:	0.05%	%90:0	0.05%

a Estimate for 2010.

b GNI from 1995, GNP for preceding years.

Definitive figures up to 2007, provisional for 2008 and 2009 (Swiss Federal Statistical Office). For 2010, estimate from Federal Finance Administration (February 2011).

General government outlays, after elimination of double countings.

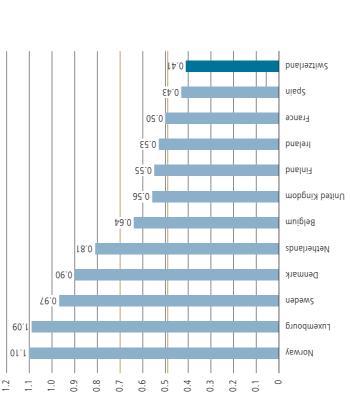
2010^p 2348.2 4.04% 45.0 588020 0.41% 1.60% 2393.2 **2 503.9** 2 460.0 2009 43.9 557495 0.45% 4.30% 1.71% **380.9** 0.07% 0.44% 2008 **2234.0** 2 191.3 505 998 3.95% 1.49% 0.09% 42.7 2021.5 526226 0.38% 1982.4 3.75% 424.7 2007 1.38% 0.08% 39. 2063.3 507.5 2029.6 527855 0.39% 2006 3.94% 0.10% 1.45% 33.7 1510.9 1 488.6 0.34% 272.0 2000 3.21% %90.0 22.3 1.23% 450327

See time series: www.sdc.admin.ch/en/Home/About_SDC/Facts_and_figures/ODA/ODA_development

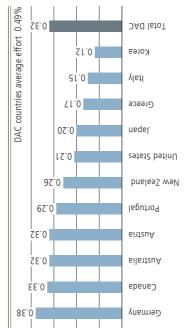
over 2009. This reduction is mainly due to the fact that in 2010 Switzerland undertook less bilateral debt relief operations. The recent strong economic growth was In 2010, the volume of official development assistance (ODA) decreased by 4.5% also an important factor: expressed as a percentage of gross national income (GNI), ODA fell from 0.45% in 2009 to 0.41% in 2010.

Graph 1

Switzerland's performance compared with other countries 2010 (ODA as % of GNI)



UN Target 0.7%



Provisional data of OECD's Development Assistance Committee (DAC) show that total ODA of the 23 member countries reached an historical high in 2010 (128.7 billion US\$). The DAC average country effort was situated at 0.49%. Only five countries have exceeded the ODA target of 0.7% set back in 1970 by the United Nations and five other countries are situated above the average DAC performance. Despite a lower ODA/GNI ratio of 0.41% in 2010, Switzerland remained at rank 12 in 2010.

Preliminary data published by OECD/DAC 6 April 2011 for all DAC countries.

Table 2

Swiss official development assistance (ODA) in 2009–2010 (mil. CHF)

2009

2010^p

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
Federal Department of Defence, Civil Protection and Sports (DDPS)
Activities for promotion of peace and security
Supplies for humanitarian purposes
Federal Office for the Environment (FOEN)
of which: contributions to international organisations
State Secretariat for Education and Research (SER)
of which: scholarships to foreign students in Switzerland
Other federal offices
Cantons and municipalities ^a
Total
ODA as % of gross national income (GNI)

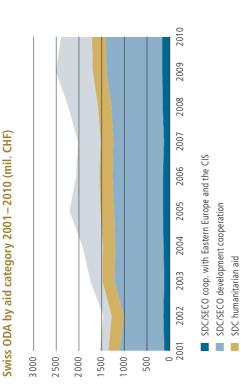
a Estimate for 2010.

I Total ODA	1 2460.0	1479.2	299.0	1071.0	109.2	392.1	7 159.9	5 55.7	- 176.5	379.9	- 13.2	- 366.7	88.0) 65.6	2 22.5	7 46.1	7 45.8	- 0.4	41.3	0 41.3	6.9	- 6.4	9 26.5	- 43.9	2 503.9	0.45%
Multilateral ODA	606.4	517.8	28.1	489.7	'	5.3	4.7	0.5	'	•	' 	'	24.2	8.0	16.2	7.7	7.7	·	36.0	36.0	0.5	'	14.9	·	606.4	
Bilateral ODA	1853.6	961.4	270.9	581.3	109.2	386.8	155.1	55.2	176.5	379.9	13.2	366.7	63.9	57.6	6.3	38.4	38.0	0.4	5.4	5.4	6.4	6.4	11.5	43.9	1897.5	
Total ODA	2348.2	1 496.7	310.5	1 079.6	106.6	248.4	157.6	59.1	31.6	395.5	14.4	381.1	93.6	69.1	24.4	48.9	48.8	0.1	42.2	42.1	7.1	9.9	15.9	45.0	2 393.2	0.41%
Multilateral ODA	599.2	516.8	27.5	489.3	1	4.7	4.7	1	1	1	1	1	25.8	8.0	17.8	7.6	7.6	I	33.8	33.8	9.0	ı	10.0	1	599.2	
Bilateral ODA	1749.1	979.9	283.0	590.3	106.6	243.7	153.0	59.1	31.6	395.5	14.4	381.1	67.7	61.1	9.9	41.3	41.2	0.1	8.4	8.3	9.9	9.9	5.9	45.0	1 794.1	

In 2010, assistance to asylum seekers originating from developing countries during their first year of stay represented 16% of ODA. The share of SDC and SECO (excluding debt relief) in ODA was again at the same level as in 2008 (72%), after the strong decline in 2009 (68%).

The distribution between bilateral ODA (75%) and multilateral ODA (25%) has remained stable over the last years.

Graph 2



In absolute terms, the SDC and SECO budgets for cooperation and humanitarian aid with South- and Eastern partner countries grew steadily between 2001 and 2010, at an average rate of 2.7% per year.

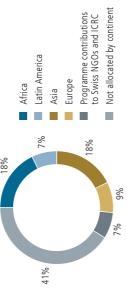
Other

The statistical adjustments introduced from 2003 onwards (inclusion of debt relief and costs for asylum seekers) have affected persistently the breakdown of aid categories.

- The share of ODA attributed to the development cooperation activities of SDC and SECO has decreased from 60% in the early 2000s to 52% in 2010.
- The share of humanitarian aid in ODA has diminished from 18% to 13% in 2010.
- The share of SDC and SECO cooperation with the East remained at 7%.
- The contributions from other federal offices, cantons and municipalities, including debt relief and costs for asylum seekers, represented 28% of the total in 2010 (13% in 2000).

Graph 3

Breakdown of bilateral ODA by continent 2010



As in the past, Swiss bilateral ODA is intended principally for low-income countries and concentrated mainly in Africa and Asia (around 36% of bilateral ODA in 2010). Developing countries in Latin America and Europe absorbed together 16% of total bilateral ODA.

The amount not distributed by continent amalgamates SDC's programme contributions to Swiss NGOs and to the ICRC (7%), costs of assistance to asylum seekers (21%), contributions to research or training institutes, mandates for thematic advice, as well as operating costs and logistics in Switzerland (20%).

__

2009

2010

Table 3

Geographical breakdown of bilateral ODA by continents	continents	
and countries 2009–2010 (mil. CHF)	2010	2009
Africa	320.1	511.6
Mozambique	28.9	26.2
Burkina Faso	26.1	25.7
Central African Rep.	a21.6	6.0
Niger	18.2	11.4
Sudan	17.9	17.0
Tanzania	16.9	29.2
Mali	16.9	15.3
Ghana	14.2	13.0
Chad	14.0	17.6
Burundi	12.2	10.4
Benin	11.8	14.6
Republic of the Congo	a11.0	a5.8
Somalia	9.3	7.1
South Africa	6.8	5.6
Zimbabwe	6.5	7.5
Madagascar	6.4	7.2
Egypt	6.1	9.7
Rwanda	5.1	6.3
Congo (Democratic Republic)	5.1	11.4
Liberia	4.9	6.3
Ethiopia	4.3	5.9
Other countries	18.9	a 208.3
Regional projects and not distributed by country	36.8	49.2
Latin America	129.0	133.5
Peru	20.4	24.1
Bolivia	19.5	21.5
Haiti	18.1	9.9
Nicaragua	12.4	11.0
Colombia	11.9	21.7
Honduras	5.6	4.2
Cuba	5.3	4.8
Other countries	6.4	20.0
Regional projects and not distributed by country	29.4	19.6

Asia	316.3	325.4
Nepal	27.5	27.1
Vietnam	25.6	23.6
Pakistan	22.2	20.6
Gaza and West Bank	20.6	22.2
Bangladesh	19.8	25.1
Afghanistan	17.6	21.4
Kyrgyzstan	17.4	19.7
Laos	14.8	12.1
Tajikistan	14.1	13.9
Mongolia	11.8	11.2
Sri Lanka	10.0	10.1
North Korea	8.6	6.4
India	8.4	13.2
China	8.0	4.2
Georgia	6.8	9.1
Lebanon	9.9	4.0
Indonesia	5.5	6.0
Myanmar	5.4	6.3
Yemen	4.3	4.2
Other countries	24.3	36.0
Regional projects and not distributed by country	36.8	28.9
Europe	156.9	147.8
Kosovo	54.2	48.8
Bosnia and Herzegovina	19.1	21.2
Ukraine	15.6	9.3
Albania	14.3	13.5
Serbia	11.9	12.1
Macedonia	10.8	11.9
Moldova	8.1	7.9
Other countries	1.0	3.3
Regional projects and not distributed by country	22.0	19.9
Unclassified by continent	871.8	779.1
Total	1794.1	1897.5

a Incl. bilateral debt relief measures which were negotiated within the framework of the Club of Paris. See details: www.sdc.admin.ch/en/Home/About_SDC/Facts_and_figures/ODA/Bilateral_ODA

Table 4

Swiss multilateral ODA by organisations 2009–2010 (mil. CHF)
United Nations organisations
UN Development Programme (UNDP)
UN Children's Fund (UNICEF)
UN Population Fund (UNFPA)
UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA)
Office of the UN High Commissioner for Refugees (UNHCR)
International Fund for Agricultural Development (IFAD)
Special programmes of the World Health Organisation (WHO) ^a
UN Programme on HIV/AIDS (UNAIDS)
UN Environment Programme (UNEP)
World Food Programme (WFP)
UN Office for the Coordination of Humanitarian Affairs (UNOCHA)
Contributions to UN organisations reportable in part in ODA figures ^b
Other UN organisations
International financial institutions
International Development Association (IDA) ^c
African Development Fund (AfDF) ^c
Asian Development Fund (AsDF)
Other development funds and financial institutions
Other institutions
Global Environment Facility (GEF)
Consultative Group on International Agricultural Research (CGIAR)
Geneva Centre for the Democratic Control of Armed Forces (DCAF)
Geneva International Centre for Humanitarian Demining (GICHD)
The Global Fund to Fight Aids, Tuberculosis and Malaria
International Organisation of La Francophonie (OIF)
Other institutions
Total multilateral ODA

a Excl. the core contribution to WHO, which is reportable in part (see footnote b). b Percentages applied according to DAC directives. c Incl. Multilateral Debt Relief Initiative (MDRI).

See details: www.sdc.admin.ch/en/Home/About_SDC/Facts_and_figures/ODA/Multilateral_ODA

to international non-governmental organisations Multilateral ODA includes general contributions paid by SDC and other federal offices to international development institutions. Contributions (including the ICRC) are included in bilateral ODA.

54.0 20.0 14.0 14.0

170.4

2009

2010 169.6 54.0 In the same proportions as in 2009, multilateral ODA in 2010 concentrated on the international financial institutions (IFI) (59%), whereas the United Nations agencies and the other international institutions absorbed 28% and 13% of multilateral ODA respectively.

12.5 7.1 5.5 5.0

14.0 11.9 11.7 7.1 5.5 5.0 4.0

2.3 23.2 357.8 280.6 58.0 13.3 5.8 **78.3**

4.1

6.8

353.8 282.4

time of the deposit and not upon payment of the from one year to another and on the other hand Contributions to IFIs are registered in ODA at the "notes" (sight drafts). This notification practice explains on one hand the variations which may result the differences observed with the Confederation accounts.

13.4

5.4

606.4

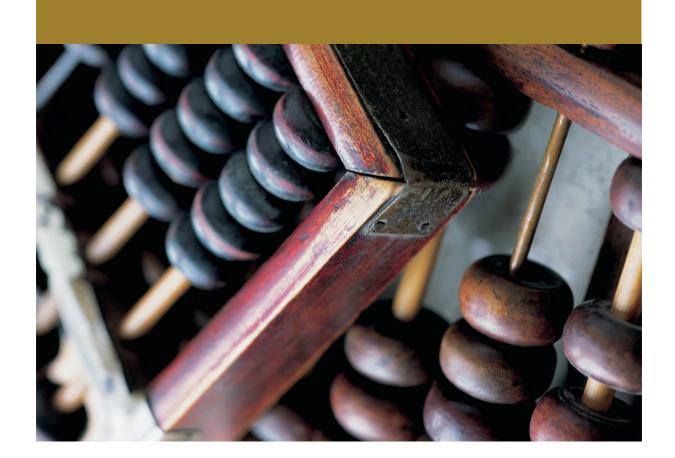
599.2

29.5 8.0

75.8 29.5 13.5

13.3 58.1

SDC/SECO expenditures



SDC/SECO expenditures

Table 5

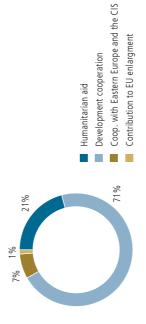
Overview of SDC/SECO expenditures 2006–2010 (mil. CHF)

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

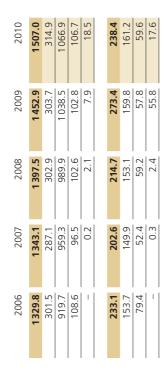
Total expenditures SECO Economic Cooperation and Development
Development cooperation
Cooperation with Eastern Europe and the CIS
Contribution to EU enlargment

Graph 4.1

SDC expenditures 2010: 1507 mil. CHF

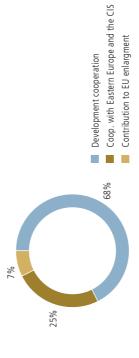


The table and the graph above show the financial results for SDC as they appear in the Confederation accounts.



Graph 4.2

SECO expenditures 2010: 238.4 mil. CHF



The table and the graph above show the financial results for SECO as they appear in the Confederation accounts.

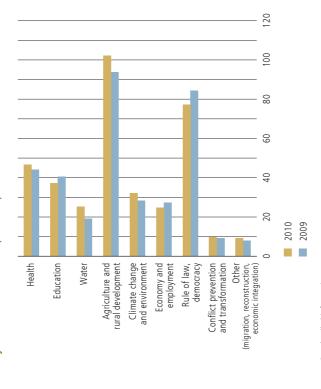
Table 6

SDC Development cooperation by priority countries and regions 2009–2010 (mil. CHF)

2010 2009	241.7 237.2	26.2 27.3	25.7 22.9	25.0 19.2	19.9	18.2 21.5	17.8	14.7	14.6 18.8	13.8	13.2	11.5	11.2	10.4	10.2	7.6 10.3	1.5 4.3	78.7 70.0	18.9	14.4	12.9	12.0 10.8	11.7	5.2 3.6	3.7	269.9 274.5	45.6 53.6	64.8 64.6	159.6 156.2	590.3 581.6	476.6 456.8	1066.9 1038.5
	Priority countries and regions	Vietnam/Mekong	Nepal	Nicaragua/Central America	Mozambique	Bangladesh	Bolivia	Mali	Tanzania	Burkina Faso	Niger	Benin	Pakistan	Peru	Chad	India	Bhutan	Special programmes	South Africa/Southern Africa	Afghanistan	Rwanda/Great Lakes	Gaza and West Bank	Mongolia	Cuba	North Korea	Other activities	Other countries and regions	Programme contributions to NGOs	Thematic mandates/operating costs	Total bilateral development cooperation	Total multilateral development cooperation	Total

More detailed information by country: www.sdc.admin.ch/en/Home/Countries

Bilateral expenditures of SDC development cooperation by themes 2009–2010 (mil. CHF) Graph 5



www.sdc.admin.ch/en/Home/Themes See detailed information:

Table 7

SECO Development cooperation by priority countries and programmes 2009–2010 (mil. CHF)

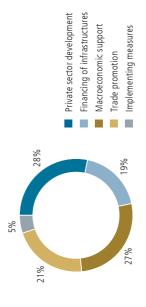
	2010	2009
Priority countries and programmes	56.8	56.8
Vietnam	18.2	11.8
Ghana	13.8	12.4
Peru	8.4	7.0
Indonesia	5.6	5.2
Egypt	5.5	8.3
South Africa	2.7	1.9
Colombia	2.6	10.2
Other	104.4	103.0
Global/regional programmes and other countries ^a	53.7	54.7
Various contributions	44.4	42.9
Operating costs not distributed by country	6.3	5.5
Total	161.2	159.8

a Significant programmes are about to be completed in two former priority countries: Burkina Faso and Mozambique.

See detailed information by country: www.seco-cooperation.admin.ch/laender

Graph 6

SECO Development cooperation by instruments 2010



See detailed information: www.seco-cooperation.admin.ch/themen

SDC - Humanitarian aid

Humanitarian aid/Swiss Humanitarian Aid Unit (SHA): Mission Days abroad 2001–2010

Graph 7

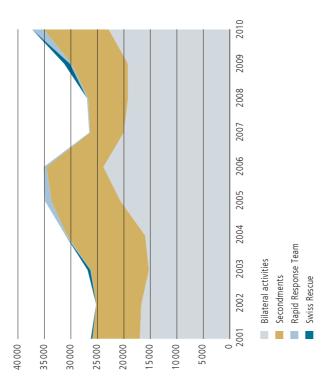


Table 8

SDC Humanitarian aid by intervention countries and regions 2009–2010 (mil. CHF)

2009

	2010	2009
	12.3	12.4
	8.2	6.0
	6.4	6.7
	4.5	0.5
	4.0	3.6
	3.9	4.0
	3.7	0.7
	3.6	3.6
Congo (Democratic Republic)	3.5	5.5
	3.4	6.3
	3.4	4.6
	2.5	1.1
	1.6	0.5
	1.2	1.5
	1.1	2.1
	1.0	1.1
	6.4	8.6
Regional projects and not distributed by country	1.8	1.2
	28.1	17.3
	14.8	3.5
	7.0	6.3
	1.6	2.4
	1.5	6.0
	1.4	9.0
	1.1	9.0
	0.2	1.7
Regional projects and not distributed by country	0.7	1.2

68.0 6.8 7.3 8.5 8.5 7.3 7.3 4.1 32.1 5.0 **303.7** 4.2 1.9 1.9 2.9 2.9 2.9 1.5 1.5 8.3 8.3 70.7 1.4 **7.4** 141.1 2010 70.5 11.0 7.8 6.8 5.4 5.3 138.0 70.0 27.5 6.0 29.5 5.0 314.9 1.2 **5.8** 4.3 Other activities, not distributed by continent General contribution to the International Committee of the Red Cross (ICRC) Regional projects and not distributed by country Various contributions and administrative costs Contributions to international organisations Programme contributions to NGOs Gaza and West Bank Structure personnel **Total** Other countries Georgia Afghanistan North Korea Kyrgyzstan Bangladesh Myanmar Sri Lanka Lebanon Thailand Europe Pakistan Iraq Jordan Yemen Syria

24

Table 9

n aid 2010 (mil. CHF		
Partners of SDC Humanitarian aid 2010 (mil. CHF)	UN organisations	World Food Programme (WFP)

UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) UN Office for the Coordination of Humanitarian Affairs (UNOCHA) UN Children's Fund (UNICEF) Office of the UN High Commissioner for Refugees (UNHCR)

International Committee of the Red Cross (ICRC) Other UN organisations

Bilateral interventions and administrative costs

Swiss NGOs

Direct interventions by the Swiss Humanitarian Aid Unit (SHA) and Swiss Rescue International organisations and foreign NGOs

Operating, personnel and material expenditures Total Humanitarian aid 2010 Total Humanitarian aid 2009 a This figure includes CHF 20 million in Swiss dairy products and CHF 14 million in grain.

42.8 25.2 15.9 10.3 3.2 6.9 6.9 110.0 100.7 25.2 25.2 33.9 **314.9** 303.7 0.8 0.2 3**4.**3 25.4 25.4 **8.6** 6.8 0.9 Food aid 15.4 13.5 5.3 8.3 3.2 6.2 6.2 **40.0** 91.6 18.4 33.7 **183.5** 170.4 Specific contributions 97.5 2.0 11.7 10.6 2.0 0.7 0.5 0.66 General contributions

www.sdc.admin.ch/en/Home/Activities/Humanitarian_Aid/Partners See details:

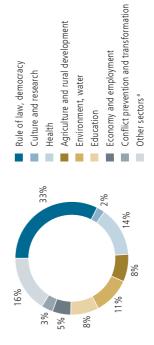
Table 10

SDC Cooperation with Eastern Europe and the CIS by priority countries and regions 2009–2010 (mil. CHF)

	2010	2009
Priority countries and programmes	73.5	74.4
Central Asia	22.9	20.8
Kosovo	10.7	10.9
Bosnia and Herzegovina	10.1	10.3
South Caucasus	8.8	8.8
Albania	8.0	8.4
Serbia	7.6	8.3
Ukraine	5.5	6.8
SDC special programmes	14.0	13.7
Moldova	7.7	6.9
Macedonia	6.3	6.9
Other activities	19.2	14.7
Other countries and regions	9.6	4.5
Programme contributions to NGOs	3.4	3.4
Operating costs	6.2	6.9
Total	106.7	102.8

Graph 8

SDC Cooperation with Eastern Europe and the CIS by sector 2010



a Includes migration, reconstruction, multisectoral and operating costs.

Table 11

SECO Cooperation with Eastern Europe and the CIS by priority countries and regions 2009–2010 (mil. CHF)

	2010	2009
Priority countries and programmes	42.5	35.5
Ukraine	9.6	1.9
Kyrgyzstan	7.8	11.2
Albania	5.8	4.5
Tajikistan	5.1	4.7
Macedonia	4.3	4.6
Kosovo	3.4	1.0
Serbia	2.7	1.8
Bosnia and Herzegovina	2.7	2.1
Azerbaijan	1.1	3.6
Other	17.0	22.3
Regional programmes and other countries	11.7	17.0
Operating costs not distributed by country	5.4	5.3
Total	59.6	57.8

See detailed information by country: www.seco-cooperation.admin.ch/laender

Graph 9

SECO Cooperation with Eastern Europe and the CIS by instruments 2010

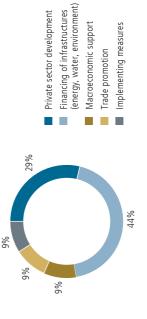


Table 12

SDC Partners in bilateral activities 2010 (mil. CHF)

Swiss NGOs
of which:
Intercooperation
Helvetas
Swisscontact
Caritas Switzerland
Swiss Red Cross
Terre des Hommes, Lausanne
Swissaid
Bread for All
Swiss Labour Assistance (SLA)
Swiss Interchurch Aid (EPER)
Catholic Lenten Fund
Geneva Federation for Cooperation (FGC)
Interteam
Pestalozzi Children's Foundation
Médecins Sans Frontières (MSF)
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 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 2010
Total 2009

a Contributions to NGOs for development and humanitarian programmes in countries of the South and the East. b Excl. SDC contribution to EU enlargment (18.5 mil. CHF in 2010).

	Total ^b	199.7	34.5	34.4	14.6	11.0	8.6	7.4	5.8	5.4	5.3	4.8	3.6	3.5	2.5	2.5	2.5	2.3	40.4	25.8	9.8	113.8	22.3	192.7	110.0	171.3	775.9	208.6	984.5	959.8
Contributions and specific mandates	Coop. East	21.2	6.8	3.1	2.1	0.1	1.6	0.3	1	1	1	0.2		1	1	1	1	ı	6.9	3.2	0.7	5.5	3.1	16.7	I	28.7	86.1	17.2	103.3	99.4
	Dev. coop.	85.2	26.7	20.6	8.0	0.3	 I	0.8	ı	1	1.9		 I	1	 I	1	I	6.0	33.1	19.6	80.80	30.9	18.5	58.4	I	139.3	393.7	131.8	525.5	517.0
	Humani- tarian aid	19.2	1.0	I	1	5.1	3.2	0.2	0.1	1	0.4	0.2		1	 1	1	0.7	0.4	0.4	2.9	0.4	77.3	0.7	117.7	110.0	3.4	221.9	59.5	281.5	270.4
'	NGO pro- grammes ^a	74.2	1	10.7	4.5	5.5	3.8	6.1	5.6	5.4	3.0	4.4	3.6	3.5	2.5	2.5	1.8	1.0	1	1	1	1	I	1	I	1	74.2	1	74.2	73.0

 $More\ details; www.sdc.admin.ch/en/Home/About_SDC/Facts_and_figures/SDC_expenditures/Partners with the substitution of the s$

Publisher:
Federal Department of Foreign Affairs (FDFA)
Swiss Agency for Development and Cooperation (SDC)
Freiburgstrasse 130
3003 Berne
Phone 441 31 322 44 12
www.sdc.admin.ch
info@deza.admin.ch

Federal Department of Economic Affairs (FDEA)

State Secretariat for Economic Affairs (SECO)

Holzikofenweg 36

3003 Berne
Phone +41 31 324 09 10

www.seco-cooperation.admin.ch

info@seco-cooperation.ch

Editing/Coordination/Statistics: SDC Staff of the Directorate Communication SECO

Graphic Design/Concept: Bruno Caderas, Zurich caderas.ch

Photos: Cover «The End of Plenty» John Stanmeyer/VII Page 16 Keystone

Print: Werner Druck AG 4001 Basel

The statistical booklet to the Annual Report is available in English, German and French. Copies may be ordered from info@deza.admin.ch, or phone +41 31 322 44 12

Berne 2011