

SWITZERLAND'S INTERNATIONAL
COOPERATION
ANNUAL REPORT
2006



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

State Secretariat for
Economic Affairs SECO

The Swiss Agency for Development and Cooperation (SDC)

The SDC is the Swiss agency mandated to carry out international cooperation activities. As part of the Federal Department of Foreign Affairs (FDFA), the SDC has its own programs, supports those of multilateral organizations, and shares in financing the work of Swiss and international development organizations. Its main areas of operation are:

- bilateral and multilateral development cooperation,
- humanitarian aid, notably with the Swiss Humanitarian Aid Unit (SHA),
- cooperation with Eastern Europe.

In addition, the SDC ensures overall coordination of development cooperation and humanitarian aid with other responsible federal offices. Employing a total of about 1,540 people – including local staff – who work in Switzerland and abroad, its budget for 2007 amounts to CHF 1.339 billion. The Director-General of the SDC is Ambassador Walter Fust.

State Secretariat for Economic Affairs (SECO)

The Economic Cooperation and Development Division of SECO implements economic and trade policy measures in support of developing and transition countries. The aim is to improve the living conditions of the population and to reduce disparities amongst all countries. SECO encourages the integration of partner countries into the world economy, supports sustainable economic growth based on a market economy and contributes to a greater mobilization of private resources. It is responsible for Switzerland's relations with the World Bank Group and Regional Development Banks.

SECO is part of the Federal Department of Economic Affairs (FDEA) and directed by State Secretary Jean-Daniel Gerber. The Economic Cooperation and Development Division has 56 employees and a budget of CHF 217.3 million for 2007. As of August 2006, the new head of the Division is Ambassador Jörg Al. Reding, SECO Federal Council Delegate for Trade Agreements.

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Walter Fust



Jean-Daniel Gerber

Editorial

The impact of cooperation invokes a growing interest in Swiss public opinion. In 2006, it was the object of intense discussions that focused on aid to Africa. Some people doubt its usefulness, considering the continent's obstinate poverty. Such questions show that cooperation must bring tangible proof of any contributions it makes towards improving living conditions in partner countries.

The SDC and SECO are always concerned about increasing the efficiency of their interventions. In this spirit, they have set about concentrating available resources on a reduced number of countries and themes, in order to achieve maximum impact with budgets which are subjected to the economy plans of the Confederation.

In 2006, Switzerland's solidarity with Eastern countries found itself at a crossroad, with its future outlined by the electoral body that accepted the federal Law on cooperation with the States of Eastern Europe: while pursuing aid for transition, Switzerland will participate in helping to reduce disparities within the extended European Union (EU). During the referendum campaign, the SDC and SECO had the opportunity to present in detail the efforts deployed to date aimed at encouraging the establishment of democracy and the market economy.

In 2007, the political debate will focus once again on development policy. Many framework credits must be approved in order to ensure the continuation of operations during the coming years. Parliament will examine credits dealing with contributions to the extension of the EU and to transition and humanitarian aid, and will receive messages from the Federal Council on the continuation of cooperation with countries of the South and of economic development cooperation.

Walter Fust,
Ambassador,
SDC Director-General

Jean-Daniel Gerber,
State Secretary,
SECO Director



Switzerland's international cooperation

Since 2004, Switzerland allocates on average 0.4% of its gross national income to fight poverty in developing and transition countries. The Swiss government has mandated two federal offices to coordinate international development cooperation: the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO).

The main objective of all development cooperation activities is to improve the living conditions of the most deprived people on our planet. The SDC concentrates its efforts primarily on resolving conflicts, fostering social development and good governance, promoting employment and protecting natural resources. To achieve this, it always seeks to strengthen personal initiative in partner countries. The SDC and SECO support the countries of Eastern Europe and the Commonwealth of Independent States (CIS) in their transition to democracy and a free market in the form of know-how transfer and financial support. Another task entrusted to the SDC is federal humanitarian aid. Through the Swiss Humanitarian Aid Unit (SHA), it provides direct assistance to victims of natural disasters and armed conflicts.

For its part, SECO formulates and implements economic and trade policy measures which fall under international cooperation. Its efforts are especially directed at promoting sustainable economic growth, based on a free market, and the integration of partner countries

in the world economy. SECO is involved in four domains: macroeconomic support, the financing of infrastructures, the promotion of trade and the development of the private sector. It concentrates its support on 22 countries or priority regions.

While humanitarian aid is provided wherever it is urgently needed, SDC bilateral development cooperation focuses on 17 priority countries or regions and carries out eight special programs. In Eastern Europe, the focus is on nine priority countries and regions as well as three special programs. On a multilateral level, the SDC collaborates with UN agencies, the World Bank and Regional Development Banks.

The SDC organizes its field activities through the services of fifty Cooperation Offices, some of which are shared with SECO. In 2006, the SDC was engaged in about a thousand projects and had 550 people working for them in Switzerland and abroad, in addition to a locally hired staff of 990 people. The Swiss Humanitarian Aid Unit depends on 700 people who are ready to be deployed at short notice. Thanks to this expert pool, Switzerland was able to carry out 329 missions abroad in 2006.

SECO's Economic Development Cooperation Division was engaged in about 220 projects in 2006 and employed a staff of 56. Close cooperation with the SDC guarantees the efficiency, synergy and impact of Confederation efforts in development cooperation.

Example: additional ways to eradicate poverty

During negotiations on the Seventh Replenishment of the International Fund for Agricultural Development's (IFAD) Resources, the donors set their objective at USD 720 million. This amount covers the period 2007–2009 and represents an average increase of 30% compared to the Sixth Replenishment. Switzerland announced that its contribution would remain at CHF 21 million. In terms of dollars this represents a rise of 20%. The IFAD is the main international organization dedicated to fostering agricultural programs in developing countries. Financed by grants and low-interest rate loans, the aim of these programs is to eliminate poverty and hunger in rural areas.

In 2006, Swiss official development assistance (ODA) amounted to CHF 2.1 billion, or 0.39% of gross national income, representing a 7% drop in real terms compared to 2005. This reduction is exclusively due to a lower amount attributed in 2006 to debt relief operations.

In order to maximize the efficient use of its resources, the SDC reviewed and reorganized its entire activity portfolio and also updated its 2010 Strategy in line with evolving international cooperation efforts.

On May 31, 2006, the Federal Council defined future Swiss development cooperation priorities. These will be structured around three main themes: reaching the development and poverty reduction objectives defined by the Millennium Development Goals (MDGs), increasing human security, and contributing to a globalization process that encourages development. On the other hand, bilateral aid will focus on a limited number of countries and themes.

Multilateral cooperation

The challenges of development are becoming more and more complex and interdependent. Poverty, AIDS, migrations or environmental degradation all require coordinated intervention on the part of the international community. A number of themes cannot be tackled except through multilateral institutions. Switzerland is thus highly committed to these institutions, supporting them with a quarter of its ODA. It is active in UN funds and programs, International Financial Institutions – such as Multilateral Development Banks –, Global Funds and international networks.

From human rights to AIDS

Switzerland supports the reform process which the UN has initiated to increase the effectiveness of its institutions. It also welcomed the recommendations that an expert group formulated in November after having examined the coherence of the UN system in the areas of development, humanitarian aid and the environment. In March 2006, the UN took up a proposal initially formulated by Switzerland, and adopted a resolution creating the Human Rights Council based in Geneva. The institutional status of this new body puts human rights on the same level as development and security. In this regard, the SDC adopted a policy in 2006 that aims at systematically applying a development approach based on human rights principles, as defined by UN agencies.

Switzerland also participated in UN work dealing with the main dossiers concerning development. During the September high-level talks on migrations, it advocated reflecting on the question of how to take advantage of the

positive aspects of migration and limit its negative impacts. From May 31 to June 2, the UN member States examined the progress made in the fight against AIDS. They committed themselves to intensifying their efforts and stepping up already existing financial mechanisms, in particular the Global Fund to Fight Aids, Tuberculosis and Malaria. In 2006, Switzerland allocated CHF 6 million to this Fund, an increase of one million over the previous year. A parliamentary motion, voted in the spring, calls for a rise in this contribution to CHF 25 million per annum.

Ecological injustice

Environmental degradation constitutes a further challenge for development. Poor populations are the first to suffer from this situation because they strongly depend on natural resources for their subsistence. Switzerland organized several events to mark the International Year of Deserts and Desertification and was active in various international forums that examined the interactions between poverty and environmental degradation. Within the Multilateral Development Banks, it contributed to developing specific initiatives concerning global warming and clean energy that had been launched during the G8 Summit of 2005.

At the Paris meeting in April, the ministers of development and the environment from the OECD countries committed themselves to work towards putting more emphasis on adaptation to climate change in the field of development aid. In May, the UN Commission for Sustainable Development held a session on climate, sustainable energy, atmospheric pollution and indus-





trial development. In March, the 4th World Water Forum was convened in Mexico City, during which Switzerland underlined the ever-increasing significance of the role of local authorities in water supply and integrated resource management.

Debt and governance

The Multilateral Debt Relief Initiative (MDRI) came into operation on July 1, 2006. The financial donors, including Switzerland, promised to contribute additional funds to the International Development Association and to the African Development Fund, in order to compensate for debt relief. The MDRI also foresees measures designed to avoid new excessive indebtedness. In this regard, Switzerland proposed to strengthen the systems aimed at controlling the quality of public spending.

In September, Switzerland reminded the Development Committee of the Bretton Woods Institutions at their Singapore meeting of how essential good governance and the battle against corruption are in ensuring sustainable development. Commenting on the World Bank's

anticorruption strategy, it also underlined the necessity of helping poor countries improve their governance system. Swiss cooperation also fights corruption by means of its own development programs, and in 2006, the SDC adopted a new strategy on this matter.

Doha Development Round at an impasse

In July 2006, members of the World Trade Organization (WTO) suspended negotiations of the «Doha Development Round» for an undetermined length of time. Initiated five years ago, the principal objective of the talks was to promote the application of multilateral trade rules that foster development. Agricultural issues turned out to be the main stumbling blocks. The rich countries could not agree on reducing their agricultural subsidies or on opening their markets to consumer goods and services from the South without compensation. Switzerland lamented the failure of the talks, but nonetheless continued its efforts to strengthen coherence between development and trade.

Bilateral development cooperation

In 2006, the SDC focused its bilateral aid on 17 countries or priority regions and eight special programs. With its concern to use available resources optimally, it decided to further concentrate its activity portfolio. By the year 2010, the number of priority countries will be narrowed down to 14. Switzerland will withdraw from Ecuador and will reduce its commitment in Bhutan. While cooperation with India will continue in the form of a «partnership program», its budgetary allocation will be further reduced. From a thematic point of view, activities will be limited to ten priority domains. Gender and governance issues will be treated transversally.

Financial donors, including the SDC, have begun implementing the Paris Declaration, adopted in 2005, which commits them to better harmonize their procedures and to follow the priorities of beneficiary countries. In 2006, ten cooperation offices participated in a first inter-

national field-level survey. Internally, the SDC reflected on the concrete implications of this international agreement for its programs.

Sub-Saharan Africa

In Switzerland, the persistent poverty found in Africa gave rise to numerous questions pertaining to the usefulness of development cooperation. The SDC explained its work and demonstrated the impact of development aid. Together with SECO, it made an assessment of Swiss cooperation on this continent.

In Western Africa, the support for the decentralization process is aimed at promoting the emergence of local government close to its citizens. An action research program launched in 2006 is expected to lead to support for the reform of public services. At the same time, the SDC outlined a regional approach, and foresees helping grass-root socio-professional

organizations make their voices heard with inter-state institutions.

In Mozambique, Switzerland is very engaged in harmonization mechanisms involving 18 donors. In 2006, it decided to focus its program on local governance, economic development and health.

Now that the situation has calmed down in the Great Lakes area, regional expansion of the special program for Rwanda can proceed. Also in 2006, some activities were initiated in Burundi and the regional approach was consolidated in Southern Africa.

One project will be reproduced in four other countries after good results were achieved in South Africa. Its aim is to transmit information and the necessary tools to rural schools so that they can cope with the problems caused by AIDS. The pandemic is still one of the most serious threats for the sustainability of development efforts in this region.

Middle East and North Africa

While bringing specific projects in Algeria and Morocco to a close in 2006, the SDC began to elaborate a partnership program for the Maghreb, putting the emphasis on governance and the environment. These themes will also guide the special program being set up in the Mashreq (Jordan, Syria and Lebanon).

Switzerland decided to adhere to the Forum for the Future, an international platform launched by the G8 to encourage dialogue between the Arab countries and the West. The SDC and the FDFA's Political Affairs Division IV will finance its contribution.

Latin America

During the numerous successive popular elections that took place in Latin America since the end of 2005, voters have expressed their desire for change and their discontent with develop-

ment policies. Cooperation efforts are thus faced with new demands. Switzerland will integrate these in its strategies for Central America, Bolivia and Peru. In all of its priority countries, the SDC has extended some of its professional training projects to rural areas. Up until now it has only implemented such programs in urban or semi-urban environments. Since 2006, Switzerland and other donors support a national rural development program in Nicaragua that is aimed primarily at promoting exports and increasing food security. In the same year, the SDC also assumed the coordination of financial donors.

Asia

In Eastern Asia, the programs will revolve around two priority sectors: governance and the management of natural resources. Switzerland opened a liaison office in Laos where it plans to intensify its activities.

In Nepal, it gave assistance to the negotiations that resulted in the signing of a peace agreement between the government and the Maoist Communist Party.

The single counter customer service system «One-Stop Shops», that has met with much success in Vietnam, will be replicated in Mongolia and Bhutan.

Two important themes have also been retained for Southern Asia: governance and the improvement of living conditions. In this region, sexual and social discrimination remains one of the most delicate problems. The SDC shall thus keep a watchful eye on its development projects to make sure that they systematically apply a human rights approach.



Example: contribution to food security in Laos

On November 10, 2006, the Laotian Government awarded the «Friendship Prize» to the SDC in recognition of the latter's important contribution to the country's development, especially in the agricultural sector. Ever since 1990, the SDC has been supporting a national research and training program which is implemented together with the International Rice Research Institute (IRRI). While researchers have developed more productive and resistant rice varieties, the farmers have learned new farming techniques. Thanks to this know-how and to improved seeds, they have been able to substantially increase their production per hectare. Laos has increased its rice production by 70% over the past 16 years.



Cooperation with Eastern Europe and the CIS

Switzerland has been supporting structural reforms in Eastern Europe and the Community of Independent States (CIS) since the end of the Cold War. Having completed their transition to democracy and a market economy, eight of these States joined the European Union (EU) in 2004. Subject to parliamentary approval, the Federal Council then decided to participate in a program designed to reduce economic and social disparities within the extended EU. This project provoked a large public debate in 2006.

In March, the Parliament approved the new Federal Law on cooperation with Eastern Europe (FL East), whose contents provide the legal basis for the two instruments of Swiss solidarity with the eastern part of the continent: it allows for a 10-year extension of classical transition aid, based on a time bound Federal Decree; and it authorizes the contribution to the EU extension. Opposed by referendum, the FL East was accepted by the people on November 26, 2006. On this basis, the Federal Council addressed two messages to Parliament in December, proposing the opening of two framework credits: a four-year credit totalling CHF 650 million destined for transition aid, and a five-year credit of CHF one billion for cooperation with new EU member States.

In a memorandum of understanding signed in February 2006, Switzerland and the EU determined the terms of funding contributions to the extension. Poland, Hungary, Slovakia and the Czech Republic will absorb about 80% of the resources. In line with traditional cooperation, the new programs will be implemented by the SDC and SECO.

Uncompleted transition

Several East European countries are still a long way from having completed their reform process. Currently, Switzerland is concentrating its support for transition on the Western Balkans and certain CIS States, particularly in Central Asia and South Caucasus. In 2006, the SDC and SECO began their withdrawal from Rumania and Bulgaria and will progressively transfer the projects to local partners. Both countries joined the EU in early 2007.

The two Offices have readjusted their cooperation strategy in Central Asia, with an improved concentration on a limited number of themes. Together with other donors, the SDC decided to allocate budgetary aid to the health sector in Kyrgyzstan.

In the Ukraine, its program was expanded to include penalty enforcement with the objective of improving detention conditions. In Southern Caucasus, several projects are directed towards increasing the income of rural populations by encouraging their integration into market mechanisms.

Change in the Balkans

As planned, a Swiss repatriation assistance program was completed in 2006. Financed by the Federal Office for Migration (FOM), it made possible the reintegration of vulnerable persons originating from the Balkans. In this context, the SDC provided vital structural aid to the municipalities that welcomed repatriated refugees.

The future status of Kosovo was the subject of difficult negotiations. Several programs are contributing towards improving local gover-

Example: promoting health in Kyrgyz villages

Since Kyrgyzstan gained independence, the deterioration of infrastructures and medical services has brought about an upsurge of illnesses such as anemia, tuberculosis or brucellosis. With SDC support, the rural populations of two provinces have taken the promotion of their health into their own hands. Village committees undertake prevention campaigns on the most frequent ailments. After having acquired the necessary knowledge, volunteers go from house to house to sensitize inhabitants to better hygiene. Lately, American and Swedish cooperation agencies have joined Switzerland to spread this model to the rest of the country.

nance in this province which is administered by the UN. The SDC renewed its support to the Kosovo Housing and Property Directorate which was created by the UN in 2001. Since 2006, this authority has also been involved in resolving property and agricultural litigations resulting from the war. A SECO project aims at reducing the drinking water shortages of two cities located in Southeast Kosovo. In 2006, work began to connect their network to new water sources that were localized through geological studies. In Serbia, the SDC is involved in strengthening municipal structures, and has also helped to establish a document that deals with the involvement of citizens in municipal decisions.

Ten years of cooperation

Various events marked the 10th anniversary of Swiss cooperation with Bosnia and Herzegovina. In this context, experts participated in a roundtable discussion on economic reforms and social development. Switzerland is facilitating the process of strengthening Bosnia's relations with European structures. In 2006, it established a platform encouraging the involvement of civil society in the debate on constitutional reform. The SDC also launched a program designed to reinforce the capacities of municipalities in water management, a sector which was recently decentralized. Complementing this, SECO is involved in rehabilitating the water supply infrastructures in the municipality of Prijedor. Moreover, it finances training for small- and medium-sized enterprises (SMEs) and banks on the principles of corporate governance.

Economic Cooperation

The Economic Cooperation and Development Division of SECO implements economic and trade development cooperation measures. These are aimed at promoting sustainable growth and encouraging the integration of partner countries in the world economy. In order to reach these objectives, SECO makes use of four instruments: the promotion of trade, investments, the improvement of economic framework conditions and the financing of basic infrastructures. Good governance and the mobilization of private funds constitute two important principles underpinning its cooperation policy.

In 2006, SECO reduced the number of its priority countries from 26 to 22. Russia, China and India were removed from the list, given their sustained development and the limited influence that a small donor can have in countries of that size. SECO will also withdraw from Uzbekistan where serious governance problems cannot anymore guarantee that resources are used appropriately. The projects in these countries will slowly be closed down.

Extension of preferential tariff concessions

In Switzerland, the year 2006 was marked by the renewal of the legal basis for granting preferential tariff concessions to developing countries.

The generalized system of preferential tariffs is based on a Federal Decree that is valid until February 2007. In a message to Parliament, the Federal Council proposed maintaining this essential instrument of development cooperation and transforming the Decree into a law of unlimited time length. It was supported by the Federal Chambers which, in October 2006, adopted the Preferential Tariffs Ordinance that at the same time permits Switzerland to undertake commitments made in the framework of the World Trade Organization: during the Ministerial Conference in Hong Kong in the year 2005, the rich countries had agreed to guarantee the least developed countries duty-free and quota-free market access for 97% of the tariff lines.

Capital for the SMEs

A number of SMEs do not have access to financial markets in developing and transition countries. SECO invests in venture capital funds which offer long-term financing, and has entrusted the Swiss Investment Fund for Emerging Markets (Sifem) with managing its portfolio and identifying new investment opportunities. In 2006, seven new stake acquisitions were approved for a total amount of CHF 62 million. In addition to a contribution to a debt fund active in African countries, the Caribbean and the Pacific, two





transactions took place in the Balkans, two in Africa, and one each in Central America and Asia. Sifem has realized numerous such investments in partnership with local banks, also mobilizing private funds for the granting of capital to SMEs. These seven projects increase its portfolio to nearly CHF 300 million, invested in about thirty financial intermediaries.

Examining budgetary aid

In order to support national development strategies in its partner countries, SECO resorts primarily to the relatively new instrument of general budgetary aid. In 2006, five countries benefited from such aid: Nicaragua, Burkina Faso, Tanzania, Mozambique and Ghana. In three of these countries Switzerland assumed the presidency of donor groups. At the initiative of the OECD Development Assistance Committee, independent experts evaluated the budgetary aid based on experiences in seven countries. Switzerland participated in this study, the first of

its kind, which delivered globally positive conclusions. By supplementing classical aid with budgetary support, cooperation can increase the efficiency of its programs. In June, SECO organized an international symposium in Bern on the potentials and risks of this instrument.

Drinking water and energy

With regard to infrastructures, SECO extended its program in the areas of water and electricity in 2006. In particular, it designed a project that will benefit several Nicaraguan cities. In collaboration with multilateral partners, measures will be taken to restore the drinking water and sanitation networks and to restructure the national water supply company. Another project concerns the energy sector in Tajikistan, where Switzerland decided to cooperate with the World Bank in order to improve the efficiency of the national energy distribution company and reduce its commercial losses.

Humanitarian Aid

The mission of Swiss Humanitarian Aid is to save lives and alleviate suffering in situations of crises, war or disaster. It operates neutrally and unconditionally in four areas: prevention and preparedness, emergency aid, reconstruction and victim advocacy. A third of its budget finances bilateral interventions and two thirds supports multilateral humanitarian organizations, in particular the International Committee of the Red Cross (ICRC) and five UN organizations.

All of these activities are financed by a framework credit of CHF 1.5 billion which will have

run out by mid-2007. In November 2006, the Federal Council requested Parliament to open up a new credit for the same amount in order to enable continuation of humanitarian aid interventions for a minimum period of four years. Included in its message was a description of the numerous and complex challenges currently being faced, and a definition of Switzerland's main areas of commitment in upcoming years. In 2006, Humanitarian Aid and the Swiss Humanitarian Aid Unit (SHA) were active in 52 countries.

Example: initiative to strengthen the financial sector

Anxious to prevent financial crises, the International Monetary Fund and the World Bank conceived the Financial Sector Assessment Program (FSAP). In this program, experts diagnose the vulnerabilities of member countries and formulate recommendations. In 2002, SECO contributed to the creation of the Financial Sector Reform and Strengthening Initiative (FIRST). This provides to low- and medium income countries the technical assistance they require to improve monitoring and regulation of their financial markets. Around 220 projects have already been undertaken. The University of St. Gallen evaluated this portfolio in 2006 and confirmed its efficiency and effectiveness.

Near East Crisis

Their most noteworthy intervention took place in July, when about forty specialists from the SHA were deployed to Lebanon immediately after hostilities between Israel and the Hezbollah began. They organized the repatriation of 921 Swiss nationals and provided emergency aid to displaced populations around Beirut, especially through the intervention of the ICRC. In September, shortly after the cease-fire and the Stockholm Donor Conference, the Federal Council allocated an additional credit of CHF 20 million for the people affected by the Near East conflict. In Lebanon, this contribution was invested in diverse projects such as the restoration of schools, environmental activities and support to Palestine refugees. The «Back to the Villages» program allowed the reestablishment of minimal living conditions in several locations in southern Lebanon. Switzerland also took part in the elimination of unexploded ammunition stemming from cluster bombs dropped by the Israeli army. In the occupied Palestinian Territory, the supplementary credit served to reinforce the programs of Switzerland's partners and to support the Palestinian Red Crescent organization. The SDC also defended the rights of crisis victims through international organizations.

Victim advocacy activities were also necessary in several other regions of the world. In Darfur, Switzerland interceded on behalf of the Sudanese who were left to themselves because hostilities and organized crime prevented help from getting through to them. In the African Great Lakes region, it continues to defend the cause of women and children rape victims.

Making a new start

In several countries hit by natural disasters, 2006 was devoted to reconstruction. In Pakistan, where the 2005 earthquake left 3.3 million people without shelter, Switzerland finances

the construction of schools and health posts. It provides technical support for the construction of earthquake-proof buildings and is engaged in restoring the means of subsistence of more than 10,000 farming families.

Meanwhile, reconstruction is in full swing in those regions devastated by the tsunami. In Sri Lanka, the SDC and three Swiss relief organizations are implementing a program that is based on the payment of cash contributions to stricken families. To date about 8,500 houses were able to be reconstructed or repaired. In Banda Aceh (Indonesia), Swiss specialists worked to restore a water processing plant, and in Thailand the rehabilitation of three fishing villages is close to completion.

Integrated Risk Management

The year 2006 saw a wealth of activities in the area of prevention and preparedness. At the end of August, an International Disaster Reduction Conference was held in Davos with Switzerland's support. It reminded participants that risk management must be based on an integrated and multidisciplinary approach.

Swiss experts have been put at the disposal of Morocco to help the country reinforce its prevention mechanisms. In the Congo, a surveillance and risk management system is designed to help provide forewarning of Nyiragongo's volcanic eruptions to Goma's citizens. Five districts of Teheran have reproduced a model designed in Turkey, and 2,600 voluntary rescue workers are now prepared to intervene in their neighborhood in case of an earthquake. In Latin America, the absence of major disasters has allowed Switzerland to focus on its reconstruction and risk reduction programs.



Example: certified rescuers

When disaster strikes, it is important that relief is deployed rapidly in a coordinated and professional manner. The International Search and Rescue Advisory Group (INSARAG) endeavors to improve operation efficiency and cooperation between the various players. This network, which includes more than 80 countries, is managed by the UN and has been presided by Switzerland since its establishment in 1991. It has just finished formulating guidelines for search and rescue groups in urban settings. Such teams should fulfill minimum requirements concerning training, equipment and operating techniques. A pool of experts will be assigned to evaluate and certify their quality.

Statistics 2006

Definition

Official development assistance (ODA) is defined as the total of all financial flows i) from the official sector to developing countries and territories and to multilateral agencies active in development ii) with the primary aim of facilitating economic development and welfare as the main objective iii) at concessional financial terms (grants and low-interest loans).

ODA Reporting

The **list of countries** which was established in 1969 by the Development Assistance Committee (DAC) of the OECD has been periodically revised by the DAC to adjust to economic and political changes. In 1993, the list was divided into two parts. Part I was made up of «traditional» developing countries receiving ODA. Part II consisted of developing countries and countries of Eastern Europe «in transition» and receiving official assistance (OA). In 2005, the DAC decided to do away with Part II and to reintroduce a single list of ODA recipients covering all the low- and middle-income developing countries and territories, at present covering 152, with the exception of members of the G8 and the 25 members of the European Union and its 2 candidates in 2007.

To ensure the comparability and transparency of ODA contributions, the DAC has compiled a full set of **statistical directives** regulating the reporting procedures of member countries. Switzerland aligns its ODA reporting to that of a majority of DAC donor countries. In recent years, Switzerland has therefore adapted the way in which it calculates its ODA. The adaptations include for instance the relief of bilateral debts, at their nominal value, owed by developing countries in the framework of the Club of Paris (since 2003), the costs related to asylum seekers from developing countries during their first year in Switzerland (since 2004), or military material made available to the SDC for humanitarian purposes (since 2005).

Composition of Swiss ODA

On the **institutional level**, Swiss ODA contributions come mainly from the budgets of the SDC and SECO (economic development cooperation – WE). Other federal offices as well as 25 cantons and some 200 communes participate in Switzerland's international cooperation (see table 1).

The **total expenditures of the SDC and SECO** (WE) are presented in the box below. Some of these expenditures are for countries which are not defined as developing countries and therefore cannot be reported as ODA.

SDC/SECO expenditures for international cooperation 2006 (mil. CHF)

| | SDC | | SECO (WE) | |
|--|----------------|-------------|--------------|-------------|
| | ODA | Non ODA | ODA | Non ODA |
| Humanitarian aid | 295.0 | 6.5 | – | – |
| bilateral | 267.3 | 6.5 | – | – |
| multilateral | 27.7 | – | – | – |
| Development cooperation | 962.1 | 2.7 | 153.7 | – |
| bilateral | 562.8 | 2.7 | 149.8 | – |
| multilateral | 399.3 | – | 3.9 | – |
| Cooperation with Eastern Europe/CIS | 91.1 | 17.5 | 60.1 | 19.4 |
| Total expenditures SDC/SECO | 1'348.2 | 26.7 | 213.7 | 19.4 |

Observation: the total amount of SDC's expenditures shown above (1'374.9 mil. CHF) is higher than the amount actually spent and which appears in the Confederation's accounts (1'329.8 mil. CHF). This difference of 45.1 mil. CHF is due to the reporting of «notes» (sight drafts), according to DAC's recommendation, at the moment of the deposit and not at the moment of their payment.

Symbols:

- p = provisional
- 0.0 = amount less than one unit
- = nil
- .. = not available

More detailed information is available in the annual SDC publication «Aide au développement de la Suisse» and on the SDC's web site

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

www.sdc.admin.ch/en/Home/Countries

www.sdc.admin.ch/en/Home/Activities/Cooperation_with_Eastern_Europe/Facts_and_Figures

Table 1
Swiss official development assistance (ODA) in 2006 (mil. CHF)

| | 2006 | | | 2005 | | |
|--|-------------------------|-------------------|-------------------------|----------------|-------------------|----------------|
| | Bilateral ODA | Multi-lateral ODA | Total ODA | Bilateral ODA | Multi-lateral ODA | Total ODA |
| Confederation | 1'537.8 | 491.8 | 2'029.6 | 1'711.0 | 456.7 | 2'167.7 |
| Swiss Agency for Development and Cooperation (SDC) | 921.2 | 427.0 | 1'348.2 | 915.7 | 391.3 | 1'307.0 |
| Humanitarian Aid | 267.3 | 27.7 | 295.0 | 271.2 | 25.6 | 296.8 |
| Development cooperation | 562.8 | 399.3 | 962.1 | 561.7 | 365.7 | 927.4 |
| Cooperation with Eastern Europe and the CIS | 91.1 | – | 91.1 | 82.8 | – | 82.8 |
| State Secretariat for Economic Affairs (SECO) | 319.2 | 6.7 | 325.9 | 488.1 | 6.4 | 494.5 |
| Development cooperation | 136.4 | 6.7 | 143.1 | 141.8 | 6.4 | 148.3 |
| Cooperation with Eastern Europe and the CIS | 60.1 | – | 60.1 | 67.7 | – | 67.7 |
| Debt relief (Club of Paris) | 122.7 | – | 122.7 | 278.6 | – | 278.6 |
| Federal Office for Migration | 179.7 | – | 179.7 | 178.7 | – | 178.7 |
| Return assistance | 13.8 | – | 13.8 | 17.6 | – | 17.6 |
| Assistance for asylum seekers in Switzerland | 165.9 | – | 165.9 | 161.1 | – | 161.1 |
| Political Affairs Division IV and Directorate of International Law (FDFA) | 45.3 | 4.0 | 49.3 | 44.5 | 4.0 | 48.5 |
| Conflict Transformation and Human Rights | 45.3 | 4.0 | 49.3 | 44.5 | 4.0 | 48.5 |
| Federal Department of Defence, Civil Protection and Sports (DDPS) | 57.1 | 4.0 | 61.1 | 62.7 | 4.0 | 66.7 |
| Activities for promotion of peace and security | 41.0 | 4.0 | 45.0 | 40.0 | 4.0 | 44.0 |
| Supplies for humanitarian purposes | 16.2 | – | 16.2 | 22.7 | – | 22.7 |
| Other federal offices | 15.2 | 50.2 | 65.4 | 21.2 | 51.0 | 72.2 |
| Cantons and municipalities | 33.4^P | – | 33.4^P | 39.5 | – | 39.5 |
| Total | 1'571.2 | 491.8 | 2'063.0 | 1'750.5 | 456.7 | 2'207.2 |
| ODA in % of GNI | | | 0.39% | | | 0.44% |

In 2006, Swiss official development assistance (ODA) reached 0.39% of gross national income (GNI), a decrease from 0.44% in 2005. Total ODA reached CHF 2'063 million representing a 7% decrease compared to 2005. This decrease is exclusively due to the lower amount allocated to debt relief in 2006.

The breakdown of aid categories has once again been affected by the variations resulting from debt rescheduling. The share of the SDC and SECO development cooperation activities (excluding debt) rose to 54% of ODA (49% in 2005), while humanitarian aid and the SDC's and SECO's cooperation with Eastern Europe and the CIS remain at 14% and 7% respectively. Contributions from other federal offices, cantons and communes as well as statistical adjustments represent 25% of the total (30% in 2005).

Graph 1
Swiss ODA by aid category 1996–2006 (mil. CHF)

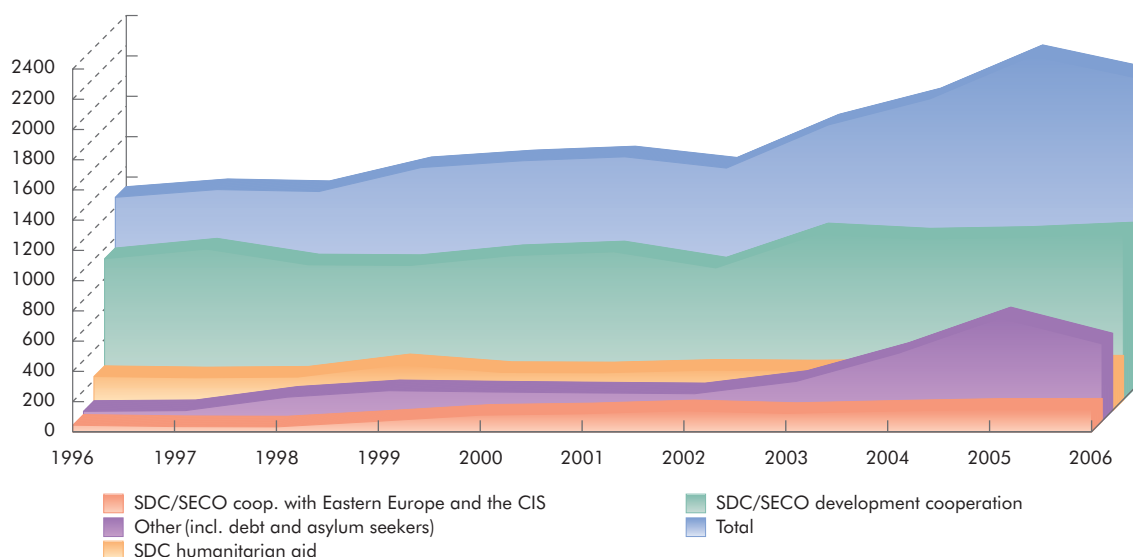


Table 2
Development of Swiss ODA and NGO donations 1960–2006 (mil. CHF)

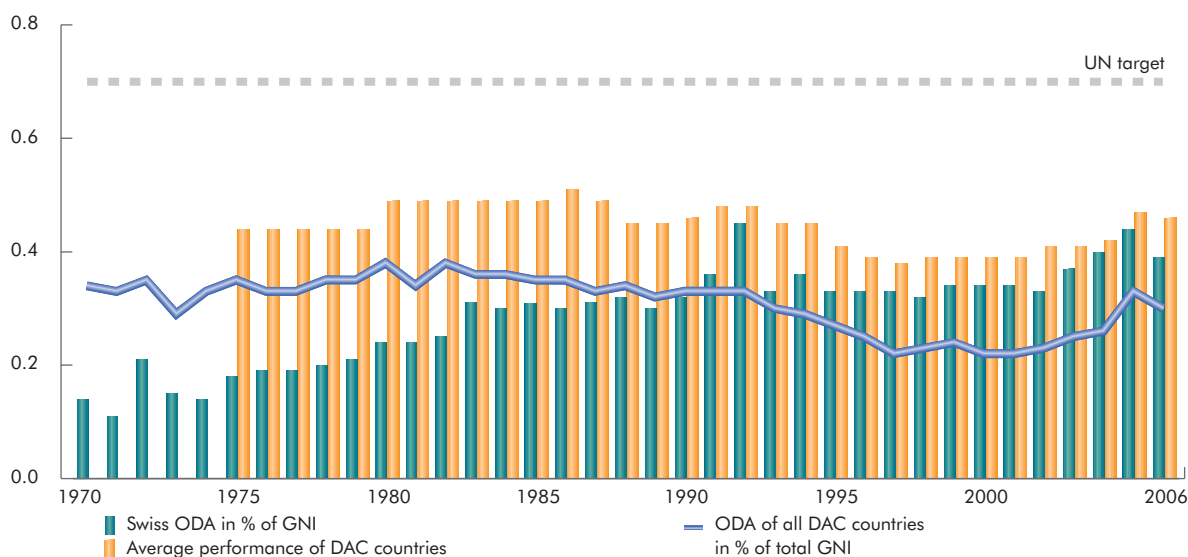
| | 1960 | 1970 | 1980 | 1990 | 2000 | 2002 | 2003 | 2004 | 2005 | 2006 |
|---|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ODA | 15.1 | 130.0 | 423.1 | 1'041.4 | 1'510.9 | 1'462.4 | 1'748.0 | 1'921.1 | 2'207.2 | 2'063.0 |
| GNI ^{a)} | 37'066 | 92'570 | 177'270 | 326'102 | 450'327 | 445'721 | 468'908 | 483'152 | 500'927 | 527'699 |
| ODA in % of GNI | 0.04 % | 0.14 % | 0.24 % | 0.32 % | 0.34 % | 0.33 % | 0.37 % | 0.40 % | 0.44 % | 0.39 % |
| ODA in % of expenditures by the Confederation | 0.58 % | 1.63 % | 2.38 % | 3.29 % | 3.13 % | 2.82 % | 3.41 % | 3.65 % | 4.20 % | 3.84 % |
| ODA in % of public spending | .. | 0.64 % | 0.89 % | 1.20 % | 1.22 % | 1.09 % | 1.29 % | 1.39 % | 1.57 % | 1.46 % |
| Private NGO donations | .. | 50.8 | 106.6 | 148.6 | 272.0 | 298.2 | 339.8 | 321.9 | 413.6 | .. |
| Private NGO donations in % of GNI | .. | 0.05 % | 0.06 % | 0.05 % | 0.06 % | 0.07 % | 0.07 % | 0.07 % | 0.08 % | .. |

^{a)} GNI from 1995, GNP for preceding years. Definitive figures up to 2003, provisional for 2004 and 2005 (Swiss Federal Statistical Office). For 2006, estimate of Federal Finance Administration (January 2007)

Measured in percentage of gross national income (GNI), Swiss official development assistance (ODA) grew steadily until 1990 and has stabilised at around 0.34 % over the past 10 years. ODA has grown sharply since 2003 mainly because of statistical adjustments. In 2005, it reached the highest ever level of 0.44 %, to drop to 0.39 % in 2006. This rapid and irregular development is due to the statistical adjustments introduced since 2003 (inclusion of debt relief since 2003 and asylum seekers since 2004).

Private Swiss aid to developing countries provided by NGOs and other non-profit organizations has increased from 0.06 % of GNI in 2000 to 0.08 % in 2005. The net private donations of NGOs, which are largely collected directly from the population (not including public sector contributions to the programs and projects of these organizations), represented an average of CHF 55 per head of population in 2005. This puts Switzerland in second place amongst the DAC member countries.

Graph 2
ODA in % of Swiss GNI and DAC countries 1970–2006



In 2006, and for the first time since 1997, official development assistance (ODA) of the member countries of OECD's Development Assistance Committee (DAC) has dropped by 5.1 % in real terms to reach USD 103.9 billion. This represents 0.30 % of the total gross national income (GNI) of DAC countries, compared with 0.33 % in 2005. Out of this total, USD 19 billion was used to finance substantial debt relief. The combined performance of DAC countries (the average of individual ODA/GNI percentages) amounted to 0.46 %, or 0.01 % lower than in 2005. With 0.39 %, Switzerland is in 11th position of the 22 DAC countries in terms of ODA/GNI percentage and in 15th place in absolute terms.

The United Nations target of 0.7 % set for ODA in 1970 has so far been reached or exceeded by only five DAC countries, while five others are above the average of 0.46 %. Sixteen countries have increased their aid in 2006 according to their commitment made at the Monterrey Conference in 2002 on the financing of development.

Graph 3

Breakdown of bilateral ODA by continent 2006 (mil. CHF and %)

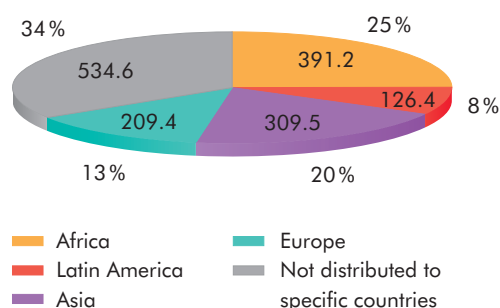


Table 3

Bilateral ODA according to income category 2006 (mil. CHF)

| | 2006 | 2005 |
|---|----------------|----------------|
| Least-developed countries (LDCs) | 311.3 | 304.7 |
| Low-income countries | 235.8 | 246.3 |
| Middle-income countries | 372.0 | 552.7 |
| Regional projects and not distributed to specific countries | 652.0 | 646.8 |
| Total bilateral ODA | 1'571.2 | 1'750.5 |

Switzerland's bilateral ODA is principally intended for low-income countries and mainly concentrated in Africa and Asia, as shown again by the 2006 figures (close to half of bilateral resources were invested in these two continents). In 2006, two **debt** cancellations granted to Nigeria and Serbia (123 mil. CHF) have affected the distribution according to geographical area and income category. The amounts **not distributed to specific countries** amalgamate expenditures allocated to programs and projects which are implemented on a regional basis, mandates to development organizations for training purposes, research or thematic advice, the general contribution to ICRC, as well as support measures, operational costs and logistics in Switzerland. The costs of assistance to asylum seekers are also included in unclassified costs. The SDC's web site provides more details on the way bilateral ODA is used and geographically distributed.

Table 4

Swiss multilateral ODA in 2006, general contributions (mil. CHF)

| | 2006 | 2005 |
|--|--------------|--------------|
| United Nations organizations (UN) | 144.4 | 138.3 |
| UN Development Programme (UNDP) | 52.0 | 52.0 |
| UN Children's Fund (UNICEF) | 18.0 | 18.0 |
| UN Population Fund (UNFPA) | 12.5 | 12.5 |
| UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) | 12.5 | 10.5 |
| Office of the UN High Commissioner for Refugees (UNHCR) | 11.0 | 11.0 |
| Other UN organizations | 38.4 | 34.3 |
| International development financing institutions | 289.0 | 259.8 |
| International Development Association (IDA) | 204.5 | 176.9 |
| African Development Fund (AfDF) | 55.4 | 51.2 |
| Asian Development Fund (ADF) | 13.3 | 13.3 |
| Other development funds and financing institutions | 15.9 | 18.5 |
| Other institutions | 58.4 | 58.6 |
| Global Environment Facility (GEF) | 16.1 | 16.8 |
| Consultative Group on International Agricultural Research (CGIAR) | 12.0 | 12.0 |
| Geneva International Centre for Humanitarian Demining (GICHD) | 8.0 | 8.0 |
| Other institutions | 22.3 | 21.8 |
| Total multilateral ODA | 491.8 | 456.7 |

Multilateral official development assistance (ODA) includes the general contributions paid to international (intergovernmental) development institutions which are on the DAC list of ODA-eligible organizations. Contributions to international non-governmental organizations (e.g. the ICRC, according to the DAC definition) are included in bilateral ODA.

Compared to previous years, the volume of multilateral ODA has increased. The multilateral component accounts for about 24% of total ODA in 2006, corresponding to the average experienced since 2000. The general contributions made to specialized United Nations agencies absorb 30% of multilateral ODA as in the past, while those to international financial institutions (IFIs) represent more than half. Contributions to IFIs are registered in ODA at the time of the deposit and not of the payment of the «notes» (sight drafts), which may result in large differences from one year to another.

A detailed table of multilateral ODA is presented on the SDC's web site.

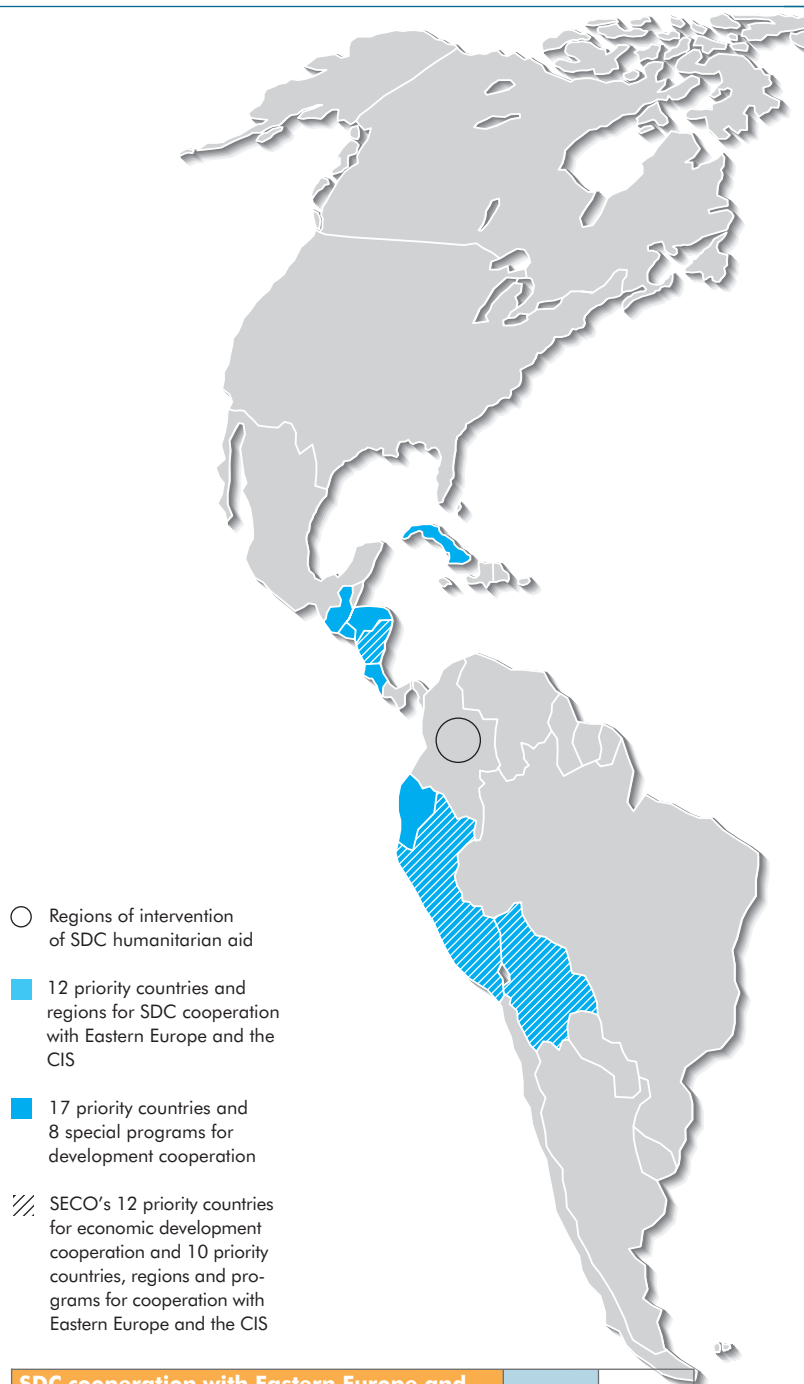
Table 5
Total SDC and SECO (WE) expenditures by priority countries and regions 2006 (mil. CHF)

| SDC cooperation with the South | 2006 | 2005 |
|---|--------------|--------------|
| Priority countries and regions | 233.0 | 240.4 |
| Vietnam/Mekong | 22.5 | 22.7 |
| India | 21.1 | 25.5 |
| Nicaragua/Central America | 20.3 | 20.5 |
| Nepal | 17.8 | 17.2 |
| Tanzania | 17.4 | 16.7 |
| Bangladesh | 15.3 | 11.6 |
| Pakistan | 14.1 | 15.3 |
| Mozambique | 14.0 | 14.6 |
| Burkina Faso | 13.4 | 13.3 |
| Peru | 11.5 | 11.6 |
| Bolivia | 11.4 | 14.3 |
| Niger | 10.4 | 11.2 |
| Benin | 10.2 | 8.6 |
| Chad | 9.9 | 11.0 |
| Ecuador | 8.9 | 8.2 |
| Mali | 8.7 | 12.9 |
| Bhutan | 6.2 | 5.4 |
| Special programs | 70.4 | 63.8 |
| South Africa/southern Africa | 17.8 | 20.4 |
| Gaza and the West Bank | 12.7 | 10.0 |
| Afghanistan | 11.7 | 8.7 |
| Rwanda/Great Lakes | 9.7 | 9.0 |
| Madagascar | 7.2 | 6.5 |
| North Korea | 4.7 | 4.5 |
| Mongolia | 4.0 | 2.6 |
| Cuba | 2.4 | 2.0 |
| Other activities | 229.8 | 221.2 |
| Other countries and regions, administrative costs | 168.0 | 162.1 |
| Program contributions to NGOs | 61.8 | 59.1 |
| Total | 533.1 | 525.4 |

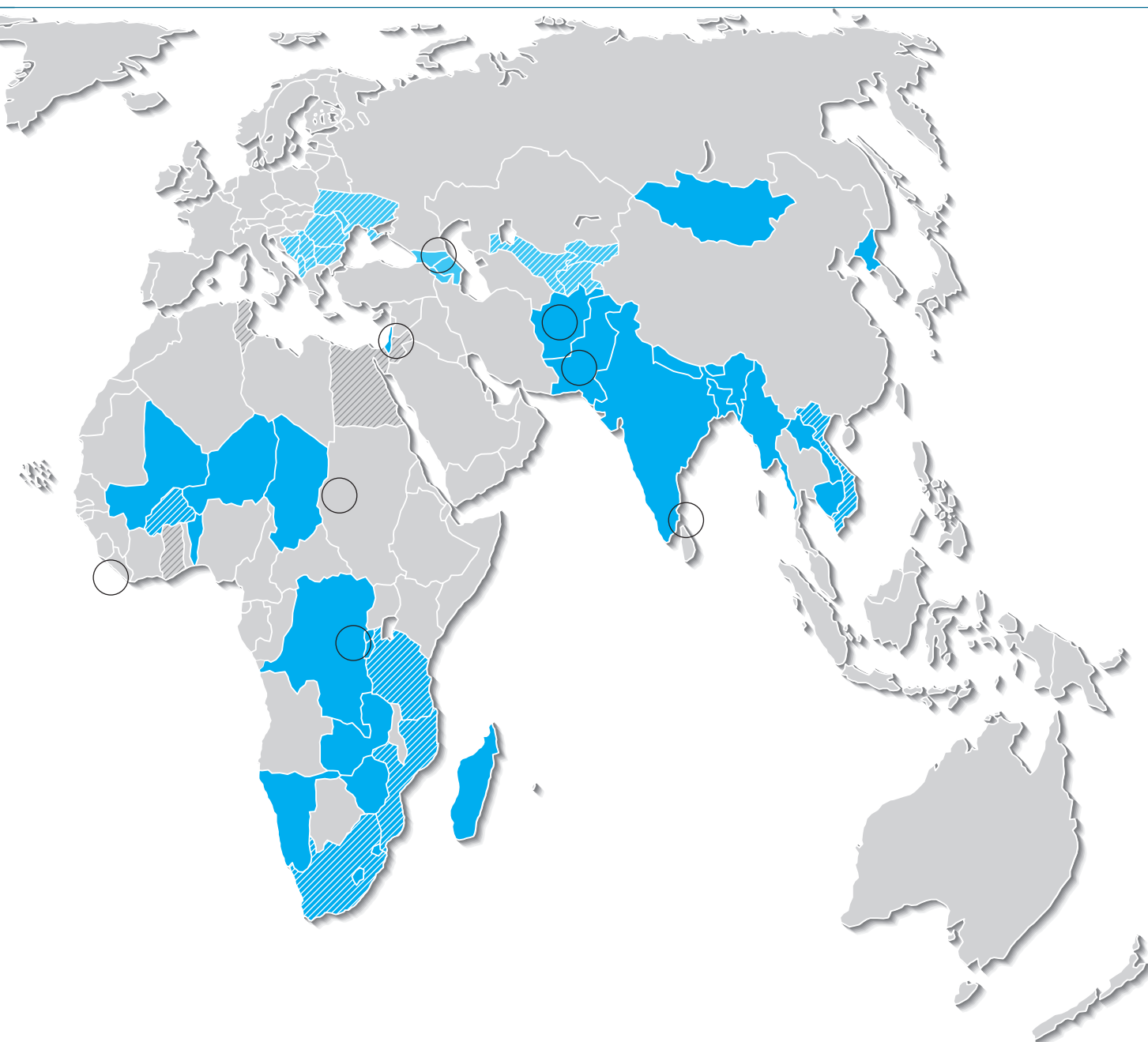
| SDC support measures | 2006 | 2005 |
|--|-------------|-------------|
| General tasks and administrative costs | 32.4 | 37.6 |

| SDC humanitarian aid | 2006 | 2005 |
|--|--------------|--------------|
| Regions of intervention | 93.9 | 79.7 |
| Sudan/Chad | 15.8 | 16.3 |
| Great Lakes | 15.2 | 15.3 |
| Jordan, Syria, Lebanon | 15.1 | 2.1 |
| Gaza and the West Bank | 10.1 | 7.0 |
| Afghanistan | 8.9 | 11.5 |
| Pakistan | 7.9 | 7.9 |
| South Caucasus | 7.8 | 10.1 |
| Liberia | 7.2 | 3.8 |
| North Caucasus, Russia | 6.0 | 5.8 |
| Other activities | 207.6 | 223.9 |
| Other countries and regions | 74.3 | 99.1 |
| General contribution to ICRC | 70.0 | 70.0 |
| General programs, logistics and administrative costs | 35.6 | 29.2 |
| Contributions to international organizations | 27.7 | 25.6 |
| Total | 301.5 | 303.7 |

| Multilateral cooperation | 2006 | 2005 |
|--|--------------|--------------|
| General contributions to international organizations | 354.2 | 342.1 |



| SDC cooperation with Eastern Europe and the CIS | 2006 | 2005 |
|--|--------------|--------------|
| Priority countries and regions | 77.6 | 73.5 |
| Central Asia | 18.4 | 18.5 |
| Bosnia and Herzegovina | 10.6 | 8.8 |
| Albania | 8.7 | 5.8 |
| South Caucasus | 8.6 | 6.0 |
| Ukraine | 7.5 | 6.1 |
| Serbia (without Kosovo) | 6.9 | 7.8 |
| Bulgaria | 5.8 | 7.0 |
| Romania | 5.5 | 7.3 |
| Macedonia | 5.5 | 6.1 |
| SDC special programs | 16.1 | 13.2 |
| Kosovo | 7.6 | 5.4 |
| Moldova | 4.7 | 2.5 |
| Russia | 3.7 | 5.2 |
| Other activities | 14.9 | 17.6 |
| Other countries and regions, administrative costs | 14.9 | 17.6 |
| Total | 108.6 | 104.2 |



| SECO development cooperation | 2006 | 2005 |
|--|--------------|--------------|
| Priority countries and programs | 79.9 | 87.3 |
| Ghana | 17.0 | 14.6 |
| Tanzania | 12.1 | 10.6 |
| Mozambique | 11.6 | 12.5 |
| Burkina Faso | 9.3 | 9.7 |
| Vietnam | 8.7 | 7.8 |
| Nicaragua | 7.9 | 10.4 |
| South Africa | 5.5 | 4.1 |
| Egypt | 2.5 | 10.9 |
| Bolivia | 1.8 | 4.0 |
| Peru | 1.7 | 2.4 |
| Tunisia | 1.2 | – |
| Jordan | 0.7 | 0.5 |
| Other | 73.8 | 66.6 |
| Regional programs and other countries | 40.1 | 28.6 |
| Various contributions and administrative costs | 33.7 | 38.0 |
| Total | 153.7 | 153.9 |

| SECO cooperation with Eastern Europe and the CIS | 2006 | 2005 |
|---|-------------|-------------|
| Priority countries, regions and programs | 60.1 | 56.9 |
| Central Asia | 23.6 | 18.1 |
| Serbia | 13.0 | 7.6 |
| Romania | 10.5 | 0.9 |
| Ukraine | 3.4 | 9.8 |
| Albania | 2.5 | 5.8 |
| Azerbaijan | 2.2 | 5.6 |
| Macedonia | 1.5 | 4.4 |
| Bulgaria | 1.3 | 2.7 |
| Kosovo | 1.2 | 1.0 |
| Bosnia and Herzegovina | 1.1 | 1.0 |
| Other | 19.3 | 27.6 |
| Regional programs and other countries, administrative costs | 19.3 | 27.6 |
| Total | 79.4 | 84.5 |

Table 6
SDC humanitarian aid 2006 (mil. CHF)

| | General contributions | Specific contributions | Food aid | Total |
|--|-----------------------|------------------------|--------------------------|--------------|
| International organizations | 27.7 | 59.1 | 18.5 | 105.3 |
| World Food Programme (WFP) | 2.0 | 17.4 | 18.4 | 37.8 |
| Office of the UN High Commissioner for Refugees (UNHCR) | 11.0 | 15.9 | – | 26.9 |
| UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) | 12.5 | 3.7 | – | 16.2 |
| UN Office for the Coordination of Humanitarian Affairs (UNOCHA) | 1.5 | 8.8 | – | 10.3 |
| UN Children's Fund (UNICEF) | – | 2.8 | – | 2.8 |
| Other international organizations | 0.7 | 10.5 | 0.1 | 11.3 |
| Organizations of the International Red Cross | 70.8 | 27.5 | – | 98.2 |
| International Committee of the Red Cross (ICRC) | 70.0 | 27.1 | – | 97.1 |
| International Federation of Red Cross and Red Crescent Societies (IFRCRCS) | 0.8 | 0.4 | – | 1.1 |
| Swiss NGOs | – | 17.9 | 9.4 | 27.3 |
| Direct interventions by the Swiss Humanitarian Aid Unit (SHA), incl. administrative costs | – | 44.1 | 5.4 | 49.5 |
| Other humanitarian aid interventions | – | 20.9 | 0.1 | 21.1 |
| Total humanitarian aid 2006 | 98.4 | 169.6 | 33.5^{a)} | 301.5 |
| Total humanitarian aid 2005 | 96.6 | 174.0 | 33.0 | 303.7 |

^{a)} This figure includes CHF 19 million in Swiss dairy products and CHF 14 million in grain

Total government humanitarian aid in 2006 includes a supplementary credit of CHF 20 million (of which 18 million have been disbursed) from the Federal Council for emergency aid to Lebanon as well as for the Occupied Palestinian Territories.

Table 7
Missions by Swiss Humanitarian Aid Unit (SHA) 2006

| Areas of specialization | Africa | | Latin America | | Asia | | Europe | | Total | |
|--|----------------|------------------------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|----------------|----------------------|
| | Total missions | of which secondments ^{a)} | Total missions | of which secondments | Total missions | of which secondments | Total missions | of which secondments | Total missions | of which secondments |
| Logistics | 37 | 11 | 6 | – | 63 | 4 | 17 | – | 123 | 15 |
| Advocacy/Protection | 1 | 1 | – | – | 3 | 2 | 2 | 2 | 6 | 5 |
| Construction | 12 | 8 | – | – | 39 | 8 | 4 | – | 55 | 16 |
| Medicine | 4 | 2 | 2 | 2 | 13 | – | 10 | – | 29 | 4 |
| Drinking water/sanitation | 7 | 7 | – | – | 6 | – | 5 | – | 18 | 7 |
| Prevention | 2 | 1 | 4 | – | 20 | – | 8 | – | 34 | 1 |
| Information | 1 | 1 | – | – | 2 | – | 3 | – | 6 | 1 |
| Environment/atomic, biological, chemical (ABC) | 4 | 3 | – | – | 5 | 4 | 1 | – | 10 | 7 |
| Rescue | – | – | – | – | 14 | – | 12 | – | 26 | – |
| Others ^{b)} | 1 | – | 2 | 1 | 8 | – | 11 | – | 22 | 1 |
| Total missions 2006 | 69 | 34 | 14 | 3 | 173 | 18 | 73 | 2 | 329 | 57 |
| Total missions 2005 | 70 | 50 | 22 | 5 | 228 | 20 | 69 | 11 | 389 | 81 |

^{a)} Secondments: SHA members seconded to international organizations

^{b)} Others: operations by the Rapid Response Team and Swiss Rescue

Interventions by the Swiss Humanitarian Aid Unit (SHA) totalled 34'005 days in 2006 (33'432 in 2005).

Table 8
SDC cooperation with the South by sectors for priority countries and regions 2006 (mil. CHF)

| | Health and population | Education | Water | Agriculture/Forestry | Governance | Social and infrastructure | Economic development | Multisector/General | Total |
|--------------------------------------|-----------------------|-------------|-------------|----------------------|-------------|---------------------------|----------------------|---------------------|--------------|
| Africa | 27.7 | 17.4 | 7.4 | 18.8 | 17.5 | 8.6 | 2.7 | 35.6 | 135.7 |
| South Africa/southern Africa | 2.0 | 1.8 | 1.5 | 1.9 | 4.1 | 0.6 | – | 5.9 | 17.8 |
| Tanzania | 8.2 | 0.1 | – | – | 2.0 | 2.5 | – | 4.6 | 17.4 |
| Mozambique | 8.5 | 0.0 | 3.3 | 2.3 | 0.6 | 0.2 | -0.1 | -0.8 | 14.0 |
| Burkina Faso | 0.1 | 4.5 | – | 1.1 | 0.9 | 1.0 | 0.3 | 5.6 | 13.4 |
| Niger | 0.0 | 0.9 | 0.5 | 1.5 | 0.5 | 0.7 | – | 6.3 | 10.4 |
| Benin | 4.1 | 0.8 | – | 0.1 | 0.2 | 0.8 | 1.4 | 2.7 | 10.2 |
| Chad | 0.2 | 4.4 | – | 1.1 | – | 1.8 | – | 2.3 | 9.9 |
| Rwanda/Great Lakes | 2.6 | 0.1 | 0.0 | 0.0 | 5.7 | 0.0 | 0.0 | 1.2 | 9.7 |
| Mali | 1.4 | 1.9 | 1.2 | 1.1 | 1.3 | -0.9 | 0.8 | 1.8 | 8.7 |
| Madagascar | 0.0 | – | 0.0 | 6.1 | 0.5 | 0.0 | – | 0.5 | 7.2 |
| Other countries and regions | 0.5 | 2.9 | 0.9 | 3.6 | 1.7 | 1.7 | 0.3 | 5.4 | 16.9 |
| Latin America | 1.3 | 3.4 | 6.3 | 11.0 | 11.2 | 1.4 | 9.5 | 17.8 | 61.8 |
| Nicaragua/Central America | 0.0 | 0.2 | 4.2 | 4.5 | 2.3 | 1.1 | 4.0 | 3.9 | 20.3 |
| Peru | 1.2 | 0.7 | 1.1 | 0.3 | 2.6 | 0.1 | 1.3 | 4.2 | 11.5 |
| Bolivia | – | 1.0 | – | 0.5 | 4.8 | 0.1 | 2.6 | 2.3 | 11.4 |
| Ecuador | – | 0.7 | – | 2.5 | 1.0 | – | 1.3 | 3.5 | 8.9 |
| Cuba | – | – | – | 0.1 | – | 0.0 | – | 2.3 | 2.4 |
| Other countries and regions | 0.1 | 0.7 | 1.0 | 3.0 | 0.5 | 0.2 | 0.4 | 1.5 | 7.4 |
| Asia | 5.5 | 14.6 | 7.5 | 24.4 | 26.8 | 11.1 | 5.8 | 50.7 | 146.4 |
| Vietnam/Mekong | 2.5 | 0.5 | 0.4 | 7.3 | 3.1 | 0.0 | 0.2 | 8.4 | 22.5 |
| India | – | -0.1 | 5.4 | 2.8 | 4.5 | 2.6 | 1.0 | 4.9 | 21.1 |
| Nepal | 0.6 | 1.9 | – | 3.4 | 1.9 | 6.1 | – | 3.8 | 17.8 |
| Bangladesh | – | 4.3 | 0.9 | 1.0 | 0.6 | 0.5 | 1.5 | 6.6 | 15.3 |
| Pakistan | – | – | 0.4 | 0.9 | 5.0 | 0.0 | 1.6 | 6.1 | 14.1 |
| Gaza and the West Bank | 2.0 | 0.5 | – | 0.1 | 2.4 | 0.8 | 0.5 | 6.4 | 12.7 |
| Afghanistan | 0.3 | 1.9 | – | – | 4.0 | 0.1 | 0.2 | 5.2 | 11.7 |
| Bhutan | 0.0 | 3.3 | – | 2.1 | 0.1 | 0.6 | – | 0.1 | 6.2 |
| North Korea | – | 0.0 | 0.0 | 2.4 | 0.6 | 0.2 | 0.8 | 0.8 | 4.7 |
| Mongolia | – | 0.1 | – | 1.6 | 0.1 | 0.1 | 0.1 | 2.1 | 4.0 |
| Other countries and regions | 0.0 | 2.2 | 0.4 | 2.8 | 4.5 | 0.1 | 0.1 | 6.2 | 16.2 |
| Europe | 0.1 | 1.4 | 0.1 | 0.1 | 0.4 | 0.1 | – | 0.4 | 2.5 |
| Not allocated geographically | 4.2 | 8.2 | 2.9 | 7.8 | 15.1 | 2.0 | 3.8 | 81.0 | 125.0 |
| Program contributions to NGOs | 3.4 | 1.6 | – | – | – | – | 4.9 | 51.8 | 61.8 |
| Total 2006 | 42.1 | 46.6 | 24.1 | 62.1 | 71.0 | 23.2 | 26.7 | 237.3 | 533.1 |
| Total 2005 | 39.2 | 39.6 | 23.3 | 58.3 | 75.7 | 31.1 | 25.5 | 232.8 | 525.4 |

This table illustrates the SDC policy of focusing its bilateral cooperation geographically on countries of the South. In most of these countries, the SDC has long experience in cooperation with governments, civil society organizations and the private sector. Cooperation strategies lasting several years provide the frame of reference for sectoral orientations. In 2006, the SDC revised its medium-term strategy and decided to concentrate its cooperation on 14 priority countries and regions (17 until now) and 8 special programs. During the year, the SDC has undertaken necessary adaptations, for example by planning to close down its cooperation activities in Ecuador and to reduce its intervention in Bhutan by 2010. The SDC has designed a partnership program for its future cooperation with India. Switzerland is always actively involved in donor coordination and aid harmonization in its countries of intervention. In 2006, the SDC supported the decentralisation policy in priority African countries through innovative approaches initiated at local level.

Table 9
SECO (WE) development cooperation by instruments and continents 2006 (mil. CHF)

| Instruments | Africa | Latin America | Asia | Not specified | Total |
|------------------------------|-------------|---------------|-------------|---------------|--------------|
| Macroeconomic aid | 36.9 | 6.9 | 0.7 | 1.1 | 45.7 |
| Financing of infrastructures | 7.9 | 0.1 | 2.8 | 0.7 | 11.4 |
| Trade promotion | 10.6 | 5.5 | 7.9 | 21.7 | 45.6 |
| Investment promotion | 29.3 | 4.1 | 6.7 | 5.6 | 45.7 |
| Studies and others | 0.6 | 0.0 | 0.1 | 4.5 | 5.2 |
| Total 2006 | 85.2 | 16.6 | 18.2 | 33.7 | 153.7 |
| Total 2005 | 64.6 | 28.6 | 22.7 | 38.0 | 153.9 |

In 2006, SECO's development cooperation has again shown greater focus on Africa. The emphasis is mainly on the development of the private sector, trade promotion and macroeconomic support (particularly budgetary aid). Concurrently to the concentration of SECO's activities on 12 priority countries, the implementation of regional projects continues, notably in the field of trade promotion and investments on which they often have a greater impact than the sum of specific projects in individual countries.

Graph 4
SECO (WE) cooperation with developing countries in 2006

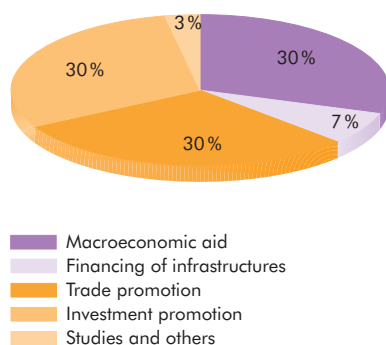


Table 10
SDC and SECO (WE) cooperation with Eastern Europe and the CIS in 2006 (mil. CHF)

| SDC technical cooperation by sectors | Southeast Europe | CIS a) | Not specified | Total |
|--------------------------------------|------------------|-------------|---------------|--------------|
| Governance | 13.1 | 11.6 | 0.2 | 25.0 |
| Health | 7.5 | 11.7 | 0.0 | 19.2 |
| Environment, water, infrastructure | 4.2 | 4.4 | 0.6 | 9.3 |
| Agriculture and rural development | 4.7 | 7.0 | 0.0 | 11.7 |
| Education and training | 9.7 | 1.4 | 0.0 | 11.1 |
| Economic development and employment | 6.7 | 0.9 | – | 7.6 |
| Culture and research | 5.9 | 0.9 | – | 6.8 |
| Other sectors | 11.4 | 5.2 | 1.5 | 18.0 |
| Total SDC 2006 | 63.1 | 43.1 | 2.3 | 108.6 |

| SECO economic cooperation by instruments | Southeast Europe | CIS a) | Not specified | Total |
|--|------------------|-------------|---------------|-------------|
| Financing of infrastructures b) | 22.9 | 21.7 | – | 44.6 |
| Trade promotion | 4.0 | 2.0 | 2.2 | 8.3 |
| Investment promotion | 11.2 | 7.7 | 2.8 | 21.7 |
| Macroeconomic aid | – | 0.2 | – | 0.2 |
| Others | 4.0 | 0.2 | 0.4 | 4.6 |
| Total SECO 2006 | 42.1 | 31.9 | 5.4 | 79.4 |

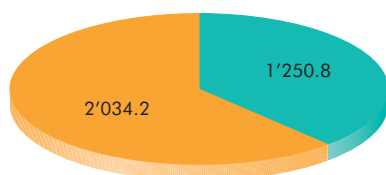
| | | | | |
|----------------------------|--------------|-------------|------------|--------------|
| Total SDC/SECO 2006 | 105.3 | 75.0 | 7.8 | 188.1 |
| Total SDC/SECO 2005 | 99.5 | 80.8 | 8.4 | 188.7 |

a) Commonwealth of Independent States
b) of which notably projects in energy, water and environment sectors

The SDC and SECO work together to define programs in the field of technical and economic cooperation with the countries of Eastern Europe and the CIS. The required financial resources are requested in the form of joint framework credits. The SDC uses its resources to promote the transition to democracy and the process of economic and social reform. Among its priorities are the strengthening of public and private institutions, good management of public affairs, income promotion, reform of the health and education sectors and the sustainable use of natural resources. SECO focuses on improvements in basic infrastructures, and particularly in the fields of energy, water and the environment. It also stresses the promotion of the private sector and trade and the development of the financial sector.

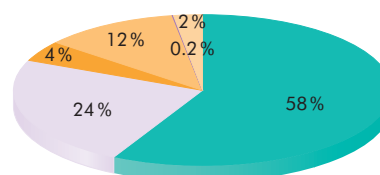
Graph 5
SDC and SECO cooperation with Eastern Europe and the CIS by instruments (mil. CHF)

Total commitments to end 2006 (framework credits I-III)



Technical cooperation
Economic cooperation

Total disbursements 2006



Technical cooperation
Financing of infrastructures
Trade promotion
Investment promotion
Macroeconomic aid
Others

Table 11

SDC/SECO partners in bilateral activities 2006 (mil. CHF)

| | SDC | | | | SECO | |
|--|-------------|-------------------|--------------|--------------|--------------|--------------|
| | NGO Progr. | Specific mandates | | | Total | Total |
| Hum. aid | | Dev. coop. | Coop. East | | | |
| Swiss NGOs | 61.8 | 27.7 | 96.1 | 35.4 | 221.1 | 5.8 |
| of which: | | | | | | |
| Intercooperation | – | – | 32.2 | 6.1 | 38.2 | 1.6 |
| Helvetas | 10.0 | 0.1 | 22.5 | 1.8 | 34.4 | 1.3 |
| Swisscontact | 4.9 | – | 11.5 | 5.7 | 22.1 | 2.1 |
| Caritas Switzerland | 4.2 | 5.3 | – | 1.8 | 11.4 | – |
| Swiss Red Cross | 3.4 | 3.1 | 0.0 | 2.5 | 8.9 | 0.7 |
| Terre des Hommes, Lausanne | 2.5 | 4.1 | 0.1 | 0.2 | 6.9 | – |
| Swissaid | 5.9 | – | 0.4 | – | 6.3 | – |
| Swiss Labour Assistance (SLA) | 2.4 | 0.0 | 2.4 | 1.3 | 6.1 | – |
| Swiss Interchurch Aid (EPER) | 3.8 | 0.8 | 0.2 | 1.0 | 5.8 | – |
| Geneva Federation for Cooperation (FGC) | 4.6 | – | – | – | 4.6 | – |
| Bread for All | 4.2 | – | 0.0 | – | 4.2 | – |
| Pro Helvetia | – | – | 0.5 | 3.6 | 4.1 | – |
| Catholic Lenten Fund | 3.2 | – | 0.5 | – | 3.7 | – |
| Swiss research and university institutions | | 1.5 | 31.9 | 7.2 | 40.6 | 1.9 |
| Swiss private sector | | 4.7 | 30.8 | 7.7 | 43.2 | 9.0 |
| Swiss public sector | | 5.8 | 7.2 | 1.8 | 14.8 | – |
| United Nations organizations, multi-bilateral activities | | 70.6 | 24.9 | 6.1 | 101.7 | 19.3 |
| of which: | | | | | | |
| World Food Programme (WFP) | | 35.8 | 0.2 | – | 36.1 | – |
| Office of the UN High Commissioner for Refugees (UNHCR) | | 15.9 | 1.0 | – | 16.9 | – |
| UN Development Programme (UNDP) | | 1.6 | 9.3 | 1.5 | 12.4 | 0.0 |
| UN Industrial Development Organization (UNIDO) | | – | 0.7 | – | 0.7 | 10.3 |
| UN Office for the Coordination of Humanitarian Affairs (UNOCHA) | | 8.8 | – | – | 8.8 | – |
| International Trade Centre of the WTO (ITC) | | – | – | – | – | 6.6 |
| Office of the UN High Commissioner for Human Rights (OHCHR) | | – | 2.0 | 2.4 | 4.4 | – |
| UN Children's Fund (UNICEF) | | 2.8 | 0.3 | 1.0 | 4.0 | – |
| UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA) | | 3.7 | – | – | 3.7 | – |
| International financial institutions, multi-bilateral activities | | – | 10.8 | 2.0 | 12.8 | 24.8 |
| Other international organizations, multi-bilateral contributions | | 105.4 | 54.4 | 14.1 | 173.8 | 20.0 |
| of which: | | | | | | |
| International Committee of the Red Cross (ICRC) | | 97.1 | – | 0.1 | 97.2 | – |
| Consultative Group on International Agricultural Research (CGIAR) | | – | 6.2 | 0.7 | 6.9 | – |
| World Conservation Union (IUCN) | | – | 3.7 | – | 3.7 | – |
| Organizations of the South and East | | 11.9 | 132.1 | 16.3 | 160.3 | 1.2 |
| Staff and administrative costs, direct activities | | 46.2 | 115.3 | 18.1 | 179.7 | 147.2 |
| Total 2006 | 61.8 | 273.8 | 503.7 | 108.6 | 947.9 | 229.2 |
| Total 2005 | 59.1 | 278.0 | 504.0 | 104.2 | 945.3 | 233.1 |

The SDC and SECO have developed a broad network of partners to carry out the programs and projects they finance. These may take such forms as program contributions, specific mandates and co-financing. They work with a wide range of partners which vary according to the type of program or project being supported. Swiss non-governmental organizations (NGOs) continue to be choice partners for the implementation of SDC cooperation projects and programs. The SDC also makes general contributions to the programs of 19 important development organizations and umbrella organizations.

Placed under the theme «On the run», the Annual Conference of Swiss **Humanitarian Aid** was dedicated to the millions of people who were forced to abandon their homes because of conflicts or disasters. Held in Biel on April 7, it brought together more than 800 guests. Uganda, Bosnia, Syria and Myanmar all provided examples to describe the human consequences of such forced migratory movements.

On August 25 in Bern, the Annual **Development Cooperation** Conference welcomed more than 1,500 participants under the theme «Joining forces – development through partnership». The conference pointed out the multiple opportunities of partnerships, notably with United Nations or non-governmental organizations, Development Banks, civil society and private enterprise. The situation in Nicaragua was cited to illustrate this large spectrum.

In the Balkans, a new generation of young people is emerging which is resolutely geared toward the future, choosing to take its destiny into its own hands instead of trying its luck elsewhere. Here the special mission of **Cooperation with Eastern Europe** is to offer these young people better social and economic perspectives. The 11th Annual Conference held on November 3rd in Lausanne was thus devoted to this «generation on the move».

Publishing details

Publisher

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Federal Department of Foreign Affairs (FDFA)
3003 Bern, Tel.: 031 322 44 12, Fax: 031 324 13 48
Internet: www.sdc.admin.ch, e-mail: info@deza.admin.ch

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Layout: etter grafik+co, Zurich

Photos: 1st and 4th cover pages: Berthold Steinhilber/Keystone; 1st cover page: Michael Reynolds/Keystone; page 3: SDC, SECO; page 4: Rajesh Kumar Singh/Keystone; page 5: STR/Keystone; page 6: Bjorn Svensson/Keystone; page 7: Yoshiko Kusano/Keystone; page 8: Sigi Tischler/Keystone; page 9: Michael Reynolds/Keystone; page 10: Sergei Grits/Keystone; page 11: Lutfallah Daher/Keystone

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