

4 March 2025

Supplementary report on the dispatch on the International Cooperation Strategy 2025–28

Changes decided by the Federal Council and Parliament since the Federal Council adopted the dispatch on 22 May 2024

Background information

At its meeting on 22 May 2024, the Federal Council adopted the Dispatch on the International Cooperation Strategy 2025–28 (IC Strategy 2025–28).¹ With this dispatch, it submitted three federal decrees to Parliament: BBI 2024 1519, BBI 2024 1520 and BBI 2024 1521. After 22 May 2024, the Federal Council and then Parliament made various formal, material, financial and substantive changes to these federal decrees and to the strategic direction of the IC strategy.

This report describes these changes, thereby serving as a supplement to the text of the Dispatch on the International Cooperation Strategy 2025–28.²

Developments since 22 May 2024 and changes contained in each federal decree

26 June 2024

In its decree of <u>26 June 2024</u>, the Federal Council decided to involve the Swiss private sector more closely in the reconstruction of Ukraine. The council plans to make CHF 500 million available over the 2025–28 period to better integrate the private sector into these efforts. The funds will come from the CHF 1.5 billion earmarked for Ukraine in the International Cooperation Strategy 2025–28. In this context, funds totalling CHF 430 million were shifted from the FDFA (A231.0329 Development cooperation (bilateral)) to the EAER (A231.0202 Economic cooperation) for the 2025 budget / 2026–28 financial plan.

28 August 2024

With its decree of 28 August 2024, the Federal Council submitted to Parliament a proposal (henceforth 'new Federal Council proposal') to amend the three federal decrees with a view to creating a new commitment appropriation for Ukraine and the region. This proposal amended the federal decrees of 22 May as follows:

¹ See <u>Press release of 22.05.2024</u> Flexible approaches in an unstable world: Federal Council adopts Switzerland's International Cooperation Strategy 2025–28

² See <u>BBI 2024 1518</u> Dispatch on the International Cooperation Strategy 2025–28 (IC Strategy 2025–28).

Commitment appropriation (federal decree affected)	adopted by the Federal Council on 22 May 2024	Change	New commitment appropriation (new Federal Council proposal)
Humanitarian aid (in BBI 2024 1520)	CHF 2.6798 billion	- CHF 472.2 million	CHF 2.2076 billion
Development cooperation (in BBI 2024 1520)	CHF 6.7371 billion	- CHF 781.4 million	CHF 5.9557 billion
Peacebuilding and human rights (in BBI 2024 1521)	CHF 269 million	- CHF 36.4 million	CHF 232.6 million
Economic development cooperation (in BBI 2024 1519)	CHF 1.5869 billion	- CHF 210 million	CHF 1.3769 billion
Ukraine and the region (newly created – to be added to BBI 2024 1520)	-	+ CHF 1.5 billion	CHF 1.5 billion
Total commitment appropriations, IC Strategy 2025–28	CHF 11.2728 billion	-	CHF 11.2728 billion

IC strategy, autumn and winter session 2024 The dispatch and the new Federal Council proposal were first deliberated on in Parliament's foreign affairs and finance committees.³ Subsequently, the federal decrees on the IC Strategy 2025–28 were first considered in the Council of States in the <u>autumn session</u>. Then, in the <u>winter session</u>, after consideration in the National Council, the differences between the National Council and the Council of States were settled in two rounds.⁴

The definitive versions of the enactments (<u>BBI 2024 3219</u>, <u>BBI 2024 3220</u> and <u>BBI 2024 3222</u>) contained some amendments made by the councils during the course of their considerations of business <u>24.049</u> International Cooperation Strategy 2025–28. The definitive versions of the paragraphs that were amended are listed here in groups:

- Federal decree on the financing of economic development cooperation in the years 2025–28
 (BBI 2024 3219) Amendments to Article 1:
 - Para. 1: "A commitment appropriation of CHF 1.3769 billion to continue funding economic development cooperation is hereby approved."
 - Information: This amount corresponds to the new Federal Council proposal of 28 August 2024; compared to the dispatch adopted on 22 May 2024, the amount was reduced, with the funds thereby released used to help build the newly created 'Ukraine and the region' commitment appropriation (see decree of 28.08.2024).
 - Para. 5 new: "The Federal Council shall reduce funding for the programmes in the bilateral development cooperation priority countries if they are not sufficiently willing to accept the link between development cooperation and migration issues."
 - <u>Information</u>: This new paragraph was introduced by the Foreign Affairs Committee of the Council of States on 3 September 2024.⁵
- Federal decree on the funding of development cooperation, humanitarian aid, and Ukraine and the region⁶ in the years 2025 to 2028 (BBI 2024 3222) **Amendments to Article 1**:

³ See the <u>press releases</u> of each committee.

⁴ See Official Bulletin for the councils' considerations.

⁵ See the corresponding Flag for the Council of States.

⁶ The addition "and Ukraine and the region" was introduced with the new Federal Council proposal of 28 August 2024.

 Para. 1: "A commitment appropriation of CHF 9.5123 billion to fund development cooperation, humanitarian aid and Ukraine and the region is hereby authorised." and para. 2, letters a-c:

	in CHF billion
Commitment appropriation for development cooperation	5.8047
Commitment appropriation for humanitarian aid	2.2076
Commitment appropriation for Ukraine and the region	1.5

- <u>Information</u>: This total amount corresponds to a reduction of the development cooperation commitment appropriation by CHF -151 million, compared to the new Federal Council proposal of 28 August 2024 and the transfers to the newly created Ukraine and the region commitment appropriation, compared to the version of 22 May 2024 (see decree of 28.08.2024).⁷
- Para. 3 new: "The Federal Council is hereby authorised to transfer amounts between the following commitment appropriations [...]"
 - Information: The Foreign Affairs Committee of the Council of States introduced this transfer authorisation on 16 December 2024. 8
- Para. 5 new: "The Federal Council shall draw up the legal basis for separating the commitments for implementing the Ukraine support programme in accordance with paragraph 2 letter c within one year and submit it to the Foreign Affairs Committees of the Federal Assembly."
 - Information: The Finance Committee of the National Council introduced this new paragraph at its meeting on 10 October 2024 and the Foreign Affairs Committee of the National Council followed suit on 5 November 2024.9
- Para. 9 new: "The Federal Council shall reduce funding for the programmes in the bilateral development cooperation priority countries if they are not sufficiently willing to accept the link between development cooperation and migration issues."
 - Information: This new paragraph was introduced by the Foreign Affairs Committee of the Council of States on 3 September 2024.¹⁰
- Para. 10 new: "Switzerland's health foreign policy 2019–24 programmes shall be extended by a further period."
 - <u>Information</u>: This new paragraph was introduced by the Foreign Affairs Committee of the Council of States on 5 November 2024.¹¹
- Para. 11 new: "The topics of education and health shall be taken into account when utilising the funds available under paragraph 2 in accordance with the expenditure ceiling."
 - Information: After the differences between the versions of this new paragraph were settled, it was introduced by the Foreign Affairs Committee of the National Council on 11 December 2024.¹²
- Federal decree on the funding of measures to promote peace and strengthen human rights in the years 2025 to 2028 (<u>BBI 2024 3220</u>) – Amendments to Article 1:
 - Para. 1: "A commitment appropriation of CHF 232.6 million is hereby approved for the continuation of measures to promote peace and strengthen human rights."
 - Information: This amendment corresponds to the new Federal Council proposal of 28 August 2024; compared to the dispatch adopted on 22 May 2024, the amount was reduced, with the funds thereby released used to help build the newly created 'Ukraine and the region' commitment appropriation (see decree of 28.08.2024).

⁷ Following various motions and decisions in both councils to reduce the amount, it was introduced by the committee of the Council of States on 16 December 2024. See corresponding <u>Flag for the Council of States</u>.

⁸ See the corresponding Flag for the Council of States.

⁹ See the corresponding Flag for the National

Council.https://www.parlament.ch/centers/eparl/curia/2024/20240049/N2 D.pdf

¹⁰ See the corresponding Flag for the Council of States.

¹¹ See the corresponding Flag for the National Council.

¹² See the corresponding Flag for the National Council.

Budget, winter session 2024

In parallel, the Federal Assembly considered the 2025–28 international cooperation budget as part of the debate on business 24.041 Budget 2025 with integrated task and financial plan 2026–28. In this context, the federal decree of 19 December 2024 made cuts to the budgets for international cooperation within the 2025 budget and financial plan 2026–28 and gave the Federal Council a mandate to make cuts for the years 2026–28:¹³

Credit line	Decree of the	Decree of the Federal	Total cuts
	Federal Assembly	Assembly for the 2026–28	
	for 2025	financial plan ¹⁴	
A231.0329 Development	CHF 810.1 million	CHF 2.35 billion	CHF -152.9
cooperation (bilateral)	CHF -56.6 million	CHF -96.3 million	million
A231.0330 Contributions to	CHF 277.4 million	CHF 933.8 million	CHF -31.1
multilateral organisations	CHF -31.1 million	±0	million
A231.0202 Economic	CHF 372.7 million	CHF 1.342 billion	CHF -249.7
cooperation	CHF -25 million	CHF -224.7 million	million
Total cuts	CHF -112.7	CHF -321 million	CHF -433.7
	million		million

The financial plan and committed funds reflect when the IC Strategy 2025-28 was adopted in December 2024. Financial planning may change during the strategy period. The annually updated budget and financial plan can be viewed here: https://www.deza.eda.admin.ch/en/switzerlands-international-cooperation-strategy-2025-2028

29 January 2025 The Federal Department of Foreign Affairs (FDFA) and the Federal Department of Economic Affairs, Education and Research (EAER) have taken initial measures to implement these budget cuts and informed the foreign affairs committees and the public on 29 January 2025. The budget cuts adopted by Parliament will alter the implementation of the International Cooperation Strategy 2025–28. They will impact bilateral, economic and thematic cooperation, and multilateral organisations-related work.

Their direct impact on the text of the IC Strategy 2025–28 and the organisations/countries it concerns will be as follows: With the SDC phasing out its bilateral development programmes in the priority countries of Albania, Bangladesh and Zambia by 2028, the funding available there will be decreasing over the coming years. Phasing out the Swiss participation in the Joint United Nations Programme on HIV/AIDS (UNAIDS) and the Global Partnership for Education (GPE) means that other multilateral organisations will be given priority. SECO will end its engagement in the areas of water management and higher vocational education. In addition, it will reduce its activities in Azerbaijan and withdraw from certain subsectors in other priority countries (e.g. macroeconomic support, trade promotion, infrastructure). It will also scale down its projects in countries that are not among its priority countries. The other measures are listed in the press release mentioned above.

Effects on the text of the Federal Council dispatch of 22 May 2024

The **Federal Council dispatch of 22 May 2024**, as published in the Federal Gazette (<u>BBI 2024 1518</u>), will remain in force. The changes and decrees therefore only affect the implementation of the IC strategy and the communication material, in particular the IC Strategy 2025–28 brochure. The new funds to better involve the Swiss private sector in the reconstruction of Ukraine, the new paragraphs in the federal

decisions

¹³See Federal decrees on the 2025 budget with integrated task and financial plan 2026–28

For the financial planning years 2026–28, the Federal Assembly has also decided to cut departmental research, which will affect the SDC credits A231.0329 and A231.0330. This has not been taken into account in this table.
 See Press release of 29.01.2025 – Development cooperation: FDFA and EAER implement Parliament's

decrees on the IC Strategy 2025–28 and the cuts in the 2025 budget and the expected cuts in 2026–28 in accordance with the financial planning will have a concrete impact.

The **IC Strategy 2025–28 brochure** was supplemented accordingly on the basis of the text of the Federal Council dispatch prior to publication with the latest information. All changes have been marked by footnotes.