



SWITZERLAND'S INTERNATIONAL COOPERATION ANNUAL REPORT 2004

The Swiss Agency for Development and Cooperation (SDC)

The SDC is a Swiss agency entrusted with the responsibility for international cooperation. As part of the Swiss Ministry of Foreign Affairs, the SDC carries out its own programs, while supporting those of multilateral organizations, and shares in financing the work conducted by Swiss and international relief organizations. Its main areas of operation are

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

The SDC also ensures overall coordination of development cooperation and humanitarian aid with other responsible federal offices. Employing a total staff of about 1,700 in Switzerland and abroad, its budget for 2005 is CHF 1.290 billion.

The SDC's Director-General is Ambassador Walter Fust.

State Secretariat for Economic Affairs (seco)

Seco is the competence center for Swiss economic policy. Within seco, the Economic Development Cooperation Division implements Switzerland's economic and trade policy measures on behalf of developing and transition countries with one primary objective: to reduce poverty. To achieve this goal, seco encourages better integration of these countries into the global economy, while promoting the market economy and contributing to greater mobilization of private resources. Together with the SDC, seco shares responsibility for multilateral financial assistance.

Seco is part of the Swiss Federal Department of Economic Affairs, which has been under the direction of Federal Councilor Joseph Deiss since January 2003. In April 2004 State Secretary Jean-Daniel Gerber became head of seco, succeeding David Syz. The Economic Development Cooperation Division with its 55 employees has an annual budget which in 2005 will amount to CHF 242 million. Division head is Ambassador Oscar Knapp, seco Federal Council Delegate for Trade Agreements.

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Walter Fust



Jean-Daniel Gerber

Editorial

Fulfilling the Millennium Development Goals (MDGs) was at the heart of the international debate in 2004, a year which also witnessed increased efforts by donor countries to strengthen cooperation and harmonize development aid procedures. Already, 2005 promises to become a turning point for development cooperation. Entrusted with the responsibility of submitting specific suggestions on how to reach the MDGs, an expert task force under the direction of Jeffrey Sachs submitted its report in January – a report which raises numerous questions that call for rapid answers.

In mid-September, the «Millennium Summit+5» will review the progress achieved within the past five years and the measures taken to implement the Monterrey Consensus. We will then know which efforts must be made between now and the year 2015. To reach the MDGs it is vital that the developing countries establish their fiscal and economic policy and consistently implement their strategies designed to cut poverty. On their part, the industrialized countries must adhere to their pledge to increase official development assistance and integrate the development dimension in the Doha trade negotiations. The 2005 agenda also promises more intense discussions on the innovative mechanisms proposed to finance development – a subject on which Switzerland will have to position itself.

All these debates on development policy must not let us forget that the fate of millions of people is at stake. The effectiveness of cooperation will be measured against improvements in their living conditions. It is the only way to ascertain if we are headed in the right direction and if we are close to achieving the MDGs.

Walter Fust,
Ambassador,
SDC Director-General

Jean-Daniel Gerber,
State Secretary,
seco Director



Switzerland's international cooperation

Since 1999, Switzerland has allocated between CHF 1.46 billion and CHF 1.74 billion to fight poverty in developing and transition countries. The Confederation 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, encouraging the establishment of economic structures 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 contributions. Another task entrusted to the SDC is Swiss humanitarian aid. Through the Swiss Humanitarian Aid Unit (SHA) it can provide 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 approach is based on the following principles: the promotion of a free market encourages sustainable and long-term growth in partner countries; the support of reforms reinforces their integration into the world economy; and the increased mobilization of private resources helps the process of

development and transition. Seco is the main player in Switzerland's debt reduction strategy.

While humanitarian aid is furnished wherever it is urgently needed, SDC bilateral development cooperation focuses on 17 priority countries or regions and carries out seven special programs, always accompanied by the objective of achieving sustainable results. In Eastern Europe, efforts are focused on nine priority countries and two regional programs. On a multilateral level, the SDC collaborates with UN organs, the World Bank and regional development banks.

The SDC organizes its activities in the field through the services of 50 Cooperation Offices, and in 2004 it was engaged in 1,000 projects. Its 1,700 employees consist of 550 working in Switzerland and abroad and around 1,150 local-hired staff. The Swiss Humanitarian Aid Unit depends on 700 people who are ready to be deployed at short notice. Thanks to this pool, Switzerland was able to carry out 346 missions abroad in 2004.

Seco's Economic Development Cooperation Division has a staff of 55 people who are responsible for distributing the funds at their disposal. Close cooperation between the SDC and seco ensures the efficiency, synergy and positive impact of Swiss efforts in development cooperation.

Example: safeguarding the Cairo consensus

In 1994, participants at the International Conference on Population and Development (ICPD) in Cairo adopted a 20-year action plan to improve sexual and reproductive health. In 2004, at the halfway point of the action plan, progress was measured against the backdrop of a tense political climate. To avoid renegotiating this plan, as requested by the United States, most of the other countries relinquished the idea of a follow-up world conference, preferring to hold several regional meetings where they reconfirmed their commitment to the Cairo consensus. In January, Switzerland made a noteworthy contribution to this process by hosting an expert meeting of the European Population Forum in Geneva.

In accordance with a decision made by the Federal Council in May 2005, Swiss official development assistance (ODA) amounted to CHF 1.9 billion in 2004, or 0.41% of gross national income. The funding allocated by the SDC and seco to development cooperation constitutes the greatest part of Swiss ODA.

The Millennium Development Goals (MDGs) are a frame of reference for the international community and thus also for Switzerland. At the level of its partner countries, Swiss cooperation efforts are coordinated with the respective governments and other donors, based on the Poverty Reduction Strategy Papers (PRSP). In 2004, the SDC published its principles for fighting poverty in a document titled *Creating the prospect of living a life in dignity*. In another document titled *Mainstreaming HIV/AIDS in practice*, it advocates the systematic integration of the AIDS problem in all its cooperation activities.

«Knowledge» – an essential driving force of development – was designated by the SDC as the dominant theme in 2004. It was highlighted by such events as the Dare to Share Fair in Bern, where representatives of partner organizations from more than 30 nations exchanged their knowledge and experience. This «knowledge market» was followed by a conference on cross-border learning.

Multilateral cooperation

Poverty, migration, environmental destruction or AIDS do not stop at national borders. Today's great challenges assume a universal character and call for a concerted effort by the international community. This explains why Switzerland endorses a strong multilateral system, capable of managing complex problems and of establishing international standards. It participates actively in the principal UN funds and programs, in international financial institutions as well as numerous forums and vital strategic networks. Multilateral cooperation accounts for about 23% of Swiss ODA.

In 2004, the SDC and seco finalized their new multilateral cooperation strategy in which they defined their objectives on themes such as the selection of partners or participation in multilateral dialogue. At the same time, they initiated the publication of several lines of action which determine their collaboration with the main multilateral players. Furthermore, various measures were taken to make multilateral cooperation better known to the Swiss public.

Switzerland and the MDGs

The Millennium Summit in 2000 established the basis of a new contract between rich and poor nations. This historical pact set in motion a cycle of international conferences on development. After the conferences in Doha, Monterrey, Johan-

nesburg and Rome, a meeting was held in 2004 in Marrakesh where development cooperation partners decided to adopt a result-based management policy.

Like other countries, Switzerland will hand in a report to the United Nations in 2005 in which it shows how it has been contributing to the implementation of the MDGs. From this perspective, in 2004 the SDC began to reflect on the conditions which could increase the efficiency of its programs. It embarked on a review of its thematic and regional portfolio. In 2000, the Development Assistance Committee (DAC), after evaluating Swiss cooperation, recommended that Switzerland concentrate its aid. In view of the peer review scheduled at the beginning of 2005, the SDC and seco prepared a memorandum in 2004 which reviews the implementation of the latest recommendations.

Financing development

The financing of the MDGs is causing some anxieties around the world. Intermediate evaluations show that if the current trend persists most developing countries will not achieve their goals. Estimates are that ODA will have to be doubled which means an increase of USD 50 billion annually.

This acknowledgement of helplessness has relaunched the international debate on searching





for alternate sources of financing development, a question which became the object of a world summit in New York in September 2004 at the initiative of the Brazilian and French presidents. The same topic was discussed in October by the Development Committee of the World Bank. Switzerland was fully involved in these intense discussions which will continue throughout 2005, especially in light of the Millennium Summit+5 scheduled for mid-September. Among the proposals submitted for thorough review are the encouragement of voluntary contributions, the granting of special drawing rights and international taxation measures such as the introduction of an ecological tax.

The private sector mobilizes

Following the example of the various states, companies have also committed themselves to support sustainable development. More than 1,800 companies have already subscribed to the Global Pact launched by the UN in 2000 by undertaking to respect a series of social, ethical and environmental principles. In June 2004, Switzerland participated in the first summit of the Global Pact where participants decided to add the principle of prohibiting corruption to the list. Cooperation with the private sector plays a valuable role in Swiss development cooperation. Anxious to use the synergies offered by public-private partnerships, the SDC and seco thus joined with the reinsurance company Swiss Re in

developing instruments designed to increase the commitment and performance of private operators in the area of water and sanitation. This initiative is realized in the scope of international dialogue between all concerned players. It was presented in New York in April 2004 on the occasion of the 12th meeting of the UN Commission on Sustainable Development.

To illustrate the type of partnerships which it recommends, the SDC published the brochure *Sanitation is a business* in which it cites specific examples showing that sanitation, one of the keys to reducing poverty, is also a flourishing market, especially for local companies.

Concessional funds

During 2004, donors were summoned to negotiate the replenishment of three funds which grant the poorest countries low-interest credits and gifts: the International Development Association of the World Bank, the concessional funds managed by the African Development Bank and the Asian Development Bank fund.

The participation sum for the first two funds will be announced in 2005. As concerns the Asian Development Fund, the Federal Council announced in December that Switzerland would contribute CHF 53.02 million to this fund for the period 2005 to 2008.

Cooperation with Eastern Europe and the CIS

On 1 May 2004, five central European countries and three Baltic republics joined the European Union (EU). Less than 13 years following the dismantling of the Soviet bloc they practically completed their reform process. This spectacular evolution is a success story for international cooperation which supported the transition of the old communist countries to democracy and a free-market economy. On the basis of three program credits adopted since 1990, Switzerland has committed more than CHF 3 billion to Eastern Europe. The first beneficiaries of this aid were the eight countries who today are members

of the EU. As of the mid 1990s, aid was redirected to regions where serious setbacks have hindered the transition process: South-East Europe and the Commonwealth of Independent States (CIS).

On 12 May 2004, the Swiss Federal Council announced that it would pay CHF 1 billion to support the social and economic cohesion of the new Europe. Distributed over a five-year period, this contribution should take the form of projects which are managed autonomously by Switzerland. The exact funding methods have not yet been settled.

Credit extended by two years

In 2004, the Swiss Parliament was expected to make a decision on two messages from the Federal Council relating to cooperation with Eastern Europe. One recommended the adoption of a fourth program credit amounting to CHF 800 million for 2004 to 2008. The other proposed a new legal basis intended to replace the federal decree of 1995 whose validity is limited. While waiting for clarification of the relations between Swiss cooperation with Eastern Europe and the contribution towards the EU Cohesion Fund, Parliament chose an interim solution: it temporarily gave up discussing the bill on cooperation with Eastern Europe and prolonged the third credit by two years, raising it by CHF 400 million.

This decision made it possible to pursue cooperation efforts in regions still largely dependent on international aid. The SDC and seco are present in nine priority countries and are carrying out two regional programs. Approximately 70% of their aid goes to South-East Europe and 30% to the CIS.

Decentralize power

The next wave of EU memberships in 2007 should include Romania and Bulgaria. Switzerland is helping these two countries implement the institutional reforms necessary to fulfill European criteria.

Reform processes have clearly made less progress in the western Balkans where the people are still suffering from the consequences of the conflicts in the 1990s. The SDC and seco put the accent on economic development, the improvement of basic infrastructures, the reintegration of refugees, the protection of minorities and the strengthening of grass roots state institutions. Decentralization of power is a priority in all countries of the region. In Macedonia, for exam-

ple, several Swiss projects support the implementation of the Ohrid Framework Agreement which towards the end of 2001 eliminated ethnic troubles by imposing a decentralization process and providing for equal representation of the Albanian minority in government institutions. In Kosovo, which is still under UN administration, an important part of the program is directed towards reforming the water sector.

Fostering governance

The countries of the Soviet Union have each evolved at a different pace. After 10 years of cooperation, Switzerland decided to reorient its activities in Russia. In 2005, it will launch a special program centered on governance, the responsibility of companies and humanitarian aid, especially in the North Caucasus. Although the Ukraine now finds itself neighboring the EU, its structures still deviate strongly from western norms despite the changes which occurred in December 2004. Switzerland also gives equal priority to governance in this country.

The high tensions which persist in the South Caucasus hinder development efforts. In Armenia as well as in Georgia and Azerbaijan, more than half the population lives in extreme poverty. An intermediate evaluation of the Swiss program in 2004 confirmed the relevance of the regional approach which concentrates on governance, improving infrastructures, managing natural resources and developing the private sector.

A regional strategy is being equally applied in Central Asia. Tajikistan, Kyrgyzstan and Uzbekistan are still feeling the effects of the serious economic and social crisis which followed their independence. In 2004, Switzerland was especially engaged in this region where it encouraged the harmonization of aid activities.



Example: victory of democracy in the Ukraine

After two fraudulent elections were nullified, Ukrainian voters were finally able to choose their president in a democratic manner 26 December 2004. Right from the start of this eventful process Switzerland was active on several fronts, trying to ensure that the elections would be free and transparent. With the support of the local «Europe 21» Foundation voters were mobilized and sensitized. Independent journalists were able to broadcast objective programs and organize debates on various radio stations. The SDC co-financed the exit polls. Finally, at election time, a Swiss team joined international observers sent to the Ukraine.



Bilateral development cooperation

In 2004, Swiss bilateral aid focused on 17 priority countries or regions as well as on seven countries with special programs. No extension of this list is currently envisaged due to Swiss budgetary constraints. Each national program includes three activities, selected from the SDC's five priority themes: crisis prevention and resolution, good management of public affairs, income generation and employment, the improvement of social equality and the sustainable use of natural resources.

The Mediterranean and Latin America

In 2004, the SDC decided to reorient its special program for Palestine. The program was developed following the Oslo Agreements to contribute to the peace process. Its new strategy which is better adapted to the present tense situation will concentrate on conflict transformation. In Lebanon, between 1998 and 2004, Switzerland helped to reform the justice process for adolescents. This program, which led to a noticeable reduction in the number of imprisoned youth and the length of their preventive detention, will also be set up in Jordan.

Growth resumed in Latin America, but this had no effect on the unequal distribution of income. During a seminar organized by the SDC in Quito in May 2004, experts and development practitioners examined the strategies most likely to generate jobs and income at the local level. Their exchange of views especially confirmed the advantages of the «value chain», an approach which encompasses all activities needed for a product to reach the consumer. Decentralization

in all countries of the region has opened up numerous perspectives from an economic point of view. The SDC is encouraging local authorities and local economies to defend their common interests by fully assuming the responsibilities emanating from these processes.

South and East Asia

Equally pronounced is a strong trend towards decentralization in the Indian subcontinent. The SDC makes the most of this by strengthening local governance and participation. Its other priorities relate to conflict resolution, eliminating discrimination and the sustainable management of resources.

In Afghanistan, three years after the fall of the Taliban, Switzerland began to reduce its humanitarian aid and channel additional resources into rehabilitation and development. During a transition phase expected to last until 2007, these two types of aid will be juxtaposed. A similar process is currently being concluded in Mongolia, which was the victim of a climatic disaster at the end of the 1990s, and where an SDC cooperation office was opened in the first half of 2004.

Launched in the Vietnamese city of Nam Dinh, the Swiss project «One Stop Shops» – a system of service centers which consolidate numerous administrative services under one roof – met with great success. In 2004, the government decided to extend these service centers throughout the country. Meanwhile, the International Year of Rice highlighted the positive impact of another project financed by Switzerland: by following the recommendations of a research consortium, two

Example: public-private partnership helps unemployed youth

Almost half of all South Africans between the ages of 15 and 30 are unemployed. To fight this phenomenon, the SDC launched the Swiss South African Cooperation Initiative. Ten Swiss multinationals active in South Africa pay a total of CHF 1 million for five years to finance the professional training of disadvantaged youth. This amount is doubled by a donation from the SDC. Almost 2,500 unemployed have already benefited from this fund. Once trained, 71% of the youth have found a paid job as salaried employees or self-employed workers. Two hundred and eighty-five of them have established their own microbusinesses and 120 have received support which in turn allowed them to also hire young unemployed.

million Vietnamese rice farmers substantially and successfully reduced their use of pesticides and fertilizer.

West and southern Africa

Switzerland's five priority countries in West Africa maintained their political stability despite a persistent crisis region stretching from Senegal's Casamance region to the Ivory Coast. The SDC continued its support to professional agricultural and trade organizations who have emerged as key intermediaries.

Significant progress was registered in basic education and the elimination of illiteracy. In Burkina Faso bilingual schools which increase the prestige of native languages are becoming widespread.

In October 2004, experts meeting in Geneva at a conference co-organized by Switzerland discussed peace building and development in the eastern part of the Democratic Republic of the Congo. Furthermore, the SDC adopted a regional concept for the Great Lakes Region designed to succeed the special program in Rwanda.

The same approach was used in southern Africa. Towards the end of 2004, the special program for South Africa, launched following the abolition of apartheid, was transformed into a regional program focusing on cross-border challenges. In this region, the fight against AIDS remains an absolute priority. In addition to these projects of public awareness and psychosocial support, the SDC began to finance antiretroviral treatments, especially in Mozambique.

Economic cooperation with developing and transition countries

Seco's Economic Development Cooperation Division is responsible for implementing economic and trade policy measures which make up about 15% of Switzerland's official development assistance (ODA). For the sake of efficiency and coherence, as of 2002 seco began to concentrate its aid on a limited number of partners in Africa, Asia, Latin America and Eastern Europe.

In 2004, the number of priority countries slightly decreased from 28 to 26 and over the next few years should be progressively lowered to 18.

To reach its main goal of cutting poverty in developing and transition countries, seco exploits the potential offered by the strengths of the market. Encouraging strong and long-term growth in its partner countries and supporting their integration into the world economy, it uses instruments such as the promotion of trade and investments, the creation of an environment favorable to growth and private initiative, the financing of basic infrastructures and cooperation with multi-lateral development banks. In 2004, seco initiated a process aimed at integrating questions of gender equality in its operations.

New strategies

In 2004, the Economic Development Cooperation Division adopted Agenda 2010 for poverty reduction. This new reference document identifies the policies, actions or complementary initiatives which must be effected to ensure that Switzerland contributes more efficiently to achieving the Millennium Development Goals. Among other specific measures, seco plans to align more of its activities with the Poverty Reduction Strategy Papers (PRSP) and actively pursue the harmonization of practices with other donors.

A second strategy also elaborated in 2004 defines the principles relating to budgetary aid. Although this instrument currently represents only 3% of Swiss ODA, its use will increase. According to the new directives, budgetary aid – which is allocated for a minimum period of three years – is contingent on the progress made by beneficiary countries in the areas of reform and poverty reduction. Switzerland participates actively in the political dialogue between donors and government partners with the aim of establishing a





reform catalog and setting performance criteria. Annual evaluations review the progress made.

These principles were applied to two bilateral agreements signed in 2004. Switzerland entered a commitment to pay CHF 30 million in budgetary aid to Mozambique and CHF 18 million to Tanzania for a three-year period. In both of these countries, the harmonization of international aid has advanced considerably. Switzerland has largely contributed to establishing political dialogue and mechanisms of dialogue between the donors. From May 2004 to May 2005, it chairs the group of financial backers in Mozambique comprising 14 European nations and the World Bank.

Rice and tropical wood

As part of its fair trade commitment, seco was entrusted with promoting the International Year of Rice in Switzerland in 2004. A basic food for one-third of the world population, rice is also the only source of income for millions of rice growers. On the occasion of this thematic year on rice, seco collaborated with various economic players to launch new programs, especially in the Mekong region. Thanks to its aid, rice cooperatives can produce and market niche products.

Humanitarian aid

Humanitarian aid is the most tangible expression of Swiss solidarity, designed primarily to support people before, during and after conflicts, crises and natural or technological disasters. Its four areas of commitment are emergency aid, prevention, reconstruction and victim advocacy, the last of which is based on a series of guidelines

Tropical forests represent another indispensable resource which benefits poor communities in the South. Only ecological exploitation can preserve this socioeconomic potential and slow down the deforestation provoked by indiscriminate logging. This explains why seco has for several years encouraged the trade of tropical wood stemming from sustainable forest management. In 2004, it sponsored an agreement between the environmental organizations WWF and Greenpeace on the one hand and the Swiss Association of Door Manufacturers (VST) on the other hand, the latter of which represents 30% of all tropical wood imports to Switzerland. From now on, the VST is committed to using only wood stemming from sustainable forest management. In July, Switzerland welcomed officials to Interlaken for a ministerial meeting of the International Tropical Timber Organization (ITTO). Among other things, participants decided to donate USD 6 million to new projects favoring tropical forests.

which the SDC established in 2004 to raise the quality of its operations.

Swiss humanitarian aid combines the bilateral and multilateral approach to accomplish its mission. In 2004 it updated its strategies for these two instruments to adapt them to the rapidly changing environment. The intervention concept

Example: venture capital for Asian SMEs

With a participation of USD 15 million out of a total capital investment of USD 75 million, seco is one of the main investors in the ASEAN/China Investment Fund which was launched in March 2004. This venture capital fund is destined for small and medium-sized enterprises (SMEs) in China and the 10 member countries of the Association of Southeast Asia Nations (ASEAN). The beneficiaries are well-managed companies which show a potential for increased growth and are seeking to expand their activities in Asia. By giving these SMEs the opportunity to improve their position on the rapidly expanding markets, the fund contributes to strengthening the economic and commercial ties between countries of the region.

behind the Swiss Humanitarian Aid Unit (SHA) takes into account new challenges such as the increasing acts of violence directed against humanitarian personnel, or the growing involvement of armed forces in humanitarian operations. Switzerland militates in favor of constructive cooperation between civilian players and the military. The concept supporting its multilateral commitment sets a number of objectives which include reducing natural disasters and strengthening coordination among various humanitarian participants.

Earthquakes and «forgotten crises»

In 2004, the SHA had missions in 59 countries and regions. The year began amidst the debris and rubble of the Iranian city of Bam, ravaged by an earthquake on 26 December 2003, and causing the death of almost 30,000 people. Emergency aid was followed up by technical assistance in reconstruction efforts and other more long-term programs, especially in the medical and social sector. One year later to the day following this tragedy, another earthquake, this time under the ocean floor, claimed the lives of more than 300,000 people in 11 countries around the Indian Ocean. The SDC took large-scale, immediate action. Among other projects, aid will subsequently be channeled into the reconstruction of three fishing villages in Thailand and several schools in Sri Lanka.

Besides its aid activities in these disasters which the media covered extensively, Switzerland continued to support the victims of the «forgotten crises». In 2004, CHF 12 million were committed to the region of Darfur in Sudan where the signing of a ceasefire in April allowed humanitarian aid to reach more than 800,000 refugees and displaced persons.

The SDC can also call upon SHA services in situations which may not be directly part of the unit's traditional mandate. In November, when a wave of violence was directed at Europeans in the Ivory Coast, the SHA ensured the evacuation of Swiss nationals. And in early September, Switzerland showed its solidarity with the victims of the school siege in Beslan in North Ossetia. After having sent two doctors to evaluate the needs, it provided support to four local hospitals and financed a psychosocial rehabilitation center.

Extended aid to Palestinians

One-third of the humanitarian aid budget finances SHA programs and contributions to Swiss relief organizations. The remaining two-thirds are set aside for multilateral cooperation. The main partners are the International Committee of the Red Cross (ICRC) and various UN agencies: the UN Office of the High Commissioner for Refugees (UNHCR), the World Food Program (WFP), the UN Relief and Works Agency for Palestine Refugees (UNRWA) and the Office for the Coordination of Humanitarian Affairs (OCHA). Until June 2004, Switzerland chaired two groups of donors, one with the OCHA and the other with the International Strategy for Disaster Reduction (ISDR). The SDC also collaborated with UNRWA in the organization of an international conference in Geneva in June concerning the future of humanitarian aid to Palestinian refugees. The meeting was a success, considering that representatives from 91 countries and organizations promised to increase their contributions to UNRWA in response to Switzerland's long-term recommendation to increase aid to the 4.1 million refugees throughout the Middle East.



Example: extensive emergency aid operation for victims of the tsunami disaster

The tidal wave which hit South Asia on 26 December 2004, represented an unprecedented logistical challenge for the international community, and especially for the SDC. Within the space of several hours the latter sent teams of experts to five of the most affected countries: Indonesia, Thailand, Sri Lanka, India and the Maldives. More than CHF 25 million were channeled into emergency aid for initial reconstruction activities, 60% for bilateral projects and 40%, for multilateral aid. Switzerland delivered essential material resources, financed accommodation for the homeless with local families and took part in repairing the drinking water distribution networks.

Statistics 2004

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Introduction The concept of **official development assistance** was developed in the late 1960s by the Development Assistance Committee (DAC) of the OECD to provide an international instrument for measuring efforts to foster the sustainable economic and social development of the world's poor countries.

The OECD defines **official development assistance (ODA)**

as all financial flows which

- originate from the public sector (Confederation, cantons and communes);
- are essentially intended to promote the economic and social development of the recipient countries;
- are granted at concessional financial terms (grants and low-interest loans);
- are directed to developing countries or territories (currently numbering 150) and to multilateral organizations on the list drawn up by the OECD.

Official assistance (OA)

adheres to the same criteria, but is directed towards countries in transition. These include a group of 12 countries in Eastern and Central Europe and the Commonwealth of Independent States (CIS), as well as 24 «more advanced» developing countries and territories.

To ensure the comparability and transparency of ODA/OA transactions, the DAC has established a full set of statistical directives governing the reporting procedures of member countries. The definition of ODA has not changed for over 30 years, but occasionally the directives are modified to limit the field of interpretation of certain reporting rules and to ensure proper ODA adaptation in line with changing forms of international assistance.

For instance, since 2003 Switzerland has included debt cancellation and reorganization negotiated within the Paris Club in its ODA, as well as new peacebuilding activities. In May 2005, the Federal Council decided to notify as ODA the costs of asylum seekers from developing countries during the first 12 months of their stay in Switzerland.

As a general rule, when international comparisons are made, ODA is measured as a percentage of gross national income (GNI).

Institutionally, Switzerland's ODA/OA transactions originate principally from the budgets of the SDC and seco. These two agencies are responsible respectively for development cooperation, humanitarian aid, technical cooperation with Eastern Europe and economic development cooperation. Swiss ODA also covers contributions from a number of other federal offices and from the cantons and communes.

Symbols:

0.0 = amount less than one unit

– = nil

.. = figures not available

More detailed figures can be found in the statistical brochure published annually by the SDC «Aide de la Suisse aux pays en développement et aux pays en transition».

Table 1

Swiss official assistance to developing countries (ODA) and countries in transition (OA) 2004 (mil. CHF)

	2004				2003	
	Bilateral ODA	Multi-lateral ODA	Total ODA	Total OA	Total ODA	Total OA
Confederation	1'441.8	445.6	1'887.4	122.2	1'717.9	101.2
Swiss Agency for Development and Cooperation (SDC)	872.6	378.8	1'251.3	45.9	1'272.5	42.3
Humanitarian Aid	239.0	30.8	269.9	11.0	263.2	9.5
Development Cooperation	560.3	347.9	908.2	0.9	938.9	1.0
Cooperation with Eastern Europe and CIS	73.2	-	73.2	33.9	70.4	31.7
State Secretariat for Economic Affairs (seco)	221.0	10.0	231.0	40.1	252.2	51.8
Development Cooperation	146.2	10.0	156.2	-	160.0	-
Cooperation with Eastern Europe and CIS	64.5	-	64.5	40.1	52.2	51.8
Debt relief measures	10.2	-	10.2	-	40.0	-
Other federal offices	348.2	56.9	405.0	36.2	193.2	7.1
Cantons and communes^{a)}	33.2	-	33.2	2.2	30.1	2.7
Total	1'475.0	445.6	1'920.5	124.4	1'748.0	103.9
ODA in % of GNI			0.41 %		0.39 %	

a) Provisional figures for 2004

For the second time in 12 years, in 2004 Switzerland's official development assistance (ODA) reached and even surpassed the objective of 0.4 % of gross national income (GNI) set by the Federal Council. Whereas in 1992 (0.45 %), the result could be ascribed to Switzerland's joining the Bretton Woods Institutions, the 2004 result (0.41 %) was due mainly to a change in the method of calculating ODA, whereby the initial costs of asylum seekers from developing countries are factored in. The total ODA figure, amounting to CHF 1.920 billion, represents a nominal increase of 9.9 % over 2003. Without this statistical adjustment, Swiss ODA would have reached 0.37 % of GNI.

The composition of Switzerland's ODA thus underwent significant change in 2004. On the one hand, the share of ODA contributed by the SDC and seco dropped to 77 % (against 85 % in 2003); on the other, the broad traditional categories occupied a proportionally lesser place. SDC/seco development cooperation decreased to 55 %, and humanitarian aid to 14 %, against 63 % and 15 % respectively in 2003. Cooperation with Eastern European countries defined as developing countries maintained its share of the ODA budget (7 %), while the contributions made by other federal offices, the cantons and communes increased to 23 %, 12 % of which was accounted for by expenditures on asylum seekers.

Graph 1

Swiss ODA by aid category 1990-2004 (mil. CHF)

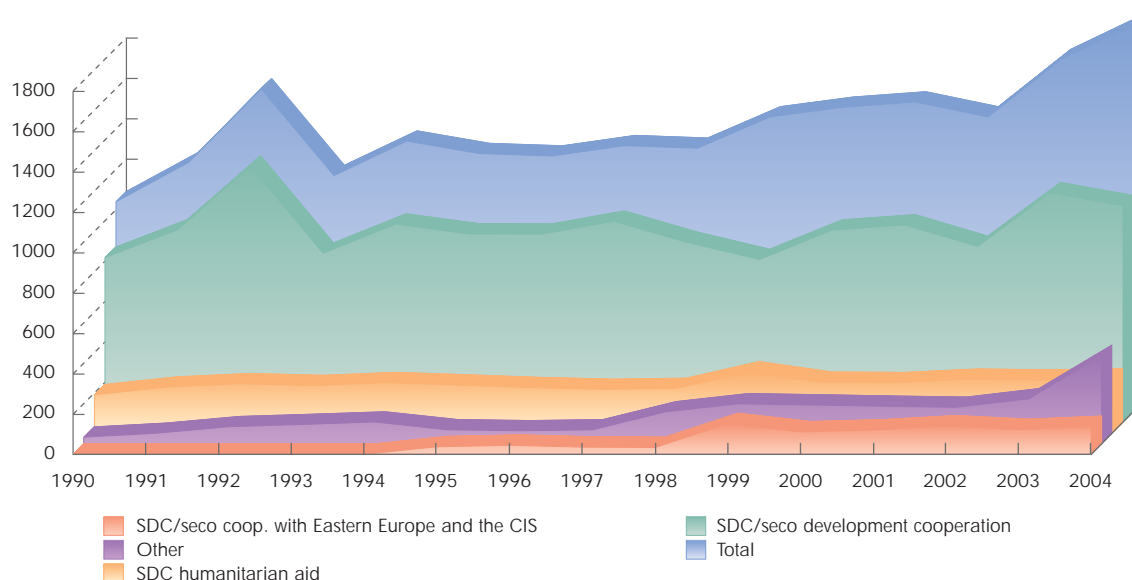


Table 2
Development of Swiss ODA and NGO donations 1960-2004 (billion CHF)

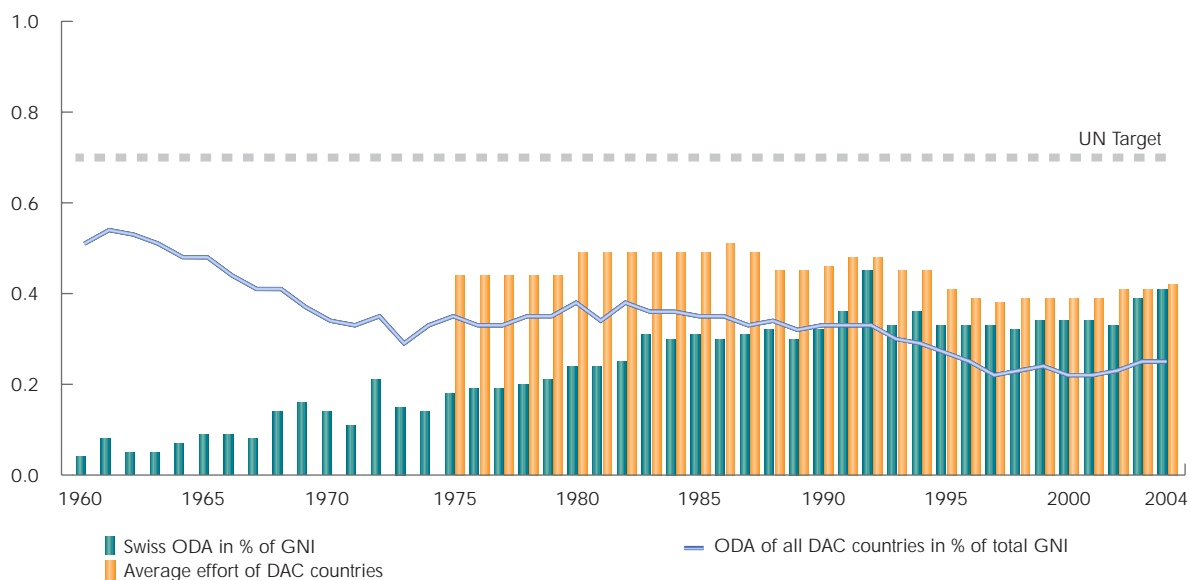
	1960	1970	1980	1990	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
ODA	0.02	0.13	0.42	1.04	1.28	1.27	1.32	1.31	1.47	1.51	1.54	1.46	1.75	1.92
GNI ^{a)}	37.1	92.6	177.3	326.1	384.6	387.7	402.1	414.6	426.4	450.3	446.0	446.8	453.3	468.0
ODA in % of GNI	0.04	0.14	0.24	0.32	0.33	0.33	0.33	0.32	0.34	0.34	0.34	0.33	0.39	0.41
ODA in % of expenditures by the Confederation	0.58	1.67	2.43	3.46	3.16	2.89	2.99	2.81	3.21	3.21	3.06	2.88	3.50	3.74
Private NGO donations	..	0.05	0.11	0.15	0.22	0.23	0.23	0.25	0.28	0.27	0.32	0.30	0.38	..

^{a)} GNI from 1995, GNP for preceding years. Definitive figures up to 2001, provisional for 2002 (Swiss Federal Statistical Office). For 2003 and 2004 estimates by the Federal Finance Administration.

Measured as a percentage of gross national income (GNI), formerly named gross national product (GNP), Switzerland's official development assistance (ODA) increased regularly until 1990, then levelled out, remaining at an annual average of around 0.34% over the last decade. Growth in ODA has accelerated in the last two years, mainly as a result of statistical adjustments, and reached 0.41% in 2004.

Private Swiss aid to developing countries, consisting of contributions made by NGOs and other non-profit organizations, has increased steadily, reaching a level of 0.08% of GNI. The net private donations made by NGOs (not counting public-sector contributions to their activities) represented an average of CHF 51 per inhabitant.

Graph 2
ODA in % of Swiss GNI and DAC countries 1960-2004



The official development assistance (ODA) of Development Assistance Committee (DAC) member countries reached the unprecedented level of USD 79 billion in 2004 (preliminary figure). This total figure represents 0.25% of the overall gross national income (GNI) of the DAC countries, the same as in 2003. The average performance of the DAC countries (the average of the individual ODA/GNI percentages) rose to 0.42%, which was 0.01% more than in 2003. With a figure of 0.41%, Switzerland ranks 8th out of the 22 DAC countries in terms of its ODA/GNI percentage, and 15th in absolute figures.

Table 3
Swiss multilateral
ODA in 2004,
general contribu-
tions (mil. CHF)

	2004	2003
United Nations Organizations (UN)	142.8	140.1
UN Development Programme (UNDP)	52.0	52.0
UN Children's Fund (UNICEF)	17.8	18.0
UN High Commissioner for Refugees (UNHCR)	13.5	13.0
UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA)	12.7	10.8
UN Population Fund (UNFPA)	12.4	12.5
Special programmes of the World Health Organization (WHO)	4.9	5.0
Joint UN Programme on HIV/AIDS (UNAIDS)	4.2	4.0
UN Environment Programme (UNEP)	3.6	3.6
Food and Agriculture Organization (FAO) ^{a)}	3.2	2.8
UN Office for the Coordination of Humanitarian Affairs (UNOCHA)	2.2	2.2
UN Industrial Development Organization (UNIDO)	1.9	1.8
United Nations Educational, Scientific and Cultural Organization (UNESCO), including IIEP ^{a)}	1.6	2.0
World Food Programme (WFP)	1.5	1.5
UN Development Fund for Women (UNIFEM)	0.9	0.9
UN Volunteers Programme (UNV)	0.6	0.6
Other UN organizations ^{a)}	9.8	9.5
International financial institutions	255.6	285.2
African Development Bank (AfDB)	1.7	1.8
African Development Fund (AfDF)	35.8	71.6
Asian Development Fund (ADF)	13.9	13.9
Inter-American Investment Corporation (IIC)	1.1	1.3
International Development Association (IDA)	176.9	176.9
Heavily Indebted Poor Countries Initiative (HIPC)	5.0	4.9
IMF Poverty Reduction and Growth Facility (PRGF)	8.2	8.7
Trust Fund of the International Monetary Fund (IMF)	5.9	6.0
International Fund for Agricultural Development (IFAD)	7.1	-
Other institutions	47.2	52.1
Global Environment Facility (GEF)	17.1	17.7
Consultative Group on International Agricultural Research (CGIAR)	11.5	10.8
Intergovernmental Agency of la Francophonie (AIF)	4.5	4.3
Montreal Protocol on Substances that Deplete the Ozone Layer	3.9	4.0
Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM)	3.0	6.6
International Trade Centre of the WTO (ITC)	2.4	-
International Center for Diarrhoeal Disease Research (ICDDR)	1.4	1.1
World Conservation Union (IUCN)	1.3	0.7
International Organization for Migration (IOM)	0.9	1.0
Other institutions	1.3	5.9
Total multilateral ODA	445.6	477.4

^{a)} General contributions to certain organizations reportable in part according to DAC directives

According to the DAC/OECD definition, multilateral official development assistance (ODA) consists of general contributions paid to international (intergovernmental) development institutions as defined by the DAC. Institutions such as the ICRC do not feature on the DAC's list, consequently contributions made to these institutions are accounted for as bilateral ODA. The GFATM has now been added to the DAC list and contributions made to it are reckoned as multilateral ODA with retroactive effect for 2003.

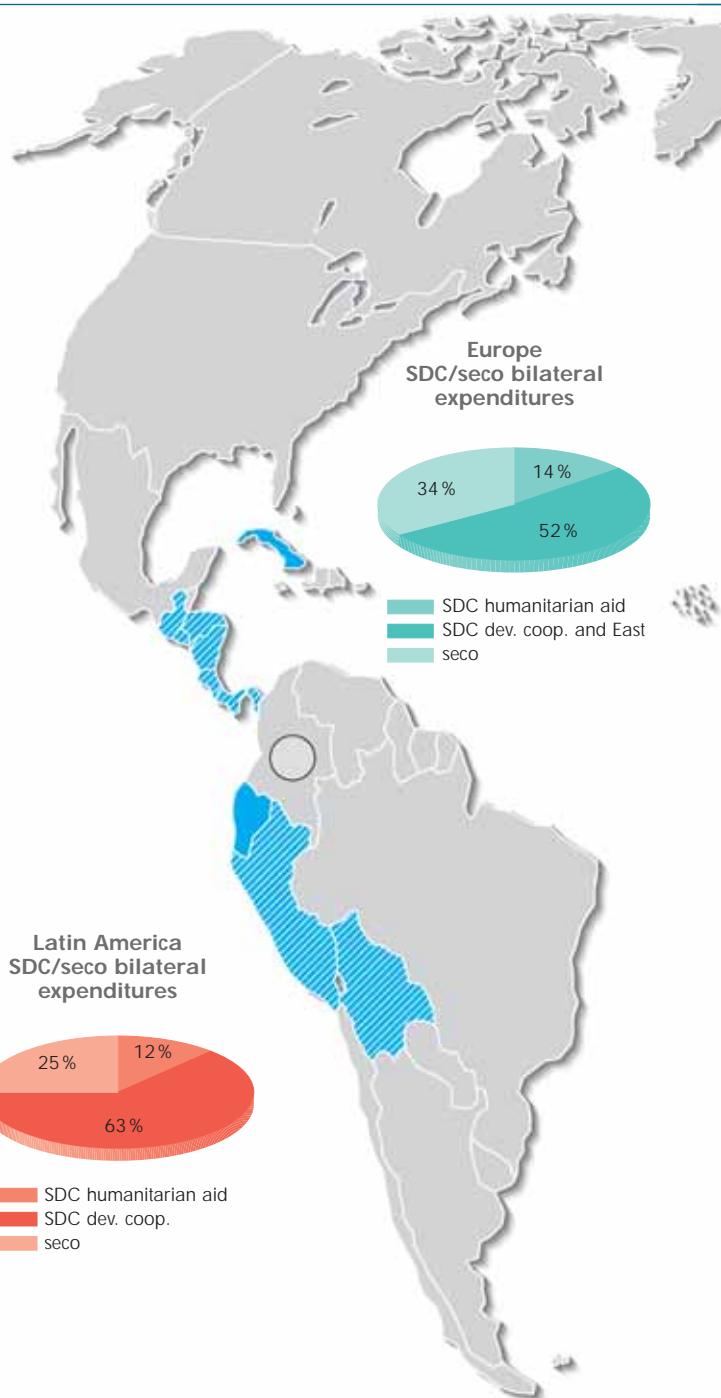
Compared with the previous year, multilateral ODA has on the whole remained relatively constant. However, following the statistical adjustments described in Table 1, its share in the total ODA has decreased to 23%. Contributions to international financial institutions (IFIs) continue to represent more than half of Switzerland's multilateral ODA. Contributions to IFIs are registered in ODA at the time of the deposit and not of the encashment of the «notes» (sight drafts), which may result in large differences from one year to another.

SDC/SECO BILATERAL EXPENDITURES AND ODA

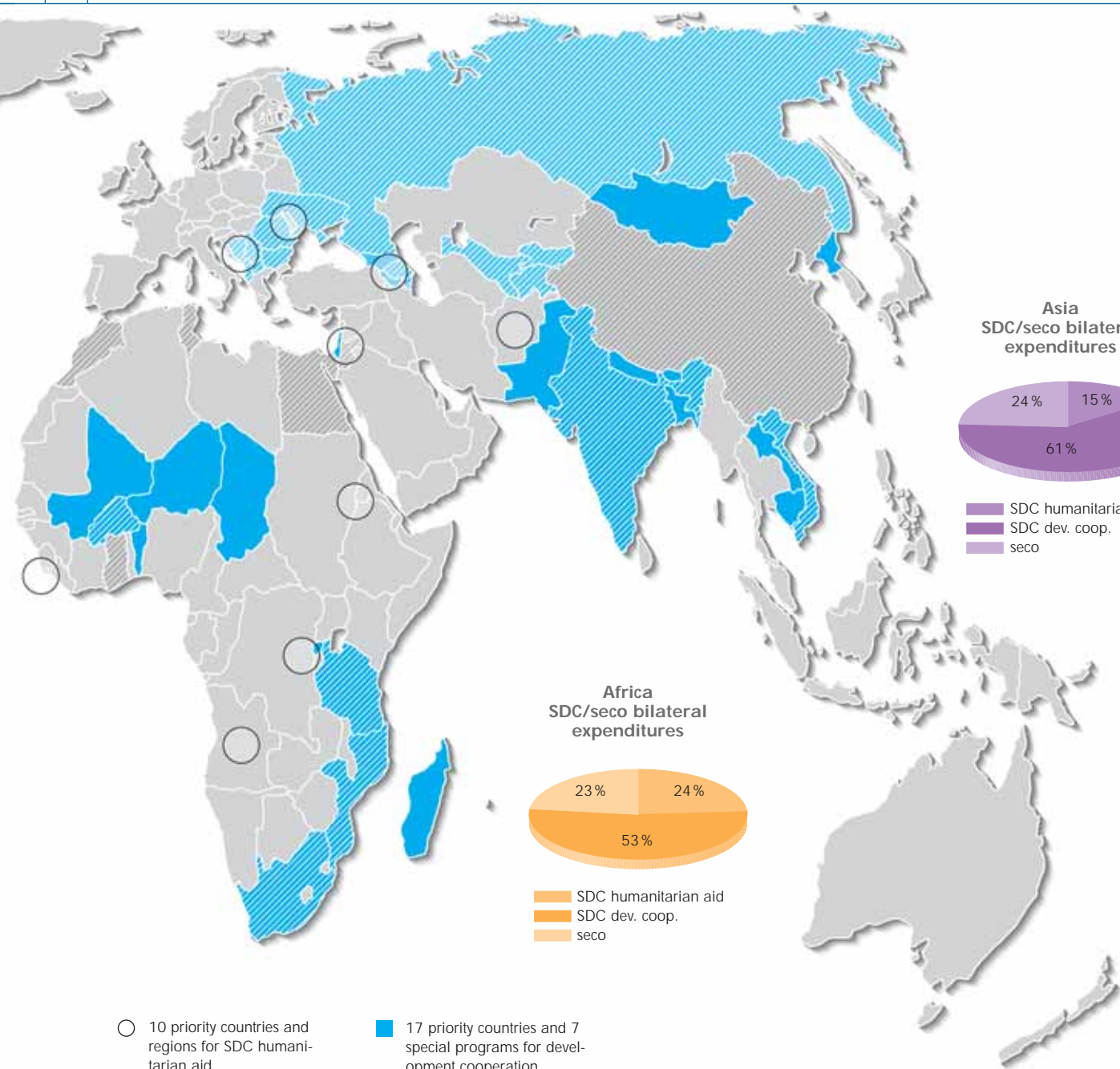
Table 4

Geographical break-down of SDC/seco expenditures and bilateral ODA in 2004 (mil. CHF)

	SDC hum. aid	SDC dev. & East	seco dev. & East	Total SDC/seco	ODA
Africa	70.9	159.0	67.9	297.8	318.1
Mozambique	0.4	18.4	13.2	32.1	34.0
Tanzania	2.5	18.6	10.7	31.8	32.3
Burkina Faso	0.4	14.6	9.2	24.3	25.4
Madagascar	2.1	5.5	9.6	17.2	17.8
Chad	3.9	12.8	-	16.7	17.5
Sudan	13.6	0.3	-	13.9	16.7
Benin	0.1	11.3	-	11.3	11.7
Mali	0.0	10.0	0.1	10.1	10.9
Niger	0.2	9.5	-	9.7	9.8
Ghana	0.2	0.3	9.1	9.5	9.6
South Africa	0.4	6.0	1.9	8.2	8.8
Rwanda	1.5	6.3	-	7.8	7.9
Angola	7.6	0.1	-	7.7	8.8
Cape Verde	3.3	2.8	-	6.1	6.2
Burundi	4.6	1.2	-	5.9	6.1
Congo (D.R.)	4.1	0.6	-	4.7	6.0
Liberia	4.0	-	-	4.0	4.0
Ethiopia	2.5	1.3	-	3.8	4.0
Uganda	3.4	0.4	-	3.7	4.1
Sierra Leone	3.6	-	-	3.6	4.1
Senegal	0.1	2.6	-	2.8	3.1
Cameroon	0.0	2.6	-	2.6	3.8
Côte d'Ivoire	1.1	1.4	-	2.5	2.7
Other countries	6.3	8.3	1.3	15.9	18.6
Regions and unclassified	4.9	24.2	12.9	42.0	44.3
Latin America	16.0	83.7	33.5	133.2	141.7
Bolivia	0.5	16.3	8.0	24.8	25.3
Peru	3.1	12.8	8.2	24.1	24.8
Nicaragua	0.5	9.7	10.5	20.8	21.5
Ecuador	0.1	9.1	-	9.2	9.7
Colombia	4.8	2.9	0.6	8.3	10.0
Haiti	2.8	4.1	-	6.9	7.8
Cuba	1.0	2.4	1.4	4.7	4.8
El Salvador	0.1	2.6	0.3	3.0	3.3
Brazil	1.1	1.8	-	2.9	3.9
Other countries	1.3	7.2	1.4	9.9	11.8
Regions and unclassified	0.9	14.7	3.2	18.7	18.9
Asia	45.8	180.0	69.7	295.5	302.7
India	0.1	30.2	4.5	34.8	36.0
Vietnam	0.1	15.0	9.0	24.1	24.6
Afghanistan	12.0	9.4	-	21.4	23.5
Tajikistan	0.2	5.4	15.1	20.8	21.2
Nepal	1.0	18.3	-	19.3	19.3
Palestine	5.8	10.3	-	16.1	16.7
Pakistan	2.6	13.3	-	15.9	15.9
Bangladesh	1.3	13.3	-	14.6	14.9
Kyrgyzstan	0.0	8.7	3.6	12.3	13.0
China	0.2	3.2	8.9	12.3	9.0
Uzbekistan	-	2.2	10.0	12.2	12.3
Georgia	5.3	3.4	0.5	9.2	10.0
Azerbaijan	1.0	1.5	4.0	6.5	3.8
Bhutan	-	6.4	-	6.4	6.6
Indonesia	1.8	2.2	1.7	5.7	3.1
Sri Lanka	3.0	2.1	-	5.1	6.8
North Korea	0.7	4.1	-	4.8	4.8
Cambodia	-	4.1	0.4	4.5	4.5
Laos	-	2.6	0.8	3.4	3.5
Armenia	1.4	2.0	-	3.4	3.8
Mongolia	1.1	1.8	-	2.9	2.9
Other countries	7.8	5.6	0.6	14.1	15.5
Regions and unclassified	0.1	15.0	10.5	25.6	31.1



	SDC hum. aid	SDC dev. & East	seco dev. & East	Total SDC/seco	ODA
Europe	19.1	68.1	44.6	131.9	128.7
Serbia and Montenegro	3.1	10.6	12.0	25.6	70.0
Russia	5.5	5.5	4.7	15.7	
Macedonia	0.0	4.4	10.3	14.7	15.6
Bulgaria	0.4	9.3	3.6	13.3	
Bosnia and Herzegovina	1.1	10.5	1.0	12.6	15.8
Romania	0.2	8.8	1.8	10.7	
Albania	0.0	5.1	3.5	8.6	9.2
Ukraine	0.8	3.2	3.0	7.1	
Moldova	3.3	0.6	-	3.8	4.0
Other countries	4.8	3.6	1.5	9.9	2.5
Regions and unclassified	0.0	6.6	3.2	9.8	11.6
Unclassified by continent	98.2	177.7	49.7	325.7	583.7
Total 2004	250.0	668.5	265.5	1184.0	1475.0
Total 2003	244.2	663.7	291.4	1199.4	1270.6



○ 10 priority countries and regions for SDC humanitarian aid

■ 17 priority countries and 7 special programs for development cooperation

■ 11 priority countries and regions for SDC cooperation with Eastern Europe and the CIS

▨ seco's 26 priority countries (14 developing countries and 12 countries in transition)

Table 5
Bilateral ODA according to income category 2000-2004 (mil. CHF)

	2000	2001	2002	2003	2004
Least-developed countries (LDCs)	275.5	275.9	295.7	341.4	320.4
Low-income countries	150.4	140.6	187.9	176.4	196.8
Middle-income countries	274.1	273.4	264.4	300.8	268.2
Regional projects and unclassified	361.4	406.9	444.1	452.0	689.5
Total bilateral ODA	1061.4	1096.9	1192.1	1270.6	1475.0

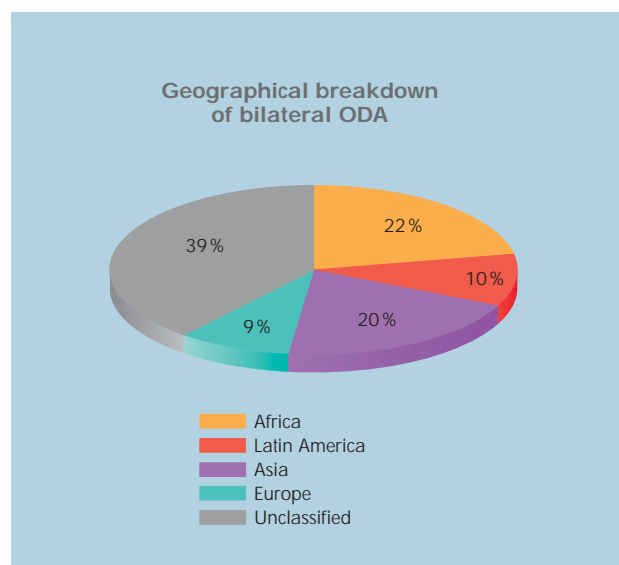


Table 6
SDC humanitarian
aid 2004 (mil. CHF)

	General contributions	Specific contributions	Food aid	Total
International organizations	30.8	49.1	19.7	99.7
World Food Programme (WFP)	1.5	18.1	18.2	37.8
UN High Commissioner for Refugees (UNHCR)	13.5	16.4	–	29.9
UN Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA)	12.7	1.3	–	14.0
UN Office for the Coordination of Humanitarian Affairs (UNOCHA)	2.2	5.2	–	7.5
UN Children's Fund (UNICEF)	–	2.8	–	2.8
Other international organizations	0.9	5.2	1.5	7.7
Organizations of the International Red Cross	70.5	23.5	–	93.9
International Committee of the Red Cross (ICRC)	69.5	23.0	–	92.4
International Federation of Red Cross and Red Crescent Societies (IFRCRCS)	1.0	0.5	–	1.5
Swiss NGOs	–	18.9	12.0	30.8
Direct action by the Swiss Humanitarian Aid Unit (SHA), incl. administrative costs	–	37.9	0.5	38.4
Other humanitarian aid action	–	16.9	1.1	18.0
Total humanitarian aid 2004	101.3	146.3	33.2^{a)}	280.9
Total humanitarian aid 2003	98.4	141.7	32.7	272.7

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

For 2004, approximately 70% of the SDC's humanitarian aid contributions were made to international organizations and to organizations of the International Red Cross. The share allocated to Swiss NGOs rose to 11%, while direct activities conducted by the Swiss Humanitarian Aid Unit (SHA) accounted for 14% of the SDC's humanitarian aid contributions.

Table 7
Missions by Swiss
Humanitarian
Aid Unit (SHA)
2004

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	32	21	7	2	40	2	19	2	98	27
Construction	21	19	2	–	18	7	18	1	59	27
Medicine	16	3	–	–	23	–	6	3	45	6
Drinking water/sanitation	8	7	–	–	5	1	3	–	16	8
Prevention/preparedness	–	–	3	1	14	–	21	–	38	1
Information	1	1	–	–	4	–	3	–	8	1
Environment/nuclear, biological, chemical (ABC)	3	3	–	–	–	–	–	–	3	3
Rescue	–	–	–	–	5	–	2	–	7	–
Others ^{b)}	–	–	–	–	55	–	–	–	55	–
Total missions 2004	81	54	12	3	164	10	72	6	329	73
Total missions 2003	146	40	12	–	98	20	106	5	362	65

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 29,744 days in 2004.

Table 8
SDC bilateral development cooperation by sectors 2004 (mil. CHF)

	Agriculture	Water, infrastructure, transport	Environment	Health, population	Education, arts, culture	Private sector, financial sector	Public sector management	Multi-sectoral	Total
Africa	20.6	17.0	6.7	30.0	17.2	8.2	19.7	39.5	159.0
Tanzania	1.2	5.0	0.1	8.1	0.2	0.1	1.0	3.0	18.6
Mozambique	1.7	2.8	0.4	6.3	0.7	0.1	3.1	3.3	18.4
Burkina Faso	0.2	1.0	0.3	0.2	4.0	2.1	0.4	6.5	14.6
Chad	1.7	1.6	-	0.9	0.1	0.8	0.1	7.6	12.8
Benin	0.2	0.4	-	5.3	2.2	0.2	0.2	2.8	11.3
Mali	1.4	0.0	0.4	1.6	0.5	0.7	3.1	2.4	10.0
Niger	2.8	2.5	0.0	0.3	1.0	0.0	0.4	2.5	9.5
Rwanda	0.0	0.2	-	1.1	0.3	-	3.7	0.9	6.3
South Africa	-0.1	0.1	-	0.4	2.8	0.0	1.4	1.4	6.0
Madagascar	5.0	-	0.0	-	0.0	-	0.2	0.3	5.5
Latin America	19.7	7.9	10.6	3.1	5.3	14.1	7.0	16.0	83.7
Bolivia	4.0	0.0	2.3	0.3	0.2	4.3	2.8	2.5	16.3
Nicaragua/Central America	2.6	3.5	2.1	0.7	1.5	2.9	1.4	1.6	16.3
Peru	1.7	2.4	2.0	0.7	1.2	0.0	1.7	3.1	12.8
Ecuador	2.2	0.0	1.3	0.4	0.2	2.7	0.1	2.3	9.1
Cuba	0.9	-	0.6	-	0.2	0.0	0.3	0.4	2.4
Asia	30.1	14.7	21.2	8.6	23.8	10.3	20.5	23.0	152.2
India	11.2	-	3.7	0.4	3.1	5.1	1.7	4.8	30.2
Vietnam/Mekong	3.5	3.3	5.7	3.8	2.2	0.2	2.9	0.1	21.7
Nepal	2.6	6.8	2.6	1.1	1.1	0.4	1.2	2.4	18.3
Bangladesh	2.5	0.9	0.3	0.8	4.7	1.2	-	2.9	13.3
Pakistan	1.7	0.4	2.6	0.0	2.3	1.7	2.5	2.0	13.3
Palestine	-	0.0	0.9	1.3	3.2	-	2.4	2.4	10.3
Bhutan	1.9	0.4	0.0	-	2.8	-	1.0	0.3	6.4
North Korea	2.5	-	0.1	-	-	0.1	-	1.5	4.1
Europe	0.7	-	0.2	-	2.1	0.0	0.0	0.5	3.5
Unclassified by continent	7.7	4.0	12.3	6.9	14.5	6.3	4.6	106.6	163.0
SDC bilateral development cooperation 2004	78.8	43.6	51.1	48.7	62.8	38.9	51.8	185.6	561.3
SDC bilateral development cooperation 2003	83.2	57.7	53.8	40.8	62.3	38.8	40.1	184.8	561.5

This table illustrates the SDC's policy of concentrating its bilateral development cooperation on 17 priority countries and regions and on 7 special programs. In most of these countries, the SDC has long experience in cooperation, both with governments and with civil society organizations. Country programs lasting several years provide the frame of reference for the sectoral orientations of each cooperation program in these countries. In addition, the SDC is increasingly striving to achieve coordination between donors and to harmonize their efforts in the field (e.g. in 2004 special efforts were made in the health-care sector in Mali and in Mozambique). Despite difficult situations in a number of partner countries, in 2004 programs were largely completed as planned. The special program in Rwanda was continued, with special emphasis on security and peace development. The program in Nepal had to be modified in the face of a deteriorating situation, with priority given to the protection of human rights.

Table 9
Seco bilateral cooperation with developing countries by instruments and continents 2004 (mil. CHF, actual expenditures)

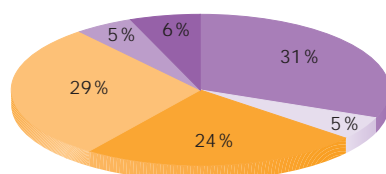
Instruments	Africa	Latin America	Asia	Not specified	Total
Budget assistance	37.5	9.0	0.2	5.7	52.4
Mixed financing	0.8	0.2	7.5	0.0	8.5
Trade promotion	5.7	10.9	8.5	15.7	40.7
Measures aimed at activating private sector resources	14.0	11.2	18.8	5.3	49.3
Infrastructure, studies and others	0.4	1.6	0.2	5.7	7.9
Debt relief measures ^{a)}	9.6	0.6	-	-	10.2
Total 2004	67.9	33.5	35.2	32.5	169.1
Total 2003	98.9	26.5	34.1	35.6	195.1

^{a)} In 2004, Switzerland cancelled CHF 10.2 million in bilateral debts owed by developing countries. These debt relief measures are counted as ODA, but have no influence on the development cooperation budget.

The continent to which seco continues to give priority in its economic and commercial cooperation is Africa, followed by Asia and Latin America. In recent years, and particularly since the introduction of the Strategy 2006, the accent has been on geographical concentration. By 2006, seco will be focusing 80% of its resources on 14 priority countries in the southern hemisphere. At the same time, regional projects will continue to be implemented, especially projects to promote trade and investment, which often have more impact than specific projects in individual countries.

Graph 3

Seco cooperation with developing countries by instruments 2004 (in %)



- Budget assistance
- Mixed financing
- Trade promotion
- Measures aimed at activating private sector resources
- Infrastructure, studies and others
- Debt relief measures

Table 10
SDC/seco bilateral cooperation with Eastern Europe and the CIS by sectors and regions 2004 (mil. CHF)

SDC technical cooperation	Central Europe	South-East Europe	CIS a)	Not specified	Total
Politics and constitutionality	–	10.9	5.4	0.0	16.4
Economy/training	0.1	9.4	1.4	0.0	10.8
Science/culture	0.1	12.4	3.4	1.4	17.3
Agriculture	0.0	4.2	5.8	0.1	10.1
Health/social affairs	–	9.8	3.7	–	13.5
Energy/environment	0.0	6.4	10.3	0.7	17.3
Other sectors	0.0	9.8	7.3	4.6	21.7
Total SDC 2004	0.2	62.9	37.3	6.9	107.2

seco economic cooperation	Central Europe	South-East Europe	CIS a)	Not specified	Total
Energy	1.5	17.6	6.1	–	25.2
Environment	–	2.9	11.8	–	14.7
Infrastructure	–	3.8	3.1	–	6.9
Financial sector	–	3.5	5.8	6.0	15.2
Trade	–	2.1	5.6	4.3	12.0
Investment promotion	–	0.7	6.2	1.5	8.4
Other sectors	–	4.8	4.7	4.4	13.9
Total seco 2004	1.5	35.5	43.3	16.1	96.4

Total SDC/seco 2004	1.7	98.3	80.5	23.0	203.6
Total SDC/seco 2003	1.3	103.9	70.4	22.8	198.5

a) Commonwealth of Independent States

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 financial resources needed 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's primary emphasis is to support improvements in basic infrastructure, which includes many projects in the energy and environmental fields. It also works to support the financial sector, develop the private sector and promote investment and trade.

Graph 4

SDC/seco cooperation with Eastern Europe and the CIS by instruments (mil. CHF)

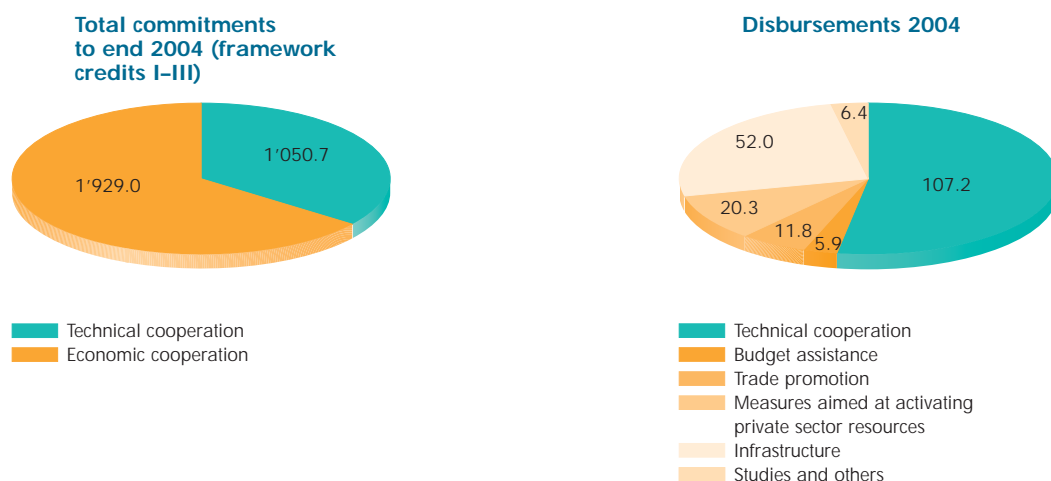


Table 11
SDC/seco cooperation with Swiss NGOs 2004 (mil. CHF)

NGOs	SDC Program contributions	Specific mandates			Total
		SDC hum. aid	SDC dev. and East	seco	
Helvetas	11.6	0.1	23.3	2.4	37.4
Intercooperation	–	–	35.7	1.5	37.1
Swisscontact	5.4	–	16.5	0.1	22.0
Caritas Switzerland	4.5	5.9	2.5	–	12.9
Volunteers programme UNITE	8.3	–	–	–	8.3
Swissaid	6.5	–	0.2	–	6.7
Swiss Red Cross	3.2	2.6	–	0.6	6.4
Terre des Hommes	2.3	3.9	–	–	6.2
Swiss Interchurch Aid (EPER)	3.8	0.8	1.1	–	5.7
Bread for All	4.3	–	0.2	0.2	4.6
Swiss Labour Assistance (SLA)	1.5	0.1	2.5	–	4.1
Salvation Army	–	2.0	1.8	–	3.8
Genevan Federation for Cooperation (FGC)	3.7	–	0.0	–	3.7
Médecins sans Frontières (MSF)	–	2.5	0.9	–	3.4
Catholic Lenten Fund	3.2	–	–	–	3.2
Kantha Bopha Foundation	–	–	3.0	–	3.0
Education and Development Foundation	–	–	2.6	–	2.6
Medair	–	2.5	–	–	2.5
Center for Information, Advice and Training (CINFO)	–	–	2.1	–	2.1
Pestalozzi Children's Village Foundation	1.2	0.0	0.2	–	1.5
Terres des Hommes Switzerland (Geneva)	–	1.5	–	–	1.5
Schweizerische Vereinigung für Orthopädie in Tansania (SVOT)	–	–	1.4	–	1.4
SolidarMed	–	1.1	0.3	–	1.4
Vétérinaires sans Frontières Suisse (VSF)	–	1.3	0.0	–	1.3
Swiss Peace Foundation	–	–	1.2	–	1.2
Development TV Agency (dev.tv)	–	–	1.1	–	1.1
Other NGOs	1.2	6.6	14.7	0.7	23.2
Total 2004	60.7	30.8	111.3	5.4	208.2
Total 2003 ^{a)}	60.3	27.3	117.3	2.9	207.7

a) Revised figures

Over the years, the SDC and seco have built up an extensive network of partners to carry out the programs and projects they fund. This collaboration may take different forms: program contributions, mandates for specific projects or tasks (studies, research, technical surveys, etc.), or co-financing. They work with a wide range of partners – non-governmental organizations (NGOs), consultants, private enterprises, international organizations, semi-public institutions – and the partners vary according to the type of program or project supported. Swiss non-governmental organizations continue to play an important role in implementing SDC programs and projects. The SDC is committed to paying financial contributions to 19 main NGOs in support of development programs. These contributions were renegotiated in 2004 and the corresponding contractual agreements were standardized.

The above table provides a picture of SDC/seco collaboration with Swiss NGOs, showing payments made to these organizations in the course of 2004.

The annual **Humanitarian Aid Day** in Geneva on 26 March was devoted to «forgotten crises», which each year cause millions of deaths and lead to hundreds of thousands of displaced persons. At the 2004 conference the spotlight was on Sri Lanka, Chernobyl and the Great Lakes Region in Africa. One of the SDC's projects consists of conducting advocacy programs on behalf of the victims.

How can Switzerland help strengthen democracy and promote sustainable economic growth in South Africa? Numerous cooperation perspectives were examined on 20 August in St. Gallen at the Annual Conference on **Development Cooperation**. More than 1,700 guests attended this meeting whose theme was «The new South Africa celebrates its 10th Anniversary – a development partnership for youth».

The 9th Focus on **Eastern Europe** conference on 2 November in Zurich dealt with the transition in South-East Europe, focusing on debates concerning the relationship between the state and its citizens. During this annual conference of Swiss cooperation with Eastern Europe and the CIS, experts from the Balkans and Switzerland recommended that the integration of citizens in political decision-making processes be improved.

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