

2001



ANNUAL REPORT



DEVELOPMENT COOPERATION

SWITZERLAND'S INTERNATIONAL COOPERATION



SWISS INTERNATIONAL COOPERATION

Swiss Official Development Assistance amounts to approximately Sfr. 1.5 billion per year. That is equivalent to 0.34 percent of Gross National Product (GNP) or 58 centimes per inhabitant per day. This sum accounts for the whole of the financial contributions, accompanied by preferential conditions and made to developing countries, to international institutions and non-governmental organizations by the Confederation, the cantons and communes.

What are the **objectives** in real terms? According to the Federal Law of March 19, 1976 on International Development Cooperation and Humanitarian Aid, the objectives are to «support the efforts of developing countries to improve the living conditions of their population and to assist these countries in ensuring their own development».

In March 1994, the Federal Council set out its guidelines and **development policy** for North-South Relations in the 1990s. These contain four main themes: the safeguarding and maintenance of peace and security together with the promotion of human rights, democracy and the rule of law, the promotion of prosperity and the strengthening of the framework conditions for sustainable development, the improvement of social justice (particularly as regards women), and lastly, protection of the environment.

Two federal offices are responsible for the concept and implementation of development aid: the **Swiss Agency for Development and Cooperation (SDC)**, part of the Federal Department of Foreign Affairs, and the **State Secretariat for Economic Affairs (seco)** which is part of the Federal Department of Economy. The principal instruments at their disposal are: technical cooperation, financial aid, economic and trade measures, and

humanitarian aid. The SDC coordinates all the initiatives.

The Swiss Agency for Development and Cooperation (SDC) is responsible for the following four areas of activities: bilateral development cooperation, multilateral development cooperation, humanitarian aid and technical cooperation with Eastern Europe. With an annual budget of approximately 1.3 billion SFr. and over 350 staff members both at home and abroad, SDC provides services through direct operations, by supporting the programs of multilateral organizations and by co-financing and making financial contributions to the programs of Swiss and international private aid organizations.

The aim of **development cooperation** is to combat poverty by providing help towards self-help. In particular, it promotes economic and government autonomy, contributes to the improvement of production conditions, helps to solve environmental problems and aims at better access to education and basic health care for the most disadvantaged population groups.

The mandate of the Swiss Confederation's **Humanitarian Aid** is to save lives and alleviate suffering. It provides direct aid in the wake of natural disasters and of armed conflict through interventions by the Swiss Humanitarian Aid Unit (SHA). It also supports humanitarian partner organizations.

The SDC supports the countries of **Eastern Europe** and the Commonwealth of Independent States (CIS) in their progress towards democracy and the market economy by transfer of know-how and assistance to problem solving.

While humanitarian aid is provided where most needed, bilateral devel-

opment cooperation is concentrated on 17 priority countries and regions and four countries with special programs in Africa, Asia and Latin America. Technical cooperation with Eastern Europe is concentrated on ten countries in South-East Europe and the CIS. Most of the SDC's multilateral activities are implemented together with the UN bodies, the World Bank and the regional development banks. In all, there are at present about a thousand programs and projects of several years.

The **State Secretariat for Economic Affairs (seco)** determines economic and commercial measures for development cooperation, including mixed credits (involving both the Confederation and Swiss banks), balance of payment aid, trade promotion and, in collaboration with the international community, promotion of basic products. A substantial share of these measures is destined for countries of Eastern Europe and the CIS. The seco is also the main actor in the scheme to reduce the debt burden of those countries most in debt.



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FIGHTING POVERTY ON SEVERAL FRONTS



One of the objectives of the international community until 2015 is to reduce by half the percentage of humans living in poverty. This challenge lies behind all aspects of the Swiss development cooperation effort, the main concern of which is to improve the living conditions and quality of life of the world's most deprived population groups. There are many possible ways of reducing poverty, as this report shows. It gives several examples of the efforts being made by the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (seco), focusing on SDC projects in mountain regions and the seco-coordinated Swiss Debt Reduction Program.

The problems faced by mountain communities – whether in the Andes, the Himalayas or the Alps – are much the same everywhere: they all have a fragile, difficult to develop environment and experience economic and political marginalization. Having been aware of these problems for more than 30 years, the SDC is contributing to the sustainable development of such regions in the countries of the South and East.

Under the slogan «Mountains unite», the SDC, together with the Federal Office for Spatial Development (OSD), is taking an active part in the UN International Year of Mountains in 2002. For the SDC, this is an opportunity to make the general public aware of the many issues faced by mountain communities. Itself a mountainous country, Switzerland has a great deal of relevant experience to share. Some of the management methods practiced by mountain peoples in the countries of the South today are very similar to those practiced in the Alpine valleys in the 19th



century. But we should try to help these communities avoid repeating some of the mistakes we made in the 1950s, especially unrestrained development which has led to the destruction of ecosystems. This sharing of experience needs to be a two-way process however: mountain communities in the South have important things to teach us, especially with regard to the preservation of cultural identity and solidarity.

Sustainable development

The importance of mountain regions received particular attention at the Earth Summit in Rio de Janeiro in 1992, where, at the urging of the Swiss delegation, one chapter of Agenda 21 was devoted specifically to the subject. The text recognizes that mountains are fragile ecosystems which need to be conserved and developed appropriately.

Being aware of these issues, the SDC has supported many projects in such regions. Its aim is to reduce the poverty of the majority of the people in these areas and to encourage the sustainable use of natural resources. The International Year of Mountains provides an additional opportunity to inform people of the human and natural wealth of such regions.

Switzerland in a pioneering role

For its part, seco has decided to use this report to give a positive account of the 10 years of the Swiss Debt Reduction Program, launched to mark the 700th anniversary of the Confederation. Of course, the Swiss government was not trying to eradicate the debt problem single-handedly by launching this SFr. 500 million program. However, by making debt reduction a top priority it has been able to send a strong signal to the international community.

By acting as a catalyst, Switzerland has helped initiate a wide-ranging debate on debt reduction, and this has led to its own bilateral efforts being included in coordinated measures at the international level. One of the most important of these measures has been the initiative on behalf of heavily-indebted poor countries (HIPC) to reduce their debt burden to manageable levels. The objectives of the HIPC Initiative are in accordance with those set by Switzerland for its own debt relief program, whereby resources freed up by debt relief measures must be allocated to funding priority social sectors (health, education), themselves defined in a strategic document on poverty reduction.

This policy has shown promising results with beneficiary countries able to reduce their indebtedness to the Swiss government, private banks and international bodies such as the World Bank and the International Monetary Fund. To achieve more rapid progress and ensure the effectiveness of the reforms they are implementing, it is vital to strengthen the institutional and staffing capacities of poor countries. With this in mind, seco will continue to provide support to ensure that budgets and debt policy are well managed.

Another success of the debt reduction program has been the establishment of close cooperation between seco and the SDC (both federal departments), on the one hand, and the Swiss Coalition of Development Organizations on the other. NGOs and federal bodies are thus working effectively together in the struggle against poverty.

Walter Fust
Ambassador
Director, SDC

David Syz
State Secretary
Director, seco



WORKING FOR SUSTAINABLE DEVELOPMENT IN MOUNTAIN REGIONS

ENCOURAGING COMMUNITIES TO BECOME INVOLVED



Mountains and high tablelands are found in all parts of the world – the tropics, temperate zones, desolate polar regions, in countries both rich and poor. The criteria for defining mountains are altitude and incline. The mountain category would therefore include both flat regions at altitudes of more than 2,500 meters and regions of steep slopes a mere 600 meters high. Though it is difficult to find a simple definition for so complex a phenomenon, what most regions of this kind tend to have in common is a marginalized population.

Through its activities in deprived mountain areas, most of which are situated in countries of high priority for the Swiss development cooperation effort, the SDC aims to ensure the well-being of both mountain and plains communities whose dynamics are closely interrelated. It seeks to encourage the conservation and sustainable development of these vulnerable environments. Mountain areas are very sensitive to ecological changes which can also cause a great deal of damage in the plains below and lead to human migration.

However, there is not likely to be much improvement unless local communities are involved in the economic and political decisions which concern them. The notion of empowerment – a process whereby local people assume power and responsibility – is essential. The articles which follow illustrate different facets of the SDC's programs in mountain regions, demonstrating the importance of active participation on the part of the local communities.

Moving mountains

The sustainable development of mountain regions touches on a wide range of subjects: forests, climate, culture, development of catchment basins, biodiversity, gender, risks and dangers, conflicts, economics, education, agriculture and food security, tourism, soil and land degradation, minerals and mining activities, politics and legislation. The five examples we have chosen reflect a number of these factors and show how Swiss efforts are helping to improve the quality of life of the beneficiary communities while preserving the environment.

Protection of the natural environment is important, but it must not always be allowed to override the economic interests of local populations. Economic development as a way of generating income is essential for mountain dwellers. It is thus vital to find a balance between the competing factors – but with their participation. The solutions adopted must take into account local community needs while recognizing that the preservation of their natural resources is essential for future generations.

IMPROVING THE MANAGEMENT OF CATCHMENT BASINS

The erosion of catchment basins, due to both natural factors and human activities, is having serious social, economic and environmental consequences. It diminishes the quality of life of the communities concerned, whether they live on the slopes of such basins or in the valleys below. The Cochabamba region of Bolivia is a clear example of how soil degradation, combined with a lack of water resources, tends to hinder development.

Aware of this situation, in 1991 the SDC and the prefecture of the Cochabamba Department developed an integrated management program for catchment basins, known as PROMIC, with the intention of restoring the environment of the Tunari Cordillera in the Andes. Covering an area of 250 km², this region consists of summits rising to over 5,000 meters and 39 lateral valleys, which run into the large central valley of Cochabamba at an altitude of 2,600 meters.

To address the complex pattern of soil degradation in these catchment basins and achieve medium and long-term results, it was essential to adopt a participatory, multidisciplinary approach. Integrated management aims to encourage rational use of natural resources – in particular water, soil and vegetation – and so achieve a sustainable form of agricultural production while preserving the environment. Since this pilot experiment began, the communities concerned have been kept informed, trained and involved in the introduction of new cropping methods with the accent on sustainability.

**Excellent results**

Ten years of work have resulted in improved living conditions for the local people whose main occupation is farming. Production has increased and become more diversified, with forage crops for livestock, oats, barley and wheat amplifying the traditional reliance on potatoes. Organic fertilizers have resulted in higher yields and improved soil quality. The building of terraces has also had a positive effect on production and dams and other hydraulic works ensure that crops and inhabited areas are no longer ravaged by floods, for example in the main Cochabamba valley. Progress of this kind has won the locals over to the principles of soil conservation, espe-

cially as the towns lower down the valley are prepared to reward them financially for their «environmental services».

PROMIC has so far been introduced to eight catchment basins, but there are plans to extend the experiment to neighboring areas. The methods adopted are in fact applicable to all parts of the Andes where there are similar geographical and social conditions. PROMIC has become a point of reference for the economic, sustainable and fair use of natural resources; and the know-how acquired on this project is now in demand throughout Bolivia.

IRRIGATION TO INCREASE AGRICULTURAL PRODUCTION



The Licto region in the Ecuadorian Andes at altitudes of between 2,700 and 3,100 meters, is one of the least favored parts of the sierra. Its 6,500 hectares are characterized by shallow, eroded soils, and steeply sloping land in parts. Rainfall is scanty and irregular, so the region suffers from lack of water. The local people live by subsistence farming, growing maize, oats, rye and potatoes. To supplement their meager incomes, more than 60% of the men emigrate on a seasonal basis leaving most of the agricultural activities to be carried out by the women.

To rescue the region from its vicious circle of poverty, an ambitious irrigation project was launched in 1990 by a state body, the implementation of which was largely entrusted to an Ecuadorian non-governmental organization (NGO). The SDC has been supporting this project, which is making a contribution to reducing poverty, improving food security and at the same time encouraging the sus-

tainable management of natural resources.

The irrigation system is being installed in stages, the aim being to supply 1,670 hectares belonging to 1,300 families. To date, some 400 hectares are under irrigation, representing an agricultural revolution for the farmers concerned. Yields have increased and production has become more diversified with the introduction of forage crops and vegetables. The latter – broccoli, garlic, onions and carrots – are mainly sold on the local market, though some are now exported. The changes have brought about a significant increase in family incomes.

Essential training

From the beginning, the local people have played an active role in all stages of the project and have benefited from training. They were taught new techniques, as well as how to organize their activities and obtain and manage

credit. Farmers are now expected to pay for the water they use and maintain the network of irrigation channels.

The women, who play an important role in the project, have also received training, often beginning with basic literacy. The training aspect of the project has been particularly beneficial for communities accustomed to centuries of fatalism. The progress achieved to date has shown them that they can influence the course of events and find solutions to their problems. The Licto project has more than proved its worth over the last 10 years and is now being used as a model for other regions.

PARTNERSHIP IN MANAGING HEALTH SERVICES

Nepal remains one of the poorest countries in the world. Almost half of its 23 million inhabitants live below the poverty line, most of them in rural areas which are often difficult to reach. The illiteracy rate is very high: 86% of the women and 59% of the men more than 15 years of age cannot read or write. Public health is another major challenge for the Nepalese government. Hygiene and health services are in desperately short supply, with the result that in some mountainous districts life expectancy is barely 37 years.

Despite this distressing situation there is a glimmer of hope thanks to a rural health development project. Launched in 1991 by the SDC, it aims to improve the health system in two

the work they are expected to do: looking after the crops and livestock, fetching water, gathering firewood, preparing food, cooking and caring for children. To a greater extent than their sisters in the plains, women in mountain regions generally have no financial resources of their own and have only limited access to health care and educational services.

A long process

The project aims to improve the health care system and develop preventive measures. One ongoing concern is to empower the local people by encouraging them to take responsibility. Initially, health workers perform a lot of groundwork to establish good relations with the village and district

fine its problems and find appropriate solutions so that it can benefit fully from its entitlement to health services. Involving all local partners also guarantees the sustainability of the project.

The results achieved to date have been very positive. The communities concerned have been mobilized to reform existing health care services to better suit their needs. The partnership has also resulted in the beneficiaries becoming involved in managing dispensaries thanks to the new knowledge they have acquired. In addition to participation and competence, creating self-esteem and critical awareness is an essential aspect of the entire process. Scheduled to continue until 2005, this SDC project has already



districts with the participation of the communities concerned – working with their involvement rather than on their behalf. A special effort has been made to involve women, as their living conditions are so difficult with all

authorities. They then lead discussion groups and provide information on health issues, before training local people willing to take over when they leave. These steps should help the community analyze its situation, de-

gone a long way towards achieving these aims.

COMBATING SOIL DEGRADATION



Almost two-thirds of Africa's population make their living from agriculture, and the proportion is even higher in mountain regions. However, this sector is under serious threat: poor management of natural resources and strong demographic pressures have resulted in soil degradation. Agricultural productivity is declining in large areas of the continent undermining efforts to promote sustainable development.

The phenomenon is especially worrying in the highlands of East Africa where it is estimated that almost 75% of the land is affected by degradation or the exhaustion of essential nutrients. The governments concerned are often overwhelmed by the magnitude of the problem and are seeking help from specialists on how best to safeguard the environment. The SDC has been involved in a number of African countries for more than 25 years, supporting projects to promote the sustainable management of natural resources.

Identifying local concerns

The SDC has taken a special interest in Ethiopia, often mentioned as a country where soil degradation is so serious as to be the obvious cause of rural poverty and famine. Commissioned by the SDC, the Centre for Development and Environment (CDE) of the University of Berne has set up an extensive research program concerned with soil conservation. Drawing on a substantial database built up over many years, its main objectives are to encourage the introduction of new techniques to protect the soil, evaluate the new methods on a regular basis and train personnel. Over the years, the program has had to adjust its approach. The human factor is now central to the work, and peoples' knowledge and habits are taken as the starting point in trying to master the natural factors – soils, water, plants, wind, etc. – which were initially the program's main focus. By involving farmers in an ongoing dialogue, informing them of the consequences of soil degradation

and establishing an agricultural extension scheme, the campaign to combat desertification has gained in effectiveness and sustainability.

Similar programs have been conducted in Eritrea, Kenya and Madagascar. They have resulted in the accumulation of a vast amount of data, the acquisition of widely acknowledged skills in sustainable management strategy, and the establishment of a network of contacts with partner institutions in the countries concerned. The experience gained in this way can be transferred, with minor modifications, to other parts of East and Southern Africa, in particular Mozambique and Tanzania – two countries which feature prominently in the Swiss development cooperation effort. The aim of this wide-ranging program is to promote economic development, social well-being and ecological sustainability.

EXCHANGING EXPERIENCE AND INFORMATION

Mountain communities are politically, economically, culturally and geographically marginalized. They deserve special attention if socially fair, sustainable development is to be promoted. A number of partners have come together to establish a «Mountain Forum», which seeks to act as a platform for exchanging experience and information and also to play an advocacy role on behalf of the people and ecosystems of these regions.

This body was set up at the initiative of the SDC in 1995. The project is supported by an international grouping of non-governmental organizations (NGOs), universities, govern-

ments, multilateral agencies and private-sector companies, and is directed by an executive secretary who is answerable to a six-person board of directors. At present, the Forum has more than 2,000 members, both groups and individuals, all of whom live in or have a professional connection with mountain regions. It forms a global network reaching out to a

hundred or so countries. The Forum acts as an engine, promoting many initiatives thanks to the dynamism and creativity of its members.

In supporting the Forum, the SDC wishes to raise people's awareness of the problems facing mountain regions. Continent-wide networks have been established in Europe, Asia and Latin America, and others are being formed in Africa and North America to complete the organization's global reach. Exchanges of knowledge at the different levels will be facilitated by better regional and international co-operation.

preparations for the next Earth Summit in Johannesburg.

The Forum's main communication tool is its website which offers some 1,500 documents and more than 10,000 web pages. Regular electronic conferences are organized on various themes. To avoid discriminating against members not having access to e-mail facilities, the Forum also issues a bulletin and various other publications.

The Mountain Forum has generated a most gratifying dynamism, and its pioneering approach is rousing increasing interest. As the organization



grows, more sources of funding will have to be found as it is still too heavily dependent on the SDC.

Electronic communication

The Forum also collaborates with a number of institutions having similar interests, for example the International Centre for Integrated Mountain Development (ICIMOD). It has also established fruitful relations with the Committee for Sustainable Development and is closely monitoring the



PIONEERING POLICY

**Poverty reduction**

Switzerland has been an innovator in this field, having devised a «creative» form of debt reduction which consists of establishing a link between debt relief and social development. The reduction of debts through export risk guarantees (i.e. bilateral public debts) amounts to SFr. 1.1 billion. In return, 12 countries have agreed to devote SFr. 267 million to projects in aid of their poorest communities. The especially successful case of the Philippines shows how a counterpart fund of this kind can be used to achieve excellent results.

Different procedures have been adopted in other countries. In Tanzania, for example, sums owed to banks and private enterprises have been reduced as a result of a program to buy back non-guaranteed commercial loans. In Bolivia, complementary measures have been introduced to enable the country to manage its debt more effectively. All of these measures have gradually been taken up by the international community in its efforts to solve the problem of debt as a whole.

Over 10 years, the Swiss program has been instrumental in relieving the burden of the poorest and most indebted countries by finding effective solutions to their problems of insolvency. It has led to the writing off of debts amounting to almost SFr. 2 billion. In future, debt reduction measures will be incorporated into ordinary cooperation measures. This is an acknowledgement that debt reduction cannot be dealt with in isolation, but must form part of an overall policy of economic assistance with even more emphasis on economic growth and the reduction of poverty.

The primary objective of the Swiss Debt Reduction Program, for which seco has overall responsibility, is to reduce the debts of poor countries and thereby facilitate the development of disadvantaged communities. Aid is granted to countries which have demonstrated a firm commitment to a process of economic and political reform. The criteria applied to the beneficiary countries are good governance (respect for human rights, separation of judicial and political powers, freedom of the press, etc.) and a commitment to combat poverty.

The Swiss Debt Reduction Program has four types of instruments: the cancellation of bilateral public debts, the remission of non-guaranteed commercial debts, the reduction of multilateral debts and various complementary measures. The first of these is often conditional on the governments concerned setting up so-called «counterpart» funds dedicated to funding development activities.

EXCHANGING DEBTS FOR PROJECTS

An economic reform program and various debt reduction measures have enabled the Philippines to take encouraging steps towards growth and poverty reduction. Unfortunately, progress was hindered in 1997 by the financial crisis in South-East Asia and by the devastating consequences of the natural phenomenon El Niño.

company, which specializes in environment-friendly products made from the coconut.

Erosion is a major problem in the Philippines and Cocotech offers solutions to soil degradation. The coconut netting it makes is used to stabilize walls, while its bricks are used in agriculture, horticulture and for domestic purposes. It also produces natural

The result is a peat substitute with a low acid content which resists bacteria and fungal growth.

Cocotech's activities have resulted in a revival of the coconut-fiber industry, the manufacture of quality products which meet a real market demand and the development of new technologies. One of the most important aspects of the project is that this enter-



Switzerland has helped the Philippine government to improve its economic and social situation by canceling the whole of its bilateral debt. This decision was conditional on the government setting up a counterpart fund to support development activities in favor of the poorest population groups. The Foundation for a Sustainable Society, Inc. (FSSI) was established in 1995 and since that time has given support to more than 150 projects in the form of loans and start-up assistance. One of the beneficiaries is the Coco technologies (Cocotech)

fertilizers and coconut fiber pots. There is no lack of the raw material: 11 billion coconuts are harvested in the archipelago each year!

Poverty reduction

Coconut products are sold under the «Cocogreen» label in Japan, the United States and Europe. Switzerland recently began importing the company's bricks. The raw material is the fiber (coir) surrounding the coconut, which is dried and compressed then finally steeped in water before use.

prise offers economic opportunities to marginalized communities. More than 60% of the income from sales is paid to producer families who previously lived in extreme poverty. As a result, Cocotech has improved the situations of more than 30,000 people.

The results of this experiment give grounds for hope. The other projects supported by the counterpart fund in the Philippines are concerned with agriculture, fishing and small businesses.

REDUCING MULTILATERAL DEBT

Tanzania is one of the world's poorest countries, despite its considerable economic potential which includes mineral resources, plentiful water supplies, productive agricultural land and tourism. Its underdevelopment is partly explained by its high level of foreign debt which has a suffocating

effect on growth. Servicing the debt costs US\$ 264 per capita annually, whereas annual income per inhabitant is barely US\$ 210.



Over the past five years Tanzania has successfully introduced economic reforms qualifying it for help under the Heavily Indebted Poor Countries (HIPC) Initiative. The aim of this initiative is to reduce the overall debt of the countries concerned to manageable levels and so free them from their situation of insolvency. In Tanzania's case, because effective remission of the debt within the original framework of the initiative was de-

laid, measures had to be taken to relieve the country of the high servicing costs as quickly as possible. In conjunction with other donors, Switzerland has contributed to a multilateral debt relief fund.

The donor countries have also taken the opportunity presented by this dialogue to coordinate their activities more effectively. Their objective is to support a poverty reduction strategy by granting combined budgetary aid. This aid is credited directly to the national budget which is drawn up in

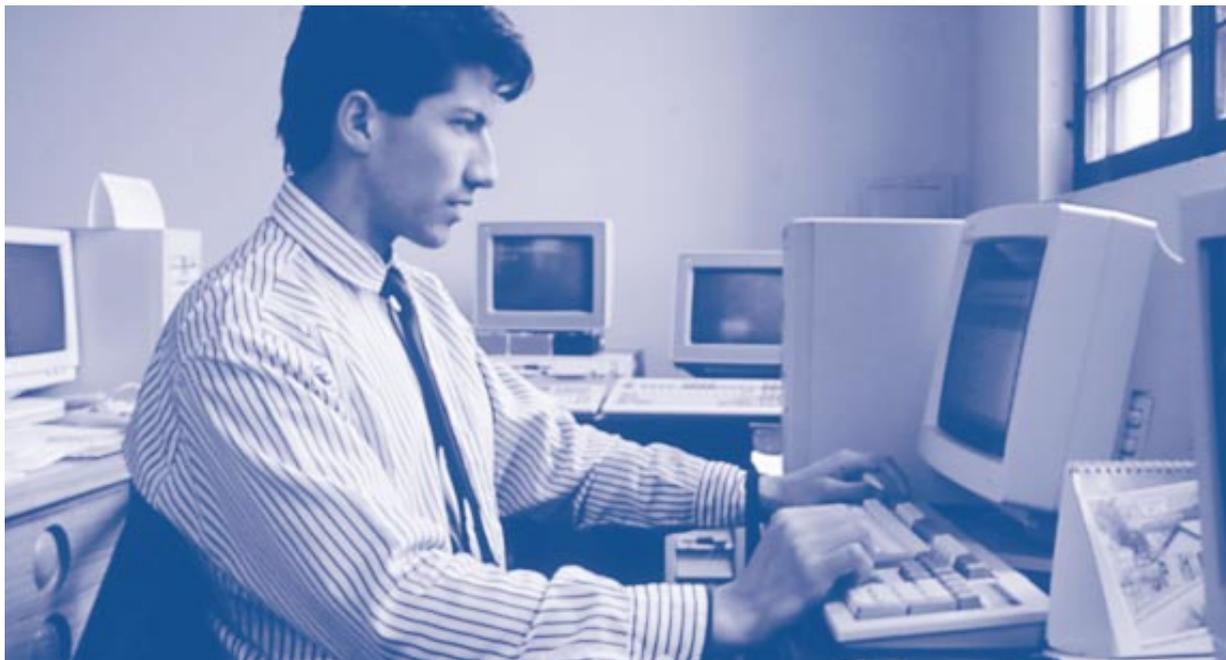
Setting priorities

The money advanced from this fund has made it possible to settle Tanzania's outstanding interest and capital repayments to the World Bank, the International Monetary Fund and the African Development Bank. The savings made in this way have been spent on health and education. By establishing a regular dialogue, the donor countries hope to reach an agreement with the Tanzanian government on priorities in the area of development policy. They also seek to support Tanzania's efforts to achieve a transparent allocation of financial resources.

accordance with the principles adopted for development policy.

Switzerland is also helping to relieve Tanzania's debt burden in other ways. A counterpart fund has been set up in exchange for the cancellation of Tanzania's bilateral debt, making it possible to fund projects in such areas as health, local development and environmental protection.

LEARNING TO MANAGE DEBT



Although Bolivia has been acting in accordance with International Monetary Fund (IMF) recommendations on structural reform and adjustment for more than 15 years, it still remains one of the poorest countries in Latin America. The international community has rewarded the country's commitment to reform by canceling part of its foreign debt. Bolivia was one of the first countries to benefit from the Heavily Indebted Poor Countries (HIPC) Initiative. In response, it has formulated a poverty reduction strategy, in consultation with the institutions of civil society.

Thanks to the Swiss Debt Reduction Program, Bolivia has benefited from measures to help it improve its debt management and is one of 34 countries to have enjoyed support of this kind. In particular, Switzerland has supported the Bolivian government's objective of simplifying institutional procedures and improving the training of specialists in debt management.

In practical terms, this has meant funding the installation, at Bolivia's central bank, of UNCTAD (United Nations Conference on Trade and Development) software designed for analyzing and managing debt. At the same time, Switzerland has undertaken to train the users of this computer program which provides a reliable, centralized way of keeping track of debts and payments falling due.

Borrowing impact analysis

In conjunction with Denmark, the United Kingdom, Austria and Sweden, Switzerland has also funded a program for improving debt analysis and sustainability. This will put Bolivia in a better position to measure the impact of its contracting loans, taking into account different possible economic scenarios, and will strengthen its negotiating position in the context of the HIPC Initiative. An important aspect of the program is that it creates a network of knowledge

involving all the countries and institutions in the region and trains specialists at regional level.

The efforts made in Bolivia to ensure better debt management have been crowned with success. The only problem is that, once trained, civil servants tend to leave state employment to take up better-paid posts elsewhere. Without this constant staff turnover, the results of the program would be even better.

For many years, Bolivia has been high on the Swiss development cooperation list of priorities. Seco is engaged there on several fronts, including helping with debt reduction, providing institutional support for the central bank and promoting investment and business activity.



Table 1
Overview of Swiss
Official Assistance
in 2001

The OECD defines **Official Development Assistance (ODA)** as the total of all transactions which

- are provided by public bodies (Confederation, cantons and communes)
- are granted at concessional conditions (gifts or loans at low rates of interest)
- have as the main objective the promotion of economic and social development of recipient countries
- are intended to benefit countries or territories on the list drawn up by the OECD.

This list of 152 countries and territories classified as "developing" includes, in Europe, the countries of the former Yugoslavia, Albania, Moldova and Malta.

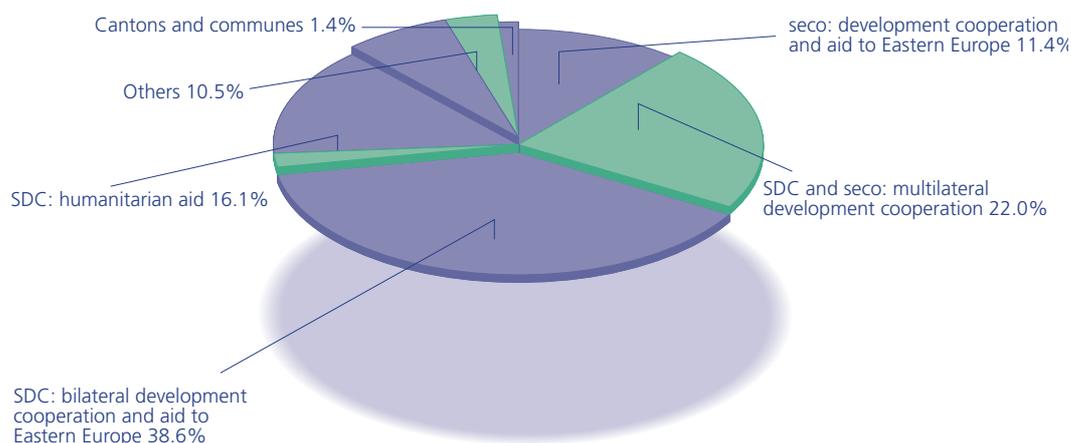
Official Assistance adheres to the same four criteria but the list of receiver countries is different. In this case, the aid goes to countries in transition, 12 of them being in Central and Eastern Europe, including Russia and 22 countries and territories considered to be at a "more advanced" stage of development, among them Gibraltar, Israel, Hong Kong, the Bahamas and Singapore.

Sources of financing and instruments (million SFr.)	2001			2000	
	ODA Bilateral	ODA Multilateral	Official Assistance	Total	Total
Confederation	1'066.3	443.3	95.2	1'604.8	1'579.0
Swiss Agency for Development and Cooperation (SDC)	809.6	364.7	45.8	1'220.1	1'156.6
Humanitarian Aid	218.6	27.7	9.4	255.7	262.1
Development Cooperation ¹⁾	526.1	337.0	1.7	864.8	817.9
Cooperation with Eastern Europe	64.9	–	34.7	99.6	76.6
State Secretariat for Economic Affairs (seco)	149.2	25.9	44.0	219.0	247.1
Development Cooperation	93.7	25.9	–	119.5	129.8
Cooperation with Eastern Europe	55.5	–	44.0	99.5	117.3
Other departments	107.6	52.7	5.4	165.7	175.3
Cantons and communes	21.3	–	1.7	23.0	24.2
Humanitarian Aid	3.6	–	0.2	3.8	5.2
Development Cooperation	17.7	–	1.5	19.2	19.0
Total	1'087.6	443.3	96.9	1'627.8	1'603.2
of which: Humanitarian Aid	296.1	27.7	9.6	333.4	346.7
Development Cooperation	671.1	415.6	8.6	1'095.3	1'062.5
Cooperation with Eastern Europe	120.4	–	78.7	199.1	194.0
Official Development Assistance (ODA)	1'087.6	443.3		1'530.9	1'502.7
GNP				450'597	437'048
ODA in % of GNP				0.34 %	0.34 %
Official Assistance			96.9	96.9	100.6

¹⁾Multilateral financial cooperation with the World Bank and regional development banks and funds is a "task shared by the SDC and seco" (art. 8, para. 1 of the Federal decree of 12.12.1977 on development cooperation). The corresponding funds are included in the SDC budget.

Graph 1
Overview of Swiss
Official Development
Assistance (ODA)
in 2001

■ Bilateral cooperation: 71%
■ Multilateral cooperation: 29%



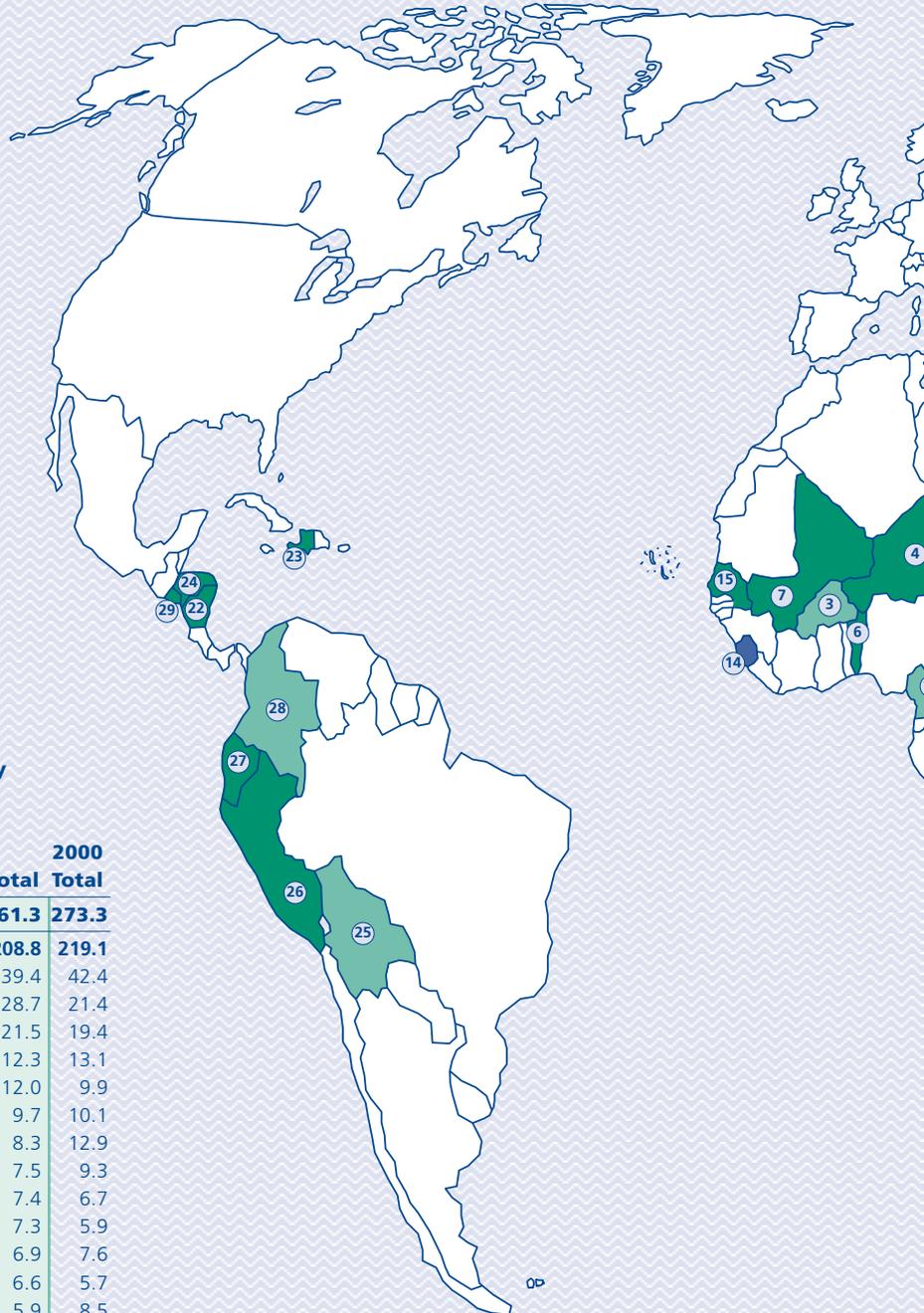
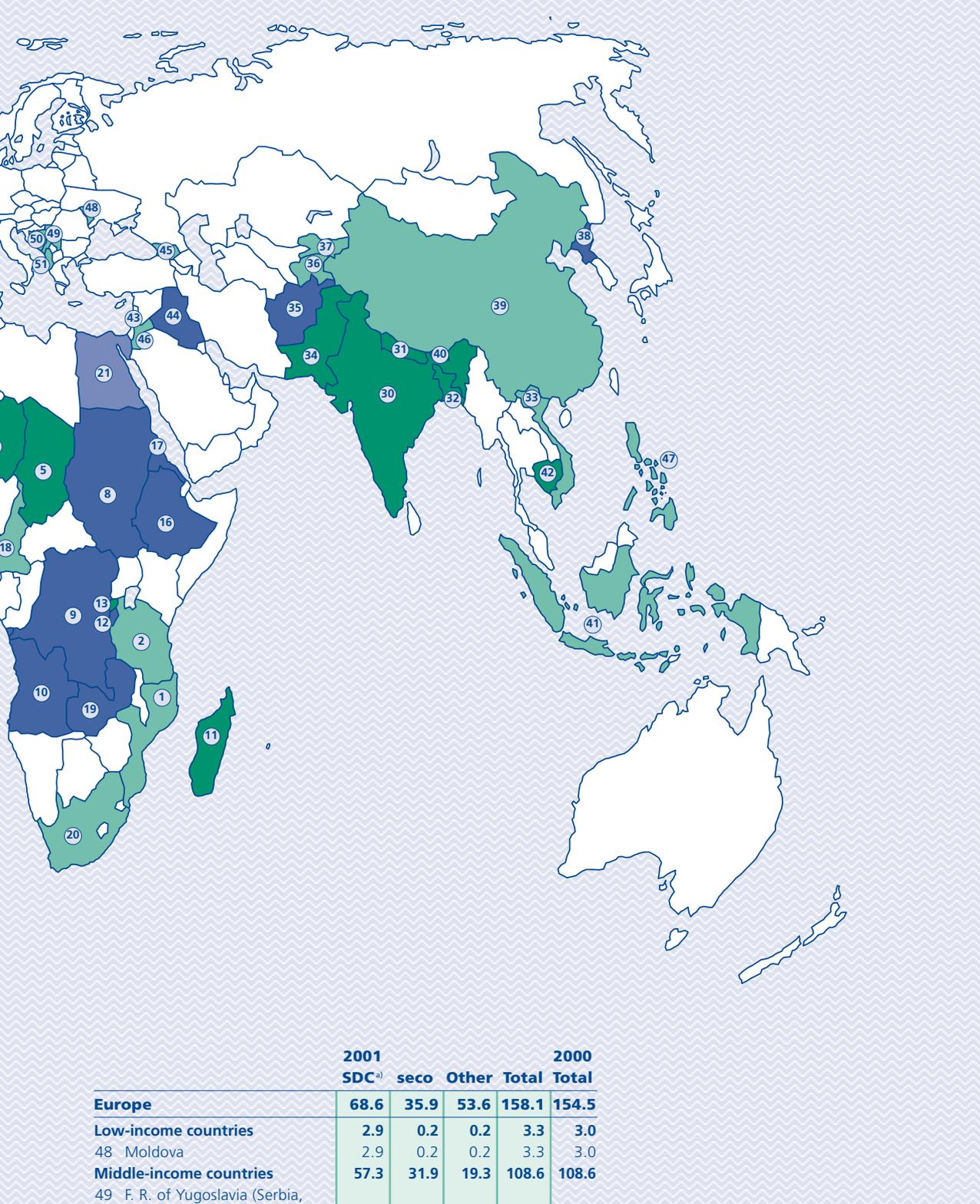


Table 2

Swiss bilateral Official Development Assistance (ODA)
Distribution by main countries and by aid category
(million SFr.)

	2001			2000	
	SDC ^{a)}	seco	Other	Total	Total
Africa	212.4	39.2	9.7	261.3	273.3
Low-income countries	178.4	23.7	6.7	208.8	219.1
1 Mozambique	30.2	8.6	0.6	39.4	42.4
2 Tanzania	20.4	8.0	0.4	28.7	21.4
3 Burkina Faso	13.9	6.8	0.8	21.5	19.4
4 Niger	12.2	–	0.1	12.3	13.1
5 Chad	11.9	–	0.2	12.0	9.9
6 Benin	9.6	–	0.1	9.7	10.1
7 Mali	8.0	–	0.3	8.3	12.9
8 Sudan	7.3	–	0.2	7.5	9.3
9 Congo (D.R.)	7.3	–	0.1	7.4	6.7
10 Angola	7.3	–	–	7.3	5.9
11 Madagascar	6.4	–	0.5	6.9	7.6
12 Burundi	6.6	–	–	6.6	5.7
13 Rwanda	5.7	–	0.2	5.9	8.5
14 Sierra Leone	5.7	–	–	5.7	4.5
15 Senegal	5.2	–	0.4	5.6	4.3
16 Ethiopia	3.6	–	0.2	3.8	6.1
17 Eritrea	3.2	–	0.3	3.5	2.6
18 Cameroon	2.0	0.1	0.9	2.9	3.5
19 Zambia	1.8	–	–	1.8	0.8
Other countries	10.3	0.3	1.3	11.8	24.5
Middle-income countries	12.4	9.4	1.8	23.6	26.4
20 South Africa	9.1	3.3	1.2	13.6	9.0
21 Egypt	0.8	4.2	0.3	5.3	11.8
Other countries	2.5	2.0	0.3	4.7	5.5
Unclassified and regional projects	21.6	6.1	1.1	28.8	27.9
Latin America	92.5	6.2	6.0	104.7	107.8
Low-income countries	14.3	0.1	1.0	15.4	24.7
22 Nicaragua	7.7	0.1	0.5	8.2	11.7
23 Haiti	3.3	–	0.5	3.8	4.0
24 Honduras	3.4	–	–	3.4	9.0
Middle-income countries	62.2	4.3	4.8	71.2	64.5
25 Bolivia	16.1	1.5	0.3	17.9	17.8
26 Peru	13.9	0.4	0.8	15.1	10.9
27 Ecuador	10.9	0.3	0.4	11.7	7.9
28 Colombia	5.5	1.8	0.7	8.0	9.5
29 El Salvador	4.8	–	0.5	5.3	4.1
Other countries	11.0	0.3	1.9	13.2	14.4
Unclassified and regional projects	16.0	1.8	0.2	18.0	18.7

	2001			2000	
	SDC ^{a)}	seco	Other	Total	Total
Asia	209.4	21.1	9.0	239.6	229.7
Low-income countries	167.4	15.2	5.3	187.9	179.2
30 India	34.6	0.2	2.4	37.2	30.9
31 Nepal	20.9	–	0.1	20.9	19.6
32 Bangladesh	20.4	–	0.3	20.7	24.7
33 Vietnam	14.1	3.6	0.4	18.2	18.0
34 Pakistan	15.0	–	0.1	15.0	15.0
35 Afghanistan	12.0	–	0.6	12.6	8.6
36 Tajikistan	6.6	4.8	0.2	11.6	8.5
37 Kyrgyzstan	7.9	0.1	0.3	8.3	12.2
38 Korea (North)	7.6	–	–	7.6	4.4
39 China	2.8	3.4	0.2	6.4	16.7
40 Bhutan	6.4	–	–	6.4	5.7
41 Indonesia	3.3	2.0	0.2	5.5	5.9
42 Cambodia	4.9	–	0.1	5.0	3.1
Other countries	11.0	1.1	0.4	12.5	5.7
Middle-income countries	27.0	4.6	1.8	33.4	38.0
43 Palestine	9.8	–	0.3	10.2	8.9
44 Iraq	4.8	–	0.2	5.0	6.0
45 Georgia	3.3	0.3	0.3	3.9	3.9
46 Jordan	0.9	2.7	–	3.6	6.1
47 Philippines	2.2	0.1	0.3	2.7	2.7
Other countries	5.9	1.6	0.6	8.1	10.4
Unclassified and regional projects	15.0	1.3	1.9	18.2	12.6



	2001			2000	
	SDC ^{a)}	seco	Other	Total	Total
Europe	68.6	35.9	53.6	158.1	154.5
Low-income countries	2.9	0.2	0.2	3.3	3.0
48 Moldova	2.9	0.2	0.2	3.3	3.0
Middle-income countries	57.3	31.9	19.3	108.6	108.6
49 F. R. of Yugoslavia (Serbia, incl. Kosovo; Montenegro)	23.5	26.4	7.8	57.7	49.3
50 Bosnia-Herzegovina	10.9	3.8	6.4	21.1	18.9
51 Albania	6.9	2.0	0.9	9.8	11.8
Other countries	16.0	–	4.3	20.0	28.6
Unclassified and regional projects	8.4	3.8	34.1	46.2	42.9
Low-income countries	363.0	39.3	13.2	415.5	425.9
Middle-income countries	158.9	50.3	27.7	236.8	237.4
Unclassified and regional projects	61.0	12.9	37.4	111.3	102.1
Unclassified by continent	226.6	46.7	50.6	324.0	293.5
Bilateral ODA, total	809.6	149.2	128.9	1'088	1'059

^{a)}Expenses of NGOs issued from program contributions of the SDC are included in these figures

Countries of first priority according to aid categories (2001):

- Development cooperation of the SDC
- Humanitarian Aid of the SDC
- Economic measures of seco
- Development cooperation of the SDC and economic measures of seco

Nicaragua/Central America and Vietnam/region of the Mekong are priority regions of the SDC.

Table 3

Swiss Official Development Assistance (ODA)
Development since 1960 (in billion SFr. at current value)

	1960	1970	1980	1990	1993	1994	1995	1996	1997	1998	1999	2000	2001
GNP	37.1	92.6	177.3	326.1	357.1	369.1	373.8	382.9	397.1	408.7	417.3	437.0	450.6
Spending by the Confederation	2.6	7.8	17.5	31.6	39.7	42.6	40.9	44.2	44.4	47.0	45.7	47.1	48.9
Public spending (Confederation and cantons)	6.5	20.3	47.2	86.6	108.1	114.2	111.1	116.0	117.3	120.2	119.9	122.0	127.2
ODA	0.02	0.13	0.42	1.04	1.17	1.34	1.28	1.27	1.32	1.30	1.49	1.50	1.53
NGO donations	–	0.05	0.11	0.16	0.21	0.23	0.22	0.22	0.22	0.25	0.28	0.27	–
ODA in % of GNP	0.04	0.14	0.24	0.32	0.33	0.36	0.34	0.34	0.33	0.32	0.35	0.34	0.34
ODA in % of spending by the Confederation	0.58	1.66	2.41	3.29	2.95	3.15	3.13	2.87	2.82	2.77	3.10	3.19	3.13
ODA in % of public spending	0.23	0.64	0.90	1.20	1.08	1.18	1.15	1.09	1.07	1.08	1.22	1.23	1.20

Graph 2
Development of Swiss Official Development Assistance (ODA), 1960-2001
 (million SFr. at current value)



Graph 3
Development of Swiss Official Development Assistance (ODA), 1960-2001
 (in percentage of GNP)



Graph 4
Distribution of Swiss Official Development Assistance (ODA), 1960-2001
 (million SFr. at current value)

- Bilateral development cooperation
- Multilateral development cooperation
- Bilateral humanitarian aid
- Multilateral humanitarian aid

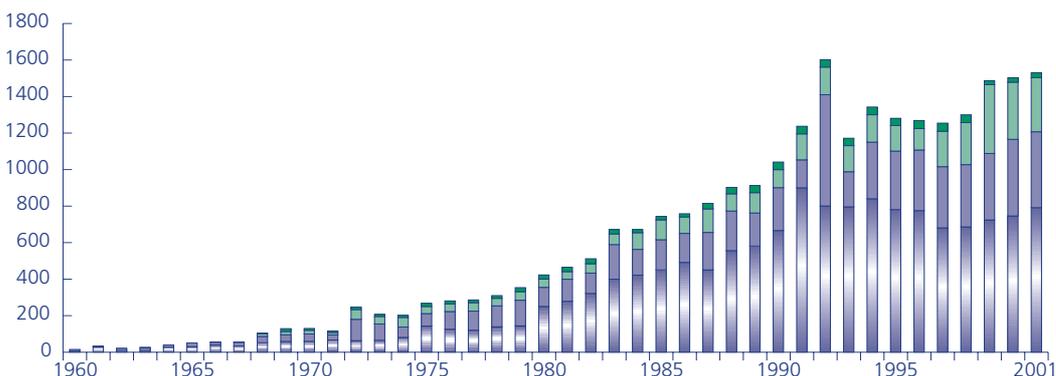


Table 4
Distribution of Swiss
Official Development
Assistance (ODA) by
country, 1963-2001
(million SFr.)

	1963	1970	1980	1990	1993	1994	1995	1996	1997	1998	1999	2000	2001
Africa, total	2.5	27.4	102.5	343.7	307.3	311.9	303.8	283.9	272.1	243.3	277.7	273.3	261.3
Mozambique	–	0.2	3.8	36.3	28.2	41.1	31.9	33.5	26.3	30.0	26.4	42.4	39.4
Tanzania	0.1	1.8	23.5	26.3	17.6	27.4	22.5	19.3	35.3	19.8	32.5	21.4	28.7
Burkina Faso	–	–	3.3	6.9	10.9	17.8	14.5	18.4	18.1	11.0	21.5	19.4	21.5
South Africa	–	–	–	17.6	6.1	8.3	10.2	15.2	13.9	17.8	5.7	9.0	13.6
Niger	–	–	2.5	8.1	19.2	7.8	8.8	8.7	8.0	8.4	10.9	13.1	12.3
Chad	–	0.6	0.7	7.2	12.2	9.9	7.6	8.7	14.3	9.3	10.3	9.9	12.0
Benin	–	1.3	0.9	13.3	13.0	6.6	19.3	12.8	9.9	10.0	9.6	10.1	9.7
Mali	–	–	6.9	23.4	8.3	8.9	6.8	6.9	10.9	8.5	9.0	12.9	8.3
Sudan	–	0.1	0.5	5.9	6.2	2.4	4.4	3.4	3.1	8.6	8.1	9.3	7.5
Congo (D.R.)	0.3	0.7	0.9	1.4	1.5	4.0	1.5	5.4	2.7	3.3	6.3	6.7	7.4
Angola	–	0.1	0.2	5.8	4.1	5.1	4.3	9.5	8.3	7.5	8.8	5.9	7.3
Madagascar	0.1	0.7	4.3	44.7	24.6	20.3	20.5	15.9	13.8	9.1	9.9	7.6	6.9
Burundi	0.2	0.6	1.9	2.9	2.6	1.9	0.7	2.5	1.3	2.8	3.6	5.7	6.6
Asia, total	3.1	27.9	97.6	175.5	256.3	276.7	193.7	179.6	205.5	208.9	203.5	229.7	239.6
India	0.8	17.4	27.8	17.9	39.9	34.2	26.8	26.4	36.6	28.8	29.5	30.9	37.2
Nepal	1.1	1.0	13.5	22.3	19.5	23.4	18.4	18.3	16.3	18.0	20.5	19.6	20.9
Bangladesh	–	–	18.8	13.3	21.6	28.1	14.0	15.1	12.0	33.9	25.7	24.7	20.7
Vietnam	–	0.5	0.4	1.1	23.6	10.8	5.7	12.5	15.1	16.8	13.7	18.0	18.2
Pakistan	–	1.6	2.2	13.4	17.3	19.7	15.0	16.9	14.7	14.6	13.3	15.0	15.0
Afghanistan	–	0.1	0.3	2.8	2.2	2.2	4.0	1.8	3.2	4.8	4.2	8.6	12.6
Tajikistan	–	–	–	–	0.5	1.3	1.0	1.8	7.5	5.4	4.5	8.5	11.6
Palestine	–	–	–	–	3.0	17.9	14.8	11.7	8.8	10.0	9.3	8.9	10.2
Latin America, total	5.4	14.7	36.3	90.1	90.7	135.9	114.5	122.4	95.6	100.8	123.6	107.8	104.7
Bolivia	–	0.5	5.6	21.8	17.5	34.1	19.2	28.2	19.2	19.8	18.0	17.8	17.9
Peru	0.1	2.2	4.9	14.9	10.6	9.0	10.4	15.6	15.6	12.3	12.4	10.9	15.1
Ecuador	–	2.9	1.0	5.4	6.9	7.8	9.0	9.2	8.7	8.5	8.0	7.9	11.7
Nicaragua	–	–	0.9	8.8	8.5	11.8	22.3	14.1	6.6	12.0	13.2	11.7	8.2
Colombia	–	0.5	0.9	1.4	5.0	5.1	7.1	6.5	5.2	6.1	5.9	9.5	8.0
Europe, total	0.1	0.6	0.6	2.7	51.7	48.7	64.0	60.2	34.4	39.4	187.0	154.5	158.1
Bilateral ODA, total	12.9	79.3	295.7	764.9	938.9	990.2	921.0	892.6	834.2	932.3	1'087	1'059	1'088

Table 5
Distribution of SDC
bilateral cooperation
activities by sector
and country
 (main countries)
 2001 (million SFr.)

	Agriculture	Water, Infrastructure, Transport	Environment	Health, Population	Education, Arts, Culture	Private sector, Financial sector	Management of public sector	Multi-sectoral	Total
Africa	21.8	20.4	6.5	37.4	15.9	9.6	12.6	34.8	159.0
Mozambique	1.0	4.9	1.5	13.6	0.4	0.8	2.0	5.4	29.5
Tanzania	1.3	6.5	–	8.6	–	0.3	0.1	2.2	19.0
Burkina Faso	0.5	1.1	0.1	0.2	1.7	2.4	1.4	5.6	13.0
Niger	2.1	3.2	0.3	0.1	0.7	0.3	0.7	4.4	11.7
Benin	1.5	0.6	–	3.5	1.3	0.9	0.3	1.4	9.3
Chad	1.3	1.3	–	1.9	0.3	1.0	0.2	5.9	11.8
Madagascar	5.8	–	0.1	–	–	–	–	–	5.9
Mali	1.0	–	2.1	0.9	0.1	1.2	0.9	1.6	7.9
Cape Verde	–	0.3	–	0.2	–	0.1	0.2	–	0.4
South Africa	1.0	0.3	–	0.2	3.2	–	3.4	0.6	8.5
Rwanda	–	–	–	1.0	0.3	0.5	1.9	1.8	4.7
Asia	24.4	29.3	18.6	7.6	21.8	17.4	7.6	21.4	148.0
Bangladesh	4.2	4.9	0.4	0.5	5.2	2.1	–	2.9	20.2
India	7.1	0.1	3.2	0.4	3.0	10.6	1.5	3.7	29.5
Nepal	1.7	10.2	2.2	1.5	1.2	1.3	0.8	2.0	20.9
Vietnam	–	4.3	4.6	0.2	3.5	0.4	0.2	0.8	14.0
Pakistan	2.1	5.6	1.9	–	0.9	0.8	1.7	1.9	14.9
Palestine	–	–	1.3	0.3	2.0	–	0.4	4.2	8.3
Bhutan	1.6	1.0	0.2	–	1.9	0.3	1.2	0.3	6.4
Indonesia	0.1	0.1	1.6	0.1	0.6	–	–	–	2.5
Latin America	21.0	9.0	10.6	2.9	6.3	16.1	5.2	8.8	79.9
Bolivia	5.9	0.1	0.9	0.8	0.4	3.9	2.0	1.9	15.8
Peru	1.4	2.6	0.6	0.1	1.6	2.5	1.3	1.7	11.9
Ecuador	3.6	0.8	1.2	0.4	–	2.6	0.6	1.5	10.7
Nicaragua	1.8	2.1	–	0.2	0.8	1.3	0.6	0.3	7.0
Honduras	0.1	1.3	–	–	–	0.2	–	0.2	1.8
Europe	5.6	–	–	–	1.0	–	–	0.7	7.3
Unclassified by continent	4.0	3.5	13.2	6.3	9.0	3.3	2.8	65.8	107.9
SDC bilateral activities	76.8	62.2	48.9	54.3	53.9	46.4	28.2	131.6	502.2

Table 6

SDC bilateral cooperation

Breakdown of projects according to type of management

	2001		2000	
	million SFr.	%	million SFr.	%
Projects run by the SDC	274.2	54.6	238.5	50.4
Projects run by institutions and Swiss companies	101.7	20.3	103.9	22.0
of which: Swiss private aid organizations (NGOs)	72.1	14.4	71.1	15.0
Contributions to Swiss organizations for specific projects	66.1	13.2	66.6	14.1
of which: Swiss private aid organizations (NGOs)	56.0	11.2	56.5	12.0
Contributions to international organizations for specific projects	60.1	12.0	63.8	13.5
Total bilateral cooperation	502.2	100.0	472.8	100.0

Table 7

SDC bilateral cooperation

Cooperation with Swiss private aid organizations (NGOs)

	2001		
	Program contributions million SFr.	Projects under SDC supervision million SFr.	Total million SFr.
Intercooperation	–	25.5	25.5
Swisscontact	5.5	13.4	18.9
Helvetas	12.5	21.3	33.8
Swiss Red Cross (SRC)	3.2	0.8	4.0
Program of Volunteers (UNITE)	9.5	–	9.5
Caritas Switzerland	3.7	–	3.7
Bread for All	2.6	–	2.6
Genevan Federation for Cooperation (FGC)	1.5	–	1.5
Swissaid	5.5	–	5.5
Swiss Interchurch Aid (EPER)	1.5	–	1.5
Catholic Lenten Fund	2.8	–	2.8
Swiss Labor Assistance (OSEO)	2.1	0.8	2.9
Pestalozzi Children's Village Trust	1.4	–	1.4

Table 8
Multilateral
cooperation
**General contributions
to international
organizations**

	2000 million SFr.	2001 million SFr.
United Nations Organizations	132.6	138.8
UN Development Programme (UNDP)	52.0	52.0
UN Children's Fund (UNICEF)	17.0	17.0
UN High Commissioner for Refugees (UNHCR)	13.0	13.0
UN Fund for Population Activities (UNFPA)	11.5	12.0
UN Relief and Works Agency for Palestinian refugees in the Near East (UNRWA)	9.4	11.9
Special programs of the World Health Organization (WHO)	5.0	3.6
Joint program of the UN on HIV/AIDS (UNAIDS)	2.2	4.0
UN Development Fund for Women (UNIFEM)	0.8	0.8
UN Volunteers Program (UNV)	0.5	0.6
Other UN organizations ^{a)}	21.2	23.9
Financial institutions for development and their special funds^{b)}	290.5	267.5
African Development Bank (AfDB)	2.0	1.9
African Development Fund (AfDF)	92.1	46.0
Asian Development Bank (AsDB)	0.7	0.6
Asian Development Fund (AsDF)	10.6	13.9
Inter-American Development Bank (IDB)	1.4	1.6
Heavily Indebted Poor Countries Initiative (HIPC Initiative)	25.0	23.5
International Development Association (IDA)	140.0	140.0
International Agricultural Development Fund (IADF)	0.2	17.7
Other financial institutions ^{c)}	18.5	22.2
Other multilateral institutions	20.7	37.0
Consultative Group for International Agricultural Research (CGIAR)	3.1	11.1
Global Environment Facility (GEF)	8.4	10.6
Global Fund for Aids, Tuberculosis and Malaria (GFATM)	–	5.0
Agence intergouvernementale de la francophonie (AIF)	4.2	4.3
International Union for the Conservation of Nature (IUCN)	1.2	1.2
Other multilateral institutions	3.7	4.9
Total multilateral cooperation	443.8	443.3

^{a)}This involves obligatory or general contributions to other organizations such as the World Health Organization (WHO), the United Nations Environment Program (UNEP), the Food and Agriculture Organization (FAO), the United Nations Industrial Development Organization (UNIDO) and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

^{b)}Multilateral financial cooperation with the World Bank and regional development banks and funds is a "task shared by the SDC and seco" (art. 8, para. 1 of the Federal decree of 12.12.1977 on cooperation and development). The corresponding funds are included in the SDC budget.

Contributions made in the form of "notes" (so called sight drafts) appear in the accounts as they are emitted.

^{c)}This involves general contributions to the IMF's Poverty Reduction and Growth Facility (formerly called Enhanced Structural Adjustment Facility), to the IMF's fiduciary fund which contributes to the financing of the Initiative on behalf of Heavily Indebted Poor Countries (HIPC), to the International Bank for Reconstruction and Development (IBRD) and to the Multilateral Investment Guarantee Agency (MIGA).

ECONOMIC MEASURES

Table 9

Economic and trade policy measures of seco

Payments by type of measure

	2001		2000	
	million SFr.	%	million SFr.	%
Debt reduction measures	25.4	21.2	37.3	28.8
Balance of payments assistance	24.3	20.3	16.9	13.1
Mixed financing	6.8	5.7	16.5	12.7
Trade promotion	20.1	16.8	13.8	10.6
Measures aimed at activating private sector resources	37.8	31.6	36.8	28.4
Basic products	0.1	0.1	5.2	4.0
Studies and others	5.1	4.2	3.2	2.4
Total economic measures	119.5	100.0	129.8	100.0

Table 10

Economic and trade policy measures of seco

Payments by type of measure and country (million SFr.)

Country	Type of measure	2001 Total per country
Africa		39.2
Mozambique	Balance of payments assistance	8.6
Tanzania	Balance of payments assistance	8.0
Burkina Faso	Balance of payments assistance	6.8
Egypt	Mixed financing	4.2
South Africa	Support for the private sector	3.3
Morocco	Support for the private sector	1.0
Regional projects and other countries	Support for the private sector	7.4
Latin America		6.2
Colombia	Support for the private sector	1.8
Bolivia	Trade promotion	1.5
Peru	Support for the private sector	0.4
Other countries	Support for the private sector	2.5
Asia		13.3
Vietnam	Mixed financing, support for the private sector	3.6
China	Mixed financing, support for the private sector	3.4
Jordan	Mixed financing	2.7
Indonesia	Support for the private sector	2.0
Regional projects and other countries	Support for the private sector	1.6
Unclassified developing countries	Debt reduction measures, support for the private sector	60.8
Total		119.5

Table 11
Net contributions of
Swiss public and private resources to de-
veloping and transition countries
(million SFr.)

Developing countries	1998	1999	2000
Official Development Assistance	1'352.2	1'469.1	1'502.7
Other public sector contributions	51.2	31.9	12.7
Private contributions	5'196.0	3'400.2	1'682.7
Direct investments	5'196.0	2'789.2	1'914.6
Export credits	..	611.0	844.4
Portfolio investments	–
Private donations	249.4	275.4	274.1

Transition countries	1998	1999	2000
Official Assistance	114.3	106.0	100.6
Other public sector contribution	1.0	1.0	–
Private contributions	2.0	10.5	10.9
Private donations	24.2	18.6	13.9

Sources:
Private contributions: Swiss National Bank and Export Risk Guarantee Office
Private donations: Survey by Swiss NGOs.

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Segretariato di Stato dell'economia
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2001



SWITZERLAND'S INTERNATIONAL COOPERATION

ANNUAL REPORT

E

COOPERATION WITH EASTERN EUROPE



SWISS INTERNATIONAL COOPERATION

Swiss Official Development Assistance amounts to approximately Sfr. 1.5 billion per year. That is equivalent to 0.34 percent of Gross National Product (GNP) or 58 centimes per inhabitant per day. This sum accounts for the whole of the financial contributions, accompanied by preferential conditions and made to developing countries, to international institutions and non-governmental organizations by the Confederation, the cantons and communes.

What are the **objectives** in real terms? According to the Federal Law of March 19, 1976 on International Development Cooperation and Humanitarian Aid, the objectives are to «support the efforts of developing countries to improve the living conditions of their population and to assist these countries in ensuring their own development».

In March 1994, the Federal Council set out its guidelines and **development policy** for North-South Relations in the 1990s. These contain four main themes: the safeguarding and maintenance of peace and security together with the promotion of human rights, democracy and the rule of law, the promotion of prosperity and the strengthening of the framework conditions for sustainable development, the improvement of social justice (particularly as regards women), and lastly, protection of the environment.

Two federal offices are responsible for the concept and implementation of development aid: the **Swiss Agency for Development and Cooperation (SDC)**, part of the Federal Department of Foreign Affairs, and the **State Secretariat for Economic Affairs (seco)** which is part of the Federal Department of Economy. The principal instruments at their disposal are: technical cooperation, financial aid, economic and trade measures, and

humanitarian aid. The SDC coordinates all the initiatives.

The Swiss Agency for Development and Cooperation (SDC) is responsible for the following four areas of activities: bilateral development cooperation, multilateral development cooperation, humanitarian aid and technical cooperation with Eastern Europe. With an annual budget of approximately 1.3 billion SFr. and over 350 staff members both at home and abroad, SDC provides services through direct operations, by supporting the programs of multilateral organizations and by co-financing and making financial contributions to the programs of Swiss and international private aid organizations.

The aim of **development cooperation** is to combat poverty by providing help towards self-help. In particular, it promotes economic and government autonomy, contributes to the improvement of production conditions, helps to solve environmental problems and aims at better access to education and basic health care for the most disadvantaged population groups.

The mandate of the Swiss Confederation's **Humanitarian Aid** is to save lives and alleviate suffering. It provides direct aid in the wake of natural disasters and of armed conflict through interventions by the Swiss Humanitarian Aid Unit (SHA). It also supports humanitarian partner organizations.

The SDC supports the countries of **Eastern Europe** and the Commonwealth of Independent States (CIS) in their progress towards democracy and the market economy by transfer of know-how and assistance to problem solving.

While humanitarian aid is provided where most needed, bilateral devel-

opment cooperation is concentrated on 17 priority countries and regions and four countries with special programs in Africa, Asia and Latin America. Technical cooperation with Eastern Europe is concentrated on ten countries in South-East Europe and the CIS. Most of the SDC's multilateral activities are implemented together with the UN bodies, the World Bank and the regional development banks. In all, there are at present about a thousand programs and projects of several years.

The **State Secretariat for Economic Affairs (seco)** determines economic and commercial measures for development cooperation, including mixed credits (involving both the Confederation and Swiss banks), balance of payment aid, trade promotion and, in collaboration with the international community, promotion of basic products. A substantial share of these measures is destined for countries of Eastern Europe and the CIS. The seco is also the main actor in the scheme to reduce the debt burden of those countries most in debt.



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SUPPORT FOR REFORM IN YUGOSLAVIA SHOWS ENCOURAGING INITIAL RESULTS

The changes that have taken place in the Federal Republic of Yugoslavia (FRY) since autumn 2000 have enabled the country to emerge from a decade of conflict and isolation. Still, the awakening has been painful for most people who have had to come to terms with the bitter reality of inflation, unemployment and poverty. In view of this situation, the international community has decided to give substantial financial support to the new authorities in Belgrade. The government has launched an extensive program of reform and reconstruction to rescue the country from the chaos into which it had sunk.

With its central position in the Balkans and considerable economic potential, the FRY is regarded as a country of vital strategic importance. The normalization undertaken under the leadership of President Vojislav Kostunica should lead to the stabilization of the region – a process which would be even more difficult without the involvement of the FRY. By adhering to the Stability Pact for South Eastern Europe, the FRY has improved this body's chances of bringing peace to the region.

Since the Yugoslav authorities embarked on a process of democratic reform, Switzerland has drawn up a medium- and long-term aid program. But the Swiss





were already engaged in Serbia and Montenegro as far back as 1995, providing humanitarian aid and, since 1999, supplying electrical equipment for emergency repairs. These activities continued into 2001 to meet the needs of struggling communities. In practical terms, this involved accommodating refugees, rebuilding schools and hospitals, repairing heating installations and remedying environmental damage caused by the war.

Meeting longer-term needs

The initial phase is now over and existing programs are being replaced by longer-term aid to support the FRY's political, economic and social transition. The Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (seco) are working together to define projects in the areas of technical and financial cooperation which will best meet the needs of the beneficiaries. The SDC is particularly committed to supporting the reform of national institutions and public administration, providing assistance to local authorities, promoting small and medium-sized enterprises (SMEs) and supporting education and the integration and protection of ethnic minorities.

For its part, seco is more oriented towards the reconstruction of the country's electrical infrastructure – including a major program to deliver equipment and modernize the national grid – as well as developing the private sector and promoting trade and investment. Swiss aid also aims to facilitate the FRY's return to the international financial institutions. Moreover, in adhering to the Stability Pact, Switzerland is also participating in a number of regional projects. Pact initiatives, funded or co-funded by the Confederation, include promoting the media, strengthening local democracy and regional cooperation, providing education and vocational training and supporting social cohesion in the region.

Rapid progress

Swiss efforts, combined with those of the international community, have enabled the FRY to make considerable progress in a short time. These encouraging results raise hopes for the future, even though there is still an enormous amount to be done. Consolidating democracy, strengthening the economy and developing regional cooperation are the long-term aims of a process which is still in its early stages.

However, solutions still need to be found for two major problems. First, relations between Serbia and Montenegro remain tense. Their relationship needs to be redefined and will involve changes in the existing federal structure. Second, a shadow still hangs over the future of Kosovo. The present situation is fragile and instability is likely to persist, whether Kosovo becomes an international protectorate, a province of Serbia or an independent state. The country must learn to come to terms with its past while committing itself firmly to the way of democracy.

Walter Fust
Ambassador
Director, SDC

David Syz
State Secretary
Director, seco



SUPPORTING THE FRY IN ITS REFORM PROGRAM

AID TO MEET THE COUNTRY'S REAL NEEDS



The political changes that have occurred in the Federal Republic of Yugoslavia (FRY) since the autumn of 2000 have opened up the prospect of sustained economic development. The aid effort has been coordinated at international level to ensure support for reform in the fields most urgently requiring attention. Switzerland, with aid programs managed by the SDC and seco, committed more than SFr. 40 million last year. The following examples illustrate ways in which the two agencies are making their individual contributions.

The SDC division responsible for cooperation with Eastern Europe and the Commonwealth of Independent

States (CIS) has drawn up a long-term strategy which gives special priority to Serbia. Its principal aims are to lend support to institutional and public-service reforms, private-sector development, education and training and the integration of minorities. The SDC is also taking part in four regional programs concerned with justice and the police, research, culture and young people. Finally, it is assisting in the management of change, which is an important aspect of the reform process in all the sectors mentioned above.

Of the first wave of projects launched in the FRY, the two described below have made substantial progress. The

assistance provided to local authorities, drawing on credits allocated for rapid intervention, has eased the most acute problems of seven municipal areas in central Serbia. In the long term, emphasis will be put on the training of public officials so as to enable them to organize and manage their municipalities to European standards, by involving representatives of civil society in their decision-making. For its part, the multilateral project coordinated by the UNDP will help to improve the government's technical and administrative capacities.

Rapid progress

In providing financial aid, seco's priority is the country's electrical power infrastructure. In the early stages, measures were taken to alleviate some of the worst deficiencies by supplying spare parts so that installations could be repaired. The transfer of trams from Basel to Belgrade is a good example of a project which, in a very short time, has resulted in substantial improvements to the capital's public transportation network.

Through the efforts of seco, Switzerland has played a key role in facilitating Yugoslavia's reintegration into the international financial community. The steps taken soon after power changed hands are explained in the article devoted to this important program. The reforms are beginning to bear fruit and give reason to believe that the objectives of political stability, economic liberalization and democratic governance are really achievable.

MODERNIZING LOCAL GOVERNMENT

The change of regime in the Federal Republic of Yugoslavia in the autumn of 2000 has forced local authorities to reform the way they operate, becoming more efficient and sensitive to the ordinary citizen. To assist them in what is a wide-ranging process of modernization, the SDC has set up an aid pro-

The importance of training

From on-the-spot evaluation and discussions with the municipal authorities, four main problem areas emerged: infrastructure, municipal management, social services and finally economic development. The aim

The program in support of local authorities is regarded as a pilot project. At the same time, the Serb and Yugoslav governments have been approached about making institutional, legal and fiscal arrangements favorable to municipal development. Launched last spring, the program –



gram covering seven Serb municipalities. The population of these urban areas is almost one million.

The principal objectives of the project are to help the local administrations to improve their management capacities and resources, and enhance their authority in an increasingly decentralized system. The aim is to increase the efficiency of their infrastructures make them available to all segments of the population. They need to be able to provide people with a basic social security system, keep them well informed and enable them to participate actively in local government and the development process. Municipal management must therefore be accountable and transparent.

of Swiss aid is to fill these gaps as well as possible.

Basic and advanced training is one of the most important aspects of the program. Last September, approximately 60 officials from the seven municipalities concerned took part in a week's training in Switzerland to acquaint them with the principles of modern administration. The training was not limited to theoretical matters but also had a practical component. The participants visited the towns of Winterthur, Glarus and Zurich and were given detailed information about the various municipal institutions.

in which the SDC will be investing nearly SFr. 8.5 million – is scheduled to continue until the beginning of 2004. It is hoped that better municipal structures will provide a sound foundation for economic stability, the rule of law and democratic government in the FRY.

LAYING THE FOUNDATIONS FOR MODERN ADMINISTRATION



Since coming to power in the autumn of 2000, the Yugoslav authorities have launched a wide-ranging program of reform, a key aim of which is to promote democratic governance. However, without effective administration, hopes of making significant progress in this direction are illusory. The United Nations Development Program (UNDP) has thus set up a project to modernize the administration of the Federal Republic of Yugoslavia (FRY), to which the SDC is making a financial contribution.

When the new government took power, the administration was failing in a number of ways. Its thinking, methods and procedures were completely outdated. Officials received no encouragement to improve their performance. Low salaries also sapped morale, led to a lack of discipline and punctuality, and so provided a breeding ground for corruption. This state

of affairs is still continuing and cannot be changed overnight. Reform is an immense task which requires a long-term approach.

Rebirth of an Institute

To support reform initiatives in a number of fields, the UNDP has set up a training fund referred to as the Capacity Building Fund (CBF). The SDC's financial contribution to this Fund is being used to reactivate the Institute of Public Administration (IPA) which was abolished in 1991. This institute is supervised by a civil-service council – a body of experts appointed by the Serb government.

The intention is that the institute should become a point of reference in support of reform and a center of excellence for administrative management training programs. Its purpose is to introduce modern standards at all

levels of the administration. With this end in view, it will be offering assistance to ministerial departments, municipalities and other public services, helping them to define their mission, rationalize their structures, make effective use of human and financial resources and simplify administrative procedures. This presupposes the training of qualified personnel who are in very short supply at the present time. Improvements in this area will enable the administration to perform better and should create a culture of honesty, transparency and accountability.

Switzerland is a member of the steering committee of the IPA and is the only country currently assisting the revived institute. Its financial contribution amounts to almost half a million francs.

BASEL TRAMS FOR BELGRADE

«Greetings to Belgrade from Switzerland and the city of Basel» is the slogan emblazoned on a series of trams now operating in the Serbian capital. The trams sporting this message come from Basel and have found their way to Belgrade as the result of a seco project. By making this rolling stock and spare parts available, Switzerland has helped to improve the quality and frequency of public transportation services in the city.

After a 10-year embargo, Belgrade was urgently in need of new vehicles to meet its transportation needs. Only half of its 200 trams were still operating. To make up in part for this deficiency, seco granted a loan of nearly SFr.3 million to pay for 22 trams, one service unit and 21 coaches, to be delivered in stages between summer 2001 and spring 2002. These second-hand trams are in excellent condition, despite the fact that they have clocked up thousands of miles on the streets of Basel since 1967. Strongly built and regularly maintained, they are still reckoned to have a useful life of between 10 and 15 years. Of the 56 trams originally delivered, 30 or so continue to operate in Basel.

Having been transported to Belgrade by rail, the trams were quickly put into service, still painted in the colors of the Swiss city on the Rhine. It was easy to make the transfer, as the two cities have the same electrical and rail systems. Only the switchgear was different, but the problem was overcome with a few minor modifications.

Providing training

With the principle of sustainable development in mind, it was important to train the staff responsible for driv-



ing and maintaining the new rolling stock. The drivers received instruction when the trams went into service. In addition, five employees spent a month in Basel, learning day-to-day maintenance operations. Major servicing was covered in a five-week course, again in Basel, and attended by four employees of the Belgrade public transportation company. All training was provided by the Basel transport authorities.

Between April 2002 and December 2003, the units will be overhauled in the Belgrade workshops. The city of Belgrade is paying for the labor, while

seco is providing the spare parts and the services of a consultant.

This seco project breaks new ground in more ways than one. It has resulted in a distinct improvement in Belgrade's public transport, and there has been very little delay in its implementation. Finally, it has won the hearts of the people of Basel: the old trams, de-railed in favor of newer models, are back on track again in Belgrade.

REJOINING THE INTERNATIONAL FINANCIAL INSTITUTIONS

The Federal Republic of Yugoslavia (FRY) has been readmitted to the Bretton Woods Institutions, thanks largely to support from Switzerland. Belgrade had been excluded from these bodies in 1992 when hostilities broke out in the Balkans following the breakup of the old socialist Yugoslavia. The FRY is now a member – alongside Poland, Uzbekistan, Turkmenistan, Azerbaijan, Kyrgyzstan and Tajikistan – of the voting group led by Switzerland, an arrangement which serves to strengthen its position. Bern feels a sense of responsibility towards the members of this group, light-heartedly referred to as «Helvetistan».

Between November 2000 and May 2001, the FRY was admitted to the UN, the Organization for Security and Cooperation in Europe (OSCE), the Stability Pact, the International Monetary Fund (IMF), the European Bank for Reconstruction and Development (EBRD), the Council of Europe (with observer status) and finally the World Bank (WB).

Strict conditions

The FRY's rejoining of the financial institutions was subject to a number of conditions. In particular, the country had to absorb a series of debts attributed to the former Yugoslavia. Switzerland offered its support in managing part of these arrears. It also granted a loan of SFr. 28 million to enable the FRY to join the EBRD. The federal government also made available two bridging loans. The first, in conjunction with Norway, was intended to settle the FRY's arrears to the IMF. For the second, Switzerland acted alone and advanced the necessary reserves to enable Belgrade to rejoin the Fund. These two loans were immediately repaid by Yugoslavia on the same day they were granted.



Though complex and difficult to understand, this mechanism enables an applicant country to settle its debt, join the IMF, then – as a member – to receive a first installment of credit. In essence, the Swiss maneuver served as a catalyst enabling the FRY to recover its position in the international community.

Attracting investors

However, for a country to re-establish its position in the world economy it needs to do more than borrow money – it must also attract investment. In rejoining the Bretton Woods Institutions, the FRY also became a member of the Multilateral Investment Guarantee Agency (MIGA). The purpose of this body, of which Switzerland is a founder member, is to stimulate the flow of funds to countries with emerging economies to improve the stand-

ard of living of their populations and reduce poverty.

The various aid measures taken by Switzerland to enable the FRY to rejoin the international financial community have cost some SFr. 42 million. An aid package of SFr. 10 million has also been granted to balance the Yugoslav budget. The determined efforts made by Belgrade to carry through the reforms required by the international community have been well worthwhile: as a result, the FRY's creditor countries have agreed to reduce its debt by 66% in two stages and to grant easy terms for the repayment of the remainder.

Table 1
Overview of Swiss
Official Assistance
in 2001

The OECD defines **Official Development Assistance (ODA)** as the total of all transactions which

- are provided by public bodies (Confederation, cantons and communes)
- are granted at concessional conditions (gifts or loans at low rates of interest)
- have as the main objective the promotion of economic and social development of recipient countries
- are intended to benefit countries or territories on the list drawn up by the OECD.

This list of 152 countries and territories classified as “developing” includes, in Europe, the countries of the former Yugoslavia, Albania, Moldova and Malta.

Official Assistance adheres to the same four criteria but the list of receiver countries is different. In this case, the aid goes to countries in transition, 12 of them being in Central and Eastern Europe, including Russia and 22 countries and territories considered to be at a “more advanced” stage of development, among them Gibraltar, Israel, Hong Kong, the Bahamas and Singapore.

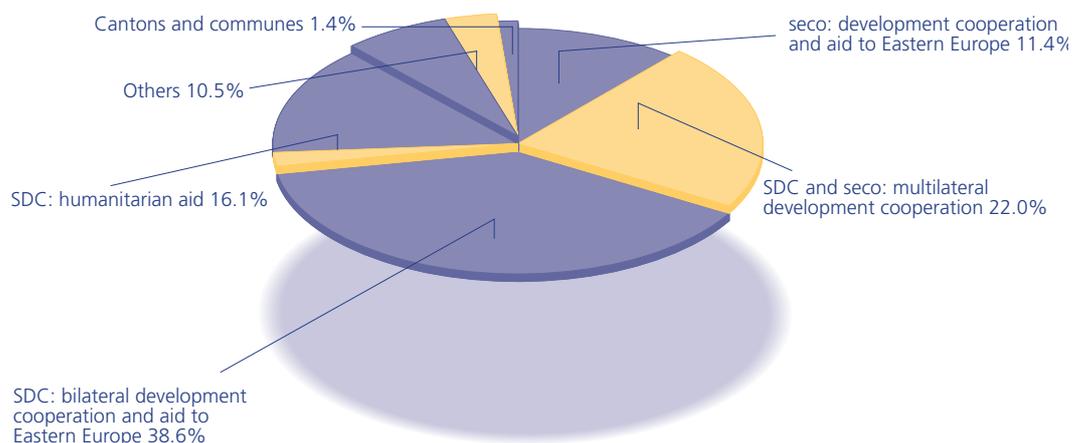
Sources of financing and instruments (million SFr.)	2001			2000	
	ODA Bilateral	ODA Multilateral	Official Assistance	Total	Total
Confederation	1'066.3	443.3	95.2	1'604.8	1'579.0
Swiss Agency for Development and Cooperation (SDC)	809.6	364.7	45.8	1'220.1	1'156.6
Humanitarian Aid	218.6	27.7	9.4	255.7	262.1
Development Cooperation ¹⁾	526.1	337.0	1.7	864.8	817.9
Cooperation with Eastern Europe	64.9	–	34.7	99.6	76.6
State Secretariat for Economic Affairs (seco)	149.2	25.9	44.0	219.0	247.1
Development Cooperation	93.7	25.9	–	119.5	129.8
Cooperation with Eastern Europe	55.5	–	44.0	99.5	117.3
Other departments	107.6	52.7	5.4	165.7	175.3
Cantons and communes	21.3	–	1.7	23.0	24.2
Humanitarian Aid	3.6	–	0.2	3.8	5.2
Development Cooperation	17.7	–	1.5	19.2	19.0
Total	1'087.6	443.3	96.9	1'627.8	1'603.2
of which: Humanitarian Aid	296.1	27.7	9.6	333.4	346.7
Development Cooperation	671.1	415.6	8.6	1'095.3	1'062.5
Cooperation with Eastern Europe	120.4	–	78.7	199.1	194.0
Official Development Assistance (ODA)	1'087.6	443.3		1'530.9	1'502.7
GNP				450'597	437'048
ODA in % of GNP				0.34 %	0.34 %
Official Assistance			96.9	96.9	100.6

¹⁾Multilateral financial cooperation with the World Bank and regional development banks and funds is a “task shared by the SDC and seco” (art. 8, para. 1 of the Federal decree of 12.12.1977 on development cooperation). The corresponding funds are included in the SDC budget.

Graph 1
Overview of Swiss
Official Development
Assistance (ODA)
in 2001

■ Bilateral cooperation: 71%

■ Multilateral cooperation: 29%



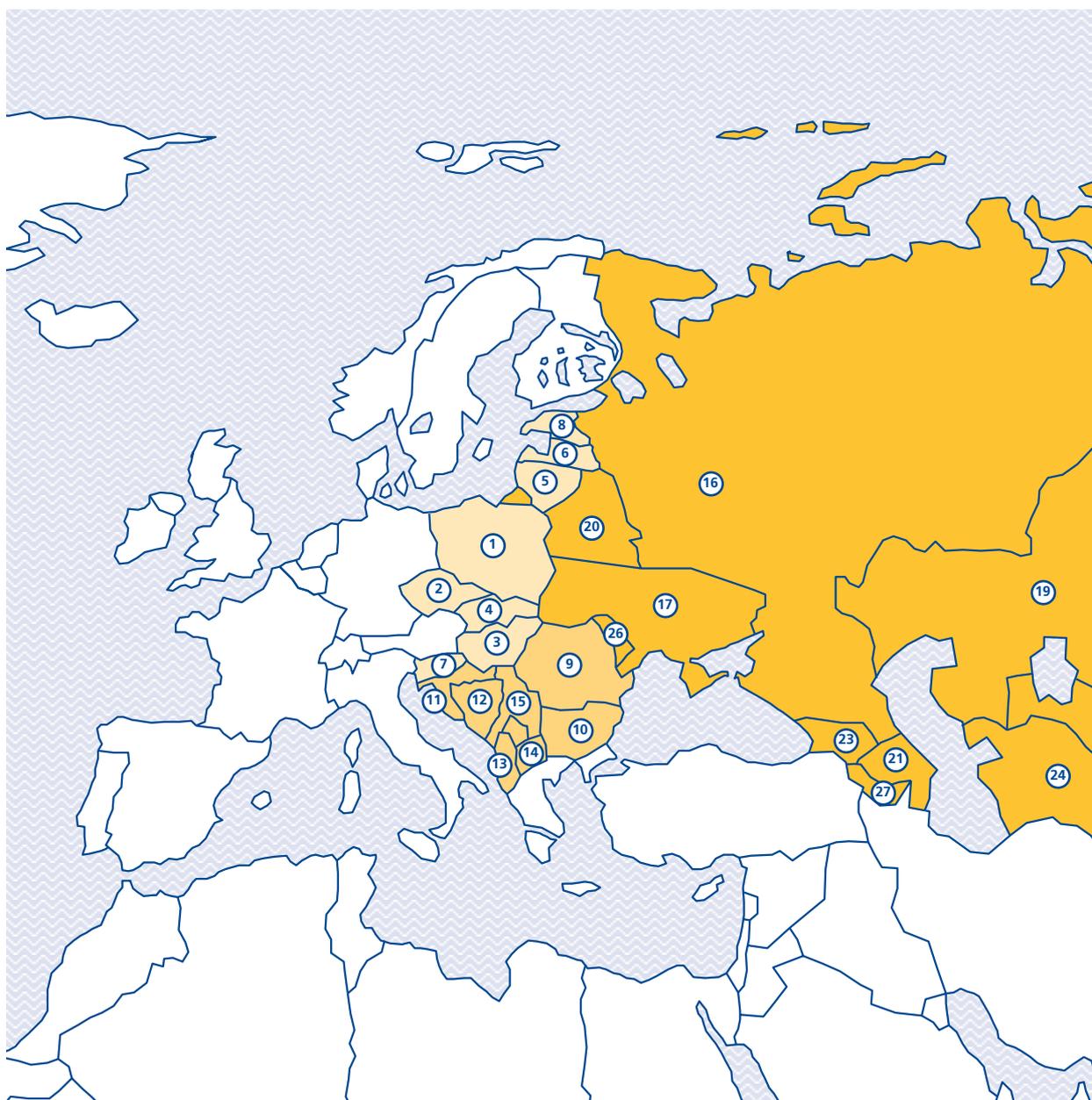


Table 2
Cooperation with
Eastern Europe and the CIS
Partner countries

	Population 1999	Area in 1'000 sq. km	Capital ¹⁾	Per capita GNI (\$ 1999) ²⁾	Population 1999
Central Europe					South-East Europe
1 Poland ³⁾	38'654'000	323.3	Warsaw	4'070	9 Romania
2 Czech Republic	10'278'180	78.9	Prague	5'020	10 Bulgaria
3 Hungary	10'068'000	93.0	Budapest	4'640	11 Croatia
4 Slovakia	5'396'000	49.0	Bratislava	3'770	12 Bosnia-Herzegovina
5 Lithuania	3'699'000	65.2	Vilnius	2'640	13 Albania
6 Latvia	2'431'100	64.6	Riga	2'430	14 Macedonia ⁵⁾
7 Slovenia	1'985'500	20.3	Ljubljana	10'000	15 F.R. of Yugoslavia (incl. Kosovo) ⁶⁾
8 Estonia	1'442'390	45.1	Tallinn	3'400	

¹⁾Switzerland maintains coordination offices in the following cities: Belgrade, Bishkek, Bucharest, Dushanbe, Kiev, Moscow, Pristina, Sarajevo, Skopje, Sofia, Tbilisi, Tirana

²⁾Switzerland's per capita GNI (Gross National Income) in 1999 was \$ 38'380

³⁾Member of the Swiss constituency at the Bretton Woods Institutions (World Bank, International Monetary Fund)

⁴⁾Member of the Swiss constituency at the European Bank for Reconstruction and Development (EBRD)

⁵⁾Former Yugoslav Republic of Macedonia

⁶⁾1998 Data

⁷⁾Estimate

Source: World Bank Atlas



Area in 1'000 sq. km	Capital ¹⁾	Per capita GNI (\$ 1999) ²⁾
238.4	Bucharest	1'470
110.9	Sofia	1'410
56.5	Zagreb	4'530
51.1	Sarajevo	1'210
28.8	Tirana	930
25.7	Skopje	1'660
11'206.0	Belgrade	1'800 ⁷⁾

	Population 1999	Area in 1'000 sq. km	Capital ¹⁾	Per capita GNI (\$ 1999) ²⁾
Commonwealth of Independent States (CIS)				
16	Russia	146'200'000	Moscow	2'250
17	Ukraine	49'950'000	Kiev	840
18	Uzbekistan ³⁾⁴⁾	24'406'300	Tashkent	720
19	Kazakhstan	14'927'000	Almaty	1'250
20	Belarus	10'032'000	Minsk	2'620
21	Azerbaijan ³⁾⁴⁾	7'983'000	Baku	460
22	Tajikistan ³⁾	6'237'000	Dushanbe	280
23	Georgia	5'452'000	Tbilisi	620
24	Turkmenistan ³⁾⁴⁾	4'779'330	Ashgabat	670
25	Kyrgyzstan ³⁾⁴⁾	4'864'600	Bishkek	300
26	Moldova	4'281'020	Chisinau	410
27	Armenia	3'808'860	Yerevan	490

Table 3Cooperation with
Eastern Europe and the CIS**Commitments as
per end of 2001 and
disbursements in
2001 by instrument
(1st, 2nd and 3rd
framework credit)**

	Commitments as per end of 2001 million SFr.	Payments as per end of 2001 million SFr.
Instruments		
Technical cooperation	873.8	99.6
Financial cooperation ¹⁾		
Financial contributions	876.9	57.3
Credit guarantees ²⁾	480.0	1.0
Balance of payments assistance/Debt reduction measures	28.3	10.0
Trade and investment promotion	168.4	23.8
Total	2'427.4	191.7

¹⁾Without administrative costs²⁾Credit guarantees are paid out only in the event of damage

1. Technical cooperation

Technical cooperation is intended to mobilize the reform-oriented countries' own initiative and capabilities. As part of projects with a clearly defined content, time schedule and financial framework, qualified experts are seconded to the beneficiary countries, providing economic, organizational, scientific, technical or cultural know-how and cooperating on the planning and implementation of specific tasks. Thus, technical cooperation covers consultancy, training, concomitant non-cash capital contributions and other project costs. The projects are non-repayable and are implemented in partnership with the beneficiary country.

2. Financial cooperation

• Financial contributions

Financial contributions are used to support urgent projects which cannot be funded commercially and for which Switzerland can offer favorable technical conditions at reasonable cost. Financial contributions are non-repayable. The projects funded to date focus on the environment, energy, health and infrastructure sectors. Support is given via bilateral projects or through co-financing with international institutions such as the World Bank or the European Bank for Reconstruction and Development (EBRD).

• Credit guarantees

Credit guarantees from framework credits for Eastern Europe are available in countries where the Swiss export risk guarantee is not, or only partly, available. Credit guarantees enable these countries to import capital goods of vital importance for their economic development.

• Balance-of-payments assistance / debt reduction

Since 1990, Switzerland has participated in several internationally coordinated balance-of-payments assistance and debt reduction activities (e.g. in the form of "debt for nature swaps") for Central and Eastern European countries. This is because the cost of changing the system and, in some cases, huge debt-servicing obligations have caused a shortage of foreign exchange in almost all countries. In some countries, debts have taken on such proportions that the process of economic change has been hampered or jeopardized.

• Trade and investment promotion

Trade promotion aims at strengthening the export economies of Eastern European countries, thus helping them to improve their participation in world trade. Specialized institutions such as the Swiss Office for the Promotion of Trade (OSEC) or the International Trade Centre (ITC) in Geneva implement concrete activities, such as the improvement of product quality or export marketing.

Private investment plays a key role in the process of economic reform. Switzerland promotes targeted private direct investment via various national and international institutions (for instance, by developing contacts and pre-investment studies).

COOPERATION WITH EASTERN EUROPE

Table 4

Cooperation with
Eastern Europe and the CIS
**Commitments as
per end of 2001 by
country (1st, 2nd and
3rd framework credit)**

	Technical cooperation		Financial cooperation (without credit guarantees)		Credit guarantees	
	million SFr.	%	million SFr.	%	million SFr.	%
Central Europe	201.0	23	360.9	34	123.1	26
Poland	37.5	4	116.5	11	109.4	23
Hungary	37.0	4	41.7	4	3.8	1
Slovakia	14.6	2	35.5	3	–	–
Czech Republic	15.5	2	34.4	3	5.5	1
Latvia	5.2	1	24.0	2	2.7	1
Lithuania	5.3	1	23.0	2	–	–
Estonia	1.6	–	20.0	2	1.7	–
Slovenia	3.4	–	–	–	–	–
Regional	80.8	9	65.8	6	–	–
South-East Europe	360.7	41	424.8	40	115.8	24
Bulgaria	61.8	7	68.0	6	35.0	7
Bosnia-Herzegovina	73.5	8	61.9	6	–	–
Albania	59.9	7	63.9	6	–	–
Romania	62.1	7	55.9	5	–	–
Macedonia	32.4	4	33.9	3	20.0	4
Yugoslavia (F.R.)	26.2	3	86.0	8	–	–
Croatia	4.2	–	–	–	10.8	2
Regional	40.5	5	55.2	5	50.0	10
CIS	312.2	36	287.9	27	241.0	50
Russia	80.6	9	67.6	6	101.9	21
Kyrgyzstan	76.2	9	33.8	3	–	–
Ukraine	22.7	3	46.7	4	30.0	6
Tajikistan	13.3	2	20.4	2	–	–
Belarus	0.4	–	12.3	1	9.1	2
Azerbaijan	0.9	–	13.4	1	–	–
Uzbekistan/Kazakhstan	1.4	–	7.5	1	–	–
Moldova	0.5	–	6.4	1	–	–
Georgia	6.3	1	3.1	–	–	–
Regional	110.0	13	76.7	7	100.0	21
Total	873.8	100	1'073.6	100	479.9	100

Graph 2

Cooperation with
Eastern Europe and the CIS
**Commitments
as per end of 2001**

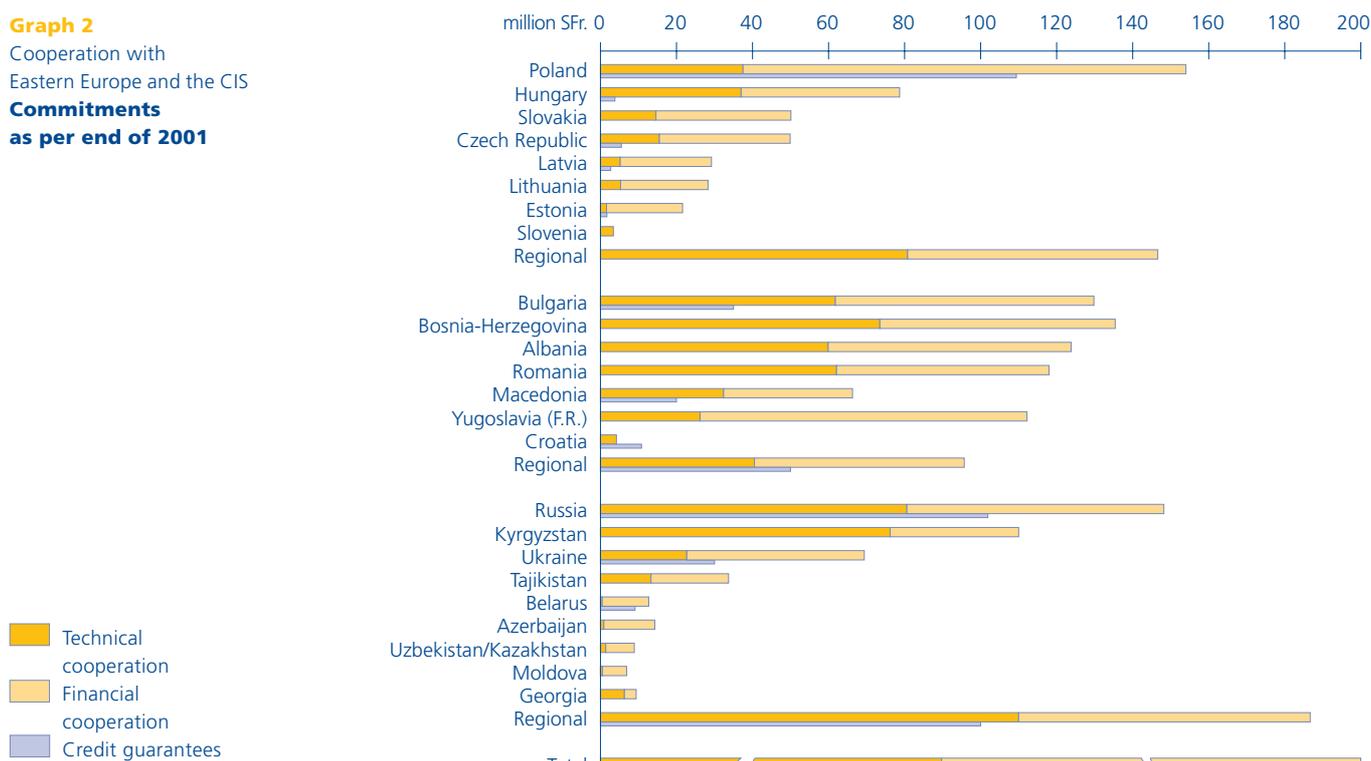


Table 5

Cooperation with Eastern Europe and the CIS

Distribution of commitments by sector as per end of 2001 (1st, 2nd and 3rd framework credit)

	as per end of 2001 million SFr. %	
Technical cooperation		
Politics and constitutional development	256.5	29
Economics/Education	134.0	15
Science/Culture	121.6	14
Agriculture	114.7	13
Health/Social matters	123.1	14
Energy/Environment	102.0	12
Other sectors	22.1	3
Total	873.8	100
Financial contributions		
Environment	298.2	34
Energy	184.2	21
Health	131.6	15
Infrastructure (cadastre, metrology)	61.4	7
Telecommunications	43.9	5
Banking sector	52.6	6
Transport	26.3	3
Agricultural products	17.5	2
Other sectors	61.2	7
Total	876.9	100

Table 6

Cooperation with Eastern Europe and the CIS

**Credit guarantees/
Distribution of commitments by sectors**

	end of 2001 million SFr. %	
Maximum guarantee sum available	480.0	163
Applications approved by 31.12.01:		
Machinery/Engineering industry	131.3	45
Energy	32.2	11
Processing of agricultural products	32.0	11
Textile industry	26.6	9
Chemical industry	27.2	9
Telecommunications	17.7	6
Miscellaneous sectors	26.8	9
Total	293.7	100

COOPERATION WITH EASTERN EUROPE

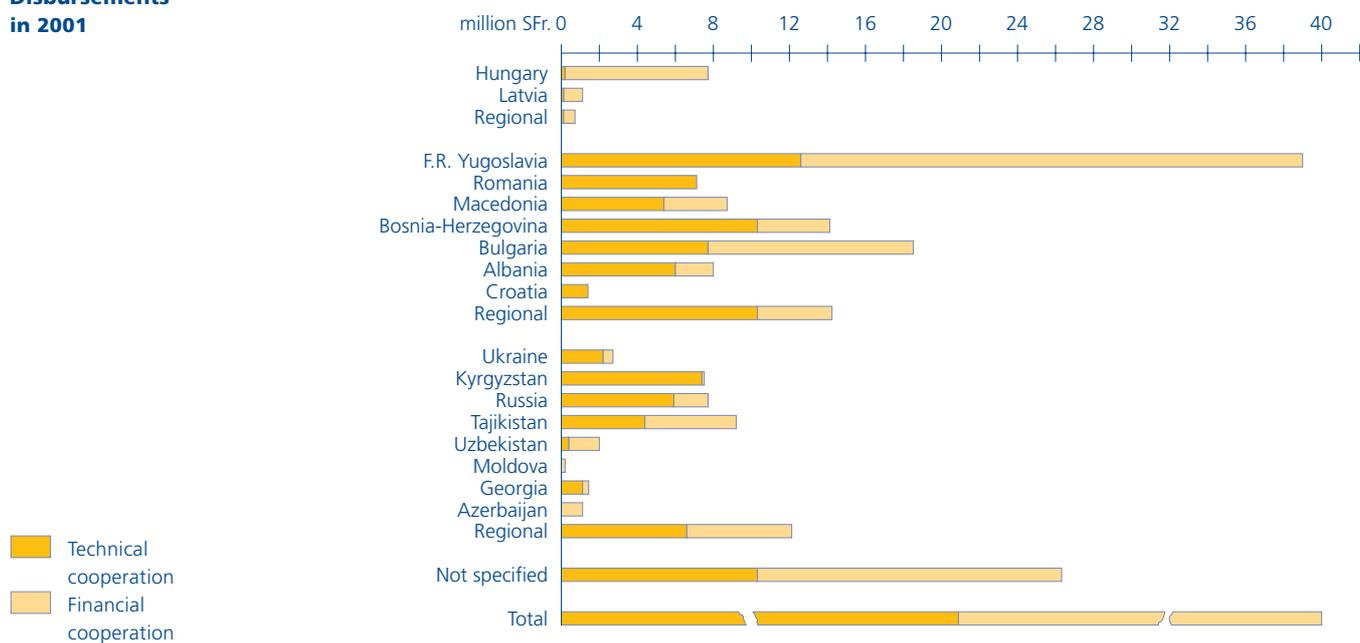
Table 7

Cooperation with
Eastern Europe and the CIS
**Disbursements in
in 2001 by country**

	Technical cooperation		Financial cooperation (without credit guarantees)	
	million SFr.	%	million SFr.	%
Central Europe	0.4		9.1	10
Hungary	0.2		7.5	8
Latvia	0.1		1.0	1
Regional	0.1		0.6	1
South-East Europe	60.8	64	50.1	55
F.R. of Yugoslavia (Serbia, incl. Kosovo; Montenegro)	12.6	12	26.4	29
Romania	7.1	7	–	–
Macedonia	5.4	5	3.3	4
Bosnia-Herzegovina	10.3	10	3.8	4
Bulgaria	7.7	7	10.8	12
Albania	6.0	6	2.0	2
Croatia	1.4	1	–	–
Regional	10.3	17	3.9	4
CIS	28.1	26	15.8	17
Ukraine	2.2	2	0.5	1
Kyrgyzstan	7.4	7	0.1	–
Russia	5.9	5	1.8	2
Tajikistan	4.4	4	4.8	5
Uzbekistan	0.4	–	1.6	2
Moldova	–	–	0.2	–
Georgia	1.1	1	0.3	–
Azerbaijan	–	–	1.1	1
Regional	6.6	6	5.5	6
Not specified	10.3	10	16.0	18
Total	99.6	100	91.1	100

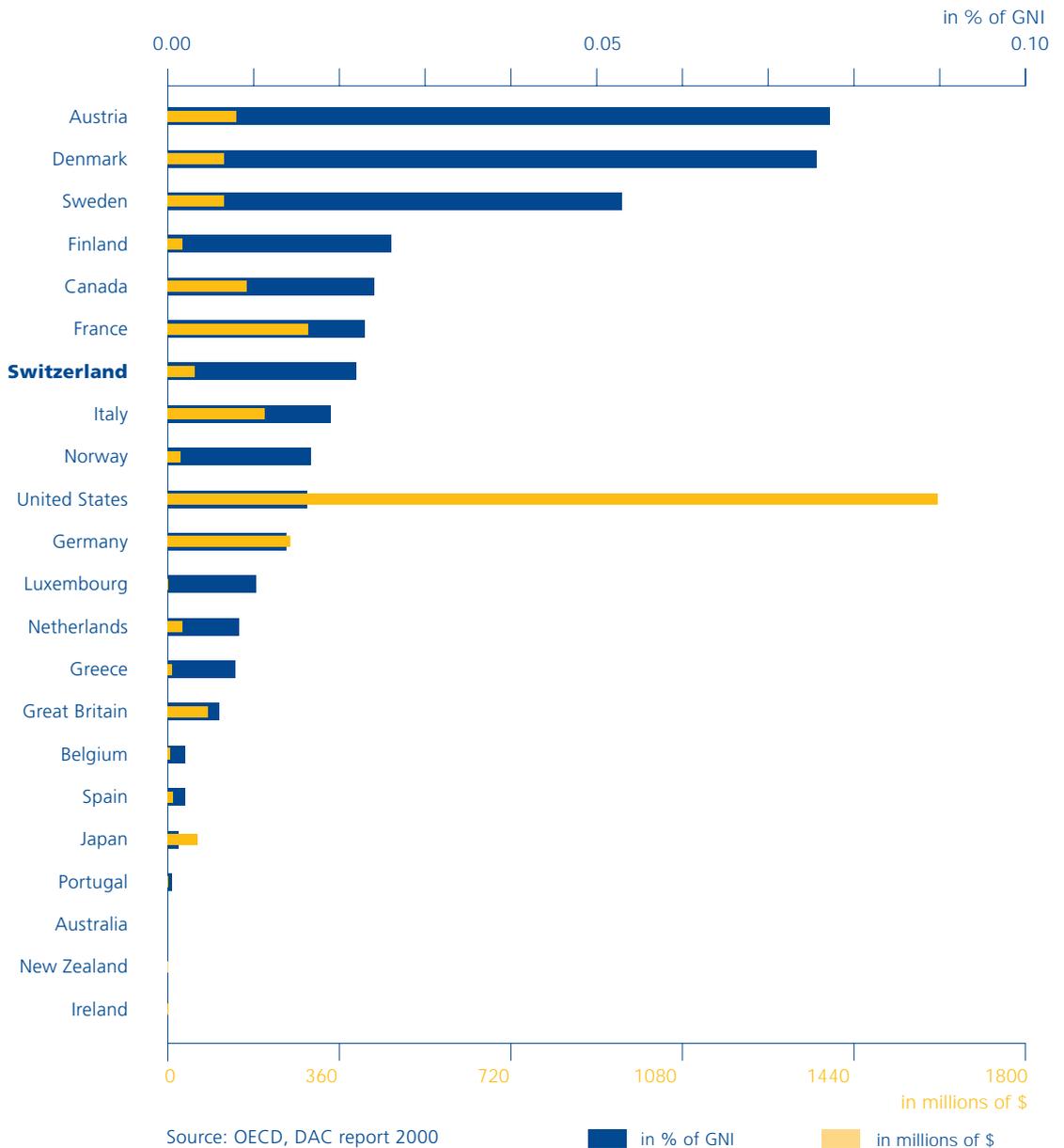
Graph 3

Cooperation with
Eastern Europe and the CIS
**Disbursements
in 2001**



Graph 4

Cooperation with Eastern Europe and the CIS
Disbursements to countries of Central Europe and the CIS from member countries of the DAC (Development Assistance Committee of the OECD) 2000



Switzerland works hand in hand with the international community

Switzerland is a member of the Council of Europe, the European Free Trade Association (EFTA) and the World Trade Organization (WTO), among other bodies.

Its participation in the European Bank for Reconstruction and Development (EBRD), set up in 1991 to support Eastern Europe, amounts to some SFr. 400 million or 2.3% of the Bank's share capital.

It is also a member of the International Monetary Fund (IMF), the World Bank (IBRD), the G-24 (Group of 24 Western industrialized countries for coordinating cooperation with Eastern Europe) and the Organization for Economic Cooperation and Development (OECD). Switzerland continually coordinates its activities on behalf of the reform-oriented countries with all these organizations and also implements projects in conjunction with them, for example by means of co-financing.

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Segretariato di Stato dell'economia
State Secretariat for Economic Affairs



2001



ANNUAL REPORT

E

SWITZERLAND'S INTERNATIONAL COOPERATION



SWISS INTERNATIONAL COOPERATION

Swiss Official Development Assistance amounts to approximately Sfr. 1.5 billion per year. That is equivalent to 0.34 percent of Gross National Product (GNP) or 58 centimes per inhabitant per day. This sum accounts for the whole of the financial contributions, accompanied by preferential conditions and made to developing countries, to international institutions and non-governmental organizations by the Confederation, the cantons and communes.

What are the **objectives** in real terms? According to the Federal Law of March 19, 1976 on International Development Cooperation and Humanitarian Aid, the objectives are to «support the efforts of developing countries to improve the living conditions of their population and to assist these countries in ensuring their own development».

In March 1994, the Federal Council set out its guidelines and **development policy** for North-South Relations in the 1990s. These contain four main themes: the safeguarding and maintenance of peace and security together with the promotion of human rights, democracy and the rule of law, the promotion of prosperity and the strengthening of the framework conditions for sustainable development, the improvement of social justice (particularly as regards women), and lastly, protection of the environment.

Two federal offices are responsible for the concept and implementation of development aid: the **Swiss Agency for Development and Cooperation (SDC)**, part of the Federal Department of Foreign Affairs, and the **State Secretariat for Economic Affairs (seco)** which is part of the Federal Department of Economy. The principal instruments at their disposal are: technical cooperation, financial aid, economic and trade measures, and

humanitarian aid. The SDC coordinates all the initiatives.

The Swiss Agency for Development and Cooperation (SDC) is responsible for the following four areas of activities: bilateral development cooperation, multilateral development cooperation, humanitarian aid and technical cooperation with Eastern Europe. With an annual budget of approximately 1.3 billion SFr. and over 350 staff members both at home and abroad, SDC provides services through direct operations, by supporting the programs of multilateral organizations and by co-financing and making financial contributions to the programs of Swiss and international private aid organizations.

The aim of **development cooperation** is to combat poverty by providing help towards self-help. In particular, it promotes economic and government autonomy, contributes to the improvement of production conditions, helps to solve environmental problems and aims at better access to education and basic health care for the most disadvantaged population groups.

The mandate of the Swiss Confederation's **Humanitarian Aid** is to save lives and alleviate suffering. It provides direct aid in the wake of natural disasters and of armed conflict through interventions by the Swiss Humanitarian Aid Unit (SHA). It also supports humanitarian partner organizations.

The SDC supports the countries of **Eastern Europe** and the Commonwealth of Independent States (CIS) in their progress towards democracy and the market economy by transfer of know-how and assistance to problem solving.

While humanitarian aid is provided where most needed, bilateral devel-

opment cooperation is concentrated on 17 priority countries and regions and four countries with special programs in Africa, Asia and Latin America. Technical cooperation with Eastern Europe is concentrated on ten countries in South-East Europe and the CIS. Most of the SDC's multilateral activities are implemented together with the UN bodies, the World Bank and the regional development banks. In all, there are at present about a thousand programs and projects of several years.

The **State Secretariat for Economic Affairs (seco)** determines economic and commercial measures for development cooperation, including mixed credits (involving both the Confederation and Swiss banks), balance of payment aid, trade promotion and, in collaboration with the international community, promotion of basic products. A substantial share of these measures is destined for countries of Eastern Europe and the CIS. The seco is also the main actor in the scheme to reduce the debt burden of those countries most in debt.



SUMMARY

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Improvements in the aid structure

THE EARTHQUAKE IN GUJARAT: EMERGENCY ACTION AND DEVELOPMENT COOPERATION

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Working against time to save lives
- 5 **RELIEF**
Survival aid
- 6 **REHABILITATE**
Restoring normal living conditions
- 7 **DEVELOP**
Ensuring sustainable development

- 9 **STATISTICS**
Tables and graphs

IMPROVEMENTS IN THE AID STRUCTURE

The year 2001 was a significant one. Internationally, it was a year of upheavals with yet unknown consequences. As a result of the conflict in Afghanistan the SDC increased its commitment there to help the often destitute civilian population. Material aid for survival was transported by land and air into conflict regions. In 2001 the amount of Swiss humanitarian aid to Afghanistan totaled SFr. 17.5 million thanks to a supplementary credit approved by the Federal Council. The same funds also made it possible to support programs by the International Committee of the Red Cross (ICRC), the United Nations (UN) and non-governmental organizations (NGOs).

Swiss activities underlined the legitimate arguments favoring the change in name from the Swiss Disaster Relief Unit (SDR) to the Swiss Humanitarian Aid Unit (SHA) because the original name was considered too restrictive. The term «disaster», used internationally to describe natural or man-made catastrophes, is actually inappropriate when referring to conflicts and crises. The change in name was accompanied by the appointment of a new management. Following 12 years of service in the humanitarian field, Charles Raedersdorf retired and was succeeded by Toni Frisch as Delegate for Humanitarian Aid and Head SHA.





Intervention criteria

To optimize emergency aid abroad from the Confederation and cantons, the Federal Council enacted a new regulation in October defining how aid is to be allocated among the various partners and specifying basic principles. According to this regulation, assistance may be provided only when specifically requested by the respective country or international organization, and when the aid which Switzerland offers is officially accepted. Swiss aid is always neutral and as a rule free of charge. The means at our disposal are the SHA, civilian resources from the cantons and municipalities and the army.

These methods are already in force and from now on will be precisely controlled. Switzerland can rely on the Rescue Chain which can be operational within several hours. One hundred persons, 18 rescue dogs and 16 tonnes of material are ready for deployment in any emergency. Capable of quick on-the-spot operations, the Rescue Chain conducts brief missions (maximum one week) consisting of rescue operations and the assessment of needs for subsequent operations.

Rapid and effective commitment

The Rescue Chain's efficiency was amply demonstrated during the Swiss mission to Gujarat following the earthquake on January 26, 2001. Speed and familiarity with the terrain enabled assistance to reach victims quickly and a subsequent involvement in reconstruction within the framework of activities defined by Indian authorities.

The quake, which measured 7.9 on the Richter scale, had a disastrous impact: nearly 50,000 people died while 200,000 were injured and half a million were left homeless. According to various estimates, 35 million people were affected by this disaster, the most deadly in India since independence in 1947. Gujarat suffered widespread damage including property destruction and the collapse of land areas which cut off water supplies and electricity and paralyzed the rail network. In numerous cities such as Bhuj, the most important in the Kutch district and epicenter of the quake, destruction was almost complete.

The articles in this report illustrate the phases of intervention, beginning with emergency aid initiated only several hours after the quake, up to development cooperation. In particular, they show how important it is to cooperate with local organizations. In India, the state of Gujarat has been the focus of Swiss cooperation efforts for many years and our presence there has permitted us to establish a vast network of partners, all of whom were mobilized immediately after the disaster. The assessment of the Swiss action could not have been better.

Walter Fust
Ambassador
Director, SDC

WORKING AGAINST TIME TO SAVE LIVES

The first hours following a quake such as the one which struck the Indian state of Gujarat are crucial for the survival of people buried under the rubble. Aware of this race against time, the Swiss Rescue Chain immediately mobilized and was the first foreign rescue team to arrive on the scene. Specialized in detecting and freeing victims trapped under rubble, as well as in administering first aid to victims, the Rescue Chain can be ready to leave eight to 12 hours after the decision is made to deploy and it can work autonomously for up to seven days.

On the same evening of the quake, four members of the SDC's Swiss Humanitarian Aid Unit (SHA, formerly the Swiss Disaster Relief Unit) were sent to the disaster area to evaluate the needs and prepare the mission. Less than 24 hours later, 48 Swiss rescuers, nine dogs and 10 tonnes of material arrived in Ahmedabad, one of the cities most affected by the quake. They succeeded in recovering several people alive from the rubble in various locations in Gujarat.

After four days of relentless work the Swiss team ended its mission. The two objectives always guiding the initial phase of its operations are to save as many lives as possible and transport supplies from the Swiss Red Cross responding to the most acute needs.

Preparations and coordination

Every detail of this mission was prepared in advance. Any intervention requires prior official acceptance of aid by the country affected by the disaster. In this case the Indian government replied rapidly. Subsequently, to ensure maximum efficiency of the operation, the SDC established permanent contact with embassy officials and



coordination offices in India and Pakistan. These steps enabled those involved to better evaluate requirements. In addition, Switzerland conducted its operations together with other foreign contributors, namely with the UN and partner countries, notably Germany, Austria and Russia.

The success of the Swiss rescue mission was equally due to the vast network of local partners established over the many years in which the SDC has been active in India. These valuable contacts enabled the mission to be carried out with maximum efficiency, especially because it was also possible

to localize the damage quickly and organize the transport of SHA members.

Preparing subsequent phases

Parallel to rescue operations it was also necessary to make the first arrangements concerning the organization of short- and medium-term humanitarian aid. For that purpose two specialists, assisted by representatives of the SDC coordination office in India, remained on the scene to clarify actual material needs.

SURVIVAL AID

After the rescue operations, came a phase of providing emergency and survival aid. Again, intervention was needed quickly because the victims were utterly destitute. Determining the extent of aid needed was the SDC's immediate priority. And the needs are enormous after such a quake. It means providing the survivors with drinking water, shelter and medical care.

The situation for the survivors tends to deteriorate day by day. Providing immediate relief also prevents the risk of epidemic. Survival packages containing kitchen utensils, blankets, clothes, medicine against diarrhea, chlorine tablets, soap and washing powder as well as candles and kerosene lamps were rapidly distributed to families while provisional shelters were made available to people who had lost their homes.

Partnership with local NGOs

A construction expert from the Swiss Humanitarian Aid Unit (SHA) was sent to reinforce the unit of Swiss specialists entrusted with the implementation of emergency relief followed by rehabilitation measures. To manage its relief operations optimally, the SDC relied on numerous Indian non-governmental organizations (NGOs) and networks which it had helped set up and supported for many years.

As concerns the logistics of distributing relief supplies in the affected villages in Kutch and other districts, cooperation was quickly established with Janvikas and Navsarjan, two NGOs with which the SDC has been working for some time in development cooperation projects. In Kutch these two organizations, along with 11 other NGOs, belong to the «Kutch Navnirman Abhiyan», a network which



coordinated relief activities and ensured transport. In emergencies, it is essential to supply aid as quickly as possible to those who need it most. This means being able to rely on logistics which ensure efficient organization of such relief measures.

At the Gujarat State level, the «Janpath Citizen's Initiative», a central organization grouping more than 200 NGOs, including those mentioned above, played a major role. One important achievement of this immense network, which was in direct contact with the Indian government, was the establishment of a distribution chain making it possible for almost 20,000 families, i.e. around 100,000 people, to receive vital commodities (makeshift shelters, grains, plastic sheeting, blankets and medical products).

Peripheral areas less badly hit

There were no major food problems thanks to the huge international relief effort coupled with the fact that agricultural activities had been relatively spared by the disaster. In the city of Bhuj, two weeks after, people could already buy food and drinking water at highway stands, while the villages located away from the urban centers felt the consequences of the quake much longer. Evaluations showed that emergency aid requirements had been covered, thus clearing the way for the next stage – rehabilitation.

RESTORING NORMAL LIVING CONDITIONS



Disaster victims cannot live for long under the insecurity of a makeshift roof. When short-term aid has successfully met their vital needs, medium-term relief can help them gradually return to their normal living conditions. Thus, it has been primarily the most disadvantaged population segments who have benefited from Swiss support.

During the rehabilitation phase, which was scheduled to continue until the end of 2001, the SDC set up a SFr. one million Swiss reconstruction fund. During this third stage, activities were focused on the most severely affected district of Kutch. Projects were always implemented in close collaboration with local networks.

Locally involved communities

It was immediately evident that any housing reconstruction in rural areas should conform to local techniques and aesthetics. In addition it had to offer solutions to all problems result-

ing from the destruction of communities and their economies. The accent was then placed on the active participation of all communities in the rehabilitation process and on the reinforcement of community ties at all levels.

Families were generally included in constructing their future homes and received a salary in compensation. This policy revived an entire microeconomy, even to the point of reducing dependence on non-secured subsidies. Most of the planned housing was finished before the beginning of the monsoon period which enabled the beneficiaries to leave their temporary shelters soon after the quake. The more long-term rehabilitation process was thus launched under favorable conditions.

Earthquake impact reduction

Following a quake of such magnitude in a region susceptible to new seismic tremors, the accent has been put both

on prevention and the establishment of logistics to reduce the impact of possible future earthquakes. A second part of the program was dedicated to the construction and operation of a dozen regional support centers called «Earthquake Rehabilitation Support Centers (ERSC)» where planning and construction experts, qualified craftsmen and social workers have been active. This significant exercise in self-help encompassed 20 villages. The program has also planned the construction and operation of a district coordination and logistics center.

ENSURING SUSTAINABLE DEVELOPMENT

Switzerland has been active in development cooperation in Gujarat for a long time. Basing its work on the principles of social justice and the battle against poverty and discrimination, the SDC is mainly involved in helping to make fundamental improvements, managing water resources and promoting village communities. In the wake of the earthquake it will strengthen its support for these projects.

members, an important factor in a caste system where crisis situations often amplify inequalities.

Renewal fund

To reach this objective, relief organizations, in consultation with local personnel, have taken note of the need to create a renewal fund within the context of the rehabilitation program. Such a project foresees giving strick-

mental organizations (NGOs) Navsaran/Janvikas. A verbal contract would apply to illiterate families. To reduce the risk of corruption or financial abuse, various measures of an educational, contractual and technical nature will have to be taken (e.g. coupon system for the supply of material). The financial status of the fund will also be made public on a regular basis.



Rehabilitation operations made it apparent that communities had to be better prepared for the eventuality of new tremors. The population must be able to take charge during a disaster to prevent it from sinking into destitution, able to survive only by begging. Preparing for, controlling and managing disasters also gives communities the opportunity to reinforce their ties and organization, and consequently their social power. This in turn raises their status in the eyes of governmental and regional authorities and results in more fair treatment of their

en families material valued at 2,500 rupees and a cash sum of 3,000 rupees each for rebuilding their homes. In addition they can receive a loan of 15,000 rupees at an interest rate of 6%, repayable to the fund.

This project calls for community participation. Detailed information in the local language must be distributed to all affected families to give them the opportunity to join the project. If they express a desire to participate, both husbands and wives will be asked to sign a contract with the non-govern-

Following the rehabilitation phase, the SDC will continue to focus its efforts on the sustainable development of its projects in Gujarat. And to achieve its objectives there it will continue to work with its local partners who are doing an excellent job. Such partnerships are of utmost importance to ensure the realization of SDC objectives.



Table 1
Overview of Swiss
Official Assistance
in 2001

The OECD defines **Official Development Assistance (ODA)** as the total of all transactions which

- are provided by public bodies (Confederation, cantons and communes)
- are granted at concessional conditions (gifts or loans at low rates of interest)
- have as the main objective the promotion of economic and social development of recipient countries
- are intended to benefit countries or territories on the list drawn up by the OECD.

This list of 152 countries and territories classified as "developing" includes, in Europe, the countries of the former Yugoslavia, Albania, Moldova and Malta.

Official Assistance adheres to the same four criteria but the list of receiver countries is different. In this case, the aid goes to countries in transition, 12 of them being in Central and Eastern Europe, including Russia and 22 countries and territories considered to be at a "more advanced" stage of development, among them Gibraltar, Israel, Hong Kong, the Bahamas and Singapore.

Sources of financing and instruments (million SFr.)	2001			2000	
	ODA Bilateral	ODA Multilateral	Official Assistance	Total	Total
Confederation	1'066.3	443.3	95.2	1'604.8	1'579.0
Swiss Agency for Development and Cooperation (SDC)	809.6	364.7	45.8	1'220.1	1'156.6
Humanitarian Aid	218.6	27.7	9.4	255.7	262.1
Development Cooperation ¹⁾	526.1	337.0	1.7	864.8	817.9
Cooperation with Eastern Europe	64.9	–	34.7	99.6	76.6
State Secretariat for Economic Affairs (seco)	149.2	25.9	44.0	219.0	247.1
Development Cooperation	93.7	25.9	–	119.5	129.8
Cooperation with Eastern Europe	55.5	–	44.0	99.5	117.3
Other departments	107.6	52.7	5.4	165.7	175.3
Cantons and communes	21.3	–	1.7	23.0	24.2
Humanitarian Aid	3.6	–	0.2	3.8	5.2
Development Cooperation	17.7	–	1.5	19.2	19.0
Total	1'087.6	443.3	96.9	1'627.8	1'603.2
of which: Humanitarian Aid	296.1	27.7	9.6	333.4	346.7
Development Cooperation	671.1	415.6	8.6	1'095.3	1'062.5
Cooperation with Eastern Europe	120.4	–	78.7	199.1	194.0
Official Development Assistance (ODA)	1'087.6	443.3		1'530.9	1'502.7
GNP				450'597	437'048
ODA in % of GNP				0.34 %	0.34 %
Official Assistance			96.9	96.9	100.6

¹⁾Multilateral financial cooperation with the World Bank and regional development banks and funds is a "task shared by the SDC and seco" (art. 8, para. 1 of the Federal decree of 12.12.1977 on development cooperation). The corresponding funds are included in the SDC budget.

Graph 1
Overview of Swiss
Official Development
Assistance (ODA)
in 2001

■ Bilateral cooperation: 71%
■ Multilateral cooperation: 29%

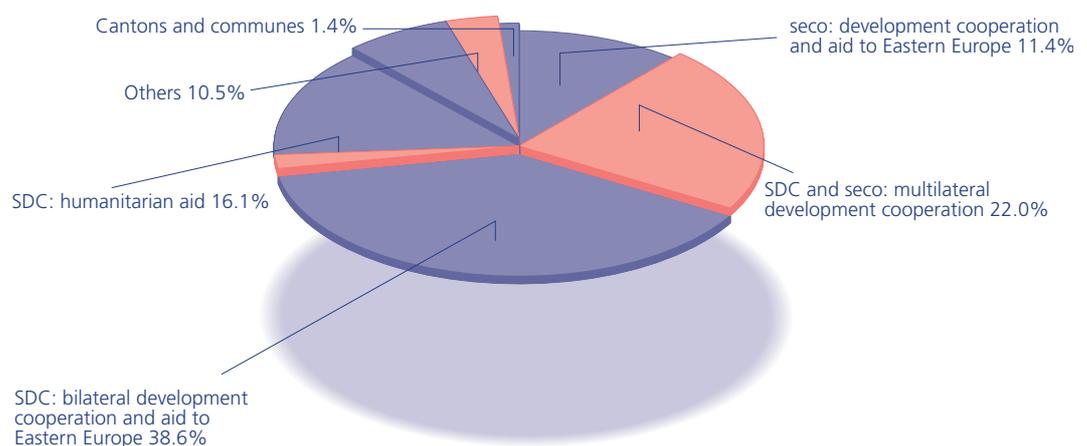


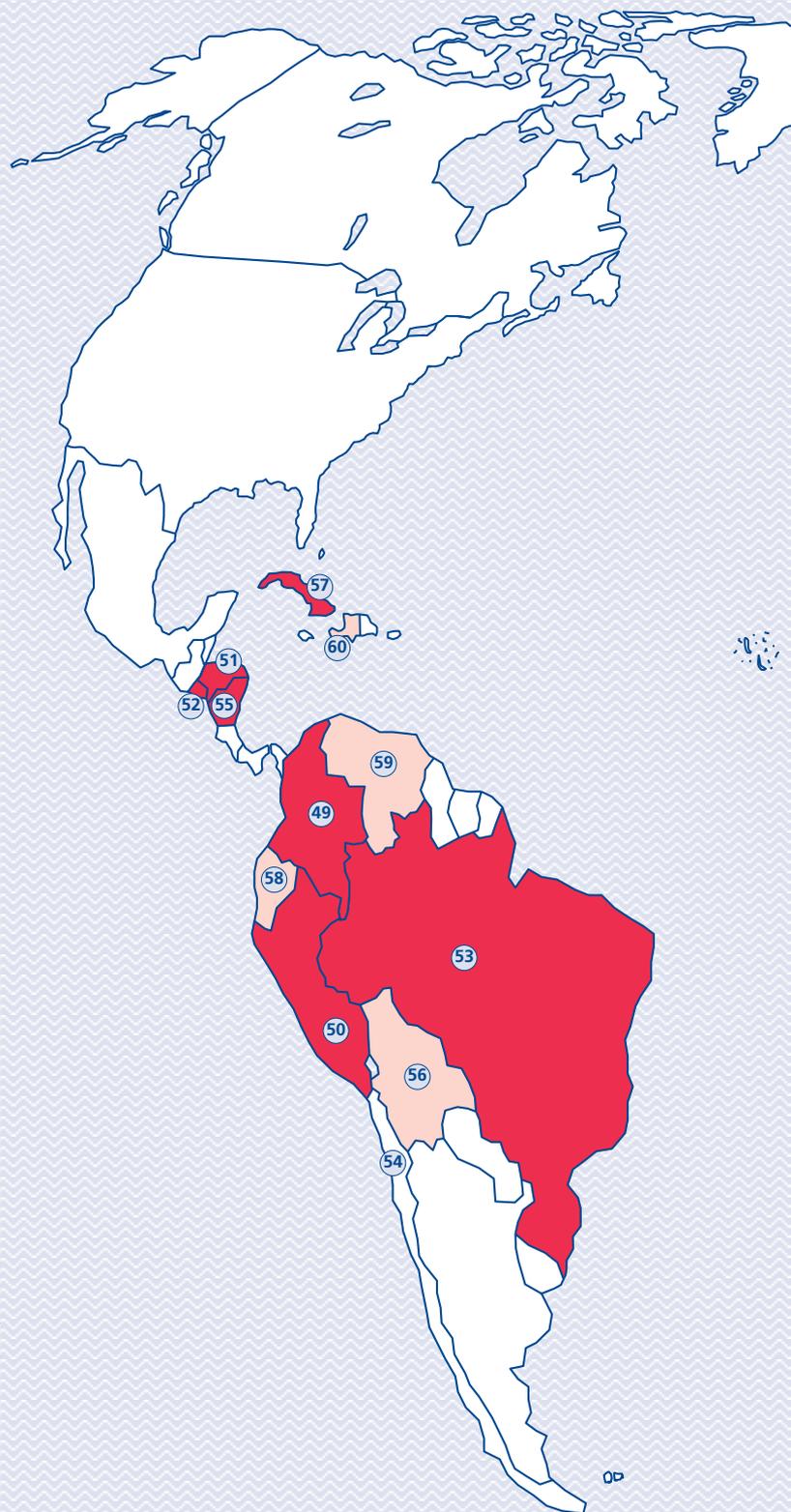
Table 2

Humanitarian Aid of the SDC 1999-2001

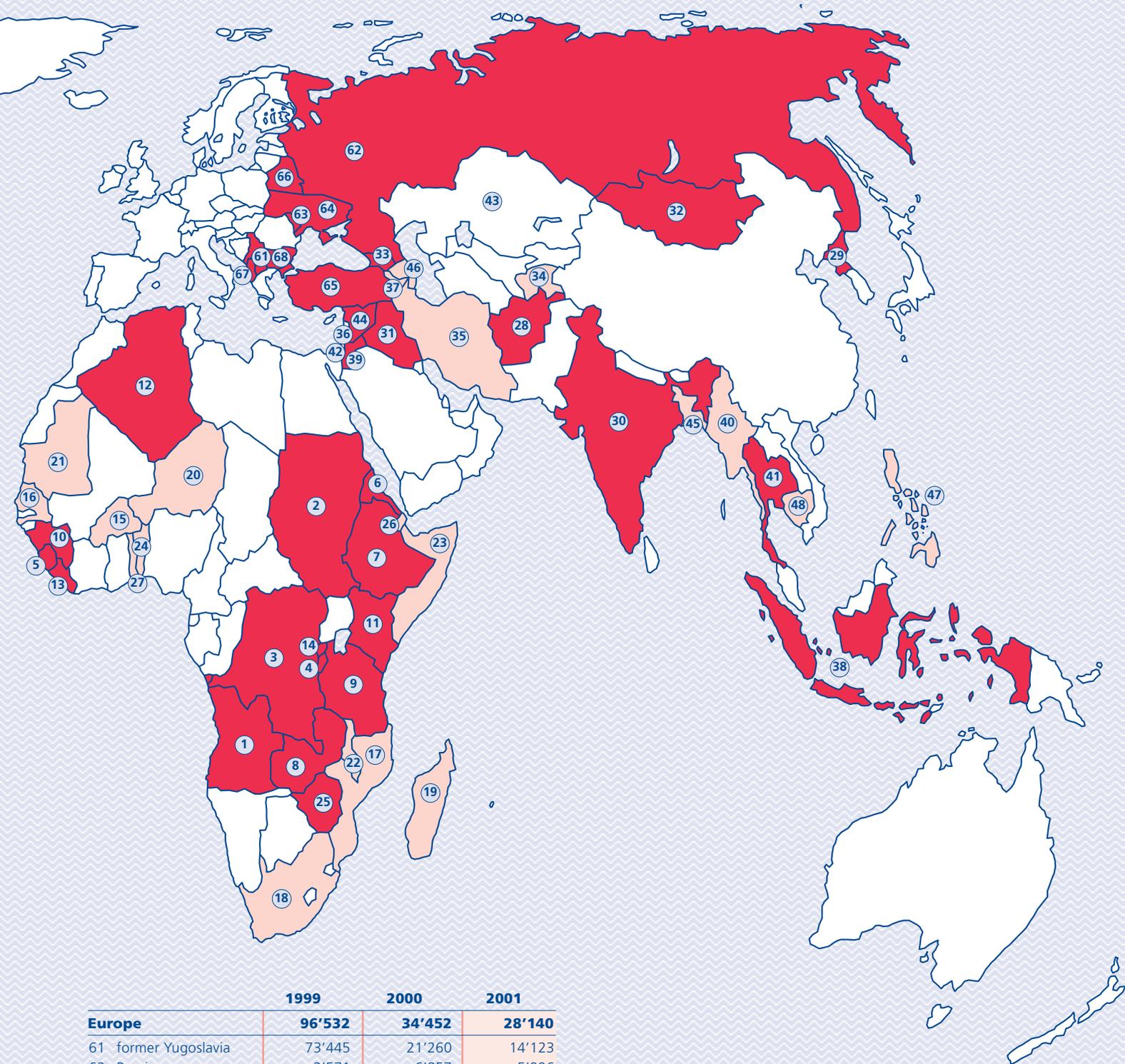
Distribution by continent and by country (thousands of SFr.)

	1999	2000	2001
Africa	59'227	60'873	53'400
1 Angola	8'642	5'859	7'128
2 Sudan	7'433	9'205	7'051
3 Congo (D.R.)	5'419	6'141	6'843
4 Burundi	2'636	4'937	6'580
5 Sierra Leone	4'329	4'488	5'695
6 Eritrea	2'592	2'415	3'123
7 Ethiopia	3'430	4'637	2'220
8 Zambia	324	552	1'674
9 Tanzania	3'254	2'272	1'320
10 Guinea	252	35	1'114
11 Kenya	380	493	1'078
12 Algeria	1'959	1'425	1'063
13 Liberia	2'978	607	965
14 Rwanda	6'996	2'249	952
15 Burkina Faso	283	535	891
16 Senegal	326	22	777
17 Mozambique	1'208	6'383	691
18 South Africa	351	–	596
19 Madagascar	1'066	27	577
20 Niger	36	185	534
21 Mauritania	46	148	418
22 Malawi	28	–	391
23 Somalia	837	2'313	350
24 Benin	458	502	242
25 Zimbabwe	198	174	220
26 Djibouti	–	705	218
27 Togo	188	133	128
Regional projects and other countries	3'580	4'430	558

	1999	2000	2001
Asia and Middle East	35'123	35'371	43'093
28 Afghanistan	3'883	6'607	10'846
29 Korea (North)	2'283	3'121	5'165
30 India	1'707	1'797	5'075
31 Iraq	4'629	5'933	4'798
32 Mongolia	–	100	3'884
33 Georgia	4'549	2'692	2'220
34 Tajikistan	2'996	1'375	2'163
35 Iran	1'804	2'413	1'912
36 Palestine	635	914	1'559
37 Armenia	1'255	564	916
38 Indonesia	1'887	783	727
39 Jordan	62	313	651
40 Myanmar	13	20	528
41 Thailand	1'068	959	524
42 Israel	250	1'500	500
43 Kazakhstan	263	262	302
44 Syria	264	173	233
45 Bangladesh	2'123	1'148	225
46 Azerbaijan	1'335	296	200
47 Philippines	46	50	160
48 Cambodia	25	902	127
Other countries	4'049	3'449	379



	1999	2000	2001
Latin America	15'449	12'939	12'617
49 Colombia	1'549	4'461	2'808
50 Peru	1'543	324	1'975
51 Honduras	1'483	2'702	1'562
52 El Salvador	–	88	1'370
53 Brazil	1'053	524	901
54 Chile	934	5	849
55 Nicaragua	728	495	682
56 Bolivia	203	33	282
57 Cuba	2'059	703	253
58 Ecuador	154	–	230
59 Venezuela	740	918	100
60 Haiti	1'579	762	66
Other countries	3'423	1'928	1'537



	1999	2000	2001
Europe	96'532	34'452	28'140
61 former Yugoslavia	73'445	21'260	14'123
62 Russia	3'571	6'857	5'996
63 Moldova	–	1'890	2'909
64 Ukraine	27	261	1'419
65 Turkey	3'171	1'480	1'333
66 Belarus	202	92	1'239
67 Albania	15'670	1'294	865
68 Bulgaria	317	314	102
Other countries	128	1'004	153
Unclassified geographically^{a)}	80'739	94'967	90'725
Multilateral contributions	21'846	24'152	27'683
Total humanitarian aid	308'916	262'753	255'658

■ Direct involvement and support of partner organizations
■ Support of partner organizations

^{a)} Including ordinary contribution to the International Committee of the Red Cross (ICRC)

HUMANITARIAN AID

Table 3
Humanitarian Aid
of the SDC

	2000 million SFr.	2001 million SFr.
Swiss Humanitarian Aid Unit (SHA)	34.5	39.6
Contributions to international organizations and Swiss NGOs	197.2	185.1
Food aid	31.0	31.0
Total humanitarian aid	262.8	255.7

Graph 2
Humanitarian Aid
of the SDC

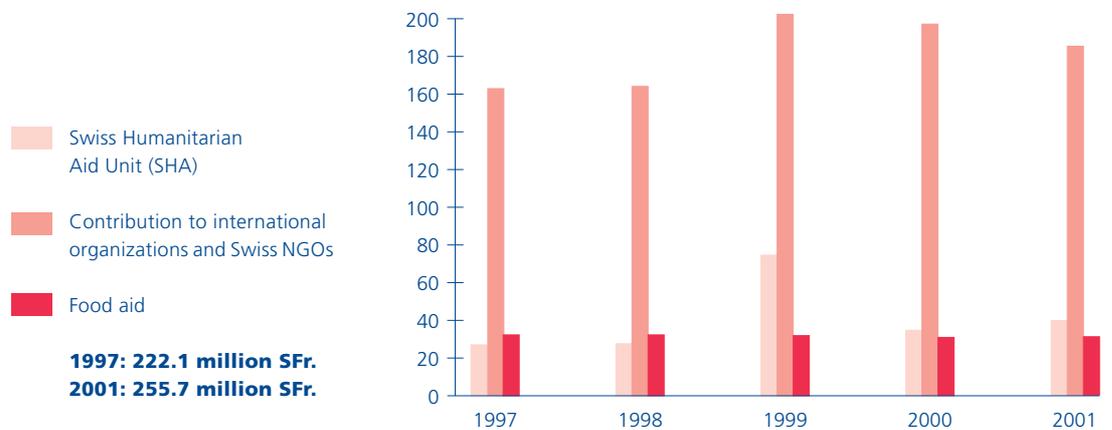


Table 4
Humanitarian Aid
of the SDC
Food aid by products

	2001 Amount in tons	million SFr.
Swiss dairy products	2'420	17.0
Powdered milk (whole)	735	
Powdered milk (skimmed)	1'221	
Soft cheese	171	
Other	293	
Cereals	18'355	14.6
Rice	915	
Corn	6'873	
Wheat and flour	10'567	
Total food aid	20'775	31.6

HUMANITARIAN AID

Table 5

Humanitarian Aid
of the SDC

**Contributions to
United Nations
organizations, the
ICRC and Swiss NGOs**

	2001				
	General cash contri- butions million SFr.	Specific cash contri- butions million SFr.	SHA million SFr.	Food aid million SFr.	Total million SFr.
SHA direct actions	-	-	39.6	0.2	39.8
International organizations	27.7	33.3	-	20.1	81.1
World Food Program (WFP)	1.5	8.6	-	19.9	30.0
UN High Commissioner for Refugees (UNHCR)	13.0	9.7	-	-	22.7
UN Relief and Works Agency for Palestinian refugees in the Near East (UNRWA)	11.9	-	-	-	11.9
UN Office for Coordination of Humanitarian Affairs (OCHA)	0.3	5.0	-	-	5.3
UN Children's Fund (UNICEF)	-	3.1	-	-	3.1
Other UN organizations	1.0	6.9	-	0.2	8.1
Red Cross organizations	68.0	21.8	-	-	89.9
International Committee of the Red Cross (ICRC)	68.0	17.1	-	-	85.1
Swiss Red Cross (SRC)	-	4.7	-	-	4.7
Swiss NGOs	-	34.2	-	10.7	45.0
Caritas	-	2.9	-	4.3	7.2
Terre des Hommes Lausanne	-	2.9	-	0.7	3.6
Swiss Interchurch Aid (EPER)	-	1.4	-	0.6	2.0
Medair	-	1.5	-	-	1.5
Médecins sans Frontières	-	1.5	-	-	1.5
ADRA	-	0.9	-	0.3	1.2
Salvation Army	-	0.2	-	0.7	0.9
Other NGOs and direct activities	-	23.0	-	4.0	27.0
Total humanitarian aid	95.7	89.4	39.6	31.0	255.7

Table 6
Humanitarian Aid of
the Confederation
**Main missions of
the Swiss Humanitarian Aid Unit (SHA)**
2001

Country	Reason for operation	Kind of aid	Partner	Number of SHA members involved
Africa				
Algeria	Floods	Emergency aid		2
	Conflict and street violence	Trauma course	UHG	5
Angola	Civil war	Emergency aid, reconstruction, logistical support	IO, UNO, NGOs, COOF	4
Burundi	Refugees, conflict	Regional coordination, return program		4
Congo (D.R.)	Refugees, civil war	Infrastructure repairs	NGOs, IO, OCHA	5
Djibouti	Refugees	Road improvements	WFP	2
Eritrea	War	Emergency aid	UNDP, WFP	9
Ethiopia	War	Crisis prevention, food security	UNDP	4
Guinea	Refugees	Secondment tech. experts	UNHCR	8
		Prevention	WHO	2
Kenya	Post-war phase	Coordination humanitarian aid "Great Lakes"		2
Libya	Fact-finding mission	Trauma course	UHG	1
Madagascar	Floods	Emergency aid	WFP	2
Mozambique	Floods	Humanitarian aid	COOF	1
Rwanda	Refugees, conflict	Regional coordination, reconstruction	COOF, IO, NGO	1
Sierra Leone	Refugees	Secondment tech. experts	UNHCR	5
		Post-conflict reconstruction	Sub-regional coordination (COOF)	1
Sudan	Civil war	Drinking water supplies, health care, food aid		6
Tanzania	Refugees	Alternative energy handbook		1
Zimbabwe	Harare conference	"Integrated surveillance and response to infectious diseases"	WHO	1
Middle East				
Iraq	Gulf war	Emergency and food aid for children and families	WFP, ICRC Caritas	4
Jordan	Refugees	Reform process UNRWA	UNRWA, government	3
Lebanon	Refugees	Reform process UNRWA	UNRWA	1
Syria	Refugees	Planning "Camp Rehabilitation"	UNRWA	1
Central Asia/Asia				
Afghanistan	Refugees	Refugee repatriation	IOM, local authorities	4
Cambodia	Assessment	Assessment of temples		1
India	Earthquake	Rescue chain	Government, COOF	37
		Reconstruction	COOF, local NGOs	
Korea (North)	Structural crisis	Monitoring of food aid	WFP, COOF	2
Mongolia	Cold/drought	Assessment mission	UNDAC	2
		Monitoring emergency aid/deliveries of animal fodder	EMERCOM, NGOs	4
Pakistan	Prevention	Evaluation	WHO	5
Sri Lanka	Civil war	Evaluation	FOR, embassy	1
Tajikistan	Afghanistan crisis	Media, WFP	OCHA, WFP	3
Thailand	Refugees	Monitoring, assessment	NGOs, local authorities	1
Turkmenistan	Afghanistan crisis	Support for UNHCR	UNHCR	3
Uzbekistan	Epidemics	Prevention	WHO	2

Latin America				
Colombia	Refugees	Coordination program for victims of forced expulsions from the east	Local authorities	1
El Salvador	Earthquake	Emergency aid, prevention, reconstruction		12
Honduras	Hurricane Mitch	Reconstruction, prevention	UNDP, COOF	5
Nicaragua	Hurricane Mitch	Reconstruction, prevention	UNDP, COOF	4
Peru	Earthquake	Emergency operations team (SET)	COOF	5
Venezuela	Floods	Prevention	UNDP	2
Europe and the CIS				
Albania	Refugees	Reconstruction of schools, small demining projects	Government, EPER	2
Armenia	Post-war phase	Reconstruction and reintegration	UNHCR, government	3
Belarus	Structural crisis, technological catastrophe	Support for socially-needy, Chernobyl follow-up, prevention/preparedness	Ministries, NGOs	7
Bosnia-Herzegovina	Post-war phase	Reconstruction/reintegration	UNHCR, government	4
Croatia	Refugees, post-war phase	Reconstruction	Local authorities	2
Denmark	LOG training	Course	WFP	1
Estonia	UNDAC update	Course	UNDAC	5
Georgia	Post-war phase	Emergency aid for refugees, reconstruction	ICRC/IFRC, NGOs	3
Great Britain	Course	Workshop high temperature burning facilities		3
Hungary	Floods, environmental catastrophe	Emergency aid, prevention	Local authorities, NATO	1
Kosovo (FRY)	Post-war phase	Emergency aid, reconstruction	FOR, UNMIK	12
Macedonia	Refugees	"Cash for Shelter", small projects	NGOs, local authorities	7
Moldova	Structural crisis	Drinking water supply, emergency aid, support for socially-needy, promotion of humanitarian NGOs	Government, local authorities Local NGOs	10
Montenegro (FRY)	Post-war phase	Reconstruction	UNHCR, UNICEF	1
Poland	Floods	Evaluation		4
Russia	Refugees	"Cash for Shelter"	UNHCR	3
	Post-war phase	Shelter and drinking water/municipal sanitation	UNHCR	2
	Floods	Emergency aid	Local authorities	5
Serbia (FRY)	Post-war phase	Reconstruction, emergency aid	UNHCR,	24
	Ecology	"Cash for Shelter", reintegration	UNEP, NGOs	
Turkey	Earthquake	Prevention/preparedness	Local authorities, UNDP	16
Ukraine	Floods	Prevention, COOF support, dam reconstruction	COOF	15
Total 379 operations in 57 countries				

In the year 2001, a total of 427 mission agreements were concluded. Only 379 of those involved missions abroad. The remaining contracts concerned work carried out in Switzerland for projects abroad.

Abbreviations: COOF: SDC Coordination Office – EMERCOM: Ministry of the Russian Federation for Civil Defence, Emergencies and Elimination of Consequences of Natural Disasters – EPER: Swiss Interchurch Aid – FOR: Federal Office for Refugees – ICRC: International Committee of the Red Cross – IFRC: International Federation of Red Cross and Red Crescent Societies – IO: International organizations – IOM: International Organization for Migration – NATO: North Atlantic Treaty Organization – NGO: non-governmental organization – OCHA: UN Office for Coordination of Humanitarian Affairs – UHG: University Hospitals of Geneva – UN-DAC: United Nations Disaster Assessment and Coordination – UNDP: UN Development Program – UNEP: United Nations Environment Program – UNHCR: UN High Commissioner for Refugees – UNICEF: UN Children's fund – UNMIK: UN Interim Administration Mission in Kosovo – UNRWA: UN Relief and Works Agency for Palestinian refugees in the Near East – WFP: World Food Program – WHO: World Health Organization



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