



International Cooperation: Helping to Combat Global Poverty and Crises.

Accountability report
on Switzerland's
IC Strategy 2021–24



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Contents

Editorial	3
Cross-cutting themes	4–9
Results at a glance	4
Making an impact	4–5
IC priority countries	6–7
Strategically and geographically focused	8
COVID-19 pandemic and war in Ukraine	9
Results and challenges	10–25
Objective 1 – Economic development	10–12
Objective 2 – Environment	13–15
Objective 3 – Human development	16–18
Objective 4 – Peace and governance	19–21
Other priorities	22–25
Financing	26
Conclusion and outlook	27



Mr President of the National Council
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Has Switzerland's international cooperation (IC) succeeded in bringing about positive changes in its partner countries and globally? How has it positioned itself in the face of multiple serious crises, some of them unforeseeable? What steps can be taken in the future to measure IC effectiveness more meaningfully? In this report on the implementation of the IC Strategy 2021–24, the Swiss Agency for Development and Cooperation (SDC), the Economic Cooperation and Development Division of the State Secretariat for Economic Affairs (SECO) and the Peace and Human Rights Division (PHRD) of the Federal Department of Foreign Affairs (FDFA) State Secretariat explain the results and challenges in these areas.

Swiss IC implements the constitutional mandate (Art. 54 para. 2 of the Swiss Federal Constitution) to alleviate need and poverty and to promote human rights, democracy, peace and the conservation of natural resources. It thus contributes to implementation of the Federal Council's foreign policy strategy and foreign economic policy strategy and to the global 2030 Agenda for Sustainable Development. IC is an investment in the security and prosperity of Switzerland and the world.

The IC Strategy 2021–24 set itself four objectives, around which this accountability report is structured: 1. sustainable economic growth, market development and decent jobs; 2. addressing climate change and sustainable use of resources; 3. saving lives, high-quality basic services and reducing the causes of irregular migration and forced displacement; 4. peace, the rule of law and gender equality.

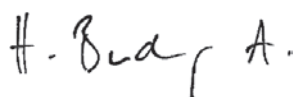
It included a number of new features. For the first time in such a strategy, it was explicitly oriented towards three criteria: the needs of local populations, Switzerland's long-term interests and Swiss added value. Geographically, it focused on four regions. An optional consultation was held for the first time in a bid to garner domestic political support for the IC Strategy.

In the final report on the IC Strategy 2017–20, the heads of office at the time had already warned that epidemics and armed conflicts could undo some of the progress made. The strategy period now drawing to a close has been characterised by crises and political upheavals in numerous countries, including Afghanistan, Sudan, Myanmar, Mali, Burkina Faso and Niger. On top of that, the COVID-19 pandemic, the war in Ukraine and the escalation of the Middle East conflict multiplied the challenges to an extent that could not have been foreseen. While Switzerland topped the Human Development Index for the first time in 2021/22, global human development was set back by an average of five years.¹ The overlapping crises pushed up national debt and the cost of living, led to increased energy shortages and exacerbated the food situation in many partner countries. At the same time, the impacts of climate change became more evident. Increasing conflicts forced even more people to migrate. Large-scale earthquakes such as those in Turkey, Morocco and Afghanistan and catastrophic floods in places including Libya were very numerous.

These crises have had a significant impact on Swiss IC over the past four years, requiring many projects to be adapted. At the same time, it was important not to lose sight of the long-term goals and of geographical



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contexts that were less in the public spotlight. The IC Strategy 2021–24 provided the necessary flexibility as well as strategic guidelines enabling the objectives to be pursued even under particularly challenging circumstances. The SDC, SECO and PHRD worked together in a complementary manner, each contributing their core expertise. Support for Ukraine – a priority country of all three IC actors – is a good example of how this cooperation works and achieves results.

In 2023, Switzerland took a seat on the UN Security Council for the first time. The priorities of its two-year term are also fundamental for SDC, SECO and PHRD partner countries: 1. Building sustainable peace, 2. Protecting civilians, 3. Addressing climate security, 4. Enhancing effectiveness. The positions adopted by Switzerland in the Security Council are shaped by its experiences from international cooperation.

Strong partnerships are central to IC's ability to achieve results. Switzerland maintains a broad network of representations, and is considered a reliable and credible partner in its partner countries. Multilateral actors such as development banks, UN organisations and thematic funds create leverage. Swiss and local non-governmental organisations (NGOs) are characterised by their strong local presence and contextual knowledge. Partnerships with the private sector have gained in importance, enabling the mobilisation of additional funds and innovation. Internationally renowned Swiss scientific and research institutions contribute to evidence-based approaches.

In the complex environment in which IC operates, measuring effectiveness is an ongoing challenge. In this context, Swiss IC relies on both tried-and-tested and new instruments for collecting and analysing data. If measures prove ineffective, they are either adapted or discontinued. The Federal Council attaches great importance to this issue. Based on recommendations by the Council of States Control Committee (CC-S), in February 2024 it instructed the responsible units to improve the method for evaluating effectiveness to make it more meaningful, with a view to the next strategy period. The figures presented in the accountability report cover the period from 2020 to 2022.

Even after many years of experience, the rapidly changing environment means that IC is engaged in a continuous learning process. For this reason, the accountability report is being published at the same time as the dispatch on the new International Cooperation Strategy 2025–28, which takes these findings into account.

As we approach the end of the strategy period, the following conclusions can be drawn: The four objectives, the criteria for the strategic orientation and the flexible framework have proved their worth. Swiss IC has been quick and agile at providing additional, needs-based support and seizing crisis-related opportunities. Thanks to its expertise, strong local presence and international networking, it has been able to make a contribution to global poverty reduction and sustainable development. Challenges in relation to the objective measurement of its effectiveness exist and are being actively addressed. According to a representative survey by ETH Zurich in March 2023,² IC continues to enjoy strong support among the Swiss population.

However, conditions have not got any easier: the world has become more polarised in recent years and global consensus-building more challenging. If it is to remain relevant, Swiss IC must continue to hold its ground in this constantly changing and dynamic field.

¹ www.hdr.undp.org, Human Development Report 2021/2022

² www.css.ethz.ch, Sicherheit 2024: Aussen-, Sicherheits- und Verteidigungspolitische Meinungsbildung im Trend

How Swiss IC is making an impact

According to UN estimates, the equivalent of CHF 4.5 to 6.3 trillion a year is needed to implement the 2030 Agenda worldwide.³ The federal government had CHF 11.25 billion at its disposal for the IC Strategy 2021–24. The Swiss IC partners worked together in a complementary manner, entered into partnerships and advocated evidence-based measures in their bilateral projects and at multilateral level. The Federal Council attaches great importance to improving the measurement of effectiveness.

Complementary action

The SDC, SECO and PHRD have specific mandates, competencies and expertise. The SDC oversees development cooperation and coordinates the humanitarian aid delivered by the Swiss Confederation. SECO is responsible for economic development cooperation, while the PHRD promotes peace, human rights and the protection of the individual.



Even before the war in Ukraine began, the SDC was involved in governance, education and health projects, SECO was fostering sustainable urban development and competitive SMEs, among other things, while the PHRD was engaged in peace and protection work in eastern Ukraine. After 24 February 2022, these measures were quickly adapted where necessary and continue to bolster the resilience of Ukraine's civilian population, private sector and government in the current situation.

There is institutionalised cooperation with other federal offices on certain issues: on **migration** with the SEM (Interdepartmental Structure for International Cooperation on Migration [IMZ]), on **climate** with, among others, the FOEN (PLAFICO coordination platform), and on **health** with, for example, the FOPH (Swiss health foreign policy).

Measuring and boosting effectiveness

Projects and programmes are systematically monitored,⁴ selectively evaluated and aligned with scientific evidence using tried-and-tested and new instruments. This is a continuous learning process that needs to be further developed going forward.

- **Digital data collection:** A standardised data management system introduced in 2023 allows the SDC, for example, to see for the first time at a glance how many women and men its projects reach each year. This allows for better monitoring, something singled out for commendation by the OECD.⁵ SECO analyses its project risks using

Results at a glance

Swiss IC worked towards four objectives as part of the 2021–24 Strategy. These were aligned with the 2030 Agenda and contributed to global poverty reduction, sustainable development and peace.

Swiss IC achieved the following results, among others, in 2020–22:

- 1.3 million people (60% women) participated in vocational education and training programmes.
- 492,000 people (72% women) benefited from new financial products and services.
- 393,000 SMEs (56% led by women) received access to capital.

Jobs: 510,000 jobs (30% women) were created, maintained or improved by generating higher incomes, being formalised or made more decent.

- 421,000 smallholder farmers (48% women) were able to switch to more sustainable agroecological farming.
- 8.9 million people (50% women) were given affordable access to drinking water.
- 19.7 million people (50% women) gained access to more sustainable energy.

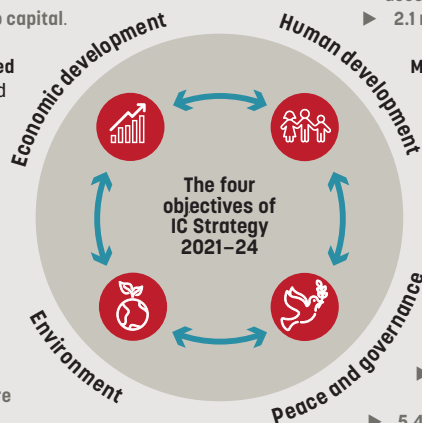
Climate change: More than 16.2 million people (36% women) benefited from climate change adaptation measures and around 69 million tonnes of CO₂ emissions were saved.

- The Swiss Humanitarian Aid Unit carried out 660 operations in 73 countries.
- 1.6 million children and young people (48% women) were given access to basic education, including in emergency situations.
- 2.1 million births were attended by qualified healthcare staff.

Migration: More than 454,000 migrants and displaced persons (28% women) were given access to low-cost digital remittance services.

- Swiss peacebuilding supported an average of 21 peace processes (including Colombia and Kosovo) each year and played a significant role in shaping them.
- In 7 countries (including Myanmar and Nigeria), it conducted ceasefire negotiations.
- 5.4 million people (47% women) participated in decision-making processes and budget discussions.

Rule of law: Swiss IC supported 25 countries in combating corruption and significantly increased the funds available for this.



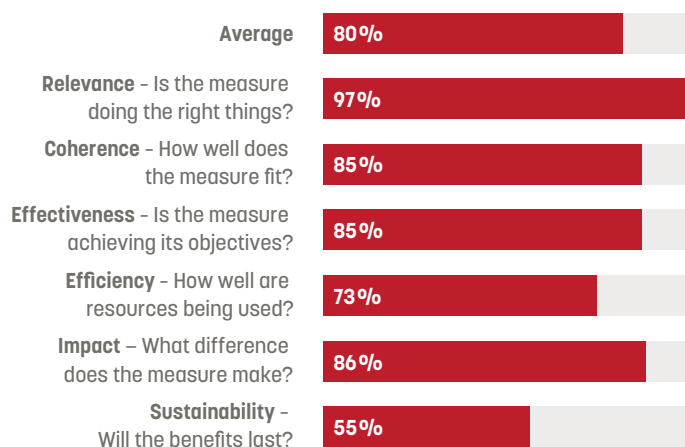
a digital tool and keeps an eye on particularly high-risk projects. The PHRD has further developed its impact assessment tools, although accurately measuring the effectiveness of an individual actor in an armed conflict is a challenge.

- **External view:** Based on international criteria, the three IC partners carry out an average of 130 external evaluations of projects, country programmes and comprehensive thematic portfolios each year. Improvement is needed in the quality of project evaluations, the systematic use of recommendations for project planning⁶ and knowledge management. IC also evaluates – usually in conjunction with other donor countries – the effectiveness of the contributions it makes to multilateral organisations. In the future,

recommendations from evaluations are to be incorporated even more strongly into project planning.

- **Effective multilateralism:** In multilateral dialogue, Switzerland promotes, among other things, more accurate data collection and reporting on the 2030 Agenda. In 2022, it organised the Effective Development Cooperation Summit with high-level participants, at which governments, donor organisations, civil society and the private sector discussed ways to achieve more effective international cooperation.

Cross-sectional analysis of SDC and SECO evaluations ('success rate')



The SDC and SECO calculate a success rate to assess their project implementation, based on an analysis of 80 to 100 external evaluations which is conducted each year by independent organisations in accordance with OECD criteria. The assessment method was harmonised and improved in 2021. For the SDC and SECO, the cross-sectional analysis thus provides an indicator for making statements on the effectiveness of the evaluated portfolio. It can also highlight weaknesses, such as the insufficiently sustainable outcomes in 45% of the projects examined. The informative value of the cross-sectional analysis is heavily dependent on the quality of the evaluation reports. In a report, the Council of States Control Committee (CC-S) expresses reservations in this regard and recommends that, in future, the cross-sectional analysis should not be published until the fundamental deficiencies have been remedied. The method of measuring effectiveness is to be further improved for the next strategy period.⁷

Engaging in diverse partnerships



Local and Swiss private sector

Insight: SECO and the SDC, together with Swiss bank foundations, launched the SDG Impact Finance Initiative (SIFI) in 2021. The aim is to mobilise CHF 100 million from public and philanthropic sources by 2030 in order to generate private investment of CHF 1 billion in developing countries for the 2030 Agenda.

Swiss, local and international NGOs

Insight: Around 5% of SDC funds are allocated to the international programme of Swiss NGOs through 'core contributions', allowing these NGOs to respond nimbly to contextual changes. Small NGOs can also apply as part of alliances. Based on the recommendations of an external study on certification labels, the allocation system was slightly adapted in 2023 to allow even more competition.⁸

Bilateral state partners

Insight: At the request of officials of highest rank, the PHRD advises the armed forces in five African countries on the protection of their own populations.

Multilateral partner organisations

Insight: Development banks and UN organisations are essential to achieving global development goals. IC therefore focused on better governance, increased coordination, greater effectiveness, ambitious climate investments and compliance with standards.

National and international research institutions

Insight: Only 10% of all global research projects deal with sustainable development issues. The SDC and the Swiss National Science Foundation therefore launched SOR4D (Solution-oriented Research for Development) in 2022. It is currently Switzerland's only needs-based research funding programme in this area. It promotes the search for solutions for the 2030 Agenda, together with developing countries and emerging economies.⁹

Partners of Swiss IC

3 www.unglobalcompact.org, under 'UN Alliance for SDG Finance'
 4 SECO's economic development cooperation is ISO 9001-certified and is audited annually. The 2023 ISO audit certifies that it uses its quality management in an exemplary manner to continuously improve its performance.
 5 www.oecd.org, DAC Mid-term Review Switzerland 2022. Since 2020, the SDC has been recording the quantitative results of its projects in a standardised digital format. The first three years involved developing a common methodological understanding as an initial step. This experience was incorporated into the development of the new data system, which has considerably enhanced data collection.
 6 An external evaluation committee supports SECO in implementing recommendations from independent evaluations.

7 www.parlament.ch, Wirksamkeitsmessung in der internationalen Zusammenarbeit. Bericht der Geschäftsprüfungskommission des Ständerates vom 14. November 2023
 8 The SDC also awards mandates to Swiss NGOs to implement activities they have initiated themselves and makes targeted contributions to Swiss or foreign NGOs in support of IC Strategy priorities. See also: www.parlament.ch, Zusammenarbeit mit Schweizer NGO: Mehrwert, Rechtsgrundlagen und Übersicht der Beiträge und Mandate 2017–2020. Bericht des Bundesrates in Erfüllung des Postulates 20.4389 Schneider-Schneider vom 2. Dezember 2020
 9 www.scienznaturali.ch, Unleashing Science. Delivering Missions for Sustainability

IC priority countries

Complementary action for Ukraine

Following the outbreak of war in Ukraine, the SDC, SECO and PHRD quickly adapted their measures to the new needs in this joint priority country (see p. 9).

Peace processes in Colombia

In the negotiations between the government and the largest guerrilla group ELN, which resumed in 2022, the PHRD holds the first chairmanship of the guarantor states and so plays a prominent role in the peace processes that it has been accompanying for years.

Basic services thanks to identity documents in Mali

With support from the SDC, local authorities were able to issue identity documents for over 4.1 million previously unregistered children and adults, enabling them to enjoy additional rights (education, healthcare, property, etc.).

- Priority country SDC
- ▨ Phase-out of the SDC by 2024
- Priority country SECO
- ▨ Joint priority country SDC/SECO
- Country with human security advisor PHRD (as at 1 January 2024)
- ★ Country with humanitarian program

Disaster relief in Turkey and Syria

The Swiss Rescue team dispatched after the February 2023 earthquake pulled 11 people alive from the rubble. The SDC subsequently provided further emergency assistance.

Organic exports from Vietnam

In Vietnam, 12 companies exporting certified products such as spices and nuts improved their working conditions and boosted the incomes of over 10,000 workers (60 % of them women) with assistance from SECO.

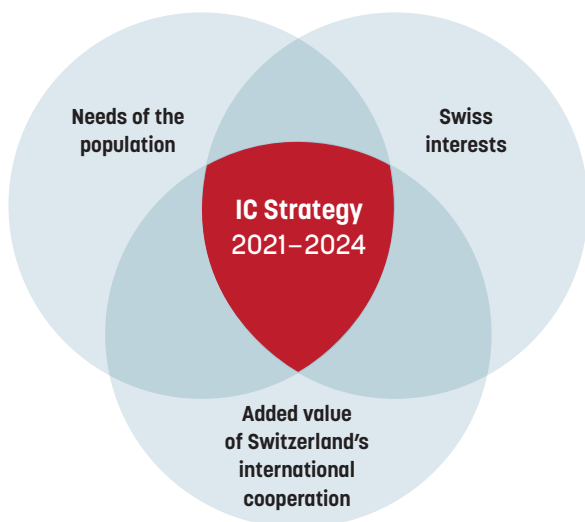
Strategically and geographically focused

For the first time, the IC Strategy 2021–24 explicitly defined criteria for maximising its effectiveness and has enhanced its geographic focus.

Criteria for the strategic orientation

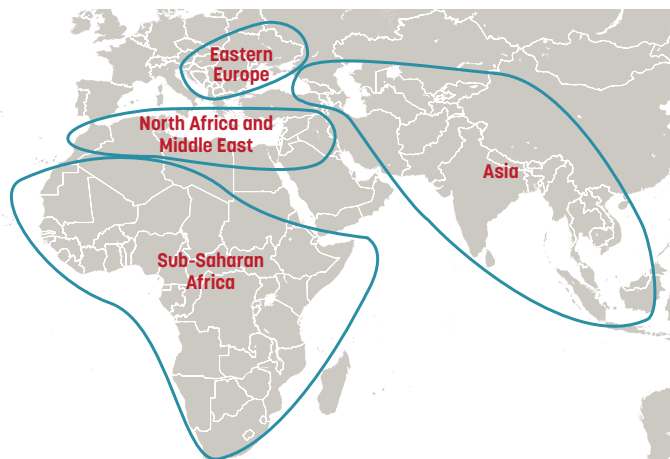
With a view to maximising effectiveness, the SDC, SECO and PHRD focus their efforts in contexts where:

- there are major humanitarian needs or challenges related to poverty reduction and sustainable development and limited capacity to address them using domestic resources (*needs*);
- cooperation is in Switzerland's long-term foreign policy and/or foreign economic policy interests or special bilateral relations exist (*Swiss interests*);
- Switzerland has special competencies and expertise as well as privileged access compared with other countries (*added value*).



Geographic focus on four priority regions

Since 2021, the SDC's bilateral development cooperation has focused even more heavily on especially poor, vulnerable and fragile contexts in four priority regions:¹⁰ Sub-Saharan Africa, South, South East and Central Asia, North Africa and the Middle East, and Eastern Europe. IC's global mandate in the areas of humanitarian aid, thematic cooperation and human rights protection remains unchanged. SECO has maintained its presence in 13 priority countries with foreign economic policy relevance (two of which are in Latin America). The PHRD continues to work with peace policy programmes in 20 priority contexts where its expertise can provide the greatest added value for the prevention or resolution of armed conflict.



Programmes ending in Latin America, the Caribbean and Mongolia

The SDC is phasing out its bilateral development cooperation in Latin America, the Caribbean and East Asia by the end of 2024, based on a responsible timetable. Specifically, this concerns the programmes in Honduras, Nicaragua, Bolivia, Cuba, Haiti and Mongolia. Switzerland will remain present via other foreign policy and foreign economic policy instruments.

Since the turn of the millennium, partner countries in Latin America and the Caribbean – with the exception of Haiti, where the SDC will remain involved with a humanitarian programme beyond 2024 – have succeeded in reducing extreme poverty and providing the population with more inclusive basic services. In Asia, Mongolia increased its gross domestic product per capita more than eightfold between 2001 and 2021.¹¹ It also remains democratically stable and has the conditions in place to continue project development independently. The SDC played a part in this achievement. It has found solutions to wrap up or transfer projects to local, foreign or multilateral organisations.

This is the first time that the SDC has undertaken such an extensive disengagement process. It was accompanied by a capitalisation process, incorporating priorities, impact, learnings and recommendations from over 50 years of presence in Latin America and the Caribbean. It has been shown that a long-term orientation of partnerships and programmes, the combination of local outcomes with national policy dialogue, and flexibility in planning are important.



¹⁰ Concentrating funding on fewer priority countries is also in line with a 2009 OECD recommendation (www.oecd.org, under 'Switzerland (2009) DAC Peer Review – Main Findings and Recommendations').

¹¹ Mongolia's gross domestic product per capita (current prices) rose from USD 521 in 2001 to USD 4,483 in 2021 (www.imf.org, under 'World Economic Outlook Database, April 2023 Edition').

The COVID-19 pandemic, the war in Ukraine and the escalation in the Middle East: IC challenged by crises and conflicts

IC often operates under difficult conditions and in a volatile environment. Political upheavals, in among others Afghanistan, Sudan, Myanmar, Mali, Burkina Faso and Niger, additionally led to significant contextual changes during this strategy period. The COVID-19 pandemic, natural disasters, the war in Ukraine and the escalation of the Middle East conflict confronted IC partners with additional crises, which required countless projects to be adapted. Shifts in credit from long-term development cooperation to humanitarian aid as well as supplementary credits approved by Parliament¹² enabled the SDC, SECO and PHRD to respond quickly and appropriately to the crises.¹³



With the **Lugano Principles**, Switzerland initiated the international debate on **inclusive reconstruction**. Its modalities and financing are the subject of discussion.

12 Of which additional funds for global pandemic response during the reporting period (2021 to end of 2023): CHF 225 million for IC; CHF 215 million for material supplies and vaccine doses donated by other federal offices. In the first year of the pandemic (2020): CHF 105 million for IC; CHF 200 million interest-free loan to the ICRC; CHF 25 million for other federal offices
Of which additional funds to support Ukraine, 2021 to end of 2023: CHF 220 million
Additional funds for humanitarian aid in Afghanistan in 2021: CHF 23 million.

13 In response to the escalation of the conflict in the Middle East, Parliament approved additional funds totalling CHF 86 million for humanitarian aid in the region in November 2023. This accountability report considers developments up to mid-2023. Consequently, it does not reflect Switzerland's response to ongoing developments in the Middle East, which will be included in the accountability report for the next strategy period.

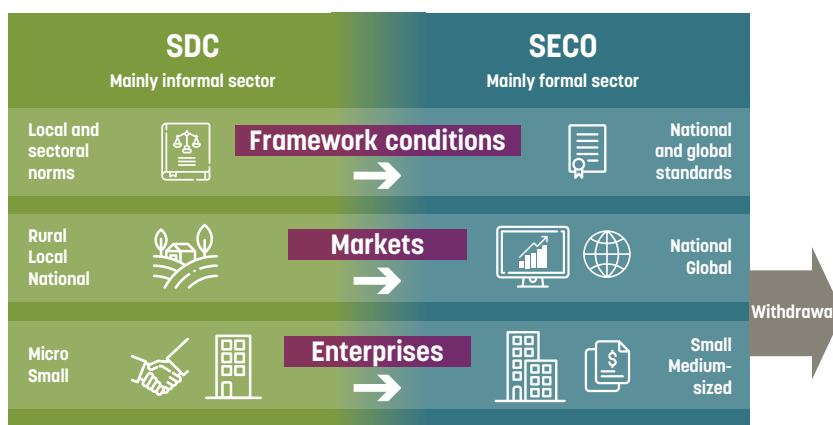


Contributing to sustainable economic growth

Swiss IC supported its partner countries in overcoming crises and achieving sustainable economic growth. To this end, it promoted reliable economic conditions and innovative private sector initiatives. This enabled SMEs to weather crises, expand their operations and integrate into local and global value chains under fair conditions, thereby strengthening the private sector in the partner countries and creating or maintaining decent jobs.

Swiss IC improves the framework conditions for business and trade in its partner countries. SECO and the SDC pursue complementary mandates in this regard:

providers that tailor products and services to local needs, Swiss IC has reached 3.4 million people since 2011 as part of the Swiss Capacity Building Facility public-private partnership.¹⁴



SECO strengthened **public finances** and **public services** in its priority countries, and also helped them cope with the impact of the COVID-19 pandemic. This enabled them, for example, to better adapt their revenue and expenditure planning to the changed situation and to implement necessary reforms. Thanks to SECO's cooperation with the World Bank and the International Monetary Fund, partner countries were also able to improve their debt management.

52,000 employees in financial administrations and audit services trained in financial and crisis management. ●

USD 3.8 billion in additional tax receipts generated in partner countries. ●

Over 870 local authorities in 19 partner countries supported in mobilising tax revenues. ●

SMEs need a **sound business environment** in order to thrive. However, accessing capital is often particularly difficult for these companies. SECO therefore supported legal and regulatory reforms, for example, to make it easier for financial institutions to lend to SMEs. It also promoted the reduction of bureaucratic barriers and strengthened direct responsibility and networking between companies. The SDC facilitated access for women, low-income and smallholder households to **financial services** such as savings accounts, small and micro credit, insurance and economic expertise. With the support of Swiss financial service

Over 393,000 SMEs enabled to access capital. ●

USD 12.1 million saved by reducing bureaucratic barriers for SMEs. ●

Around half a million people given access to digital financial products and services (72% of them women). ● ●

According to the World Bank,¹⁵ **trade** helped developing and emerging economies recover more quickly from the effects of the COVID-19 pandemic. With SECO's support, SMEs were able to adapt to the new conditions and diversify their production. SECO also strengthened the capacity of public authorities in the negotiation of trade agreements, more effective customs administration and intellectual property protection. As a result, between 2021 and 2023 a number of priority countries developed better intellectual property policies and laws to foster and safeguard innovation and creativity.¹⁶

Over 447,000 people trained to provide sustainable products and services. ●

Over USD 74.6 billion generated by SMEs and producer associations from sustainable trade. ●

¹⁴ Of these, 64% were women and 53% lived in rural areas (www.scbf.ch, 2022 Annual Report. Resilience on the African Continent).

¹⁵ www.live.worldbank.org, under 'Trade to the Rescue'; www.worldbank.org, under 'Trade: Overview'

¹⁶ A 2023 evaluation confirmed the quality and relevance of the transfer of know-how from Switzerland and the programme's agility during the pandemic (GPIPR External Mid-Term Evaluation [unpublished]).

¹⁷ www.swissep.org, under 'Impact Data'



To enable partner countries to better exploit the potential of increasing urbanisation, SECO encouraged the **sustainable development of urban spaces and infrastructures**, for example in Tunisia, where several cities now have energy-efficient street lighting and photovoltaic systems on administrative buildings. Cities in Africa and Asia modernised transport networks and public facilities and enhanced their resilience to the impacts of climate change, for example in the Mekong Delta, which is often hit by floods. SECO cooperated closely on this with multilateral development banks such as the Inter-American Development Bank (IDB) and with Swiss universities, including ETH Zurich. SECO improved technology and management in public water, energy and waste disposal companies, leading to more reliable and efficient service provision by these utilities.

Over 12 million people in 237 cities reached with sustainable urban development initiatives. ●

Over 29.3 million people given access to better public services such as water, waste disposal and energy. ●

Over USD 3.3 billion in public funds mobilised for infrastructure projects. ●

Innovative private sector initiatives promoted

Start-ups with their innovative ideas are particularly important for economic development. As a result of the COVID-19 pandemic and other crises, they were hit by disrupted value chains, inflation and growing market uncertainty. However, the majority of young companies supported by SECO remained in business despite the crises. Under the Swiss Entrepreneurship Programme, over 8,000 SMEs received support, including mentoring and access to capital totalling CHF 247 million.¹⁷

In early 2023, the SDC, together with the Swiss non-profit organisation Remotecoders, launched an **innovative private sector initiative** in Egypt, which has improved the career prospects of young people, women and displaced persons. After learning programming in online courses run by EPFL, they were given jobs with European companies that were unable to find workers due to the shortage of skilled labour. They now work remotely for these firms from Egypt.



In the Middle East and North Africa (MENA) region and Central Asia, SECO worked to promote the textile and clothing sector in order to provide better job opportunities for people with little education. However, when the COVID-19 pandemic caused demand for clothing to plummet, the supported companies converted their production and started manufacturing medical textiles instead. They also began to implement social and environmental standards and to digitalise key areas of their operations. This enabled them to respond better to demand, especially for sustainable textiles, when it picked up again after the pandemic, thereby preserving jobs.

Example of a challenge: partner countries changing their priorities

Governments often lack the know-how to provide financial services that meet international standards. In **Kyrgyzstan**, SECO was helping state institutions, including the National Bank, to make their **services more transparent and efficient**. However, when the National Bank nationalised a non-systemically important, collapsed commercial bank for political reasons instead of dissolving it as planned, SECO broke off its cooperation with the institution.

SECO and the SDC strengthened the **local and export economy**. On geographically and economically isolated islands in Bangladesh (known as 'chars') the SDC, in cooperation with the government, enabled women to access agricultural and financial services as well as technical expertise, which boosted both their income and their social status. This and other projects improved the living conditions of 140,000 char inhabitants. The Swiss Platform for Sustainable Cocoa (SWISSCO) is an initiative by SECO, the private sector, civil society and research institutes that brings together all actors along a value chain. SWISSCO projects have now reached over 100,000 people working in cocoa farming. As a result, the share of sustainable cocoa imports into Switzerland rose from 55% to 75% between 2017 and 2022.



Despite Russia's war of aggression, the Ukrainian government continued to develop organic and dairy farming as part of the European Union's Green Deal. SECO helped Ukraine to adapt its legislation to EU regulations, strengthen private and public actors in organic and dairy farming, and expand trade in organic produce. As a result, exports of dairy products in 2022 were the highest in recent years, at USD 210 million, while exports of organic products to the EU and Switzerland in 2022 totalled over 225,000 tonnes, up 13% on 2021.



Impact investments are commercial investments that have a measurable, positive impact on the environment and society. Switzerland is a leader in impact investing, with a third of all such investments being transacted in the country. Public and philanthropic funds can be used to generate private investment and mobilise finance that would otherwise not flow to developing countries. To this end, SECO and the SDC launched the SDG Impact Finance Initiative (SIFI) in 2021 (see page 5). SECO also promoted sustainable shrimp farming in Indonesia via the Meloy Fund, enabling the industry to boost its productivity by around 10%. Meanwhile, the SDC, through partnerships with social enterprises and co-financed funds for SMEs, helped the private sector to contribute to 2030 Agenda implementation in least developed countries.



External view

An independent evaluation of **market system development**¹⁸ generally gave the SDC a favourable report card, noting that it plays a **leading role** in this area through global networking and measures in over 40 countries. A project in the Great Lakes region benefited more than 311,000 people directly and 700,000 indirectly, while in Bolivia the income of participating households increased by 72%. However, the analysis also found that market system development projects are still not contributing enough to poverty reduction.



Creating decent jobs and career prospects

SMEs generate 70% of jobs worldwide and make a decisive contribution to sustainable economic growth.¹⁹ To be commercially successful and create decent jobs, SMEs need capital, skilled workers and the know-how to foster good working conditions and increase productivity.

In cooperation with the International Labour Organization (ILO), SECO assisted SMEs in developing countries to improve their working conditions and make their production more efficient, benefiting 1.1 million workers. As a consequence of the war in Ukraine, SECO decided to step up its cooperation with the ILO in Eastern Europe. In Moldova, it has therefore been supporting the government and social partners since the end of 2022 in fostering better framework conditions for the development of the labour market.



During the pandemic, SMEs, in the textile sector among others, were trained in occupational safety and health issues through ILO programmes. As a result, 35% of the supported companies were able to raise their wages and 44% saw a drop in work-related accidents. In order to protect microenterprises and SMEs from bankruptcy and to safeguard jobs, the SDC co-launched a fund for interest-free COVID loans and technical support in Nepal. After one year, all the loans had been repaid on time and banks began to offer SMEs certain services as standard.



SIFEM, the Confederation's development finance institution founded by SECO in 2011, supported SMEs in developing countries in the reporting period with countercyclical investments so that they could continue to develop in spite of crises.²⁰ In 2022 alone, SIFEM created and maintained more than 14,500 jobs. Since 2021, it has also been investing more in least developed countries and strengthening the local private sector thanks to a new SDC guarantee instrument.

SECO: 182,000 jobs created and 65,000 jobs maintained. ●

SDC: 263,000 people (52% women) supported through new or better employment. ●

Example of a challenge: measuring the effectiveness of employment promotion projects

It is often **difficult to gauge** how many jobs are directly attributable to project measures. This is because projects do not usually create, maintain or improve jobs directly, but rather assist individuals and businesses to do so. Nevertheless, in order to be able to draw reliable conclusions in this area, methodologies are being continuously developed and refined together with project partners.

¹⁹ www.labordoc.ilo.org, *The power of small: unlocking the potential of SMEs*

²⁰ Since 2022, SIFEM has no longer been run by SECO alone, but jointly with the Federal Finance Administration (FFA) (dual management model).

In IC partner countries, companies often face a shortage of skilled workers due to a lack of adequate basic and specialist education/training. With the rapid pace of technological change, demand for professional qualifications is growing. The IC partners pursue a complementary approach to **vocational education and training**: SECO promotes study programmes for people who already have a vocational or academic education, while the SDC focuses on the interface between basic education/vocational skills development and integration into the labour market. In close cooperation with governments, education and training institutions and the private sector, it helps to ensure that this is firmly embedded at national level. In Nepal, it built on the federalisation agenda by supporting the national, regional and local levels in defining their roles and in developing knowledge and capacities. The programmes also included future-oriented sectors, whether it be climate-relevant jobs in South Asia or the emerging tourism sector in Uzbekistan. In Nicaragua, in response to the internal conflict and high youth unemployment, the SDC stepped up its engagement with private companies and focused on teaching entrepreneurial skills needed for self-employment. In the MENA region, sub-Saharan Africa and Asia, SECO promoted young people's access to technical vocational training, such as engineering, which is in particular demand from employers.

1.3 million people (60% of them women) given access to vocational education and training. ● ●



'Thanks to my training at Bantaeng College Indonesia, I have found an exciting and well-paid job in the industry that matches my qualifications.'



External view

SECO has supported the **Private Infrastructure Development Group (PIDG)** since 2002. The PIDG evaluated²¹ three projects in Vietnam in 2022. These had mobilised over USD 1 billion of investment and generated around 23,000 jobs, as well as providing over 4.1 million people with improved infrastructure access. Also, the share of solar power in Vietnam's electricity mix had increased thanks to the large-scale solar power plant in Ninh Thuan.

²¹ www.seco-cooperation.admin.ch, *PIDG Vietnam Evaluation 2022*



Contributing to food system transformation

Affordable access to food is not only a human right but also essential for a healthy life. Sustainable food systems play an important role in this. They are more resilient to shocks, conserve natural resources and preserve biodiversity. Swiss IC contributed to the transformation of food systems by influencing global norms in favour of smallholder agriculture, supporting agroecological practices and establishing sustainable value chains from farm to fork.

The environment, biodiversity and food production are inextricably linked. Agriculture is practised on 38% of the world's land surface.²² Climate change means that extreme weather conditions, natural disasters and diseases are on the rise, contributing to growing food insecurity in many contexts. Women make up the vast majority of those employed in agriculture worldwide, but they are partially excluded from land ownership. Making food systems more sustainable, resilient and inclusive also contributes to the realisation of other Sustainable Development Goals.

Multi-stakeholder dialogues for the UN Food Systems Summit

In September 2021, the future of global nutrition was discussed at a UN summit in New York. Switzerland took part in the summit and organised several preparatory events involving cities, farmers' organisations, civil society, research institutes and the private sector. This inclusive approach led to the negotiation of a common Swiss position. At the summit, Switzerland and 100 other countries committed to developing roadmaps for more sustainable food systems. The SDC is driving forward their implementation by entering into targeted partnerships with researchers, NGOs, governments and the private sector.

Rediscovery of traditional seeds

Preserving biodiversity is crucial to the supply of healthy food. At the same time, 60% of biodiversity loss is directly linked to food production.²³ A project supported by the SDC has been promoting the revival of neglected cereal, vegetable and pulse varieties in Tanzania, Chad, Niger and India since 2021. As these adapt better to climate change, crop losses are reduced and smallholder farmers benefit from greater food security. The higher nutritional value creates incentives for local consumers to choose these varieties. At the political level, the project sparked discussions on the right to propagate one's own seeds – for example in the Committee on World Food Security in October 2022 – and has the potential to positively influence regulatory frameworks at various levels.

Example of a challenge: food security in fragile contexts

The combined effect of climate change, conflict, unequal food distribution and the COVID-19 pandemic have led to an **increase in global hunger**.²⁴ In **Afghanistan**, for example, one of the SDC's main focuses was therefore on **food security**. The programme there had envisaged interaction between the SDC partners and the Ministry of Agriculture, but since the Taliban took power in August 2021, the partners have suspended all cooperation with the de facto government. As the food situation has continued to deteriorate drastically since then, the SDC continues to support the population – explicitly including women – via multilateral organisations or NGOs. Fragile contexts bring with them specific challenges and rapidly changing conditions. Agility is therefore essential.

22 www.fao.org, under 'Land use in agriculture by the numbers'

23 www.un.org, under 'Global Summit Dialogue on nature positive food systems highlights food systems impact on the environment'

Sustainable livestock farming and a flourishing vegetable industry in Mongolia

Green Gold: the name of the project alludes to the importance of pastoralism in Mongolia, although the country is now at risk of desertification due to overexploitation. By the end of the project in 2021, the SDC, together with 92,000 nomadic families, the authorities and other partners, had developed sustainable land use plans for an area of 20 million hectares, instigated animal health standards and set up a digital marketing system. In order to reduce dependence on foreign imports and diversify diets, it also supported small-scale farming households, often headed by women, in growing vegetables adapted to the harsh climate. After 15 years, Mongolia had achieved 100% self-sufficiency in potatoes and 70% in vegetables.



External view

The SDC commissioned an evaluation of an African Union (AU) initiative to promote **ecological organic agriculture in sub-Saharan Africa**.²⁵ The study found that the necessary political backing was in place thanks to the AU's high-level sponsorship and that certain member states had begun to officially support organic farming. However, in many countries in the region, agricultural support, where it exists, is still heavily focused on subsidies for chemical fertilisers and pesticides. A large-scale switchover would therefore also require the support of larger donors such as international development banks.

24 735 million people faced hunger in 2022, 18% more than in 2019 (www.fao.org, *The State of Food Security and Nutrition in the World 2023*).

25 www.aramis.admin.ch, *Evaluation of SDC's Performance in Mainstreaming Ecological Organic Agriculture (EOA) into Agricultural Systems in Africa 2019–2023*



Promoting sustainable use of resources

The impacts of climate change and unsustainable resource use pose a major challenge for partner countries. Switzerland has valuable experience and approaches in environmental management, which makes it a credible partner.

The ability to adapt to climate change and the sustainable use of resources will determine which regions remain habitable in the future and which economic sectors will survive. The SDC and SECO are committed to sustainable practices in their partner countries – many of which are located in areas with acute water scarcity or latent conflicts over use – as well as in multilateral cooperation. These specifically include marginalised population groups.



Giving women and minorities more of a say on water use

In many contexts, women are the main users of water and are therefore disproportionately affected by water pollution or scarcity. As part of a larger Oxfam project in the Mekong region, the SDC helped local, often marginalised, ethnic communities to participate in decision-making processes on water management. Since 2020, more than 25,000 people (half of them women) have been able to enhance their leadership capacities, knowledge and networks, enabling them to participate more effectively in consultation processes and policy dialogue. Local authorities and private companies have also been made aware of equality issues in relation to water use. As the third largest donors and Council members, the SDC and SECO supported the Global Water Security and Sanitation Partnership (GWSP) in various thematic areas. This trust fund, administered by the World Bank, worked to promote a sustainable and resilient water sector and secure global water supplies. It did so in a gender-sensitive way, incorporating appropriate measures into its projects. By 2022, it had reached 18 million people, 48% of whom were women.

Preventing forest fires through cross-border landscape management

Because of climate change and in some cases unsustainable land use practices, the Western Balkans are suffering from increasingly frequent forest fires, which are difficult to combat with the existing national and regional structures. The SDC therefore initiated a project with six countries in the region to tackle fires based on a holistic view of landscape management. Leveraging Swiss expertise to develop specific solutions, the project supported cooperation between the relevant ministries and stakeholder groups as well as the development of regional policy guidelines and technical capacities. It became apparent that the countries were prepared to cooperate on forest fire management, despite sometimes tense political relations. This demonstrates how issue-specific cooperation can serve as a door-opener in certain cases.

Example of a challenge: misjudging project partners

Billions of people worldwide have no access to **clean drinking water** or proper **sanitary facilities**.²⁷ One region where such access is not guaranteed is the **Western Balkans**. SECO therefore intended to set up a regional network of national associations of public utilities and local governments in order to strengthen their coordination and train specialists. This was initially unsuccessful because the associations did not have the necessary competencies. SECO then shifted the focus onto capacity-building at the associations, regional exchange of experience and therefore also the training of specialists.

²⁶ The framework agreement, ratified by Switzerland and seven other countries in the 1990s, was the first binding agreement under international law for the transnational protection of a mountain region.

Evidence-based decision-making for resilient mountain regions

Mountain areas are particularly affected by climate change. Since 2020, a programme launched by the SDC has been bolstering the exchange of knowledge on specific adaptation strategies in the mountainous region of East Africa, the Hindu Kush Himalayan Region, the Andes and the South Caucasus. This has also drawn on experiences from established instruments such as the Alpine Convention.²⁶ The programme has improved the local data situation and its global interconnectedness, thereby enabling national, regional and global policy dialogues to reach scientifically sound decisions. The findings were incorporated into the Intergovernmental Panel on Climate Change (IPCC) assessment report, giving the needs of mountain regions increased visibility in global climate negotiations.

8.9 million people (50% women) given affordable access to clean drinking water. ● ●



Externe Sicht

Since 2010, the SDC has been providing technical support for sustainable water use in the Middle East, West Africa and Central Asia through the **Blue Peace** initiative, combining this with water diplomacy. The long-term goal is to devise common rules for cross-border water use. The SDC's aim in so doing is to build trust and defuse tensions. In **Central Asia**, an external study²⁸ confirmed the relevance and added value of the initiative. Water use in this region is highly politicised and progress is conditional upon trust between individuals. The study therefore recommended adapting the structure of the initiative to enable Switzerland to engage in high-level political exchange.

²⁷ www.unstats.un.org, *The Sustainable Development Goals Report 2022*

²⁸ *Capitalization of 7 years of Blue Peace Central Asia Initiative, 2014–2020* (unpublished)



Contributing to the fight against climate change and helping people to adapt



The negative impacts of climate change on people and the environment are steadily increasing worldwide. Through resilient food systems, sustainable use of resources and disaster risk reduction, Swiss IC supported vulnerable population groups in adapting to these changes. It also implemented innovative approaches to encourage low-emission development, known as mitigation measures.

Up to 3.6 billion people live in areas highly vulnerable to climate change,²⁹ with disadvantaged population groups disproportionately impacted. IC can achieve little by itself. It must rely on strong partnerships on the ground, with multilateral organisations and development banks or the private sector.

Active involvement in shaping the largest climate fund

The Green Climate Fund (GCF), founded in 2010, provides USD 12 billion to support over 140 countries with low-emission development and climate change adaptation. This has prevented the emission of an estimated 2.4 billion tonnes of CO₂ – equivalent to half of US emissions in 2021³⁰ – and increased the resilience of 666 million people.³¹ Switzerland contributes to the financing of the GCF. In the GCF Board, the SDC, SECO and FOEN advocate improved governance, the efficient use of funds and a sound measurement and evaluation system.

Adapting to climate change to preserve livelihoods

In contexts severely impacted by climate change, IC helps vulnerable population groups to safeguard their livelihoods, whether through agroecological agriculture (p. 13), adapted management of forest and mountain areas (p. 14) or disaster risk reduction (p. 16).

Fewer CO₂ emissions thanks to renewable energies

Burning coal, oil and gas is the biggest driver of climate change. Swiss IC therefore supports partner countries in switching to renewable energies. SECO, for example, helped to modernise district heating networks in Serbia. Fossil fuels were replaced by biomass, cutting CO₂ emissions by 90%. Around 17,000 people now benefit from reliable heating and better quality air.

Example of a challenge: climate financing

IC funds benefiting climate measures are continually rising and in 2023 amounted to CHF 519 million.³⁵ The pressure on wealthy countries to increase their international climate financing continues to grow. At the same time, other crises, most notably the war in Ukraine, are demanding huge financial resources. In order to meet climate commitments without further straining IC resources, it is therefore essential to tap into new sources to boost Switzerland's public contribution and to mobilise private funds. However, the private sector is still reluctant to invest in adaptation measures because it expects too little return on investment. Efforts in this area must be stepped up.

29 www.ipcc.ch, Climate Change 2022: Impacts, Adaptation and Vulnerability

30 www.eia.gov, under 'U.S. energy-related CO₂ emissions rose 6% in 2021'

31 As at 31 December 2022 (www.greenclimate.fund, Progress Report. GCF's first replenishment period 2020–2023)

32 www.european-energy-award.org, under 'Our Mission'

33 www.edgebuildings.com, Certify Green and Change Your World

SECO also promoted energy efficiency and renewable energies in Ukraine, assisting partner cities to prepare for a 'greener' reconstruction of war-damaged infrastructure. Zhytomyr even obtained the European Energy Award certificate.³²

19.7 million people given access to more sustainable energy and 15.9 billion kilowatt-hours of sustainable energy generated. ●

For a more climate-friendly construction sector

The cement sector is responsible for 8% of global carbon emissions. The SDC supported EPFL and universities in India and Cuba with the development of a new type of cement called LC3, which generates up to 40% fewer CO₂ emissions. The adoption of relevant standards in numerous countries paved the way for commercial distribution from 2017. Three quarters of all cement factories could switch cost-effectively to LC3 without major adjustments. In 2022, companies invested CHF 180 million in production, which shows that the project can now operate without IC support. The SDC therefore handed over all further responsibility to its partners in 2022.

The buildings sector also harbours great potential for savings: in six partner countries, SECO, together with the International Finance Corporation, supported the development of legal foundations and EDGE certification³³ for resource-efficient buildings. Between 2020 and 2021, the certified surface area of 'green' buildings doubled from 12 to 24 million m². At the same time, the SDC assisted the Indian government with developing a promising mandatory building standard, which came into force in 2022.

16.2 million people (36% women) supported with climate change adaptation. ●

69 million tonnes of CO₂ saved. ● ●

External view

The SDC and SECO had their climate measures externally evaluated. With the SDC attaching great importance to local contextual knowledge and partnerships, its projects were found to be **above average in terms of success**. More attention should be paid to positive spin-offs of climate projects, for example on biodiversity or poverty reduction. SECO was described as **closing an important gap** by mainstreaming climate change into the improvement of economic framework conditions, thereby driving positive changes. Going forward, climate aspects should be even more strongly incorporated into all measures and internal expertise consolidated.

34 As at 11 April 2024. The IC Strategy 2021–24 envisages that the SDC and SECO commit at least CHF 400 million per year (approximately 15% of the funds) to climate financing until 2024. They are increasingly mainstreaming climate change into all measures.

35 www.aramis.admin.ch, Independent Evaluation of SDC's Engagement in Climate Change Adaptation and Mitigation 2015–2020; www.seco-cooperation.admin.ch, Independent evaluation of the climate approach of SECO's economic cooperation division since 2017



Saving lives and alleviating suffering

There have been many demands on Switzerland's humanitarian aid over the past four years, owing to natural disasters, the COVID-19 pandemic, the war in Ukraine, other armed conflicts and food insecurity. By acting quickly and flexibly on the ground, as a reliable donor to international organisations and as an advocate of humanitarian principles and international humanitarian law, it has helped to save lives and alleviate human suffering.

Over 360 million people were dependent on humanitarian aid in mid-2023, more than twice as many as five years previously.³⁶ A large proportion of these live in sub-Saharan Africa. Armed conflicts and the COVID-19 pandemic made accessing affected civilians much more difficult. In humanitarian contexts, over 70% of women and girls are affected by gender-based violence³⁷ (see p.20). The resources available are increasingly lagging behind the growing humanitarian needs.



The SHA: saving lives for the past 50 years

In 2020–23, 436 members of the Swiss Humanitarian Aid Unit (SHA) carried out 758 operations in 78 countries. This figure includes secondments to humanitarian organisations such as the UNHCR and UNICEF, to which it made its expertise available. The SHA also provided reinforcements for Swiss representations and the SDC's office in Bern during humanitarian crises, for example after the outbreak of the war in Ukraine.

Future-oriented humanitarian aid

The global humanitarian system faces overlapping challenges that require new responses. The SDC has therefore joined forces with UN humanitarian partner organisations and the International Red Cross and Red Crescent Movement (including the ICRC in particular) to advocate forward-looking reforms based on the following principles:

More local: Strengthening and involving local organisations, as they know the needs best, have easier access to those affected and are on the ground before, during and after a crisis.

In 2022–23, Switzerland, as co-chair of an OCHA working group, ensured that local organisations were able to attend strategic meetings in Geneva for the first time and contribute their views (see p. 22).

More interconnected: Involving non-traditional donors, such as those from the private sector.

In 2023, Switzerland joined the Humanitarian and Resilience Investing Initiative, a World Economic Forum platform that promotes market-based solutions to challenges in fragile and humanitarian contexts.

Disaster risk reduction lessens vulnerability

Switzerland is a world leader in disaster risk reduction. Providing early warnings to the public and humanitarian partners and taking proactive measures before crises or conflicts occur can prevent individuals and communities from losing their livelihoods. Academic studies have shown that every franc invested preventively in appropriate infrastructure can prevent loss and damage worth around four times that amount.³⁸ This became apparent in Pakistan, where, after the devastating floods of 2010, the SHA helped to rebuild 80 schools on a more solid footing. When severe flooding struck again in August 2022, all the buildings withstood the onslaught. As the third largest donor and a member of the Steering Committee, Switzerland also helped to shape the multilateral Climate Risk and Early Warning Systems (CREWS) initiative, under the leadership of the SDC and with the involvement of MeteoSwiss expertise. Thanks to CREWS, 111 million people in 15 countries were additionally protected against extreme weather events by early warning and response mechanisms in 2022.³⁹

SDC contributions enabled multilateral partners the ICRC, UNHCR and WFP to provide humanitarian aid to 1 million people in Ukraine, 1.1 million in Afghanistan and 540,000 in Sudan. ●

Over 3 million people (54% women) supported in disaster risk reduction. ●

More forward-looking: Avoiding casualties and damage and preserving livelihoods through prevention.

The SDC participated in emergency relief funds, such as those of the World Food Programme and the International Red Cross and Red Crescent Movement. These funds ensured that more financial resources were made available before crises or disasters occurred.

More complementary: Strengthening interaction between IC instruments.

A reorganisation in 2022 brought the SDC's humanitarian aid, bilateral development cooperation and multilateral cooperation closer together (see p. 25).



Example of a challenge: when emergency aid becomes reconstruction aid

Natural disasters may provide an impromptu spur for the mobilisation of funds required elsewhere. After the **earthquake in Haiti** in August 2021, the SDC wanted to restore the drinking water system in partnership with Helvetas. Although the immediate damage was less than expected, the project turned out to be much more complex than anticipated as the water supply was already dysfunctional prior to the earthquake. Ultimately, external technical support was required to successfully complete the project.

Externe Sicht

Two external reviews analysed the **relevance and added value** of the **SHA** and Swiss Rescue. These confirmed the importance of the SHA's four deployment modes.⁴⁰ The SHA has updated its concept in order to optimise its structure and organisation for future challenges.⁴¹ Swiss Rescue also took steps to increase its flexibility following its evaluation.⁴² It was deployed in February 2023 following a major **earthquake in Turkey and Syria**: the Swiss Rescue crew were the first international team on site and were able to pull 11 people alive from the rubble with the help of search dogs.

36 www.reliefweb.int, *Global Humanitarian Overview 2023. Mid-year update*; www.humanitarianaction.info, under 'Inter-Agency Plans 2023'

37 www.reliefweb.int, *Global Humanitarian Overview 2021*

38 The figures vary depending on the system boundaries set (www.wri.org, *The Triple Dividend of Building Climate Resilience: Taking Stock, Moving Forward*).

39 www.reliefweb.int, *Annual Report 2022: How do we keep ourselves safe?*

40 www.aramis.admin.ch, *External review of the Swiss Humanitarian Aid (SHA) Unit*.

The deployment modes are: rapid response actions, direct actions, secondments, and support for Swiss representations and the SDC's office in Bern.

41 *Einsatzkonzept 2022–2030 des Schweizerischen Korps für humanitäre Hilfe (SKH)* (unpublished)

42 www.aramis.admin.ch, *External review of Swiss Rescue*



Supporting equitable access to basic services

Access to high-quality healthcare, education and basic infrastructure is essential for reducing poverty and inequality. Swiss IC pursued a holistic approach to sustainably improve basic services in its priority countries and globally. It was a driving force for systemic change.

The COVID-19 pandemic was a once-in-a-century event that affected all areas of life and impacted the entire world, albeit with varying degrees of severity. Aside from the health and humanitarian crisis, it also triggered a global education crisis and set human development back by five years.⁴³ Swiss IC cushioned the impact on the most vulnerable groups and strengthened their resilience.

'One Health' in the Horn of Africa

The pandemic highlighted the risk posed by diseases transmitted from animals to humans (zoonoses).⁴⁴ In eastern Ethiopia, 85% of the population earn their living from livestock farming and are therefore particularly exposed. The SDC takes a holistic view of human, animal and environmental health ('One Health'). It set up a research team, a study programme and a laboratory in collaboration with the Swiss Tropical and Public Health Institute. Today, the resulting competence centre shares its knowledge beyond Ethiopia, has strengthened the quality of higher education in a structurally weak region and is involved in the development of policy guidelines. Through pilot projects and training, the project has also contributed to improving health and food security.

Significant reduction in child mortality in Cambodia

Set up by Swiss doctor Beat Richner and supported by the SDC since 1994, the Kantha Bopha children's hospitals have made a major contribution to the health of children and mothers in Cambodia. Eighty percent of all sick and injured children in the country are treated in one of the five hospitals, which are now run as public university hospitals. They have been instrumental in reducing child mortality, which has fallen by 79% since 1992.⁴⁵ The SDC will help to secure long-term funding before handing over to local stakeholders in 2027.

Education: the key to sustainable development

In addition to its local programmes, Switzerland also promoted resilient education systems at a global level through its involvement in multi-lateral funds, to ensure that all children and young people can benefit

from basic education. As co-founder of the Geneva Global Hub for Education in Emergencies in 2021, the SDC brought international organisations, governments and universities together around one table. To raise the profile of education, Switzerland put the issue centre stage at the second International Cooperation Forum in 2023 and co-organised the first high-level financing conference for the UN's Education Cannot Wait fund, which mobilised USD 826 million.

Changing approach to infrastructure projects in Nepal

Since 1961, the SDC has been supporting the construction of trail bridges in Nepal to improve access to services for disadvantaged groups in remote areas. The approach has evolved considerably over time: from ad hoc support by Swiss engineering experts, to building up local competencies, to clarifying the mandates of different levels of government within the federal system. Since the Nepalese authorities now have the resources and technical know-how to continue the project, the SDC will end its support for the bridge sector in 2024. The more than 10,000 bridges built to date have sustainably improved the lives of 19 million people by cutting their average journey time by 2.5 hours and thereby making education and healthcare more accessible, with school attendance up by 16% and visits to doctors' surgeries up by 26%.

5 million people (55% women) made more aware about prevention of non-communicable diseases. ●

Trained staff enabled to attend 2.1 million births. ●

1.6 million children and young people (48% girls and women) given access to primary or secondary education. ●

Example of a challenge: setbacks in healthcare

In 2020-21, the global focus was on tackling the COVID-19 pandemic. This led to a lack of attention and resources for other health programmes. It will take several years to make up the lost ground on **sexual and reproductive health** and **non-communicable disease prevention**. In the global fight against other infectious diseases, prevention and control programmes would have collapsed had it not been for additional funds amounting to the equivalent of CHF 3.7 billion from the emergency response mechanism of the Global Fund to Fight AIDS, Tuberculosis and Malaria. The SDC contributed to its replenishment.

External view

The SDC supported a project in **Benin** that enables children and young people who have not attended primary school to receive basic education and training at **'alternative schools'**. A study⁴⁶ involving **control groups** concluded that participants were better prepared for a future career and had improved their knowledge and skills. Girls were more likely to report being critical of early marriage or motherhood, which is likely to have a positive impact on gender equality. Awareness campaigns should be undertaken to build on this progress. Such impact studies enable a deeper understanding of the impact of a project. However, since they are extremely resource-intensive, they can only be used selectively.

43 www.hdr.undp.org, *Human Development Report 2021/2022*

44 For a full description of measures on zoonoses implemented as part of IC, see: www.parlament.ch, *Massnahmen zur Eindämmung von Zoonosen und zur Bekämpfung ihrer Ursachen. Bericht des Bundesrates in Erfüllung des Postulats 20.3469, Aussenpolitische Kommission NR, 26. Mai 2020.*

45 www.data.unicef.org, under 'Cambodia. Key Demographic Indicators'

46 www.aramis.admin.ch, *Impact evaluation of a programme which promotes education for children with no access to the formal school system (PAEFE) in Benin*



Seizing migration-related opportunities and tackling the causes of forced displacement



Migration and forced displacement became an even greater focus for Swiss IC. The integration of the topic of migration into the IC Strategy, as an implementation of the strategic link decided by Parliament, was extended to all IC instruments and implemented at a political, geographical and thematic level. In the interests of policy coherence, measures were harmonised within the IMZ structure. Deploying a mix of short-, medium- and long-term measures, Swiss IC worked in countries of origin and host countries to harness the potential of regular migration and address the causes and dangers of irregular migration and forced displacement.

Over 100 million people were living as displaced persons in 2022, whether within their own country or abroad.⁴⁷ That is 1% of the entire world population or 11 times the population of Switzerland. The reasons for this record total were wars, persecution, the rising cost of living and climate change. The SDC, SECO and PHRD worked to promote the protection, integration and long-term prospects of migrants, displaced persons and refugees.

Decent work and protection of migrant workers

The SDC and SECO worked to promote labour migration under humane conditions, taking into account the prospects in countries of origin and destination. For example, technical advice from the SDC enabled the Bangladeshi government to improve its bilateral agreements with the United Arab Emirates and Lebanon in the area of labour migration. As a result, 130,000 Bangladeshi migrants have enjoyed better legal protection since 2021. Measures were also implemented in connection with remittances and human rights-compliant recruitment practices for workers. Thanks to a SECO programme with the World Bank, members of the Kosovo diaspora save an amount equivalent to almost a month's salary in Kosovo each year when sending remittances home.

A PHRD's pilot project with the city of Bern identified risks for Ukrainian refugees on the run and in the host country and developed recommendations for the prevention of human trafficking and exploitation. ●

794,000 migrants and displaced persons (55% women) given access to local health, education and other social services ●

... and 454,000 (28% women) given access to low-cost digital money transfer services. ● ●

Example of a challenge: unforeseeable obstacles in project implementation

Migrants who want to send money to their families often have to pay **hefty fees**. SECO wanted to lower the costs of such **remittances** in **Ghana**. However, the Ministry of Finance was unable to provide the agreed services and a partner bank later had its licence revoked. In addition, a necessary reform was held up for two years because of the pandemic. Despite these challenges, the project succeeded in cutting the cost of remittances for over 23,000 people. It also launched new financial products such as accounts for microsavings, microinsurance and pensions, which benefited 4,500 customers in the first six months alone.

Sustainable solutions for displaced people in countries of first refuge

Swiss IC worked with host countries to find lasting solutions for the social and economic integration of displaced people. In Ethiopia, Somalia and Iraq, it helped governments to formulate strategies that involved local host communities. National and regional measures were accompanied by strong global action, for example as part of the UN Secretary-General's Action Agenda on Internal Displacement, which aims to prevent forced displacement, protect those affected and develop longer-term solutions.

Projects in cooperation with the SEM

Within the four priority regions, the IC partners, in consultation with the SEM, implemented projects to address migration policy challenges (irregular migration, displacement) and leverage the opportunities offered by migration. The IC Strategy earmarked up to CHF 60 million of 'flexible funds' for this purpose,⁴⁸ stipulating that these projects should be implemented in non-SDC priority countries affected by migration.⁴⁹ For example, the SDC supported the security sector reform in The Gambia, which strengthened the capacities of the police and immigration authorities in human rights protection. The project was implemented together with the Geneva Centre for Security Sector Governance (DCAF) and created a foundation of trust for the migration agreement concluded with The Gambia in 2021.

Long term – Prospects

- ▶ Improving prospects in countries of origin through basic education/vocational skills development and decent jobs. ● ●
- ▶ Promoting human rights and peaceful coexistence. ● ●



Medium term – Integration

- ▶ Developing sustainable solutions for basic services. ● ●
- ▶ Supporting the integration of displaced people in host countries. ● ●

Short term – Protection

- ▶ Protecting against human trafficking and data misuse. ●
- ▶ Providing humanitarian aid to refugees and displaced persons and protecting forcibly displaced people. ● ●

Externe Sicht

In **East and North-East Africa**, the SDC, PHRD and SEM supported the regional organisation Intergovernmental Authority on Development with **migration governance**. The project promoted regional migration dialogue as well as national coordination mechanisms and competencies. An external evaluation⁵⁰ found that measures had been delayed due to various difficulties (pandemic, staff changes, project management, changing context), but emphasised the successes achieved. For example, action on climate-related migration was strengthened at national and regional level, with the secondment of a Swiss specialist adding significant value

47 www.unhcr.org, under 'More than 100 million people are forcibly displaced'

48 Between 2021 and the end of 2023, flexible funds totalling CHF 43.55 million were committed in view of the potential benefits for bilateral migration cooperation in sub-Saharan and North Africa and South Asia.

49 In close consultation with the SEM, SECO also carried out projects in SEM priority countries (e.g. Morocco) as part of complementary measures.

50 *Evaluation Report. Building Regional and National Capacities for Improved Migration Governance in the IGAD Region, 2018–2023* (unpublished)



Preventing violence and promoting peace

Armed conflicts are increasing in number, duration and complexity. The number of people dying as a result of armed conflict was higher in 2022 than at any time since the Rwandan genocide in 1994.⁵¹ Democracy and the liberal international order are under increasing pressure. Through networks of politically influential individuals, the PHRD worked on dialogue processes to prevent violence and armed conflict or to create the political conditions for their resolution. The SDC addressed conflict prevention and the causes of fragility and social tensions, for example by supporting inclusive solutions to conflicts over resources.

Russia's attack on Ukraine was a watershed moment for the West. However, armed conflict is a persistent reality for millions of people. Experience shows that societies that disregard human rights often have greater potential for conflict.

Supporting Ukraine

The PHRD had been fostering dialogue between Russia and Ukraine within the framework of the OSCE Minsk process since the Russian annexation of Crimea and the outbreak of armed conflict in eastern Ukraine in 2014. In 2022, Russia put an end to this with its attack on Ukraine. Since then, the PHRD's focus has been on the needs of the people of Ukraine for security and justice. It works with local and multi-lateral organisations, including the International Criminal Court, to help document and prosecute crimes. It also promotes holistic reparation measures such as the search for and identification of missing persons. This concerns all parties to the conflict and is therefore also in the interests of peace policy. The SDC has been supporting Ukraine in its decentralisation efforts for years, thus building its resilience. Work to digitalise local government has helped keep public services accessible even during the war. With the Lugano Principles launched at the Ukraine Recovery Conference in July 2022, Federal Councillor Ignazio Cassis shaped the international debate on inclusive and transparent reconstruction and put the spotlight on humanitarian demining.

Peace work in the Great Lakes region

With the increase in armed conflict harbouring a risk of regional escalation, the PHRD has stepped up its commitment to preventing and containing violence in the Great Lakes region. In 2022, it was appointed chair of the international contact group of Western special envoys for the Great Lakes. It used this as an opportunity to build bridges, initiating a dialogue with regional stakeholders for the first time. Switzerland also supported an East African peace initiative that is holding consultations with armed groups. This regionally focused action was reinforced at the multilateral level through Switzerland's work in the UN Security Council. The SDC also promoted peaceful coexistence in the region, specifically by supporting women as agents of change. It provided medical, psycho-social, legal and economic support to victims of trauma and sexual violence – a forbidden yet common tactic of war. This fostered processes of individual and collective healing and offered the prospect of a brighter

future to those affected. In addition, the SDC encouraged networking between female traders from neighbouring countries helping to forge a relationship of trust across borders. Women were able to settle cases of resource or family conflict in local mediation committees, thereby easing social tensions.

Search for missing persons essential for lasting peace

Every year, tens of thousands more people go missing as a result of armed conflict, forced displacement and migration. Not knowing whether family members are still alive has profound effects on loved ones and ultimately negative consequences for peace efforts and the stability of entire societies. The PHRD brought these complex issues to the multi-lateral arena and, together with the ICRC, launched the Global Alliance for the Missing in 2021. Chaired by Switzerland and Mexico, this alliance now comprises 12 member states on five continents. Thanks to its efforts, 13 people every day are reunited with their families, while every hour a family receives clarity about the fate of a missing relative.



18 successful diplomatic initiatives launched, including the abovementioned Global Alliance for the Missing. ●

21 peace processes supported and significantly influenced, including in Colombia and Kosovo. ●

Ceasefire agreements repeatedly negotiated in 7 countries, including Myanmar and Nigeria. ●

425,000 survivors of sexual violence (70% of them women and girls) assisted with support services. ●

Example of a challenge: agile vs. long-term peacebuilding

Armed conflicts are on the rise and are **difficult to predict**. New players are positioning themselves in peacebuilding and mediation. If it is to remain relevant, the PHRD must **be able to respond quickly**. During the reporting period, it set up the Rapid Action Team, which can develop agile options for action on the ground and initiate their implementation. So far, the instrument has been deployed on five occasions. At the same time, quick successes are often illusory and the resources available are limited, which makes deciding between long-term engagement and short-term missions a challenge.

External view

From the inception of the **Geneva Initiative**, the PHRD has supported the efforts of Israeli and Palestinian civil society to resolve the Middle East conflict through this mechanism. Based on an external evaluation, the FDFA has decided to phase out its funding for the Geneva Initiative. While initially important and relevant, it has seen its effectiveness and influence dwindle over the years. However, Switzerland will continue to advocate a two-state solution.

51 www.economicsandpeace.org, *Global Peace Index 2023*



Ensuring inclusive governance and accessible services

Swiss IC fostered local, regional and national capacity-building on accountability in its partner countries. It supported these countries in establishing inclusive systems for political participation and the provision of needs-oriented services. In so doing, it helped to create stable framework conditions and laid a foundation for peaceful coexistence. Governance and gender equality were included as cross-cutting themes in all areas of the IC Strategy.

Good governance means transparency, responsibility, accountability and participation. It is inextricably linked to human rights and gender equality. While the SDC partially, or in some cases completely, discontinued its cooperation with authoritarian regimes and continued its support via other implementation partners, further stepping up support for the local government level has often proved effective in fragile democracies.

Strengthening decentralised structures and independent bodies

In Mozambique, the government and opposition signed the Maputo Accord for Peace and National Reconciliation in 2019, after decades of armed conflict. The accord was brokered by Switzerland. One pillar of the new approach is the decentralisation reform supported by Swiss IC, which stipulates the transparent provision of high-quality basic services by local governments and the right of the population to have a say in local decision-making processes.

Promoting culture creates prospects

The SDC allocated 1% of its funds to the promotion of culture. Such activities have the potential to foster public dialogue and social cohesion, especially in fragile or authoritarian contexts. In Burkina Faso, for example, its cultural programme created spaces for creativity and decentralised cultural support, while incorporating gender and youth issues. It also helped to solve problems faced by creative artists, such as 1) access to funding, 2) professionalisation and training of artists, 3) creation and dissemination of cultural and artistic works, and 4) education of citizens on good governance and the fight against impunity.

In Tunisia, the SDC provided technical support to independent monitoring bodies such as the National Authority for the Prevention of Torture and the National Authority to Combat Trafficking in Persons, to enable them to better fulfil their supervisory role vis-à-vis the state. As an electoral law introduced in 2022 restricted the independence of the Tunisian electoral authority, the SDC discontinued its cooperation with this body, focusing instead on political education measures and voter registration for the next elections.

Encouraging effective participation of women

As part of this strategy, the IC partners increased funding for specific measures on gender equality.⁵² In the field of governance, the SDC paid particular attention to ensuring that women can participate equally in decision-making processes and that their needs are taken into account when planning government measures. For example, it contributed to the inclusion of new requirements on gender equality in budget planning in the 2022 budget law in North Macedonia.

The implementation of UN Security Council Resolution 1325 on Women, Peace and Security is one of the priority goals of peacebuilding. As chair of the 90-country network for this resolution, the PHRD emphasised the effective and equal participation of women in mediation processes. It also founded the Swiss Women in Peace Processes (SWiPP) network.

5.4 million people (47% women) given a greater say in decision-making processes and budget discussions. ●

1.3 million people (39% women) – disadvantaged because of their origin, gender or disability – assisted by measures to curb discrimination and inequality. ●



Example of a challenge: gender equality and combating domestic violence

The COVID-19 pandemic, climate change and other **crises** have exacerbated inequalities within and between societies. With the increase in authoritarian tendencies and the propagation of traditional roles that often accompanies it, **gender equality has taken a step backwards**. This particularly affects women and girls from disadvantaged population groups, such as ethnic minorities or internally displaced persons. Lockdowns during the COVID-19 pandemic also led to a rise in **domestic violence** around the world. In response to this, the SDC has tripled its funding for combating gender-based violence over the last four years.

External view

The SDC had its measures (2017–22) in the areas of **governance** and **rule of law** independently evaluated.⁵³ The evaluation found that it was a leading player in projects to promote decentralised governance structures, and that its solid local base allowed it to remain active even in increasingly unstable political contexts. It also concluded that the SDC should raise the discussion of complex and sensitive issues, such as aspects of the rule of law, from the local to the national level on a more regular basis. One other finding was that the SDC should support its partner organisations more proactively in strengthening governance as a cross-cutting issue.

52 This development was singled out for commendation by the OECD (www.oecd.org, DAC Mid-term Review Switzerland 2022).

53 www.aramis.admin.ch, *Independent Evaluation of SDC's Engagement in the Field of Good Governance and Rule of Law (2017–2022)*



Promoting the rule of law and democratic processes

Political participation, rule-of-law principles and human rights are under pressure. Support for basic democratic principles, the fight against corruption and access to justice aimed to counteract this development. The IC partners supported authorities from local to national level, parliaments, the media and civil society. Internationally, they helped to shape standards conducive to a liberal world order.

The number of democracies is declining, and a loss of trust in government and politics can be observed in many places. In politically fragile contexts, corruption is widespread. The scope for civil society, the media and parliaments to draw attention to these and other ills has contracted in many parts of the world.

Anti-corruption measures expanded

The SDC stepped up efforts to combat corruption, with a doubling of the associated funding. It implemented explicit anti-corruption measures, for example by providing Kosovo's judiciary with technical support for the implementation of its national anti-corruption strategy. For many years, it had supported the international commissions against corruption and impunity in Guatemala and Honduras, so their politically motivated dissolution in 2019/20 came as a major blow. However, a UN programme supported by the SDC continues to promote the rule of law and human rights in Central America by strengthening the capacities of 640 members of specialised units of the public prosecutor's office and the advocacy work of 160 NGO employees. Corruption was also curbed by improving public financial management, for example in Burkina Faso. Switzerland plays a leading role in the restitution of illicitly acquired assets of politically exposed persons. Since 2021, the SDC has supported restitutions in Kazakhstan, Nigeria, Peru and Uzbekistan, making a total of around USD 0.5 billion available for the development of these countries. SECO indirectly reduced opportunities for corrupt practices. For example, it promoted the digitalisation of tax services and public access to information on government and corporate revenues from raw material extraction.⁵⁴

Anti-corruption programmes in 25 countries supported. ● ●

Democratic processes and participation strengthened

In light of increasing authoritarian tendencies, the PHRD organised two democracy retreats at which long-standing and younger democracies (including Botswana, Mongolia and Indonesia) discussed the growing pressure on democratic institutions, as well as their benefits for the economy and peaceful coexistence. A functioning democracy requires credible, inclusive and transparent elections. Signing codes of conduct

Example of a challenge: autocracies on the rise

After hitting an all-time high in 2016, the number of countries that are **democracies**, and the number of people living in democratic systems, has since been **falling steadily** again.⁵⁷ This also means a greater likelihood of systematic human rights violations. To counteract this negative trend, the PHRD intends to sharpen its profile in its democracy-focused foreign policy with the aim of strengthening democratic resilience worldwide. A conceptual paper to this end is being developed.

54 www.eiti.org, under 'Our Mission'

55 Alongside freedom of expression, combating torture and protecting minorities

has proved effective in this regard, with candidates pledging, ahead of the election campaign, to refrain from using rhetoric that promotes violence and to recognise the election result. The pledge is given added force by being made at widely relayed signing ceremonies. The PHRD applied this instrument successfully in Georgia and Nigeria, among other countries.



Effective parliaments can hold governments to account. The SDC and PHRD were able to leverage the expertise of Swiss Parliamentary Services to support the separation of powers in partner countries. In Albania, this partnership helped to raise awareness of political processes, particularly among young people, and to make parliamentary procedures more transparent and efficient. Support for free media (the 'fourth estate') and an active civil society helped to bolster forces that uphold democratic principles and human rights. For instance, the SDC encouraged media development in low-income and fragile countries through the Global Forum for Media Development. In North Macedonia, it strengthened the capacity of NGOs to participate in political processes and demand government transparency.

Digital tools also have the potential to build trust in democratic processes. Since 2021, the SDC has been supporting the Swiss NGO Politools in developing a tool that provides objective information on candidates in the run-up to elections. Initial application in local or national elections is being planned with local partners in five countries.

Human rights diplomacy for a world without the death penalty

As one of the four focal points⁵⁵ of human rights diplomacy, universal abolition of the death penalty is a priority for the PHRD. A further six countries⁵⁶ abolished the death penalty during the reporting period, bringing the total to 113. In 2020, Switzerland, together with Mexico, led negotiations on the UN General Assembly resolution for a moratorium on the use of the death penalty. This was supported by 123 member states, a record number to date.



56 Ghana, Equatorial Guinea, Papua New Guinea, Central African Republic, Sierra Leone, Zambia

57 www.ourworldindata.org, under 'The world has recently become less democratic'

Functioning and effective multilateralism

Switzerland contributed to multilateral development banks and UN organisations through its participation in steering committees and financial contributions. The development banks and their funds provide urgently needed development funds to IC partner countries, while UN programmes and campaigns directly improve the lives of many people. With International Geneva as a multilateral centre (health, humanitarian aid, demining, new technologies, trade, education in crisis situations), Switzerland was able to play a key role in shaping discussions with a global impact.

International consensus-building is becoming ever more of a **challenge**. However, global problems can only be **solved collectively**. The COVID-19 pandemic, climate change and the war in Ukraine and its global ramifications demonstrate this clearly. 2023 marked the halfway

point of the 2030 Agenda for Sustainable Development, a unique reference framework for international cooperation. The world, though, is not currently on track to meet the goals set – a redoubling of efforts is needed.



World Bank

The World Bank is an important partner for economic development, providing financial resources, knowledge and expertise to developing countries. It contributed more than USD 200 billion to tackling the COVID-19 pandemic, and mobilised over USD 37.5 billion for Ukraine by 2023. In the context of the Evolution Roadmap reform process, Switzerland worked to ensure that the World Bank continues to pursue its long-term development goals and strengthens its contribution to solving global challenges, in spite of crises.

Regional development banks

Switzerland is an active member of the governing bodies of five regional development banks. It advocated better governance, ambitious climate targets, investment in sustainable infrastructure and private sector development. The regional development banks supported their regions with advisory and financial services.

Switzerland in the UN Security Council

Switzerland brought the discussion on a New Agenda for Peace to the UN Security Council, and prioritised issues of importance for sustainable peace and International Geneva.

During its first presidency, Switzerland focused on protecting civilians in armed conflict. The then President of the Swiss Confederation emphasised the need for action on respect for international humanitarian law, food security and access to essential goods.

The interdisciplinary insights gained from years of work by the PHRD contributed to the adoption of the resolution on humanitarian exceptions to UN sanctions regimes.

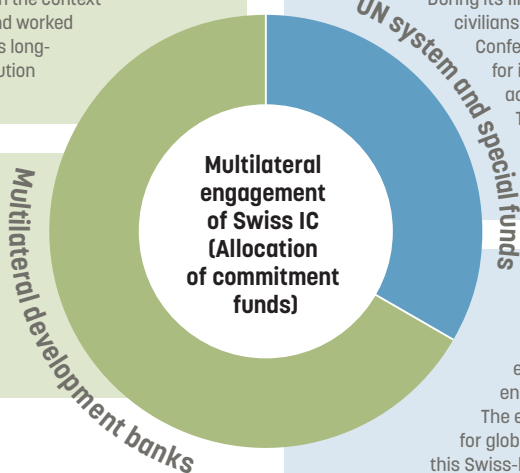
Reform of the UN development system

Switzerland sought to ensure that the various UN organisations on the ground work together efficiently and coherently, for example by strengthening the roles of locally stationed UN coordinators.

The expansion of funds financed jointly with other donors for global or country-specific measures was also part of this Swiss-backed reform agenda (see p. 16). Such financing mechanisms proved extremely effective in tackling the pandemic.

World Food Programme (WFP)

The WFP is a key humanitarian partner for Switzerland. A further worsening of the food crisis prompted the SDC to raise its contributions for 2021-22 to CHF 205 million. This enabled rapid food aid to be provided, for example in Afghanistan, Mozambique and Nigeria. It also supported the WFP in its reform agenda to enhance accountability towards local actors by increasing stakeholder involvement.



Expanding private sector engagement

Partnerships with private companies have great potential to mobilise additional resources and expertise for poverty reduction and sustainable development. New products, services, technological developments or innovative business and financing models can emerge from jointly implemented projects, and solutions can be scaled up. The SDC and SECO expanded their private sector engagement (PSE) during this strategy period.

The majority of jobs worldwide are created by the private sector, which is why SECO and the SDC contribute to its local development (see pp. 10–12). In public-private partnerships, the private sector is also an **important financing and implementation partner** for measures that would not be realised without its involvement. Swiss IC takes a proactive approach to the **challenges** that PSE can also entail: for example, interested Swiss or foreign companies must meet strict criteria in order for a partnership to materialise. The SDC and SECO rely on independent expertise to conduct upstream **risk assessments** on environmental, social and governance matters.⁵⁸

The IC partners were implementing projects in cooperation with the private sector as early as the late 1990s. The first such partnership, which is still going today, concerned the development of affordable malaria medicines, thanks to which 640 million people have already been treated and millions of lives saved.⁵⁹

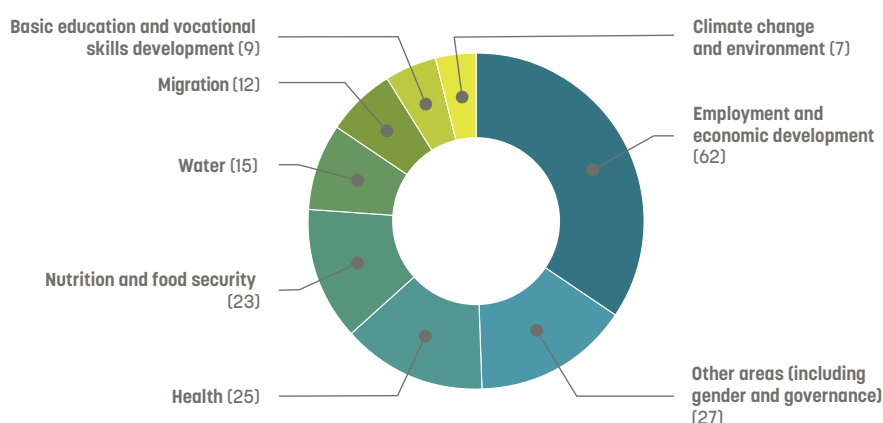
External view

Two independent evaluations⁶⁰ on cooperation with the private sector confirmed PSE as an **important and future-oriented component** of international cooperation, which should be further strengthened in the future.

- ▶ The **SDC** evaluation noted that the resources invested are starting to pay off and that PSE is delivering innovative outcomes. The setting-up of a PSE competence centre was highlighted as an important step towards stronger embedding of PSE within the institution.
- ▶ The **SECO** evaluation found that the PSE set-up is particularly suited to more innovative and higher-risk projects in which the private sector can contribute its specific expertise. Preparation for these is more complex and labour-intensive than for other IC projects. However, the effectiveness is generally rated as high.

- ▶ Under financial market-oriented partnerships, Swiss IC mobilised private funds totalling **CHF 295.4 million** in 2020–22.⁶¹

SDC and SECO partnerships with the private sector (as at 31 December 2022)



58 www.sdc.admin.ch, *SDC Handbook on Private Sector Engagement*

59 www.mmv.org, under 'How MMV estimates impact'

60 www.aramis.admin.ch, *Independent Evaluation of the SDC's Private Sector Engagement (2015–2021)*; www.seco-cooperation.admin.ch, *Independent evaluation on the engagement of SECO's economic cooperation division with the private sector during 2013–2021*

61 In accordance with OECD guidelines, SECO mobilized CHF 122.8 million and the SDC CHF 34.7 million. In addition, SECO mobilized CHF 137.9 million as part of the 'Private Infrastructure Development Group' (PIDG), which appears in the OECD database under PIDG. As part of project-oriented partnerships between the SDC, private and public donors, in which together with the private sector a common development goal is to be achieved, the SDC will invest around CHF 700 million over the entire reporting period (internal SDC project data, see www.aramis.admin.ch > Independent Evaluation of the SDC's Private Sector Engagement [2015–2021]). According to OECD guidelines, those are not counted.

Harnessing digitalisation for sustainable development



As an innovative research and business location, Switzerland is well positioned to help shape the digital transformation in collaboration with its renowned higher education institutions. Through the tech4good initiative, IC leveraged technological change for the benefit of sustainable development.

Digital technologies have great **potential** to positively impact people's lives, for example in the areas of governance and healthcare. However, without safeguards to ensure equitable access or legal standards on, for example, cybersecurity, new **challenges** and risks will also arise. The

following examples illustrate how IC capitalised on the opportunities of digitalisation and helped to address the associated risks in the context of the four objectives:

Economic development



The World Bank's GovTech Global Partnership, founded in 2019, aims to use digital solutions to enhance the efficiency, transparency and accountability of the governments involved. SECO participated in this partnership, which has also improved public services for individuals and companies. In Indonesia, the partnership helped to reduce the fragmentation of digital government services.

Human development



The Humanitarian Data and Trust Initiative, launched in 2020 by the SDC and PHRD together with the ICRC and OCHA, aims to better protect sensitive humanitarian data and ensure that new technologies are used responsibly. To achieve this, it combines technological knowledge with evidence-based recommendations for relevant stakeholder groups

Environment



By using low-cost drones for organic fertilisation, Bolivian quinoa producers were able to farm in a more environmentally friendly, resource-saving and efficient way. The technique was also better for their health as they no longer had to spray chemical pesticides by hand.

Peace and governance



Internet shutdowns are used by governments as a way to prevent protests or criticism of their actions in the run-up to elections. The PHRD funded the development of tools to monitor such shutdowns and developed recommendations on how election observers, for example, can communicate securely even without the internet.

Strengthening coherence between humanitarian aid and development cooperation

In response to protracted crises, the SDC has institutionalised the interaction between humanitarian aid and development cooperation.

More and more countries are faced with the **challenge** of a significant proportion of their population living constantly in life-threatening circumstances. Four out of five people in need of humanitarian aid are living in such **protracted crisis** contexts.⁶² These can be triggered by climate change or armed conflict. The consequences are refugee movements to structurally weak areas, which lack resources to accommodate and integrate the displaced people. There is often little prospect of sustainable solutions, and this situation can last for years or even generations. The affected population needs protection and vital assistance as well as structural improvements. .

Modern structure promotes complementarity

Is the SDC optimally set up to respond to current challenges? Following an in-depth review of this question and a comprehensive reorganisation under the banner 'Fit for Purpose', a new structure came into effect at the SDC in September 2022. This has brought humanitarian aid and development cooperation closer together institutionally, enabling the two instruments to collaborate more effectively in the future. In addition, the SDC has pooled its thematic expertise⁶³ in a dedicated division and moved human resources from its Bern office to the external network.

The triple nexus

Armed conflicts, protracted emergencies and structural obstacles to development are to some extent interdependent. To address this situation, the international community has spent the last decade considering how the promotion of peace and human security can be more closely integrated into international cooperation. The 'triple nexus' – consisting of humanitarian aid, development cooperation and peacebuilding – is

proving to be a promising but challenging approach to addressing the manifold needs of states and populations in multidimensional crises and achieving sustainable improvements

Swiss IC is an international pioneer in the triple nexus as it has long been using the three instruments in a complementary way. The OECD's Development Assistance Committee hailed Switzerland's progress in this area while recommending that coherence be further enhanced.⁶⁴ Switzerland also promoted mutual exchange on the triple nexus at international level through policy dialogue and by seconding specialists to multilateral organisations.

Humanitarian aid and prospects at Cox's Bazar

Since 2017, around a million Rohingya have been living in Bangladesh after being forcibly driven from their homes in Myanmar. As there is still little prospect of them returning, the situation is classed as a protracted crisis. Swiss humanitarian aid helped to provide drinking water, sanitary facilities, food, healthcare, protection and shelter at Cox's Bazar in Bangladesh, now the largest refugee camp in the world. The initially generous welcome given to the Rohingya in the host communities did not last, amid growing competition for scarce economic resources. Through a local NGO, the SDC therefore also supported measures to promote jobs, vocational training programmes and business start-ups in the host communities in order to reduce tensions. As part of donor coordination efforts, Switzerland also initiated a process to make more efficient use of diminishing international funds.



⁶² www.devinit.org, *Global Humanitarian Assistance Report 2023*

⁶³ The SDC now has seven thematic sections: Economy and Education/Peace, Governance and Equality/Climate, Disaster Risk Reduction and Environment/Migration and Forced Displacement/Health/Food Systems/Water

⁶⁴ www.oecd.org, *OECD Development Co-operation Peer Reviews: Switzerland 2019*

Financing

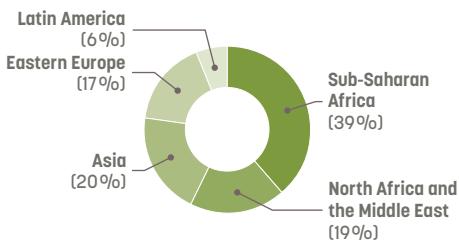
Use of guarantee credits



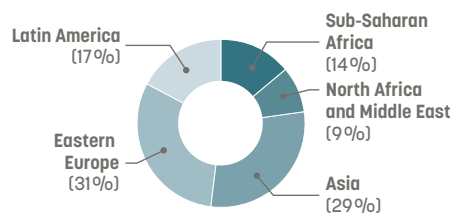
By the end of 2023, almost **three quarters** of the funds from the five guarantee credits had been **committed**. Under the IC Strategy 2021–24,

around a quarter of funds will be disbursed to international organisations and funds and around 5% to Swiss NGOs via core contributions.

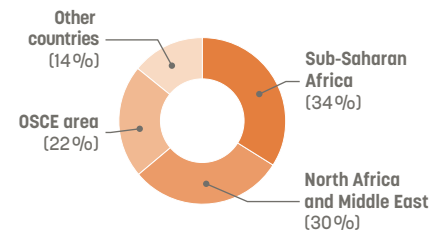
SDC



SECO



PHRD⁶⁵



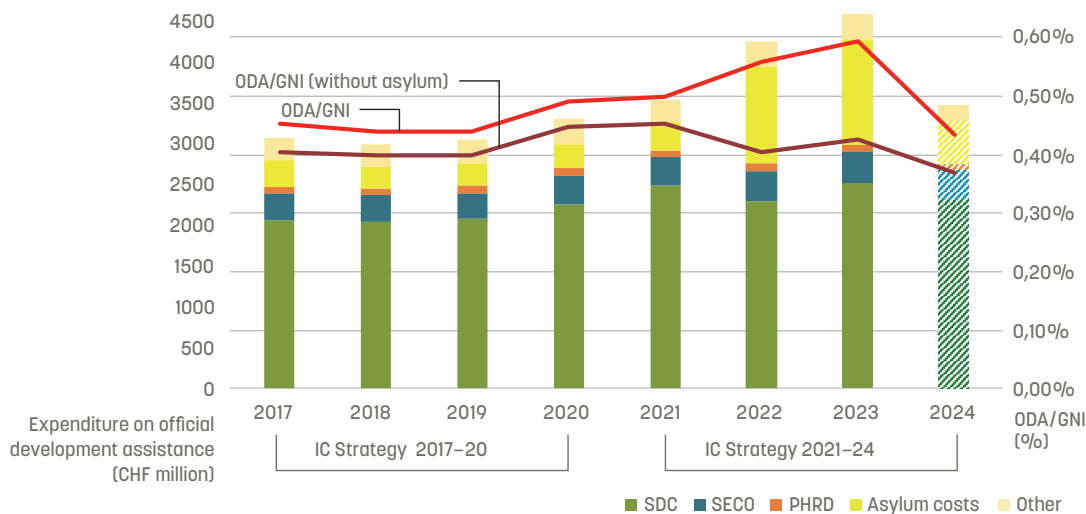
Regional distribution of bilateral and multi-bilateral commitments (2021 to end of 2023)

Official development assistance (ODA) ratio 2021–23

In 2021–23, the ratio of **official development assistance (ODA)** to gross national income (GNI) was 0.50% in 2021, 0.56% in 2022 and 0.60% in 2023.⁶⁶ This reflects the exceptional efforts of Swiss IC to address various crises (COVID-19 pandemic, Ukraine, Middle East, etc.). The fact that the ODA/GNI ratios in **2022** and **2023** were **higher than**

ever before was mainly due to expenditure in connection with the war in Ukraine, in particular SEM costs linked to **status S**. **Excluding** the eligible **asylum costs**, the ODA/GNI ratio stood at 0.40% in 2022 and **0.43%** in 2023, after peaking at 0.45% in 2020/21.

Development of ODA (in CHF million) and ODA/GNI (in %) Expenditure 2017–23, budget 2024



⁶⁵ The secondment of experts by the Expert Pool for Civilian Peacebuilding is also taken into account.

⁶⁶ As at 15 March 2024. During the 2017–20 cooperation strategy period, the ODA/GNI ratio averaged 0.46%. Excluding asylum costs for the temporary reception of asylum seekers, it stood at 0.41%.

Conclusion and lessons for the IC Strategy 2025–28

- ▶ The four **objectives** have proved their worth. In the next IC strategy, they will be **further refined** and aligned with existing Swiss expertise. **Private sector engagement** and the more targeted use of **digital technologies** proved to be promising approaches that should be further strengthened.
- ▶ **Complementarity** between humanitarian aid and development cooperation is important if Swiss IC is to remain engaged in the growing number of **fragile** and therefore often extremely poor **contexts**. The SDC reorganisation completed in 2022 has bolstered this interaction. The priority countries will now also include contexts with a long-standing humanitarian presence, thus taking these developments into account.
- ▶ Despite the difficult conditions, projects were rarely cancelled because approaches and activities were **continuously adapted to current circumstances**.
- ▶ **Think global**: Having to deal with more and longer-lasting crises on a global scale with the same overall resources requires focused and internationally coordinated action. The multilateral system has to provide needs-based aid and utilise limited resources efficiently, something that Switzerland advocates in the relevant steering committees.
- ▶ **Act local**: Project evaluations sometimes highlight the difficulty of achieving long-term impact. One way to address this is to strengthen local actors who know the needs on the ground and have direct access. IC wants to further support these actors in implementing projects themselves wherever possible.
- ▶ Financially as well as in other ways, the **war in Ukraine** has presented IC with exceptional challenges which will continue to have a major impact on the work of the three IC partners beyond 2024. The same applies to **international climate financing**.
- ▶ The overlapping crises have shown that IC remains a **recognised** and indispensable **instrument** of Swiss **foreign and foreign economic policy**. It gives Switzerland visibility and recognition abroad, and also enjoys great support among the Swiss population.

Future reporting

- ▶ In February 2024, based on the CC-S report concerning the **measurement of IC effectiveness**, the Federal Council identified 12 measures to implement the recommendations and instructed the FDFA and EAER to improve the method for measuring effectiveness in a meaningful way. In the medium to longer term, they will focus on three areas that are relevant to both evaluation and monitoring: 1) quality (improvement of the data situation), 2) digitalisation (modernisation of data processing) and 3) communication (accessibility of development outcomes).
- ▶ The accountability report for the **next strategy period** is expected to be available when work on the IC Strategy 2029–32 begins, and will cover a four-year period.

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