Good results strengthen the case for more Swiss aid

The OECD Development Assistance Committee (DAC) urges Switzerland to increase its aid budget. Switzerland’s net official development assistance (ODA) was USD 1.55 billion, or 0.41% of Switzerland’s Gross National Income (GNI) in 2004, making it the world’s 13th largest donor and ranking it in 8th position in terms of ODA/GNI.

The DAC review of Switzerland’s aid programmes and policies encourages Switzerland to establish a path to reach the United Nations target of 0.7% of GNI. This would build on the internationally recognized professionalism of Swiss development co-operation and its humanitarian values, and would increase the impact of Switzerland’s contribution to fighting poverty worldwide.

The DAC praised Switzerland for giving priority to some of the poorest countries in the world, with Sub-Saharan Africa receiving the largest share. However, it noted that the full list of partner countries is long in relation to the size of Switzerland’s bilateral aid programme and asked Switzerland to further concentrate its co-operation in order to maximise the impact of its aid.

Switzerland has moved ahead on the aid effectiveness agenda, committing to using developing countries’ own national poverty reduction strategies (PRRs) as the framework for Swiss development co-operation. This is a significant step towards country ownership, harmonisation and alignment. Headquarters should now reinforce the guidelines and support it provides to operational staff so they can work more effectively with other aid donors. The DAC also recommended that Switzerland give partners more opportunities to manage activities directly and encouraged further innovative approaches to mobilising the private sector for development.

The DAC welcomed moves to decentralise Swiss aid and encouraged simpler administrative procedures and greater financial autonomy for field offices. Integrated management of Swiss development operations has been strengthened and could be further reinforced to maximize the collective impact of development co-operation actors at country level.

Many Federal Departments are involved in the debate on policy coherence for development, but there is scope for reinforcing the interdepartmental system of working groups and for development objectives to be more fully debated and reflected in government policy.

Switzerland supports a fair international trading system. The DAC stressed that it should continue to contribute actively to a development-oriented outcome of the Doha Development Round, addressing in particular issues of agricultural subsidies and tariff escalation.
Switzerland has a strong humanitarian tradition and contributes to the development of international good practice. Nevertheless, it is important that synergies available from having humanitarian aid as an integrated part of the aid system be more fully exploited.

The DAC Peer Review of Switzerland’s development co-operation and policies took place on 30 June 2005. The discussion was led by the DAC Chair Richard Manning. The Swiss delegation was headed by Mr.Walter Fust. The examiners for the Peer Review were Norway and New Zealand.

The main findings and recommendations of the DAC regarding this review will be published on the OECD web site, at www.oecd.org/dac, during the week of July 4 2005.

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### Aid at a glance

#### SWITZERLAND

<table>
<thead>
<tr>
<th>Net ODA</th>
<th>2003</th>
<th>2004</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current (USD m)</td>
<td>1,299</td>
<td>1,545</td>
<td>18.9%</td>
</tr>
<tr>
<td>Constant (2003 USD m)</td>
<td>1,299</td>
<td>1,412</td>
<td>8.7%</td>
</tr>
<tr>
<td>In Swiss Francs (million)</td>
<td>1,748</td>
<td>1,920</td>
<td>9.9%</td>
</tr>
<tr>
<td>ODA/GNI</td>
<td>0.39%</td>
<td>0.41%</td>
<td></td>
</tr>
<tr>
<td>Bilateral share</td>
<td>73%</td>
<td>77%</td>
<td></td>
</tr>
</tbody>
</table>

#### Net Official Aid (OA)

| Current (USD m)     | 77    | 77    | -0.7%  |

#### Top Ten Recipients of Gross ODA/OA (USD million)

1. Serbia & Montenegro 41
2. India 24
3. Tanzania 22
4. Mozambique 21
6. Burkina Faso 18
7. Bosnia and Herzegovina 15
8. Nepal 14
9. China 14
10. Afghanistan 14

#### By Sector

- Education, Health & Population
- Other Social Infrastructure
- Economic Infrastructure
- Production
- Multisector
- Programme Assistance
- Debt Relief
- Emergency Aid
- Unspecified

Clockwise from top
- LDCs
- Other Low-Income
- Lower Middle-Income
- Upper Middle-Income
- High-Income
- Unallocated

#### By Income Group (USD m)

- LDCs: 310
- Other Low-Income: 223
- Lower Middle-Income: 195
- Upper Middle-Income: 124
- High-Income: 9
- Unallocated

#### By Region (USD m)

- Sub-Saharan Africa: 249
- South and Central Asia: 131
- Other Asia and Oceania: 56
- Middle East and North Africa: 211
- Latin America and Caribbean: 131
- Europe: 92
- Unspecified: 29