Switzerland first entered the region in 1988, in the wake of a devastating earthquake in Spitak, Armenia. Ten years later, in 1999, Switzerland stepped up its cooperation by opening a Cooperation Office for the South Caucasus with a Regional Office in Tbilisi, Georgia. Acting through the Swiss Agency for Development and Cooperation (SDC), the State Secretariat for Economic Affairs (SECO) and the Human Security Division (HSD), Switzerland has been continuously expanding and intensifying its engagement, which is tailored to the needs of the South Caucasus countries.

**Swiss Agency for Development and Cooperation (SDC)** is Switzerland's international cooperation agency within the Federal Department of Foreign Affairs (FDFA). The SDC is responsible for the overall coordination of development activities and cooperation, as well as for the humanitarian aid delivered by the Swiss Confederation.

**State Secretariat for Economic Affairs (SECO)** is part of the Federal Department of Economic Affairs, Education and Research (EAER) and the Swiss government’s centre of expertise for all core issues related to economic policy. SECO is responsible for the planning and implementation of economic cooperation and development activities with middle income developing countries.

**Human Security Division (HSD)** of the FDFA promotes peace and human rights as set out in the Swiss foreign policy strategy. The concept of human security focuses on the safety of individual human beings and protecting people against political violence, war and acts of arbitrary violence.

**Results achieved under the Cooperation Strategy for the South Caucasus 2013-2016**

Switzerland’s engagement in the South Caucasus is defined by the Cooperation Strategy which sets priorities for a four-year period. The Cooperation Strategy 2013-2016 contributed to improving economic framework conditions, strengthening the private sector and increasing agricultural productivity. The programmes focused on fostering the development of national and sub-national government institutions and increasing their capacity to respond to natural disasters. Considerable efforts were undertaken in the areas of human security and conflict transformation.

**Contact Information**

**Regional Cooperation Office for the South Caucasus**
12 Radiani Street, 0179 Tbilisi, Georgia
Tel.: +995 32 25 36 82/3
Fax: +995 32 25 36 84
E-mail: tbilisi@eda.admin.ch
Web-site: www.eda.admin.ch/georgia

**Program Office Yerevan**
2/1 Melik-Adamyan Street, 0010 Yerevan, Armenia
Tel.: +374 10 52 98 60
Fax: +374 10 52 98 61
E-mail: yerevan@eda.admin.ch
Web-site: www.eda.admin.ch/armenia

**Program Office Baku**
9 Böyük Qala Street, 1004 Baku, Azerbaijan
Tel.: +994 12 437 38 55
Fax: +994 12 437 38 56
E-mail: baku@eda.admin.ch
Web-site: www.eda.admin.ch/azerbaijan

**Overview**

<table>
<thead>
<tr>
<th>Income increase %</th>
<th>Beneficiaries</th>
<th>Non-beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>9%</td>
<td>38%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Chart 1. The income of 170,000 farmers and their families has increased and over two thousand jobs were created in agriculture-related businesses.
The current Cooperation Strategy will cover crucial sectors such as the economy (with a focus on agriculture), governance and human security, as well as disaster risk reduction and climate change adaptation. Throughout the four-year period, regional cooperation between the three South Caucasus countries will be strengthened through support for regional programmes in cross-border trade and disaster risk reduction.

In all three countries, women make significant contributions to economies, whether on farms or by doing unpaid domestic work. Through targeted programmes, Switzerland will invest in women’s economic empowerment thus contributing to gender equality and inclusive economic growth.

The strategy is structured around two key domains: “Inclusive and sustainable economic development” and “effective democratic institutions, human safety and security.” Gender equality and good governance will continue to be integrated in a transversal way in all areas of intervention.

Inclusive and sustainable economic development

More than half of the population of Armenia, Azerbaijan and Georgia live in rural areas and their incomes largely depend on agriculture. This makes agriculture a crucial sector for development. Switzerland will continue supporting the development of agriculture, with the aim to increase the productivity and income of the rural population.

The continuous support to arts and culture in the South Caucasus region will also be secured by offering spaces and opportunities to local artists to thrive.

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CROSS-BORDER INITIATIVES

The three South Caucasian countries not only share a single region, they also face similar challenges. Many of these problems can be tackled through regional collaboration. Switzerland will seek to explore the framework conditions and opportunities to facilitate cross-border initiatives, such as trade and women’s economic empowerment.

FINANCIAL SECTOR

Since 2001, Switzerland has been contributing to improving the business climate and fostering the business sector in Azerbaijan. Together with the SDC, SECO will continue to invest in creating a conducive business environment and better access to finance for small and medium enterprises. It will also intensify its engagement in the development and diversification of financial infrastructure. Switzerland will also support the private sector in their efforts to advocate for a sound legal and institutional framework for economic activity.

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PUBLIC FINANCE MANAGEMENT IN AZERBAIJAN

Switzerland will continue to strengthen economic and financial policies through improving public finance management. Specific topics will include financial market regulations and supervision, as well as debt management.

DECENTRALISATION

Switzerland will continue to support decentralisation reforms by national governments. The programmes will be designed to assist local self-governments to better perform their functions, e.g. provide relevant public services, and to achieve a high level of citizen participation in decision-making processes. Here as well, opportunities for cross-border cooperation among local authorities will be explored.

CONFLICT RESOLUTION MEASURE

Through the Human Security Division, Switzerland will continue to promote conflict transformation and to contribute to confidence-building in the region.

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