

Edition 2022

SECO

A portrait of the State Secretariat
for Economic Affairs



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Swiss Confederation

Federal Department of Economic Affairs,
Education and Research EAER
State Secretariat for Economic Affairs SECO





“SECO is responsible for dealing with the key issues of Switzerland’s economic policy. Our aim is to contribute to sustainable economic growth, high employment and fair working conditions. We do this by creating the necessary regulatory, domestic and foreign economic policy framework conditions. Our staff are committed to preserving jobs in Switzerland – and thus to maintaining current and future prosperity. This portrait will give you a glimpse into our diverse tasks and challenges.”



Marie-Gabrielle Ineichen-Fleisch
SECO Director

SECO at a glance

SECO is the federal government's centre of expertise for core issues relating to economic policy. Its aim is to ensure sustainable economic growth, high employment and fair working conditions by providing a stable environment for regulatory, economic and foreign trade policy.

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Labour Directorate

The Labour Directorate is responsible for supervision, management and implementation in the areas of working conditions, public employment services, unemployment insurance and accompanying measures. More than 10 different laws form the basis for the directorate's activities.

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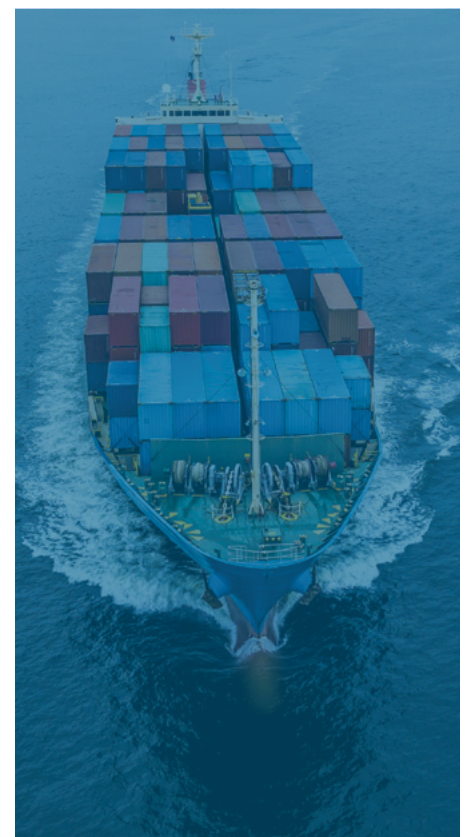
Economic Policy Directorate

The Economic Policy Directorate monitors national and international economic development, identifies the need for economic policy action and analyses federal legislation relevant to the whole economy.

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Foreign Economic Affairs Directorate

The Foreign Economic Affairs Directorate is committed to an open Swiss economy. It safeguards the interests of our economy abroad by promoting free and fair world trade.



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Promotion Activities Directorate

The Promotion Activities Directorate supports the adaptation processes of our SME-driven economy and thus contributes to Switzerland's competitiveness as an economic hub.

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Organisation, Law & Accreditation Directorate

The Organisation, Law & Accreditation Directorate ensures the efficient operation of SECO's business. It also exercises the Confederation's right of action in accordance with the Unfair Competition Act (UCA) and is responsible for accrediting conformity assessment bodies.

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Focus

Switzerland's payments to the EU are sparking debate. In an interview, Ambassador Dominique Paravicini of SECO explains the reasoning behind the Swiss contribution to the EU.





Labour Directorate

“The aim of our work is to enable as many people of working age as possible to be engaged in gainful employment under fair, safe and healthy working conditions.”

Boris Zürcher
Head of the Labour Directorate



Labour Directorate

The Labour Directorate works to ensure clear rules in labour market policy, which includes employee protection, unemployment insurance, employment services and the free movement of persons.

The Labour Directorate works in close collaboration with its social partners and the cantons. The common objective of all the parties involved is to enable as many people of working age as possible to be engaged in gainful employment under healthy conditions, and to earn salaries that enable them to live a dignified life.

Favourable framework conditions

Protecting health is one of SECO's core tasks. Competition and social developments constantly present companies with new challenges. Good framework and working conditions – such as statutory working time and rest periods – are therefore particularly important. These also benefit the Swiss economy as healthy employees are more productive and less likely to miss work days.

Unemployment benefits

Unemployment is directly linked to the economic cycle. It is important to have effective instruments ready for the good times and the bad so as to be able to provide efficient support to those out of

work. The Labour Directorate is responsible for unemployment insurance and public employment services. In cooperation with the cantonal offices and the regional employment centres, unemployment insurance offers unemployed persons an adequate compensatory income and helps jobseekers achieve quick and lasting reintegration into the labour market.

Successful social partnership

A well-functioning social partnership is the cornerstone of Switzerland's successful model. The Directorate provides the necessary framework conditions. It promotes dialogue between the social partners and enables them to play an active role. In enabling collective employment agreements to be declared generally applicable, the state specifically protects social partnership agreements, thus helping to ensure social stability.

Free movement of persons and labour market supervision

Under the Agreement on the Free Movement of Persons (AFMP), Swiss and EU nationals have the right to choose their place of work. With the opening of the Swiss labour market, accompanying measures were set up to protect Swiss and foreign workers from abusive wage practices and working conditions. SECO's observation report ensures a continuous analysis of the impact of the AFMP on the labour market. In addition to supervising the implementation of the accompanying measures, the Directorate also has the key task of combatting illegal employment.

Private employment agencies and temporary recruitment services

The Labour Directorate works together with the cantons to monitor the activities of private employment agencies and temporary recruitment services. These are regulated under the Federal Act on

In 2020, 33.5 per cent of Switzerland's working population was aged 50 or older.

Source: FSO

Employment Services and the Hiring of Services. As such, they require a licence so as to protect jobseekers and recruited workers. The Directorate verifies compliance with the legal requirements to ensure that workers hired through private employment agencies or temporary recruitment services are protected and that there is proper competition between companies.

Commitment to international labour law

The Directorate also promotes respect for workers' rights at the international level. It maintains bilateral contacts with labour ministries, addresses questions relating to the economy and human rights, and supports the promotion of international labour standards. The Labour Directorate represents Switzerland in international bodies such as the International Labour Organization (ILO).



The Labour Directorate's key responsibilities at a glance

- Working conditions
- Unemployment insurance
- Labour market supervision and combatting illegal employment
- Private employment agencies and temporary recruitment services
- Declaring collective employment agreements to be generally applicable
- Matters relating to international labour law



- www.seco.admin.ch/labour
- www.work.swiss
- www.posting.admin.ch
- www.avg-seco.admin.ch
- www.nap-bhr.admin.ch

Business and human rights

Integrating human rights in business activities

Respecting human rights is essential for the sustainable development of the economy and society and is increasingly important for companies involved in international value chains.

In conjunction with the Federal Department of Foreign Affairs and other relevant federal agencies, the Labour Directorate monitors international developments in the field of human rights in business. It also coordinates Switzerland's National Action Plan (NAP) for implementing the UN Guiding Principles on Business and Human Rights.

Supporting businesses

The UN Guiding Principles on Business and Human Rights form the global framework for governments and businesses to integrate human rights in their activities. Tasked with implementing and promoting these principles, the Labour Directorate provides targeted measures (such as awareness-raising, training, exchange of best practices, guidelines and IT tools) to help companies fulfil their human rights responsibilities. In doing so, the Directorate closely collaborates with the private sector, civil society organisations, trade unions, academia and specialist consultants.

These measures complement the legislative developments facing certain sectors of the Swiss economy, helping companies navigate a rapidly changing international context.



The Labour Directorate supports companies with targeted measures to ensure compliance with human rights.



The various activities undertaken to implement the NAP on Business and Human Rights are outlined here: www.nap-bhr.admin.ch/napbhr/en/home.html



Economic Policy Directorate

“We provide well-founded economic forecasts and analyses to support the Federal Council, Parliament, the Federal Administration and the public in economic policy decisions.”

Eric Scheidegger
Head of the Economic Policy Directorate



Economic Policy Directorate

A well-functioning economy requires an economic policy based on reliable analyses. The Economic Policy Directorate prepares scientifically sound forecasts and analyses to support the federal government in its economic policy decisions.

The Economic Policy Directorate analyses and reports on Switzerland's economic development. In so doing, it not only focuses on short- and medium-term business cycles. It also monitors long-term economic developments, and analyses trend growth, productivity developments and other key success factors for a prosperous business location. In addition, the Directorate is responsible for the economy's competition policy framework conditions, for instance by further developing the Cartel Act and the Internal Market Act. The Directorate staff provide the basis for decision-making in the form of analyses of global economic integration and the challenges posed by the digital economy. The Directorate represents Switzerland's position in various economic policy committees of the Organisation for Economic Co-operation and

In 2020, GDP per capita stood at around CHF 81,800, which corresponds to a decline of 3.1 per cent compared to the previous year.

Source: FSO

Development (OECD). It also supports policies in sectors such as energy, environment, finance, healthcare and infrastructure. It examines projects from other offices and departments from an economic point of view, and seeks to propose more efficient options.

Focus on economic development

The Economic Policy Directorate monitors the national and international economic situation and analyses current economic developments. It calculates the quarterly trends in Gross Domestic Product (GDP) in accordance with international standards. As part of the Federal Government's Expert Group for economic forecasts, the Directorate prepares forecasts for the Swiss economy. Four times a year, it issues the consumer sentiment survey.

Bases for policy decisions

The Economic Policy Directorate prepares economic bases for decisions regarding labour market policies and uses this expertise to act as an interface between social and economic policies. The issues vary according to existing or emerging challenges. They include fields such as migration, youth unemployment, older workers, female labour market participation, atypical labour relations and education policy issues. Its activities also include analyses of general labour market trends and potential labour market policy instruments. Furthermore, the Directorate evaluates the effectiveness of public employment services and active labour market measures at regular intervals.

As the centre of expertise for regulatory issues, the Economic Policy Directorate is committed to reducing administrative burdens and improving regulation. This provides an effective means of preventing market and state failure and contributes

to sustainable economic growth. The Directorate assists the offices concerned in analysing the economic impact of new or amended acts and ordinances as part of its regulatory impact assessments. In addition, the Directorate is responsible for cross-cutting issues such as the regulatory brake or regulatory costs.

Publications

The Economic Policy Directorate assumes editorial responsibility for the following publications issued by the Federal Department of Economic Affairs, Education and Research (EAER): the magazine 'Die Volkswirtschaft' (available in German and French) and the official gazette portal, through which the Swiss Official Gazette of Commerce (SOGC) and various cantonal official gazettes are published. The Publications section is also responsible for operating and developing the platform simap.ch, which is a central eGovernment application of the Confederation and the cantons.



The Economic Policy Directorate's key responsibilities at a glance

- Labour market and social policy analyses
- Calculation of quarterly GDP figures
- Economic forecasts
- Consumer sentiment
- Regulatory analyses and policy
- Growth and competition policy
- Official and economic publications



- www.seco.admin.ch/economic-policy
- www.sogc.ch
- www.simap.ch

Economic policy during the pandemic

When the COVID-19 pandemic struck in the spring of 2020, Switzerland faced an economic challenge of unprecedented proportions. As happened in practically all Western economies, the measures taken in Switzerland to halt the spread of the virus paralysed the economy at times. The Economic Policy Directorate responded with an abrupt shift in focus from current economic policy issues to crisis management mode.

The COVID-19 and Economy task force

The first step was to decide on an appropriate economic policy response to such a crisis. Given the specific nature of the pandemic, approaches taken in previous crisis situations were only of limited relevance. The COVID-19 and Economy task force was set up to coordinate the federal government's economic and fiscal policy. Led by the head of the Economic Policy Directorate, Eric Scheidegger, the task force drafted a framework strategy designed to protect jobs, stabilise purchasing power and bridge the cash-flow gaps for businesses with otherwise sound fundamentals. Combined with the remarkable resilience of the domestic economy, this strategy helped bring Switzerland through the economic crisis relatively unscathed.

Current economic data

The pandemic also posed a challenge for business cycle analysis. Tracing the impact of COVID-19 and containment measures on the national economy became an ongoing task. In order to reconcile the epidemiological forecasts with economic scenarios, medical experts were regularly consulted. In the midst of the crisis, the Economic Policy Directorate also introduced a new index of weekly economic activity in response to growing demand for up-to-date daily and weekly economic data.

Transitional strategy with proven instruments

From early summer 2021, the Economic Policy Directorate focused increasingly on how to exit the economic policy crisis mode. The transitional strategy adopted by the Federal Council provided an economic policy roadmap. This envisaged phasing out the extraordinary support measures as economic life returned to normal. In the meantime, however, as businesses adapted to the new circumstances, certain proven instruments – such as those of tourism and innovation policy – were to be reinforced temporarily. Finally, the long-term growth potential should be strengthened through targeted reforms.



Foreign Economic Affairs Directorate

“We are committed to an open and competitive Swiss economy and to safeguarding the interests of our economy at home and abroad.”

Marie-Gabrielle Ineichen-Fleisch
Head of the Foreign Economic Affairs Directorate



Foreign Economic Affairs Directorate

The Swiss economy has a global focus. The Foreign Economic Affairs Directorate opens up foreign markets for Swiss companies, provides legal certainty for our exporters and is committed to sustainable economic development.

The Foreign Economic Affairs Directorate represents the interests of Switzerland as a business location abroad and ensures that the results of negotiations are implemented in Swiss law. It helps shape global economic framework conditions and represents Switzerland's economic interests in important multilateral organisations, particularly the World Trade Organization (WTO), the European Free Trade Association (EFTA), the Organisation for Economic Co-operation and Development (OECD) and the G20.

International cooperation

We need to develop and maintain good economic policy relations with countries around the world. This is why the Foreign Economic Affairs Directorate represents Switzerland's economic and trade policy interests towards our partners abroad. In doing so, it adheres to the strategic orientation of Swiss foreign economic policy as defined by the Federal Council.

The World Bank Group allocated USD 157 billion in 2020/21 to support developing countries during the COVID-19 pandemic.

Source: World Bank

The Directorate works with developing countries, countries in Eastern Europe, the Commonwealth of Independent States and new EU member states to support economic cooperation. It promotes reliable economic framework conditions and innovative private-sector initiatives. This allows people and companies to access markets, which in turn creates decent employment and other opportunities. In the long term, the Directorate contributes to economic growth and sustainable prosperity in its partner countries. In order to increase its effectiveness, the Directorate works together with international institutions including the World Bank Group, the regional development banks and the United Nations Conference on Trade and Development. It represents the interests of Switzerland in these institutions.

International network

At present, in addition to the EFTA convention and the free trade agreement with the EU, Switzerland has a network of 33 free trade agreements with 43 partners. Barrier-free market access is of key importance, not only for multinational companies, but for the economy as a whole. 70 per cent of Swiss SMEs operate across borders as exporters, suppliers or investors.

This gives exporting companies better market opportunities, while making it easier to import products. This benefits both manufacturing companies (less expensive input materials) and consumers (lower prices and a larger variety of products). With every new free trade agreement, Switzerland also promotes international standards such as trade-related provisions on environmental protection and labour standards as well as general human rights standards.

Important export controls

As an export-oriented country, Switzerland has traditionally been an advocate of open markets and free trade worldwide. However, in the case of certain categories of goods, controls of exports, imports and the transit of goods are required for security policy reasons. In times of international tension, Switzerland can ban the export, import and transit of goods from Switzerland or to certain countries.

The Foreign Economic Affairs Directorate is responsible for controlling exports of war materials and dual-use goods. It also adopts coercive measures to implement sanctions imposed by the UN, the OSCE or Switzerland's key trading partners.

The Foreign Economic Affairs Directorate's key responsibilities at a glance

- Foreign economic expertise
- Bilateral economic relations
- World trade
- Economic cooperation and development

-
- www.seco.admin.ch/foreign-trade
 - www.seco-cooperation.admin.ch
 - www.efta.int
 - www.wto.org

Sustainable development even in times of crisis

The COVID-19 crisis had a particularly harsh impact on the economies of developing and emerging countries. SECO is helping to limit the enormous damage to people and the economy.

Global economic recovery goes hand in hand with overcoming the COVID-19 pandemic. SECO's economic development cooperation has therefore increased its commitment to combatting the COVID-19 crisis at both a bilateral and multilateral level in a short-term and flexible manner.

For example, the crisis capacity of SIFEM was increased by CHF 10 million to alleviate the liquidity problems of SMEs and preserve jobs. SIFEM is the development finance institution of the Swiss Confederation, created by SECO. Fairtrade International received a contribution of CHF 1 million to assist smallholders in developing countries. And, through the Swiss seat in the multilateral development banks, SECO exerted influence to ensure that the funds for combatting the public health and economic crisis were increased and used effectively and sustainably.

Concerted action across policy areas is needed to overcome the COVID-19 pandemic. SECO is working within the World Trade Organization to improve the coordination of trade policy responses to the pandemic. As part of multilateral engagement, it is important to ensure that developing and emerging countries are supplied with essential medical goods and vaccines and that supply chains function properly.

SECO's Economic Cooperation and Development division is thus responding rapidly and in a coordinated and targeted manner to the immediate consequences of the crisis. But, developing and emerging countries also have to be able to strengthen their resilience to crises in the long term; their weaker structures leave them all the more vulnerable to the effects of such crises. This is why the Sustainable Development Goals of the 2030 Agenda remain relevant and why it is more important than ever to seize the opportunities offered by digitalisation.



SECO's Economic Cooperation and Development contributes to reducing poverty and inequalities and to overcoming global challenges.

www.seco-cooperation.admin.ch → The coronavirus crisis



Promotion Activities Directorate

“Switzerland’s economy has important global players, but above all it is driven by small and medium-sized enterprises. Here we are under great international pressure to keep up to speed in terms of innovation. Reliable framework conditions and targeted support measures are therefore all the more important.”

Eric Jakob

Head of the Promotion Activities Directorate



Promotion Activities Directorate

Swiss companies must respond to global competition on a daily basis. The Promotion Activities Directorate provides support to companies, benefiting the economy as a whole.

Over 99 per cent of companies in Switzerland are small and medium-sized enterprises (SMEs). They employ two thirds of the working population and are therefore often regarded as the backbone of our economy. SMEs are often heavily affected by administrative burdens and structural changes. The Promotion Activities Directorate helps improve the framework conditions for SMEs, facilitates access to financing and provides specific funding instruments to help boost their economic performance. In doing so, it seeks to harness the opportunities offered by digital transformation.

For exporters and investors

The Swiss economy is heavily dependent on foreign trade. The Directorate helps Swiss companies that export goods and services. Switzerland Global Enterprise, mandated by SECO, supports SMEs in accessing and positioning themselves in foreign markets.

In order to provide targeted support for the recovery of the tourism sector, which has been hit hard by the pandemic, the Confederation is making an additional CHF 60 million available between 2020 and 2026.

Source: Federal Council decision

The Directorate also supervises the Swiss Export Risk Insurance (SERV), which provides Swiss companies with insurance against economic and political risks for their export business.

Switzerland requires good macroeconomic framework conditions to remain an attractive business location on the international stage and to help foreign companies locate to Switzerland (direct investments). These include a flexible labour market, a highly qualified workforce and a moderate tax burden. However, this alone is not enough. As part of its location promotion activities, the federal government and the cantons – via Switzerland Global Enterprise – provide potential investors with all the important facts about what Switzerland has to offer as a location for business and research, and advise them on sustainable location opportunities in Switzerland.

Promoting regions for a stronger Switzerland

The Directorate supports structurally disadvantaged areas in rural areas and in mountain and border regions, and strengthens their competitiveness. It provides grants and loans to promote projects linked to innovation, cooperation, knowledge transfer and key infrastructure in accordance with the New Regional Policy (NRP). The aim is to improve the quality of the regions as a business location. The NRP also sets out incentives for inter-cantonal

and cross-border cooperation in functional areas to make better use of their potential for economic development. Regional policy thus contributes to sustainable and coherent spatial development.

Tourism has huge significance for the Swiss economy, especially in the Alpine region. For this reason, the Directorate creates favourable framework conditions for tourism businesses. It supports innovation and investment activities as well as cooperation and knowledge building in the Swiss tourism sector. The Directorate also promotes the marketing of Switzerland as a travel destination through a mandate to Switzerland Tourism, and supports the hotel and lodging industry through a mandate to the Swiss Association for Hotel Credit.

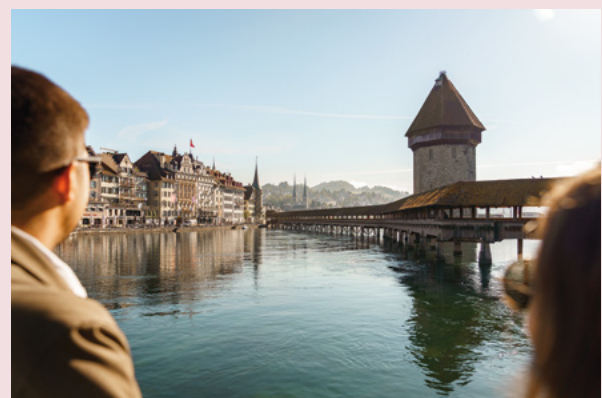
Recovery programme for Swiss tourism

Swiss tourism was hit particularly hard by the COVID-19 pandemic. Hotel overnight stays dropped by 40 per cent in 2020 compared to the previous year and were still significantly below pre-crisis levels in 2021.

The federal government's economic support measures (COVID loans, hardship measures, short-time compensation, etc.) were actively taken up, particularly by hotel and catering businesses. Measures specific to the tourism industry have also been implemented. At the forefront is the Federal Council's recovery programme worth CHF 60 million:

- Of the additional CHF 30 million in funding for Switzerland Tourism for 2022–23, half will be allocated to its partners. The focus on city and business tourism and on sustainability is increasing demand for Switzerland as a tourist destination.
- The CHF 20 million earmarked for innovation promotion via Innotour – a temporary expansion for 2023–26 – increases the federal government's share of innovative tourism projects from 50 to 70 per cent. The corresponding legislative amendment is expected to come into effect in mid-2023.
- As part of the New Regional Policy, an additional CHF 10 million will be made available to the cantons in 2022 and 2023.

In addition, the Federal Council adopted the new tourism strategy in November 2021, laying the foundation for addressing the strategic challenges of tourism.



Badly hit: the COVID-19 pandemic had a particularly negative impact on Swiss city tourism, such as here in Lucerne.

The Promotion Activities Directorate's key responsibilities at a glance

- SME policy
- Export promotion
- Location promotion
- Regional and spatial planning policy
- Tourism policy

- www.seco.admin.ch/promotion-activites
- www.kmu.admin.ch
- www.easygov.swiss
- www.serv-ch.com
- www.s-ge.com
- www.myswitzerland.com



Organisation, Law & Accreditation Directorate

“We are committed to fair competition for all market players and to reliable and high-quality products. We intervene when collective interests are affected and use our instruments to strengthen quality and confidence.”

Catherine Cudré-Mauroux

Head of the Organisation, Law and Accreditation Directorate



Organisation, Law & Accreditation Directorate

The Organisation, Law & Accreditation Directorate ensures the efficient operation of SECO's business. The Swiss Accreditation Service SAS examines and accredits conformity assessment bodies.

In addition to the traditional legal services provided by the Organisation, Law & Accreditation Directorate, SECO exercises the federal government's right to take legal action in accordance with the Unfair Competition Act (UCA). The Directorate also represents Switzerland's interests within the ICPEN, the International Consumer Protection and Enforcement Network, particularly with regard to internet scams. The Directorate furthermore provides the general public with relevant recommendations and advice, and it monitors cantonal implementation of the Price Indication Ordinance (PIO). The Directorate

As at 1.11.2021 SECO had 811 employees: 380 women (47 per cent) and 431 men (53 per cent).

Source: SECO personnel figures

coordinates cantonal measures and licensing procedures for travelling trades, fairgrounds and circuses.

Over 800 staff

The Directorate coordinates several thousand items of official business every year. It ensures that SECO's business for the Federal Council and Parliament are processed smoothly. It also ensures that SECO is able to adopt a timely position on matters from other federal departments as part of consultation proceedings. The Human Resources section looks after roughly 800 staff in Switzerland and abroad, and plays an active role in building SECO's image as an attractive employer.

In the area of finance, the Directorate manages an annual budget of around CHF 1.4 billion and processes around 20,000 financial documents. The IT and Information Management section provides IT support for staff and provides information management services. The Logistics section ensures staff have a safe working environment and are supplied with appropriate office equipment, allowing them to carry out their work efficiently. The Directorate is also responsible for controlling and the coordination of risk management at federal office level.

For quality and trade

The Swiss Accreditation Service SAS examines and accredits calibration and testing laboratories, inspection and certification bodies, reference material producers and proficiency testing providers. Accreditation formally acknowledges the competence of

a body to execute conformity assessments according to specified requirements. The aim of accreditation is to strengthen confidence in the competence and services of the accredited bodies. The assessments carried out by these bodies in turn reliably guarantee the quality and safety of the tested products and services. They also ensure that products and services meet minimum technical standards and the regulatory requirements. The SAS functions under the supervision of the State Secretariat of Economic Affairs (SECO). However, it takes decisions concerning accreditation independently and autonomously – in accordance with the applicable national and international requirements.



SECO – an attractive employer

The Organisation, Law & Accreditation Directorate ensures that SECO's employees enjoy innovative and attractive working conditions. In a multilingual, socially diverse and inspiring environment, employees can take on a variety of challenges. Working at SECO offers continuous development opportunities with enriching experiences, internal mobility and a wide range of training and further education, language courses, job rotations or assignments abroad.

Joint internal events such as brown-bag lunches, SECO forums and the SECO festival give employees a chance to meet up and discuss various economic, social and societal topics.

Developing young talent through apprenticeships and internships

SECO makes a conscious effort to promote young talent. Through internships, university and vocational school students can gain their first professional experience in their chosen field. Commercial or IT trainees will find high-quality apprenticeships at SECO where they are accompanied by skilled and motivated vocational trainers.

SECO's offices in Bern and Geneva are centrally located and equipped with a modern IT infrastructure. This enabled SECO to continue its mandate even during the height of the pandemic.

Annual working hours, teleworking, part-time work or job sharing allow a flexible approach to varying workloads and a better work-life balance.

Through their individual performance, employees can influence their own salary development in the context of a market-oriented salary system. SECO's excellent employment conditions also include above-standard benefits regarding social security premiums, sick pay, maternity and paternity leave, family allowances and childcare costs.

SECO: an attractive employer for those who are inspired by its vision and mission and want to get involved!



The Organisation, Law & Accreditation Directorate's key responsibilities at a glance

- Accreditation of conformity assessment bodies
- Business management
- IT and information management
- Logistics
- Financial resource management
- Human resource management
- Legal services and implementation (UCA and PIO as well as travelling trades)
- Risk management



- www.seco.admin.ch/advertising-methods-business-practices
- www.sas.admin.ch

“An investment in stability and prosperity”

Parliament approved Switzerland's second contribution to the EU of over CHF 1.3 billion in 2021. This payment is an investment in the stability and prosperity of 13 EU member states, Switzerland's extended neighbours. Ambassador Dominique Paravicini is the head of SECO's Economic Cooperation and Development Division. Here he explains how the funds will be used.

What does this Swiss contribution for selected EU member states mean?

With this second contribution, Switzerland is supporting 13 of the EU's poorer member states. The aim is to help reduce economic and social inequalities and to better manage migration flows. A total of some CHF 1.3 billion has been earmarked as a framework credit for up to 2029: CHF 1.1 billion for cohesion and CHF 200 million for migration. It is an investment in the stability and prosperity of our extended neighbours. The EU and its member states are our closest and most important partners from an economic, political and cultural standpoint. Their social and economic development is also in Switzerland's interest.

What is SECO's role?

After parliamentary approval, the key parameters of the second Swiss contribution were set out in an agreement with the EU. This mainly deals with the way the contribution is to be distributed among partner states and certain implementation details. Together with the Federal Council's dispatch from 2018, this Memorandum of Understanding forms the basis for the future cohesion contribution. Now we are working with the 13 countries to draw up

individual programmes, which we hope to launch quickly and start running from 2023. In our division, we have to ramp up resources very quickly as we need to have the funding committed before the end of 2024. We are working closely with the Swiss Agency for Development and Cooperation (SDC), part of the Federal Department of Foreign Affairs (FDFA), and with the Swiss representations in the partner countries.

“The EU and its member states are our closest and most important partners.”

Dominique Paravicini
Head of SECO's Economic Cooperation
and Development Division

Why the rush?

The legal basis for the cohesion contribution, the Eastern Europe Cooperation Act, expires at the end of 2024. All the financial commitments and contractual agreements have to be in place by then, although the programmes themselves can still continue after 2024. A new legal basis would then be needed for any future contributions. This is something Switzerland will have to decide on in due course, in line with our overall relations with the EU. As it happens, I was previously involved in Switzerland's contribution to the EU from 2012, when I was working at the FDFA. At that time, Parliament extended the Eastern Europe Cooperation Act to 2024, and this seemed to me a sufficient margin for implementing the second contribution. I certainly didn't expect to be working on the same project ten years later at SECO.

How can you make sure that Swiss funds will be invested appropriately?

We want the projects and programmes to succeed. So this means they need careful preparation. As with the previous enlargement contribution, the funds flow directly into the projects and programmes; they are not simply transferred to the countries or the EU. And since the partner countries co-finance the programmes and implement them themselves, they also have to complete certain preparations and approval steps on their side. Together we have to identify suitable topics and programmes and also the implementation partners. These are reviewed by Swiss and local experts. The programmes are then put out to tender and contracts awarded under WTO rules. One of our main concerns is to facilitate partnerships with Swiss entities, which may be research institutes, associations, town authorities or non-governmental organisations.

Parliament allocated CHF 1.302 billion. Why such an uneven number?

There are historical reasons for this. The first 'enlargement contribution' was allocated to countries that joined the EU from 2007 on. Switzerland provided CHF 1 billion at the time, the 'cohesion billion'. When three more countries later joined – Bulgaria, Romania and Croatia – the contribution was topped up on a pro rata basis. This resulted in CHF 1.302 billion overall for the 13 countries. When it came to the second contribution, the Federal Council took the same amount. Of this, 5 per cent is reserved for administrative and personnel costs at our offices and in the local representations, and another 2 per cent for specific technical assistance from Switzerland. As a rule, the partner countries have to co-finance at least 15 per cent of their programmes.

How can this benefit the Swiss economy?

On the one hand, it would mean more orders for Swiss companies and their local subsidiaries if they win the tenders. There are also the consultancy services from Swiss experts. But the main benefit for the Swiss economy comes indirectly, from a stable relationship with the EU and its member countries and from Switzerland's participation in the European single market. This allows Swiss companies to bid for public contracts in all EU member states.



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www.seco.admin.ch/seco-a-portrait

