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Swiss Agency for Development and Cooperation SDC

PROGRAMMATIC FRAMEWORK ECONOMY AND EDUCATION 2025–2028

Thematic context

In many countries, armed conflicts, climate change and environmental disasters threaten to eradicate decades of development progress. Despite international efforts to reduce poverty, these crises are holding back vital advances in achieving the Sustainable Development Goals (SDGs).

Hundreds of millions of people worldwide are still affected by poverty, while extreme poverty is on the rise for the first time since 2020. Estimates indicate that global economic growth is slowing, and women and young children in particular say they are struggling to find suitable jobs. Unemployment is three times higher among young people than adults, with one in five young people around the world not in employment, education or training.

The economy and education are key factors in sustainable development. Ensuring local businesses are strong and people have prospects promotes stability and creates new economic opportunities. The Swiss Agency for Development and Cooperation (SDC) therefore strives to closely align its work on the economy and education with the priorities of sustainable economic development and vocational education and training. Education builds expertise, enabling people to find work and thereby strengthening businesses and local markets. A strong economy in turn makes it easier for people to secure an education and a livelihood.

By strengthening local markets in partner countries, Switzerland is promoting SMEs that act as key drivers for growth and employment. This also helps create decent jobs and reinforce vocational education and training. In its partner countries, the SDC makes targeted use of its expertise in promoting SMEs and its experience in reinforcing vocational education and training. Both of these improve local people's employment opportunities and social integration.

Results and lessons learnt 2021–24

The SDC's Economy and Education Section has made innovative contributions to sustainable economic development, vocational education and training, and education in emergencies in its partner countries. It has, for example, optimised its private-sector cooperation, mobilised additional funds for sustainable development and promoted impact-linked finance (ILF). ILF is a results-oriented financing approach that ties financial rewards to measurable social and environmental outcomes, allowing the SDC to link social engagement with economic success.

One example of this is the SDC's support for Aceli Africa, which provides agri-SMEs with access to the financial market in order to accelerate their development and in turn help the agricultural sector in Africa to thrive. Specifically, Aceli provides local lenders with incentives to help ensure that SMEs receive the funding required to improve food security, livelihoods, economic empowerment of women and young people, and adaptation to climate change. The SDC has contributed USD 10 million in overall funding, which allowed Aceli Africa to secure funding and economic opportunities for some 2.3 million people between 2020 and 2025.

In addition, the SDC has promoted political dialogue and the implementation of norms, as well as working to develop innovative partnerships. At the World Economic Forum's annual meeting, for example, the SDC organises successful events for private-sector engagement every year in cooperation with stakeholders from business, politics and science. One of the outcomes of these events was the launch of an education initiative by the Swiss cantonal banks. The initiative donates 2% of its funding volume every year to Education Cannot Wait, a fund that supports educational projects for children and young people in crisis- and conflict-affected areas around the world. Since 2023, the SDC has also promoted impact investment in Africa through the 'Building Bridges' initiative of the Geneva finance and development sector. These experiences have shown that sustainable development succeeds best when public and private actors work together.

In adopting this approach to cooperation, the SDC is leveraging private expertise and growth capital, thereby strengthening its partner countries and consolidating Switzerland's role as a reliable partner. The SDC is thus, in accordance with its constitutional mandate, making an effective contribution to the alleviation of poverty, the promotion of human rights, and sustainable development.

Priorities 2025–28

The SDC Economy and Education Section's programme framework for 2025–28 is aligned with the FDFA's Foreign Policy Strategy 2024–27 and supports all four development goals of Switzerland's International Cooperation Strategy 2025–28.

Switzerland has some notable strengths: a successful education system, a strong network of small- and medium-sized businesses and a major international financial centre. The SDC deploys these strengths to create opportunities for people and promote sustainable development.

The Economy and Education Section's priorities from 2025 to 2028 interlink vocational education and training, support in securing employment and an income, effective business and market development, and impact financing.

Economy

In order to support inclusive, peaceful and green development, the SDC assists companies in creating sustainable jobs and safeguarding livelihoods, with a particular focus on young people, women and disadvantaged population groups.

The Economy and Education Section leverages expertise and public funding and mobilises additional private-sector contributions to achieve greater impact and boost innovation and sustainability. As part of this approach, impact-linked finance provides appropriate incentives to increase the effect of targeted initiatives.

The SDC also supports a shift away from the established practice of allocating grants and towards investment. It focuses on instruments such as equity, loans and guarantees, allowing the invested funds to achieve greater impact in three ways: additional capital from other investors is mobilised for development goals, financial returns are reinvested to multiply impact, and successful investments are used to pave the way for sustainable, and eventually self-funding, solutions. This allows investments to reach more people and enhances their long-term impact. As part of the 'Hardest-to-Reach' fund, for example, the SDC is providing a default guarantee and thus enabling 2.16 million people in off-grid areas to access solar power.

Education

In the education sector, the SDC is promoting vocational education and training that aligns with the needs of the labour market. To that end, it focuses on dual models, the involvement of disadvantaged population groups, and training in skills relevant to the labour market.

These priorities are closely aligned with the SDGs and the Paris Agreement. They direct the focus of activities in economy and education towards inclusive and sustainable development, strengthen the resilience of communities and support innovative approaches to finding solutions. In this context, the Economy and Education Section applies its expertise in all four core functions of the SDC's thematic work: strategic partnerships, policy dialogue, advisory services and knowledge management.

As part of its development cooperation, the SDC promotes and leverages synergies with the Swiss financial centre and the private sector, and supports innovative financial solutions that facilitate sustainable development. One example of this is the guarantee provided by a Swiss grant-making foundation to cover loan defaults in the education sector, which has enabled development banks to mobilise CHF 206 million for education and vocational training via the International Finance Facility for Education. The SDC is funding technical cooperation for a vocational education project in Uzbekistan made possible by this unprecedented philanthropic guarantee.

Switzerland's pioneering dual vocational education and training system also provided the SDC with a model for supporting market-oriented vocational education and training in many of its partner countries. Switzerland thus provides wide-ranging added value through activities in economy and education.

Partners

Switzerland cannot achieve the objectives of sustainable development without strong partners. The SDC is therefore pooling its thematic expertise in economy and education and working closely with institutions, companies, the Swiss financial centre, foundations, universities, specialist organisations and civil society.

This cooperation makes it possible to effectively bundle knowledge, experience and funding, and helps to bring about tangible improvements for the population while also creating sustainable framework conditions.

The SDC's cooperation with the State Secretariat for Economic Affairs (SECO) is particularly noteworthy. The two institutions complement each other effectively, with the SDC focusing on low-income countries and SECO on medium and high-income countries. Together they strengthen economic development, international standards, skills development and corporate responsibility.

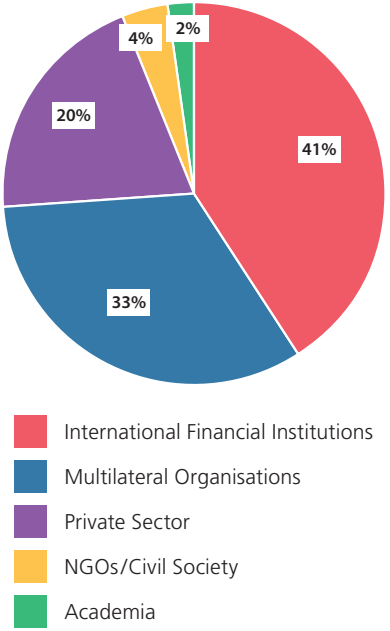
The SDC's close cooperation with a range of partners allows it to test new ideas and share successful approaches. Additional funding is thus mobilised and the impact of development cooperation is increased.

Partnerships also enable the SDC to make use of Switzerland's experience in a targeted manner, including with regard to the dual education system, the innovative capacity of businesses, and the expertise of the Swiss financial centre. This helps to bring about solutions that open up new prospects for people and promote sustainable development.

Programmatic Framework 2025–28

Budget: CHF 100 million
(subject to parliamentary approval)

Breakdown by type of partner
(approximations)



Thematic Priorities

Economy

Private and public institutions invest in sustainable development and contribute to an integrative, green economy that promotes the innovation, entrepreneurship and growth of SMEs.

Education

Vocational education and training are improved by public and private educational and vocational training institutions. This in turn generates relevant insights for sustainable development and increases the employability of people.

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The online-to-offline platform in Kenya connects farmers with producers via app, that allows consumers to buy products online and pick them up at the next "DigiShop". © Shamba Pride
Page 7
Vocational student in Albania during an apprenticeship in fashion design. © Swisscontact / Skills for Jobs Albania

Contact:
Swiss Agency for Development and Cooperation SDC
Thematic Cooperation
Section Economy and Education
Eichenweg 5
3003 Bern
eenetwork@eda.admin.ch

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