

# Ministry for Foreign Affairs areas of the Budget Bill for 2018

The MFA is responsible for all or part of three expenditure areas in the central government budget – international cooperation, international development cooperation and industry and trade.

## International cooperation

The objective of expenditure area ‘International cooperation’ is to secure Sweden’s interests in its relations with other countries. Most of the expenditure area is used to finance the compulsory contributions Sweden pays as a result of its membership of the UN, the Council of Europe, the OSCE, the Nordic Council of Ministers, the OECD, etc. Support to organisations that Sweden is a member of is central to Swedish foreign policy. Furthermore, via this expenditure area, Sweden can support concrete peace- and security-building operations within the framework of the EU, the UN, the OSCE, the Council of Europe or other bilateral or intergovernmental bodies.

Two agencies come under this expenditure area: the Swedish Institute and the Swedish Agency for Non-Proliferation

and Export Controls. Grants are also provided within the framework of the expenditure area to activities at the Swedish Institute of International Affairs and the Stockholm International Peace Research Institute (SIPRI). Special funds are available for Nordic cooperation.

To promote integration and cooperation around the Baltic Sea, special funds are available for, e.g. the Swedish Institute’s and Sida’s Baltic Sea cooperation; human rights, people-to-people contacts and democracy initiatives in Russia; and initiatives within the framework of the Council of the Baltic Sea States, the Northern Dimension, the Arctic Council and the Barents Euro-Arctic Council.

For 2018, the Government proposes:

- investment in peace and security; conflict prevention, security and peace support measures, confidence-building,

disarmament and arms control, women as peace actors and gender equality, security policy analysis and dialogue, through SEK 40 million in increased appropriations from 2018 for peace and security-building activities,

- investment in the Swedish Presidency of the Nordic Council of Ministers, and the informal Nordic and Nordic-Baltic foreign and security policy cooperation in 2018 through SEK 2 million in increased appropriations for Nordic cooperation in 2018,

- an initiative to increase measures on issues in the areas of freedom of expression, cyber security, countering disinformation, and contacts with civil society, through SEK 10 million in increased appropriations for Cooperation in the Baltic Sea region in 2018–2020.



## Expenditure area 5 – International cooperation

Framework for the expenditure area and appropriation levels for 2018, in SEK thousands

Contributions to international organisations	1 328 554
Peace- and security-building activities	192 276
Nordic cooperation	15 595
Financial support to individuals abroad and various costs for the judicial system	13 826
Swedish Inspectorate of Strategic Products	43 432
Research, inquiries and other action relating to security policy, disarmament and non-proliferation	54 358
Grant to the Stockholm International Peace Research Institute (SIPRI)	28 402
Grant to the Swedish Institute of International Affairs (UI)	19 175
Swedish Institute	123 724
Information about Sweden abroad	15 475
Cooperation in the Baltic Sea region	174 215
<b>Total</b>	<b>2 009 032</b>

### International development cooperation

The objective of expenditure area 7 'International development cooperation' is to create opportunities for better living conditions for people living in poverty and oppression. The funds in this expenditure area are mostly used to finance international development cooperation in low and middle-income countries.

The development assistance framework will receive a further injection of SEK 500 million to increase the level of aid to 1 per cent of the gross national income. At the same time, the costs that can be offset for asylum reception are expected to fall

from SEK 8.1 billion to SEK 2.8 billion from 2017 to 2018. This is the lowest share of the development assistance framework in ten years. Expenditure area 7 International development cooperation amounts to SEK 43 billion.

The Government intends to take special action under the development assistance framework:

- The humanitarian crisis. This is about emergency relief to the world's most vulnerable people in the form of clean water, food, medicine, tents and other supplies. Support to Sida's humanitarian efforts will be increased, and core support will be increased to important international organisations such as UNHCR, WFP, and UNRWA.

There will be particular focus on the situation of women and girls and on SRHR.

- Development aid to partner countries. Support to countries that are in a conflict or post-conflict situation with a fragile state, protracted refugee situations and where many national institutions suffer from weak capacity.

- Multilateral aid. Increased support to organisations that work on poverty reduction. Measures that produce renewable energy, energy efficiency and climate-friendly agriculture. Strong focus on gender equality and SRHR through increased support to organisations such as UNAIDS, UNFPA, and UNICEF.



- Sustainable development. Measures to strengthen economic, social and environmental sustainability. New strategies for global sustainability, sustainable peace, environment and oceans. When gender equality increases, poverty decreases. The last few years have involved setbacks for global efforts on women's rights, not least with regard to SRHR.

- Sustainable peace, human rights, democracy and the rule of law. Without peace there can

be no development. Therefore, support is being increased to peace- and statebuilding, with focus on states in a conflict or post-conflict situation, and to strengthening democracy and human rights, which are in decline in many parts of the world.

- Research, capacity development in support of the 2030 Agenda and civil society. Civil society plays a crucial role in development cooperation, not least in countries where

state-to-state cooperation is not possible. There is also a special initiative here on capacity development, work on the 2030 Agenda, and increased resources for research cooperation.

- In addition, other initiatives are being conducted, such as capital injections to the Swedish Fund for Industrial Cooperation with Developing Countries (Swedfund) and multilateral development banks and funds.

## Expenditure area 5 – International cooperation

*Framework for the expenditure area and appropriation levels for 2018, in SEK thousands*

Development aid	41 606 382
Swedish International Development Cooperation Agency (Sida)	1 171 090
Nordic Africa Institute	16 103
Folke Bernadotte Academy	123 955
Swedish National Audit Office: International development cooperation	50 000
Evaluation of international development cooperation	17 679
<b>Total</b>	<b>42 985 209</b>

Foreign trade, export and investment promotion

The objectives of foreign trade, promotion of trade and investment are to protect free trade, an efficient single market and an open trade policy in the EU, a strengthened multilateral trade system in the World Health Organisation (WTO), increased

trade between Sweden and other countries, as well as increased foreign investment in Sweden.

The Government's work on foreign trade includes the promotion of export and investment, as well as trade policy and the EU single market. Activities aim to create sustainable growth and employment in

Sweden by promoting export and foreign investment in Sweden. This is also done by improving efficiency in the EU's single market, which boosts EU countries' competitiveness, and by promoting openness in the EU's trade with other countries.

In September 2015, the Government adopted Sweden's export strategy to further strengthen



the Swedish business sector's internationalisation in a broad sense. The strategy includes 22 measures that span across several policy and expenditure areas. Focus lies on supporting small and medium-sized enterprises' exports and on markets with a high GDP, high expected growth or high thresholds to enter the market.

For 2018, the Government proposes an increase in appropriations for export promotion activities.

This increase is to strengthen regional export advisory services, reinforce a Swedish presence in growth markets, and enable Swedish participation in Expo 2020. Investment promotion will also be allocated more funding from the previously adopted budget for the export strategy.

Increased funds will primarily be allocated to two activities over the next six years – regional export centres and a Swedish presence in growth markets.

To enable all counties to access regional export centres and export advisors, SEK 17 million will be allocated in 2018, SEK 13 million in 2019, and subsequently SEK 8 million per year once the activities are under way. The Government also proposes an investment of SEK 10 million per year starting in 2018 on an increased Swedish presence in growth markets.

## Expenditure area 24 – Industry and trade

*Appropriations for foreign trade, trade and investment promotion*

*Framework for expenditure area and appropriation levels for 2018, in SEK thousands*

Swedish Board for Accreditation and Conformity Assessment (SWEDAC): Official activities	25 042
National Board of Trade	87 474
Export promotion	382 389
Investment promotion	72 772
Contributions to international trade organisations	20 517
Standardisation grants	31 336
Swedish Export Credit Corporation state-supported export credits	10 000
<b>Total</b>	<b>629 530</b>

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