



# Developing cities sustainably

Developing countries currently undergo unprecedented urban growth. This offers huge potential for climate friendly, inclusive economic growth and poverty reduction. Promoting smart urban governance, strategic investments and an efficient operation of urban infrastructure will contribute to the overall objective of more liveable, competitive, resource-efficient and resilient cities.

## Rationale

Countries worldwide are currently undergoing a historic transformation from a rural to an urban economy. By 2050, almost 70% of the world's population will be urban. This rapid growth in urban populations brings huge opportunities on growth and poverty reduction. Cities have largely become the main drivers of economic development and prosperity. At the same time, urbanisation creates significant challenges for cities and current urban practices are largely unsustainable. This often leads to urban sprawl, limited access to basic services, heavy congestions or high exposure to climate change risks. Consequently, the international community has adopted major agreements for sustainable development, such as the 2030 Agenda, the Paris Agreement and the New Urban Agenda, where municipalities gained significant importance. This provides a strong framework to work on these challenges in a way that adequately reflects the scale and pace of urbanization.

## Approach and Principles

SECO has been active in urban areas for a long time, traditionally by working in cities on infrastructure financing for economic infrastructure services. In 2013, SECO has expanded its cooperation to strategic urban planning processes and multi-sectoral coordination efforts within cities. This supports municipalities to plan pro-actively and make informed choices on urban development and particularly on infrastructure investment priorities across sectors. Based on prioritized investments, SECO also supports cities to access different infrastructure financing options in collaboration with its's divisions for Macroeconomic support and Private sector development. SECO's approach therefore promotes systemic support along an urban value chain including planning, financing and operation issues. SECO offers a wide variety of support on specific topics (see page 2), which ranges from consulting, technical assistance and capacity building, to catalytic investments. In general, SECO support aligns with the following principles:

- SECO's urban development projects are characterized by the fact that they try to link upstream urban planning with downstream infrastructure financing and investment and seek to have long-term and systemic impact.
- SECO gives priority to multi-sectoral projects that promote a culture of inter-sectoral cooperation and initiate institutional reforms.
- While closely linked to economic infrastructure investments, soft components on policies, institutions and capacities build the fundamental part of SECO's urban development projects.
- SECO focuses on intermediary / secondary cities, due to their critical role in regional economic development.

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Number of programs and projects since 2013

52

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SECO contribution since 2013

CHF 278 mio

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Geographic reach

Global, partner countries

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## Topics

Within this approach, SECO focusses on four thematic priorities for implementation:

### 1. Urban Governance

Urban governance refers to how national and sub-national governments and stakeholders negotiate and decide on how to plan, finance and operate urban areas with limited resources. The strength of urban governance systems depends on the capacities of the governing bodies, a clear institutional set-up, fair and transparent regulations and policies, and engagement of different stakeholders throughout decision-making processes. Very often in SECO partner countries, areas such as spatial planning, land management, investment planning and asset management are governed based on limited data/information and lacking cross-sectoral and cross-jurisdictional coordination processes. SECO seeks to strengthen urban governance systems in its partner countries by providing technical assistance to allow for informed decisions through efficient processes as well as by building capacities of institutions and individuals.



### 2. Urban climate change resilience

Cities are heavily exposed to climate change-induced natural hazards, in particular due to the high density of both infrastructure and people. SECO supports analytics to better understand such risks and their threat to vulnerable population, public assets and the economy. Moreover, support is directed towards infrastructure as well as other measures to adapt to and recover from extreme weather events. SECO's activities take into account existing experience in this area, notably from Swiss Development Cooperation (SDC).



### 3. Urban mobility

Given the steady rise in motorized private transport as well as unplanned urban sprawl, many cities in SECO's partner countries face the threat of total gridlock. Traffic jams, exhaust fumes and accidents all undermine a city's economic development. Reliable and safe public transport systems can have a positive impact on the connectivity and functionality of urban areas and reduce greenhouse gas emissions. SECO thus supports urban mobility systems that are affordable, accessible and interlinked, aligned with land management and integrated into the wider urban development.



### 4. Urban Energy Management

A reliable energy supply is essential for economic development. At the same time, urban areas offer huge potential for an increase in energy efficiency in buildings, public lighting, transport and service delivery, but also for renewable energy generation. SECO therefore supports cities to develop and implement effective energy and climate policy measures. One way of doing this is by introducing the label [Energy City / European Energy Award EEA](#). EEA is an energy management tool for municipalities that includes energy consumption assessments, action plan development, and monitoring of its implementation, as well as an award for achieved targets. Many Swiss cities have successfully implemented EEA.



In addition to those four thematic priorities, SECO strives to mainstream the following **crosscutting issues** in its initiatives:

- **Climate change:** Support cities in their unique and distinctive role in mitigating and adapting to climate change impacts.
- **Gender and inclusiveness:** Plan and build cities in a participatory way so that they are accessible, affordable and connected, and provide services and opportunities to all, including women and disadvantaged groups.
- **Digitalisation:** Support cities to profit from digital and smart technologies for efficient urban management and mitigate related risks.

### Further information and contact details

Website: [www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch)

Email: [info.wein.cooperation@seco.admin.ch](mailto:info.wein.cooperation@seco.admin.ch)