

# The value add by the SDC in urbanising contexts





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## Executive Summary

This report explores the future value-add of SDC's activities in urbanising contexts, offers recommendations to expand Switzerland's urban development capacity and identifies SDC's potential future priorities in an increasingly urbanised world. The report was prepared by the Swiss Federal Institute of Technology of Lausanne (EPFL) with support from the London School of Economics and Political Science (LSE).

### Global Urbanisation

Global urbanisation has changed the world. New globally consistent analysis by the United Nations and European Union estimates that the global share of urban populations is 80%<sup>1</sup> (EC, 2023). There are regional variations, but the scale of this spatial-demographic change is unprecedented. The proportion of people living in urban poverty is rising, even though the majority of the world's poor still live in rural areas. Urbanisation contributes to poverty reduction overall, for example, through reducing demand on rural economies and employment and remittances. It was not until the middle of the 20<sup>th</sup> century that African and Asian

countries began to urbanise but when they did it was rapid and unprecedented. The majority of the world's urban population live in settlements of one million or less, with the small and medium-sized cities of Africa and Asia absorbing the majority of the world's population growth in the years ahead. It is important therefore to address urbanisation as part of delivering SDC's mandate of reducing poverty. It is important to combat key myths about urbanisation. Urbanisation is not only about megacities. Urbanisation relates to the changing distribution of populations and activities along the rural urban continuum. Rural development does not take place in isolation from

<sup>1</sup> This figure is calculated applying national definitions of urban areas that vary widely from country to country.

urbanisation. Urban population growth results from natural increase among the existing population of cities more than from rural to urban migration.

To date, no country has transitioned from low/middle income to high income without urbanisation, yet in many countries urbanisation is occurring without the benefits of economic growth. This underscores the importance of economic development.

Our understanding of urbanisation is changing. In the past it was seen largely in relation to location and concentration of settlements. Today it is seen as a planetary process that impacts both urban and rural territories. Urbanisation is no longer seen simply as a negative but also as an opportunity and an enabler for greater social, economic, and environmental efficiencies. International development cooperation needs to be repositioned with a better understanding of changing conceptions of 'the urban'.

Three dimensions of urbanisation (locational, process, and interaction) can be utilised to conceptualise engagement in urban areas. SDC and SECO have previously worked with the first, the locational dimension. The question was whether to work in rural or urban locations, casting it as a zero-sum game. Going forward the first dimension, locational, remains pertinent for SECO in relation to much technical assistance, as well as to SDC, for example in relation to interventions in slums and slum upgrading.

The second and third dimensions of urbanisation are more appropriate to projects that work along the rural-urban continuum and a focus on the process and interconnection dimensions offer abundant opportunities to explore and build on synergies between SECO and SDC. Urbanisation as a process implies how engagement contributes (or not) to the shape of future settlement structures, for example, migration or food systems. Urbanisation as interaction relates to the institutional and relational dynamics along the rural-to-urban continuum, for example, production and consumption, and multi-level governance.

Much has already been done to integrate urbanisation as a contextual challenge into current strategic and programmatic orientation. Several existing themes are identified as having a high or medium level of activity relating to the urban context, including for example support to economic development, education, health, water, the environment, DRR, and food systems. Of particular note is SDC's work in local governance. In the area of Migration and Forced Displacement, SDC is advancing pioneering research on the wellbeing and inclusion of refugees and IDPs in camps as compared to city contexts.

Swiss foreign policy is committed to adding value in international policy dialogue on urbanisation. This includes the role of cities in international diplomacy within the UN system, strengthening relevant city networks and UN-Habitat.

How engagement with the urban context is done is as important as what SDC is doing across thematic areas and within existing programmes. The report identifies different means of engagement: policy reform, capacity building, service improvement, livelihood support, institution building, infrastructure development, knowledge exchange, and research.

Urbanising contexts offer opportunities to advance Switzerland's assets and interests in economic development. SDC could complement the work of SECO, for example by coordinating with its private sector development division, by using its skills, knowledge, and technology to support small and medium sized enterprises as part of an environmentally friendly integrated approach.

Switzerland's expertise on intermediary cities is justified. Most projected urban growth will happen in secondary cities and SDC is well placed to use them as strategic entry points along the rural-urban continuum. Its own proliferation of intermediary cities means Switzerland can justify this focus as an immediate priority.

Moving forward it will be difficult for SDC to ignore the issue of urban slums. Roughly 30% of the urban population in developing countries live in slums and informal settlements, some of which are on the periphery of cities and form part of the rural-urban continuum. Many of the latter although proportionally, the percentage of slum dwellers is

decreasing, absolute numbers are going up in some of SDC's target regions.

Switzerland has major added value through its local presence on the ground and its vast experience particularly working on decentralisation/federalism and local governance. The commitment and experience of working with local governments could be an important asset in the context of debates on decolonising development and localising aid. SDC can articulate its activities with SECO through coordinating bottom-up and top-down approaches that are participatory and inclusive.

Based on the above, this document identifies immediate and long-term opportunities for the SDC; summarised below:

### **Immediate opportunities**

Immediate opportunities to integrate urbanisation as a contextual cross-cutting issue present themselves. We analyse these under SDC's four strategic areas, ordered by relevance.



#### **a. Peace, Governance, Equality**

Switzerland is well positioned to address multi-level governance, given its own canton system and experience in participatory decision making. SDC has a wealth of experience working to improve equality and social cohesion. In local governance and decentralisation it is committed to working with local partners such as municipalities and civil society

organisations. There are opportunities to refresh SDC's offer to include metropolitan multilevel and emergency governance and to work in synergy with SECO on governance issues relating to infrastructure and the economy.



### **b. Climate, DRR, Environment**

The risk profile of cities has increased due to climate change and unplanned urbanisation. As people and assets are concentrated in cities, impacts of hazards and natural disasters are more intense.

Cities contribute to climate change as areas of high population concentration, economic activity and consumption. Targeting urban areas can reduce risk through addressing environmental negatives such as air pollution and greenhouse gas emissions. SDC has engaged in-depth on air pollution in cities in Latin America and Asia.

Under themes such as water there are opportunities to build on existing SDC expertise (from watersheds through to standpipes in slums), to demonstrate interaction along the rural urban continuum. Switzerland, SDC and SECO, have the ability to combine and coordinate governance and institutional with infrastructure-related urban tools.

Switzerland has a long experience in waste management. Recent studies show waste generation rates are high in low/middle income

countries. Switzerland has taken effective measures to reduce waste generation at source and improve waste treatment. There are opportunities for SDC and SECO to cooperate, combining interventions involving financing, infrastructure, and municipal reform with involvement of the informal waste economy.

SDC has vast experience in spatial planning and there is significant potential to combine this with Switzerland's Centre for Development and Environment's expertise in supporting the design of low-cost, climate-friendly housing.



### **c. Economic development**

Urban areas play a disproportionate role in productivity and trade and have a key role in providing livelihoods. Academic research in Switzerland's leading research institutions could support local expertise and entrepreneurship, especially in high-tech sectors and in relation to environmentally friendly economic development and green growth.

Food systems fit well into an understanding of urbanisation as a process of interaction. They involve food production, transportation, marketing, consumption and nutrition in food supply chains that straddle the rural-urban continuum.

Education and training constitute not only a social good, a human right, and a contribution to livelihood creation but also offer a valuable contribution to economic development in ways that utilise Switzerland's rich academic and research offer.

ICTs have great potential to solve urban problems across the urban-rural continuum. Switzerland is considered an innovative country with expertise to share in cities. SDC could enhance existing digital innovation in areas such as market knowledge within food systems, local governance programs, the reach of healthcare and data, as well as skills development.

The private sector is important but in SDC target countries it is not monolithic. It includes a range of actors from large investors through to small and medium sized entrepreneurs. Ways could be sought to exploit existing synergies and complementarity between the SDC and SECO towards integrated approaches to environmentally friendly / green economic development including public private partnerships, incorporating a full range of actors including the urban informal economy.

The role and contribution of the private sector in urbanising contexts is essential and a primary component of economic development that puts knowledge and innovative ideas into practice. SDC can coordinate with SECO on SME development

and bring in an understanding of social impact entrepreneurs and the urban informal economy.



#### **d. Human development**

Human development cross-cuts many activities in the other strategic areas. SDC aims to act where needs are most urgent, and social need is increasingly oriented towards urban areas, with implications for humanitarian aid as well, which in turn is increasingly urban. This refers both to existing urban settlements exhibiting humanitarian need and settlements created due to humanitarian crises. Urban areas are overwhelmingly youthful in many of SDC target regions, with implications for priorities in human development and the need to integrate young people socially, economically and in terms of governance.

Respectively, 60% and 80% of Refugees and IDPs live in urban areas. There is a blurring of the lines between humanitarian and development assistance. Interventions are increasingly needed in towns and cities. With its new structure SDC is well prepared and positioned to work on the nexus between humanitarian and development work, address increased urban violence through citizen security and psychosocial support, and play a pioneer role in tackling these challenges. In addition SDC is supporting landmark research in the area through Cities Alliance and has

important projects on urban migration. Both can be adapted and scaled

Health and safety usually come under human development, but urbanisation is pushing to breaking point the safety of many urban residents given the increase in urban violence in many cities. Urban safety and security are threatened not only by conflict generated within cities, for example due to competition over scarce resources and services, but also national and regional conflicts impacting on cities. Safety and security are further impacted by unsafe living conditions due to natural hazards, inadequate services and poor health conditions. Switzerland's extensive experience and expertise in the health and humanitarian sectors offer new opportunities for knowledge exchange and investment in the regions.

### **Mid-to-longer-term term opportunities**

Over the longer term SDC could continue with urbanisation as a transversal or contextual area but the following would be necessary:

- A clear positioning of SDCs approaches and added value in urban and urbanising contexts will facilitate increased complementarities and synergies between SDC and SECO at the country or regional level and enable a more systematic and coherent policy dialogue for Switzerland on a global level.
- Specific learning and capacity building on urbanisation and

urban sensitive programming within SDC should be ensured for the mid-to-longer term in order to ensure continuous relevance, quality and effectiveness of SDC engagement in an urbanising world.

- Existing partnerships with UN-Habitat and Cities Alliance, should be strengthened and used more systematically and strategically, within the context of a coherent SDC policy dialogue at the regional and global level
- Consolidate the focus on towns and intermediary cities but where relevant, extend to larger cities where, for example, opportunities exist to address poverty in urban slums and informal settlements, or where opportunities to support SMEs present themselves
- A greater focus on slums and informal settlements as a site of intervention because while a majority of poor people still live in rural areas, the geography of poverty is changing, with most urban poor living and working in slums

### **SDC and SECO as Swiss Value Add**

The traditional distinction that places SECO as responsible for urban areas and the SDC for rural areas is outdated. The centre of gravity across Swiss cooperation must be aligned with the realities of rapid urban growth in target regions. This means:

- Working systematically and strategically to strengthen the synergies and complementarities between SDC and SECO
- Addressing the disadvantages of the current system that discourage joined-up thinking
- Coordinating people-focused, institutional and infrastructure-related issues in a joined up way requiring synergy between SDC and SECO in order for Swiss value add to be cutting edge.



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# 1. Introduction

## 1.1 Aim of the study

The EPFL, in collaboration with the London School of Economics (LSE) carried out this study to identify, in an evidence-based practice, the specific added value of the SDC with regards to programme implementation in rapidly urbanising contexts and to regional and global policy dialogue on urbanisation.

The study has been developed in relation to other international and national actors. The objective is to identify the added value of the SDC considering a whole-of-government approach in order to achieve the greatest possible impact and quality of Swiss engagement in urbanising contexts. In terms of thematic competence, SECO's long-standing work and expertise in urban areas needs therefore to be taken into account. Within the framework of the policy dialogue, the best possible synergies should be identified within the Federal Department of Foreign Affairs (FDFA), but also with other Swiss departments.

poverty and promoting sustainable development in low and middle income countries through three pillars (1) Humanitarian Aid, (2) Development Cooperation and (3) the Promotion of Peace and Human Security<sup>2</sup>.

Switzerland's International Cooperation Strategy 2021-24 (IC Strategy 21-24) sets out three criteria for the strategic orientation and a geographic focus for bilateral development cooperation: (1) the needs of the population in developing countries, (2) Switzerland's long-term interests, and (3) the value added by its international cooperation compared with other countries. On this basis, Switzerland works in four priority regions (North Africa and the Middle East, Sub-Saharan Africa, Central, South and South-East Asia, Eastern Europe) and in Latin America and the Caribbean until the end of 2024. (Figure 1) The current IC Strategy 21-24 focuses on four main thematic objectives: Sustainable Economic Development (Jobs), Environment (Climate Change), Human Development (Migration as well as Peace building and Governance (The Rule of Law). While urbanisation as such is not a thematic priority, the IC Strategy 21-24 refers to rapid urbanisation as a persistent contextual challenge, which threatens to undo some of the gains achieved in reducing poverty.



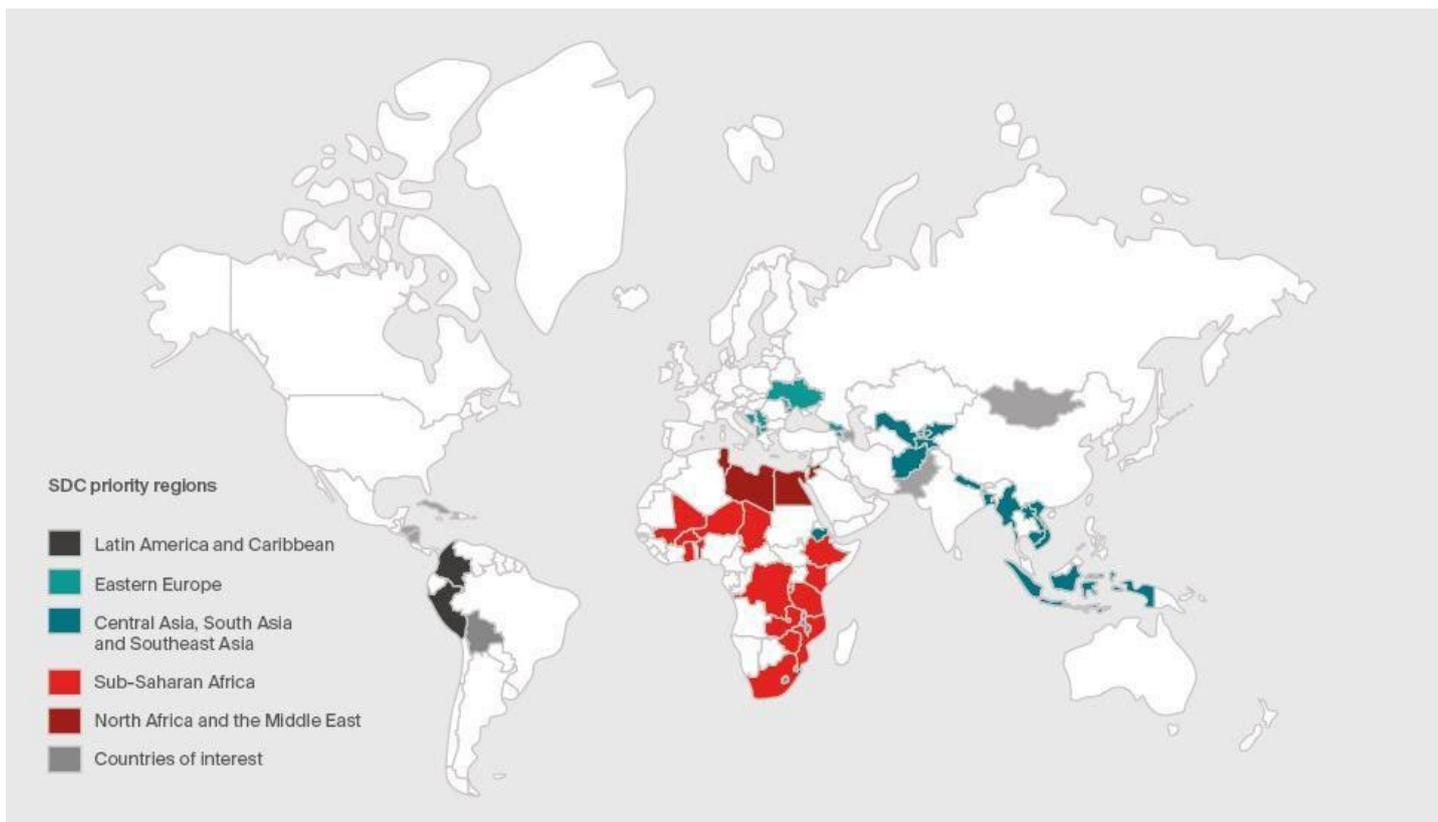
### annex 1

<sup>2</sup> The pillars of Switzerland's IC are embedded in the Federal Department of Foreign Affairs (FDFA) and the Federal Department of Economic Affairs, Education and Research (EAER).

**Annex 1** describes in more detail the objectives of the study, the methodology and the data analysis that has been used.

## 1.2 Urbanisation entry points in SDC activities

Through its international cooperation, Switzerland contributes to reducing



**Figure 1**  
 Map of SDC priority regions between 2021-2024.  
 Map designed by authors (EPFL & LSE) using SDC data

  
**annex 2**

Before 2008, the Swiss Agency for Development and Cooperation (SDC) had a specific urbanisation department. Since then, the SDC has taken urbanisation and urban contexts into account within the framework of programmes and projects in Global Cooperation, Multilateral work, South and East Cooperation as well as Humanitarian Aid. Generally, the SDC is increasingly confronted with the challenges related to urbanisation in partner countries.

Across all SDC's themes and in all priority regions, there are ongoing projects dealing with urbanisation or being implemented in urban

contexts. With the aim of focusing and considering existing SDC's projects engagement on urbanisation, thematic entry points have been identified.

[Annex 2](#) for the thematic entry points table

## 2. Urban development trends and future challenges



annex 3

### 2.1 Urbanisation in the global agenda

In the face of growing urbanisation and in particular the growth of urban slums, in 1975, the UN General Assembly established the United Nations Habitat and Human Settlements Foundation (UNH-HSF), the first official UN body dedicated to urbanisation. Under the umbrella of the United Nations Environment Programme (UNEP), its task was to assist national programmes relating to human settlements through the provision of capital and technical assistance. In 2002 Habitat's mandate was strengthened and its status elevated to a fully-fledged programme in the UN system, giving birth to UN-Habitat, the United Nations Human Settlements Programme, a direct subsidiary organ of the UN General Assembly.

Direct and indirect attention is increasingly paid to urban areas by multilateral and bilateral development assistance. The World Bank has long invested in cities and currently has three key focus areas: Disaster Risk Management; Inclusion and Land; and Housing to Build Sustainable Cities and Communities, and UNDP has a current focus on urban resilience. Similarly, a number of bilateral agencies are concerned with urbanisation. In addition to those with a long-standing interest in technical assistance in

cities, such as the Japan International Cooperation Agency (JICA), today for example, the Agence Française de Développement (AFD) targets access to essential services, city mobility, limiting cities environmental footprints, regional attractiveness and city governance. [See Annex 3](#) for a review of further bilateral agency activity related to urbanisation.

Testimony to the growing importance of urbanisation is the prominence now given to the global policy fora dedicated to the topic within the UN system. These include the Habitat conferences. The first, Habitat I was held in 1976 in Vancouver, the second, Habitat II in Istanbul in 1996, and Habitat III in Quito in 2016. In addition, there is now the biannual World Urban Forum (WUF), while many sectoral conferences, for example on health, water, forestry and agriculture also have an urban focus or theme.

The relationship between urbanisation and global socio-environmental challenges such as climate change or biodiversity loss is made clear by multilateral organisations like the World Bank and organisations in the UN system. Cities are major contributors to climate change, energy consumption, biodiversity loss, and environmental degradation. According to a report by the Global Covenant of Mayors for Climate

and Energy (2019), cities are responsible for 70% of global greenhouse gas (GHG) emissions. The transportation sector is the largest source of GHG emissions in cities, accounting for an average of 40% of total emissions, while buildings and industry are also significant sources of emissions, accounting for an average of 30% and 20% of emissions respectively. A study by the International Energy Agency (IEA) found that global primary energy consumption in urban areas is projected to increase by 60% between 2018 and 2050. The study also found that buildings are responsible for the largest share of energy consumption in cities, accounting for an average of 40% of total energy consumption, followed by transportation and industry at 30% and 20% respectively.

Urban areas also have a significant impact on biodiversity loss (IPBES, 2019), urbanisation is responsible for the loss of natural habitats and ecosystems, leading to the extinction of species and the degradation of natural resources such as water and soil. In addition, cities are major sources of waste and pollution. A report by the United Nations Environment Programme (UNEP, 2020) states that the global population produces more than two billion tons of waste annually, with urban areas being major sources of waste.

To address these issues, steps must be taken to reduce energy consumption and GHG emissions, protect and restore biodiversity, and reduce waste and pollution. This can be achieved through a variety of measures, such as encouraging the use of renewable energy sources and energy-efficient technologies, promoting sustainable transportation options, implementing green building standards, developing and protecting green spaces, encouraging waste reduction and recycling programmes and establishing policies that promote sustainable urban development.

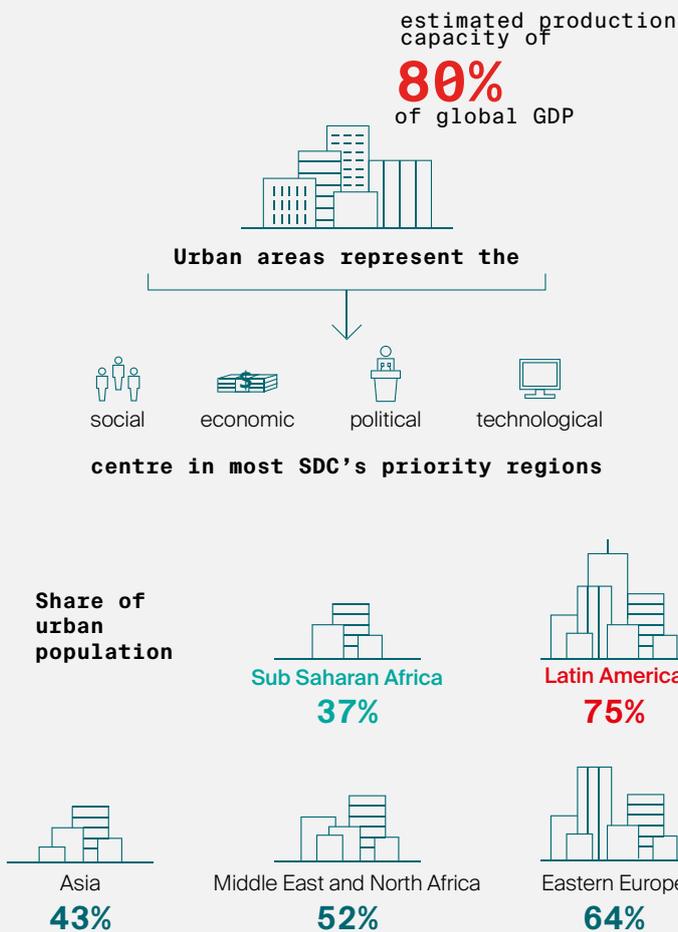
A number of international commitments specifically mention the urban dimension of global socio-environmental challenges. Important among them are the Sustainable Development Goals (SDGs). Whereas the Millennium Development Goals (MDGs) did not focus specifically on cities, SDG 11 calls to: *“make cities and human settlements inclusive, safe, resilient and sustainable”*. SDG 11 includes a target to ensure access to adequate, safe and affordable housing and basic services and to upgrade slums. Despite the varying degrees of commitment to urban development by multilateral and bilateral agencies, cities still lack the capacity to anticipate the social and environmental challenges

linked to urbanisation that would allow them to thrive. For Switzerland, the three criteria and four objectives laid out in the IC Strategy 2021–24 at first view, put limited geographical and thematic emphasis on the urban sector. While presented as a persistent challenge, rapid urbanisation and the urban context as a whole are addressed mostly within economic development cooperation which mainly falls into the activities of SECO. Given the growth of urbanisation, however, and the processes and interconnections along the rural-urban continuum, SDC also engages with urbanisation and its impact in its work under the four strategic areas of Switzerland’s IC.

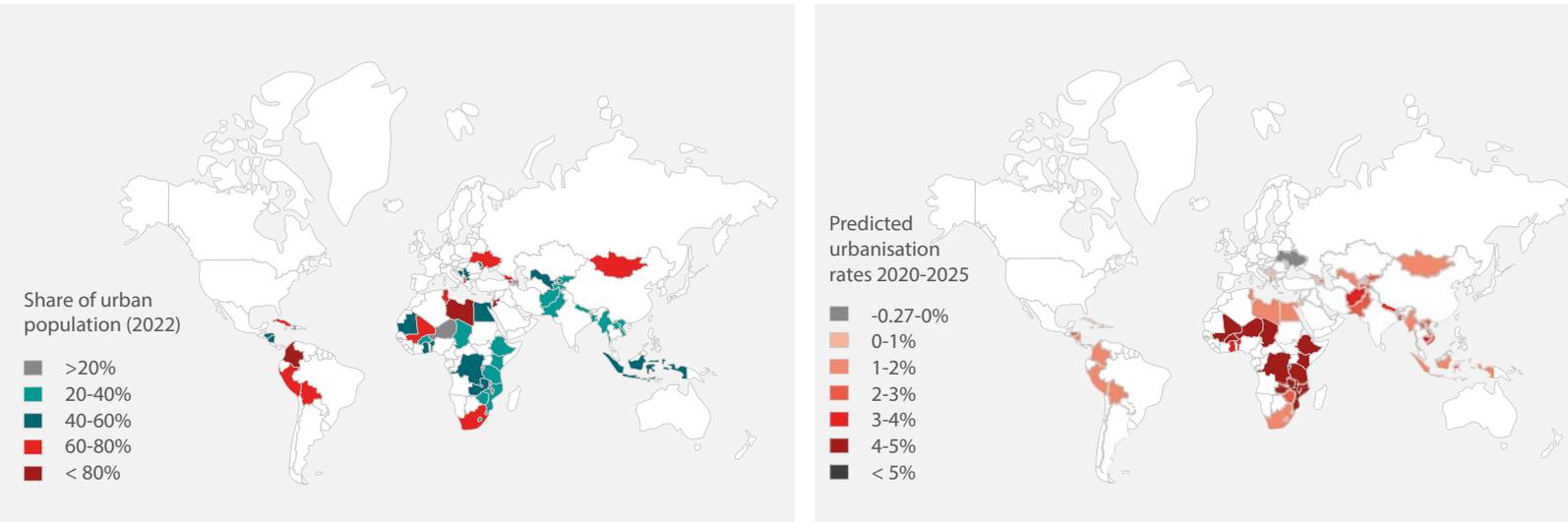
## 2.2 Current trends of urbanisation in priority regions

Urban areas represent the social, economic, political and technological centre in most SDC’s priority regions, with an estimated production capacity of 80% of global GDP. Thus, to effectively combat the increasing poverty it is necessary to ensure that the wealth produced in urban areas is properly distributed.

The share of urban population varies across regions. Sub Saharan Africa (SSA) has the lowest share of urban population at an average of 37% and Latin America has the highest with slightly over 75.1%. In Asia, MENA and Eastern Europe, the urban population represents, respectively, 42.8%, 52.1% and 63.6% of the total population. While disparities exist between regions, they also take place within regions. As an example, Burundi and South Africa are the two countries in the SSA with the largest difference in urban population: 14.4% for the former and 68% for the latter. A similar trend is observed in the MENA region with Egypt and Jordan having 43% and 91.8% of urban population (Figure 2). Interestingly, countries in Easter Europe and Latin America have reduced ranges.



All priority regions have most of their populations in cities with less than 300,000 inhabitants. Interestingly, the number of people living in those cities are greater in proportion in Asia and Eastern Europe than in SSA where the share of urban population is the



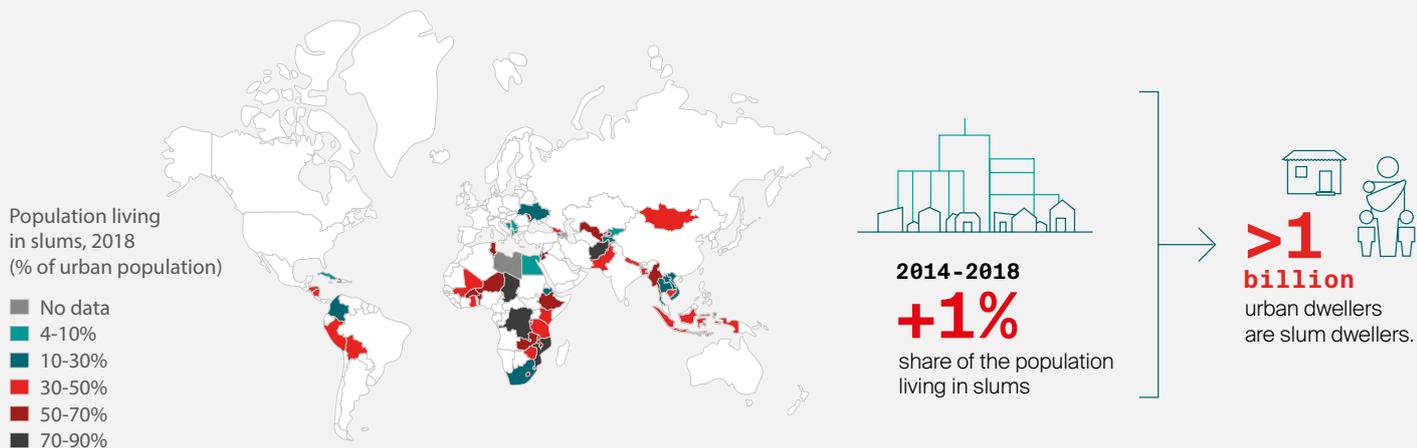
**Figure 2**  
Share of urban population in priority countries and countries of interest in 2022 (UN, 2018b; World Population Review, 2022).

**Figure 3**  
Expected urbanisation rates in priority countries and countries of interest between 2020 and 2025 (UN, 2018b; World Population Review, 2022).

lowest. In Latin America, around 40% of urban dwellers live in cities of less than 300,000 inhabitants while cities greater than 10 million people and between 1 to 5 million hold around a quarter each. This demonstrates that some regions have more small urban centres than others, where medium (1 to 5 million inhabitants) and mega cities (10 million or more inhabitants) hold a larger share of the urban population. It is important to note that priority countries in Eastern Europe do not have mega or large cities (5 to 10 million inhabitants), and while countries in Latin America have mega cities (Bogota and Lima) and medium cities, they do not have large cities. In SSA, major urban centres are dominated by Kinshasa (DRC), Johannesburg (South Africa) and Dar Es Salaam (Tanzania). The region with the largest cities in Asia with four megacities located in three countries (Pakistan, Indonesia and Bangladesh), but it is in the MENA region, followed closely by Latin America, that cities above 1 million inhabitants host most urban dwellers, representing around 45% of the urban population.

The share of urban population is to be put into perspective with the urbanisation rate, which, again, varies dramatically between and within regions. Overall, the two variables are negatively correlated, meaning that countries and regions with the smallest share

of urban population tend to have the highest projected urbanisation rates. SSA and Asia are the two regions with the largest projected urbanisation rates between 2020 and 2025 at 4.15% and 2.7% annually respectively. Across the board, countries in Eastern and Western Africa have the highest projected urbanisation rates fluctuating between 4 and 5% annually, while Southern Africa ranges 2.5%. In Eastern Europe, the rate is low across all priority countries below 1%, except in Albania and Azerbaijan. In fact, Ukraine is the only country with an estimated negative urbanisation rate from 2020 to 2025, while Burundi has the highest above 5% annually. Priority countries in the MENA region are not expected to have a strong increase in urban population ranging between 1 to 2% annually, except for the Occupied Palestinian Territory which is an outlier in the region close to 3%. Similarly, urbanisation in Latin America and the Caribbean is not expected to overshoot. Honduras, the country with the highest rate in the region, should see its urban population increase by no more than 2.5% a year. The Asian region is in a transition period with urbanisation expected to increase around 2% in countries in Central Asia, while the South and South-East sub-regions will be around 3 to 3.5% growth annually (Figure 3).



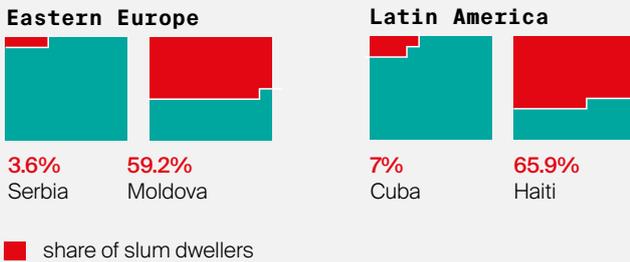
**Figure 4**  
Share of population living in slums in priority countries and countries of interest in 2018 (UN Habitat, 2018).

According to the United Nations, the share of the population living in slums worldwide has increased from 23% to 24% between 2014 and 2018, meaning that over one billion urban dwellers are slum dwellers. Slums are most often associated with megacities, but the poorest slums are frequently found in smaller and secondary cities. SDC has much to offer in terms of slum development in relation to local governance, citizen participation as well as its thematic work in relation to, for example, the environment, basic services and healthy cities, defined as those urban centres with health policy and planning in place to improve the physical, social and environmental conditions for people’s lives, from air quality to green spaces and better services. The area of slum improvement and upgrading is an important area for SDC engagement in this regard. This trend towards an increase in the number of slum dwellers disproportionately affects Eastern and South-Eastern Asia (370 million), sub-Saharan Africa (238 million) and Central and Southern Asia (226 million). They also suggest that prior approaches to development cooperation predicated on support to agriculture and rural development, particularly evident in support to

countries in South Asia and sub-Saharan Africa, need to be reviewed.

Cities and the dynamic links between urban and rural areas need to come front of mind. Among the priority countries, Eastern Europe and Latin America experience the largest range in the share of slum dwellers. The rate is 3.6% in Serbia and 7% in Cuba while in the same regions it is 59.2% in Moldova and 65.9% in Haiti respectively. This already provided insights on how SDC could approach humanitarian aid in those regions with an integrated and local approach. Therefore, regional strategies to humanitarian aid cannot be the same in all priority countries in those regions. It is worth noting that priority countries in the MENA region hold the lowest share of slum dwellers at 8.2% (median), followed closely by Eastern Europe at a little over 9% (median) (Figure 4). On the contrary, over half of the urban population in countries of the SSA region live in slums. With regards to the regional average (including all priority and non-priority countries), the average share of slum dwellers is higher in priority countries except in SSA showing that priority countries in the region are slightly less affected by the issue than in others.

Priority countries that experience the largest range in the share of slum dwellers.



The COVID-19 pandemic has put a toll on resolving the issue worldwide as it disproportionately affected low-income households and those working in the informal sector. It had a double impact by further increasing the number of slum dwellers and increasing the vulnerability of those whose living conditions were already precarious.

SDC has much to offer addressing the challenges and opportunities of urbanisation aiming at:

#### **Inclusive cities**

SDC works towards urban systems which leave no space and no person behind. Through its engagements in local governance, migration and protection, as well as humanitarian aid, SDC contributes to creating better conditions for the cities most vulnerable inhabitants and neighbourhoods enabling them to be fully part of the city and to benefit equally from the opportunities of urbanisation for improved living conditions.

#### **Resilient cities**

SDC works towards resilient urban systems which can cope with changes and shocks in the environment and

the social and economic system and contribute positively to preserving the environment and natural spaces. Through its engagement in climate change, environment and DRR and its engagement towards healthy cities, SDC contributes to improving people's physical, social and environmental conditions, from air quality to green spaces and better services.

#### **Functional cities**

SDC works towards functional urban systems which are able to provide high-quality public services and economic opportunities for all its inhabitants and in all its neighbourhoods. Through its engagement in local economic development, vocational skills, food, health and water, systems SDC contributes to improving the living conditions and livelihood opportunities for the most vulnerable populations along the rural-urban continuum.

### 2.3 Urban-rural continuum

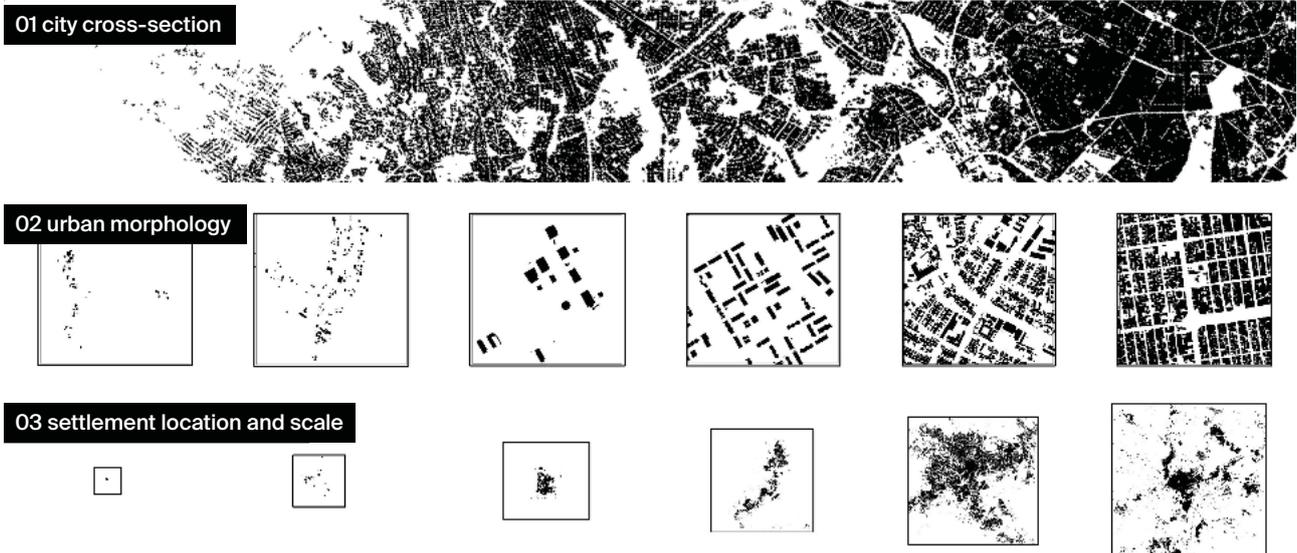
The distinction between urban and rural areas has long served as a mechanism for social and economic policy and planning. Based on a *census criterion* of the place of residence (Stewart, 1958), nations worldwide have historically taken decisions on the financial distribution of resources and political and administrative duties across different territorial levels. Population density and land use have also been compared to identify trends across global regions in the context of urban and regional planning. However, the diversity of patterns across territories and the many linkages that exist between rural and urban areas challenged the utility of drawing a strict line between rural and urban contexts (Lloyd-Jones & Rakodi, 2002).

To address the problems that come from such a crude dichotomy, several international organisations, including the

European Union, the World Bank and the United Nations, have come together to agree on a standardised approach to classifying human settlements according to the ‘character’ of the area across a rural-urban continuum or territory (European Commission, ILO, FAO, OECD, UN-Habitat & World Bank, 2020). This methodology, known as the Degree of Urbanisation (DEGURBA), aims to operationalise urbanisation as a continuum between large metropolises and sparsely populated areas. The Degree of Urbanisation categorises the territory into different settlements across the rural-urban continuum. This classification considers population size and density data to identify different categories and subcategories of settlements: cities, towns, semi-dense areas, rural areas, suburban, peri-urban areas, villages, or mostly uninhabited areas, among others.

## THE RURAL TO URBAN CONTINUUM (TERRITORIALITY & CONNECTIVITY)

Source: LSE Cities 2022



Although this methodology helps maintain cross-country comparisons, it confirms that the dichotomy between urban and rural is necessarily contested. Rather than arguing over distinctive characteristics between urban and rural areas, there is a clear call for a more grounded understanding of the rural-urban continuum that addresses linkages, especially regarding interventions to address poverty reduction.

**‘We need to evolve an understanding of poverty that encompasses both rural and urban populations and the interconnections between them; acknowledge that where people live and work and other aspects of their local context influence the scale and nature of deprivation and recognise that there are typical urban and rural characteristics that cause or influence poverty’ (Lloyd-Jones & Rakodi, 2002).**

Pressure on land use, housing access, agriculture, and water management, are some of the most explicit links that constitute the rural-urban continuum and challenge the governance structures of local administrations. Prioritising the understanding of local contexts within its diversity more comprehensively rather than distinguishing between urban and rural upfront can help identify local needs and act accordingly.

In understanding the rural-urban continuum it is important to recognise that the urban end is not confined to mega-cities. The SDC has considerable experience of working in intermediary cities and towns, which are often host to large reservoirs of urban poverty as well-being first ports of call for rural-urban migrants. The potential to generate a wealth of data for analysis of the rural urban continuum rests with new digital technologies, such as innovations in geospatial science and the integration of spatial and statistical analysis. The data collected allows for the monitoring and understanding of rural-urban connectivity as well as urban dynamics across towns and cities. Such data serve as a basis for the design of contextualised solutions. The application areas of rural-urban and urban analytics are numerous relating to many areas of development cooperation from software development, agriculture, transport and mobility, climate change and risk detection, public health, security, and population mobility.

## 2.4 Implications of the rural-urban continuum for the next IC Strategy

Recognising the importance of urbanisation as a context and the importance of the rural-urban continuum has implications for practice. Interventions can address a particular location, for example a densely settled slum in a megacity, or agricultural practices across dispersed villages. However, interventions can also address urbanisation and the rural-urban continuum as a process, looking at changes over time such as the phenomenon of increased rural-urban migration due to conflict or climate change. Alternatively, urbanisation and the rural-urban continuum can be seen in relation to interaction. For example, decisions made at the level of national policy and planning can affect interconnected territories. This applies to interventions as well, for example, improving the quality and sustainability of water supply might require engagement with watersheds in rural areas through providing standpipes in slums.

The IC Strategy 2021–24 sets a geographic focus for bilateral development cooperation with four criteria for its strategic orientation, namely:

1. Human development;
2. Economic development;
3. Peace, Governance and Equality;
4. Climate, DDR and environment.

Urbanisation, while not a thematic priority of the IC Strategy 2021–24, is addressed by the SDC as a contextual challenge and is embraced across

several policy dialogues, partnerships and interventions. To meet the growing urbanisation challenges facing the target regions and the IC's strategic orientation, it is necessary to adapt the current approach to urbanisation and SDC's perspective on urban development. This study explores alternative avenues for addressing urban development for Swiss International Cooperation. Under the four priorities of the IC Strategy, we offer some illustrative considerations for best matching Switzerland's assets and development needs globally to address the global urban challenges. These are addressed more fully in Section Five of this report.



### Human Development

War and conflict, and environmental degradation highlight the importance of understanding the rural-urban continuum and urbanisation as a process. Refugees and Internally displaced people affected by climate crises or by war and persecution find themselves in towns and cities. It is not uncommon for conflicts in rural areas to impact urban areas, either as targets or as eyes in the storm and places of refuge (Beall et al 2013). Currently 60% and 80% of all refugees and IDPs respectively, live in urban areas (UNHCR 2016). As a result, there has been a turn away from encampment for urban refugees and IDPs towards an increasing focus of humanitarian operations (Landau 2014).

Migration, whether forced or economic, also needs to be understood in the

context of urbanisation as a process, operating along the rural-urban continuum. Migration does not only feed urbanisation in terms of population growth but it also serves to reduce overall poverty, for example by relieving pressure on rural unemployment or under-employment and through urban remittances (Ravallion 2016).

Urban Slums and informal settlements:

Urban slums are informal settlements that are characterised by overcrowding, poor housing conditions, and limited access to basic services such as clean water, sanitation, and healthcare. These communities are often found in developing countries, where rapid urbanisation and a lack of affordable housing have led to the growth of informal settlements. Kibera in Nairobi, Kenya, is one of the largest slums in Africa, and Dharavi in Mumbai, India, which is one of the largest slums in Asia.

According to the United Nations, there are an estimated 828 million people living in slums worldwide, with the majority of them located in developing countries (UN-Habitat 2021). In Africa, it is estimated that 66% of the urban population lives in slums, while in Asia the figure is 30%. In Latin America, the percentage is around 20%. These figures indicate the scale of the problem of urban poverty and the need for solutions that can improve the living conditions of those living in these communities.

Sites of extreme deprivation, there are also examples of resilience and

innovation emerging from such settlements. In this regard it is important to underscore the relevance of understanding slums in terms of the locational dimension of urbanisation, but also as part of the rural-urban continuum and urbanisation as a process. As such slums and informal settlements should be understood as part of a wider spectrum of processes and inter-connections that affect and impact on safe water, sanitation, healthcare, affordable housing and job opportunities. Similarly, slums and informal settlements should be recognised as legitimate communities and included in the planning and decision-making process. Figure 3 below shows the population living in slums, 2018 (% of urban population).

Public health: Uncontrolled urbanisation and increasing urban poverty poses health risks for urban residents. Density and proximity exacerbate the spread of infectious disease, while the prevalence of many non-communicable diseases increase with urban living. The recent global pandemic has illustrated how cities are exposed to disease transmission as sites of ultra-rapid spread of epidemics (WHO, 2021). The high mortality caused by COVID-19 has demonstrated the fragility of urban health. In contexts hard hit by poverty, diseases prevent people from being productive. There is an urgent need to contribute to informed decision-making by providing tools and advice on how to limit health risks in urban areas. As with slums and informal settlements, public health offers opportunities

to engage with urbanisation with a locational focus, without losing focus on the process elements, for example in the transmission of disease, and the interactions involved, for example, with regard to interventions. Here it is worth noting that cities are sites of efficient intervention given the ability to reach large numbers of people.

Population growth and youth integration: Addressing youth is an important lever of any urban development strategy. Cities and towns are overwhelmingly youthful. Urban population growth is primarily driven by internal increase, but young people also predominate among those migrating into cities. According to the African Development Bank, with over 200 million people aged between 15 and 24, Africa has the largest population of young people in the world, with current trends indicating a doubling of the numbers by 2045 (AFDB, 2016), with 80% of this growth occurring in urban areas.

Although young populations are an economic workforce to be capitalised upon, they are often deprived of economic opportunity. Their potential to participate in society is hampered as they are confronted in many cases with traditional governance structures that could potentially limit their capacity to act. By taking advantage of young people's ability to expose themselves to new ways of doing things and their willing embrace of change, provides an avenue for cooperation, working with urbanisation in its locational, processual and interactive dimensions.



### **Economic Development**

Urban economic development can be engaged both locationally in cities and along the rural-urban continuum, as illustrated by the following examples.

Food systems: Cities are a fertile ground for agroecological production methods, for job creation and for the emergence of short food circuits and Switzerland stands out for its commitment to a sustainable food systems approach. As stated by the SDC, food is one the most effective ways of having a positive impact simultaneously on human health, the climate, biodiversity and the sustainable use of resources.

In this direction, Switzerland is a pioneer in advocating a sustainable approach to food and farming through agroecology. In a context of increasing malnutrition, urban ecosystems are in this sense a key element for this systemic and multifactorial approach. There is a great potential in urban density to foster innovative models of urban agriculture and thus to produce varied and nutritious food, allowing city dwellers to be more resilient in the face of dependence on production systems.

The rural-urban continuum is also very clear in relation to food systems, whether it is the rise of urban agriculture on the periphery of cities, or through the interconnections between food producers and consumers within a wider territory. Furthermore, the food chains connected to urban areas are

often linked not only to rural areas within a region but also to foreign imports due to the insufficient local production and consumption and the vulnerabilities of this are illustrated by the current crisis in Ukraine, which has created a global food crisis and a shift in globalised food systems.

Digital technologies: With recent advancements in Information and Communications Technology (ICT), governments have relied on data to make decisions (such as location, and proximity to services, during COVID-19) whilst allowing citizens to engage more directly. In Latin America, for instance, by 2019, 39% of the population live in areas with network coverage but do not use mobile internet, while 6% do not have any connectivity options available (GSMA, 2019). Moreover, around 70% of urban residents only have poor and costly connectivity. This mismatch between ICT advancements and people's connectivity to access to online services and platforms, holds the potential for SDC to work with actors on the ground.

An example that begins in cities but straddles the rural-urban continuum, is M-Pesa in Kenya, launched in 2007 with donor support to create a mobile money application that allows users to perform financial transactions through the use of mobile phones (Bachelor, 2012). Despite positive examples such as these, there is untapped potential to address ICT issues in cities and across the urban and rural continuum. There are opportunities for SDC to employ

or enhance existing digital innovation in areas such as market knowledge within food systems, networked local governance, the reach of health care and health data, and skills development.



### **Peace, Governance and Equality**

A contextualised approach to governance over time and space: the SDC has a wealth of experience working in the area of local governance and in projects focused on decentralisation, participatory decision making processes and social accountability and this is a clear element of Swiss added value. Globally the managerial and technocratic dimensions of policy-making and planning often dominate, with participation remaining important only rhetorically. However, the SDC has maintained its expertise in and commitment to working with local partners such as municipalities, civil society, women's and youth organisations and is thus well placed to respond to and lead the localisation agenda. Together with SECO's approach to urban economic governance, this constitutes a powerful area of Swiss value add.

It is important to move beyond generic approaches to local governance across the rural-urban continuum. The needs and interests of municipalities and people living in villages, towns and cities of varying size and complexity differ. Local governance engagement needs to be cognizant of and responsive to these. There are opportunities to

refresh SDC's offer on local governance. With the rejuvenation of the youth agenda and improved access to information and communication through digital technologies, there are opportunities for innovation in Switzerland's long experience in participatory democratic processes.

**Safety:** Urbanisation is adding to the security demands of cities in many priority areas, leading to the risk of ungovernability and the absence of safety and security for many urban residents. This includes urban conflict generated within cities. In the four priority regions, for example, the slums on the outskirts of many heavily populated cities are experiencing a recurring phenomenon of organised gang movements that threaten the security of urban dwellers.

In addition, cities are interconnected with conflicts going on at national and regional levels, for example, as targets of attack or by attracting an influx of people who are fleeing violence. Uncontrolled urbanisation carries with it the specific seeds of delinquency, criminality, or extremism, which can further undermine social peace and affect many local initiatives (private, political, social) in a lasting way. Faced with this reality, it is urgent to propose targeted strategies along the rural-urban continuum that involve multilevel actors (local, national, bilateral and multilateral), to ensure citizen safety.



### **Climate, DRR and Environment**

Cities are often associated with climate change because of the concentration of people and economic activities, both of which lead to the generation of greenhouse gases and carbon emissions in the context of badly managed cities. While cities are undoubtedly responsible for negative environmental externalities, it is also the case that they represent opportunities for mitigation and prevention. Furthermore, the consensus on global warming as well as the analyses on the impact of natural disasters indicate that most victims of extreme weather events will be in poor urban areas in developing countries (WMO, 2021). The same holds for earthquakes, which disrupt entire economies and put people's life at risk particularly in densely populated urban areas. Poor urbanised communities have higher levels of crime, higher levels of inequality (economic, spatial and social), social exclusion, poor infrastructure and road networks leading to increased congestion and pollution (United Nations, 2020). According to the World bank (2017), these socio-environmental challenges are often the cause of or caused by the expansion of informal and precarious housing, which are home to the majority of the poorest urban dwellers, putting pressure on land use, environmental and other resources and providing reduced access to services. This only serves to underscore the importance of the rural-urban continuum.

Climate change, hunger and food security: Climate change is having a significant impact on global food security and hunger. According to the United Nations Food and Agriculture Organization (FAO n.d.), extreme weather events such as droughts, floods, and heat waves are reducing crop yields and increasing food prices. This is leading to increased food insecurity and hunger, particularly in developing countries where people are already struggling to access enough food. According to the World Bank (2020), climate change is expected to push an additional 24 million people into extreme poverty by 2030, with most of these people living in Sub-Saharan Africa and South Asia. The same report found that climate change could also lead to a decline in global crop yields of up to 30% by 2050, with the most severe impacts in Sub-Saharan Africa and South Asia.

Climate change and natural hazards: As a result of climate change, population pressure, increased economic assets, as well as unplanned urbanisation, the risk profile of cities has worsened, leading to more intense and frequent loss events including floods and landslides or extreme temperatures, but also increased losses due to disruptive events such as earthquakes, or compound and cascading risks. The existing climate variability and future climate change scenarios are critical elements to consider for future urban development and urban disaster risk reduction (DRR) is key to reduce compound risks.

## 3.

# Stakeholders mapping and engagement

### 3.1 Other international partners working on the urban-rural continuum

Beyond the SDC's direct and indirect involvement in urban development, it is crucial to create a benchmark to gauge how Switzerland fares compared to others in the international cooperation space. Therefore, the interest is to identify the themes and levels of involvement of international cooperation actors that take urbanisation into account in their programmes and how they implement this on the ground. This information can also be used to identify potential areas where Switzerland can contribute with its expertise or implement projects without overlapping with other actors already present. This is a prerequisite for a distinct and effective Swiss intervention in urbanising contexts.

It is noteworthy the extent of attention paid to urbanisation in developing countries, which has become a priority for several international, non-governmental and humanitarian organisations. This can also be identified from the growing prominence given to global policy fora dedicated to the topic within the UN system. Habitat III in Quito in 2016 was far more impactful than previous conferences (Habitat 1 in 1976 and Habitat II in 1996) and was given greater weight by the biannual World

Urban Forum (WUF), which is now the preeminent urban conference for the UN system. This is a key forum for SDC as are sectoral conferences with an urban theme, of which there are many.

In Switzerland's priority areas, some organisations are already present and contributing in their own way to identifying the opportunities and problems resulting from the unprecedented phenomenon of urbanisation (AFD, USAID, JICA, etc.). Of the global finance institutions, it is the World Bank that leads on urbanisation. Within the UN system, UN-Habitat is the main body taking into consideration the challenges of urbanisation. In addition to being guiding lights in the implementation of most urban projects, they are often the main donors in multi-partner projects. Other important actors are the European Union, the European Investment Bank, the Italian Development Cooperation and the regional finance institutions such as the Asia Development Bank and the African Development Bank.

From a non-exhaustive inventory of international cooperation actors present in Switzerland's priority areas, we found that the AFD, JICA and USAID are the main donors in urban projects. The latter stand out not only in terms of the number of projects devoted to the urban

sector and the funding granted for this purpose, but also because they have made the phenomenon of urbanisation one of the priority (and transversal) themes of their strategies. To reach this conclusion, an extensive literature search was carried out in two stages. The first step consisted of entering keywords related to urbanisation/urban, cooperation, etc. on the internet. The results obtained from this process made it possible to focus on AFD, USAID and JICA. To find out more in detail, the websites of each of these international cooperation actors were thoroughly consulted. In contrast, the second stage mobilised the contractors' knowledge of the international investment and project implementation environment (EPFL/LSE) to consolidate the data obtained from the desktop research.



annex 3

**Annex 3** for details of each international actors and their commitments to urbanisation

### **3.2 Overview of actions implemented by key stakeholders in the SDC priority regions**

#### **North Africa and the Middle East**

In the MENA region, the AFD is the main donor for urban or urbanisation-related projects with at least one investment of around 50 million euros. It is strongly present in countries such as Tunisia and Egypt, where the main actions are: water supply, job creation and construction of basic urban infrastructure for vulnerable social strata. AFD values collaboration with other development partners, notably the European Investment Bank (EIB), GIZ, European Union, and Social Fund for Development (SFD). JICA is following suit by focusing on the construction of household water supply infrastructure in urban areas.

Although the AFD has a theme allocated to urban issues called *Sustainable cities*, the implementation of urban projects is much more transversal to issues related to entrepreneurship and infrastructure. However, the projects carried out do not address issues of local governance, which is the main difficulty encountered by institutions in this region. SDC's added value here would therefore be to focus on local governance to contribute to poverty reduction through the way city governments manage



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available resources. In this way, the SDC would make a sustainable and effective contribution to reducing the social divide that is at the root of political unrest (see Table I, Annex 4).

### Sub-Saharan Africa

Once again, AFD has a strong presence in this region. It must be noted that almost all of its investments and partnerships target countries that are ex-French colonies and use the Franc CFA, the common currency of the 14 African countries belonging to the franc zone printed by the Banque de France. This is the case for Benin, Burkina Faso and Chad. Out of the 9 investments (grouped or not) on urban projects in this zone, AFD has 6, i.e. 3 where it is alone and 3 where it is in collaboration with other development partners. In reality, the quantity of investments is more than 10 times lower than in the MENA region, even though the needs of the countries are more important. For example, for 6 countries (Benin, Burkina Faso, Burundi, Chad, Mali, Niger) where urban growth is the most important in the region, AFD only granted less than €8 million for 3 projects carried out at the city level. The bulk of the funding (€4 million) goes towards strengthening the structure and sustainability of AIDS associations. The only project aimed at *“promoting decent entrepreneurship for young people and women”* is carried out in Burkina Faso with the sum of €150,000. In these countries, the SDC can distinguish itself by implementing projects that have a strong social and economic impact on young people



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and women, the disadvantaged social strata most affected by poverty.

AFD collaborates much more with institutions belonging to the so-called “European” political system, such as the European Union, Italian Development Cooperation or the European Investment Bank. Its action plans target, among other things: health and social protection (sexual and reproductive health, biological monitoring or pharmacy management), sustainable urban energy infrastructure, decent employment, water and sanitation, fighting inequalities or sustainable cities. In comparison with the MENA zone, where the costs of its investments are higher for few countries, AFD only invests around 50 million euros for ten or so African countries and several projects. USAID is the second largest donor in the area, focusing on Kenya and Zambia, where it addresses air quality and governance issues in urban areas. The cost of its investments is not made public. In third place, JICA is active in Kenya in the construction of household water supply infrastructure in urban areas; the amount of its investments is also not made public (see Table II, Annex 4).

Since these donors are more concerned with environmental and infrastructure projects, the SDC would once again stand out by focusing on poverty reduction through the creation of decent and sustainable jobs for youth. Indeed, East and West African countries have the highest urbanisation rates, fluctuating between 4 and 5% per year, while

Southern Africa is at 2.5%. Future issues such as governance, climate, DRR and migration will be the main challenges facing SDC as a cooperation agency.

### **Central Asia, South Asia and Southeast Asia**

USAID is the largest donor in this area (9 countries). Although total investment amounts remain unknown, it can be seen that the focus is on improving air quality and social capital, climate change, pollution and the provision of electric power. Through a program called Making Cities Work IDIQ for example, USAID is providing grants and technical assistance (in collaboration with researchers at U.S. universities) for promising solid waste management and waste recycling efforts in urban and peri-urban areas in Indonesia and Vietnam. This is in addition to a municipal waste recycling programme to reduce land-based sources of marine plastic pollution. Secondly, JICA (3 countries) intervenes in revitalisation, social welfare, and the setting up of basic infrastructures that can contribute to economic activities. Finally, AFD (2 countries) focuses its investments on reducing inequalities in access to water and sanitation and improving the living conditions of urban dwellers living in slums through the provision of electricity (see Table III, Annex 4). As health, climate change and DRR are little addressed in this region, the SDC can position itself as a major partner and a serious alternative to the current (and future) urban challenges.

### **Eastern Europe**

At this stage, AFD is the only actor identified in this area. Its investment focused on transport and mobility issues is co-financed with the World Bank to the tune of 102 million euros. The aim is clearly to improve sustainable mobility and mitigate the resulting environmental and social risks (see Table IV, Annex 4). While the socio-economic context of the region (better than other regions) would have required AFD to focus on infrastructure, SDC's effective asset would come from its complementary collaboration with SECO. SECO is an important player in infrastructure through its ability to capture the necessary resources. Thus, a synergy between SECO and the SDC would allow the latter to offer a more structured cooperation that integrates the knowledge on infrastructure, focusing especially on urban development (social and intangible) where it is most effective. Furthermore, the SDC and SECO have worked in parallel and in a well-coordinated manner on urban water and watershed management in many countries, with SECO focusing on disaster risk reduction (DRR) aspects of urban infrastructure.

### **Latin America and Caribbean**

In this area, AFD (2 countries) invests in the improvement of transport and mobility systems in a context of high demand (Peru) and to contribute to sustainable water management in the city of Abancay (Peru). Secondly, JICA (2 countries) aims to: 1) contribute to the well-being of urban populations by providing mechanisms for sustainable



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economic growth; 2) establish a high-quality living space; 3) provide basic infrastructure that can contribute to economic activities. Finally, USAID (1 country) focuses its urban strategy on climate change and human health to strengthen social resilience in the Andean River basin (Peru) (see Table V, Annex 4). Apart from these donors, SKL International by Swedish is involved in local capacity building in Colombia, while GIZ is funding a large project on sustainable development (social cohesion, global health or green recovery) in 7 countries including Bolivia, Ecuador or Peru. In Colombia and two other countries (not a Swiss priority), UK Pact is funding an environment and climate change project for £11.6bn via ICF over the five years to March 2026. SDC's added value in the context of urbanisation would result in a contribution to the improvement of living conditions in slums, the promotion of education and social security, notably through its themes on Basic education and vocational skills development or Fragility, conflict and human rights.

The information provided in the above tables shows the interest of several cooperation actors in addressing key areas of improvement across different Latin American and Caribbean countries. In most cases, there is no specific reference to either urban or rural contexts, except in the case of the World Bank, with a clear interest in cities. Thematic-wise, several areas of expertise tend to be aligned with sustainable development, climate change, migration and governance,

amongst others. Although engaging with national and local actors, most of the partners have a top-down approach, which means they mostly engage with the National levels, except SKL International, which is focussed on the local scale. The SDC can distinguish itself by facilitating a bottom-up approach thanks to its local presence.

### **3.3 Synergies between the SDC and other key actors and their expertise in urbanisation-related issues**

The International Development Community has tended to engage with urbanisation issues late in time. In the 1970s, when informality became an issue, donors across regions addressed it as a work-related issue that impacted livelihoods and an increasing number of slums rather than an urban issue. In the 1990s, the urban context was largely ignored when the international community focussed on governance, particularly with a drive towards new public management and local taxes as a sectorial rather than urban aspect. City governments were not singled out, and the politics of urban areas were seen as highly complex. When contrasting this with UN agencies and conferences across time, the entry point for addressing urbanisation was urban poverty, its nature and its characteristics. Only by 2015, the UN Conference Habitat III (2016), the SDG 11, and consolidating the UN-Habitat as a robust programme, the UN community showed a focus on urban areas more consistent and sustained. State fragility and conflict issues

have also motivated the international community to address urbanisation as the dichotomy between urban and rural contexts were not enough to address conflict. More recently, complex global emergencies such as climate change, COVID-19, and social unrest have provided an environment for the international community to be engaged in urban domains more directly and implement projects across the urban rural continuum.

Currently, there is a clear focus of the International Development Community across the globe on the domains of the environment, transport, economic growth, and equality, with an important focus on urban planning and policy. Different donors have been implementing related actions or projects, which are cross cutting such as decentralisation reforms and capacity building at the local level and responses to the complex global emergencies regarding climate change, health, and housing.

However, agencies and institutions have addressed urbanisation and its challenges differently. On one hand, the World Bank, as a development bank, aims to build sustainable cities and communities through a greener, inclusive, competitive and resilient urbanisation process. They operate under regional and country-focused programmes, with considerable investments and long-term economic engagements. On the other hand, the Swedish International Development Cooperation Agency (SIDA), as a bilateral

donor, addresses areas on the urban continuum such as peace, human rights, environment, migration, and food security, amongst others, with country-level strategies of a five-year extension. This means that the (spatial) strategies and means of implementation can vary according to the donor's objectives and strategies. In the SDC's case, urbanisation has clearly been taken into account already, throughout the thematic areas, recognising the contextual factors involved in the different domains of engagement, whether related to processes or interactions across the rural-urban continuum. This is particularly crucial in relation to people-centred approaches to development, where projects are built on long-term partnerships, or those involving sustainable efforts at multiscale governance. This section describes possible synergies between the SDC with other key actors.

### **SDC Collaboration with other Actors and Agencies**

National Governments: In some countries, for example India and China, the SDC mainly works through policy and research, trying to have an impact through influencing government policy frameworks such as on climate mitigation and adaptation. *“Traditionally India and China have been partners for thematic divisions on some of the global public goods. Even though they are not SDC priority countries, they are part of our bilateral cooperation, but we are working with them for example, we support exchange through research together with Swiss Universities on such topics”* (SDC, interviews 2022).

Sub-national Governments: SDC has particular experience and a track record working with sub-national governments in relation to decentralisation and federalism and including engagement with metropolitan and/or municipal governments in towns, intermediary and larger cities, as well as groups of organised citizens engaged in governance in these contexts.

Multilateral Agencies: Regarding the multilateral system, the SDC is a strong proponent of core funding. As a small country it exerts policy influence through board membership, but this requires being selective and limiting support to which core funding is given. The main organisation mentioned in this regard, and favourably, was UN-Habitat although debates are likely over affordability and prioritisation. *“Since the change in leadership at UN-Habitat,*

*SDC has worked more closely with this organisation, including through the Focal Point for UN-Habitat in the State Secretariat, Prosperity and Sustainability Division (PSD) at FDFA, its Embassy and country team in Nairobi. SDC has become active in the FDFA working group on UN-Habitat and is thinking of possibly joining the Board in 2023”* (SDC, interviews 2022). Some soft earmarked funding has been made available for UN-Habitat in Latin America and SDC, together with the States Secretariat, participated in the Conference of the UN General Assembly High Level Meeting on the Implementation of the New Urban Agenda in April 2022, given the strong interest expressed in the urban question by both the Ministry of Foreign Affairs and the Ministry on Economy and Sustainability, SDC and State Secretariat, Prosperity and Sustainability Division with its Focal Point for Un-Habitat..

SDC has also worked with UN-Habitat at programme and project level, for example in Kabul in Afghanistan, before the funding of development cooperation became a political issue. A multi-agency project in Hargeisha in Somalia, led by UNDP and UN-Habitat, worked directly with the mayor. SDCs contributions in this respect included work on municipal finance and local government and the expansion of fiscal space relating to taxation, fees, and devolved funds from national level.

Other relevant players with which SDC cooperates include the World Bank and IFC, both of which are strategic partners of SECO. With IFC, SDC has

common interests related to urban cooperation, and IFC has important experience in dealing and engaging with the private sector, which is the focus of the SECO-IFC cooperation from which SDC could also learn.

As a UNDESA member Switzerland has been involved in the development of the New Urban Agenda at a policy level. The leadership of and promotion of Agenda 2030 in Switzerland is shared between the Ministry of Foreign Affairs and the Ministry of the Environment.

The multilateral development banks (MDBs) such as the Inter-American Development Bank in Latin America and the Asian Development Bank are prospective partners when working at city level. They have the funds to scale up with SDC alongside demonstrating and showcasing what works and what fails. The MDBs are usual partners for SECO but SDC also cooperates with them, notably in relation to programmes involving developing capacity and in demonstration projects aimed at attracting other financing and cooperation partners for scaling up, particularly when participatory and inclusive bottom-up approaches are part of the design.

International NGOs: SDC works with INGOs and local organisation to implement projects. An example offered was decentralized budget support in Mali, where SDC went through central government, the Ministry of Finance, but at grassroots level an INGO worked at the grassroots and local level.

Initiatives working at the municipal level like City alliance and C40 facilitate a lot of exchange among cities and SDC has had some engagement with them, acting as a bridge from city governance to the state level and scaling up to attract larger funding.

### **Modalities of development cooperation**

An area of opportunity for SDC is its work on local governance working with local governments (cities/ municipalities in many cases, civil society and the private sector at the local level) and its long-lasting presence on the ground. The Swiss are recognised for respectful interaction with local actors and NGOs that are strongly rooted in local communities and national policy ecosystems. This may be an important asset in the context of debates on decolonising and localising aid in development cooperation. One interviewee observed that in development cooperation it is no longer possible to act alone. The Swiss have an exceptional reputation as partners and the debate on how to bring urban issues into multilateral and intergovernmental debate is a central one to join and participate in.

Some interviewees are thinking about trilateral cooperation, not only between Switzerland and a particular country but other countries in a region. There is also the modality of city-to-city partnerships (not only between Swiss cities and a particular city in the Global South but also between cities of the global south). This would provide opportunities for

cross-learning and help towards a decolonised approach to development cooperation. In this vein, international partners could include foundations and international membership or activist organisations, Swiss engagement with Cities Alliance provides one (if not the only) vehicle to advance city to city partnerships not only between Swiss cities and those in the global south but also among cities in the global south. Another opportunity that presents itself to SDC is the fact that it is more and more difficult for development cooperation to take place in contexts with authoritarian governments. While authoritarian regimes are controlling, particularly at the national level, there may well be entry points for the Swiss to engage locally in relation to governance, directly or through other thematics. Given the Swiss reputation for neutrality and the high levels of trust Swiss cooperation generates, it may also be possible to operate in contexts where other bilateral agencies may not so easily work, for reasons of history or current hostilities.

Across all regions, SDC tends to focus on secondary cities. Targeting so-called secondary cities (small and medium-sized human settlements, not capitals and megapolises) is seen to provide the greatest impact for a small agency. This is seen by some as a legacy of working in rural areas, or a fear of working in big cities, which are often more complex and illegible. However, this is not a bad thing. Rural-urban migration is often first to towns and smaller cities. The SDC is aware that urban poverty is often concentrated in

secondary or tertiary cities as well: *“we need to focus more on the intermediate cities, because that’s where poverty is formed before it spills over into the big cities”* (SDC, Interview 2022).

It is important, however, that SDC’s expertise and reputation in areas such as local governance is not confined to smaller cities, closer to historic work in rural towns and villages, at the expense of engaging metropolitan governance. Future opportunities lie in understanding multiscalar governance, which in turn presents opportunities to work in concert with SECO. Metropolitan governance offers different kinds of entry points for development. Many large metropolitan authorities oversee multiple municipalities, and some engage directly with the national government, bypassing provincial or state governments, even in federal systems. There are opportunities for SDC and SECO to work in synergy in relation to financing, infrastructure, and metropolitan management, as well as in relation to municipalities and sub-municipal entities, where SDC has much to share.



## 4.

# Urban issues: synergies between SECO and SDC

### 4.1 SECO strategy on urbanisation

According to the IC Strategy 21-24, SECO is the competence centre for economic development cooperation. Its task is to contribute to the creation of framework conditions for sustainable and inclusive economic development and private sector development. In budgetary terms, it manages approximately 13.6% of the financial commitments arising from the framework credits for the 2021-2024 period, compared to 84.1% for the SDC. The SDC and SECO are the two administrative units that share the important task of coordinating and managing Switzerland's multilateral financial assistance at the international level. SECO has four priority themes that guide all its actions in the field:

- Growth-promoting economic policy
- Rules-based trade system
- Innovation-friendly business environment
- Sustainable urban development and infrastructure services

Considering that cities are the growth poles that generate most of the world's GDP, the theme of *Urban development and infrastructure services* is the expression of SECO's desire to position itself on the challenges of urbanisation. SECO's approach to this issue is broken down into four sub-themes:

### Urban Governance (for infrastructure)

SECO's approach to urban governance is linked to economic infrastructure and public services. According to SECO, this form of governance refers to the way in which national, sub-national governments and stakeholders negotiate and decide on the planning, financing and operation of urban areas with regard to infrastructure and public services with limited resources. SECO therefore provides technical assistance to its partner countries to enable them to make informed decisions in areas such as land use planning, land management, planning or asset management. In other words, SECO contributes to: 1) supporting access to relevant spatial data and assisting municipalities in developing key policy documents; 2) broadening the municipal resource base by facilitating access to public funding; 3) improving the provision, operational efficiency and management of urban assets (SECO, 2022d).

### Urban Mobility

SECO sees efficient urban transport systems as the lifeblood of cities, connecting people to jobs, education, health, leisure, and other citizens. As such, they are a fundamental pillar for prosperous, liveable and climate-friendly cities. SECO's objective is to primarily support municipalities and other sub-

national public entities in developing economically viable, affordable, inclusive, and climate-friendly urban mobility. It does this by strengthening the capacity of municipalities to plan multimodal urban transport systems integrated into urban planning, to finance strategic investments in urban infrastructure and to operate transport services efficiently. To be more effective, SECO is addressing what it considers to be the three major gaps that hamper sustainable urban mobility: planning gaps, financing gaps and operational gaps (SECO, 2020c).

#### **Urban Disaster Risk Reduction and Resilience**

According to SECO, the concept of resilience is closely related to DRR, the robustness of systems and/or institutions to situations such as climate change, financial crisis and environmental threats or pandemics. Aware of the high population and economic activities that are increasingly concentrated in cities, SECO is focusing on urban DRR in trying to address the challenges of urbanisation and climate change. SECO focuses mainly on disasters caused by natural hazards such as geological, meteorological, hydrological, climatological, and technological hazards as well as financial risk management. It has

little or no interest in biological (pandemics, diseases, etc.), geophysical, environmental, societal and technological risks (not caused by natural hazards: industrial pollution, nuclear radiation, transport accidents, etc.). SECO has therefore put in place a deployment plan that works along three interrelated axes of sustainable urban development: planning (i.e. understanding and integrating current and future risks), financing (i.e. providing financial and risk management solutions for critical infrastructure) and operationalisation (i.e. strengthening the organisational capacities of municipalities or public services). In this way, SECO aims to capitalise on Switzerland's international reputation for expertise in urban DDR (SECO, 2022b).

#### **Urban Energy Management**

SECO's engagement in the energy sector aims to help its partner countries promote renewable energy and efficient energy production, distribution and use, in line with countries' international and national commitments. The European Energy Award (EEA) is a Swiss originated approach that is implemented in some SECO priority countries. Considered a pillar of infrastructure financing, the energy sector is one of the main drivers of climate change, due to its high energy consumption

and its potential for innovation and large-scale impact (SECO, 2020). SECO's support to this axis consists of 1) supporting the development of energy policy; 2) assisting countries in achieving their renewable energy and energy efficiency targets; 3) facilitating access to finance, the use of subsidies and innovative financing approaches; 4) providing operational support which includes operational management and investment planning, maintenance and asset management.

SECO's project list on urban issues (July 2022) estimates the total amount of SECO funding for the realisation of urban projects at around USD 386.12 million. In line with the objectives of the 2030 Agenda for Sustainable Development, SECO has issued guidelines for taking the climate into account. The aim is for urban programme managers to integrate climate change considerations into the life cycle of each project, from design to implementation and including monitoring and evaluation. These guidelines are applicable to both bilateral and multi-projects. SECO considers that: 1) reducing the vulnerability of cities to climate change improves economic growth; 2) cities have a significant potential to reduce greenhouse gas emissions, which account for 80% of global emissions; 3) the window of opportunity to act is narrow, and local governments are overburdened.

#### **4.2 SDC and SECO: bridging differences on urban issues**

SECO and the SDC are two complementary administrative units that represent Switzerland in implementing its International Co-operation Strategy. Their relationship can be considered both formal and informal, but this does not detract from their complementarity and synergies. As the Cooperation Strategy 2021-24 so aptly puts it, *"the main advantage is to bring complementary perspectives and expertise"*.

From Goffman's (1973) point of view, the official relationship is the one that is imposed in public relations, particularly in the context of the staging of daily life or the respect of the rules (political, institutional, etc.) in force. It takes place in an atmosphere of good and official co-operation. From this perspective, the SDC and SECO ensure seamless institutional synergy in effective collaboration for the development and implementation of projects on behalf of Swiss interests. This can be seen in the flagships projects analysis. This is the case, for example, for the Moussanada Mahaleya project, where SECO and the SDC are working together for five years (2020-2025). On one hand, SECO is dealing with the infrastructure aspects with local actors in charge of urban development, such as PDUGL, PIM or Madinatouna. On the other hand, the SDC deals with aspects related to the active participation of Tunisian citizens through a sub-programme called PACT.

The unofficial relationship is part of what Balandier (2004) has called the “inside dynamic”, the very expression of intra-institutional realities. It is distinguished by the fact that it almost never appears in public: it is what we call the quarrels of competence or internal housekeeping. Even if this is a reality that does not affect the spirit of good collaboration between the SDC and SECO, one can clearly sense a kind of internal competition for ownership of certain themes. Some of the people interviewed at the SDC and SECO speak of a “fight”, “turf war”, “battle” or “trench warfare” to describe this situation. This of course reflects the priority given to urbanisation issues across both agencies and the importance of a competent, efficient and synergistic cross-agency approach.

It is clear from the project and programmes analysis that the specific contributions of SECO and the SDC to urbanisation are both distinct and complementary. This is important given that the distinction between rural versus urban development is no longer apposite or appropriate. While SECO continues to address urbanisation as a theme and from a locational perspective, as a contextual phenomenon it is imperative SDC treats urbanisation as a process and from the perspective of interaction across the rural-urban continuum and multiscale governance.

There will be differences in approach and undoubtedly there is room for greater clarification of the synergies

and complementarities between SDC and SECO with regards to urbanisation. On one hand, SECO leads in technical assistance on infrastructure and private sector development and trade promotion, while SDC has particular expertise on aspects such as governance, with a particular focus on decentralisation, the development of legal and judicial systems, democratic and citizen participation, conflict prevention or public sector policy. There are many opportunities for complementary within these areas and beyond, for example in relation to urban spatial planning. Seven out of 10 projects randomly selected for the flagship projects analysis integrate governance and consolidate the foundation with other themes such as education, health, employment and economic development, water, food security, conflict and fragility, climate change and environment. To improve local governance, the SDC is also involved in the areas of rule of law, democracy, or human rights. The SDC’s comparative advantage in urbanisation is therefore clearly based on leveraging sub-national governance, and the ecological and social aspects of urban systems.

Despite these differences, which are rather incidental, the SDC and SECO have a very good relationship at the technical level. They are on the path of complementarity, but also in terms of synergy in certain themes, because there are projects that one cannot finance, but that the other can on its side.

The traditional and formal distinction that places SECO in urban areas and the SDC in rural areas is outdated, *“realities have changed and we have to take them into account”* (SDC, Interview 2022). The centre of gravity of Swiss cooperation must be aligned with the rapid urban growth in the target regions. As a major contextual, new, and complex factor, urbanisation affects all sectors. In this respect, all SDC’s and SECO’s themes must integrate it, each at its own level of responsibility and independently of their thematic priorities. Regarding this synergy, an interview with SECO states that *“many projects might sound similar, but SECO and the SDC have different orientations. If a country needs our instruments, the SDC will reach out to us and vice versa”* (SECO, Interview 2022). So, the question of a single competence for urbanisation is outdated. It is important to point out that a fragmented approach to international co-operation on urbanisation would rather weaken Swiss added value, both in the target countries and in relations with other cooperation agencies. As stated during an interview *“the idea that SDC only does rural development and SECO does*

*urban development must be overcome”* (SDC, interviews 2022), It should also be emphasised that SDC has much to share in relation to participatory planning and the social dimensions of infrastructure planning and can learn much from SECO in relation to multiscale technical cooperation urban infrastructure and planning.

Further discussion on complementarities and synergies between SECO and SDC with regards to similarities and divergences in their approaches to urbanisation is needed, not least because complementary and synergistic working is respectful of their responsibility towards parliament and Swiss tax payers and a shared wish for Swiss IC to be relevant and cutting edge.

## 5. Strategic objectives of Swiss value-add in sustainable urban development

### 5.1 Strengthen local peace action and decentralised governance

The Swiss tradition of decentralised politics places the SDC in a good position to strengthen local peace action and governance initiatives. Human rights and the rule of law are primarily discussed with national governments. However, initiatives and outreach with local and regional governments offer an alternative permitting continuing improvement in face of obstacles such as corruption and mismanagement when context limits working opportunities with central authorities (FDFA 2020, 20).

The Swiss strategy distinguishes priority actions in stable and in fragile countries. Programmes in stable countries focus on inclusion, rule of law and the mobilisation of domestic resources and free movements of goods

and people. Priorities change in less stable contexts, where the emphasis is placed on human rights, anti-corruption measures and conflict prevention. In both cases however, the Swiss experience in decentralisation supports an approach in dialogue with local and regional authorities (FDFA 2020, 25).

As the strategy of the SDC allows to showcase Switzerland as a strong democratic tradition linked with prosperity, horizontal approaches permit close relationships with local urban actors. An interviewee highlighted the argument that the *“SDC’s work close to the field allows accurate assessment of local realities, less apparent with more top-down bilateral or multilateral institutions”* (SDC, Interview 2022).

The specific approaches to local governance by the SDC emphasises the political dimension of governance as

power dynamics (SDC 2020, 4). They can support inclusive and participatory urban development, prevention of urban violence and protection of human rights in urban areas. *“Finance mechanisms and decentralised budget support approaches can equally support city networks and multi-level governance in multiple contexts”* (SDC, Interview 2022).

City diplomacy and cities as actors within the UN system are areas of growing importance. Long called for by local governments, including through organisations such as United Cities and Local Governments (UCLG) as well as civil society organisations, this is a topic that generates controversy. The Geneva Cities hub is already partly working on the issue and Switzerland as a neutral actor with a recognised reputation in this area, could have some influence.

- Refugees and IDPs: The international development project, designed in the post World war II period assumed an era of on-going peace. However, in addition to the war in Ukraine at present there are at least thirty other active violent conflicts around the world. By 2030, two-thirds of the world's poorest will live in fragile and conflict-affected countries. Armed conflict affects more than one-fifth of the world population and is a leading cause of poverty and deprivation. As a result of these conflicts, forced migration reached unprecedented levels: UNHCR estimates that there are over 100 million people of concern in 2022 due to forced migration. With conflicts becoming

more protracted, humanitarian assistance and development initiatives have increasingly merged, with SDC largely operating at the nexus between them.

Much attention is now paid to integrating displaced people into urban settlements, with the influx of Syrian refugees into urban Lebanon and Jordan highlighting the importance of not neglecting local populations. Swiss activity in this area is the involvement of Swiss engineers in the construction or financing of schools through the rehabilitation of public schools that accommodate both local and Syrian refugee children in urban areas of Jordan. It supports the Ministry of Education in non-structural rehabilitation of schools to increase accommodation capacity, including water and sanitation facilities.

- Migration: Another example of Swiss value add relates to migration, as can be seen with the project Understanding and Managing Internal Migration in Mongolia. It aims to address internal migration within the country, as the main driving force behind rapid urbanisation. Here the Swiss value add is combining improved socio-economic well-being of internal migrants with policy support through engagement in governance.

The current pioneering research being conducted by Cities Alliance (2020) and its partners on migration,

supported by Switzerland, provides an opportunity for SECO and SDC to find opportunities to work together, given their joint membership of Cities Alliance and SDC's current role as lead in representing the Swiss.

## **5.2 Build climate resilient cities for natural hazard management**

A strategic approach to climate change in the IC Strategy 21-24 allocates funds to both mitigation and adaptation measures (FDFA 2020, 29). They are systematically combined with goals of poverty reduction and sustainable development. The main vulnerabilities to climate change are identified as risks over food and water provision caused by droughts and heat as a major killer in urban areas. The inclusion of food security in urban areas is conceptualised as a key linkage between the rural and urban areas. *“Water rehabilitation programmes equally form part of the SDC programming in urban resilience”* (SDC, Interview 2022).

The promotion of low emission solutions uses Swiss scientific expertise as value add. The strategy promotes sustainable development based on scientific evidence on greenhouse gases emissions combined with sustainable management of resources. (FDFA 2020, 29). Although not specifically urban, the thematic SDC's team on mitigation of pollution and greenhouse gases have close interest in urban environments. This is put in practice for example in research and policy cooperation regarding

*“the impact of cement and influencing government policy frameworks”* (SDC, Interview 2022). Moreover, as noted by another interviewee (SDC, interview 2022), *“the urban approach to climate change is essential for the reduction of greenhouse gases emissions.”* As emissions reduction in rural areas appears as marginal and inefficient, the focus must take place in urban areas.

The Swiss strategy outlines that the focus for the reduction of greenhouse gases emissions is the promotion of renewable energies combined with energy efficiency solutions. (FDFA 2020, 42) *“Several SDC's programmes comprehend energy efficiency as closely linked to the urban context”* as emerged during interviews (SDC, Interview 2022).

Due to its geographical location, Switzerland has world-class expertise, and a well-functioning governance system in the detection and management of natural hazards (though not necessarily for the same type of risks in priority regions). This expertise deserves to be put to good use in urban contexts with the involvement of excellent public and private organisations and in coordination with SECO's work on urban disaster risk management and resilience.

Hazard management strategies in urban context fit with the Swiss value add in the pre-emptive action based on technical expertise from research institutes (FDFA 2020, 23). Urban resilience and disaster risk reduction, including geophysical risks, were

highlighted by one interviewee as “a major SDC theme in which the SDC can contribute to urban context” (SDC, Interview 2022). The issue of risk prevention and resilience also comes in relation to the separate priority theme of migration as new cities are integrating large numbers of migrants and refugees.

### **Waste management**

Recent studies show that waste generation rates per capita continue to increase in low/middle income countries and already contribute between 10 to 15% of global GHG emissions (Gómez-Sanabria et al., 2022). Indeed, managing waste flows in a sustainable way is a pillar of green urbanisation. In many contexts integrated approaches that recognise the contribution of informal waste actors have been tried with success. On one hand consistent waste management can reduce the use of non-renewable and renewable resources, create green jobs and generate financial and energy flows. On the other hand, as a result of urbanisation, waste poses direct risks to human health and the environment. Improving the environmental quality of cities can also be achieved through economically binding measures. A blend of contextualised actions as well as political reforms are required. Switzerland has a long experience in waste management and has taken

effective measures to reduce waste generation at source and improve waste treatment (Jaligot and Chenal, 2020). There are exciting opportunities for the SDC to cooperate with SECO in waste management, combining interventions involving financing, infrastructure and municipal reform with community engagement and the involvement of actors in the informal waste retrieval and recycling economy.

### **5.3 Promote innovation, education and research in growing cities**

Innovation, education, and research are explicit parts of the IC Strategy 21-24. The value add of its components is grounded on the quality of educational institutions in Switzerland. The Swiss strategy relies on both the scientific institutions and vocational training traditions to address rural and urban issues. (FDFA 2020, 29).

The global innovation strategy of the SDC and its innovative initiatives are primarily developed in large-scale multi-country, regional and global levels to maximise their impact. They combine research with policy aspects on topics relevant to cities, including construction and resilience. The Swiss strategy values vocational training for skills developments. Taking inspiration from the success of Swiss

vocational training aims to develop skills as well as aligning to the needs of the labour market to create employment. Interview (SDC, Interview 2022) with the SDC illustrated that the *“particular aspect of vocational training could be further developed to increase urban impact.”* In this aspect, urban youth present a particular potential for education programmes (SDC, 2017). Educated youth can support changing labour markets provided adaptability of education systems. Academic research is understood as essential to the assessment of population needs, challenges and impact of development programmes (FDFA 2020, 34). Its methodology is employed to connect programmes with global challenges. This use of scientific research and evidence in development and cooperation is articulated with Swiss institutions and academia in developing countries, which forms part of a net of institutional actors in development and cooperation in the urban context.

The promotion of local expertise and entrepreneurship, especially in high-tech sectors, can benefit from academic skills and university research, which too often lack adequate means to test solutions in “real life”. Switzerland has leading Swiss research institutions including two Federal Institutes of Technology that rank among the best universities in the

world. Cooperation between the local academic and business communities, with the support of Swiss institutions, could greatly benefit the local population through tailored and targeted interventions, particularly in relation to green growth or environmentally friendly economic development. Providing skills for young people is key and links to economic development, for example through vocational education and enterprise development. Training urban youth has an impact beyond urban areas given the importance of remittances to poor rural communities. In sub-Saharan Africa especially, ties between urban and rural populations remain strong, meaning knowledge exchange can pay dividends across the rural-urban continuum. Given the growing importance of digitalisation for African and other priority regions, cooperation on the latest Swiss innovations in digital technologies in the field of education, trade, private sector development including SMEs, as well as in communication will help improve the life chances of young people.

## 6. Integration of Swiss added-value in SDC's priority regions

For over two decades, SDC has carried out a number of projects related to urbanisation through different areas of intervention. Although SDC initially focused on rural development, rapid urban growth in all regions led to the expansion of its areas of intervention, projecting urban issues to the centre. Urbanisation is cross-sectional and as context, is increasingly explicitly present in SDC's programmes dealing with its general areas of intervention, namely: 1) Peace, governance and equality, 2) Climate, environment and disaster risk reduction and 3) Migration and forced displacements.

SDC's added value in addressing crises resulting from urbanisation often goes unnoticed, but its impact is visible in all regions where it operates. Since 2013, SDC has spent around CHF 546,915,336 on interventions directly or indirectly addressing urbanisation, based on the analysis of a non-exhaustive list of 66 projects (52 active and 14 completed). These projects were selected according to the following criteria: 1) projects in urban areas or along the urban-rural continuum; 2) projects with *urban development* as a sub-topic (as of the end of December 2022, up to 24 projects listed on the SDC website had this mention); 3)

projects in partnership with donors working mainly in urban areas (UN-Habitat, Cities Alliance, etc.). While rapid urbanisation affects all regions, they face myriad different challenges. Recognising this complexity, SDC contributes to the specific needs identified by each country/region. The figure below provides an overview of the main topics addressed by the projects analysed.

**Table A**

SDC's urban involvement  
in priority regions based  
on 66 projects



Sub-saharan Africa (16)



North Africa and the Middle East (11)



Central Asia, South Asia and Southeast Asia (15)



Latin America and the Caribbean (14)



Eastern Europe (6)

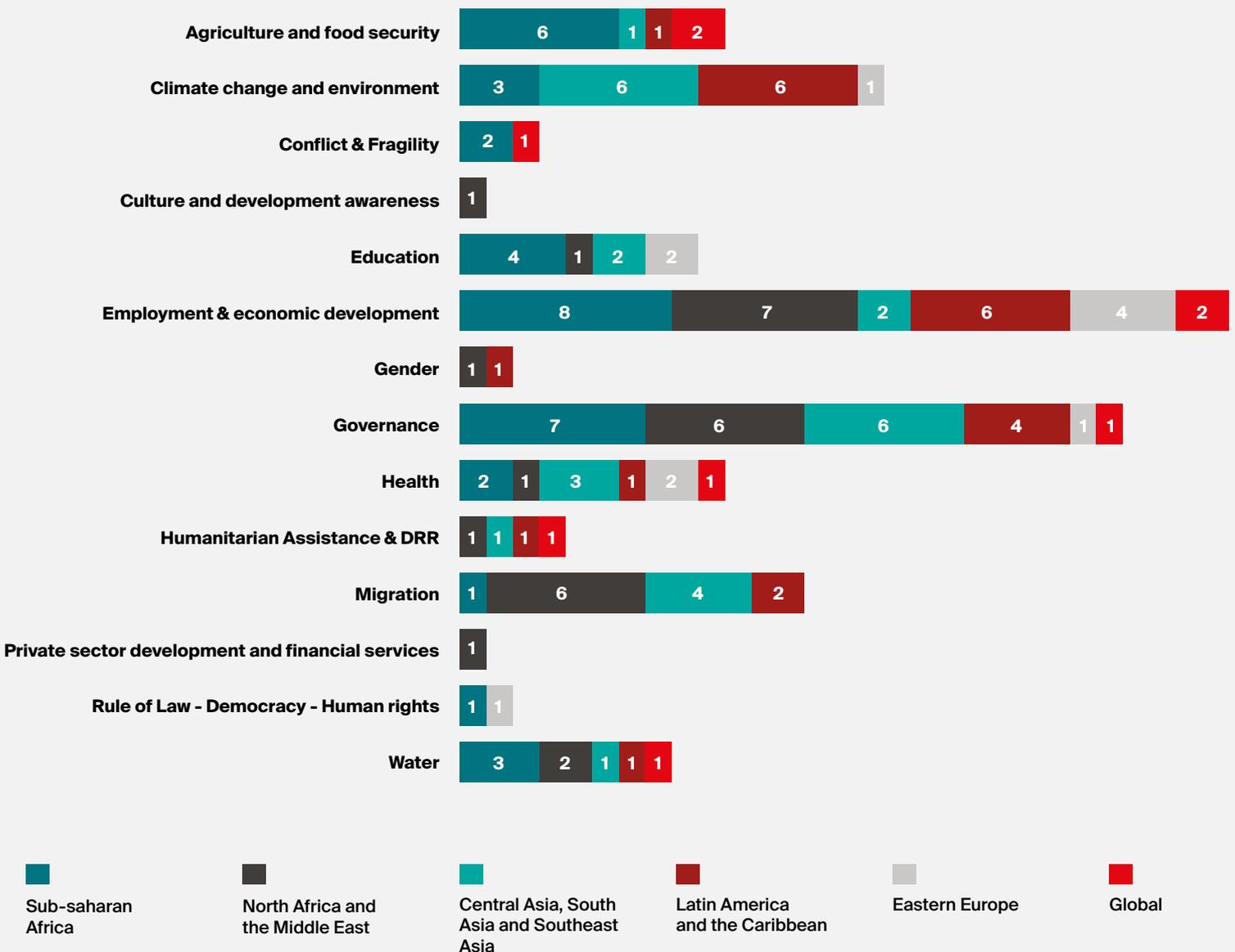


Global (4)

**Total number of projects: 66**

■ = 1 project

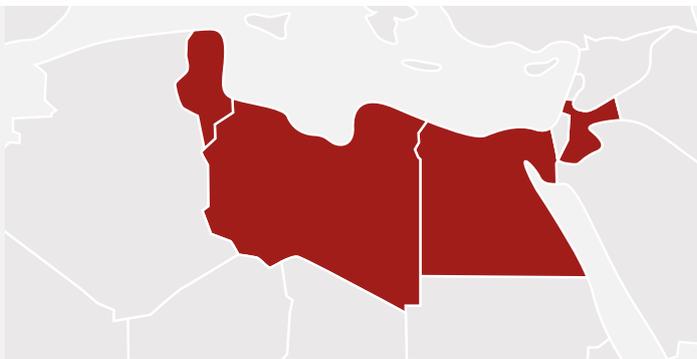
The 66 projects in the different SDC regions cover 14 main topics, detailed in the chart below.



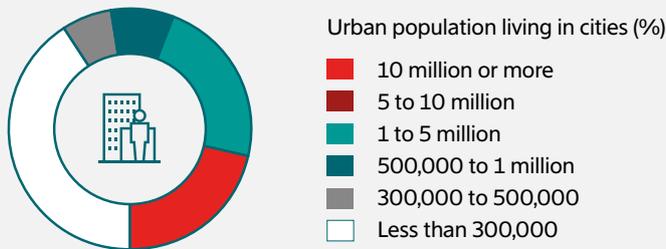
6.1

# North Africa and the Middle East

Priority countries (including countries of interest)  
 Egypt\*\*, Syria crisis context (Libya, Jordan), Occupied Palestine, Tunisia



Priority countries in the MENA region are not expected to have a strong increase in urban population ranging between 1 to 2% annually, except for the occupied territory of Palestine which is an outlier in the region close to 3%.



**146.7**  
 Total population in priority countries (million inhab.)



**52.1**  
 Median share of urban population (%)



**1.45**  
 Median urbanisation rate (2020-2025) (% per year)



**8.2**  
 Median share of urban population living in slums (%)

Priority countries in the Middle East and North Africa (MENA) region are not expected to see a considerable increase in their urban populations. They generally range between 1 to 2% annually, with the exception of the Occupied Palestinian Territory which is an outlier in the region with close to 3%. Of the region's 146.7 million inhabitants, around 52.1% live in urban areas. This includes an estimated 8.2% of the urban population living in slums. The main challenges in the region include 1) decentralisation, 2) refugees and internally displaced persons, 3) employment creation and especially 4) urban development.



**Table B**  
Detailed subtopics of the 11 MENA projects on urbanisation

SDC's urban environment focus is the result of increasing urban challenges in humanitarian and development work, linked to conflicts in the region as well as increasing social inequalities. As the highest levels of inequalities are in the cities, SDC personnel want to focus increasingly on inequalities (SDC, Interview 2022) in the region.

Conflicts in the MENA region are driving forced urbanisation. This has led SDC to define large cities as sites of intervention. For instance, the conflict in Syria, and the influx of refugees into Lebanon and Jordan in particular, have made Beirut a site of action. It is part of a broader shift of both the context, with increasing urbanisation, and the ambition to intervene in cities as major population centres. While a specific urban approach is yet to be fully formalised, humanitarian assistance to urban refugees is provided in cities of various sizes in Jordan and Lebanon (SDC, interview 2022).

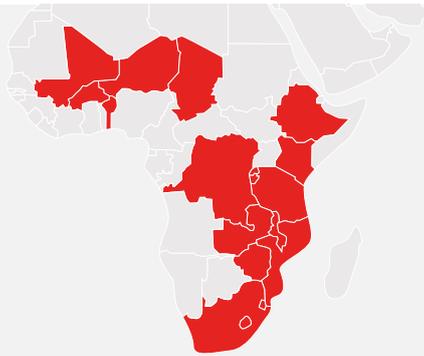
In addition to the SDC values that can be integrated into urban humanitarian programmes, there is increasing demand from receiving countries and cities for the technological know-how of Swiss engineers. This is notable for civil engineering, where *“direct technical expertise is highly valued in the construction sector, as well as the fields of environmental engineering, disaster risk reduction and adaptation to climate change”* (SDC, Interview 2022). Furthermore, SDC strives to associate direct interventions to broader programmes of research and innovation.

The SDC currently supports evidence-based policies through research programmes. It also implements pilot migration projects in the South Mediterranean, in relation to local governance in Tunisia, Egypt and Morocco.

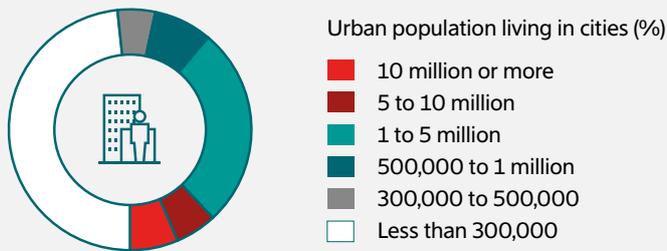
6.2

# Sub-Saharan Africa

Priority countries (including countries of interest)  
 Benin, Burkina Faso, Burundi, Chad,  
 Democratic Republic of Congo (Kivu), Eswatini  
 (Swaziland)<sup>\*\*\*</sup>, Lesotho<sup>\*\*\*</sup>, Malawi<sup>\*\*\*</sup>, Mali,  
 Mozambique, Niger, Rwanda, South Africa\*,  
 Somali crisis context (currently from Kenya and  
 Ethiopia), Tanzania, Zambia<sup>\*\*\*</sup>, Zimbabwe



Asia and SSA are the two regions with the largest projected urbanisation rates between 2020 and 2025 at 4.15% and 2.7% annually respectively.



**657.72**  
 Total population in priority countries (million inhab.)



**37**  
 Median share of urban population (%)



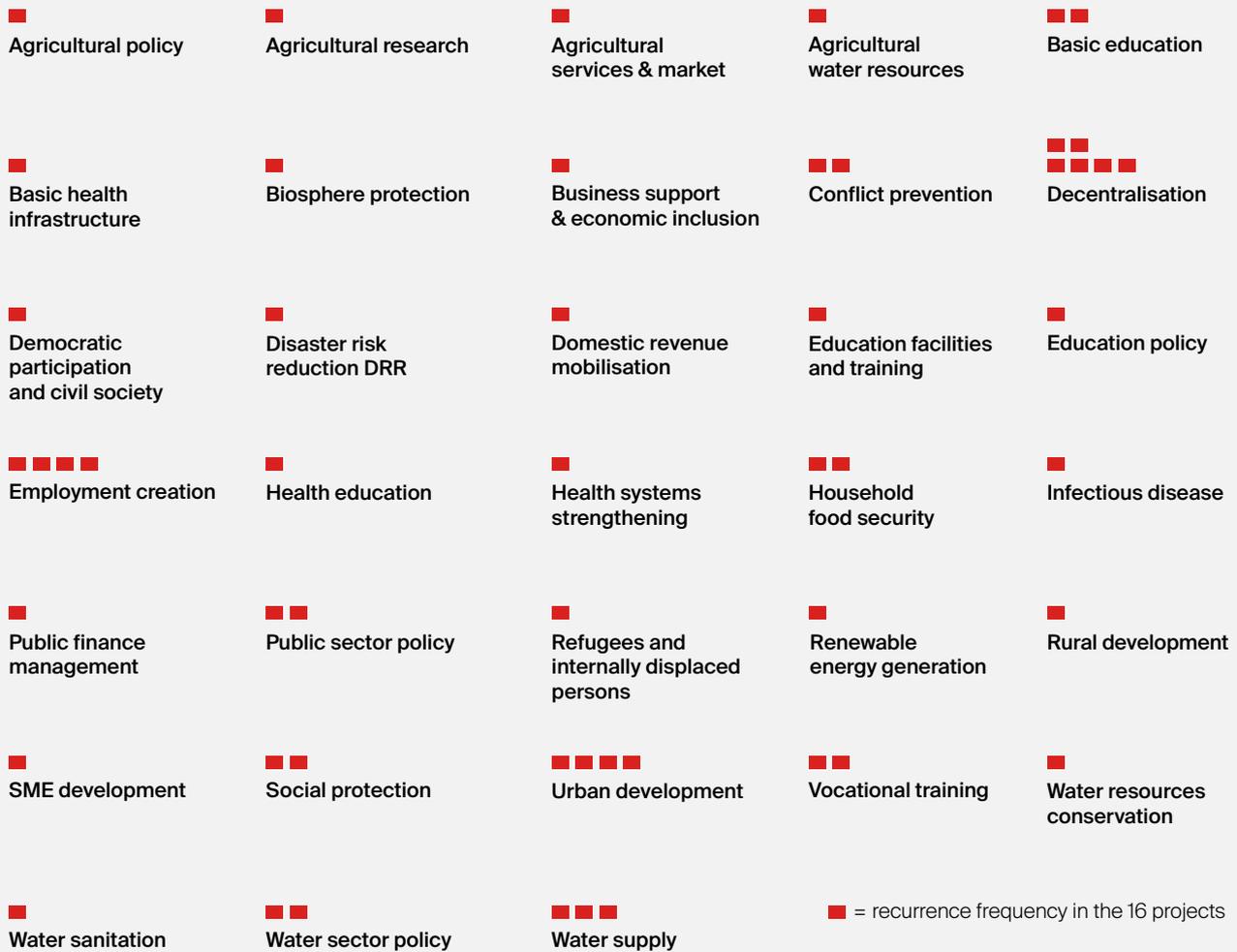
**4.15**  
 Median urbanisation rate (2020-2025) (% per year)



**53.6**  
 Median share of urban population living in slums (%)

Sub-Saharan African is a rapidly urbanising region with ever-increasing poverty. With a rate of 4.15%, it has one of the highest urbanisation rates in the world between 2020 and 2025. Overall, countries in East and West Africa have the highest urbanisation rates, ranging from 4 to 5% per year, while it is 2.5% in Southern Africa.

Among growing urban populations, the representation of men and women in most public or private structures remains unequal (AGA, 2019). Women, in particular, play a central role in the social organisation of cities (e.g. Cotonou, Harare, Niamey or N'Djamena), yet they face challenges in accessing the labour market as well as due to patriarchal traditions. Aware



**Table C**  
Detailed subtopics of the 16 Sub-Saharan Africa projects on urbanisation

of these realities, Switzerland is heavily involved in the promotion of good governance (decentralisation, public sector policy, urban development, etc.), economic development (employment creation, SME development, etc.), water (water supply, water sector policy, etc.) or agriculture and food security (household food security, agricultural development, etc.).

High levels of urbanisation in West African countries, such as Ivory Coast, have been integrated in multilateral dialogues and programmes to support peace, good governance, and equality in urban contexts. In these West African programmes, SDC programmes

emphasised the inclusion of a variety of regional and international actors, both public and private. They include other countries and cooperation agencies, the United Nations, and diverse sectors of the economy, including banks and other donors (SDC, Interview 2022).

Concrete examples of SDC's programmes in this strategic domain linked to urbanisation include a support programme to local authorities in Niger and in Mali, where the focus is primarily on intermediate and secondary cities. Governance support is often coupled with specific technical assistance, for example in service delivery or WASH programmes. Work on connecting

urban and rural areas, with an end goal of food security, is taking place in Burkina Faso and Southern Mali.

Decentralisation and governance are emerging as important added-values of the SDC, with flagship programmes supporting governance structure reform in urban settings. One such flagship project is the city-to-city partnership. The project facilitates exchanges and support between the city of Hawassa in Ethiopia and Lugano in Switzerland. It combines the practical needs of water with the governance aspects of providing drinking water. The twinning of water utility companies constitutes a creative aspect of governance, itself inspired by a similar partnership between Nouakchott and Lausanne, whose positive results justify the renewal of such partnerships.

Swiss experience in decentralised governance is also evident in Southern Africa, where inclusive decentralisation projects are taking place in Mozambique. As part of the broader peace process after the long civil war in Mozambique, the decentralisation programme promotes the opening of channels between citizens and institutions at regional level.

The need for evidence-based action has justified the implementation of research projects and scientific partnerships to bring a holistic evaluation of migration. For instance, selected countries, such as Benin, where research aims to link rural migration and urban development to strengthen local governance. Meanwhile, in Burkina

Faso, current research focuses on migrants' agency and family strategies. More generally, the SDC is active in providing humanitarian aid to urban migrants in various African countries.

To support the needs in construction materials of the rapidly urbanising Great Lakes region, the SDC is implementing the production of durable construction materials in Rwanda, Burundi and Congo, while promoting non-agriculture revenues for local populations in training and technology programmes. The added-value lies in the integration of social development and urbanisation, as well as materials required to cover local needs, with an emphasis on education and technology transfers.

The SDC promotes decentralised dialogue around the management of internally displaced persons (IDPs) resulting from conflicts in different regions of the continent. It includes areas as diverse and remote as Burkina Faso and Somalia. As the causes and destinations of forced migration are located in urban areas, the dialogue regarding the integration of IDPs in cities is remarkably similar (SDC, Interview 2022).

A specific approach of the SDC towards urban intervention in Sub-Saharan Africa is the focus on intermediary cities, rather than the main cities or the capital. This approach is justified by the fact that the larger cities generally already have one or more cooperation agencies working there (SDC, Interview 2022).

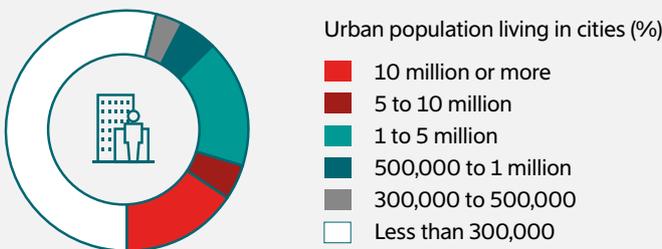
6.3

# Central Asia, South Asia and Southeast Asia

Priority countries (including countries of interest)  
 Afghanistan, Bangladesh, Cambodia, Kyrgyzstan\*\*,  
 Indonesia\*, Laos, Mongolia, Myanmar, Nepal,  
 Pakistan (2019), Tajikistan\*\*, Vietnam\*, Uzbekistan



Asia and SSA are the two regions with the largest projected urbanisation rates between 2020 and 2025 at 4.15% and 2.7% annually respectively.



**985.46**  
 Total population in priority countries (million inhab.)



**42.8**  
 Median share of urban population (%)



**2.7**  
 Median urbanisation rate (2020-2025) (% per year)



**40.1**  
 Median share of urban population living in slums (%)

Over 50% of the world's population lives in Asia, a high proportion which suggests the scale of the migration phenomenon in the region. Asia is, therefore, an important pole of migration and development given its estimated urbanisation rate of around 2.7% between 2020 and 2025. Almost 40.1% of the urban population lives in slums. The SDC's added value is visible at several levels, notably with regards to climate change and the environment (environmental policy, DDR, energy conservation & efficiency, etc.), governance (decentralisation, democratic participation and civil society, etc.) or education (basic education, vocational training, etc).



**Table D**

Detailed subtopics of the 15 CASASA projects on urbanisation

In India, current research projects aim to couple the adaptation to climate change with carbon emission reductions in the urban context. Renewed urban planning in relation to climate change is taking place in four cities. Meanwhile, in the Vietnamese city of Can Tho, the SDC supports increasing urban resilience in spatial planning and infrastructure, through a programme integrating social safety nets for the poor.

In India, programmes on reducing urban greenhouse gases emissions are being implemented in four cities. The mitigation side of the programme has a strong emphasis on resilience and climate responsiveness. This approach to the reduction of greenhouse gases in Asia is also implemented in two

separate projects in China. It is managed through capacity transfers and a focus on social inequalities. Ten municipalities are targeted in the programme, with the aim of coupling low carbon planning and social and economic benefits for the local urban population. This is partly achieved through a partnership on low-carbon cement technology transfer. The implementation of the low carbon cement LC3 in India aims to meet the increasing needs for construction materials in one of the world's largest population centres, which is characterised by fast urbanisation.

Meanwhile, SDC's support for Clean Air for All has benefited several countries, including 1) Mongolia (support to reduce the risks of air pollution to maternal and

child health), 2) China (support for the development of an effective air quality management and air pollution allocation system) and 3) India (support for the development of source apportionment to improve public health, protect the environment and mitigate climate change). Through these projects and initiatives, the SDC has positioned itself as a central player in the fight against air pollution in cities of different sizes.

To address the lack of experience in low-carbon urban development in Chinese metropolitan areas, the Sino-Swiss Low Carbon Cities Project (SSLCC) has contributed to building capacity and policies for sustainable urbanisation in China, integrating low-carbon strategies and contributing to climate change mitigation.

This focus on construction benefits stemming from other key environment themes, such as energy efficiency building and methods through the Indo Swiss Programme on Building Energy Efficiency (also supported by SECO). The extensive energy efficiency

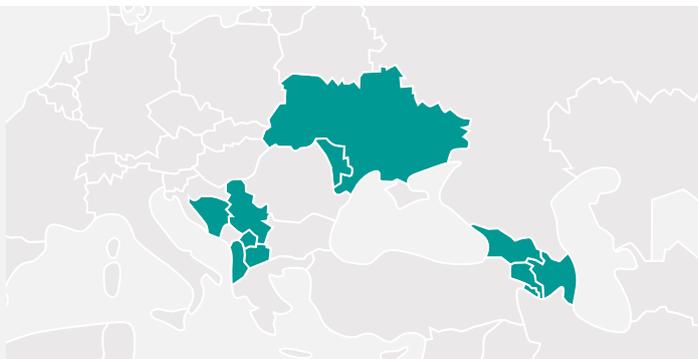
programme also relies on technology transfers and capacity building with key research taking place in Indian labs. As a result, many researchers and builders are trained in the Swiss methods and approaches to insulate buildings.

With internal migration emerging as the main driver of urbanisation in much of Asia, SDC's programme in Mongolia focuses on improved management. Rural-urban migration in Mongolia has caused difficulties in both rural and urban areas. In the latter, and especially the capital, Ulaanbaatar, new migrants have insufficient access to services. The SDC uses its experience in evidence-based inclusive policies to enhance access to services. It does so through governance support across all levels of the state, from national authorities to local government, and in partnership with the national university. The results from the programme have shown improved government services and the inclusion of internal migration in state policies.

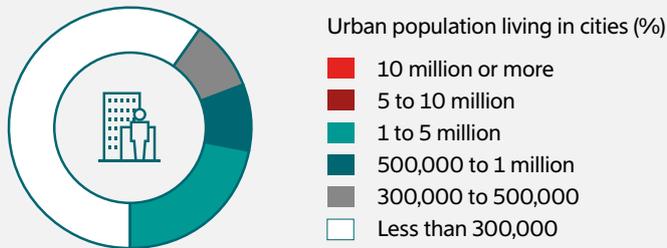
## 6.4

# Eastern Europe

Priority countries (including countries of interest)  
 Albania\*\*, Azerbaijan, Armenia, Bosnia and Herzegovina, Georgia, Kosovo, Northern Macedonia, Moldova, Serbia\*\*, Ukraine\*\*



The rate is low across all priority countries below 1%, except in Albania and Azerbaijan.



**75.2**  
 Total population in priority countries (million inhab.)



**63.6**  
 Median share of urban population (%)

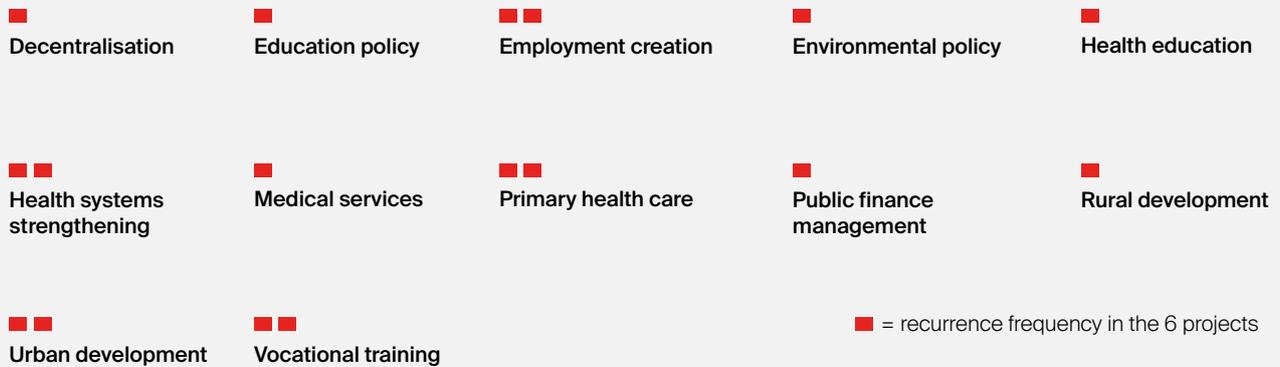


**0.29**  
 Median urbanisation rate (2020-2025) (% per year)



**9.3**  
 Median share of urban population living in slums (%)

In Eastern Europe, urbanisation is the slowest of all the regions. The rate is low in all priority countries, below 1%, except for Albania (1,83%) and Azerbaijan (1,1%). It is affected by a strong demographic transition primarily due to low fertility rates and negative net-migration rates. Many countries in the region are experiencing an overall decline of their population. As a result, some countries are experiencing both a decline of their total population as well as their urban population (e.g. Ukraine with an estimated negative rate). Cities need to be more attractive by meeting the basic needs of the population. Given its awareness that this reality constitutes both challenges and opportunities, the SDC is closely involved in the fields of employment & economic development, health (primary health care, health systems strengthening, etc.) or education (vocational training, education policy, etc.).

**Table E**

Detailed subtopics of the 6 Eastern Europe projects on urbanisation

Initiatives to support integrated urban planning initiatives take place in Eastern European countries. For instance, an infrastructure rehabilitation initiative is taking place in Ukraine. In Moldova, the reorganisation of health services aims to strengthen and coordinate emergency responses and paediatrics to broaden access to care services. This *“integration of spatial planning to health integrates one of the traditional priorities of the SDC to urban relations”* (SDC, Interview 2022). Meanwhile, in Bosnia and Herzegovina, the SDC has worked to ensure that women and men have access to improved nursing services by helping to build the capacity of nearly 20,000 local nurses.

The SDC urban programmes in Eastern Europe include educational components. This is the case in North Macedonia, where the Vocational Skills Development project has made a significant contribution to tackling youth unemployment by supporting the development of marketable skills. This was done through enhanced

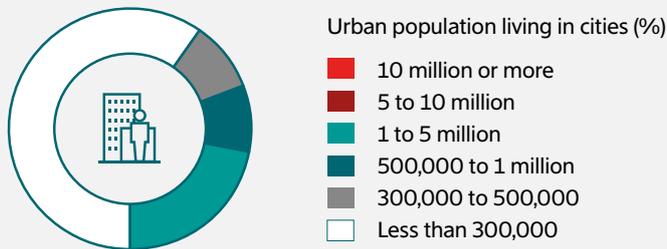
private sector engagement, thereby increasing the employability of vocational training graduates. The SDC's contribution to combating climate change and promoting economic development has supported sustainable urban development in Northern Macedonia through Smart Packaging Management. As a result, around 37 (out of 84) municipalities covering about 70% of the country's population can improve their packaging waste recovery system's effectiveness, efficiency, and transparency through the digitalisation of the primary selection and collection process.

6.5

# Latin America and the Caribbean

Priority countries (including countries of interest)

Bolivia, Colombia\* Cuba, Haiti, Honduras, Nicaragua, Peru\*



**138.33**  
Total population in priority countries (million inhab.)



**75.1**  
Median share of urban population (%)



**1.45**  
Median urbanisation rate (2020-2025) (% per year)

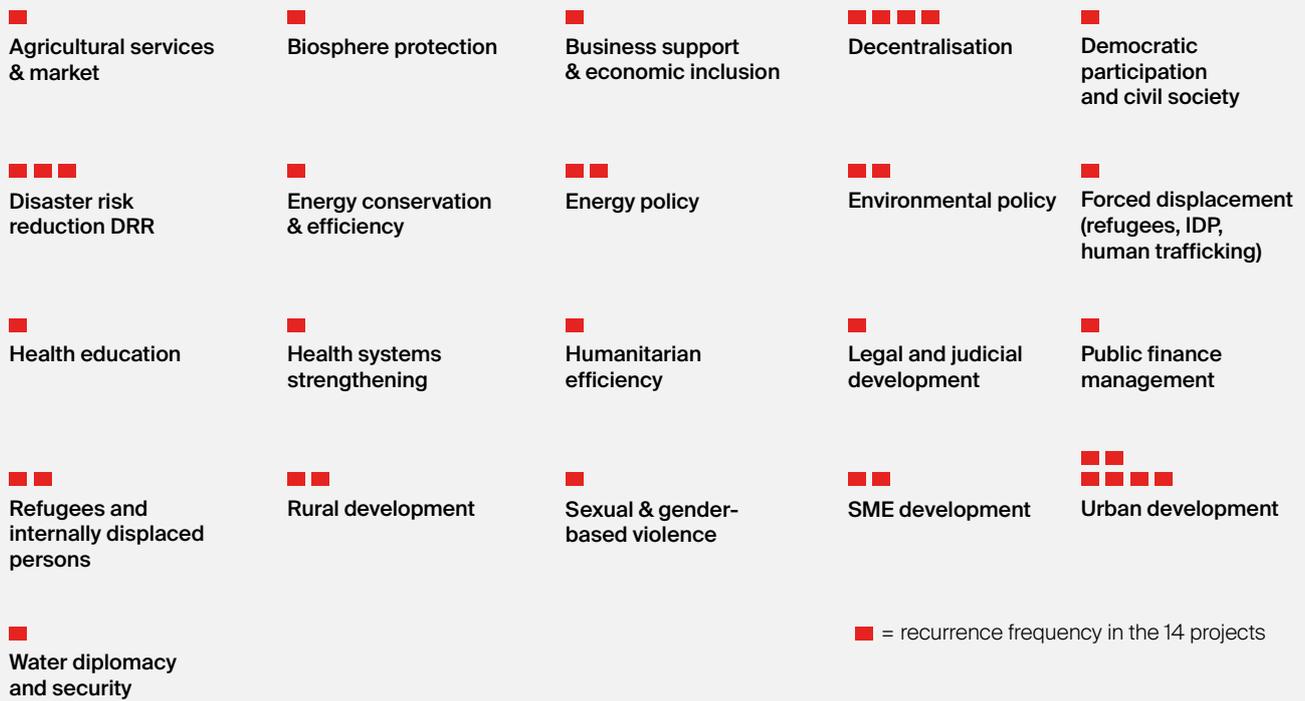


**38.6**  
Median share of urban population living in slums (%)

Urbanisation is not expected to overshoot.

With around 80% of its population lives in cities, it is the most urbanised region in the world. However, there are considerable differences between countries, with cases of consolidated urbanisation, and others where a significant proportion of the population is living and dependent on agricultural production. Although 38.6% of the population lives in slums, forecasts predict that the rate of urbanisation in the coming years will not exceed 1.45%. Honduras, the country with the highest rate of urbanisation in the region, is not expected to see its urban population increase by more than 2.5% per year.

The main challenge is to improve the quality of life, close the gaps created by inequality and ensure the sustainability of cities. To this end, the SDC focuses on employment & economic development (SME development, business support & economic inclusion, etc.), climate change and the environment (DDR, environmental policy, energy policy, etc.), or governance (urban development, decentralisation, etc.).



**Table F**  
Detailed subtopics of the 14 LAC projects on urbanisation

Thus, several programmes on urban governance and peace take place in Latin America. These include the bettering of services in Bolivia and support to intermediary cities in various Central American countries, with a focus on financing priority municipal projects. Several urban governance projects in Cuba include conservation aspects, especially in Havana. Other SDC initiatives in Cuba focus on towns and their relationship with their territory as well as an emphasis on participatory processes and capacity building. Moreover, in peace operations, several agencies are working towards particular actions within the internal Peace agreement in Colombia. They have involved actions across all the

urban to rural continuum, in aspects such as urban and regional planning, territorial interventions and capacity building. They could have a clear link to the SDC's expertise and to cooperate with other donors such as the Swedish Association of Local Authorities and Regions in the Foincide Project, the Peace Fund, and programmes such as Propaz implemented by the GIZ.

In Latin America, climate and the environment in urban settings programmes are broadly implemented. For instance, pilot programmes in Chile regarding mitigation of and health protection and CO2 reductions have been the subject of wide knowledge-sharing programmes and serve as basis

to implement such measures across the region. Meanwhile, in Cuba, mitigation measures against climate change focus on adaptation and heritage conservation of the Havana shoreline, using planning and maintenance instruments.

In Bolivia, projects on air quality enhancement and wastewater management form part of a coupling programme on city resilience and health improvement for vulnerable populations. The Municipal environmental management programme benefits from considerable Swiss experience in sustainable waste and water management. The programme contributed to enhance municipal services and has benefited municipalities in technical capacities, sensitisation campaigns and the reinforcement of institutions in nine municipalities.

Another international actor, with whom the SDC could work closely, is the UK-Pact Fund. As it is project based, it does not address issues around governance and capacity building of municipalities for risk-management, so SDC could add value in these areas.

In Latin America, migration is a key challenge, and an increasing emergency with the Venezuelan migration to several countries in the region. It goes beyond

internal migration trends from rural to urban areas: although it is not entirely unrelated. Here, there is a clear potential for collaboration in the UN-Habitat led project (in coordination with IOM and UNHCR) *Inclusive Cities, Communities of Solidarity*. It is directed to Venezuelan refugees and migrants, as well as host communities, to foster integration at the local level in several territories where Venezuelans are currently located. This programme recognises the importance of addressing refugees and migrants (not only Venezuelans) which opens up new opportunities for collaboration with the SDC.

# 7.

## Recommendations and implication of the findings

### 7.1 Synthesis of strategic and thematic orientations for the urban context

Through the commitments included in SDG 11, it is possible to conclude that it represents primarily a social agenda with some environmental-related commitments but very few economic aspects, although the achievement of all SDGs will be influenced by urbanisation. This suggests the need for a real commitment to addressing issues directly related to urbanisation in the social and ecological space rather than around economic development alone. In such a context, rethinking urbanisation should be considered as an opportunity to understand how planetary processes impact all territories within the urban and rural continuum. As demonstrated, they go beyond changes in settlement structures and greater urban concentration, to speaking of a constant change in various dimensions. Urbanisation holds the potential to act as an enabler of greater social, economic, and environmental efficiencies but also could be seen as a risk when not addressed comprehensively.

During the Workshop developed for this report and further SDC recommendations, participants were asked to discuss the future potential that the SDC has when addressing urbanisation. Certainly, the conversation

diverted from the traditional “location perspective” and moved towards understanding urbanisation as a process and interaction across the rural to urban continuum. As for the SDC’s “means of engagement”, there was a clear emphasis in policy reforms, institution and capacity building, and only particular actions in terms of knowledge exchange, research, and infrastructure development.

Annex 5 shows a figure of the workshop results

Policy reforms cut across the rural and urban continuum and speak of the different territorial interactions regarding migration and governance. The former necessarily requires SDC to address all potential territorial interactions (rural, town-focused, city focused and full territorial interaction). Similarly, to tackle the latter, the SDC described a networked urbanisation approach to building political leverage and dialogue whilst recognising the importance of multilevel governance even when policy reforms are directed to foster rural interactions.

In line with the above, the SDC has a strong approach in terms of fostering capacity building, potentially through a network perspective that involves secondary



annex 5

cities and municipal authorities to address for instance multilevel governance and migration issues.

Service improvements continue to be localised along the rural to urban continuum. Interventions in rural contexts or around slum upgrading, legitimately engage with localised dimensions of urbanisation. At the same time, mobility and migration ensure a full territorial interaction for services improvement purposes.

As for institution building a portfolio level is envisioned from a full territorial interaction perspective, whilst key themes such as governance and migration are still to be addressed throughout the continuum with exception of administrative approaches dealing with disasters, which could be potentially more relevant at the suburbanisation and peripheralization process.

Lastly, knowledge engagement and research have a clear potential to work not only at the end of the rural-to-urban continuum but also in collaboration to tackle the lack of capacities in medium-size contexts facilitated by the SDC and where SECO could help close the gap. Also potential for fostering universities and research

centres to participate in suitable solutions for their cities and to explore urbanisation within the continuum as an ecosystem with deep dives into aspects such as water and food provision, carbon storage, flood regulations and mitigation, amongst others.

## **7.2 For an integration of urbanisation in the Swiss cooperation strategy**

Even to different degrees, the observation of strong demographic pressure, galloping urbanisation and the difficulties of cities to absorb this growth is a global concern. Despite this, global responses fall short of demonstrating changes on the ground as the regions as well as the climatic, morphological, social, and economic contexts of each city are different. Therefore, the specificities of each region and country must be considered to establish an adapted framework and line of action. Development actors need to find scalable, affordable, and innovative ways to address persistent challenges (access to basic services, poverty, employment opportunities, etc.) but also future challenges such as climate change, increasing migration flows, scarcity of natural resources, etc. Cities should meet basic needs and internalise resilience to climate, earthquake, and

other risks. As part of the creation of regional guides providing details for the implementation of the IC Strategy 21-24 (SDC, 2021a; SDC, 2021b; SDC, 2021c, SDC, 2021d, SDC, 2021f, for example), the Swiss cooperation focused on providing contextual responses to global challenges.

In addition to this orientation, going further to directly target urban areas, would be a natural step moving forward. This is already being done in some contexts, for example in relation to air pollution and associated morbidity in cities, but could be extended, for example to slum upgrading. This locational approach is not inconsistent with the emphasis on recognising the process and interactive dimensions of urbanisation, because slums and informal settlements are often connecting entry points between urban areas and rural hinterlands. They are where poor people, migrants, refugees and IDPs arrive and in cities and where the urban poor live and often work as well. In the case of informal settlements, these are invariably on the periphery of towns and cities, contributing to urban sprawl.

Having recognised that the context is changing and becoming more urban, it is necessary for the SDC to

put in place the necessary reflection, capacities, and learning for its staff to deliver its mandate of reducing poverty. This means expanding its cross-cutting capacities while avoiding the creation of a new specific urbanisation thematic. *“Now poverty has moved to the cities. If SDC wants to be in line with its mandate, it must focus on urban areas, where poverty is concentrated”* (SDC, Interview 2022).

As urbanisation is a major contextual issue significantly influencing the scope of SDC's operations in the field, there is an urgent need for this to be recognised and mentioned. The IC Strategy 25-28 represents an opportunity to focus on an urbanising context and this study calls for an integration of urban issues in SDC action. This is essential for the SDC to remain relevant as a cooperation agency, regardless of the country and region in which it operates.

Recognising urbanisation as a cross-cutting competence for all operational units would invite the systematic consideration of urbanisation as a consequence of climate change, for example, a result of migration, and as a cross-cutting factor spread across most if not all of SDC's existing priority themes. This allows urbanisation to be considered in its entirety and complexity.

For the SDC, approaching urbanisation as a contextual issue, which informs and infuses activities across territories and the rural-urban continuum, would fit well within new ways of measuring urbanisation globally, including by the UN, World Bank and EC, while offering an analytically informed niche on urbanisation that is appropriate to the size and activities of the agency.

It is also important to recognise the role and contribution capacity of the private sector in urbanised contexts in the IC Strategy 25-28. The private sector can create not only alternative financing perspectives for projects but also the mechanisms for making urbanisation profitable. This would be an opportunity to recognise that urbanisation, which is a long-term process, also offers a variety of opportunities for Switzerland. Moreover, the local private sector could also benefit from investing in solutions to urban problems and through this many jobs can be created. Working in the urban context would allow the SDC to strengthen even more the collaboration with the private sector which is naturally linked to cities.

Given that countries in Eastern Europe, Latin America and Asia have large differences in the share of slum dwellers, it is important for SDC to adapt future development and humanitarian aid approaches accordingly in the

light of demographic projections of rapid urban growth rates in these regions and to promote an integrated approach to humanitarian assistance as *“we can see that humanitarian aid is increasingly urban. We can no longer make a difference between urban and rural humanitarian aid. When the port of Beirut explodes, people need help!”* (SDC, Interview 2022).

### **7.3 Expertise in urbanisation: towards complementarity between SDC and SECO**

Swiss development strategy is uniquely placed to address many of the complex problems that have eluded development agencies and actors for decades through combining the top-down, macro-level approach of SECO and the bottom-up, locally driven presence on the ground approach employed by the SDC. This would reinforce an approach to urbanisation that goes beyond location and considers processes and intersections between different settlement sizes as well.

By considering urbanisation as a total social phenomenon, i.e., a reality that calls for a strategic interweaving of competencies and experiences, Swiss interventions in urbanised contexts will become more effective and comprehensive. They will have the particularity of combining their valuable

assets of people-centred urbanisation tools (SDC) and infrastructure-related urbanisation tools (SECO), as stressed by an interviewee: *“another way of achieving synergies and efficient complementarity could stem from our different approaches”* (SECO, Interview 2022).

SDC is aware that achieving SDG 11 requires multiple funding sources, including from the private sector, and adapting the SDC's business models. SECO has an important role to play in engaging the private sector, the two agencies can combine their expertise to develop a Swiss approach strategy that simultaneously involves the political economy and development expertise of international cooperation. The private investors and suppliers can assure funding and the correct logistics of materials. For example, Switzerland should build upon its long experience in the waste management sector and create opportunities for the SDC to cooperate with SECO combining integrated interventions involving financial blending, regulations, and community involvement, including the informal sector.

The SDC has never shied away from urban issues. It has always been active in urban contexts, albeit with few urban planning projects. Moreover, the first experience dates to 2001, when it set up an Urbanisation Sector Service which

focused on water and environmental issues, including air pollution, among others. Today, the urban phenomenon has evolved, as have social needs. No matter where SDC works, poverty has become predominantly urban. As one of the major challenges of international cooperation, the urbanisation taking place in Switzerland's priority regions requires a renewal of practices and considerations. It is a contextual reality that must be considered in order to optimise resources better. All social needs are now oriented towards urban areas, where social needs are increasingly enormous. The SDC has the necessary assets to position itself as an important player in international cooperation.

The people-centered approach of the SDC will continue to lead it where the people in need are and where they are moving towards. Today, it seems that this place is an urban space.

## 8.

# Abbreviations and Acronyms

<b>AFDB</b>	African Development Bank Group	<b>LAC</b>	Latin America and the Caribbean
<b>AFD</b>	Agence Française de Développement	<b>LSE</b>	London School of Economics and Political Science
<b>AUPP</b>	Afghanistan Urban Peacebuilding Programme	<b>MENA</b>	Moyen-Orient et Afrique du Nord
<b>CASASA</b>	Central Asia, South Asia and Southeast Asia	<b>PACUM</b>	Programme d'appui aux communes urbaines du Mali
<b>DDR</b>	Disaster Risk Reduction	<b>PPP</b>	Public-Private Partnership
<b>EAER</b>	Federal Department of Economic affairs, Education and Research	<b>DEPAC</b>	Programme d'Appui à la décentralisation et à la Participation Citoyenne
<b>EE</b>	European Commission	<b>SDC</b>	Swiss Agency for Development and Cooperation
<b>EE</b>	Eastern Europe	<b>SECO</b>	State Secretariat for Economic Affairs
<b>EPFL</b>	Swiss Federal Institute of Technology Lausanne	<b>SSA</b>	Sub-Saharan Africa
<b>FDFA</b>	Federal Department of Foreign affairs	<b>UN</b>	United Nations
<b>IC</b>	International Cooperation	<b>USAID</b>	United States Agency for International Development
<b>ICT</b>	Information and Communications Technology	<b>WEF</b>	World Economic Forum
<b>JICA</b>	Japan International Cooperation Agency	<b>WMO</b>	World Meteorological Organization

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## 10. Annexes

### **Annex 1: Objectives, methodology and data analysis of the study**

The goal of the study is to identify in an evidence-based manner the specific added value of SDC in the concrete portfolio and project implementation in rapidly urbanising contexts as well as in regional and global policy dialogue in relation to urbanisation.

The specific objectives of the study are the following:

- Conduct an international review of the current and future impact of urbanisation in the four priority regions of the current Strategy on International cooperation,
- Identify current in-house experience and engagement in urbanising contexts,
- Provide an overview of the strategies and approaches of the main bilateral and multilateral stakeholders with regards to the contextual challenge of increasing urbanisation,
- Establish the Swiss and the SDC added value in urbanising contexts in each of the regions based on an analysis of SDC's and SECO's projects considering SDC's priority countries as well as SDC's priority themes according to the new organisational structure e.g. Economy/Education, Peace/Governance/Equality, Climate Change/DRR/Environment, Migration/Forced displacement, Health, Food systems, Water and including a Triple Nexus Perspective e.g. Humanitarian Aid/Development/Peace)

- Provide an overview of the most important policy actors and platforms. Establish the current Swiss and SDC added value in regional and global Dialogue on Urbanisation and
- Formulate concrete recommendations on
  1. How could Switzerland transversally integrate the contextual challenge of urbanisation in its current strategic and programmatic orientation? (within the regions, along thematic priorities and with regards to regional and global dialogue)
  2. How best to design and exploit synergies and complementarity between the SDC and SECO expertise in urbanisation?

### **Methods and data analysis**

#### **Desk research**

Desk research is an essential data collection exercise for this study. It has proved to be a prerequisite to get an overview of the current impact of urbanisation in the four priority regions of this international cooperation strategy. The analysis of the different documents considers people-centred and spatial approaches that specifically consider the needs of the most vulnerable populations, districts, and localities. It is based on the documents provided by the SDC, on previous materials and studies, in order to avoid duplication/repetition and rather to seek its synthesis, its outcome and its evolution.

In addition, the contractors also analysed the peer-reviewed literature on new policy frameworks on urbanisation and urban change as well as on urbanisation

and urban development. To focus on urbanisation and the built environment is not uniform across international organisations and agencies, regions and development and humanitarian aid. For this reason, the contractors also examined the grey literature that mentions the IC Strategy 21-24 and focuses particularly on comparative international perspectives on urbanisation, including major multilateral and bilateral donors and organisations working on urban issues (World Bank, regional development banks, UNDP, UN-Habitat, EU, USAID, CFDO).

Finally, the websites of important actors known in the field of international cooperation in social development investment such as USAID or AFD, were consulted to broaden the knowledge base. This made it possible to gather valuable information and therefore to draw up a stakeholder mapping of urban actors (projects) and to see the new issues of cooperation around urbanisation in developing countries.

### **Interviews**

The (research) interview is an informative data collection technique that allows for the simultaneous collection and analysis of several elements: each interviewee's opinions, feelings, and representations. The type of interview used for this study is the semi-structured or "in-depth" interview. It was therefore based on an interview guide, which was jointly developed by the contractors and approved by the SDC. Interviews were conducted to assess and evaluate the integration

of urbanisation in Swiss international cooperation. Bilateral and multilateral actors as well as SDC's officials were asked to reflect, among other things, on how urbanisation influences their tasks in the process of poverty reduction in target countries, good practices (the SDC or other international partners), speculation about potential future opportunities, Swiss value add and what the research team should do.

To conduct the interviews, the study's focal point at the SDC facilitated initial contact with a number of SDC's and SECO's officials. Subsequently, the snowballing exercise was used to identify additional respondents. By opting for this technique, EPFL and LSE gradually increased the size of the sample by mobilising the networks of those already contacted. It is therefore an evolutionary technique that allowed for a progressive adaptation during the interviews and according to the need for additional information.

In total, almost twenty interviews were conducted exclusively online between September and November 2022 for practical reasons and to save time. Each interview was recorded (with the agreement of the interviewees) and then summarised to facilitate the analyses. The interviews were conducted separately by either EPFL or LSE (and often assisted by at least one member of the other team). This choice was made for efficiency and the thematic and geographical proximity (working field) of each team (EPFL/LSE) to the technical profile of each interviewee.

### **Data analysis**

The Data analysis was carried out in four complementary stages.

- Thematic content analysis. This consisted of manually coding the interviews, categorising the relevant information obtained according to the themes discussed during the interview and interpreting it.
- Triangulation of interviewees. This consisted of cross-referencing the information obtained from the various interviewees to avoid being trapped in a single source of information and to subsequently evaluate the variations between the statements made. This method makes the heterogeneity of the interviewees' statements a richness, which has enabled the study's recommendations to be better designed.
- Triangulation of sources. This consisted of comparing documents' content consulted with the interview data to ensure that no important aspects of urbanisation or other information important to the study were overlooked.
- SWOT analysis. SWOT analysis is a strategic planning commonly used

in project management to analyse projects' strengths and weaknesses, as well as any opportunities and threats they may face. In this context, the tool was used to analyse two key SDC's programmes in each of the four priority regions to identify how aspects of urban development were integrated and applied in the field. It also provides insights on the key lessons learnt and areas for improvements.

### **Ethical Considerations**

The study was conducted in accordance with the rules defined by EPFL through the Human Research Ethics Committee on one hand and LSE through the Code of Research Conduct on the other, concerning the ethical principles of prior consent, anonymity and confidentiality in the context of data collection and analysis.

## Annex 2: SDC priority themes and urbanisation: some possible entry points

SDC PRIORITY THEMES AND URBANISATION	Entry points	Comments
<p><b>Peace, Governance, Equality and Urbanisation</b></p>	<p>Strengthening competencies of local governments and their access to capital financing through public and private sources of finance (municipal finance, PFM).</p> <p>Inclusive and participatory urban development involving vulnerable urban populations</p> <p>Preventing violence and improving security, justice and human rights protection in urban areas</p> <p>Promotion of decentralization, city networks and multi-level governance</p>	<p>Includes basic service delivery for vulnerable populations through programs in the thematic areas of Water, Health and Food where governance is a transversal topic.</p> <p>Facilitates efficient and sustainable collaboration with local authorities in case of emergencies (Nexus)</p> <p>Includes aspects of local economic development in collaboration with the thematic section Economy and Education</p>
<p><b>Climate, DRR, environment and Urbanisation</b></p>	<p>Decarbonising the urban construction sector by promoting green and sustainable building materials.</p> <p>Promoting green building technologies that reduce the environmental footprint and increase the safety of urban buildings</p> <p>Increasing the resilience of cities and city dwellers to disasters (Nexus)</p>	<p>Can include programs in the thematic areas of health and water where urbanisation has a direct impact (pollution, water management)</p> <p>Includes programs on food systems tackling the challenges of urbanization and urban-rural food systems</p>
<p><b>Migration, forced displacement and Urbanisation</b></p>	<p>Improve labor market integration of migrants, IDPs and host communities in urban areas.</p> <p>Protection and local integration for IDPs, refugees, and migrants in urban areas.</p> <p>Strengthen secondary cities' capacities to provide inclusive services for migrants, displaced persons and host communities</p> <p>Increased engagement of cities in regional, international, and multilateral migration and displacement processes and local implementation of global migration and displacement agendas.</p>	<p>Includes multilateral collaborations and multi-bi contributions – Nexus (e.g. UNHCR, IOM, ICRC, UN-habitat, UNDP, ILO)</p> <p>Includes aspects of education in emergencies and vocational skills training in urban areas.</p> <p>Includes strengthening urban planning processes of secondary cities, to improve the reception and inclusion of migrants (including rural-urban migration)</p>

### **Annex 3: Details of each international actors and their commitments to urbanisation**

#### **Agence Française de Développement (AFD)**

Founded in 1941, AFD is a French public financial institution that implements the policy defined by the French government. It is involved in more than 4,000 projects in the French overseas territories and 115 countries (AFD, 2022). O AFD has 20 priority themes, two of them explicitly

address the urban sector and 5 others take the urban sector into account indirectly. Out of the 84 AFD sub-themes, 26 apply specifically in urban areas or on the urban rural continuum. Table n. 1 in Annex 2 shows AFD priority themes and sub-themes

#### **USAID: a major actor in urban development**

Founded in 1961, USAID is the United States Agency for International Development. It has 14 priority themes including agriculture and food security, anti-corruption, climate change, education, human rights and governance, water and sanitation. These themes have given rise to 73 sub-themes. Under the theme *Environment, energy and infrastructure* there is a sub-theme entitled *Sustainable urbanisation for global progress and security*. Although this seems to imply that interest in urbanisation issues is only a sub-theme, USAID is particularly engaged

in urbanisation issues and differs from other international cooperation actors. Considering that almost all urban growth will take place in the Global South and in fragile states (Pakistan, Niger, Cambodia, etc.), it has turned its sub-theme on urbanisation into a special programme called 'Urban Links'. This programme aims to help cities in countries where USAID intervenes to better prepare and manage their urban growth and development. Table n. 2 in Annex 2 outlines these actions.

#### **Japan International Cooperation Agency (JICA)**

Established in 1954, JICA is a Japanese international cooperation agency that coordinates most of Japan's official development assistance. In 2019, it is estimated that about US\$6 billion will be invested in about 150 low- and middle-income countries and regions as Official Development Assistance loans and private sector investment financing. In JICA's cooperation strategy, there are exactly 19 priority

themes detailed in 71 sub-themes. Urban is so important to this strategy that JICA has dedicated a separate theme called *Urban and regional development*. Apart from the 6 sub-themes related to this theme, the focus on urban areas is also visible in almost 5 other sub-themes divided into three themes namely: 1) Water Resources and Water Supply; 2) Social Security / Disability and Development; 3) Digital

for development. Table 3 in Annex 2 details JICA priority themes and actions

The following section provides a detailed overview of the level of involvement of cooperation actors, notably GIZ, AFD, USAID and JICA, in the implementation of urban projects in Switzerland's

priority countries. It should be noted that these data only present projects that have been made public by each of these actors and are up to date at the time of writing. The projects are either in progress or already completed

### **Deutsche Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation, GIZ)**

Founded in 2011, GIZ focuses on capacity development of individuals, organisations and social institutions. Its core expertise lies in climate and environment, economic development and employment, governance and democracy, project management, rural development, security and peace, social development, and sustainable infrastructure. Under the governance and democracy cluster two sub-clusters sit: democracy and the rule of law, and urban development and decentralisation. This latter sub-cluster is divided into five areas: public finance, policy dialogue and e-governance, resource governance in the extractive sector, urban and regional development, and administration and integrity. In urban and regional development GIZ works in the following areas:

- With policy advice on urban and regional development, it cooperates with decision-makers at national and regional level.
- It supports decision-makers at local level in designing and implementing municipal development strategies.
- It opens up opportunities for

municipal institutions and companies to deliver services cost-effectively and based on citizens' needs.

- It advises towns, cities and municipalities that host large numbers of refugees and migrants and helps them provide local services and ensure integration.
- It also advises towns, cities and municipalities on strengthening their local finances, improving their environmental sustainability and boosting their efforts to achieve their climate targets.
- Using digital solutions, GIZ supports and promotes participation by citizens and facilitates access to services for all.

The guiding principles of GIZ's advisory services:

- Citizen focus and good governance: urban administrations manage towns and cities transparently, in line with the principles of integrated urban development and with the participation of citizens.
- Resilience, emissions reduction and resource efficiency: resilient towns and cities reduce the risk of

natural disasters, create a dignified and future-proof urban environment, and use natural resources sustainably to provide basic services and ensure food security.

- Productivity and creativity: local and regional administrations create a favorable environment for the private sector, strengthen the business environment and promote employment.
- Inclusion and security: urban administrations address the

causes of social, economic and political exclusion. Through urban development, they take account of the needs of poor groups in the population and drive prevention of violence at municipal level.

- Cooperation and networks of municipalities: towns and cities determine the relationship between urban areas and surrounding areas. They participate in urban networks and partnerships” (GIZ, 2022).

### **The Swedish International Development Cooperation Agency (SIDA)**

Founded in 1995, SIDA is guided by bilateral, regional, and thematic strategies that are usually valid for five years. SIDA cooperates with around 35 countries in Africa, Asia, Latin America and Europe. Current bilateral strategies exist with the following partner countries: Bolivia, Burkina Faso, Colombia, Cuba, Ethiopia, Guatemala, Iraq, Kenya, Myanmar, Palestine, Russia, Somalia, Sudan, South Sudan, Syria, Tanzania, Uganda, and Zambia. The broader regional strategies cover Africa, Asia, Latin America, MENA, and the Western Balkans and Turkey. All address regional development cooperation. Solely, for Africa there is a strategy for sexual and reproductive health and rights (SRHR). This strategy is also listed as one of the eight thematic strategies

that are: humanitarian aid, sustainable peace, capacity development, civil society organisations, environmental sustainability, sustainable social development, and human rights, democracy, and the rule of law. These thematic strategies lead to a total of sixteen thematic areas (SIDA, 2022a; SIDA 2022b; SIDA 2022c). Only three of them explicitly mention the urban, but not as a thematic strategy. In 2006, however, there was a five year strategy titled “*Fighting Poverty in an Urban World*” (SIDA, 2006). Its strategic focus areas were: integration of local and national development, local governance and urban management, infrastructure and municipal services, land and housing, and environmental sustainability.

### **Canadian International Development Agency (CIDA)**

Founded in 1968, CIDA provides funding opportunities for all official development assistance (ODA)-eligible countries. This list is revised by the Development Assistance Committee (DAC) which includes Least Developed Countries (LDCs) as defined by the United Nations, and low and middle income countries based on gross national income (GNI) per capita published by the World Bank (OECD, 2022). Funding opportunities are published on CIDA's website (CIDA, 2022a). Since 2005, CIDA has spent

CAD 49 billion on a total of 5,825 projects. Four projects (CAD 121m) lay in the sector of *urban development*, and 36 projects (CAD 713m) in *urban development and management* (CIDA, 2022b) Looking at the project description and policy markers of these projects, however, reveals that “urban issues” are not explicitly targeted. This leads to the conclusion that the urban is neither considered as a thematic focus nor explicit context.

### **The UK's Foreign, Commonwealth and Development Office (FCDO)**

It is fair to say that years of upheaval and transition have affected the UK's international development offer. In 2016 the UK left the European Union and since then has had a largely domestic focus. The Department for International Development (DFID) was a ministerial department between 1997 and September 2020 when it merged with the Foreign and Commonwealth Office (FCO) to form FCDO. That same year the spending commitment to international development was reduced from 0.7% to 0.5% of GDP and in 2022 it was announced that more of the aid budget would be spent at home. There have been several changes of Prime Minister and Foreign Secretary over recent years, with implications for policy, investment and activity in development aid.

Despite a history of interest in urbanisation and investment in cities, the last International Development Strategy, which was published in May 2022 when Liz Truss was foreign secretary, makes little mention of either and it would be fair to say that urbanisation is not a strong focus from ministers and senior management at present. That said, at the country programme level a lot is happening in the urban space. Both India and Nigeria have significant activity in cities. The Tanzania office has a cities and infrastructure programme. In Uganda there is a programme that focuses on the three cities that constitute an economic corridor stretching from Jinja, to Kampala to Entebbe. Several departments have an urban

focus and many believe that attention to urbanisation is fundamental to addressing poverty, climate change and other development priorities. The Economic Cooperation Department has an economic perspective on cities and started six years ago working on productive cities. There is an ambition for FCDO to help city authorities raise revenue and finance for relevant projects. The Growth Team focuses on transport and mobility and there has been a shift from treating this primarily as a rural issue towards addressing urban areas. The Climate and Environment Department has advisers with a strong knowledge of urban areas. Partly driven by the data and partly by precedent, there is more of a focus on urban environmental issues in Asia than elsewhere.

The above relate to areas falling under teams that formerly were part of DFID. Pre-merger the FCO also had a cities programme that focused on issues such as smart cities, critical infrastructure and cities and security. The Department of Business, Energy and Industrial Strategy (BEIS) has a cities programme as well, now called the Urban Action Programme, which works together with GIZ to draw up climate action plans and turns them into financeable investments.

The FCDO, which is engaged in a process of introspection, recognises that a strategic framework is necessary for its urban work. To inform its future thinking, the Research and Evidence Division (RED) is undertaking research, including on cities. The primary urban research programme is the African Cities Research Consortium run out of Manchester University and with an initial budget before recent funding cuts, of £32 million. Details can be found as follows: <https://www.african-cities.org>

## Annex 4: Examples of donors and their urban projects in Swiss priority countries

Table I : Examples of donors and their urban projects in Swiss priority countries - MENA

COUNTRY	SECTOR OF ACTIVITY	PRIORITY THEMES	IMPLEMENTING PARTNER	Short description	Allocated funding (if applicable)
TUNISIA	Urban water supply	Water resources and water supply	JICA	Urban Water and Sewerage Services Development Program	Unknown
	Decent employment	Employment	AFD	Promote decent entrepreneurship for young people and women by enabling entrepreneurs to realise or develop their projects in good conditions from the start	150,000 €
	Infrastructures and essential services	Sustainable cities	AFD	The aim of the "PROVILLE: Supporting urban policy in Tunisia" project is to provide basic urban infrastructure to the 140 working-class neighbourhoods in Tunisia.	30,3 million €
EGYPT	Decent employment Fair economic activities	-Sustainable cities -Fighting inequality	AFD, European Investment Bank (EIB), GIZ, European Union and Social Fund for Development (SFD):	Support for employment and the improvement of living conditions in disadvantaged neighbourhoods in the Cairo metropolitan area	80 million €

**Table II:** Examples of donors and their urban projects in Swiss priority countries - SSA

<b>COUNTRY</b>	<b>SECTOR OF ACTIVITY</b>	<b>PRIORITY THEMES</b>	<b>IMPLEMENTING PARTNER</b>	<b>Short description</b>	<b>Allocated funding (if applicable)</b>
BENIN, BURKINA FASO, BURUNDI, CHAD MALI, NIGER,	Promotion of universal health coverage and care offer	Health and social protection	AFD	Strengthening the structure and sustainability of AIDS associations to improve access and quality of care: sexual and reproductive health, biological monitoring, pharmacy management and management of users' rights, rights-based advocacy to combat discrimination and stigmatization. By this choice, the project understand that cities are potentially identified as places where sexually transmitted diseases spread.	4 million €
BENIN, BURKINA FASO, BURUNDI, CHAD MALI, NIGER,	Sustainable urban energy infrastructure	-Climate -Energy	AFD European Union	Developing sustainable urban energy projects to help cities tackle climate change	3,7 million €
BURKINA FASO	Decent employment	Employment	AFD	Promote decent entrepreneurship for young people and women by enabling entrepreneurs to realise or develop their projects in good conditions from the start	150,000 €
MOZAMBIQUE	Promoting universal access to energy services	Energy	AFD, World Bank, Arab Fund for Economic and Social Development	The project aims to improve the quality of life of people in the peri-urban areas of Maputo and Pemba through extended access to quality electricity in densely populated areas.	20 million €
REPUBLIC OF CONGO, CHAD MOZAMBIQUE	Structuring and consolidation of agricultural value chains	Agriculture and rural development	AFD	Improving farmers' incomes through the development of sustainable urban and peri-urban value chains, and strengthening the skills of stakeholders (public authorities and civil society)	911,400 €

ETHIOPIA	Water and sanitation, fighting inequalities sustainable cities	-Climate -Energy	AFD, Italian Development Cooperation, European Investment Bank	The project aims to improve the living conditions of the Ethiopian population living in secondary cities by supporting an endogenous and sustainable financing mechanism. Among other things, it will contribute to strengthening the capacities of local governments in the implementation of the national urban water policy	21 million €
KENYA	Human health	Air quality	USAID	Kuboresha Afya Mitaani project on urban air pollution exposure	Unknown
KENYA	Urban water supply	Water resources and water supply	JICA	Urban Water and Sewerage Services Development Program	Unknown
ZAMBIA	Encourage greater investment in people	Democracy and Governance	USAID	Land Tenure Dynamics in Peri-Urban Zambia –  Peri-urban growth in Zambia faces particular challenges due to the interface of state and customary land administration systems with different stakeholders using land under leasehold and customary tenure regimes.	Unknown

**Table III:** Examples of donors and their urban projects in Swiss priority countries - CASASA

COUNTRY	SECTOR OF ACTIVITY	PRIORITY THEMES	IMPLEMENTING PARTNER	Short description	Allocated funding (if applicable)
BANGLADESH	Reducing inequalities in acces to water and sanitation	Water and sanitation	AFD	In Dhaka, the capital of Bangladesh, the population is growing and causing the size of informal settlements where basic services are lacking. AFD is helping people living in these slums gain access to clean water.	Unknown
PAKISTAN	For universal access to energy services	Energy	AFD	Improving access to electricity to help improve the living conditions of people in a city like Peshawar.	Unknown
CAMBODIA, LAOS, MYANMAR AND VIETNAM	Climate change and social capital	Air quality	USAID	Aiding Climate Resilience and Food and Water Security	Unknown

<b>MONGOLIA</b>	<b>Human health</b>	<b>Air quality</b>	<b>USAID</b>	Determining sources and health impacts of particulate matter in Ulaanbaatar City to aid and assess current air pollution mitigation efforts	Unknown
<b>NEPAL</b>	<b>Human health</b>	<b>Air quality</b>	<b>USAID</b>	Kathmandu Valley Clean Air Program	Unknown
<b>VIETNAM</b>	<b>Climate change and social capital</b>	<b>Air quality</b>	<b>USAID</b>	-Collective action for clean air builds on the momentum and joint work of local actors started in 2017 by the forerunner USAID Clean Air Green Cities project. -LASER PULSE – Air Pollution	Unknown
<b>INDONESIA, VIETNAM</b>	<b>Pollution and energy</b>	<b>Energy and environment</b>	<b>USAID</b>	Municipal Waste Recycling Program is designed to reduce land-based sources of marine plastic pollution in urban and peri-urban areas.	Unknown
<b>CAMBODIA</b>	<b>-Social welfare -Employment and working environment</b>	<b>Social security / disability and development</b>	<b>JICA</b>	Economic and social infrastructure projects in urban areas of Phnom Penh	Unknown
<b>LAOS</b>	<b>-Establishing basic infrastructure contributing to economic activities -Achieving revitalization of cities</b>	<b>Urban/regional development</b>	<b>JICA</b>	The Japan-Lao PDR Joint Development Cooperation Plan for the Sustainable Development of Lao PDR– Rectify disparity through balanced urban and regional development that takes environmental and cultural preservation into account.	Unknown
<b>MYANMAR</b>	<b>Establishing basic infrastructure contributing to economic activities</b>	<b>Urban/regional development</b>	<b>JICA</b>	Infrastructure project for urban development	Unknown

**Table IV:** Examples of donors and their urban project in Swiss priority country - EE

<b>COUNTRY</b>	<b>SECTOR OF ACTIVITY</b>	<b>PRIORITY THEMES</b>	<b>IMPLEMENTING PARTNER</b>	<b>Short description</b>	<b>Allocated funding (if applicable)</b>
SERBIA	Transport and mobility	Transport and mobility	AFD and World Bank	The aim is to improve sustainable mobility infrastructure projects (hybrid electric-diesel or hybrid biogas Bus Rapid Transit (BRT), etc.) in Serbian cities to mitigate environmental and social risks.	102 million €

**Table V:** Examples of donors and their urban projects in Swiss priority countries - LAC

<b>COUNTRY</b>	<b>SECTOR OF ACTIVITY</b>	<b>PRIORITY THEMES</b>	<b>IMPLEMENTING PARTNER</b>	<b>Short description</b>	<b>Allocated funding (if applicable)</b>
PERU	Water and sanitation	Water and sanitation	AFD	In the context of climate change, the “Agua para Abancay” project aims to enable the citizens of the city of Abancay to make sustainable use of water from the Marino micro-basin.	Unknown
PERU	Transport and mobility	Transport and mobility	AFD	Improve the transport system in the city of Arequipa because the demand for transport is high, yet public transport is old and causes pollution, accidents and stress for the inhabitants. To this end, AFD aims to support the planning of long-term mobility through the Sustainable Urban Mobility Plan and to implement a tramway that will optimize travel times and improve access to a quality and environmentally friendly public service.	
PERU	Human health	Air quality	USAID	Strengthening resilience of Andean River basin headwaters facing global change	Unknown
HONDURAS GUATEMALA EL SALVADOR COLOMBIA	Migration, security, governance, prosperity	Migration, security, governance, prosperity	USAID	Help turn migration into an engine of growth, improvements in security, governance, and prosperity in Central America and promote economic prosperity, improve the living conditions of victims of violence and vulnerable groups, and promote respect for human rights in Colombia.	Unknown
COLOMBIA	Social welfare	Social security / Disability and Development	JICA	Program to improve security conditions in urban areas for balanced and sustainable economic growth	Unknown

NICARAGUA	-Establishing basic infrastructure contributing to economic activities  -Establishing good-quality living space	Urban/regional development	JICA	Urban Development Program of the Metropolitan Area of Managua	Unknown
COLOMBIA MEXICO BRAZIL	Environment/ climate change	MRV tools for forests, land use and agriculture  Greening financial systems  Electrifying urban mobility  Clean energy transitions  Nature-based solutions	UK Pact	Overcome barriers and constraints to clean growth and have high emissions reduction potential to help them achieve their Nationally Determined Contributions (NDCs) under the 2015 Paris Agreement.	£11.6bn via ICF over the five years to March 2026  *this involves other countries apart from Colombia/ Mexico in LA such as Malaysia, South Africa, Indonesia, Kenya and Nigeria
BOLIVIA BRAZIL CHILE COLOMBIA ECUADOR PARAGUAY PERU	Sustainable development	Social cohesion/ Green recovery/ Digitalisation for sustainable development/ Global Health	GIZ	Capacity building in different priority areas	Unknown
ARGENTINA BOLIVIA BRAZIL CHILE COLOMBIA COSTA RICA CUBA ECUADOR EL SALVADOR GUATEMALA HONDURAS MEXICO NICARAGUA PANAMA PARAGUAY PERU	Social cohesion amongst LA countries	Gender, governance and social policy	Programme Eurosocial led by FIAPP	EUROsociAL+: Programme for Social Cohesion in Latin America Social Cohesion in Latin American countries, as well as to institutional strengthening through support to their processes for the design, reform and implementation of public policies.	€32 million in 5 years implementation.

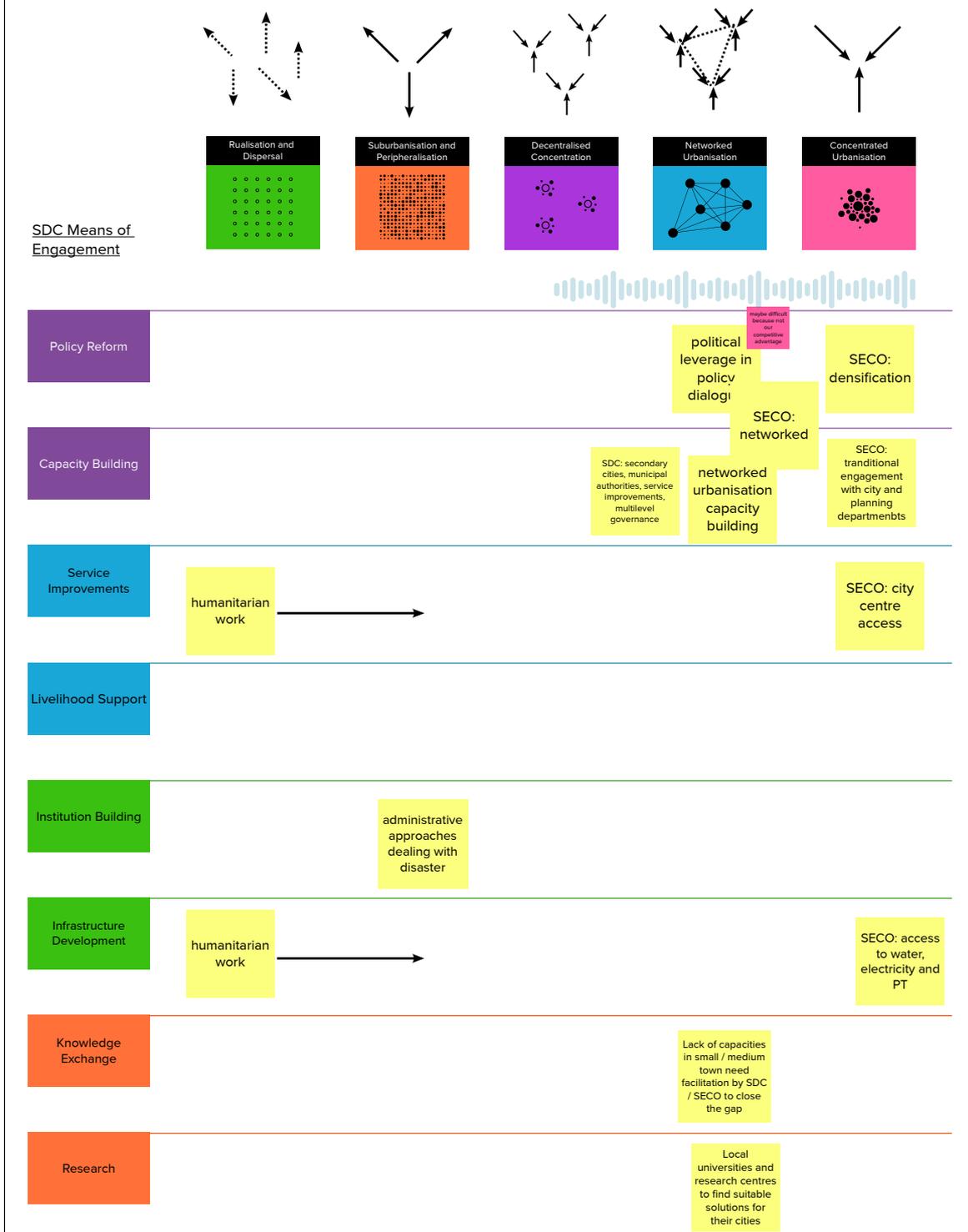
LATIN AMERICA AND THE CARIBBEAN	Development, Social and economic inclusion, education, green recovery, biodiversity, energy transition, Migration, Transport, climate change, water and sanitation, infrastructure	Energy and transport systems, Cities and Landscapes, agriculture and food systems	The World Bank	WBG's contribution to low-carbon recovery, growth and resilient development	Unknown
COLOMBIA	Capacity building at the local level	Peace Governance	SKL International by the Swedish Association of Local Authorities and regions	Foincide programme by the Swedish SECO-SKL that aims to improve the prospects for peace and sustainable development in Colombia through greater inclusion, accountability and equity at the local level.	Unknown

## Annex 5: Figure of the results of the workshop

### 02 | Urbanisation as Process - Future SDC Potential

Indicate and discuss the potential contribution to different urbanisation processes for relevant future SDC means of engagement by positioning sample activities.

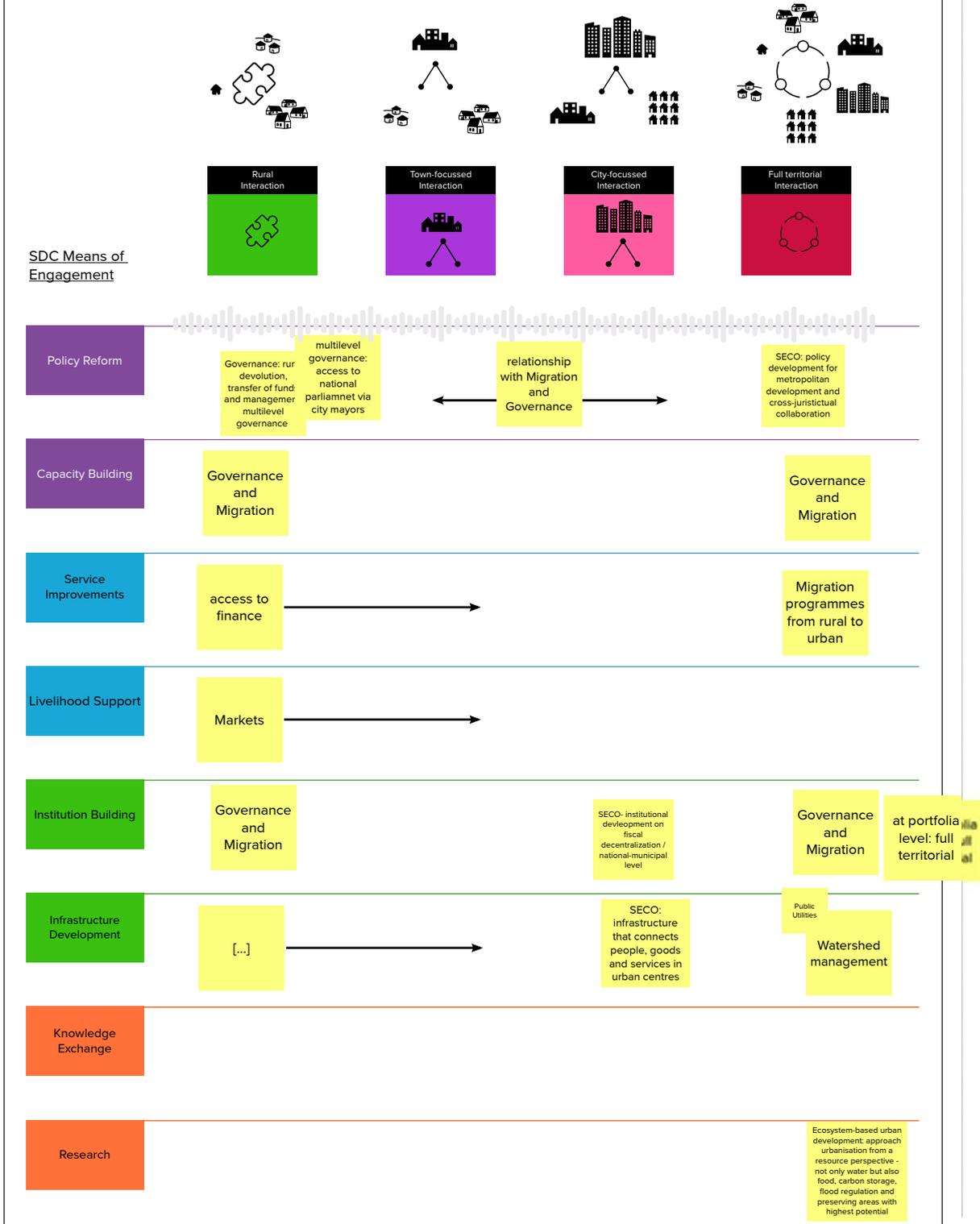
*How should SDC support any of the potential urbanisation processes?*



### 03 | Urbanisation as Interaction - Future SDC Potential

Indicate and discuss the potential contribution to different territorial interactions for relevant future SDC means of engagement by positioning sample activities.

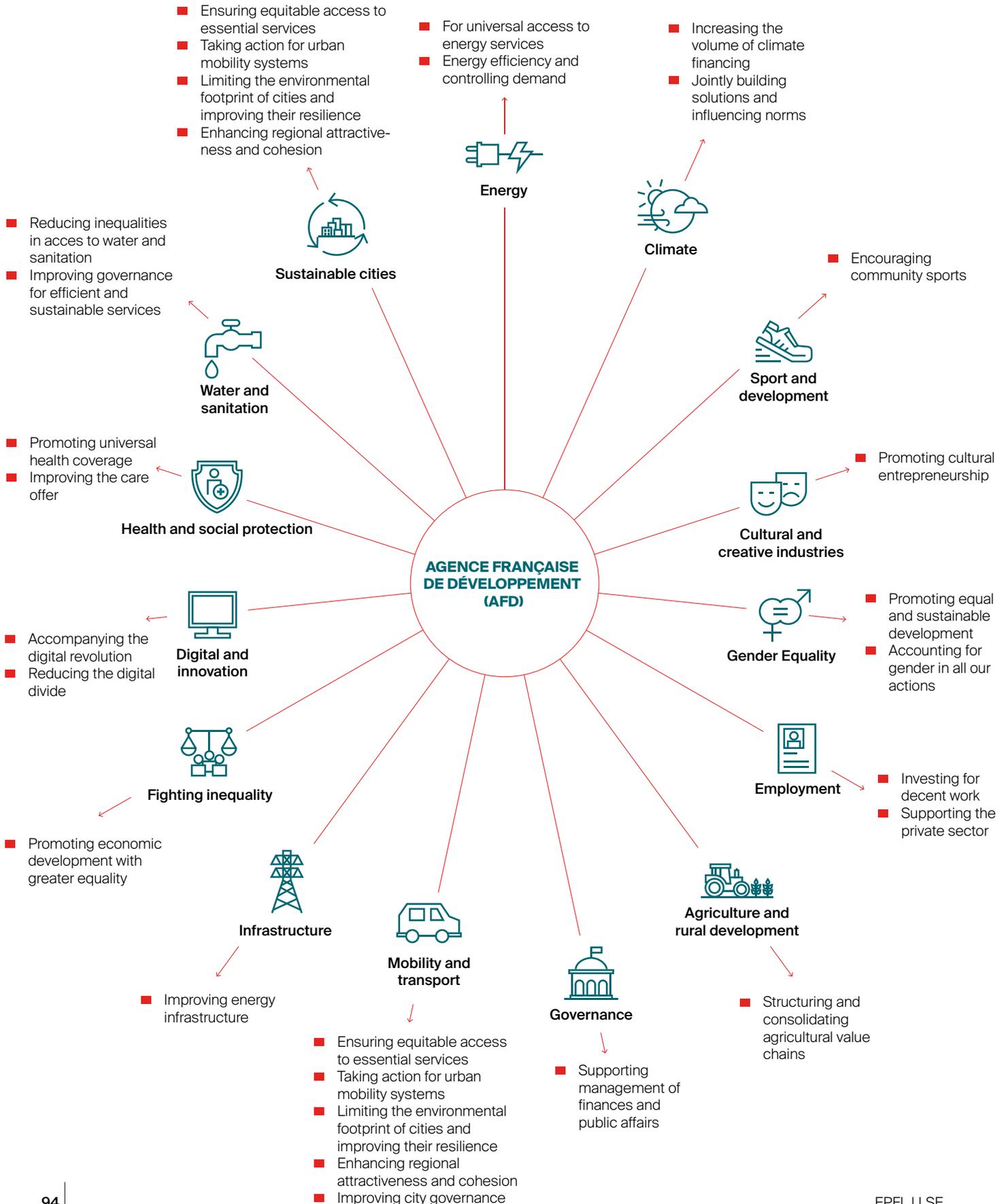
How should SDC support any of the potential territorial interactions?



## Annex 6: Developing agencies list of priority themes and urbanisation

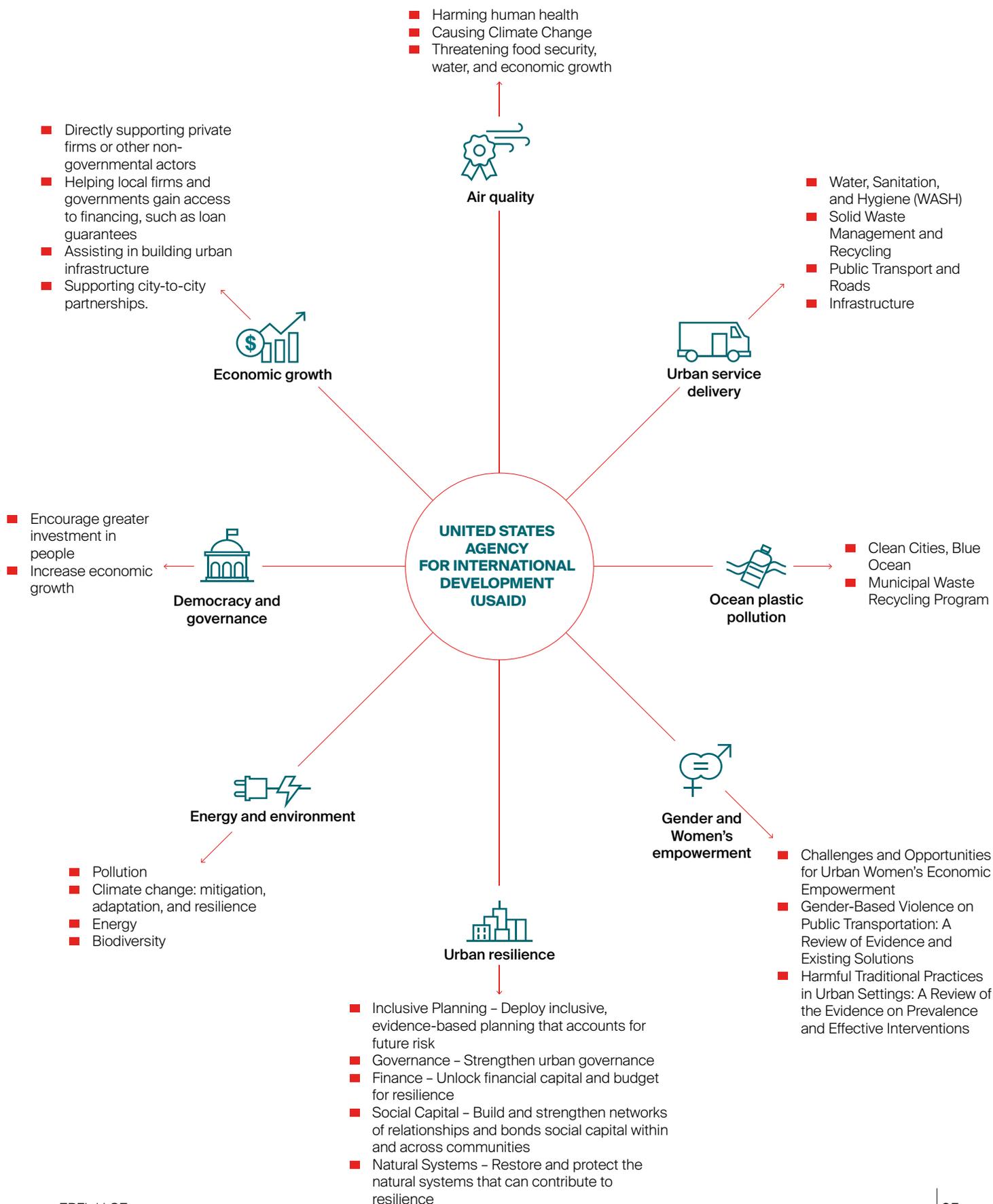
Table n° 1: AFD priority themes and sub-themes

Source: <https://www.afd.fr/en>



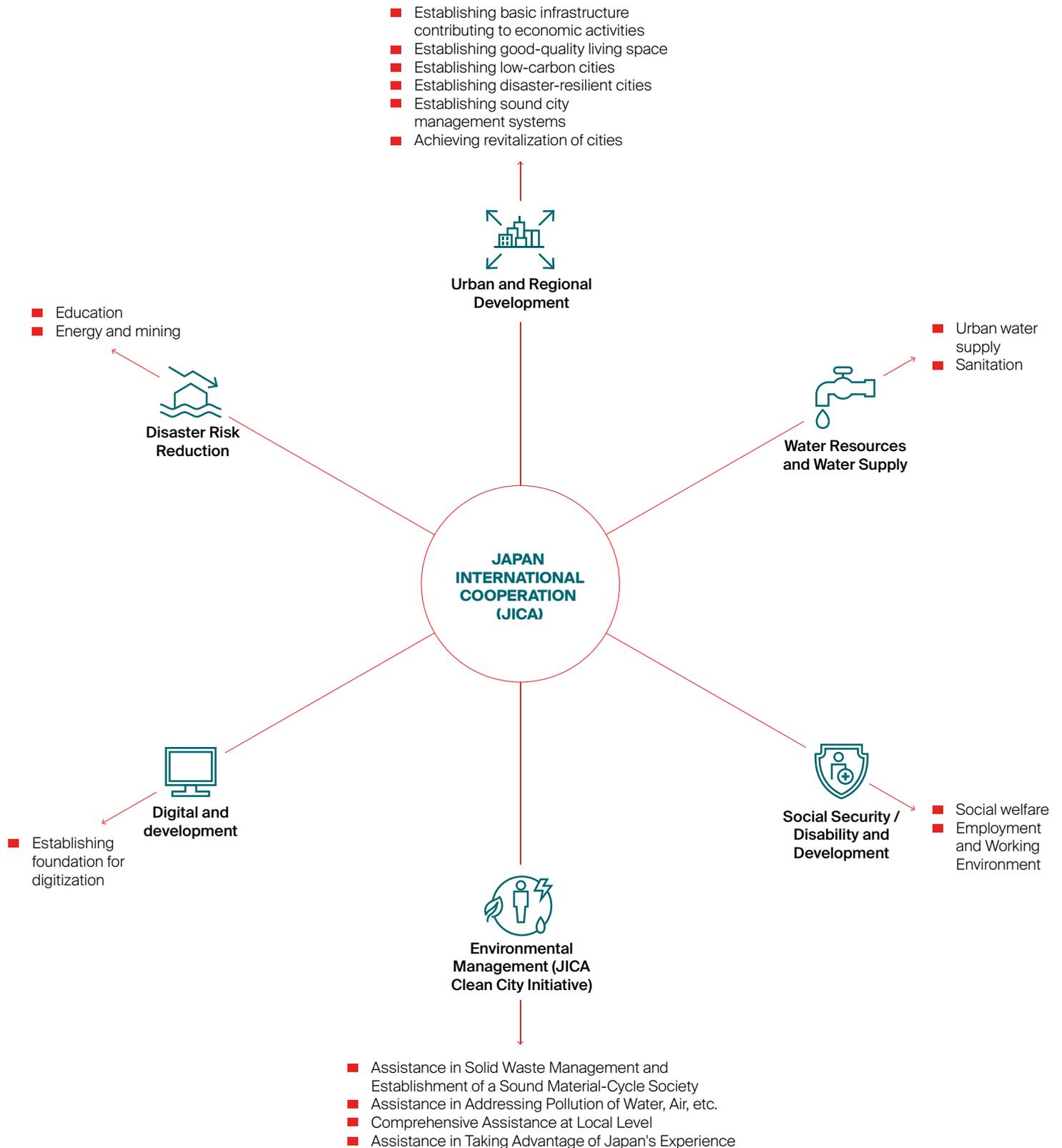
**Table n° 2: USAID actions focusing on urbanisation**

Source: <https://urban-links.org/> and <https://www.usaid.gov/>



**Table n° 3:** JICA priority themes and actions

Source: [https://www.jica.go.jp/english/our\\_work/thematic\\_issues/index.html](https://www.jica.go.jp/english/our_work/thematic_issues/index.html)



## Annex 7: List of 66 analysed projects on urbanisation by SDC's region

North Africa and the Middle East			
PROJECTS	Topics	Sub-topics	
1	Appui à la Fédération Nationale des Communes Tunisiennes et mise en place du Fonds Municipal de Compétence Générale	Governance Employment & economic development	Decentralisation Urban development
2	Contribution de programme au Centre Ecologique Albert Schweizer (CEAS) 2019-2020	Agriculture & food security Employment & economic development	Agricultural research Agricultural services & market Urban development
3	Decent Work for Migrants in the Middle East	Employment & economic development Migration	SME development Labour migration Remittance Refugees and internally displaced persons
4	Enhance employability of migrants in Urban Cairo	Migration Employment & economic development	Refugees and internally displaced persons
5	Gaza Vulnerable Communities Development Programme (GVCD)	Governance Human rights Employment & economic development Water	Decentralisation Human rights (incl. Women's rights) Urban development Water sanitation
6	Moussanada Mahaleya	Governance	Decentralisation Public sector policy Legal and judicial development
7	Potable Water Management Programme (PWMP) in Upper Egypt – Phase 1	Water Governance Health Culture / development awareness	Water supply Public finance management Health education Development awareness
8	Rehabilitation of public schools accomodating Syrian refugee children	Education Migration	Education facilities and training Primary education Refugees and internally displaced persons
9	Strengthening the capacities of Community-Based Organisations serving migrants in Egypt	Migration Humanitarian Assistance & DRR	Refugees and internally displaced persons Protection, access & security
10	Support to Village Councils – Area C Infrastructure	Governance Employment & economic development Other	Decentralisation Public sector policy Urban development Democratic participation and civil society
11	Youth For the Future	Migration Employment & economic development	Refugees and internally displaced persons Employment creation Vocational training

Sub-Saharan Africa			
PROJECTS	Topics	Sub-topics	
1	<b>Contribution au Club du Sahel et de l'Afrique de l'Ouest (CSAO)</b>	Agriculture & food security Employment & economic development Conflict & fragility	Agricultural policy Urban development Employment creation Conflict prevention
2	<b>Decentralization for Inclusive Development</b>	Governance	Decentralisation Democratic participation and civil society Domestic revenue mobilization Public finance management Public sector policy
3	<b>Direct Health Facility Financing</b>	Health Governance	Primary health care Decentralisation Health systems strengthening
4	<b>Programme d'Appui à la décentralisation et à la Participation Citoyenne (DEPAC)</b>	Governance Agriculture & food security Employment & economic development Conflict & fragility Rule of Law - Democracy - Human rights	Decentralisation Rural development Conflict prevention
5	<b>Fonds d'Appui au Développement des Communes (FADeC)</b>	Governance Education Health	Decentralisation Education facilities and training Basic health infrastructure
6	<b>Ifakara Health Institute: Scaling up of research results and innovations for public health impact</b>	Employment & economic development Health Education	Business support & economic inclusion Health systems strengthening Infectious disease Employment creation Education policy Health education Urban development
7	<b>Increase Cabo Delgado</b>	Water Climate change and environment Employment & economic development	Water supply Renewable energy generation Social protection
8	<b>Kakuma: Developing vocational skills in a refugee camp</b>	Vocational training Migration Education	Vocational training Forced displacement (refugees, IDP, human trafficking) Basic life skills

9	<b>Migration de travail et développement économique en Afrique de l'Ouest</b>	Employment & economic development Migration Gender Governance	Urban development Diaspora for development Labour migration Business support & economic inclusion SME development Sexual & gender-based violence Refugees and internally displaced persons Remittance Employment creation Rural development Decentralisation
10	<b>Programme d'appui aux communes urbaines du Mali (PACUM)</b>	Agriculture & food security Governance Education	Decentralisation Public sector policy Primary education
11	<b>Programme de renforcement de la résilience des ménages pastoraux et agropastoraux face aux crises climatiques et à l'insécurité (RESILIA) Phase 1</b>	Agriculture & food security Humanitarian Assistance & DRR Conflict & fragility Climate change and environment Governance	Food security policy Household food security Emergency food assistance Conflict prevention Disaster risk reduction DRR Humanitarian efficiency Agricultural policy Public sector policy
12	<b>Promoting off-farm employment and income in the Great Lakes region through climate responsive building material production</b>	Climate change and environment Vocational training Employment & economic development	Biosphere protection Vocational training SME development Employment creation
13	<b>Single Phase - City-to-City Partnership Hawassa – Lugano</b>	Water Governance	Water supply Decentralisation Water sector policy
14	<b>Strengthening Social Protection in Zambia</b>	Employment & economic development Governance Climate change and environment	Social protection Domestic revenue mobilisation Disaster risk reduction DRR
15	<b>Urban Food Security and Resilience Building programme</b>	Agriculture & food security Employment & economic development	Household food security Urban development Employment creation
16	<b>Sustainable Nutrition for All in Uganda and Zambia (SN4A)</b>	Agriculture and food security	Sustainable Nutrition for All

Central Asia, South Asia and Southeast Asia		
PROJECTS	Topics	Sub-topics
1	<b>Afghanistan Urban Peacebuilding Programme</b>	Governance Public sector policy Decentralisation
2	<b>Air Pollution Impact on Health</b>	Governance Climate change and environment Health Public sector policy Environmental policy Primary health care
3	<b>Capacity Building for Low Carbon and Climate Resilient City Development in India (CapaCITIES)</b>	Climate change and environment Water Energy conservation & efficiency Energy policy Water resources conservation
4	<b>Clean Air Project in India (CAP India)</b>	Climate change and environment Biosphere protection Environmental policy
5	<b>Educational facilities for the Internally Displaced and street children</b>	Migration Education Refugees and internally displaced persons Primary education Basic life skills Education facilities and training
6	<b>Health Facilities Autonomy</b>	Health Health education Health systems strengthening
7	<b>Improving the National Urban Search and Rescue (USAR) capacities of Mongolia</b>	Climate change and environment Disaster risk reduction DRR
8	<b>Low Carbon Cement (LCC) - Phase 3 (Exit Phase)</b>	Climate change and environment Energy conservation & efficiency
9	<b>Migrant Rights and Decent Work (MiriDew)</b>	Humanitarian Assistance & DRR Migration Protection, access & security Labour migration Emergency rehabilitation Refugees and internally displaced persons Emergency food assistance

10	<b>Prabridhi - Local Economic Development (LED) at District Level</b>	Employment & economic development Agriculture & food security Education	SME development Agricultural development Vocational training Business support & economic inclusion Employment creation
11	<b>Strengthened and Informative Migration Systems (SIMS)</b>	Migration Governance	Labour migration Legal and judicial development Remittance Refugees and internally displaced persons
12	<b>Township Democratic Local Governance (TDLG)</b>	Governance Decentralisation	Democratic participation and civil society Public finance management
13	<b>Understanding and Managing internal migration in Mongolia</b>	Migration	Refugees and internally displaced persons

14	<b>Urban Governance for Health and Wellbeing</b>	Health	Health systems strengthening Health education
15	<b>Waste Collection and Transportation Management in Ulaanbaatar (WCTM)</b>	Employment & economic development Governance Climate change and environment	Urban development Decentralisation Environmental policy Business support & economic inclusion

#### Eastern Europe

	PROJECTS	Topics	Sub-topics
1	<b>Education for Employment</b>	Vocational training Employment & economic development Education	Vocational training Employment creation Education policy
2	<b>Health for All Programme (HAP)</b>	Health	Health systems strengthening Primary health care
3	<b>Institutional Support to Standing Conference of Towns and Municipalities</b>	Governance	Decentralisation Democratic participation and civil society Public sector policy

4	<b>Regional Development Programme in Northern Albania</b>	Governance Employment & economic development Rule of Law - Democracy - Human rights	Decentralisation Urban development Public finance management Rural development
5	<b>Smart Packaging Waste Management</b>	Climate change and environment Employment & economic development	Environmental policy Urban development
6	<b>Strengthening Nursing in Bosnia and Herzegovina</b>	Health	Health systems strengthening Primary health care Health education Medical services

<b>Latin America and Caribbean</b>			
<b>PROJECTS</b>	<b>Topics</b>	<b>Sub-topics</b>	
1	<b>Climate and Clean Air in Latin American Cities Plus Programme (CALAC+)</b>	Climate change and environment	Environmental policy Biosphere protection
2	<b>Dam Safety Technical and Institutional Assistance in Lao PDR (DSTIA)</b>	Climate change and environment Water	Disaster risk reduction DRR Water diplomacy and security Energy policy
3	<b>Inclusive Insurance</b>	Agriculture & food security Climate change and environment	Agricultural financial services Disaster risk reduction DRR
4	<b>Inclusive Urbanisation</b>	Governance	Public finance management Decentralisation Legal and judicial development
5	<b>Environmental Management Project</b>	Climate change and environment	Environmental policy
6	<b>Programme d'Appui à la Gouvernance et la Décentralisation (PAGODE) - Phase 1</b>	Governance Employment & economic development Decentralisation	Democratic participation and civil society Urban development
7	<b>Project Integral services to improve the performance of urban micro and small enterprises in Bolivia (PROMYPE)</b>	Employment & economic development	SME development Business support & economic inclusion Urban development
8	<b>Protection of children and youth affected by armed violence and/or natural disasters, in the municipalities of Tierralta and Puerto Libertador (Córdoba)</b>	Humanitarian Assistance & DRR Water Conflict & fragility	Protection, access & security Water sanitation Conflict prevention
9	<b>Respuesta al Huracán Irma: respuesta inmediata (PMA) y recuperación temprana (PNUD) - single phase</b>	Employment & economic development	Rural development Urban development
10	<b>Strengthening cities for migration and development</b>	Migration Employment & economic development Gender Governance	Forced displacement (refugees, IDP, human trafficking) Refugees and internally displaced persons Urban development Sexual & gender-based violence Decentralisation

11	<b>Strengthening policy dialogue on DRR &amp; RR of Andean countries</b>	Climate change and environment Humanitarian Assistance & DRR	Disaster risk reduction DRR Humanitarian efficiency
12	<b>Strengthening Systems of Secondary Cities</b>	Migration Employment & economic development Governance	Refugees and internally displaced persons Urban development Decentralisation
13	<b>Territorial Economic Development Programme – PRODET</b>	Employment & economic development	SME development Urban development Rural development
14	<b>Strengthening Capacities for Energy Efficiency in buildings in Latin America (CEELA)</b>	Climate change and environment	Energy conservation & efficiency Energy policy
<b>Global</b>			
	<b>PROJECTS</b>	<b>Topics</b>	<b>Sub-topics</b>
1	<b>Nutrition in City Ecosystems (NICE)</b>	Agriculture & food security Employment & economic development Health	Agricultural services & market Urban development Health education
2	<b>RUNRES: The rural-urban nexus: Establishing a nutrient loop to improve city region food systems</b>	Agriculture & food security Water Employment & economic development	Agricultural development Agricultural research Agricultural policy Water sanitation Urban development
3	<b>The Global Partnership to End Violence Against Children</b>	Humanitarian Assistance & DRR	Protection, access & security
4	<b>Patfinders for peaceful, Just and Inclusive societies</b>	Conflict & fragility Governance	Conflict prevention Public sector policy Legal and judicial development

