



Water and wastewater services for sustainable prosperity

Adequate water supply and sanitation are crucial for reducing poverty and inequality, and for supporting economic development. Despite substantial progress in recent decades and continued global efforts in relation to the 2030 Agenda for Sustainable Development, 2.0 to 3.6 billion people still lacked access to safely managed drinking water and sanitation in 2020. The objective of SECO's interventions in the water sector is to improve urban water and wastewater services, thereby contributing to sustainable economic growth. To achieve this, SECO's strategy is based on four pillars: (1) strengthening water and wastewater utilities; (2) supporting skills development; (3) improving the planning and financing of infrastructure projects; and, (4) support the creation of enabling frame conditions.

Rationale

Accessible, safe and reliable water and wastewater services play a critical role for competitive local economies and resilient cities, which in turn are key drivers of sustainable prosperity. Global estimates suggest that three out of four jobs are moderately or heavily dependent on water. Water is also an important production factor for the industry and for agriculture, and is crucial for human health and well-being. Wastewater treatment is necessary to prevent pollution of drinking water sources and food through poorly managed sewage, which can negatively affect human health and work productivity. Thus, sustainably managed water and wastewater services help increase the resilience of urban environments and create favourable conditions for economic growth.

Approach and principles

SECO has been active in the water and wastewater sector for several decades, traditionally financing infrastructure, accompanied by institutional strengthening of utilities. In recent years, while utilities remain at the heart of interventions, SECO's focus has shifted to more systemic approaches aiming for an impact on the sector as a whole. As such, projects often include scalable, multi-city interventions and seek to address challenges in planning, financing and operation of water and wastewater services, while also supporting skills development, promoting integrity management and engaging in policy dialogue up to the national level.

Where appropriate, SECO applies phased programmatic approaches and performance-based financing strategies. In the case of phased and performance-based financing, SECO supports provision of technical assistance to utilities for meeting the targets that will allow them to unlock funds for infrastructure investments. This technical assistance typically implies strengthened management, operation and governance of utilities. Infrastructure improvements and extensions are considered subsequently, where SECO may support the preparation of new projects and enable utilities to access infrastructure finance (e.g. concessional loans of national and international development banks or private funds).

Number of programs and projects since 2013

55

SECO contribution since 2013

CHF 365 mio

Geographic reach

Global, partner countries



Topics

SECO has introduced four thematic priorities for implementation of projects in the water sector:

1. Institutional strengthening of utilities (corporate development): SECO supports water and wastewater utilities to improve their services. To this end, SECO fosters innovation and the adoption of good practices in the fields of operation and maintenance, financial management, human resources, organisational development, utility governance and customer relations. The aim is to improve cost coverage, and to enable sustainable operation and maintenance while providing adequate, affordable and reliable services to the population. This in turn enables utilities to improve their creditworthiness and eventually to access commercial finance.



2. Skills development: SECO provides assistance to training institutions for the development of advanced vocational trainings for water and wastewater technicians. This may imply the creation of new training curricula or the certification of skilled workers to increase efficiency, capacity and mobility of the workforce in the water sector. Likewise, SECO supports universities to expand and strengthen water-related academic education programmes (e.g. through exchanges with Swiss universities or research institutes). SECO also promotes continuing education for staff of water and wastewater utilities.



3. Preparation of and access to finance for water and wastewater infrastructure: SECO supports the preparation of bankable projects and assists utilities to access finance for infrastructure investments. SECO strives to strengthen the involvement of international finance institutions and the private sector, for instance through public-private partnerships or the issuing of water bonds. In addition, SECO finances selected innovative infrastructure investments that can significantly improve service delivery and performance, and have a potential for further scaling up.

4. Frame conditions: SECO supports relevant ministries and regulators to enhance frame conditions in the water sector. SECO strengthens these sector institutions, supports the development and implementation of laws, national strategies and regulations, and promotes knowledge exchange at national, regional and global level. Thereby SECO fosters an enabling environment for water and wastewater utilities to provide affordable, adequate and reliable services.



In addition to these four thematic priorities, SECO seeks to integrate the following **crosscutting themes** in its initiatives:

- **Climate change:** SECO projects, whenever feasible, support utilities and sector institutions in mainstreaming climate change adaptation and mitigation measures into their activities.
- **Gender and inclusiveness:** SECO projects focus on provision of water and wastewater services to all, including women and marginalised groups, and promote gender equality and inclusiveness within utilities and other sector institutions.
- **Digitalisation:** SECO projects support sector institutions to leverage digital and smart technologies for providing sustainable water and wastewater services.

SECO continues to implement bilateral and multilateral projects in the water and sanitation sector and contributes to multilateral water-related funds.



Further information:

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