



Schweizerische Eidgenossenschaft  
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# **HABITAT III - NATIONAL REPORT**

**April  
2016**

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**Switzerland's report to the Third United Nations  
Conference on Housing and Sustainable Urban  
Development (Habitat III)**

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## 1. Preamble

The present report is a contribution to the Habitat III process and the New Urban Agenda. The report focuses on priority policy areas in sustainable urban development in Switzerland. With respect to each of these areas, the report discusses general developments and policies, the role of cities and municipalities, and the current challenges in the respective areas.

Further, the report assesses the above-mentioned policy areas in light of the 11<sup>th</sup> Sustainable Development Goal (SDG 11) of the 2030 Agenda for Sustainable Development ('Make cities and human settlements inclusive, safe, resilient and sustainable') and other SDGs which, from a Swiss point of view, are important for sustainable urban development.

This report was compiled by the Federal Office for Spatial Development ARE (under the Federal Department of the Environment, Transport, Energy and Communications), the State Secretariat for Economic Affairs SECO and the Federal Office for Housing FOH (under the Federal Department of Economic Affairs, Education and Research), the Swiss Agency for Development and Cooperation SDC and the Directorate of Political Affairs (under the Federal Department of Foreign Affairs) and the Swiss Cities Association.

## 2. Swiss urban policy in relation to the 2030 Agenda for Sustainable Development

### Introduction

The 2030 Agenda for Sustainable Development accords central importance to urban and built-up areas, recognising that sustainable urban development and management are key to people's quality of life. Indeed, the 2030 Agenda includes a fully-fledged goal on cities and human settlements, as well as a range of other goals – on poverty, food security, health, education, water, energy, infrastructure, economic growth and employment, gender equality, and climate change – that are closely linked to sustainable urban development. Implementation of all SDGs will, for the most part, also take place in urban communities. One of the most significant opportunities for sustainable development lies in urban dynamics<sup>1</sup>.

Switzerland has been heavily involved in drawing of the New Global Agenda for Sustainable Development, considering this agenda as a point of reference for sustainable development until 2030. Consequently, Switzerland is no exception in taking action to implement the 2030 Agenda in all its thematic areas in both domestic and foreign policy. In addressing the issue of sustainable urban development, this report thus provides an opportunity to look specifically at Swiss implementation of the SDGs – and respective targets – that relate to sustainable development in urban areas.

The following section will provide an overview of all urban policy focus areas covered in this report, referring specifically to the corresponding targets of SDG 11 ('Make cities and human settlements inclusive, safe, resilient and sustainable'). This analysis of Swiss urban policy in relation to the 2030 Agenda will include a summary of the current situation, and will identify the most important challenges as well as actions that need to be taken. It will also take account of urban policy issues that are of relevance to Switzerland beyond SDG 11.

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<sup>1</sup> Today, 50% of the world's seven billion people live in cities, and some 70% of the earth's inhabitants will do so by 2050. Cities are home to extreme poverty and environmental degradation. At the same time, around 75% of global economic activity is urban, and as the urban population grows, so will the urban share of global GDP and investment.

**SDG target 11.1 – Ensure access for all to adequate, safe and affordable housing and basic services, and upgrade slums.**

The Swiss population has sufficient access to good-quality housing. Slums do not exist in Switzerland. Basic infrastructure is a matter of course. Nevertheless, Swiss housing policy faces a number of challenges. These include high living costs, levels of access to the housing market for specific groups of the population, a lack of social interaction, and the quality of people's residential vicinity. The legal parameters in respect to housing are enshrined in the Federal Constitution, while relevant instruments that contribute to achieving **SDG target 11.1** are in force but require periodic review and further development – in relation to, for example, support for the non-profit housing sector as well as housing research to establish decision-making tools and new concepts.

**SDG target 11.2 – Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons**

Switzerland has a well-developed, high-quality transport infrastructure in international comparison. The Federal Constitution stipulates that public transport be available at the same terms and at affordable prices to all social classes and regions of the country. However, Switzerland's contribution to SDG target 11.2 should not end there. Key challenges at present include the sharp rise in passenger and freight traffic due to demographic and economic factors, and the increasing spatial division between work, home and recreation. Switzerland's roads are sometimes unable to cope during peak traffic, while its rail network is stretched to the limit. Accessibility by rail to Swiss urban centres is of a high standard compared to the rest of Europe. Improvements to the transport network are still possible and are already being taken into account as part of the latest expansion plans. One major issue in particular relates to sustainable funding of further infrastructure improvements which also consider the specific needs of cities and conurbations. Given the high concentration of built-up areas, economic hotspots and transport infrastructure in what is a country with limited space, the biggest challenges lie in coordinating transport and urban planning, and in reconciling safety, emission reductions and amenity value with capacity requirements in dense urban centres in particular.

**SDG targets 11.3 and 11.4 – Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management / Strengthen efforts to protect and safeguard the world's cultural and natural heritage.**

On account of its polycentric structure, which on the one hand reduces the distances that people travel for work, basic facilities and services or leisure activities, and, on the other, enhances the competitive potential of each and every region, Switzerland attaches great importance to inclusive, sustainable spatial development (**SDG target 11.3**) and the protection of its cultural and natural heritage (**SDG target 11.4**). One of the major challenges that Swiss spatial planning and infrastructure policymakers currently face is the increasing amount of space required for housing, economic activity, transport and recreation, which is putting a strain on the countryside. The Confederation, cantons and communes/cities are working together to address this issue. More intensive use of built-up areas and careful land management are necessary to reduce pressure on the countryside. Traffic congestion hotspots need to be a factor in planning activities. In cities and conurbations, the onus is on safeguarding public spaces and undeveloped sites for the purpose of recreation and leisure, and adapting them to changing needs.

**SDG target 11.5 – Significantly reduce the number of deaths and the number of people affected and substantially decrease the direct economic losses relative to global gross domestic product caused by disasters, including water-related disasters, with a focus on protecting the poor and people in vulnerable situations**

The Confederation has a mandate to ensure that people and material assets are protected from natural hazards (of which the most common in Switzerland are floods, storms, landslides and avalanches). Adaptive land use constitutes the most efficient way to mitigate the impact of natural hazards. Yet, whenever this approach is not possible, structural or organisational measures are especially necessary to reduce the vulnerability of buildings and facilities. Timely alerts and notifications help to prevent damage. The amount spent on protection against natural hazards equates to around 0.6% of Switzerland's GDP. Swiss expertise and know-how in dealing with natural hazards – in other words, the Swiss contribution to achieving **SDG target 11.5** – are considerable in international comparison. However, Switzerland is not immune to the ever-increasing risk and damage associated with natural hazards. Here, the main challenges are urban expansion and more intensive land use in sensitive locations, as well as increased risk from natural hazards and the proliferation of extreme weather events due to the effects of climate change. The construction of elaborate protective structures cannot prevent damage alone. Spatial planning measures and cooperation between the public and private sectors are therefore gaining in importance. Knowledge regarding the continual intensification of land use is a key prerequisite for minimising risk, which is why work on analysing land use risk is currently ongoing.

**SDG target 11.6 – Reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management**

Switzerland has cut its greenhouse gas emissions in the last two to three decades despite a growing economy and population. In the area of natural resources, it has made great progress in recent decades with regard to air quality and abating water pollution. Efficient infrastructure and extensive legislation enable Switzerland to manage waste effectively. In addition to various statutory provisions, 'Energy Strategy 2050' also plays a major role in putting **SDG target 11.6** into practice in Switzerland. Implementation of Energy Strategy 2050 is contingent, for example, on reducing final energy and electricity consumption, raising the share of renewable energy and cutting energy-related CO<sub>2</sub> emissions. The big challenge is being able to do this without jeopardising today's high levels of energy supply security at acceptable prices. There also needs to be a certain trade-off between social, energy and climate policy, notably within the socio-economic household context. Switzerland's energy system must not be allowed to hinder social participation. Besides new technology, guidelines and legislation, any reduction in the environmental impact of cities also depends in particular on the Confederation, cantons and cities working together, and on business and society also doing their bit.

**SDG target 11.7 – Provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities**

People in Swiss urban areas have universal access to (relatively) safe, accessible, green public spaces, which are seen as essential to quality of life. However, urban population growth and the increasing amount of land use required for economic activity, transport, leisure and recreation mean that Swiss urban planners also have challenges to negotiate with regard to **SDG target 11.7**. The preservation and continued development of public spaces – in the interests of recreation, sport and nature – consequently take on ever-greater importance. It is important that in planning activities these spaces are not viewed as 'residual spaces' or put into a specific category, thereby rendering their key public purpose secondary. Public safety in Swiss urban areas is another relevant issue, for example in relation to littering, public alcohol abuse, youth violence, assaults and vandalism. A sustainable policy on public safety is dependent on being able to identify emerging security issues, such as rifts in society.

### **Migration and integration policy as a key factor in making urban areas inclusive, safe, resilient and sustainable**

From a Swiss perspective, migration and integration policy is a key factor in ensuring sustainable urban development. The SDGs do not explicitly address migration and integration policy within the context of urban areas or urban development (SDG 11). Nevertheless, implementation of migration-related SDG targets is heavily dependent on how urban areas approach this issue as well as on measures being properly coordinated at national and sub-national level. In advocating the implementation of planned and well-managed migration policies to facilitate orderly, safe, regular and responsible migration, SDG target 10.7 makes the case for rigorously coordinated measures at all state levels. This also applies to Switzerland, where immigration rates in urban areas are relatively high compared to those in rural Switzerland and in other European countries. Most migrants in Switzerland arrive from EU countries, mainly for economic reasons. However, the influx of migrants from conflict regions is increasing. Furthermore, goals such as SDG 4 (education) and SDG 8 (decent work) can only be realized if migrants are also taken into account in an inclusive manner – following the 2030 Agenda's commitment to "leave no one behind" – and sub-national authorities, including cities, play a major role in implementation. The four-year integration programmes launched in Switzerland in 2014 to help promote integration efforts at all state levels are a step in this direction. Integration offices and neighbourhood work also play an important part in urban areas. Target group diversity and the tightness of the housing market in many localities are a specific challenge when promoting integration. Education, employment and social integration are the priority areas. Key elements include: ensuring a welcoming environment, providing information and preliminary advice, lending professional advice and project support, implementing target-group-specific measures (e.g. intercultural translation) and promoting social integration.

### **Fiscal and economic policy as a key factor in making urban areas inclusive, safe, resilient and sustainable**

For Switzerland, fiscal and economic policy is a key factor in ensuring sustainable urban development. The SDGs do not explicitly address fiscal and economic policy within the context of urban areas or urban development. Accounting for 84% of Switzerland's total economic output and supporting the additional weight of peripheral communes, urban centres play an important role in Swiss fiscal and economic policy. The Confederation's policy on conurbations ensures the best possible parameters for a competitive and diverse economy. However, a sustainable and long-term growth policy is the only way to strengthen Switzerland as a business location, lay the foundations for more and better jobs, and maintain and increase national prosperity. Such a policy involves measures to strengthen workforce productivity, increase economic resilience, and enhance resource productivity to mitigate the negative side effects of economic growth.

### **Education, research and innovation as key factors in making urban areas inclusive, safe, resilient and sustainable**

The SDGs do not explicitly address education, research and innovation within the context of urban areas or urban development. From a Swiss perspective, education, research and innovation are crucial factors in ensuring sustainable urban development, however. They are the key to generating new knowledge, promoting social integration and increasing competitiveness. Switzerland's dual education system and array of internationally competitive universities give its conurbations and metropolitan areas an important edge over their counterparts in other countries. With its strong research focus, Switzerland is also an international leader in innovation. One particular asset in this context is Switzerland's blend of highly innovative SMEs on the one hand and numerous large R&D-focused multinationals on the other. However, to combat an increasing lack of skilled workers (e.g. in healthcare), the education system needs to be more effective in identifying, nurturing and making the most of people's

talents. Improvements to existing infrastructure are necessary to eliminate social, cultural, economic, migration-related and disability-related discrimination while taking evolving needs into account. In particular, greater promotion of higher vocational education and training as an equivalent option at tertiary level is one way to address this issue.

### **Health as a key factor in making urban areas inclusive, safe, resilient and sustainable**

From a Swiss perspective, health is a key factor in ensuring sustainable urban development. The SDGs do not explicitly address the issue of health within the context of urban areas or urban development. Healthcare infrastructure in Switzerland's larger urban centres is well developed. However, continual efforts are necessary to ensure that all patients receive the healthcare they need, regardless of their culture or language. Rising costs constitute a major challenge in Swiss healthcare as a result of changing demographics, the increase in chronic disease and advances in medical technology – factors that not only have an impact on quality of life, equal opportunities and the quality of healthcare provision, but also need to be taken into account in the sustainable development of urban areas. On-going work is required to improve transparency and the quality of management within the health system.

### **Culture as a key factor in making urban areas inclusive, safe, resilient and sustainable**

For Switzerland, culture is a key factor in ensuring sustainable urban development. This factor is only partially covered by SDG target 11.4 on the protection and safeguard of the world's cultural and natural heritage. Switzerland boasts a very rich cultural scene. Its urban areas play a particularly important role as centres of cultural life and sponsors of cultural activity. Social trends influence culture and always lead to new challenges – which from a Swiss viewpoint currently include globalisation, digitalisation, demographic change, individualisation and urbanisation. In response to these challenges over the coming years, the Confederation intends to provide funding and practical assistance in the areas of 'cultural participation', 'social cohesion' and 'creation and innovation'.

### **Contribution of Swiss international cooperation to the achievement of SDG 11 and other SDGs relevant in urban contexts.**

Switzerland also attaches great importance to the development of inclusive, safe, resilient and sustainable cities and human settlements in its international cooperation. Together, these various commitments contribute to the realisation of SDG 11 as well as to a range of other SDGs relevant in urban contexts. Through its international cooperation, Switzerland engages in the following priority areas of sustainable urban development: urban planning and management including climate resilience and energy efficiency, economic development and integration, and social inclusion and urban migration. Switzerland addresses these priority areas at the operational level, both locally, nationally, and at the global policy level in order to contribute to further developing and shaping of international standards and approaches based on experiences on the ground.

The Dispatch on International Cooperation defines urban development with a focus on climate compatible urban planning and infrastructure development as a priority line of activity for Swiss development cooperation. With the unprecedented urbanisation of the world in the 21<sup>st</sup> century there is a growing shift of development challenges from the rural to the urban space. In the long term therefore, Switzerland will have to consider in its approach to sustainable development how the economic, social and environmental challenges of rapid urbanisation can be best addressed in a comprehensive manner.

## Outlook

The 2016 Habitat III conference is an important milestone and a tangible opportunity to pave the way towards implementation of the 2030 Agenda in urban areas and take initial measures in this regard through the adoption of a sustainable urban agenda. This is also mentioned explicitly in paragraph 34 of the 2030 Agenda.

Due for adoption at Habitat III, the New Urban Agenda is therefore intended as a renewed commitment by the international community to making urban areas sustainable, inclusive, secure and resilient in accordance with the 2030 Agenda.

The New Urban Agenda shall flesh out the 2030 Agenda in relation to sustainable urban development. It underpins the key role that Habitat III will play in putting the SDGs into practice in urban areas, by defining a specific action framework for the implementation of SDG 11 and the other goals and targets of the 2030 Agenda that are of relevance to towns and cities – a framework to inspire and guide countries and other stakeholders in fulfilling the SDGs.

### **3. The role of cities and communes in the Swiss federal system**

Cities and communes constitute the lowest level in Swiss federal system. The Federal Constitution of 2000 mentions them explicitly in Art. 50, para. 1 ('The autonomy of the communes is guaranteed in accordance with cantonal law.'), para. 2 ('The Confederation shall take account in its activities of the possible consequences for the communes.') and para. 3 ('In doing so, it shall take account of the special position of the cities and urban areas as well as the mountain regions.').

The cantons continue to be the Confederation's primary points of contact in adoption of federal legislation, and they essentially determine the tasks assigned to the communes. In addition, the cantons have extensive rights to participate in shaping federal policy – as do the communes to a somewhat lesser extent.

#### A wide range of tasks at communal level

The extent of self-governance at communal level varies from canton to canton. Consequently, the range of possible tasks at this level is very diverse. Communes – and, in particular, cities – must ensure efficient road and rail connections, maintain utility and waste disposal infrastructure, provide cultural, sporting and educational facilities, and guarantee public safety. They are responsible for attracting jobs, fostering social cohesion and managing the social integration of foreigners and the socially underprivileged.

The relatively significant powers that Swiss cantons, communes and cities enjoy provide scope for customised approaches. Swiss federalism thrives on creativity and the pooling of ideas to achieve maximum results. Particular onus is on the cities, which are often on the proverbial front line when facing new challenges. Cities and communes being able to perform their duties depends not least on adequate financial resources. Fiscal federalism plays a key role in this respect. Without fiscal and financial autonomy, Swiss cities and communes would not be able to perform their tasks.

#### Cities and communes are synonymous

The number of communes in Switzerland at the beginning of 2016 totalled 2,294, of which 162 were statistically regarded as cities. According to the Federal Statistical Office, a commune is deemed to be a city once it reaches a minimum density in terms of inhabitants, jobs and overnight stays. This statistical definition of a city has no direct legal effect. Cities in Switzerland have the same legal status as communes.

The process of urbanisation of Switzerland began in the mid-19th century and has continued, if not accelerated, over recent decades. Today, some three quarters of the Swiss population live in cities or urban communes. Urban areas are also responsible for around 84% of Switzerland's economic output. Since the turn of the millennium, conurbations have expanded more rapidly to become major urban centres or metropolitan areas. Likewise, Switzerland's core cities have seen a change in de-

mographics since 2000, as their populations increase again due to the influx of young people attracted to city life.

### **Good practice**

#### Tripartite Conurbations Conference (TAK/CTA)

It has become increasingly apparent in recent years that Switzerland's conurbations cannot remedy their problems single-handedly. The federal intertwining of tasks means that all partners of the federal state need to be involved in addressing these issues.

With this in mind, the Conference of Cantonal Governments (KdK/CdC), the Swiss Cities Association (SSV/UVS) and the Association of Swiss Communes (SGV/ACS) founded the Tripartite Conurbations Conference (TAK/CTA) in February 2001. TAK/CTA provides a shared platform for promoting vertical cooperation and developing a joint policy on conurbations.

## **4. Policy areas**

### **4.1 Spatial development and infrastructure**

#### Current situation and Confederation policy

One of the characteristics of Swiss federal system are the many small and medium-sized urban centres that dot the country. This polycentric structure reduces the distances that people travel for work, basic facilities and services, education and training, or leisure activities. Polycentric spatial development helps to enhance the potential of each and every region and maintain the international competitiveness of the country as a whole.

Despite the benefits of its spatial structure, Switzerland faces major challenges related to urbanisation. These include ever-increasing urban expansion as well as traffic flow in conurbations.

The Swiss Confederation is responsible for framework legislation with regard to spatial development. However, practical planning implementation remains essentially a matter for the cantons, which in turn often delegate a number of tasks to the communes.

As well as defining the general principles of spatial planning and the primary planning tools that apply, the Confederation supports the cantons, cities and communes in their efforts to coordinate transport, urbanisation and landscape management in urban and rural areas more effectively. This assistance is as much about publishing instruction manuals as it is about helping to fund infrastructure via conurbation programmes (see below). Spatial planning is a public responsibility incumbent upon the Confederation, cantons, cities and communes within their own respective spheres of authority. However, its effectiveness depends on these stakeholders working in partnership, given that, ultimately, all three levels in the Swiss federal system are essentially working on the same "patch".

#### The role of cities and communes

Swiss cities and communes are on the front line when it comes to relieving the pressure on the countryside exerted by the rising number of households and the increasing amount of space required for housing, economic activity, transport, leisure and recreation. The aim of spatial planning at communal level is to maintain and enhance people's standard of living and quality of life – with the focus on ensuring the affordability of relevant infrastructure, improving the attractiveness of the locality in question, and keeping options for future development open.

Sufficient numbers of highly trained spatial planning professionals on the ground are one of the things that are necessary for cities and communes to carry out this task effectively – but there are not enough specialists to go round at present.

#### Current needs

Switzerland's urban sprawl is relentless. More intensive use of built-up areas is essential in preserving agricultural land and open spaces. In particular, this means developing brownfield land, gap sites and under-used building zones first before preparing greenfield sites or registering new plots within build-

ing zones – an approach that can help significantly to ensure appropriate and rational land use, as stipulated in the Federal Constitution.

Furthermore, with cities growing in size and density, and with increasing traffic, transport infrastructure in urban areas is coming under ever-greater strain. Traffic congestion and overcrowded public transport are preventing cities and conurbations from functioning properly. Deteriorating roads are also having a negative impact on quality of life and on the ability of conurbations to attract new business. The challenge ahead is to ensure sustainable mobility in the face of demographic and economic growth.

New transport infrastructure matters, but effective planning is also necessary in relation to new developments that generate considerable traffic. Shopping centres, specialist stores and leisure facilities, for example, cater to many of our modern needs. The economic interests tied up in their construction are substantial. They can boost the development of the surrounding area and transport infrastructure – but they can also impose a heavy environmental burden. The same applies when major employers move in. Cantonal planners must take this traffic issue into account.

Lastly, undeveloped open spaces are crucial to people's quality of life. Switzerland's built-up areas continue to expand, which is why it is all the more important to safeguard and nurture open spaces for the benefit of nature and humans. Even though open spaces serve a variety of vital functions (recreation, social interaction, sport, leisure, health, proximity to nature, climate regulation), planners often view them as 'residual spaces' or straitjacket them into a specific category. It is precisely within conurbations, where land use is dense, that the idea of a coherent and attractive network of open spaces of varying sizes comes into its own.

#### **Good practice**

##### Transport and urbanisation conurbation programmes

The transport and urbanisation conurbation programmes are a linchpin of the Confederation's conurbation policy and of sustainable spatial development in Switzerland – coordinated transport/urbanisation planning and landscape management in urban areas being the objective.

Conurbation programmes are planning instruments designed to improve conurbation transport systems and coordinate transport and urbanisation development at communal level – and even cantonal and national level to a certain extent. The bodies that back these programmes determine their overall vision for the future and draw up strategies and measures accordingly.

Applications for federal grants to fund transport infrastructure must be submitted to the Federal Office for Spatial Development ARE in conjunction with the relevant conurbation programme. The Confederation evaluates the conurbation programmes and presents its findings in scrutiny reports. As a rule, conurbation programmes follow a four-year cycle.

## **4.2 Housing policy**

### General developments and Confederation policy

Housing provision in Switzerland is market-based. Switzerland's inhabitants have sufficient access to good-quality housing. They also enjoy access to basic amenities such as clean drinking water, sanitary facilities, electricity and the internet. Average per capita living space in Switzerland is 45m<sup>2</sup>. Population growth, low interest rates, the shrinking size of households and a generally positive economic climate mean that demand for housing has risen sharply in recent years. Supply has responded to this increase in demand. Between 2002 and 2013, the number of new housing units built each year rose from nearly 29,000 to around 50,000.

The Swiss housing market is largely rental in nature. Most rental housing is owned by private individuals or institutional investors (pension funds, insurance companies). In particular, non-profit investors (housing cooperatives, foundations) have a significant share of the market in urban areas, where they are an important stabilising factor on account of their affordable portfolios. The rate of owner-

occupancy has climbed continuously in recent decades and now stands at 38%. This is notably due to record low mortgage rates which in turn have led to a sharp increase in floor-by-floor ownership.

Swiss housing policy aims to provide for a suitable regulatory framework to ensure that the housing market functions efficiently, thereby enabling investments in housing construction while protecting against unfair rental practices. In view of this, the Federal Constitution includes an article in relation to the rental housing market which obliges the Confederation to legislate against unfair rents.

Furthermore, it is a constitutional duty of the Confederation to promote housing construction for the economically and socially underprivileged. Implementation of this task is based primarily on the Federal Housing Act adopted in 2003, which places special emphasis on cooperation with non-profit housebuilders. The Confederation also carries out housing research to explore decision-making criteria and concepts aimed at stimulating the housing sector.

However, housing policy and, in particular, the promotion of housing construction are tasks shared at all three levels of the state.

#### The role of cities and communes

The market situation and the challenges vary from region to region, which is why not all Swiss cantons pursue housing policy with the same intensity. Cantons like Zurich and Geneva have a long tradition of promoting housing construction, while others have only recently been implementing their own programmes or still have no involvement at all. Cities and communes have even greater market proximity. Not only do they know the needs of their inhabitants and the characteristics of the local housing market, but they also have long-standing relationships with many of the landowners. In the large urban centres, as well as in smaller localities, sharply rising land and housing prices can lead to a form of homogenisation or 'ghettoisation' in favour of a particular demographic group, and jeopardise community's life in the long term. Cities and communes affected by this phenomenon are taking action to ensure that low- to medium-income families and individuals also have access to an adequate level of housing. Their strategies include plugging gaps in the housing market, either directly or indirectly through the sale of land to suitable housebuilders at favourable prices, allocating grants to cash-strapped households in order to cover the cost of rental payments, as well as using construction and planning legislation to stipulate what types of new housing are allowed in specific zones and how much these new builds should cost.

Since 2013, the Confederation, cantons and cities have been in intensive dialogue on the issue of housing, discussing market-related matters and coordinating measures in order to prevent them from producing duplications. Housing also needs to be an important cross-cutting topic on the agenda at all three levels of the state. For example, measures related to spatial planning or to taxes, transport or energy policy can also have an effect on housing provision.

#### Current needs

A functioning market offers choice for people trying to find homes and helps to ensure that most housing needs are met. However, experience shows that average demand is what drives the market. This is to the detriment of specific housing requirements, including those of the elderly (whose share of the population will grow substantially due to demographic changes), the disabled, and individuals or households on low incomes. When housing markets are tight, as is currently the case in cities and their surrounding areas, cash-strapped households risk being priced out of the market. Not only is this a problem for those affected who feel discriminated and marginalised – the strain of housing costs also has negative economic consequences due to the fact that inhabitants have less financial means left for private consumption or for education and training. In cities and other attractive localities, affordable housing is becoming increasingly scarce due to existing buildings being extensively renovated, converted into floor-by-floor ownerships or replaced by new buildings. On the other hand, demand for second homes through tourism can also price people out of the market in peripheral regions. What is more, subsidised housing stock is falling as funding schemes come to an end.

Therefore, the key challenge for housing policy is about ensuring, and continuing to ensure, that all sections of the population have access to the housing market and that there is enough housing available. Next to low-income households, special attention needs to be devoted to individuals and groups who are often discriminated in the allocation of housing on account of their skin colour, nationality or religion. In addition to employment and education, housing is an important element in the social integration of migrants.

Furthermore, neighbourhoods can often be unattractive, lacking in the amenities needed for daily living or affected by undesirable traffic, noise or odours. A lack of social interaction in local communities and neighbourhoods can also lead to isolation and hinder participation in community life – an aspect that merits particular focus in view of the increase in one-person households and an ageing population.

### **Good practice**

#### Bond-Issuing Cooperative (*Emissionszentrale für gemeinnützige Wohnbauträger EGW*)

The Bond-Issuing Cooperative (BIC) is a vehicle for financing the properties of non-profit housebuilders at favourable conditions. Investors raise funds through bonds that are issued publicly in their own name, but on behalf and for the account of participating members. BIC bonds are covered by a federal guarantee and therefore have the top AAA rating. Since its creation, the BIC has carried out 76 issues accounting for a total volume of around CHF 5.57 billion. The BIC is a cooperative that was established in 1990 by a handful of non-profit umbrella housing organisations. Its membership consists of housing cooperatives and other non-profit housing organisations. From the outset, the BIC provided financing at conditions that were a lot more favourable than those of bank-issued fixed-rate mortgages of comparable length.

Housebuilders use the bond ratios from this scheme to finance the construction, purchase and renovation of properties.

<http://www.egw-ccl.ch/> (in French and German only)

#### Swiss Housing Evaluation System (*Wohnungs-Bewertungs-System WBS*)

The Swiss Housing Evaluation System (WBS) is a tool for planning, appraising and comparing residential buildings. Focusing on specific practical use and added value for residents, it applies 25 different criteria to ascertain value in use in three categories: location, residential complex and housing unit. The newest version of WBS (2015) takes the latest developments in residential construction into account.

Flexible or innovative forms of housing are just as easy to assess via WBS as traditional dwellings. The Federal Office for Housing FOH uses WBS to review applications related to the promotion of housing construction. In addition, WBS helps planners, housebuilders, authorities, competition organisers, students and other interested parties to address the challenges of the housing sector.

<http://www.bwo.admin.ch/wbs> (in French, German and Italian only)

#### Model projects 2014–18

The 'Sustainable spatial planning model projects' federal programme encourages local, regional and cantonal stakeholders to develop and test innovative projects. Six pilot schemes devoted to the 'creation of sufficient and appropriate housing' are receiving support from 2014 to 2018, benefiting during this four-year period from financial and technical assistance as well as regular liaison among project organisers. One project, for example, has helped to initiate a round-table forum entitled 'die Tourismusdestination Zermatt schafft ein bedarfsgerechtes und bezahlbares Wohnungsangebot für Ortsansässige' ('Appropriate and affordable housing for local residents in the tourist destination of Zermatt'). Its intention is to ensure that housing needs in the communes of Zermatt, Täsch and Randa are properly met. A wide range of local land and property market participants as well as other interested parties (e.g. employers) have come together as part of the project to develop a strategy and concrete solutions towards providing all sections of the population with housing of sufficient quantity

and quality at reasonable prices. Their focus is not only on creating new residential space, but on using existing building and housing stock as well.

<http://www.bwo.admin.ch/themen/00532/00534/index.html?lang=de> (in French, German and Italian only)

### **4.3 Transport policy**

#### General developments and Confederation policy

Switzerland has a well-developed, high-quality transport infrastructure compared to other countries – an important factor in the global market. However, peak traffic sometimes drives the capacities of Swiss roads to its limits. Congestion hotspots tend to be in metropolitan areas and on the main arteries in between them. Swiss rail network and public transport system in large cities and conurbations are already operating at peak capacity. In terms of (continental) accessibility by rail, Swiss urban centres rank in the middle compared to the rest of Europe. This is because topographical and operational factors prevent Swiss trains from reaching ‘high speeds’ (of up to around 200 km/h), as opposed to ‘top speeds’ (of up to 300 km/h or more). Geneva and Zurich international airports are also experiencing capacity-related problems.

Demographic and economic factors, as well as the increasing spatial division between work, home and recreation, have led to a sharp rise in passenger and freight traffic in recent decades. The Confederation’s transport outlook for 2030 indicates that this trend will continue for all forms of transport.

Cities and conurbations are home to important transport intersections at which local, regional and trans-regional traffic flows converge. Ever-increasing levels of mobility have a powerful impact in this regard. Some 85 to 90% of traffic jams on Swiss roads are in urban areas. Urban public transport is also expanding, being fuelled by the growth in commuter and leisure mobility.

The dilemma of growing demand, limited funding and ever-dwindling land resources will dictate how transport infrastructure will evolve in the future.

Since 2010, the Confederation has been helping to fund urban transport infrastructure projects via conurbation programmes.

The division of tasks between communes and cantons takes numerous forms, in terms of both funding and the assignment of responsibilities.

#### The role of cities and communes

Responsibility for 72% of Switzerland’s entire road network rests with the communes. Communal roads serve as the basis for journeys using public and private transport on the one hand and freight movements on the other.

The communes are responsible for the construction, operation and maintenance of communal roads. General tax revenues help to fund these tasks almost entirely. Communes and cantons also implement measures to reduce traffic emissions (e.g. noise and pollutants) or at least protect people more effectively from their impact.

The Federal Constitution stipulates that public transport be available at the same terms and at affordable prices to all social strata and regions of the country. Urban areas in particular play a crucial role in shaping public transport. This applies to the construction and operation of infrastructure, such as bus and tram routes, and to the range of public transport services provided.

Cities and communes manage the interface between transport infrastructure and public space. They plan, develop and manage parking capacity, and design railway stations and public transport stops in cooperation with the Confederation, cantons and public transport companies. Simultaneously, they implement the requirements of the Disability Discrimination Act. Furthermore, cities and urban com-

munes have made a lot of effort over the last few years to improve the safety and amenity value of public roads and squares.

In light of the strong traffic growth in recent years, particularly growth in private motorised transport, Swiss cities have set great store in developing infrastructure for public transport, cyclists and pedestrians. Urban mobility strategies and conurbation programmes form the basis of this approach. For example, trams are enjoying a renaissance, while bicycle traffic has become more of a determining factor in road design. Numerous cantonal and communal referendums have been underlining this trend in recent years. Some 52 Swiss cities and communes have ratified a 'sustainable urban mobility charter' outlining relevant principles. A set of energy-related targets has also been drawn up for urban areas. Communes within the same conurbations are working together towards their respective goals, not least in conjunction with the relevant conurbation programmes.

The quality of transport infrastructure also determines the competitiveness of urban centres, which, in turn, is a factor in ensuring economic prosperity throughout Switzerland.

#### Current needs

Dealing effectively with increased traffic volumes is a considerable challenge, particularly in dense urban centres. Standards and other statutory provisions require updating in order to reconcile the need for safety, emission reductions and amenity value on the one hand, as well as capacity requirements on the other.

Enhanced transport and urban planning coordination is necessary to curb and channel the growth in mobility. This involves pursuing approaches such as the Spatial Development Report or the conurbation programmes on transport and urbanisation.

The biggest priority with regard to transport policy relates to localities in which roads and railways are already exceeding their capacities, i.e. large urban areas, the main arteries in between, and transit corridors. Sustainable funding of further infrastructure improvements is necessary at national level. In order to secure the long-term funding of motorways and urban transport, the Federal Council has decided to establish a new fund at constitutional level with an unlimited duration: the Motorway and Urban Transport Fund (NAF/FORTA/FOSTRA). This constitutional amendment is awaiting approval from the electorate.

## **4.4 Energy and environmental policy**

### General developments and Confederation policy

In the last 25 years, the Swiss economy has grown by 38% and its population by 21%. Despite this, Switzerland's greenhouse gas emissions are lower than what they were in 1990, mainly as a result of action on fossil fuels (for heating and industrial requirements). Some 80% of CO<sub>2</sub> emissions stem from energy use. As such, climate change mitigation is essentially dependent on energy policy.

Next to gas and wood, energy supplies mainly consist of oil products and electricity. Most electricity comes from hydroelectric power plants and nuclear power stations, while a smaller proportion of it comes from renewable energy sources as well as conventional thermal power stations and district heating plants.

In the use of natural resources, Switzerland has made great strides in recent decades with regard to air quality and keeping water-related ecosystems clean. For example, since 1990 sulphur dioxide emissions have fallen by over 80% and lead-containing particulate matter emissions by over 90%. However, excessive concentrations – based on statutory thresholds – of particulate matter (PM<sub>10</sub>), ozone, nitrogen oxide and ammonia continue to impair human health and damage natural ecosystems. Thanks to the expansion of wastewater treatment plants across the country, water quality has improved considerably in recent decades. The next step will be to remove micropollutants as well.

Efficient infrastructure and extensive legislation enable Switzerland to manage waste effectively. Per capita waste generation is steadily increasing and was around 700 kilogrammes per person in 2011 – an international high. The public sector encourages recycling – in this aspect Switzerland is also ahead of other countries. In 2012, over 90% of glass bottles and aluminium cans were collected for recycling, as were most PET bottles, batteries and paper. What is more, private individuals compost a proportion of organic waste themselves.

The Federal Constitution stipulates the following: 'Within the scope of their powers, the Confederation and cantons shall endeavour to ensure a sufficient, diverse, safe, economic and environmentally sustainable energy supply as well as the economic and efficient use of energy.' In addition to statutory legislation – essentially, the Energy Act, the CO<sub>2</sub> Act, the Nuclear Energy Act and the Electricity Supply Act – it is also the policy of the Confederation and cantons to develop energy outlooks, strategies and implementation programmes, and evaluate energy-related measures at the communal, cantonal and federal levels. In 2011, the Federal Council and Parliament decided that Switzerland was to withdraw from the use of nuclear energy on a step-by-step basis. In accordance with Energy Strategy 2050, the Federal Council wishes to restructure Swiss energy system gradually, while consistently exploiting the existing energy efficiency potential and making greater use of renewable energy sources.

According to the Federal Constitution, cantons have primary responsibility for energy policy in relation to buildings. However, the cantons are also actively involved in other energy-related policy areas (energy provision, structure planning, SwissEnergy projects, funding, major consumers, mobility, setting examples, etc.). In recent years, most cantons have drawn up strategies, concepts, guidelines and planning reports, including corresponding targets and action plans, in relation to their respective energy policies. Relevant objectives are based, for example, on the principles of the '2000-watt society', on a reduction in CO<sub>2</sub> emissions, and on the SwissEnergy goals.

In regard to legislation, the cantonal 'model provisions' constitute a series of extensive energy stipulations that relate primarily to buildings and reflect the political desire for greater energy efficiency and increased funding of renewable energy sources. On the one hand, these provisions help to harmonise energy regulations broadly from canton to canton; on the other hand, responsibility for implementing energy legislation rests with each individual canton.

Since 2015, the model provisions have included the 'nearly zero-energy buildings' concept for new builds. In addition, every new build must cover a portion of its own electricity requirements, while old buildings must cut their CO<sub>2</sub> emissions on a gradual basis. In terms of replacing fossil heating systems, 10% of existing energy consumption needs to be offset in future through the use of renewable energy or through efficiency measures.

#### The role of cities and communes

Energy is a key factor in the economic and social life of cities and communes. Therefore, cities and communes have a particular responsibility – and, indeed, are doing their bit – when it comes to energy policy, be it through the ownership of local energy infrastructure or the implementation of energy-related policy measures at local level. Energy policy at communal level also relates specifically to spatial planning, in relation to urban development and transport infrastructure coordination at regional level on the one hand and sustainable neighbourhood development on the other.

Traditionally, cities and communes – as well as cantons – have always been involved in supplying energy. Today, many of Switzerland's 700 or so energy utilities are in communal ownership. Between 55 and 60% of the population receive their electricity from a city or communal utility, while the corresponding percentage is considerably higher for gas. Most of the country's approximately 100 gas providers belong to cities or communes. Communal energy utilities usually tend to be multi-utilities, which also supply the country with gas and heat in addition to electricity. Cities and communes are responsible for supplying energy reliably to a large proportion of the Swiss population – although energy provision is only part of the story. Energy structure plans, consultation and funding programmes for energy efficiency in buildings, sustainable mobility, and renewable energy are as much a feature of

successful energy policy at communal level as energy open days and internal administrative measures. City and communal energy policies combine measures in a variety of areas and are more effective in combination than as stand-alone policies.

Cities and communes also play an important role in waste and waste-water management – public tasks with a direct environmental impact. They collaborate with cantons and often set up cross-communal administrative bodies to ensure that waste disposal, waste-water treatment and material recycling methods are environmentally sound, cost-effective and reliable. Furthermore, cities and communes are becoming increasingly important producers of electricity, heat and biogas.

#### Current needs

Successful implementation of EnergyStrategy 2050 is dependent on the Confederation, cantons, cities, communes and the business community working in tandem. For example, it means reducing final energy and electricity consumption, raising the share of renewable energy and cutting energy-related CO<sub>2</sub> emissions – and doing so without jeopardising Switzerland's existing high level of supply security at acceptable prices. The Federal Council's strategy focuses primarily on the consistent exploitation of existing energy efficiency potential, and, secondly, on making balanced optimum use of the potential of hydropower and new renewable energy sources.

However, next to addressing the problems of excessive energy consumption and greenhouse gas emissions, there should also be a certain trade-off between social, energy and climate policy, especially within the socio-economic household context. The restructuring of Switzerland's energy system needs to be affordable and must not be allowed to hinder social participation.

Cuts in energy consumption are not only contingent on new technology, guidelines and legislation. Society itself also needs to take responsibility.

#### **Good practice**

##### Energy City

For some years now, numerous cities and communes have been devoting particular attention to sustainable energy policies and helping to promote energy efficiency and renewable energy. This is based on the objectives of the '2000-watt society' on the one hand, which envisages cutting per capita energy consumption from currently 5,500 to 2000 watts per year, and the 'one tonne society' on the other, which aims to reduce annual per capita CO<sub>2</sub> emissions from some six tonnes at present to one tonne in the future.

Established 25 years ago, the Energy City label helps to underpin communal energy policies. It is awarded to cities, communes and regions that are committed to quality management as a means of putting their energy and environmental policies into practice. Energy City is one of the most successful federal SwissEnergy programmes. Communes, cities or regions receive the Energy City label if they have implemented or committed themselves to implementing more than 50% of a series of possible measures. They can achieve the scheme's highest distinction, the European Energy Award®Gold, if they have implemented or committed themselves to implementing more than 75% of these possible measures.

At the end of 2015, there were 385 'energy cities' in Switzerland that are home to some 4.4 million people (or around 54% of the population). Of these 385, 35 had received the European Energy® Award Gold.

## 4.5 Fiscal and economic policy

### General developments and Confederation policy

The Swiss economy has performed well in recent years compared to other countries. However, the strength of the Swiss franc took its toll in 2015, and significant risks have dampened the outlook for the years ahead, e.g. structural problems among some of Switzerland's trading partners, the issue of the strong Swiss franc, and uncertainty regarding future relations with the EU. In such a difficult climate, economy policy must bring about the right conditions for growth which are key to maintaining Switzerland's attractiveness despite the currency disadvantage and other challenges.

Switzerland's good performance is largely attributable to a high employment participation rate and growth in export sector productivity. However, workforce productivity is moderate in domestic-oriented sectors.

Concurrently, the detrimental impact of economic growth on the environment, natural resources and infrastructure is also the focus of growing public scrutiny. What is more, the experience of the financial crisis that began in 2008 – and of the debt and economic crises that followed – teaches us that the prevention of serious crises is certainly one of the factors in ensuring sustainable growth.

Fiscal and economic policymaking is shared among the three state levels – Confederation, cantons and communes. In many areas, such as policymaking at regional level and attracting investment from abroad, responsibility lies with both the Confederation and the cantons. Cities and communes also have far-reaching powers with regard to fiscal policy.

Developments abroad have implications for cities too. The economic crisis, particularly in the financial sector, had a direct impact on tax revenues. Large-scale immigration affects cities much more than smaller communes, and has reinforced the trend towards urbanisation in Switzerland. Today, urban areas are home to some three quarters of the Swiss population and responsible for 84% of Switzerland's economic output. Cities must adapt their infrastructure and services accordingly, while supporting the weight of peripheral communes.

### **The role of cities and communes**

Swiss cities and communes are more or less autonomous in managing the revenues they need to fulfil their tasks, such as essential government duties that relate to education, social welfare, culture, energy provision, spatial planning, etc.

Cities and communes thus play an important role in fiscal and economic policymaking, aiming for fiscal approaches that are conducive to a nationally and internationally competitive, fair and balanced fiscal system. With respect to economic policy, cities and communes provide the ideal framework for creating and safeguarding jobs, and follow targeted strategies to attract new business. The services they offer – e.g. schools, child day-care centres, user-friendly and efficient administrative structures, and the maintenance and expansion of infrastructure and public transport – contribute significantly to Switzerland's attractiveness as a business location.

### **Current needs**

As global competition to attract investment becomes more intense, Switzerland must increasingly look to its strengths and use its specific advantages, particularly in the urban areas that drive its economy. The Confederation's policy on conurbations helps residential and commercial conurbations to function as localities that create value, and thereby offers the best possible parameters for a competitive and diverse economy. Within regional innovation systems, the dynamism of economic hubs needs to be transferred to rural areas. This involves exploiting and translating locational quality into added value.

Switzerland is looking to implement a sustainable long-term growth policy that will strengthen the country as a business location by stimulating competition, laying the foundations for more and better jobs, and maintaining and increasing national prosperity. This challenge requires action in the follow-

ing three areas: strengthening growth in workforce productivity, increasing economic resilience, and enhancing resource productivity to mitigate the negative side-effects of economic growth.

Furthermore, the Confederation aims to achieve a balanced budget with a sustainable fiscal policy that saves future generations from having to pick up the bill. Various instruments come into the equation. These include a 'debt brake', cost-cutting packages and moderate tax hikes. Local authorities are also implementing their own strategies with the same purpose in mind.

## **4.6 Social cohesion**

### General developments and Confederation policy

Cultural and social diversity is a great opportunity for Switzerland. However, demographic change, varied forms of living and developments in the housing market may also lead to exclusion and segregation as well as social tension, particularly in urban areas that are home to very diverse communities.

Through its conurbation policy, the Confederation encourages the social and spatial integration of people of all ages, cultures and social backgrounds, helping to promote diversity and urban quality of life as well as equitable housing. Conurbation policy must facilitate the social integration of different groups of the population, taking the various needs of a plural society into account.

The Confederation works towards this objective in a number of ways. Firstly, it does so by maintaining and developing stimulus programmes to encourage social cohesion in urban areas. The Confederation defines the strategy and conditions for implementing these programmes, offers financial and expert assistance based on the resources available, and is committed to ensuring that integration measures are applied throughout every urban area concerned. Secondly, the Confederation aims at improving cross-sector collaboration to reinforce social cohesion. This involves strengthening vertical and horizontal coordination of policy measures within and across relevant fields, such as spatial planning, housing, social policy, integration, education, health, sport and transport. The Confederation is committed to ensuring that the inclusion and participation of state and non-state actors in the form of partnerships is encouraged. Another way of achieving this goal is striving to improve research on social issues in urban areas. In collaboration with the cantons, cities and communes, the Confederation initiates knowledge creation and is involved in sharing of findings and insights, with the aim of recognising and averting social tension. Finally, the Confederation seeks to expand existing knowledge in order to encourage affordable housing in cities and conurbations – improving know-how and helping to interconnect research on this issue in the process. The Confederation launches stimulus programmes and promotes dialogue to ensure sufficient and appropriate housing.

### The role of cities and communes

Social cohesion is a big challenge, not least in urban society. In Swiss cities and conurbations, the percentage of foreigners is higher than the Swiss national average, and there is also greater diversity overall in terms of living styles, age demographics, social status, etc. Cities and communes put great emphasis on achieving social cohesion, be it through an active approach to neighbourhood work, implementation of communal integration programmes, or support for non-profit housing construction. According to a study by the Swiss Cities Association in 2014, 74% of Swiss cities have bodies or specialist offices devoted to age-related and generational issues. Policy measures in this regard relate to various areas and range from housing and social integration, to consultation and cross-generational dialogue.

### Current needs

Switzerland has a very diverse population: it includes young people, old people, urban dwellers, mountain inhabitants, Swiss, non-Swiss. This is why social cohesion, mutual respect between different groups of the population, and the development of shared values have to play a crucial role. What

is more, Swiss population is ballooning as a result of immigration. This influx is not without benefits (enabling the economy to find the workforce it needs, increasing cultural diversity), nor is it without drawbacks (social exclusion of immigrants, illegal immigration). When it comes to migration, Switzerland must maximise the opportunities and mitigate the risks.

#### **Good practice**

##### 'Urban projects – Social integration in residential areas'

Via the 'Urban projects – Social integration in residential areas' programme, the Confederation, with the support of the cantons, has helped communes to improve the quality of life in residential neighbourhoods blighted by a lack of social cohesion. The programme is a collaboration between five federal agencies. Sixteen communes benefited from federal assistance between 2008 and 2015.

The 'Urban projects' programme has created conditions conducive to increased social cohesion and the involvement of local residents in community life. The result is greater social integration, which in turn benefits the many inhabitants of the neighbourhoods concerned, provided, however, that structures, activities and opportunities are put in place with a long-term view in mind and are well established at communal level. Residents also appreciate the urban planning schemes that have been introduced in public spaces (strolling zones, play areas, 30 km/h zones, etc.) as elements that help to improve quality of life in their neighbourhood. In addition, the programme has facilitated the involvement of property developers and brought a wide range of sociocultural benefits. It is evident that the provision of dedicated spaces (community centres, cultural centres) and the creation of community associations and networks help to perpetuate sociocultural activity.

## **4.7 Migration und integration**

### General developments and Confederation policy

The right of free movement and economic demand for workers has led annual net immigration to reach a number as high as between 70,000 and 80,000 people, with the majority of migrants arriving in Switzerland from the EU. Except migrants whose motives are often economic in nature, people fleeing war and conflict zones have also been arriving in Switzerland of late. Around 39,500 people applied for asylum in Switzerland in 2015. Relative to the population as a whole, the number of asylum applications in Switzerland is high compared to other European countries.

Compared to European standards, Swiss cities have a relatively high proportion of foreign inhabitants. For example, well over 40% of people who live in Geneva and Lausanne are not Swiss nationals. EU citizens make up the biggest group of foreign nationals in all major Swiss urban areas. The percentage of foreign inhabitants in urban centres correlates with the high proportion of non-nationals in Switzerland as a whole. Some 24.3% of the Swiss population are foreign nationals – a figure that has risen steadily since the 1980s.

The goal of integration is for Swiss national and non-national population to live in harmony according to the values of the Federal Constitution as well as mutual respect and tolerance. Integration must enable foreign nationals with long-term resident status to participate in Switzerland's economic, social and cultural life. Integration requires willingness on the part of foreign nationals and openness on the part of the Swiss population.

The Federal Act on Foreign Nationals (Foreign Nationals Act, FNA) governs the entry and exit, residence and family reunification of foreign nationals in Switzerland, as well as includes measures to promote integration. The Ordinance on the Integration of Foreign Nationals (OIFN) defines the principles and objectives of integrating foreign nationals. Overall, the process of integrating migrants works well in Switzerland. The vast majority of migrants play an active part in economic, social and cultural life.

Integration is a task for society as a whole, where the key onus is not only on governmental players, but on social institutions and non-governmental and expatriate organisations too. The Confederation, cantons, cities and communes work together on implementing a ‘tripartite policy on conurbations’, following common principles and objectives in order to respond appropriately to the challenges at hand.

At the beginning of 2014, the Confederation and cantons launched a set of four-year cantonal integration programmes (CIPs) that specify mandatory targets in eight strategic areas: providing initial information; providing advice; protecting against discrimination; employment; language training; early learning; intercultural interpreting; social integration. In the two years since their launch, CIPs have generally helped to reinforce integration efforts at all state levels.

#### The role of cities and communes

Demographics show that Swiss cities are a popular destination for migrants. This has particularly been the case since the Agreement on the Free Movement of Persons came into force in 2002, with 80% of those who arrived in Switzerland between 2000 and 2010 choosing to live in cities and their surrounding areas. As economic centres with successful and highly specialised industrial and service sectors, Swiss cities have absorbed a large proportion of EU migrants. Swiss cities have also come to rely more on the immigration of qualified workers compared to rural regions. In addition, cities and communes do vital work in providing asylum seekers and refugees with long-term accommodation in many areas of Switzerland.

Cities play a key role with regard to social integration. Many urban centres were very quick to establish integration offices to address the issues related to this particular field and, not least, coordinate integration measures that relate to various cross-cutting urban policy areas, e.g. urban planning and development, education, sport, and social welfare. Thus, the considerable importance of cities with regard to social integration is due to the crucial role of the communal level when it comes to implementation and practical everyday experience. Social integration takes place ‘on the ground’ – in local clubs, through involvement in cultural activities, in local schools, etc.

Community work and neighbourhood development are an important part of efforts to promote integration. In recent years, various cities have been creating new jobs related to neighbourhood development. In the process, they have been receiving support from the ‘Urban projects’ programme that was launched by the Confederation in 2008.

#### Current needs

The Confederation, cantons, cities and communes view education, employment and social integration as priorities in promoting integration. Specifically, further development is especially important in terms of ensuring a welcoming environment, providing information and preliminary advice, lending professional advice and project support via one-stop centres, implementing various target-group-specific measures (e.g. intercultural translation) and promoting social integration.

Overall, the degree of spatial segregation in Swiss cities is relatively low, with neighbourhoods having been able to retain a good social mix until now – although not in all cases. Efforts to promote integration in urban areas need to focus on various target groups, which, as mentioned, include migrants from the EU who are mostly well qualified and hail from cultures similar to Switzerland. At the same time, it is important to develop measures that will aid the integration of refugees from geographically, linguistically and culturally more distant regions. The tightness of the housing market in many localities is a challenge in this regard. Demographic factors mean that integration will, for example, also become an issue in relation to old age.

#### **Good practice**

For a description of the ‘Urban projects – Social integration in residential areas’ programme, please refer to the section entitled ‘Social cohesion’.

With regard to migration and integration, the projects of the 'Citoyenneté' ('Citizenship') programme are of national importance. Sponsored by the Federal Commission on Migration, they offer migrants new opportunities to help shape the environment in which they live. Firstly, this equates to political participation and making a difference to society in the process. The projects – of which 28 have been completed and 16 are still ongoing – are diverse, ranging from workshops and dialogues, to film-making. <https://www.ekm.admin.ch/ekm/de/home/projekte/citoyen.html> (in French, German and Italian only)

## 4.8 Education, research and innovation

### General developments and Confederation policy

Successful, attractive conurbations and metropolitan regions play a vital social and economic role as densely populated, job-rich catchment areas. Their importance for Switzerland will continue to grow. Education, research and innovation are key factors in this regard. In terms of generating new knowledge, promoting social integration and increasing competitiveness, they are a driving force in ensuring that our country is fit for the future.

Driven by expertise and know-how, Switzerland's focus on highly specialised, high-value-added activities, coupled with the international partnerships that this entails, leads to increased demand for qualified workers. SMEs – still the dominant force in Swiss business – value sound, wide-ranging, transferable professional qualifications above all else. In view of this, the dual system of vocational education and training is strategic to Switzerland's success. However, internationally competitive universities are also just as important. Multinationals will only consider moving to locations in which they can recruit the right specialized people. Conurbations and metropolitan areas like those in Switzerland have a competitive advantage at international level provided they are up to the mark with regard to vocational training and education on the one hand and general education on the other.

As a country lacking in natural resources, Switzerland relies on innovation as the only route to achieving high added value. To be innovative, a location needs to have a strong research focus with established channels for technology transfer. Compared to other countries, Switzerland is very well endowed in this regard, thanks to its excellent internationally oriented higher education institutions and a business community that puts emphasis on research and development (R&D). Switzerland is an international leader in innovation, ranked among the world's most innovative countries in recent studies. One particular asset in this context is Switzerland's blend of highly innovative SMEs on the one hand and numerous large R&D-focused multinationals on the other.

Switzerland is a federal country where both public and private stakeholders enjoy a high level of autonomy in the fields of education, research and innovation (ERI). Essentially, a strong ERI system is dependent on these individual stakeholders not only working together, but doing so in a coherent and coordinated manner. In Switzerland, the *cantons* are primarily responsible for education and culture. They coordinate this work at national level as part of the Swiss Conference of Cantonal Ministers of Education (EDK). The EDK acts as a subsidiary and takes on tasks that cannot be met by the regions or cantons. The cantons are responsible for compulsory primary and secondary education. As a rule, upper-secondary level vocational education and training and tertiary-level professional education and training are based on inter-cantonal or federal ordinances. The cantons are responsible for implementing the ordinances and running the schools. The *Confederation* is responsible for strategically managing and funding the federal institutes of technology, and for regulating and co-funding upper-secondary level vocational education and training, as well as tertiary-level professional education and training. It also contributes funding to Swiss universities of applied sciences and cantonal universities. The Confederation's remit includes the provision of funding for research and innovation grants awarded on a competitive basis, as well as the promotion of international cooperation in the ERI sector. The cantons, which are responsible for the universities of applied sciences and other universities, are also active in promoting research.

The Confederation and cantons work *together* to ensure that the Swiss education system functions and develops across all levels and disciplines, establishing joint goals and objectives for this purpose.

#### The role of cities and communes

Switzerland's innovative strength owes much to the cities and communes in which educational and research institutions are based. Concerning knowledge and technology transfer, good infrastructure is what matters. A wide range of options is also important with regard to high-quality basic and further education on the one hand and childcare for working parents on the other. Swiss cities and communes are, for example, responsible for providing preschool early learning opportunities and for running child day-care centres. In return, these centres are supported by the Confederation through one of its stimulus programmes.

#### Current needs

In Switzerland, certain areas, such as healthcare, already suffer from a lack of well-qualified personnel, which is why the education system needs to be more effective in identifying and making the most of human talent, and in furthering the prospects of skilled young people in professional and academic fields. Strategies and measures are also necessary to improve the existing infrastructure and thereby eliminate social, cultural, economic, migration-related and disability-related discrimination, while taking evolving needs into account. In particular, greater promotion of higher vocational education and training as an equivalent option at tertiary level is one way to address this issue.

## **4.9 Health and security**

#### General developments and Confederation policy

Swiss health policy aims to provide people with high-quality healthcare at an affordable cost.

The Swiss health system is structured according to the federalist principle, whereby the responsibilities of the Confederation and cantons are closely intertwined. The cantons have far-reaching authority, with responsibility for the implementation of federal legislation and for the provision of healthcare, e.g. hospital and nursing home management, highly specialised medicine, the accreditation of healthcare professionals, educational funding, preventive healthcare, and health promotion. The Confederation exercises the duties which it has been explicitly assigned in accordance with the Federal Constitution. These include compulsory health insurance, reproductive and transplant medicine, protecting the public from health risks, and combating addiction and communicable diseases. The Confederation and cantons work together, for example, in drawing up policies and regulations, and in supervising the health system, while the 'Dialogue on national health policy' provides the Confederation and cantons with an important platform to discuss and exchange views on health policy issues. Non-governmental stakeholders also perform numerous vital roles in the health system.

With regard to security, jihadist-inspired extremism now poses an acute threat around the world. The tragic events in Paris showed that terrorism knows no boundaries and that the West is also vulnerable to extremist attack. Nonetheless, Swiss urban areas also face other challenges in relation to public safety. These range from littering, public alcohol abuse and youth violence, to domestic violence, assaults and vandalism.

Cantons and communes have primary responsibility for safety in urban areas. At federal level, the Federal Office of Police also fights terrorism and organised crime – two areas of crime that are often highly interconnected at the global level.

#### The role of cities and communes

Communes and cities play an important role when it comes to health policy in the broadest sense, putting strong emphasis on primary healthcare, preventive healthcare and other health-related areas such as care for the elderly, the promotion of sport and exercise, the promotion of non-motorised traffic, environmental policy, and drug policy. In addition, cities and communes in most cantons are in-

volved in funding supplementary benefits, which are paid out when pensions and income are insufficient to cover minimum living costs. The rising cost of nursing is proving to be a growing challenge for cities and communes.

Healthcare infrastructure in larger Swiss urban centres is well developed for the most part. The key is to ensure that all patients receive the healthcare they need, regardless of their culture or language.

Cities and communes play a pivotal role in preventing and combating violence in all its forms. Being close to events, they can make precise assessments and take specific action. This point was also underscored at the 'White House Summit to Counter Violent Extremism', which took place in Washington in February 2015. The US government subsequently set up the 'Strong Cities Network', which aims to promote (cross-border) liaison between cities and thereby assist them in preventing and combating violent extremism. Swiss urban areas were represented at the network's inaugural event. The Swiss Cities Association acts as an intermediary between the network and participating Swiss cities.

#### Current needs

Switzerland faces big challenges in healthcare. The Swiss population is ageing and chronic disease is becoming more prevalent, while demographic changes and advances in medical technology are driving up costs. A package of measures across all areas of the health system aims to maintain quality of life, increase equal opportunities, raise the quality of care and improve transparency. The objective of the Confederation's 'Health 2020' strategy is to prepare the Swiss health system for future challenges while keeping costs affordable.

A sustainable and comprehensive policy on public safety is dependent on the Confederation, cantons and communes identifying current and emerging security issues. Rifts in society, an increasing dependence on technology, the potential spread of pandemics, and climate change have implications for public safety in urban areas. The relevant authorities must respond to such challenges accordingly.

## **4.10 Culture**

#### General developments and Confederation policy

Switzerland has a very rich cultural scene. Some 1,142 museums – attracting almost 21 million visits each year – or 557 cinemas bear testimony to this. It also has a lively cultural and creative sector, which employs over 260,000 people and contributes 3.5% in gross value added to the economy. In 2012, Swiss private households spent an average of CHF 262 per month on culture, corresponding to 4.8% of their overall expenditure on consumer goods. Private households thus spent around CHF 10.8 billion in total on culture in 2012.

Cultural policy in Switzerland is mainly the responsibility of cantons and cities. Respectively, urban centres and cantons both account for nearly 40% of public cultural funding, while remaining Swiss communes and the Confederation both account for just over 10%. Public spending on culture amounted to CHF 2.73 billion in 2012, or 1.7% of total public spending.

Based on the Federal Constitution, the Confederation plays a subsidiary role in cultural policy compared to that of the cantons, cities and communes. Nevertheless, the Confederation does have a say in some areas of cultural policy, such as those that are of relevance to Switzerland as a whole. In particular, this applies to languages, film and the protection of nature and cultural heritage.

The new Cultural Promotion Act came into force at the beginning of 2012, defining the Confederation's tasks in promoting culture, dividing responsibilities between the Federal Office of Culture and the Pro Helvetia Arts Council, and governing the funding and management of the Confederation's cultural policy. The Federal Council submits a dispatch on cultural promotion to Parliament for the purpose of funding and managing federal activities in relation to cultural policy. Spanning a four-year period, this dispatch determines the relevant areas of focus and types of funding. The Confederation's latest dispatch, covering the years 2016 to 2020, pinpoints three cultural policy agendas: one, cultural

participation (e.g. implementation of the article in the Federal Constitution that relates to musical education), two, social cohesion (e.g. funding for translations and the promotion of cultural dialogue across the country), and three, creation and innovation (e.g. the promotion of investment in the film industry). In addition, the Confederation engages in a 'national cultural dialogue' to strengthen cooperation with Swiss cantons, cities and communes.

### The role of cities and communes

Cities and communes are responsible for 51.3% of public spending on culture in Switzerland. Urban centres account for three quarters of this amount, and on their own for around 40% of public spending on culture. Per inhabitant, cities and communes thus spend an average of CHF 171 on culture each year, the cantons around CHF 134 and the Confederation CHF 37 .

Cities in particular play a significant role as lively cultural hubs and key public spenders on culture. They are home to many of the country's professional cultural institutions, such as museums, theatres and orchestras. Numerous museum exhibitions, festivals and other cultural activities also take place in rural areas.

### Current needs

Profound social changes influence culture and lead to new challenges. For example, globalisation exposes the culture industry to fierce international competition. Globalisation can also put a squeeze on cultural activity and on forms of cultural expression, and poses a challenge in terms of maintaining cultural diversity. Digitalisation has a significant impact on the production and sale of cultural property and services. Demographic change in Switzerland puts the onus on forging social cohesion and mutual understanding across different linguistic and cultural barriers. The trend towards individualisation has resulted in a general public with increasingly divergent cultural expectations and demands, while urbanisation means that conurbations are expanding. In built-up areas, higher-density housing and energy-saving renovations are putting increasing pressure on historic building stock and archaeological sites – and testing the skill of architects in the process.

In view of the above, the Confederation intends to focus on three funding areas over the coming years, implementing new measures in the process. Firstly, it wishes to strengthen cultural participation by enabling as many people as possible to play a role in activities related to cultural life and cultural heritage. Greater cultural participation counteracts polarisation in society and is therefore key in addressing the challenge of cultural diversity. Secondly, the Confederation aims to promote social cohesion and harmony. Recognition of cultural diversity in society and respect for linguistic and cultural minorities are important prerequisites in this regard. The third area of focus centres on fostering creation and innovation, because culture has immense potential in boosting a nation's creative and innovative capacity as well as its international image. Thus, art and culture are an important incubator for addressing the questions of tomorrow and encouraging innovation and renewal.

## **5. International cooperation**

### **5.1 Urban planning and management**

Over 95% of urbanisation today is taking place in developing countries, and often in settings with limited resources. Cities struggling to provide inhabitants with access to basic services face an unprecedented influx of people searching for a home, job and a future. These cities grow in an uncontrolled manner by default. Without proper planning and management, they expand into spatially dispersed conurbations which tend to disconnect people's homes and jobs, exacerbate social segregation, increase environmental and climate externalities and burden municipal finances.

To foster opportunities for the entire population and enable cities to grow as more sustainable living spaces and economic hubs, municipalities need to depart from short-term thinking and embrace a proactive approach to urban development.

Switzerland helps authorities, mainly in middle-income countries (South Africa, Ghana, Tunisia, Egypt, Vietnam, Indonesia, Colombia, Peru) and priority countries in Southeast Europe and Central Asia, to make informed choices about longer term urban development and investments for their cities. To do so, Switzerland combines partnerships with existing international urban initiatives with direct support to municipalities. This type of cooperation mainly makes use of technical assistance, capacity-building and policy dialogue to foster sustainable urban planning and management, and focuses their support on secondary cities. Occasionally, funding also goes to investments, namely to facilitate innovation and development projects which cut across the relevant sectors.

Often, local governments lack the essential data needed to identify the opportunities and limits for the development of their cities. To base municipal policies on evidence, Switzerland helps countries and cities to mobilise and analyse key information, looking into issues such as land use, exposure to natural hazards, people's access to basic services and public financial management. Wherever possible, they also include cross-sectoral aspects such as a city's vulnerability to climate change or its spatial and economic connectivity.

This information is then used to define strategies and action plans addressing the identified challenges in a longer term perspective with stakeholders from the public administration, civil society and the private sector. Within this scope, urban investments are prioritised according to their benefit for the wider population and their feasibility. To bridge the gap observed in many cities between planning and concrete infrastructure investments, Switzerland provides funds to advise municipalities on structuring urban investments and finding public and/or private funding sources for these endeavours.

Complementary to this, Swiss development cooperation strengthens the capacity of city administrations to handle their cadastres, conduct basic spatial planning and growth analyses, and manage public finances in general, in particular sustainable infrastructure financing.

**Good practice:**

***Emerging and Sustainable Cities Initiative (ESCI) of the Inter-American Development Bank***

The ESCI is an Inter-American Development Bank programme that helps growing and intermediate-sized cities in Latin America and the Caribbean respond to urban development challenges such as demographic influx, social inequality, financial limitations and the impact of climate change.

The process in each city involves drawing up a municipal action plan based on environmental, socio-economic and fiscal governance assessments, in close collaboration with the municipality, the local population and the private sector.

For each city, a multi-sector investment project is then prepared on the basis of feasibility studies and linked to funding sources.

The ESCI employs a multidisciplinary approach that was applied in 53 cities between 2011 and 2015, thanks in particular to domestic financial institutions which adopted the ESCI methodology to grant urban infrastructure loans.

Switzerland co-finances the ESCI programme as well as a partnership with the Swiss Federal Institute of Technology in Zurich (ETHZ) that focuses on innovative ESCI projects in priority countries.

## **5.2 Urban infrastructure and mobility**

Improving access to urban infrastructure services is a key requirement to reduce urban poverty and to develop cities more sustainably. In many developing countries however, economic and social infrastructure services are insufficient. Power cuts and deficient transport systems stifle the economic dynamism of a city. Unsanitary water, untreated wastewater and mountains of waste represent haz-

ards for the residents' health, while lack of schools and hospitals deprive people of development opportunities.

Within the scope of its urban development cooperation in middle-income and transition countries, Switzerland supports public utilities in the provision of reliable, environmentally friendly and financeable infrastructure services. Efforts focus on basic economic infrastructure, mainly covering such areas as drinking water, sanitation, solid waste management, energy supply and urban mobility.

Targeted investments, e.g. for extending city's drinking-water network, combined with specific technical assistance help increase the level and reliability of the equipment. Such investments also reduce the impact of infrastructure services on the environment. Installation or rehabilitation of sewage systems prevents contamination of groundwater, and developing public transport improves air quality. Upgrading basic economic infrastructure also helps to limit the damage caused by floods and other extreme weather events, and thus strengthens city's resilience.

Switzerland, furthermore, cooperates with public utilities to foster good governance and efficient management so that these companies can offer sustainable and client-oriented services. Similarly, national and local governments are advised on the provision of framework conditions which clarify responsibilities and financing modalities and thus promote quality municipal services.

Swiss development cooperation seizes opportunities to embed urban infrastructure activities within city's urban development. This applies particularly to urban mobility, where Switzerland assists municipalities in developing systems of mobility relying on public transit systems which enhance city's overall connectivity.

**Good practice:**

***From tramways to energy efficiency and strategic urban development in Vinnitsa, Ukraine***

The partnership between the Ukrainian municipality of Vinnitsa and Swiss development cooperation began with a transfer of Swiss trams and operational know-how as part of the city's aim to expand its public transport system. The dynamic city authorities went on to receive more support to rehabilitate parts of the district heating system and to introduce a wood-fired heating supply, strengthen the capacities of the district heating utility and introduce the approach of the European Energy Award in Vinnitsa's urban development. With the help of Swiss development cooperation, the city regularly prioritises short and longer term investments in urban mobility and land use to improve traffic management and facilitate a more compact urban development.

In 2015, Vinnitsa was the first major city in Eastern Europe to receive the European Energy Award (EEA) reflecting the municipality's increasing performance in energy-efficiency within a comprehensive urban development strategy. The EEA is a certification system for sustainable management in municipalities. The implementation of the related controlling process promotes the optimal allocation of resources to energy relevant projects. Therefore, the EEA advocates for renewable energy sources, environmentally friendly transport systems and the efficient use of resources.

### **5.3 Energy efficiency and clean air in cities**

Cities as centres for economic and political activity are important actors for climate change mitigation and adaptation. Cities currently account for less than 4% of the Earth's surface but house more than 50% of the world's population, a figure which is expected to reach 75% of the world's population by 2050. Already today, cities account for approximately two-thirds of global energy use and over 70% of energy-related greenhouse gas (GHG) emissions. Rapid urbanisation over the coming years will mainly take place in developing countries which will result in massive energy requirements to power economic activity and expand basic infrastructure. Cities in developing countries are thus expected to contribute to the majority of the predicted increase in urban GHG emissions. Cities therefore represent a great potential to reduce emissions through local policy and action. Energy efficient and envi-

Environmentally sound urban planning can offer practical solutions for budget-constrained cities to expand municipal services and improve their competitiveness in a more sustainable manner.

Switzerland actively supports energy efficient urban planning as well as increasing urban resilience to climate change mainly by strengthening related planning and management capacities both at city and national level through technical assistance and capacity-building, for example in India and China. Other examples where Switzerland supports the implementation of energy efficiency assessment tools and energy efficiency city labels, in particular the EEA include Romania and Ukraine. (see Good practice box above).

Buildings – in cities and elsewhere – represent a key area for focusing on climate change mitigation. Currently, the building sector accounts for about 40% of total global energy consumption which in turn generates around 30% of all energy-related GHG emissions. Therefore, large impacts can be achieved through ‘greening’ planned investments in infrastructure, particularly in rapid and unstructured urbanisation in middle-income countries. With its longstanding experience in energy efficient building, Switzerland supports green building programmes in various countries including Colombia, Indonesia, Vietnam and India by building the capacities of multiple stakeholders including policymakers to endorse and enforce mandatory building codes as well as by working with design professionals and the private sector. In addition, in close collaboration with universities and the private sector, Swiss development cooperation is supporting the development and standardisation of a new type of cement (limestone calcined clay cement or LC3) which can reduce CO<sub>2</sub> emissions by up to 30% compared to ordinary cement.

#### **Good practice**

##### ***Indo-Swiss Building Energy Efficiency Programme (BEEP)***

In partnership with the Indian Ministry of Power, Switzerland is supporting a project to reduce energy consumption in new commercial residential and public buildings through the promotion of efficient design, construction and innovative technologies. One result of the project is the development of the ‘Design Guidelines for Energy-Efficient Residential Buildings’ which were launched by the Indian government and are referred to in India’s Intended Nationally Determined Contributions (INDCs) submitted to the United Nations Framework Convention on Climate Change (UNFCCC), which will serve as the basis for the new Paris Agreement.

Air pollution is a major contributor to the enhancement of the global greenhouse effect caused by human activity as well as an important environmental risk to health. Switzerland is a member of the Climate and Clean Air Coalition (CCAC) which has been instrumental in bringing air pollution to the attention of national and global policymaking. Under the CCAC, Switzerland shares the lead for two initiatives on ‘Reducing black carbon emissions from heavy duty diesel vehicles and engines’ and on ‘Brick production’. With its pilot projects on the ground, Swiss development cooperation provides evidence-based knowledge and experience to the CCAC and other platforms for policy dialogue. One example is a pilot project on retrofitting public transport buses in various Latin American cities; in China there is also a project for off-road construction machines with diesel particle filters to improve urban air quality.

## **5.4 Social inclusion in cities**

With the landmark adoption of the UN 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), the international community has pledged to leave no one behind – thereby recognising that marginalisation is one of the principal development challenges to be addressed until 2030. Despite and due to the promise of city life, poverty and marginalisation are increasingly becoming an urban issue, especially in emerging economies and middle-income countries. Nowhere is the rise of inequality more evident than in urban areas, where wealthy communities coexist alongside and separate from informal settlements. In the context of rapid urbanisation – acknowl-

edged as a major priority for sustainable development in SDG 11 – social marginalisation becomes most apparent with respect to reduced educational and economic opportunities, a lack of basic service provision and the inclusion of marginalised residents, such as urban migrants.

With respect to urban migration, cities have always been and are continuously gaining importance as hubs of migration as the world rapidly urbanises. The unprecedented expansion of cities in the 21<sup>st</sup> century is to a large extent due to increasing human mobility on a global scale. Over a half of the one billion people on the move worldwide settle in cities either in search of an improved livelihood or protection. Cities are chosen as places of permanent or temporary residence due to their transformative power both at individual and societal level. Due to social segregation and marginalisation however, urban migrants tend to establish themselves in informal urban settlements. These ‘arrival cities’ are therefore main important entry points into the urban system, yet they also represent a huge challenge with respect to the social inclusion of its inhabitants.

Migration to cities is one significant aspect among many relevant factors influencing the fluid dynamism in growing urban settlements that change the face of a city. On the one hand, migration challenges the social, economic, environmental and cultural fabric of cities. It puts pressure on infrastructure, social services, jobs, environmental resilience and, not least, social cohesion among urban communities. On the other hand, migration can be a driving force for a city’s prosperity and has enormous potential for poverty reduction in rural areas to which migrants remain linked through family and community systems.

To effectively address the challenge of marginalisation, effective urban planning and local governance in cities is essential in order to ensure the social inclusion of marginalised residents such as urban migrants. Switzerland is therefore engaged both at policy and operational levels in promoting a wider recognition of cities, including municipalities and urban actors from civil society, and in creating an enabling environment to facilitate the integration of new arrivals and empowering them to take better advantage of these new livelihood opportunities. The three areas of engagement are 1) establishing an evidence base on the interrelations between migration and urban processes, and on the implications of urban migration for human development with a research project in West Africa (Benin); 2) promoting the role of urban governance on migration and development (M&D) through policy dialogue and practice exchange at all levels, including global dialogue processes and city-to-city dialogue; 3) strengthening local governance on M&D through innovative projects and capacity-building of city authorities and urban stakeholders in order to strengthen regional and municipal authorities and stakeholders in capacity-building and integrating migration into local policies and planning.

In addition to this engagement on the nexus between migration and urbanisation, Switzerland also tackles the challenge of urban poverty and marginalisation within its other thematic priorities such as basic education and vocational training, private sector development and financial services, state and economic reforms (including decentralisation), local participatory governance, water and health. Hence, with activities such as strengthening urban governance, improving the provision of basic services and fostering employment and income generation (see example below), Switzerland also contributes to reducing social marginalisation in urban contexts.

#### **Professional training for youth at risk (Projovent - Honduras)**

Since 2013, Switzerland has been supporting a vocational training project for young people growing up in areas of Honduras’ main cities where there is a high rate of violence. By means of a comprehensive training programme, young people learn general life skills in addition to technical know-how. Two economic sectors receive special attention – building trades and tourism – both of which have a great demand for labour. Particular care is taken to ensure that the vocational training curriculum is oriented to the labour market. These low threshold training opportunities help to integrate youth into the labour market, providing an alternative to the deceptive lure of youth gangs and organised crime. Through this project, Switzerland is helping to prevent violence in a country that has the highest homicide rate in the world.