

SWITZERLAND

AID POLICY FOR WASH/TARGETS

Priority sectors for the Swiss Agency for Development and Cooperation (SDC) and for the State Secretariat for Economic Affairs (SECO) are agriculture and food security; health; water; climate change; and migration. Over 7.5% of Switzerland's aid budget is allocated to water projects and programmes and nearly 65% of SDC's water budget is allocated to WASH.

SDC has a number of programmes that focus on decentralisation within focus countries and these programmes include a larger, cross-sectoral agenda; some will include a WASH component.

The development programme of the SECO focuses more on Middle Income Countries while the target group of SDC's work is mainly the rural populations in Low Income Countries. Most aid is delivered directly through partner organisations; nearly 20% of aid is delivered through multilateral organisations. There is pressure to reduce the number of countries and sectors that SDC works in.

Specific Target

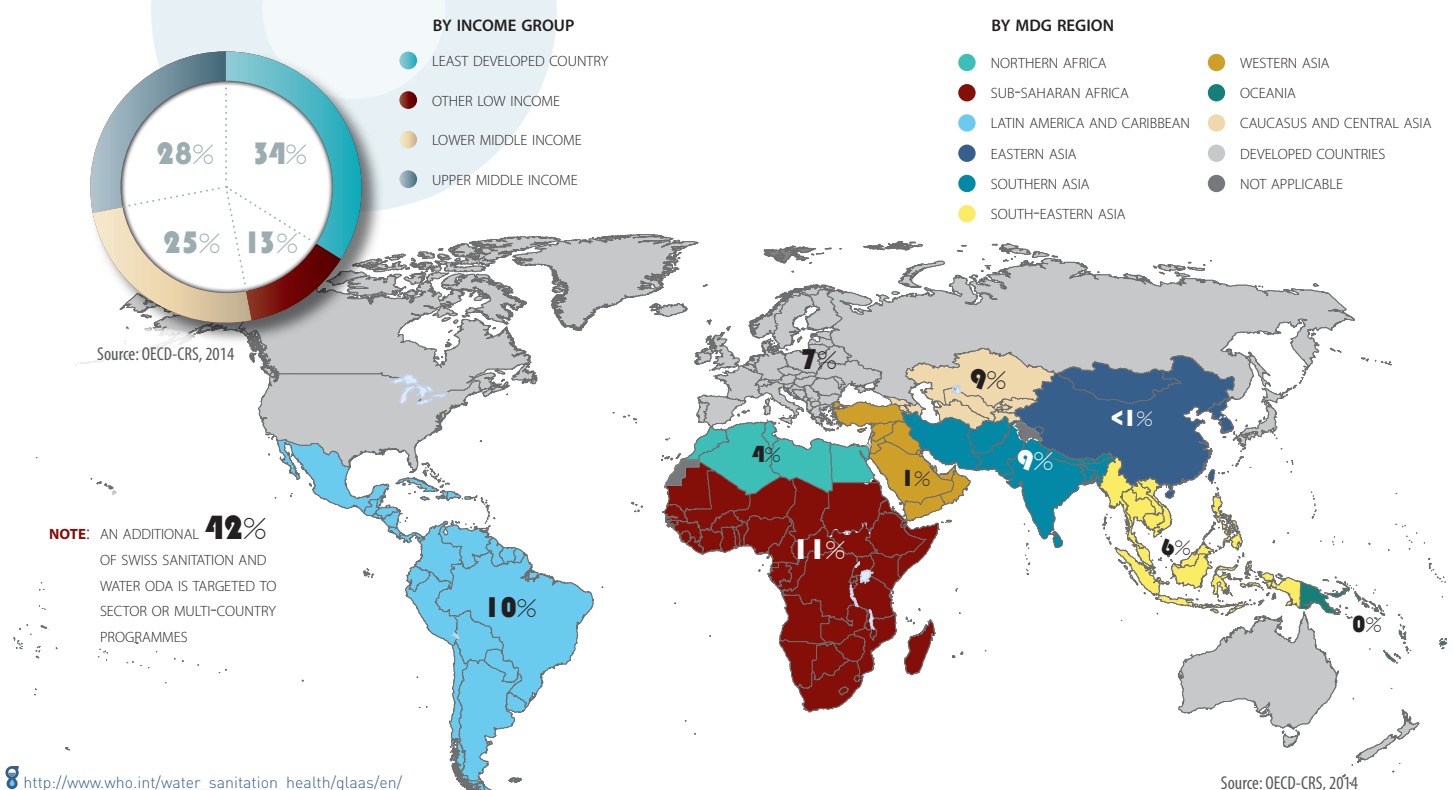
The Swiss Parliament raised the aid budget in 2011 to 0.5% of GDP. For 2011 and 2012 the additional funding was dedicated to water and climate change, known as 'the 0.5% bill', which SDC has to report against separately. Spending targets for Switzerland's WASH aid are CHF145 million in 2013; CHF150 million in 2014; CHF150 million in 2015; and CHF150 million in 2016.

EXAMPLES OF SUCCESS

SDC developed a successful rural WASH implementation model in Nicaragua that catalysed investment by the government and the World Bank. In Peru, SDC piloted a decentralised, integrated implementing mechanism for investments in water and sanitation services. This approach was adopted by the government as the implementing model for decentralized service provision and rolled out country-wide with massive government and multilateral funding with consequent leverage and scaling up effects.

The positive outcomes of the application of corporate development measures are perceivable for a sustainable management of the water utilities, notably in SECO projects in Macedonia and Kyrgyzstan where this approach is applied together with the introduction of new water investment programs. In the city of Khujand (Tajikistan), the payment collection rate increased from 60 % to 84 % despite substantial tariff increases, and the public utility results increased from a loss of EUR 752,000 to a profit of EUR 53,100 within two years.

WASH AID PRIORITIES: DISTRIBUTION OF AID COMMITMENTS (2010–2012)



ACCOUNTABILITY

Reporting

SDC and SECO report expenditures in the annual report of Swiss cooperation. In 2008 a *Report on effectiveness in the Water Sector* was developed. A report on the results of the increased funding for water through the ODA increase up to 0.5% of GDP will be made in December 2014.

Mutual Assessment Exercises

Carried out in Moldova, Ukraine, Kosovo, Mozambique, Honduras, Nicaragua, Peru.

PREDICTABILITY

Sector budget support may be considered in some countries where SDC has a long-standing presence and sector collaboration. For example in Nicaragua, SDC supports the Social Investment Fund that directs funds to WASH in rural areas against set criteria. Half of programmes supported by SDC and SECO are three to five years in length while 40% are of less than three years duration. SECO has a programmatic approach in countries where it has a long-standing presence (e.g. Albania, Macedonia, Central Asia).

FOCUS ON EQUITY

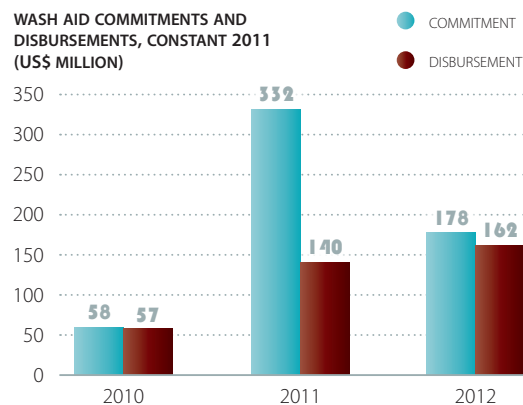
SDC funding tends to target rural more than urban populations.

Generally SDC support is focused on poor, rural communities whereas SECO focuses on urban services, institutional strengthening and national water policy dialogue. Marginalized groups and people living with disabilities are identified and taken into account at the programming stage. SDC has been one of the core advocates for the Human Right to Water and Sanitation and is currently developing practical tools and guidance on how to foster the rights based approach in the WASH sector.

OPERATIONAL EFFICIENCY

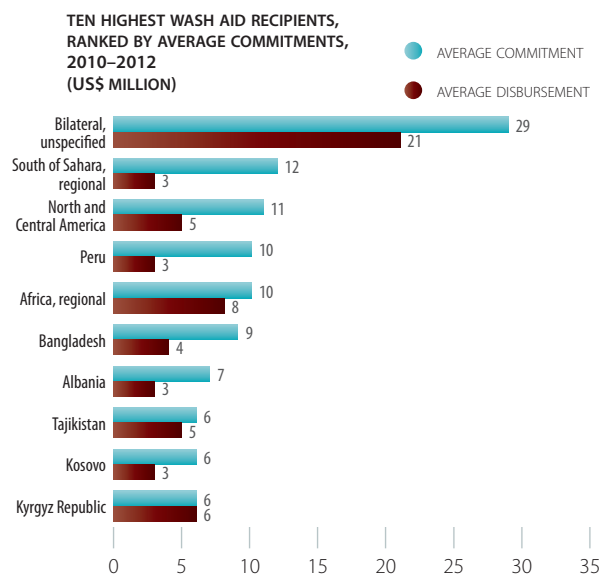
Funding is generally spent within the allocated implementation period for the projects. SDC and SECO keep a tight supervision on spending rates and adjusts budgets if the implementation capacity of partners falls short. SDC and SECO maintain an element of competition between recipient municipalities and programme implementing partners that helps to ensure good disbursement rates. Project implementation periods would normally only be extended if there were good reasons for delays in achieving the initially defined project goals.

WASH AID COMMITMENTS AND DISBURSEMENTS, CONSTANT 2011 (US\$ MILLION)



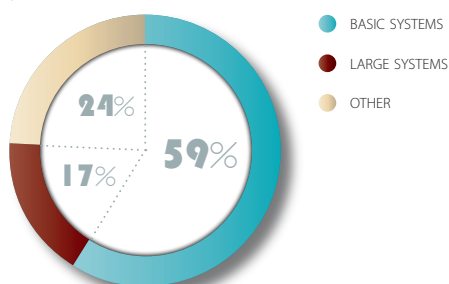
Source: OECD-CRS, 2014

TEN HIGHEST WASH AID RECIPIENTS, RANKED BY AVERAGE COMMITMENTS, 2010–2012 (US\$ MILLION)



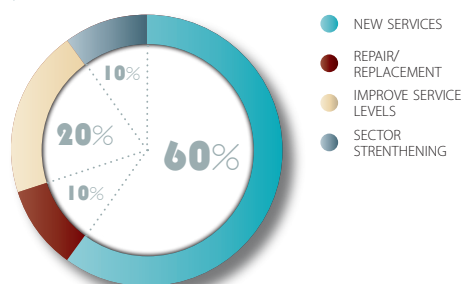
Source: OECD-CRS, 2014

BASIC VS. LARGE SYSTEMS (2010–2012)



Source: OECD-CRS, 2014

NEW VS. EXISTING SERVICES (2012)



Source: GLAAS 2013/2014 ESA survey

WATER VS. SANITATION (2012)

[No disaggregated data available.]

ALIGNMENT AND HARMONISATION

GRANT VS LOAN
100% Grants.

USE OF COUNTRY RESULTS FRAMEWORKS
All projects use country results frameworks.

USE OF COUNTRY PROCUREMENT SYSTEMS

The procurement procedures currently followed in SDC and SECO projects in Latin America, Africa, Asia and Europe vary, with 40% using the country procurement system, 30% using Swiss system, 25% consist of contributions to organisations and 5 % are direct awards.

FUTURE OUTLOOK

In the future, the issue of corporate development of the water companies will be increasingly supported by SECO in order to improve the financial and operational sustainability of the water infrastructure. In particular, SECO is developing similar projects in Colombia and Peru.

Developed and coordinated by the Water, Sanitation, Hygiene and Health (WSH) Unit at the World Health Organization (WHO) in preparation for the *Sanitation and Water for All (SWA) High-Level Meeting (HLM)*, April 2014.

Results contained in this 'ESA Highlights' have been compiled by the GLAAS External Support Agency (ESA) Focal Point and the GLAAS Team using data from the Organisation for Economic Development and Cooperation (OECD) Creditor Reporting System (CRS), estimates and text provided in the responses to the GLAAS 2013/2014 ESA survey, and interviews conducted with ESA representatives at World Water Week in Stockholm, September 2013.

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¹ OECD-CRS (2014) online database available: <http://stats.oecd.org/>

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