SDC Policy
Democratisation, Decentralisation and Local Governance

Contents

Awareness raising of the electorate in Mali in view of the presidential elections 2013. © Swiss Cooperation Office Mali

1 Purpose of this policy

The purpose of this policy paper is to define the SDC's orientation and scope in the area of **democratisation, decentralisation and local governance (DDLG)**. It is a normative document for the SDC and will serve as a reference for partner organisations, but also for relevant departments of the Federal Administration and the wider development community. It describes the SDC's underlying development vision and positioning in this thematic area. It explains the principles that guide our work and spells out main thematic priorities and strategic approaches. A series of subsequent topic papers will provide more in-depth information on selected sub-themes in these categories.

The policy paper does not have the ambition to define the overall approach of the SDC in the broader thematic area of governance. Nor does it attempt to explain the SDC's approach in mainstreaming governance which is a compulsory transversal topic and will be dealt with in a separate guidance note. The policy is in line with Parliament's bills regarding development cooperation with the South and the East and is consistent with major trends in the global development community.

In Bangladesh, disadvantaged citizens in rural community engaged in planning. © Helvetas Swiss Intercooperation/Jens Engeli

2 Significance for the SDC

Good governance is key for achieving development outcomes and DDLG is a core element

The SDC shares the conviction of many other development partners that development outcomes in a country are strongly influenced by the way it is governed, or in other words, the way public affairs are managed and authority is exercised. It therefore supports countries in making further progress in *good governance*, which means improving the **quality of governance processes**. Quality is defined by a set of **normative principles** guiding the SDC's work: **effectiveness and efficiency, transparency and accountability, participation, equality and non-discrimination, and the rule of law** (see Annex 1). They apply to national as well as subnational levels (i.e. local good governance). Applying a governance lense implies a **contextualised systemic view** of the political system: state institutions (essentially the executive, legislative, and judiciary) and relevant political actors, including the private sector, their interplay and relations, and political-administrative processes.

DDLG is at the heart of good governance and includes the following important dimensions: i) empowered citizens and political actors, functioning institutions and processes of democracy at subnational and national levels (e.g. citizen initiatives, civil society organisations, media, parliaments, judiciary, independent oversight bodies, elections and other spaces of public participation, accountability mechanisms); **ii)** adequate and coherent transfer of tasks, responsibilities, resources and decision-making authority to subnational[1] state levels; **iii)** effective, efficient and democratic government authorities at subnational levels; **iv)** inclusive and constructive, non-violent interaction between the state and civil society and within civil society.

› **Democratic governance allows sharing and control of power:** Strong governments are important to effectively fulfil their public duties and responsibilities. At the same time public control and power sharing are essential to ensure a certain counter-balance and to reduce the risk of power abuse and corruption (concept of checks and balances). Only if people can hold their leaders to account and are protected against arbitrary measures are their fundamental human rights and freedoms ensured.

› **Having a voice and participation are intrinsic to people's well-being:** Beyond the development efficiency argument, democratic values constitute a normative goal and a rationale of their own. They stand for a life in dignity and the advancement of fundamental human rights as they are defined in the international human rights treaties, especially in the covenant on civil and political rights.[2] Having a voice and being part of public decision-making is a sign of dignity and essentially contributes to people's well-being.

› **Local governance provides a space conducive to participatory decision-making:** Localised initiatives are often the origin and playing field for active civic engagement. People more easily assemble around issues affecting everyday life in their neighbourhood, and for them it is usually more convenient to interact with local officials. State officials on the other hand are usually more embedded in the "social fabric" of their communities, especially at the lowest levels. As a consequence they are more immediately exposed to public concerns and more likely to engage in public dialogue and deliberation.

› **More accessible and responsive state institutions (including governments, parliaments and judiciary) at decentralised levels:** Decentralised state institutions can play an essential role in promoting local development and engaging citizens in improved state-society relations through stronger participation and partnerships. They are likely to have a better understanding of local needs because of their proximity to citizens, and they are able to adjust national development strategies to the realities of their territories. Citizens on the other hand can more directly voice their concerns and hold their governments and other state representatives accountable. From a gender perspective this is a convenient entry point, because local institutions and processes tend to be less formal, closer to many women's lives and more accessible to them.

› **Effective multilevel governance enables better outreach and anchoring of national development policies:** Sound national policies are a necessary but not sufficient condition for development. Without the effective involvement of subnational stakeholders there is a significant risk that they will not land on fertile soil. Decentralisation can essentially help enhance ownership and effectiveness of public administration throughout different government tiers, on condition that responsibilities, resources and decision-making power are balanced and well coordinated. But decentralisation per se does not necessarily lead to better development outcomes; it must be linked to improving good governance at multiple levels.

› **DDLG provides favourable conditions to prevent and overcome situations of fragility and conflict:** The concept of democratic governance allows for non-violent articulation, peaceful negotiation and balancing of interests, which can prevent violent confrontations and strengthen states' and societies' resilience in times of crisis. Entry point is often the subnational or community level. Subnational state institutions are at the frontline of most pressing challenges and they are vital in establishing a relationship of trust with the population and enhancing state legitimacy. In decentralised systems the concept of vertical power-sharing offers space for self-determination at the level of subnational units, which in turn can strengthen their loyalty and integration into the state.

› **Weak governance as a barrier to achieving the global development goals:** In the past decades developing countries across the world experienced substantial transformation and economic growth, but these processes stand in stark contrast to trends of growing inequality and persistent poverty and violence. The progress of the millennium development goals (MDGs) shows an enormous variation among countries and is highly uneven for the different goals. Few targets have been met at the global level, while several key MDGs are lagging.[3] Governance deficits have been identified as a critical factor for further acceleration towards these goals. Findings from 30 MDG country assessments in 2010 outline that *"without effective and accountable institutions, systems, processes and political will, economic gains are not automatically translated into development outcomes or registered as MDG achievement."* [4] Governance is clearly seen as the "missing link" between anti-poverty efforts and effective poverty reduction. These findings are particularly relevant for contexts marked by conflict and fragility, which continue to lag behind other developing countries in achieving the MDGs. *"According to World Bank projections, nearly two-thirds of currently fragile countries will fail to halve poverty by 2015. (…) All these countries have weak institutions in common or, in some cases, strong but abusive institutions.[5]"* Finally, these conclusions were reconfirmed at the 2012 UN Conference on Sustainable Development (Rio+20) and taken up by the UN Open Working Group on Sustainable Development Goals 2030.

Public consultation in Cuba © SDC Cooperation Office Cuba

Relevant in all contexts but with differentiated priorities

DDLG is at the core of inclusive and sustainable development and of peacebuilding and state-building. But contextual parameters differ considerably. This certainly requires nuanced analysis and a solid understanding of the political context, which is the key reference and starting point for all activities. It is essential to understand the administrative structures at different government levels, the political institutions in place and how these relate to each other. It is necessary to know who the key political actors are and how they interact, how power is negotiated and legitimacy is conferred. Visible power structures and formally recognised actors are not necessarily the most influential and hence the most important to change. We also have to look for hidden forces (e.g. informal institutions) and invisible powers (e.g. socialised norms) shaping different actors' behaviour. [6] This implies a solid context analysis from different perspectives, and in particular a citizen-centred comprehension.

The SDC recognises that working in DDLG is inherently political because it influences the power dynamics and structures within a society. It is aware that it needs to reflect carefully on its own role in given systems, its space and legitimacy to address power imbalances and gender inequalities, or to contribute to changing governance patterns, as well as the possible negative side effects it can create. The SDC acknowledges that its own principles and values are not undisputed and that different countries take different political and institutional paths. Political transformation is subject to long-term endogenous processes taking place within societies and driven by political negotiations and struggles among a multitude of actors.
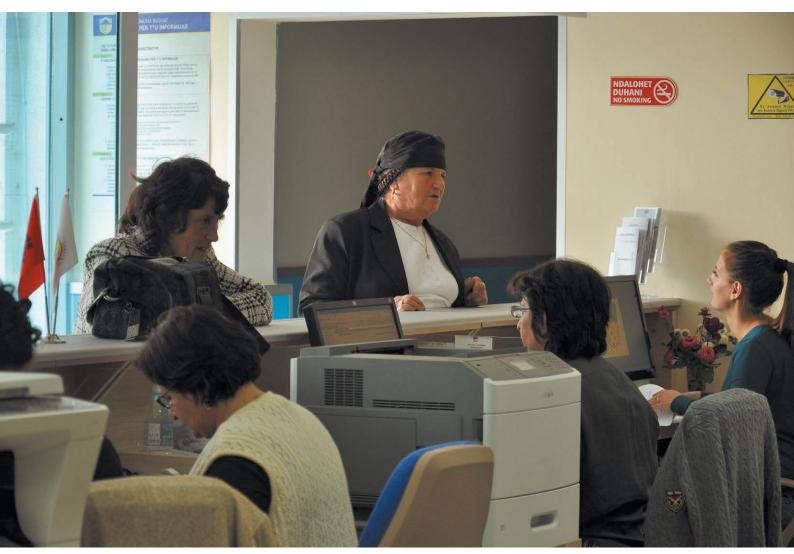
Hence, the SDC does not attempt to promote a "Swiss" or any other "ultimate model" of democratic governance, but tries to build upon existing dynamics, improve available structures and facilitate inclusive and non-violent debate and decision-making. Particularly in situations of violent conflict and humanitarian crisis the SDC should pay attention to strengthening domestic capacities and institutions instead of creating parallel systems. It is important to address the root causes of conflict, i.e. dysfunctional state institutions, power abuse and exclusion, and to build trust between state and society – and within society.

Global governance reform trends require further push

Progress in democratisation: After impressive acceleration in the 90s and aspirations for democratic freedoms during the Arab Spring, trends in recent years imply a standstill or backsliding. In 2015, the Freedom House Index for the ninth consecutive year recorded *"more declines in democracy worldwide than gains."*[7] According to the Democracy Index for the year 2014 half of the world's countries can be considered to be democracies of some sort, but the score of "full democracies" is reported to be low at only 15%, whereas 31% are rated as "flawed democracies", (gap between formal and substantive democracy), 31% are authoritarian and 23% are considered to be "hybrid regimes".[8]

A positive development is that people worldwide are increasingly demanding the fulfilment of their democratic rights, despite all difficulties, contradictions and setbacks. *"People want to have a say, hold their governments accountable and monitor in real time the progress made in their countries."*[9] Citizen protests demanding accountability from those in power and adherence to the rule of law were on the increase globally from 2006-2013.[10] And year-long research concluded that participation of citizens can lead to important change: *"Citizens, when organised and empowered, can make a difference in the achievement of development goals, they can make states more democratic and responsive, and they are invaluable in making human rights a reality."*[11]

Progress in decentralisation: Over the last two decades the significance of subnational governments has been growing. Most countries have developed a core set of municipal functions and the share of spending is increasing. Citizens are more and more involved in decision-making processes. But serious limitations remain: the often understaffed, underpaid, and poorly qualified local administrations, the tendency of central governments to impose spending responsibilities on local governments without adequately addressing their income constraints and the often unclear and ambiguous assignment of functions at different government levels.[12] Hence, challenges are still huge and decentralisation has not always led to commensurate improvements in service delivery.

Women use the desk for decentralized municipal services in Bushat, Albania, © SDC

Progress in governance: A cross-country comparison between 1996 and 2008 concludes that about one third of countries have experienced substantial positive changes in at least one dimension of governance, even over relatively short periods of time.[13] However, improvements in governance in some countries are often offset by declines in others and global indices point at several enduring challenges: still low levels of government effectiveness (at 18% in LICs, 33% in MICs), low levels of voice and accountability (at 23% in LICs, 40% in MICs), still limited budget information and independent oversight, and a considerable number of people (53%) who believe that corruption has increased.[14]

The question of positive correlation between DDLG reforms and development outcomes: In general, research about positive impact of DDLG reforms on development outcomes is still in its incipient phase and the evidence base to date is limited and inconclusive. Findings support evidence of positive as well as non-positive effects. It largely depends on the given political, institutional and socio-economic context and the design and implementation modalities of support programmes.[15]
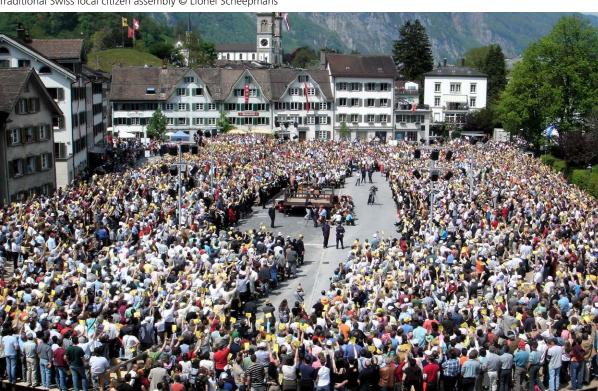
Switzerland is well positioned

DDLG as important priority: DDLG topics are reflected in many country cooperation strategies and programmes. More than 30% of SDC's overall bilateral budget is spent on governance-related activities of which DDLG represents an important priority. In 2014, spending on bilateral cooperation on the theme "state reform, local administration and citizen participation" was the second highest among the nine SDC priority themes, slightly behind agriculture and food security.[16] DDLG is a sector of its own and it is an integral part of many other sector strategies. The SDC has been working in this field and accumulating proven experience for decades.

The SDC's mandate: The promotion of democracy and human rights is listed as an important objective in the Federal Constitution[17] and is a major priority of Swiss foreign policy. One of the strategic goals in the Federal Council's dispatch on International Cooperation 2013-2016 reads *"support to states undergoing a transition to democratic market based systems"*, and among the listed nine priority themes, one is *"State reform, local administration and citizen participation"*.[18] The new dispatch (2017-2020) under preparation defines governance as a thematic priority and transversal theme and confirms the SDC's current positioning on DDLG.

Swiss history and authentic experience: Switzerland's approach to DDLG is deeply rooted in its own history, political system and practice. Federalism, the rule of law and direct democracy are perceived as important factors contributing to economic success and peaceful management of cultural, religious and linguistic diversity. Switzerland has long experience in negotiating functional assignments between multiple administrative tiers, and the principles of subsidiarity and municipal authority are recognised in the constitution.[19] Democracy is not an abstract ideology but based on Switzerland's actual experience and belief in democratic values. The concepts of a pluralistic society and the protection of minorities are fundamental beliefs and proven practice.

Traditional Swiss local citizen assembly © Lionel Scheepmans

Annual Democracy Forum 2015 discussing the Agenda 2030 on Sustainable Development © SDC

3 Global Development Agenda

Sustainable Development Goals 2030: The High Level Panel on the Post-2015 Development Agenda agreed that good governance and effective institutions are central for sustainable growth and poverty reduction. More effective and inclusive institutions build public trust through transparency and integrity, and allow citizens' voices to be heard. While the Millennium Development Goals (MDGs) did not include clear targets for good governance, the rule of law and inclusion, these have been put on the agenda of the 2030 negotiations. At the same time the international debate on "Fragile States" has highlighted a need to more explicitly address the reduction of violence, conflict and fragility. *"Making progress in reducing poverty and supporting human development will require targets for substantial decreases in violence, improvements in access to justice and fundamentally stronger institutions.[20]"*

Extensive consultations with a large number of civil society organisations and negotiations among UN member states led to the drafting of seventeen Sustainable Development Goals (SDGs). Good Governance, Peace and State building are reflected in goal 16: "To promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels."[21] DDLG essentially helps implement this goal and related targets, namely to develop effective, accountable and transparent institutions at all levels and to ensure responsive, inclusive, participatory and representative decision-making at all levels, to substantially reduce corruption, to promote the rule of law and to ensure equal access to justice for all. But also for goal 17, "to strengthen means of implementation", DDLG is important in view of improving domestic resource mobilisation at subnational levels (Target 17.1: capacity for tax and other revenue collection).

The Aid Effectiveness Agenda: During the 4th High Level Forum on Aid Effectiveness in Busan (2011), the "Busan Partnership for Effective Development Cooperation" highlighted the importance of promoting human rights, democracy and good governance as an integral part of all development efforts.[22] And it recognised the critical role of local governments, parliaments and civil society organisations for improving service delivery and enhancing participation, to oversee development processes and to anchor the countries' development agendas in broad-based democratic ownership.

The New Deal for Engagement in Fragile States: A new approach on the nexus of peace, human rights and development was reached when the OECD/DAC Ministers in 2007 endorsed the 10 Fragile States Principles; and again with the endorsement of the "New Deal for Engagement in Fragile States" (New Deal) at the OECD High Level Forum on Aid Effectiveness in Busan in 2011.[23] The New Deal is a key agreement between fragile and conflict-affected states, international development partners and civil society to improve current development policy and practice in fragile states and situations of conflict. It is guided by five **Peacebuilding and Statebuilding Goals (PSGs)**: 1) Legitimate and inclusive politics, 2) Security, 3) Justice, 4) Economic foundations, 5) Revenue and services. DDLG essentially contributes to the achievement of the PSGs, particularly to the goals 1–3 and more indirectly to goals 4 and 5.

With these commitments, support to countries in their efforts to overcome fragility and violent conflict has become a policy priority of international cooperation.[24] Switzerland currently holds the chair of the International Network on Conflict and Fragility (INCAF) and is very engaged in promoting the implementation of these commitments. The PSGs are an important building block for the new 2030 Agenda. The 2030 goals will also be crucial for the realisation of the PSGs, particularly goal 16 on peaceful and inclusive societies, but also the goals on basic social services (health, education, water and sanitation), on food security, economic growth, employment and decent work, and on reducing inequality and achieving gender equality.

International collaborative platforms: A variety of international platforms, networks or country-led initiatives are working to improve governance systems. They are either driven by development partners (e.g. OECD DAC GovNet or the Development Partners Working Group on Decentralization and Local Governance), or representing local government associations, (e.g. the United Cities and Local Governments Network), or they are joint government-civil society initiatives, e.g. the Open Governance Partnership. (For a selective overview see Annex 2).

Roma students asking for anti-discrimination legislation in Skopje, Macedonia © SDC/Harald Schenker

4 Strategic principles

Political engagement: DDLG interventions are highly political because they aim at changing political systems, institutions and processes, and they address the sensitive issue of deep-rooted power structures and relations. Political systems are based on laws and formal institutions but also on hidden powers exercised by informal leaders or shaped by customs, social and cultural norms. The SDC is committed to consciously engaging in such complex and sensitive systemic change processes, while taking into consideration the associated risks. This too applies to situations of conflict and violence where it is particularly important to find political solutions addressing the underlying root causes of exclusion, inequality and power abuse.

Starting from context: A sound context analysis must be the starting point of any intervention to understand the complexity of political systems and actors, the prevailing mechanisms of power and exclusion, interests and belief systems as well as capacity gaps. Each context is different, shaped by the specific historical and political background and subject to different stages of "maturity" in DDLG. Negotiation processes between political stakeholders are not the same everywhere and vary in time. Consequently, the SDC has invested in the development of a set of analytical tools and continues to refine them: political economy and power analysis as well as gender analysis are a must in every context, conflict analysis and fragility assessments are compulsory particularly in situations of fragility and conflict, and local governance assessments are strongly recommended to capture relevant information at subnational levels.[25]

Applying a systemic perspective and linking operations with policy reforms: Working in DDLG implies a systemic approach, which means addressing multiple government levels, state institutions and non-state actors, and combining assistance for regulatory reforms, capacity development and behavioural change. Hence, the SDC tries to identify multiple entry points for working on the system which are complementary and mutually reinforcing. In view of reaching scale and maximising impact and sustainability, the SDC connects operational "grassroots" experience with policy advocacy and policy dialogue. It promotes measures to capitalise on and share good practice, actively participates in donor coordination and policy dialogue and supports domestic advocacy initiatives and platforms.

Principled but adapted approach: The SDC perceives good governance and democratic values as essential enablers for sustainable development. However, the realities of a country's economy, policy and society, and the level of fragility and conflict require cautious, adjusted and sequenced approaches. The SDC believes in "best-fit solutions" rather than "standard models" and aims to build upon existing structures and dynamics.

Engagement with a long-term perspective: Working on political systems and transformation is never a linear process, but mostly cyclical and sometimes contradictory. It does not allow for quick-fix solutions, but requires long-term and sustained engagement. Building relationships of trust is essential and takes time.

Particular consideration for gender equality: Given the different stereotypes about women and men and their roles in the public sphere, DDLG is extremely gender-oriented. Access to public resources and services is most often governed by men, and responding to needs perceived by men. Managing public affairs is often seen as a men's issue, and women's participation in decision-making everywhere is far from equal to men's. In many contexts, gender roles are perceived as part of "culture" and "tradition" that should be preserved in a rapidly changing world. Women's equal access to services and resources, decision-making and legal protection are part of the principle of non-discrimination that should govern the behaviour of state institutions at central and local level. Women's full and effective participation and equal opportunities for leadership at all levels is also one of the key demands of the gender goal in the 2030 Agenda and a clear priority for the SDC.

Results orientation: The SDC aims to achieve both tangible results for the benefit of the people and institutional systemic change. It is aware that change processes in DDLG are complex; they are influenced by many factors and the way they impact on each other is not always straightforward and easy to capture. Instead of measuring and aggregating only isolated quantifiable targets it is important to capture a comprehensive picture of occurred change (fields of observation) and to include as well quality dimensions and behavioural change processes. Multiple perspectives of involved stakeholders will be used in the monitoring and analysis of results to better understand how change happens and what matters for people.

Ambitions should be realistic, and at the same time it is important to achieve some quick results, particularly in post-conflict settings, where the window of opportunity for establishing people's trust in new political systems is short. To identify some *"low-hanging fruit in governance"* can be crucial.[26] While reporting on results, one should pay attention to qualify achievements against a reference value for appraising the significance of achievements.

Collaborative approach: To make best use of synergies and promote coherence, the SDC strives for coordination and collaboration within the Federal Department of Foreign Affairs (namely with the Division of Human Security), within the SDC and with other concerned Federal Departments (namely with the State Secretariat for Economic Affairs). It engages with an array of competence centres in Switzerland and globally. This involves universities, specialised institutes, representatives of Swiss political institutions and SDC implementing partners, as well as collaborative platforms of the international development community. The corresponding SDC thematic network DDLGN has a specific mandate to contribute to the thematic quality of SDC operations and to enhance thematic knowledge and joint learning. Currently the network comprises approximately 230 members worldwide, including SDC staff, implementing partners and associated experts.

Working Group at DDLGN Face-to-Face Meeting in Mozambique, June 2015 © SDC Network of Democratisation, Decentralisation and Local Governance (DDLGN)/Benoît Meyer-Bisch

5 Thematic priorities

The SDC has developed considerable experience in DDLG over the years. Typical entry point is the subnational level where it assists state institutions in their democratic transformation and helps to render them capable, better resourced and more effective in fulfilling public duties. This goes together with long experience in civil society empowerment and a strong commitment to promoting citizen initiatives. The constructive interaction between the state and citizens is very important and the SDC places particular emphasis on promoting gender equality and the inclusion and empowerment of disadvantaged groups, including internally displaced persons and refugees. During the past years the SDC made substantial efforts to better connect field experience at subnational levels to the central policy level, and contributed to the design of evidence-based state reforms.

Currently it is shifting to a more systemic approach and is opening up its perspective to include a wider range of political actors and state institutions. This includes for example parliaments, justice and the role of political parties which are essential drivers or restrainers of reforms. Hierarchical party structures and confrontational inter-party relations are a direct cause of dysfunctionalgovernance. Also the dimension of informal leaders and power structures is gaining importance. Particularly in fragile and conflict settings, informal or extra-legal institutions (e.g. traditional or religious groups) may play strong roles in either competing with or rebuilding trust in political state institutions.

Overall goal and expected results

The **overall goal** in DDLG is to strengthen legal frameworks, state institutions, political actors and processes that promote peaceful and inclusive development for all people. Substantial contributions to this overall goal are most likely if (change hypothesis): **i)** subnational governments operating in decentralised political-administrative settings, with adequate capacities and resources, perform their public duties more effectively and are ready to apply more participatory, inclusive and accountable governance practices (change of behaviour);

ii) well-functioning accountability systems and processes are providing for the necessary counterbalance, oversight and sanctioning of abusive practice; **iii)** governments and parliaments introduce required legal reforms and support strategies; and **iv)** well-informed and empowered citizens voice their concerns and claim for public space for participation, engage around issues that matter to them and hold their governments and political representatives accountable. This presumes that all people, including powerless and disadvantaged groups, are aware of their rights, relate to their society and feel confident and responsible enough to engage.

The change hypothesis describes an ideal scenario and as such it applies in different ways to different contexts. For example in **authoritarian or post-authoritarian systems** the objectives typically consist in strengthening effectiveness and minimum transparency of the still centralised multi-level government structures in providing responsive and inclusive public services and at best, in creating or maintaining certain space for citizen engagement and public consultation. In **situations affected by violent conflict**, expectations should be modest. Typically it is realistic at first to expect improvements in trust-building between conflicting parties, inter-personal relations, and accessibility of basic services (e.g. protection of vulnerable groups, reduction of vulnerabilities), and to maintain institutional continuity instead of institutional improvements. In **post-conflict settings**, building effective state institutions and people's confidence in them, ensuring the rule of law, equal access to justice and reducing violence is particularly important and certainly addresses the key dimension of the fragility agenda. In **more advanced systems of decentralisation and democratic governance** the aim might be to further refine and consolidate multi-level government arrangements, make better use of existing space for public debate and participation, or enhance the effectiveness of accountability systems. But in all contexts the inclusion of vulnerable and disadvantaged groups and improvements in gender equality remain a challenge which requires targeted measures.

Democratisation

Definition: Democracy comes in multiple forms, and there is no single universally applicable model and no end-point in improving democracy. The SDC's approach to democratisation is guided by a set of values, not by standard settings and procedures. In democratic systems the legitimacy of political institutions is based on people's consent, either by direct vote or through representation. Democratic systems are believed to be less prone to concentrate power among elites, since decisions require compromise and inclusion, and elections offer the possibility of change. This is usually backed by constitutional guarantees for equal rights to vote, the liberty of opinion and free media, equality before the law, the separation and control of powers and the principle of the rule of law, which binds state authority to a constitutional framework and legal norms.

Some of the challenges: In many SDC partner countries, democracies are only emerging and still in the making. Frequently they are under immense pressure to quickly meet new expectations and deliver a better standard of living. Otherwise the risk is high that people may lose interest or become susceptible to populism. "Democracy scepticism" is one of the actual headwords. New forms of "modern authoritarianism" are another challenge to democratisation, when those in power keep up a façade of democracy while in reality weakening competition, closing space for participation and undermining the rule of law. In traditional societies and their predominantly loyalty-based clan structures, democracy is often questioned as an imposed western system which is opposed to existing cultural norms and values.

Again, this requires adapted approaches and a combination of reforms with home-grown ways of public consultation, debate or reconciliation and, as far as possible, working with all relevant actors, including those who might oppose. And it certainly needs a combination with efforts offering quick gains for better livelihoods. Transparency and accountability in the approach, the focus on results and the bias on partnership and participation enhance the chances of ownership and sustainability. In contexts of conflict and violence it is important to understand how citizens deal with this situation, how they experience their citizenship in such contexts, and how they confer legitimacy to – or withhold it from – the various forms of leadership and authority in their environment, and what this all means from a gender perspective.[27]

SDC priorities in this area: Following a **systemic approach**, the SDC recognises that successful democratisation implies comprehensive support to different pillars of democracy (e.g. parliaments, media, judiciary) and new ways of engaging with a wider range of relevant actors, including for example social and political movements, political parties, informal and extra-legal leaders, the private sector and trade unions. The SDC is ready to explore "new terrain", while being aware that this can be challenging and politically sensitive. It is important to renew efforts which contribute to more inclusive political processes and power structures. This is particularly important in contexts of fragility and conflicts. The political empowerment of women and vulnerable groups is imperative.

Switzerland is supporting the Serbian National Assembly in its oversight function and in its efforts to ensure transparency. © UNDP/Rea Mucovic

Democratic accountability and oversight: Accountability describes the relation between state institutions and people affected by their decisions and actions. It is about the obligation of state institutions with assigned public duties to inform the public, to explain and justify their decisions and actions to the citizens (information, answerability). And it is about the right and responsibility of the citizens to access information, get explanations, to check, and to pass judgement on the conduct of those with public responsibilities. For this a solid system of checks and balances needs to be in place, providing space for citizen participation and consultation, an independent, pluralistic media, effective parliaments and independent oversight bodies. And it needs mechanisms for sanctioning misbehaviour (enforceability), e.g. with an independent, impartial and accessible justice system. The SDC promotes a **systemic perspective** to accountability which includes **vertical dimensions of accountability** (state institutions being accountable to citizens, private sector) as well as **horizontal dimensions** (inter-state checks and balances). It applies to national as well as subnational levels, which need to be connected. It is important to work with multiple actors and institutions (balanced support) and to facilitate linkage building among them, for greater leverage of their claims. Complementary to these efforts, targeted measures to prevent and combat corruption are necessary.[28]

The SDC has gained long experience with vertical accountability relations (social accountability) but is increasingly applying a more systemic approach. For example in Macedonia the SDC is supporting the oversight function of local parliaments and institutional capacities of the national parliament, in combination with establishing forums for public deliberations and strengthening the effectiveness, outreach and credibility of civil society organisations

in defending the interests of their constituency. In East and Southern Africa the support to civil society oversight is linked to media initiatives and to assisting parliamentary commissions control function. Targeted anti-corruption programs for example in Kosovo, Bangladesh, Bhutan and Tanzania try to address corruption from different angles. The SDC will continue in this direction and expand knowledge and experience (e.g. on available expertise in combating corruption).

Transparent and inclusive elections: The SDC promotes inclusive and transparent elections and is substantially engaged in election assistance, at national and subnational levels. It believes that elections are important because they offer the possibility to hold political representatives accountable and provide a mechanism for redistributing access to power. Poorly designed electoral systems however can also sustain the rule of a single party and lead to artificial democracies. The SDC is aware of the risk that elections may stir up violent conflicts and can be more divisive than unifying if partisan electoral campaigns are shaped along ethnic, regional or political lines. Consequently, election assistance must start with careful political risk analysis and strengthen domestic capacities in preventing and mitigating electoral violence. This is particularly important in post-conflict scenarios.

Other **internationally agreed principles** to which the SDC adheres are: i) to view elections not as "one-shot events" but engage with a long-term perspective along the whole electoral cycle; ii) to understand elections as important but not the only means for democratic transformation. Electoral assistance needs complementary activities and to be connected with other good governance or democratisation programmes; iii) to strengthen domestic

Woman as election official, man voting in Kabul, Afghanistan © SDC/Susanne Schmeidl

ownership and capacities; iv) to diversify collaboration modalities in order to minimize risks.[29] In keeping with these principles, SDC support typically includes: assistance to domestic election bodies for preparing and holding elections, help to domestic civil society organisations for independent election observation and monitoring, support to media for impartial information and hate-free reporting, or diverse initiatives for civic education, public debates, and the promotion of women's participation in elections.

For example in Myanmar the SDC supported the electoral commission in organising the elections and civil society organisations in civic education, prevention of electoral violence and election observation. As a complement to that, the HSD facilitated a process between political parties to sign a joint code of conduct for the election period. Myanmar is a good example of a collaborative Swiss approach to assisting a country in a decisive moment of political transformation. In the future the SDC will continue this engagement and further exchange gained experience. It will develop its knowledge of how to improve electoral systems that allow for more balanced and inclusive representation.

Effective citizen participation: The SDC supports citizens to claim and use spaces for participation and to take ownership of and co-responsibility for public matters. The aim is that better informed and organised citizens voice their interests, hold governments accountable, influence policy agendas and decision-making for their good. The SDC recognises that this usually requires time and many intermediary steps, as well as targeted measures to empower women and marginalised groups. Blueprint participatory designs with standard project implementation modalities are usually less successful and leave the door open to elite capture.

Campaign to stop violence against women in Bolivia © SDC Cooperation Office Bolivia

For example in Bolivia, the SDC has been contributing since 1996 to the implementation of the "law on popular participation," by informing people (particularly women, minorities, youth) about their entitlements and responsibilities and by strengthening their organisational capacities and inclusive participation in public decision-making. With small competitive grants it supports initiatives for an active citizenry, for example a powerful campaign for combating violence against women. In the Western Balkans, the SDC has been supporting civil society organisations since the 90s in defending the interests of their members, from the local level up to the national level. The SDC learned that it has to invest more in strengthening the sincere ownership (legitimacy) of these organisations and the connectivity to their members. In future the SDC wants to identify innovative ways of better reaching out to genuine and inclusive forms of civic engagement.

An independent, pluralistic media: The media play an important intermediary role in the development of a democratic society. They are a vector of information and an agent in their own right. The SDC supports the media in fulfilling the following core functions: disseminating information on relevant topics that enables people to form opinions, giving a voice to different parts of society, providing a forum for exchange of diverse views, fulfilling a watchdog function by observing political processes, and providing channels to political actors to communicate and interact with the people.[30]

In Tunisia for example, since 2011 the SDC has been supporting the work of radio Gafsa, one of five regional branches of the national "Radio Tunisienne". The aim is to improve access to good-quality information for the inhabitants of the neglected Gafsa region, where the uprising against former president Ben Ali had its origins. The SDC helps with training for regional journalists and design of new programmes which provide more independent and relevant information. Another example is Tanzania where the SDC is connecting media assistance to social accountability initiatives and helped establishing a strong media umbrella organisation for policy advocacy and capacity building of its members. In the near future the SDC will prepare an overview and analysis of its experience in media assistance in order to facilitate cross-learning and cross-fertilisation. The potential of electronic communication and social media is yet to be explored.

Representative and effective parliaments: In parliamentary assistance the SDC aims to improve the performance of parliamentarians in assuming **their core functions**, i.e. lawmaking, representation and oversight, and to strengthen the institutions of Parliament, for example the Secretariat, or Presidency, or parliamentary services. To this end it offers support in the following areas: improving the knowledge base of parliamentarians on key aspects

of the domestic development agenda (training, coaching, documentation), assisting them in policy analysis, in drafting legislation and launching investigations, enhancing outreach and communication with their constituency, and facilitating constructive dialogue and collaboration between different political parties.

In Serbia, for example, the SDC supports the national parliamentarians to better assume their financial oversight responsibility and to engage in dialogue with their constituencies at subnational levels. In Mongolia the SDC assists a national capacity-building programme for newly elected local councillors, and in Southern Africa the SDC will help strengthen the accountability of parliamentary committees in selected public sectors. In Macedonia and Cambodia the SDC supports the establishment of parliamentary institutes which will provide the necessary support base for parliamentarians. Parliament assistance is still a relatively new but growing work area for the SDC, and in the coming years it will continue to expand its knowledge and experience. Confrontational and obstructive party politics is one of the key challenges and risks to think about.

Independent, impartial and accessible justice: A functioning judicial system is important to sanction abusive practices of state authorities, to protect peoples' rights and combat gender-based violence. At the core of the SDC's commitment are people's legal empowerment and the improvement of legal services (e.g. judicial procedures), accessible to all. Typically SDC programmes support capacity-building of judges, notaries and lawyers, but they can also include work with informal justice providers, for example traditional authorities. And crucially, the SDC supports initiatives raising people's awareness about legal rights and the provision of legal aid.

For example in Tajikistan, the SDC supports a comprehensive access to justice programme to increase legal awareness and improve legal aid services for people, including marginalised groups and women, to improve legal information by the government, and to promote policy reforms. In Pakistan the SDC is engaged in improving the dysfunctional justice system in the Malakand division in the Provincially Administered Tribal Areas, which was one of the root causes of violent conflict between militants and the Pakistani security forces. It helps improve skills and performance of courts and access to justice particularly for vulnerable groups (mobile courts). At the same time it promotes informal mechanisms for alternative dispute resolution. In this area the SDC intends to sharpen its strategic orientation and possibly expand its engagement.

Independent oversight bodies: In many countries these institutions play an important role for professional and independent public oversight. They can provide for complaints and redress mechanisms for people who are affected by officials' wrongdoings, and they can play an important role in advising on and initiating legal or policy reform processes. They can be instrumental in enhancing participation as well as trust by the people in state institutions.

The SDC is supporting different types of institutions, for example independent national human rights commissions (Afghanistan, Bangladesh) or anti-corruption commissions (Bhutan) and ombudsperson (Bolivia, Burundi). This shall be continued and connected more strategically to other types of oversight institutions and accountability relations.

Decentralisation

Definition: The SDC's approach is guided by international standards and good practice.[31] It distinguishes three dimensions of decentralisation with different characteristics and policy implications:[32]	
Political Decentralisation	Transfer of political power and decision-making authority to subnational levels, such as for example elected village councils, district or provincial councils (Allowing for democratic structures at subnational levels).
Fiscal Decentralisation	Intergovernmental fiscal transfers to subnational governments which allow them to function properly. The fiscal decentralisation policy also addresses such issues as revenue assignments (assignment of local taxes and revenue-sharing), subnational government borrowing and debt, and the assignment of expenditure responsibilities.
Administrative Decentralisation	Transfer of decision-making authority, resources and responsibilities for the delivery of selected public services from the central government to other lower levels of government. The strongest **form** is *devolution*, with local governments having full responsibility for financial and human resources and for carrying out tasks. **Deconcentration** is the transfer of authority and responsibility from one level of central government to another, with the local unit accountable to the central government ministry or agency. **Delegation** is the redistribution of decision competencies and operational responsibility to authorities which maintain a certain degree of independence from the central government and yet have to report to it.

Assignment of responsibilities, finances and decision-making power can follow different types of logic, for example the subsidiarity principle (allocation to the lowest possible government level, closest to the people), or the principle of economies of scale (to government levels which can perform assigned duties in the most effective and cost-efficient way), among others.

An alternative concept of decentralised government which is sometimes put on the reform agenda is **federalism**. It describes a system of government in which powers are divided between a central governing authority and constituent political units with substantial autonomy (at least two tiers of government). The central governing authority has certain exclusive federal powers, the constituent political units have certain rights, and they both share certain concurrent powers. In federations the right to self-government of the political units is constitutionally entrenched. They often possess their own constitutions which they may amend as they see fit. Movements associated with the establishment or development of federations can exhibit either centralising trends (formation of a stronger central government, as was the case in Switzerland), or decentralising trends (transfer of power from central authorities to local units, as for example in SDC partner countries). There are many different federal experiences and various design options may apply. Most important is the identification of solutions adapted to the specific context. Often critical is the delimitation of federal units, for example when the autonomy of ethnic minorities is at stake.

Some of the challenges: In many SDC partner countries decentralisation is a mix of devolution and autonomy at some levels plus de-concentration or even strong centralisation at others. And sometimes, for example in Bolivia, a legally acknowledged and defined parallel system exists for indigenous autonomy with different rights. This is an indication of the complexity of reform challenges and the inconsistency of decentralisation processes. The development of functional spaces or economic areas at subnational levels (also termed as regional development) can provide an entry point to promote better articulation between co-existing forms of government.

Other challenges are the dichotomy between national macro-economic stability and fiscal decentralisation, and to build linkages between decentralisation and other sector policies. Interference of politics is in many cases one of the main obstacles undermining de facto power-sharing. Ruling elites fear losing control and privileges; ruling parties often perceive subnational governments as being subjected to their party control and prefer to have them dependent on them. Sound analysis, sequenced approaches with a longer-term vision, flexibility to identify emerging opportunities and to be well versed with power dynamics increases the prospects of success.

In contexts of conflict or post-conflict, decentralisation can provide a mechanism of power sharing that may help to ease tensions. Sensitive decisions that are important for regional or local identity can be left to the lower levels of government so that they will not divide at the centre. When communities can take important decisions on their own, without major interference by the centre, this can strengthen their loyalty and integration into the state that provides this degree of self-rule. But the SDC is aware that this can also produce negative connotations of state dissolution – justified or not. Decentralisation is a competitive process, which in certain contexts might lead to further conflict as stakeholders endeavour to access a share of public resources. Mediation and appropriate institutional arrangements can mitigate such risks, alongside efforts to clearly define responsibilities and act transparently.

SDC priorities in this area: The SDC promotes a **comprehensive and coherent approach** to decentralisation reforms where assigned functions at subnational levels ideally are in congruence with allocation of finances, human resources and decision-making power. This requires a clear vision of **multilevel governance systems** with shared functions between different tiers according to different subfunctions. Horizontal cooperation among subnational units is also important, for example in managing natural resources or infrastructure development. The SDC supports partner countries in making informed choices for different dimensions and forms of decentralisation. It aims to strengthen domestic capacities for designing, implementing and adjusting reforms and uses "bottom-up lessons" from its numerous local governance programmes to inform reform processes. Particularly in the area of fiscal decentralisation it has expanded its knowledge and engagement, and it will continue to do so, because it is critical to strengthening subnational governance.

Domestic capacities and initiative for designing and implementing decentralisation reforms: The SDC provides access to information and technical advice, training and coaching to central government representatives to design, steer and supervise policies, regulations and minimal implementation standards. It further contributes to strengthening national training systems with the aim of enhancing implementation capacities of subnational governments.

In Mongolia and Bangladesh for example, the SDC supports the design of decentralisation reforms with analytical studies and by testing and adjusting new modalities on the ground. In Bangladesh it also essentially contributed to the development of a national training system for subnational governments, based on a bottom-up horizontal peer learning approach which is complementary to the top-down courses of the national institute for local govern-

ance. In Albania the SDC played an important role in shaping a territorial and administrative reform that resulted in a substantial decrease in subnational government units for more efficient public administration. Swiss expertise helped to provide statistical data and demonstrated in 5 regions how to optimise subnational government borders. *The SDC will continue supporting national reform agendas.*

Adequate, predictable and transparent intergovernmental fiscal transfers: Budget allocations from the central government are the most important source of revenue for many subnational governments, particularly in poor and remote areas. For them it is important that such transfers match their tasks (fiscal equivalence) and happen in a predictable and transparent manner. Transfers can serve **different purposes**: **i)** to address the fiscal gap resulting from the allocation of revenue and expenditure responsibilities across different levels of government, **ii)** to ensure equity in resource distribution, (also termed as financial equalisation, guaranteeing similar standards of services by subnational governments and ensuring equal redistribution of incomes from commodities), and **iii)** to subsidise subnational service provision as compensation for cross-boundary or spillover effects.

They apply **different design options**, namely: conditional versus unconditional transfers, formula-based versus ad hoc assignments and non-matching versus matching grants. Sometimes the allocation of resources is linked to social inclusion criteria and explicitly supporting poverty criteria. Increasingly the instrument of performance-based transfers is applied. There is no magic formula for a transfer scheme. Foremost the design must be adapted to the context and purpose. The decision on formulas will always remain a political one; however it needs to be underpinned by robust technical analysis. From a technical point of view formulas should not be overloaded and kept simple, with transparent criteria.[33] In fragile and conflict-affected situations the role of transfers varies considerably. They often serve the purpose of fiscal appeasement or preserving the union, or avoiding migration. A frequently used design element is "equal shares" (each subnational government receiving the same amount) which facilitate political agreements however lead to high per capita inequities.

The SDC is increasingly engaged and will continue to assist the design and co-financing of fiscal transfer schemes. For example in Bangladesh it is pioneering the set-up of fiscal transfers to the sub-district level, with formula as well as performance-based allocation criteria. In Mali it contributes to transfer schemes in selected sectors, and in Benin, Burkina Faso and Burundi the SDC contributes to partially earmarked national grant schemes for the implementation of local development plans, known as "local development funds". If well managed, these funds one day may serve as the national transfer scheme that can be used for all transfers. In the fragile context of Somalia, the SDC together with other donors is helping to pilot a simple transfer scheme as an important element of the state-building process ("global compact for Somalia"), and to ensure buy-in into peace settlements.

Broad-based reform dialogue and protection of interests of subnational governments: The SDC promotes and facilitates public dialogue and debate during reform processes with the aim of keeping up advocacy pressure for reforms, broadening domestic ownership and ensuring representation of diverse interest groups. *One particular approach is for example the support to local government associations, which is proving to have a major impact in the Western Balkan region. In year-long cooperation since 2007 for example in Serbia, the national association became a powerful player which successfully defends the interests of its members (e.g. stopping the decrease of budget transfers from central government). The regional umbrella organisation of national associations provides useful information to its members and is backing the push for domestic reforms in various countries.[34] This is a field with proven SDC experience that will be continued.*

In Bangladesh, citizens enquiring about tax assessment results. © Helvetas Swiss Intercooperation/Jens Engeli

Local governance

Definition: Local governance describes a set of institutions, actors, mechanisms and processes through which local state institutions exercise their duties, citizens and private sector can articulate their interests and needs, mediate the differences and exercise their rights and obligations. From the perspective of **local authorities** this includes the following: how local authorities manage the provision of public goods and services; how they stimulate and concert local development processes; how they generate own revenues and manage public finances; how they consult and inform the public about their decisions and account for their results; how they behave and interact with citizens and who they include or exclude. On the other hand a **citizen's perspective**, including that of the private sector, looks at the following questions: how informed are they about public processes and decision-making? Are they aware about decisions affecting their lives, or business prospects? For what and how do they engage in their community and interact with local authorities? How well are they organised to voice their concerns and are they able to influence public decision making? Can they elect representatives of political institutions and do they feel represented? To what extent are women and disadvantaged or vulnerable groups part of the "game"?

Beyond this citizen-government relationship, a range of other state institutions and political actors are important foundations of local governance or **local democracy** (see 5.2). The subnational level is usually a convenient entry point to build trust in state institutions and social cohesion within communities. Particularly in situations of conflict and violence this is important. Local authorities and political leaders can play a decisive role in mediating conflicts peacefully and offering safe spaces for public deliberation.

Some of the challenges: Local authorities are never independent but part of a complex system of relationships and interactions, involving a variety of state institutions, political processes and actors. Depending on the context, different formal and/or informal power structures may exist in parallel. The performance of local authorities depends very much on a national enabling framework which is often characterised by the slow pace and inconsistencies of decentralisation policies. Conflicting mandates, blurred responsibilities, lacking resources and capacities are some of the key obstacles subnational governments face. This also concerns other pillars of democratic state institutions, such as for example parliaments or the judiciary which usually are weak at subnational levels. Elite capture and persistent traditional power relations are challenges encountered at all levels and always come hand in hand with a more or less developed system of patronage. At subnational level this can be observed particularly where state capacities and resources are weak, and civic awareness and engagement are limited. Local political leaders have few incentives to change governance patterns if they are mainly accountable to their political party hierarchy and less to their constituency. Economic potentials at lower state levels are often limited or underdeveloped, which constrains their own revenue base and keeps them dependent from central level. Developing "functional areas" and "economic regions" in concertation with the private sector could be a productive approach.

As far as local state representatives are concerned, people's daily interactions and coping strategies are shaped by a complex web of institutions, actors and power relations, particular traditions and culture. These can be either supporting or restraining their active participation. The exclusion of disadvantaged groups, based on gender, age, ethnicity or religion, is still a reality.

In Mali, the SDC supports the development of local market infrastructure. © Urbaplan/François Laurent

Inclusive provision of good-quality services at subnational levels, and enabling conditions for local development: SDC support addresses the broad range of required institutional capacities for **managing public resources** in most effective way, leading to good-quality public services for all and stimulating local economic development. It is an area with long years of commitment and of high importance for the SDC. Typically this starts with the strategic planning of priorities, based on participatory needs assessments, and the budgeting of financial resources, including gender-responsive and socially inclusive budgeting. Further steps are the implementation of plans and budgets, with sound financial management and procurement procedures, and the appropriate steering, and control with regular public information and consultation. It also includes support **to multi-level articulation and horizontal collaboration** among subnational units. *For example the SDC has been promoting the concept of "road corridors" in Nepal (local development spaces along road corridors, including more than one single district), or regional development initiatives in Bolivia and Rwanda.*

This is an area of support in a multitude of programmes worldwide and will be continued as a priority. With Switzerland's determination to increase its support in fragile and conflict-affected contexts, it will increasingly feed in this broad experience to ongoing peacebuilding and state-building initiatives and further expand its expertise in fragile and post-conflict settings. Aligned with the New Deal in Somalia, for example, the SDC together with other donors is helping to establish functional and legitimate institutions at the municipal level. The aim is to strengthen basic capacities of municipal staff in public planning, expenditure management and pub-

lic works investment, e.g. for social services and economic infrastructure development. Another important goal is confidence building by enhancing citizen participation in decision-making and strengthening accountability relations between municipal authorities and citizens.

Own revenue sources for subnational governments: In several countries the SDC supports subnational governments in raising different types of **taxes or user fees** through three types of intervention: **i)** enhancing governments' capacities in tax administration and collection (information systems; taxpayer registration; collection processes), **ii)** strengthening tax compliance of citizens and the private sector (information to the public, incentives to pay taxes) and by **iii)** promotion and support to policy reforms and legislation. Taxes are instrumental to securing the revenue base of subnational governments and increasing their independence. And they are essential to strengthening accountability relations towards citizens. People are willing to pay taxes but only if they can see a concrete benefit and if they know how their money has been invested.[35] Recent discussions also showed that taxation matters substantively for gender equality. Gender impacts often come to bear precisely in those few taxes which are managed by local governments, particularly in the property tax, or other own-source revenues like market fees. This underscores the need that gender-relevant impacts need to be analysed in an integral fashion, from the design of the tax code, to the setting-up of tax administration processes, and the application in each locality.[36]

Another SDC support modality is the provision of **"on-budget support"** to subnational governments (while using country systems whenever possible). But this should be limited to a clearly bounded time period to avoid eternal substitution of lacking intergovernmental budget transfers. Very often the SDC applies a combination of formula and performance-based allocation criteria, while performance indicators ideally should focus on governance outcomes and not exclusively on hardware outputs.[37]

*The SDC is for example providing **on-budget support** in Central America, Benin, Burkina Faso and increasingly in the Western Balkans. It assists local governments in **generating own revenues** (taxes, fees) in the Western Balkans, Central America, West, East and Southern Africa. In Mali, Burkina Faso and Benin, but also in Somalia, this is closely linked to supporting subnational governments in economic infrastructure development in order to "create a tax base". In Somalia the SDC supported the introduction of simple bookkeeping systems and contributed to GIS (geographic information systems) mapping and property taxation systems. In Nicaragua and Honduras the SDC provides capacity development*

to establish land registries, censuses and registration of taxpayers. All these initiatives have led to a considerable increase in tax revenues. For more constant tax collection by subnational governments, the SDC promotes competition and performance bonus systems, for example in Burundi and Serbia. And it supports awareness campaigns for citizens about the importance of paying taxes and user fees, for example in Albania, Bangladesh and Burkina Faso. *The SDC is committed to continuing its efforts in this important area and will expand its knowledge and experience.*

Effective citizen participation and democratic accountability and oversight: Over the years, the SDC has gained much experience in promoting accountability of local governments towards citizens (social accountability), for example with social audits, citizen score cards, public hearings, or open budgeting. To become more effective in its actions, the SDC seeks to strengthen the broader system of accountability relations, including subnational parliaments or assemblies, and the judiciary etc. (see chapter 5.2). It applies a comprehensive support strategy for citizen participation, as described earlier. This entails the trajectory from awareness-raising, confidence-building and spontaneous grassroots initiatives to organised participation and alliance-building up to national levels.

In addition to previously described examples, the SDC also supports specific programmes for the political empowerment of women and disadvantaged groups. For example in Bangladesh the SDC facilitates a platform of civil society organisations to strengthen women's organisational capacities in their communities, encourage female leaders to run for local elections and build their capacities to assume public functions. Or in Nepal the SDC contributes to a network of social mobilisers which helps marginalised people to develop their self-confidence for asserting their rights. In the conflict-prone Federally Administered Tribal Areas in Pakistan, SDC helps informing community members about their rights and responsibilities and promotes an inclusive, ransparent dialogue among different community actors, and with local authorities. It supports informal conflict resolution approaches to mediate and overcome conflicts, for example via tribal leaders or elderly people. The Gaza post-war context is an example where the SDC is facing the problem of internally displaced persons (IDPs), which has added to many other problems related to civic engagement and inclusive local governance. As a consequence of this reality and in response to the IDPs' needs, the SDC has increased its focus on participatory processes in reconstruction and re-planning. *The SDC will continue to work in this area and try to enhance its knowledge of targeted measures for disadvantaged groups, including women, and it will continue to strive for adequate responses in different context settings.*

Citizens assessing the state of Local Governance in Bangladesh © Helvetas Swiss Intercooperation/Jens Engeli

Empowerment of local actors (Women Dyers' Association, Koudougou town) © SDC Division West Africa

ANNEX 1

Governance Principles and DDLG

Definitions[38]

Effectiveness and Efficiency: Implies results-orientated performance of state institutions in assuming their public duties which should serve the well-being of people. It further implies that financial and human resources are used in an optimal fashion, without waste, corruption, or delays.

Participation: Implies that all population segments need to be connected to the social and political processes that affect them. This means that public spaces exist where different groups can express dissenting opinions and personal interests, and where these viewpoints are treated as serious input in the decision-making process.

Transparency: Implies that the public in general, or at least those directly affected, should obtain information from the state about the rationale underlying decisions, decision-making criteria, the intended manner of implementing a decision, and any insight into its effects.

Accountability: Accountability refers to the control of the power exercised within state and society at the national as well as subnational level. It is about the right of people to access information, to check and pass judgement on the performance of those assigned with public duties, and it is about the obligation for the people holding power to explain their decisions. In addition, it concerns the duty of the controlling agencies to reward good performance and to sanction abuses of power. Accountability presupposes clear definitions of the functions, duties, and rules for the scope of action of public and private institutions.

The rule of law: Key elements of the rule of law generally include: non-discrimination and equality before the law, the hierarchy of norms, and substantive coherence of the legal framework, the government is bound by the law, the separation of powers, the independence and impartiality of the judiciary, and respect for human rights.[39]

Equality and Non-Discrimination: Means that no group may be excluded from power and resources. This implies that proactive public integration policies for excluded or marginalised groups need to be implemented. Non-discrimination policies have to be applied for the expressed purpose of reducing inequalities between men and women, urban and rural populations, and between different ethnic or religious groups.

Definitions of DDLG

Democratisation: At its core, democracy is a system in which the government is controlled by the people and in which citizens are considered equals in the exercise of that control.[40] The legitimacy of political institutions is based on people's consent, either by direct vote or through representation. This is usually backed by constitutional guarantees for equal rights to vote, the liberty of opinion and free media, equality before the law, the separation and control of powers and the principle of the rule of law, which binds state authority to a constitutional framework and legal norms.

Decentralisation:

› **Political Decentralisation:** Transfer of political power and decision-making authority to subnational levels, such as for example elected village councils, district or provincial councils. It allows for structures of subnational democracy.

› **Fiscal Decentralisation:** Intergovernmental fiscal transfers to subnational governments which allows them to function properly. The fiscal decentralisation policy also addresses such issues as revenue assignments (assignment of local taxes and revenue-sharing), subnational government borrowing and debt, and the assignment of expenditure responsibilities.

› **Administrative Decentralisation:** Transfer of decision-making authority, resources and responsibilities for the delivery of selected public services from the central government to other lower levels of government.

Local governance: Local governance describes a set of institutions, actors, mechanisms and processes through which local state institutions (including the executive, legislative and judiciary) exercise their duties, citizens and private sector can articulate their interests and needs, mediate the differences and exercise their rights and obligations.

ANNEX 2

International collaborative platforms

OECD DAC GovNet: The Network on Governance (GovNet), is a subsidiary body of the OECD Development Assistance Committee (DAC), which is comprised of experts and practitioners from development cooperation agencies from DAC countries, as well as multilateral agencies. GovNet looks at ways of making governance support in developing countries more effective by exchanging experiences and lessons, and by identifying and disseminating good practice. GovNet has what it calls a "soft normative power" to develop policy, analytical tools and operational approaches, offering guidance and promoting behavioural change for development cooperation practitioners. DAC processes such as work on fragile states, political economy analysis, accountability and democratic governance, or work on anti-corruption were created by GovNet, where SDC is an active member.

Development Partners Working Group on Decentralisation & Local Governance (DeLoG): In order to make support to decentralisation and local governance more effective, development partners in 2006 formed an informal network called DeLoG and jointly elaborated a set of guiding principles on aid effectiveness in this thematic area.[41] It serves as a platform for practitioners to share, discuss and disseminate knowledge, experience and ideas. DeLoG also contributes to define common approaches and facilitates the organisation of joint training. It conducts relevant studies and advocates for the advancement of the decentralisation agenda, namely in the 2030 agenda and the Busan partnership processes. The SDC is actively contributing to DeLoG activities.

The Effective Institutions Platform (EIP): This is one of the building blocks of the Global Partnership for Effective Development Cooperation. It was created in 2012 with the purpose of supporting public sector reform initiatives for the delivery of better public services in member countries. It consists of over 60 countries and organisations, including development agencies, think tanks and civil society stakeholders. It facilitates dialogue, peer learning and exchanges in the area of public sector reform. Switzerland and the SDC in particular takes an active role in the Busan Partnership and EIP processes. These can play an important role in reinforcing the commitments of the 2030 Agenda.

The Open Governance Partnership (OGP): This partnership was launched in 2011 to provide an international platform for domestic reformers committed to making their governments more open, accountable, and responsive to citizens. The OGP, which now counts 65 participating countries, is open to all meeting a set of eligibility criteria, and in all of these countries government and civil society are working together to develop and implement ambitious open-government reforms. The OGP's vision is that "more governments become more transparent, more accountable, and more responsive to their own citizens, with the ultimate goal of improving the quality of governance, as well as the quality of services that citizens receive."[42] Interestingly, developed and developing countries are put on the same level and acknowledge that they face many of the same core problems.

The United Cities and Local Governments network (UCLG): This global network represents and defends the interests of local governments on the world stage. It has a decentralised structure composed of 7 regional sections, 1 metropolitan section and 1 section for regional governments. It supports international cooperation between cities and their associations, and facilitates programmes, networks and partnerships to build the capacities of local governments. It is a gateway to relevant information on local government across the world and aims to increase the role and influence of local governments and its representative organisations in global governance.[43]

Endnotes

1 The term 'subnational' stand for different types of administrative tiers below the central level, e.g. municipalities, districts, provinces etc.

2 International Covenant on Civil and Political Rights, adopted by the UN General Assembly resolution 2200A (XXI), with entry into force 23 March 1976. It defines for example: all persons are equal before the law, the freedom of thought and the freedom of expression, the freedom of assembly and association, the right to participate in public affairs, to vote and to be elected, and to access public services.

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5 States of Fragility 2015, Meeting Post-2015 Ambitions, OECD/DAC 2015, p. 33 & 35.

6 See also: Power Above and Below the Waterline: Bridging Political Economy and Power Analysis, Jethro Pettit and Andrés Mejía Acosta, IDS Bulletin Volume 45, Number 5, September 2014.

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8 Democracy index 2014. https://www.eiu.com/public/topical_report.aspx?campaignid=Democracy0115. The Democracy index is based on five categories: electoral process and pluralism; civil liberties; the functioning of government; political participation; and political culture.

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15 Accountability, Transparency, Participation, and Inclusion, A new Development Consensus? Th. Carothers & S. Brechenmacher, Carnegie Endowment for International Peace, Washington DC, 2014, p. 18ff. Or: The Role of Decentralization/Devolution in Improving Development Outcomes at the Local Level: Review of the Literature and Selected Cases, by Paul Smoke, Local Development International, New York, for DFID, November 2013. Or: Localising the Post 2015 Development Agenda: The Local Public Sector's Role in achieving Development Goals in Health and Education, by Jamie Boex, for Urban Institute, Washington D.C. and The Development Partners Working Group on Decentralisation and Local Governance, January 2015.

16 Annual report 2014 of Switzerland's international Development Cooperation

17 Federal Constitution of the Swiss Confederation, Art. 54, Paragraph 2.

18 The Federal Council's Dispatch to Parliament 2013-2016, 15.02.2012.

19 Federal Constitution of the Swiss Confederation, Art. 42-135.

20 States of Fragility 2015, Meeting Post-2015 Ambitions, OECD/DAC 2015, p. 40.

21 Resolution adopted by the General Assembly on 25 September 2015; 70/1. Transforming our world: the 2030 Agenda for Sustainable Development.

22 See: http://www.oecd.org/dac/effectiveness/fourthhighlevelforumonaideffectiveness.htm.

23 See: http://www.oecd.org/dac/governance-peace/conflictandfragility/iefs.htm.

24 **The International Dialogue on Peacebuilding and Statebuilding (International Dialogue)** supports the implementation of the New Deal. It is a forum for political dialogue to bring together countries affected by conflict and fragility, development partners, and civil society. The International Dialogue is composed of members of the **International Network on Conflict and Fragility (INCAF)**, the **g7+ group** of fragile and conflict-affected states, and member organizations of the **Civil Society Platform for Peacebuilding and Statebuilding (CSPPS).**

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38 Refers to the 5 good governance principles of the SDC, but partially complemented, amongst others by elements of the SDC's human rights principles. See: Governance as a transversal theme: An implementation guide, SDC, 2007, p.12. And: SDC's human rights policy: towards a life in dignity, realizing rights for poor people, SDC, 2006, p.12.

39 See: Rule of Law, Justice Sector Reforms and Development Cooperation, SDC concept paper, 2008.

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