# Governance as a Transversal Theme

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**Swiss Agency for Development and Cooperation SDC**

## Governance is not only an end in itself: it is also a means for effective development cooperation

Good governance is part of SDG 16 and a means and essential lever of the systemic transformations needed to achieve all 17 SDGs. Thus, SDC's governance operations are twofold:

- On the one hand, the SDC invests in **dedicated governance programmes** with the principal objective to address governance deficiencies and achieve specific governance results in SDC priority areas: (1) promoting democratic governance, participation and accountability; (2) supporting decentralisation and well-functioning multi-level governance; (3) combating corruption at all levels; and (4) responding to governance opportunities and challenges from digitalisation (see: 2-pager on *SDC's Governance Priorities*).

- On the other hand, given the cross-cutting character of governance and based on the commitment of thinking and working politically, SDC integrates a **governance perspective in all sectors** and areas

of cooperation. Thus, "strengthening governance as a lever and transversal theme in all interventions" is the fifth priority area or pillar of SDC's governance engagement, taking up a "transversal approach". To integrate a governance perspective in all sectors, the SDC applies a systemic and contextualised understanding of governance (see: 2-pager on *SDC's Governance Priorities*).

Governance and gender are the two mandatory transversal themes for the SDC. For the International Cooperation Strategy 2021–2024, the SDC aims to increase its governance-related commitments and has adapted the target values: a total of 85% of "principally" or "significantly" governance-focused commitments (with a minimum of 25% "principal" and a corresponding "significant" value of 60%). For humanitarian aid, lower target values have been defined (a total of 45% governance-focused commitments with a minimum of 5% "principal"). The SDC has designed a checklist to guide the assessment of the Governance Policy Marker (see: checklist).

### Pillar 5: Governance as a lever and transversal theme in other sectors

- Systemic approach: Analyse and address the governance system (of a sector) by looking at its three dimensions structures, processes and actors.

- Governance principles:  Use the good governance principles to assess the quality of governance processes, identify entry points in sectors and report on governance results.

- "Thinking and working politically": Adopt a political approach to governance considering underlying power dimensions, formal and informal rules and norms and facilitate dialogue to strengthen local problem-solving mechanisms. Promote capacities for PEA and adaptive programming.

- Peace, governance and (gender) equality (PGE): Apply a coherent approach towards governance, peace and (gender) equality with joint analysis and instruments to integrate PGE dimensions within SDC's transversal themes

## How can the governance perspective be integrated?

Integrating governance as a transversal theme in a specific sector or domain means doing three things:[1]

1. **Assess governance challenges and entry points in the sector through a specific systemic approach** (see Figure 1), and address governance dynamics with a multi-level and multi-stakeholder

perspective. This systemic approach is three-dimensional and looks at:

- The **governance structures**, by assessing sector laws, policies and financing, formal control institutions, or the status of sector decentralisation;

- The **governance processes**, by asking about formal and informal rules and the quality of the process in view of good governance principles,

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1   For a comprehensive Peace, Governance and Equality (PGE) perspective, the PGE essential framework is being developed and will be integrated in a later stage.
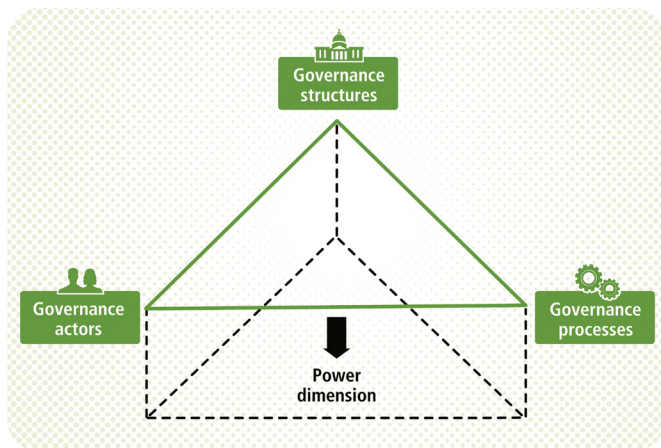
Figure 1: Systemic governance


Figure 2: Governance principles

such as the effectiveness of the public sector management and service delivery, transparency and spaces for participation in policy and decision making, or accountability and compliance with rules and regulations; and

- The **key governance actors** that shape the sector, their roles and responsibilities, motivation, interests and values, behaviour and incentives.

Governance systems and dynamics in most sectors are complex, and determining factors are not easily visible. Governance analysis helps understand the visible and invisible elements (see: Figure 3 and 2-pager on *Governance Analysis*).

2. **Use the governance principles** to assess the context, the **quality of governance processes** and identify sector-specific entry points. The governance principles are also useful for **the monitoring and reporting of governance results**.

3. **"Think and work politically":** Adopt a political approach to understand the underlying power
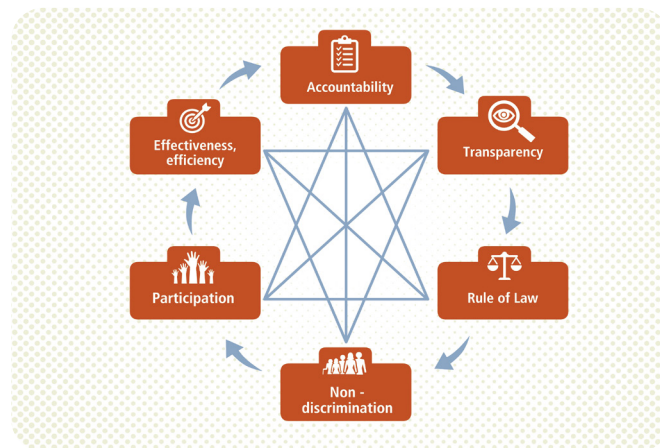
dimensions in the sector or domain, the formal and informal rules and norms, financial and political incentives, allocation of public money and private financial flows, and political ideas and values. Facilitate dialogue to strengthen local problem-solving mechanisms. Build capacities for political economy analysis and adaptive programming among staff and partners (see: 2-pager on *Thinking and Working Politically*).
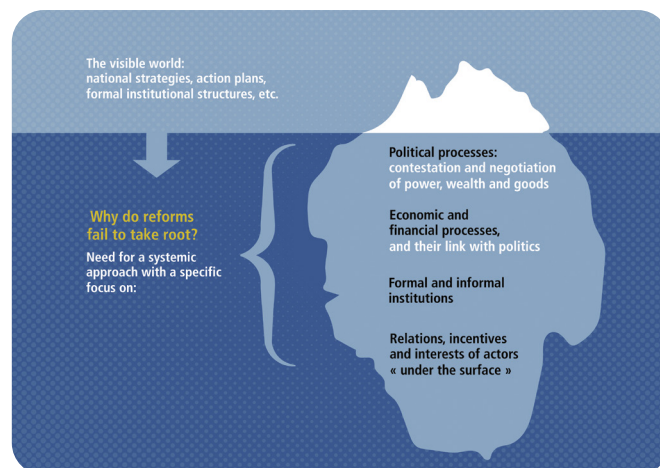

Figure 3: Visible and invisible parts of the governance iceberg

## Practical steps to take

Integrating governance in sectors requires the same steps as usually taken when planning and implementing interventions, but with a governance perspective:

- Identify possible **governance challenges** in the sector/in the progamme (see above).

- Define specific **entry points** where you see possibilities to respond to these challenges and contribute to better governance (based on a sound theory of change) or discern the way you can avoid doing harm, by identifying governance risks and mitigation measures.

- Identify **objectives and expectations** through specific indicators and fields of observation or through explicit outcomes and/or outputs relating to identified governance challenges.

- Establish **monitoring and evaluation systems** for continuous learning and adapting, fill in the adequate Governance Policy Marker and use thematic indicators.

- Think about how to do **dialogue with partners** on governance issues. For instance, how to establish whether everyone is talking about the same things when talking about governance. Work out how

to ask the difficult questions; for example, about clientelism or corruption. Find ways to enhance the ability of partners to work on governance, and engage in a joint learning (i.e. use a partner day and dedicate it to exchange on governance challenges).

- Important: Dedicate financial and **human resources** for the governance dimension, invest in capacity building and developing a common understanding among all SDC staff.

There are sector-specific guidances on governance in health and the water sector that can help with integrating governance in these areas.