Policy Dialogue

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development and Cooperation SDC

What is policy dialogue?

There is no commonly agreed definition or concept of "policy dialogue". For SDC, policy dialogue or policy influencing is a key instrument of development cooperation. Policy dialogue means the active engagement in processes of changing development approaches, regulatory and institutional frameworks, programmes, and plans and budget allocations that shape existing policy fields and activities. Policy dialogue can address change in different sectors like health, education, water, climate change, or in the overall governance system, either at a very local, national or international level.

Depending on the sector and issues at stake, SDC's policy dialogues take place at **various levels and in different arenas**, such as those listed in Figure 1.

Policy dialogue and policy influencing can take **different approaches and forms**. It can focus on cooperative or more confrontational means. It can use internal, non-public spaces (through advising or lobbying power holders in private) or more public tracks (advocacy and activism to mobilise public opinion). It can go through formal processes (such as participating in official consultation processes) or use informal and "invented" spaces (i.e. lobbying parliamentarians, public manifestations). It can focus on a variety of methods, such as the sharing of evidence-based data or in-depth analysis, providing technical advice, organising advocacy and public campaigns, lobbying and activism, at international, national and local levels.

See: *SDC How-to Note: Result-Orientated Policy Dialogue*.

Multilateral arenas	Representing Switzerland, SDC takes position in multilateral arenas to influence international policy development (for example, in the WHO, in the FAO, or in the various fora dealing with climate change).
Donor coordination groups in partner countries	SDC engages with other donors in donor coordination groups, coordinating and harmonising development cooperation and policy dialogue in partner states with partner governments and state institutions as well as with civil society. In many partner countries, the donor coordination is organized in sector working groups headed by local government representatives – offering an important opportunity for policy dialogue with national leaders.
SDC strengthens actors in the partner countries in their own policy dialogue	SDC engages with other donors in donor coordination groups, coordinating and harmonising development cooperation and policy dialogue in partner states with partner governments and state institutions as well as with civil society. In many partner countries, the donor coordination is organized in sector working groups headed by local government representatives – offering an important opportunity for policy dialogue with national leaders.

Figure 1: Levels of policy dialogue

Why does SDC engage in policy dialogue? What does it aim at?

In any development sector, well-informed and strategically sound policies are key for effective, transformative and sustainable development results, beyond the success of specific progammes and projects. SDC's policy dialogue interventions may address specific changes in well-determined technical fields (often in the ambit of its own progamme and

project interventions). However, interventions must keep in mind that successful and sustainable reforms (even at a very technical level) will often depend on more **systemic factors** related to sector governance – the structures, processes and actors' behaviour in place. For example, the performance of local public health services will depend on the performance of the institutions in place, the national regulatory framework, the financial resources, the quality of decision-making

processes, and the various stakeholders' capacities and behaviour. **SDC's engagement in policy dialogue aims at reforms that make the governance system (in general or in a specific sector) perform more effectively, in a participatory and inclusive way – respecting the principles of good governance.**

In all sectors, policy change depends on the capability and willingness of **state actors** to take sound policy decisions – and the capability and engagement of **non-state actors** to express their interests and hold state actors accountable. Thus, SDC's engagement for improving governance systems in partner states works on **strengthening both sides** – state capacity as well as empowering those actors that hold the state accountable like civil society, the media, or oversight institutions – **bringing them together in a fruitful dialogue**. With a view to making policy changes sustainable and broadening their impact, adequate regulatory frameworks (regulations, laws, international frameworks) are needed to guide state and non-state actors. SDC's policy dialogue particularly aims at **strengthening regulatory frameworks** and their implementation in practice.

See: *The SDC's Guidance on Governance*, particularly its pillar no. 5: governance as a lever to achieve effective, transformative and sustainable development results in all sectors and interventions.

What are key factors for success?

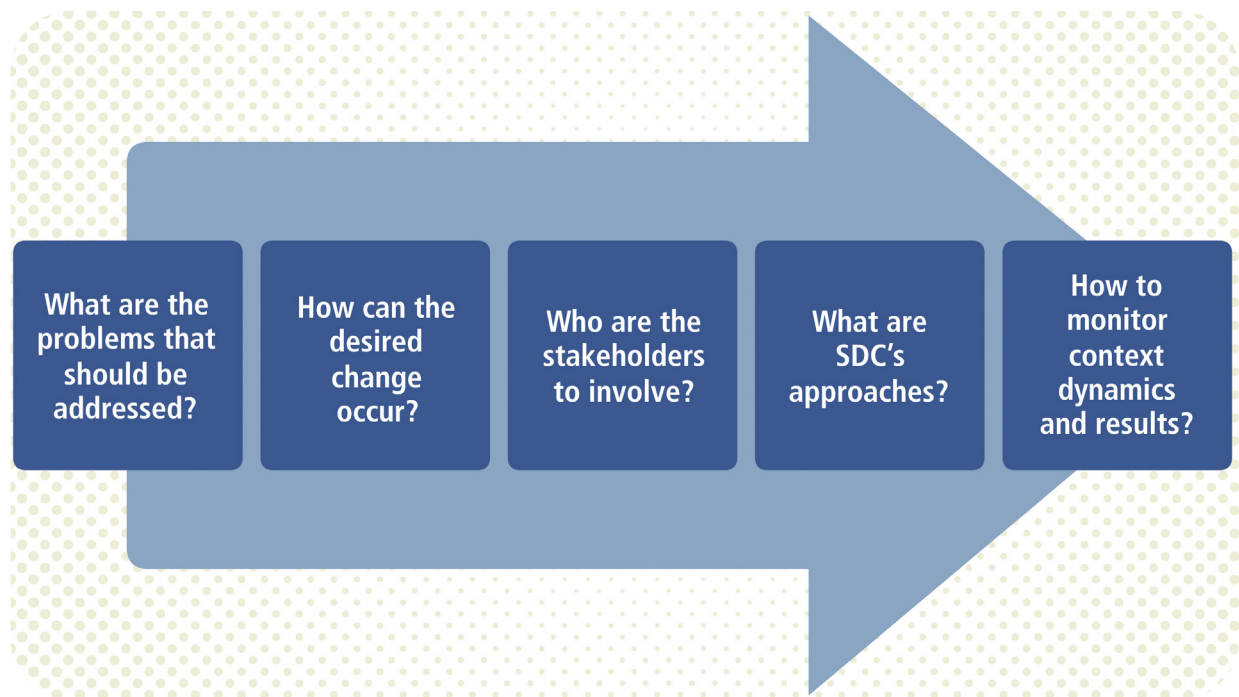### Firstly: Managing political sensitivity and power issues

While policy engagement at multilateral level is part of the SDC's key responsibilities, the picture is different at the level of its partner states. The SDC as a donor agency must respect the power and responsibilities of the partner country's government and political actors who have the political legitimacy to manage public affairs. Imposing its own views on the partner country's public affairs and disrespecting governance structures and processes will weaken the country's governance systems, lack sustainability and will be counterproductive. Examples show that policy influencing by "external" actors is often mistrusted by national actors for possible "hidden agendas" and considered as international interference. In many cases, Switzerland is perceived as a relatively honest broker due to its restraint role in international power games, limited self-interest as well as long-term engagement in development – a high-value asset and door-opener for the SDC's policy dialogue. The SDC's experience also shows that investing in the confidence of governmental and non-governmental stakeholders is a most relevant element for success.

Political sensitivity as well as conflict sensitivity are particularly needed for policy dialogue on reforms in the **overall governance system**, which is closely related to the negotiation and exercise of political power and the allocation of resources. For example, decentralisation reforms, the reform of election systems, administrative, judicial or parliamentary reforms are often directly touching the existing power balance and access to services and resources. Policy dialogue in specific sectors such as health and education may be more of a technical nature and less sensitive if the main orientation of sector reform is not contested generally.

The SDC's key strategies to optimise impact in policy dialogue and minimise political risks are:

- Building dialogue on long-term financial and technical engagement and evidence (data, case studies), with state and non-state actors, with a view to enhance mutual trust;

- Using windows of opportunity to add a topic to the political agenda and frame it strategically, based on existing political dynamics;

- Supporting national stakeholders in their specific policy dialogue roles (which is different for state or NGO actors);

- Engaging in policy dialogue support activities with conflict sensitivity, being as transparent as possible;

- Building coalitions with other donors and/or well-respected national actors;

- Building and sharing evidence (possibly together with local research institutions) for the benefit of improved policies; and

- Referring to international commitments of partner states for reform (e.g. SDGs, international agreements, human rights standards).

| What are the problems that should be addressed? | How can the desired change occur? | Who are the stakeholders to involve? | What are SDC's approaches? | How to monitor context dynamics and results? |

Secondly: A sound policy-influencing strategy

Experience shows that policy dialogue works best if it is considered as a long-term strategic engagement, with a clear theory of change:

- What are the **problems** that should be addressed? What are the underlying issues at stake? What should work differently, and in what way? What are the tangible benefits expected from a policy change? What are the concrete objectives of SDC's policy influencing?

- **How can the desired change occur?** What are existing windows of opportunity for policy influencing? Who are the allies? What are the arenas and forms of dialogue to be used?

- Who are the **stakeholders** to involve? What are their governance roles? How can SDC support them in their roles? What kind of strategies are appropriate on the inside route (governmental actors) and outside route (NGOs, activists, etc.)?

- What are the **SDC's approaches**? What are the short and long-term **outputs and outcomes** that we can expect? How does the SDC (together with other authorities representing Switzerland) **communicate**, and what are the **messages** to convey to the various target groups, given the political sensitivity of engaging with policy reforms?

- How are **context dynamics and results monitored**, and can approaches be adapted if needed?

Thirdly: Ensuring long-term commitment and internal resources within the SDC

Policy dialogue works best if it is based on long-term financial and technical engagement. Listening to partners and cooperative approaches helps build the confidence needed for dialogue and open doors. Aspiring to a **"whole-of-government-approach"** is key to mobilise resources within Swiss authorities. For example, key messages of policy dialogue on development issues should also be systematically conveyed by other Swiss representatives at various occasions such as high-level bilateral or multilateral meetings or visits.

Policy influencing needs a considerable investment in **financial and human resources** that must be budgeted for. This is particularly important for governance reforms that go far beyond discussions around technicalities. Human capacities at management as well as technical level must be ensured for analysing the context and its dynamics, providing orientation to SDC engagement, designing the SDC's dialogue approaches in the various sectors, and consolidating the position among the various SDC actors at headquarters and in the concerned cooperation offices. Implementing policy dialogue is not without costs either. For example, effective and active participation in donor coordination groups and the management of cooperation offices are both time intensive. Human and financial resources are needed for data collection and analytical studies, or for organising a conference with key stakeholders on health or education policies, or a study tour for key government actors for building trust and providing evidence that "better governance policies work".

How to monitor success in policy dialogue

Policy reform processes – such as other development processes – are non-linear, and dynamics of change are particularly complex. It is relatively easy to determine the expected outputs from a short-term perspective – for example, the successful organisation of a conference or a meeting on a policy topic, the publication and public discussion of an evidence-based study, and capacity-building and training events for policymakers. However, long-term outcomes and impact on sectoral or overall governance policies and their implementation will be more difficult to measure. In addition, the formal attribution of successful national policy reforms to the

SDC's (and other donors') engagement may show a lack of local ownership. Thus, monitoring and evaluating progress of policy dialogue is particularly challenging.

Experience has shown that a clear theory of change for policy dialogue is key. Sound monitoring of policy dialogue means testing and reflecting on the logic of intervention regularly and systematically, alongside the policy dialogue activities themselves, aspiring to make sense of the available information and data, adapt and learn. Accountability, evaluation and reporting is also easier when it refers to a predefined logic of change and the assumptions and hypotheses that are linked to this.

As an **example for monitoring and evaluating context changes** and its own policy influencing, Helvetas developed an interesting monitoring framework for its policy engagement on fiscal decentralisation in Albania. It refers to five interlinked dimensions of change that policy dialogue should address and monitoring should look at:

- Shifts in framing the policy problem;

- Shifts in behaviour of key stakeholders;

- Shifts in engagement of decision makers;

- Shifts in policy formulation; and

- Shifts in implementation.

These five dimensions of change were regularly monitored as fields of observation, in terms of context changes and dynamics as well as Helvetas' contributions. They also served as an evaluation and reporting frame.

See: Helvetas/Bernd Steimann, *Changing Policies Beyond Policy Dialogue: A Documentation and Qualitative Analysis of dldp's Policy Engagement and Impact* (2018)