

Key word	Explanation
Budget Support	In the case of budget support financial resources are given directly to a recipient country government at the central, regional or local level, to be included in their budgets. As consequence, the national spending procedures, procurement rules and rules of financial accountability apply.
Budgetary Powers	The power of central, regional or local government to establish and adopt a budget.
Accountability	Accountability refers to the control of power exercised within state and society. It obliges power holders to communicate, explain and justify their decisions and actions. It also refers to the possibility and capacity of State institutions, citizens, or stakeholders to sanction unjustified actions and abuses of power. Accountability presupposes clear definitions of the functions, duties, and rules for the scope of action of public and private institutions. Accountability is an element of good governance.
Administrative Decentralisation	Administrative decentralisation seeks to redistribute authority and responsibility for fulfilling tasks and providing public services among different levels of government. It is the transfer of responsibility for the planning, financing and management of certain public functions from the central government and its agencies to subordinate units or levels of government, semi-autonomous public authorities or corporations, or area-wide, regional or functional authorities.
Alignment	Donors base their overall support on partner countries' development strategies, institutions and procedures, and use and strengthen partner countries' system for the management of aid. One of the principles of the 2005 OECD Paris Declaration on Aid Effectiveness.
Autonomy	Right to self-government recognised and institutionalised by the State, in a federation through the constitution.
Capacity Development	Capacity is the ability of individuals, institutions and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner. Capacity Development is thus the process through which the abilities to do so are obtained, strengthened, adapted and maintained over time.
Centralisation	The process by which political, financial and administrative powers are concentrated in the central authority. In a centralised system, lower units can exercise limited delegated powers. Some federations are considered to be 'centralised' because of the extensive legal or fiscal powers of the centre.
Checks and Balances (vertical and horizontal)	A mechanism in some systems of government whereby three branches of government (legislative, executive and judiciary) hold each other accountable within the limits of their respective jurisdiction, or share decisions on key issues (e.g. over budgets or key appointments)
Citizenship	Citizenship is the state of being a citizen of a particular political, or national community. A citizen is a member of a political community who enjoys the specific rights and assumes the duties of membership.

Civil Society	Civil society is composed of the totality of voluntary civic and social organisations and institutions that form the basis of a functioning society as opposed to the force-backed structures of a state (regardless of that state's political system) and commercial institutions of the market. Civil society refers essentially to the so-called "intermediary institutions" such as professional associations, religious groups, labor unions, citizen advocacy organizations, that give voice to various sectors of society and enrich public participation in democracies.
Communes	Depicts a unit of local government. Many countries make distinctions between municipalities (for more important bigger local units) and communes (smaller rural units of local government). In the Swiss context often used as a translation for the German 'Gemeinde' and the French 'commune'.
Competence	Constitutional or statutory authority of a government to exercise specified legislative and executive powers within delineated jurisdiction.
Concurrent Powers	Powers that are shared by the central and constituent governments under a federal constitution. Where laws in an area of concurrency conflict, the federal law is normally paramount.
Confederation	A voluntary political union of two or more sovereign states for the furtherance of mutual or common goals, especially in matters of foreign affairs, defence, economy. The constituent sovereign states are usually joined by a pact or treaty, which confers limited authority to a common central body. The central body has no direct authority over the citizens of the member states. Its decisions are made collectively and then implemented by the member-states themselves.
Conflict Sensitivity	Refers to the importance of understanding the context in which interventions take place. Conflict sensitivity means to analyse the peace and conflict context, to understand and to anticipate the interaction between one's own intervention and the context, and to avoid negative impacts and maximize positive impacts in the actions taken.
Conflict Transformation	Conflict transformation is the process by which conflicts, such as ethnic conflict, are transformed into peaceful outcomes. It differs from conflict resolution and conflict management approaches in that it recognises that contemporary conflicts require more than the reframing of positions and the identification of win-win outcomes. Conflict transformation is therefore a process of engaging with and transforming the relationships, interests, discourses and, if necessary, the very constitution of society that supports the continuation of violent conflict.
Corruption	Corruption is the abuse of public power for private benefit. Corruption, although clearly described in the international legal framework, can take many forms and have many dimensions, sometimes depending on the local culture and context.
Decentralisation	A form of State organisation where sub-national units exercise administrative, political and/or fiscal authority. The term is also used for the process of the transfer of authority from central government to lower levels of government.
Deconcentration	The transfer of management and implementation responsibilities to (central) government agencies at regional or local level for specific functions.

Delegation	In general, delegation means the transfer of competences from one person or institution to another. As a legal concept it refers to the competence of taking legally binding decisions, as a management concept it refers to specific management tasks.
Delegated Powers	Powers that are assigned by one level of government to another on a revocable basis.
Democratisation	Democratisation generally means the reduction of hierarchical dominance and is used in a variety of social contexts. In the political field, democratisation is the process of transition to a more democratic regime. While there is no generally agreed definition of democracy, the elements of public participation, public control of political decision-making, equality and non-discrimination of citizens are seen as constituent democratic principles.
Devolution	A process by which political, administrative and financial powers are given to sub-national units. Devolution always involves the transfer of political powers, it is thus a strong form of decentralisation.
Distribution of Powers/Authority/Responsibilities	The allocation of executive, legislative and judicial powers/authority/responsibilities to different levels of government within a federation or decentralised state.
Donor Harmonisation	One of the commitments of donors under the OECD Paris Declaration on Aid Effectiveness, to implement common arrangements, simplify procedures, seek complementarity and a more effective division of labor.
Effectiveness	Degree to which objectives are achieved and the extent to which targeted problems are resolved. Effectiveness is an element of good governance.
Efficiency	The ratio of the output to the input. Efficiency is an element of good governance.
Enumerated Powers	The powers for specific areas of public functions that are explicitly assigned (in the Constitution) to one or more levels of government.
Exclusive Powers	The powers that are exclusively assigned to one level of government only. Exclusive powers give to the power-holder the exclusive right to act.
Federalism	Federalism is a principle of non-centralised state organisation. Federalism can be defined as constitutionally guaranteed self-rule and shared rule (see also federation).
Federation	A federation is organised according to the principle of federalism. A federation has the following characteristics: (1) two orders of government each acting directly on the citizens, (2) with own powers and resources (self-rule), (3) representation of regional interests within political institutions at the centre (shared rule), (4) supreme written constitution and involvement of federal units in the process of constitutional change (constitutional guarantees), (5) dispute resolution mechanisms, (6) processes and institutions for intergovernmental cooperation (Ronald Watts)
Fiscal Decentralisation	The arrangements and practices regarding the allocation of taxing and spending functions as well as intergovernmental financial transfers amongst different levels of government in a decentralised state.
Fiscal Equalisation	Redistribution of revenues to provide a minimum equitable standard of resources to sub-national units and thus to ensure citizens have a comparable ratio of costs/benefits for a minimum level of government services, regardless of their place of residence.
Fragile States	States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations.

Gender	Gender is a socially constructed definition of women and men. It is not the same as sex (biological characteristics of women and men) and it is not the same as women. Gender is determined by the conception of tasks, functions and roles attributed to women and men in society and in public and private life.
Gender Mainstreaming	Mainstreaming a gender perspective is the process of assessing the implications for women and men of any planned action, including legislation, policies or programmes, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programmes.
(Good) Governance	Governance refers to the exercise of public authority to manage a country's economic, social and political affairs at all levels. It comprises the mechanisms, processes and instruments through which citizens and groups articulate their interests, claim their rights, meet their obligations, and mediate their conflicts. While there is no commonly agreed definition of good governance, the concept is seen as comprising various components or elements, such as accountability, transparency and access to information, non-discrimination, rule of law, effectiveness and efficiency, responsiveness, political stability, control of corruption.
Harmonisation	Establishment of comparability in rules and regulation between sub-national units of a political order as an alternative to uniformity. (see also: donor harmonisation)
Human Rights	Human rights are rights inherent to all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, colour, religion, language, or any other status. Universal human rights are often expressed and guaranteed by law and in the forms of international treaties, International human rights conventions lay down obligations of Governments to act in certain ways or to refrain from certain acts, in order to promote and protect human rights and fundamental freedoms of individuals or groups.
Human Rights Based Approach	A method of integrating a human rights perspective into development interventions. It means (1) to refer to international and national human rights standards, (2) to apply human rights principles (equality and non-discrimination, participation and empowerment, accountability and the rule of law, and indivisibility and universality) in all processes, and (3) to empower rights holders as well as strengthen duty-bearers.
Inclusiveness	Refers to policies of including diversity and plurality of peoples in decision-making and implementation processes. It also includes empowerment of the marginalised and disenfranchised.
Intergovernmental Relations	Relations between the government of a federation - both horizontal amongst constituent units and vertical between various levels of government - for the purpose of policy coordination and/or agreement on shared programs.
Institution-Building	Building public institutions, to enable them to fulfill their tasks. In recent years the perception of institution-building has changed from a more technical approach to a broader understanding, linking institution-building with elements of good governance thus also focusing on institutional culture and the attitudes and behaviour of staff and leaders, accountability and transparency.
Levels of Government	Vertical arrangement of governments from local (municipal/communal) to regional to central. Some countries prefer the term 'order of government'.

Local Economic Development	Local economic development (LED) is a transformation process of the way economic and political decisions are made at the local level, with the objective of improving the living conditions of the local society in an inclusive manner.
Local Governance	Local governance comprises a set of institutions, mechanisms and processes through which the citizens and their groups can articulate their interests and needs, mediate the differences, and exercise their rights and obligations at the local level (see also: governance).
Local Government	Public authorities governing a territorially delimited political sub-entity of the State (commune, village, city, county, parish, township, municipality, borough, board, district, etc.)
Local Self-Government	Local self government denotes the right and the ability of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population.
Metropolitan Region	An urban administrative or development region consisting of at least one large city, its suburbs, periphery and influence area which may be considered as one functional unit for the purpose of planning, developing strategies and implementing policies.
Minority Rights	Minorities are disadvantaged ethnic, national, religious, linguistic or cultural groups who are smaller in number than the rest of the population and who may wish to maintain and develop their identity. The UN Covenant on Civil and Political Rights foresees that persons belonging to such minorities shall not be denied the right in community with the other members of their group, to enjoy their own culture, to profess and practise their own religion, or to use their own language." According to the UN Declaration they also have the right to participate effectively in cultural, religious, social, economic and public life. In many countries, national constitutions and laws provide more specific rights for individuals and groups as well as obligations of State authorities.
Multilevel Governance	The multi-level governance approach crosses the traditionally separate domains of domestic and international politics and highlights the increasingly fading distinction between these domains, particularly in the context of European integration. Multi-level governance refers to a system of continuous negotiation among nested governments at several territorial tiers and describes how supranational, national, regional, and local governments are enmeshed in territorially overarching policy networks. Emphasizes both the increasingly frequent and complex interactions between governmental actors and the increasingly important dimension of non-state actors in policy-making.
Municipality	A local government often centered in a town or a city. Sometimes used as a generic term for local-government.
National Standards	Rules or regulations imposed or applied uniformly across a federation or decentralised state, establishing certain binding standards that have to be respected by the constituent unit governments.
Non-Discrimination	The aim of this principle is to ensure equality of treatment for individuals irrespective of nationality, sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Overlapping Jurisdictions	A subject matter where two or more levels or orders of government are constitutionally permitted to act, including different government units of the the same level of government, e.g. several constituent units or municipalities.
Participation	Participation is an umbrella term including different means for the public to directly participate in political, economic, management or other social decisions. Participatory decision making infers a level of proportionate decision making power. In the political context, participation denotes the involvement of citizens, civil society groups, political parties and other stakeholders in political decision-making.
Participative Budgeting	Participation in preparing of, deciding on, and monitoring of public budgets is an aspect of political participation in financial planning and decision-making.
Policy Dialogue	Policy dialogues, generally, seek to exchange information and build consensus between various stakeholders, through leaders who are in a position to forge alliances, make decisions, or influence the decision-making process with regard to challenging issues. It is a mechanism for promoting equitable, violence-free and sustainable development and transforming conflicts, particularly used by international agencies and governments. Various elements are determining the outcomes of such dialogues: the participating actors (with implications for the definition of the agenda of the dialogue), the relations between participating group leaders and their followers, the patterns of power distribution in dialogue settings, the nature of the dominant discourse, the number and quality of themes taken up in dialogue, and the nature and amount of resources that are needed to develop and sustain the dialogue.
Powers	The right, ability, or authority to perform an act.
Power-Sharing	Describe a system of governance in which all or some groups of society, usually defined along territorial, ethnic, racial, linguistic or religious lines, are guaranteed a permanent share of power. It also implies sharing of power by various political parties. In federations, the term horizontal power-sharing refers to the sharing of power between different constituent units while vertical power-sharing is the division of power between different levels of government.
Public-Private Partnership	Describes a government service or private business venture which is funded and operated through a partnership of government and one or more private sector companies. In the past decade many donors have launched new programs designed to engage the private sector in pursuing development objectives.
Replication	Replication refers to the possibility of reproducing the outcomes of a certain intervention or a certain experiment in a different setting. In development cooperation, the term is used particularly in the context of broadening the impact ("scaling-up") of piloting experiences.
Residual Powers	Those unidentified powers that are left by a constitution either implicitly or explicitly to a particular order of government in contrast to explicitly assigned enumerated powers.
Responsiveness	The ability and readiness of a government to respond rapidly to social changes, to take into account the expressed needs and expectations of citizens in identifying the general public interest and to critically examine its actions and policies.
Revenue-Sharing	Arrangements for sharing revenue between orders of government, usually a transfer of revenues from the central government to its constituent units and/or local government according to an established formula or practice.

Rule of Law	The rule of law is an important feature of good governance. Although there is no internationally accepted definition of the rule of law, key elements generally include non-discrimination and equality before the law, the substantive coherence of the legal framework, government and administration bound by the law, the separation of powers between legislative, executive and judicial authorities, the independence and impartiality of the judiciary, and respect for human rights.
Self-Rule	The ability of a group of people to exercise all of the necessary functions of power without intervention from any authority which they cannot themselves alter. Self rule is associated in contexts where there is the end of colonial rule, absolute government or monarchy, as well as demands for autonomy by religious, ethnic or geographic regions which perceive themselves as being unrepresented or underrepresented in a national government.
Shared Rule	The exercise of authority over specific subjects by national and sub-national units through common institutions and procedures.
Spending Powers	The ability of a government to spend public funds, also in areas that are outside its responsibility or jurisdiction but within the jurisdiction of another order of government.
State Building	State-building is the process through which states enhance their ability to function. State-building is a national process, a product of state-society relations that may be influenced by a variety of external forces. It takes place in all states, whether rich or poor, resilient or fragile. In international relations, State building has gained importance in the context of weak and fragile states. States are fragile when state structures lack political will and/or capacity to provide the basic functions needed for poverty reduction, development and to safeguard the security and human rights of their populations. International engagement focuses here on supporting the legitimacy and accountability of states, and strengthening the capability of states to fulfill their core functions (ensuring security and justice; mobilising revenue; establishing an enabling environment for basic service delivery, strong economic performance and employment generation).
Subsidiarity	The principle that powers should be exercised at the lowest level of government at which they can efficiently be exercised. This principle is used as a guiding principle for the distribution of powers in the European Union as well as in most federations, devolved or decentralised countries.
Taxing Powers	The (often constitutionally established) right of government to raise taxes. It can (but need not) include the following aspects: the right to define the tax base, set the tax rates and tax scales, grant tax exemptions and collect tax. In particular in federations but normally also in decentralised countries, not only the centre but also constituent units and local government have certain taxing powers.
Transparency	Transparency means that decisions taken and their enforcement are done in a manner that follows rules and regulations. It also means that information is freely available and directly accessible to those who will be affected by such decisions and their enforcement. It also means that enough information is provided and that it is provided in easily understandable forms and media.

Transversal Governance	Governance is seen not only as a specific area of intervention, but as a general concern, a cross-cutting issue which influences the outcome of public policies and activities in all sectors. SDC has made governance a transversal theme in all its activities. This means that the governance principles (see "governance") must be applied in sectors such as health, education and the management of natural resources, decentralization and democratisation, to name but a few.
Unitary State	A state with a single centre of sovereign political authority as opposed to a federal state. Unitary states can be centralised or decentralised.
Wealth Sharing	Sharing of wealth, particularly the exploitation of natural resources, by different levels of government in a federal or decentralised system by an agreed formula or principles.B12