



# SDC How-to Note

## Result-oriented Policy Dialogue

### **Annexes:**

1. SDC institutional requirements for policy dialogue
2. Example for possible indicators of a gender PD
3. Commented examples of projects with focus on policy dialogue

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## List of Acronyms

CS	Cooperation Strategy
GOV	Partner Government
IH	Impact Hypothesis
PCM	Project Cycle Management
PD	Result-oriented Policy Dialogue
PE	Political Economy
SDC	Swiss Agency for Development and Cooperation

### **Policy dialogue – institutional understanding within SDC**

International development cooperation is not limited to technical aspects, as it supports development policy and social reform agendas both on an international and national level. Aims are manifold, ranging from poverty alleviation, transition support, fragility reduction to human rights promotion. In other words, development cooperation facilitates transformation of systems and is therefore political in nature. A key advantage of the Swiss development cooperation is its ability to work on the operational as well as on the policy level, fostering integrative policy processes – with both levels mutually depending on and benefiting each other.

A well-managed PD process, jointly conceived by the management at the Swiss representation, creates fertile soil for development interventions and/or reforms and thus ultimately increases leverages of SDC. Therefore, PD is of crucial importance for development and humanitarian cooperation, global programmes and core contributions to multilateral organisations. For global programmes, PD that delivers policy results is a core business on the international and national level. PD in turn depends on SDC's thematic and country based insights. Insights and evidence from the operational level strengthens SDC's position in multilateral dialogue and therefore increases the influence of country and global programmes (see examples in annex 3).

Building peace and increasing state responsiveness requires a political process for transforming power dynamics and economic relationships. In fragile contexts, cooperation strategies (CS) need to address the nexus between peace and development as a means to contribute to *out of fragility*. To do so, Conflict Sensitive Programme Management and PD are fundamental.

Result-oriented policy dialogue (PD) aims at a conducive environment to maximize the impact of development and humanitarian cooperation. Based on staff experience, the present document should insist to induce behavioural change at population, institutional and policy level.

SDC has deliberately chosen the term result-oriented policy dialogue as it underlines the drive towards achieving results with regard to poverty alleviation, moving out of fragility, safeguarding humanitarian law and supporting transition. While there is a number of approaches for PD, such as advising, advocacy, interest/value-based lobbying or activism (Jones, 2011)<sup>1</sup>, SDC focuses on evidence-based advice and advocacy for policy reforms.

### **Purpose - the need for conceptual and practical guidance for the “field”**

This How-to Note responds primarily to the demand of country offices for guidance on PD. It aims to support staff to plan and coherently carry out result-oriented PD and shows good practices for achieving policy outcomes. It lays out SDC requirements and shows how to combine PD with Programme/Project Cycle Management (PCM). It also explains how to deal with policy outcomes in the PCM and results chains of interventions. Furthermore, it presents the parameters that need to be kept on the radar when engaging in an explicit and result-oriented PD.

Target audience are staff of the Federal Department of Foreign Affairs (FDFA), in particular Heads of Mission, Heads and Deputy Heads of Cooperation, Programme Officers, staff of global programmes and those dealing with multilateral institutions.

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<sup>1</sup> Harry Jones, 2011: Background Note. A guide to monitoring and evaluating policy influencing ODI

## 2 Rationale for policy dialogue

SDC's commitment to PD expresses awareness that international cooperation is political and concerns power and interest of involved actors and different stakeholders. Political economy analyses and processes are therefore key factors. After a prolonged phase of a more "technical approach" to development, recognition is growing within SDC that this needs to be complemented by a well-planned engagement on the policy level at national, regional and international level to address the reforms required.

Projects and programmes often cannot tap their full potential and are less sustainable due to non-enabling policy environments and organisations with limited capacities. Interventions that result in favourable institutional and policy change or capacity building have a more profound and lasting impact – and are therefore central to aid effectiveness. However, political will of the partner governments or institutions (e. g. international organisations) to implement changes is an important requirement for a successful intervention. If there is no apparent political will, strategies should be identified to promote the targeted change. PD is an important instrument to foster the enabling environment to improve leverage, increase sustainability of programmes and promote change.

PD is a well-planned, systematic effort to engage in a policy process with the aim to reach policy outcomes. PD should therefore be an inherent part of any development intervention from projects to the level of Cooperation Strategies (CS), and should be designed and monitored explicitly.

PD can deliver a transformational impact that is bigger than the sum of individual projects and programmes. It does not replace projects and programmes, but builds the basis for mainstreaming proven approaches and scaling up the effect of projects and programmes. Through its long-term involvement in projects and programmes, SDC is often a very credible partner in PD, with strong operational experience in partner countries. The institutional requirements for PD reflected in various SDC instruments are laid out in annex 1.

## 3 Guiding questions and approach - How to apply PD?

In a first step, we have to define the focus of PD based on a problem analysis. Starting point are the policy issues, which hinder the achievement of development and transformation results. The analysis requires the involvement of stakeholders in a participatory way and a good knowledge of the context, as well as the reform agenda of partner institutions and the government. Possible **guiding questions** for the preparation of PD are:

- Why does a policy need to be developed or modified?
  - What is not functioning properly?
  - What is needed?
- What are root causes that need to be addressed as opposed to symptoms of a problem?
- What are the specific policy objectives to be achieved (policy outcome of an intervention)?
- With regard to stakeholders: Who are restrainers and who are drivers of change?
- How to work with connectors and dividers? How can allies be involved?
  - What works, what does not?

- What are actors' incentives and agendas?
- How to best create/influence systems of incentive?
- Which actors are suitable for PD?
  - Stakeholders' characteristics and capacities - do they have a voice/influence?
  - Are drivers for change "fit for purpose"?
  - Do they represent the interests of the target group?
- What is the role of SDC? What are allies needed for?

## Factors of success

**Conditions for policy change** are: (i) relevance of the subject for the partner institution or government and political will to implement change; (ii) shared interests and common goals of the partner institution or government and change agents and (iii) a relation of trust. If these conditions are not met, then a strategy is to be developed to address the constraints.

Credibility, long-term commitment and demonstrating evidence constitute the basis for PD approaches (see basis of illustration 1).

Participative processes help to build trust and social capital. They are a key factor, together with **credibility** and the absence of hidden agendas. As Switzerland is considered to be an honest broker without geostrategic interests it has an important asset. This allows placing issues on the political agenda, which other donors might not be able to raise.

PD entails change processes that require time. It is important to have a **long-term commitment** and to "stay engaged" in the policy processes initiated. This requires patience, as well as staff continuity. There has to be readiness to move into a standby modus if issues at stake temporarily disappear from the political agenda.

It is crucial that partner government or institution perceive SDC as a trustworthy, reliable and experienced partner. **Demonstrating evidence**, having profound context insight and competencies from projects/programmes are important for a successful PD. It is suggested to initiate a PD process when credibility is established based on own field expertise and proven solutions.

## PD radar

The radar in illustration 1 shows important aspects related to context, which have to be taken into account in order to identify opportunities or obstacles and to act appropriately during PD implementation.

## Implementation processes

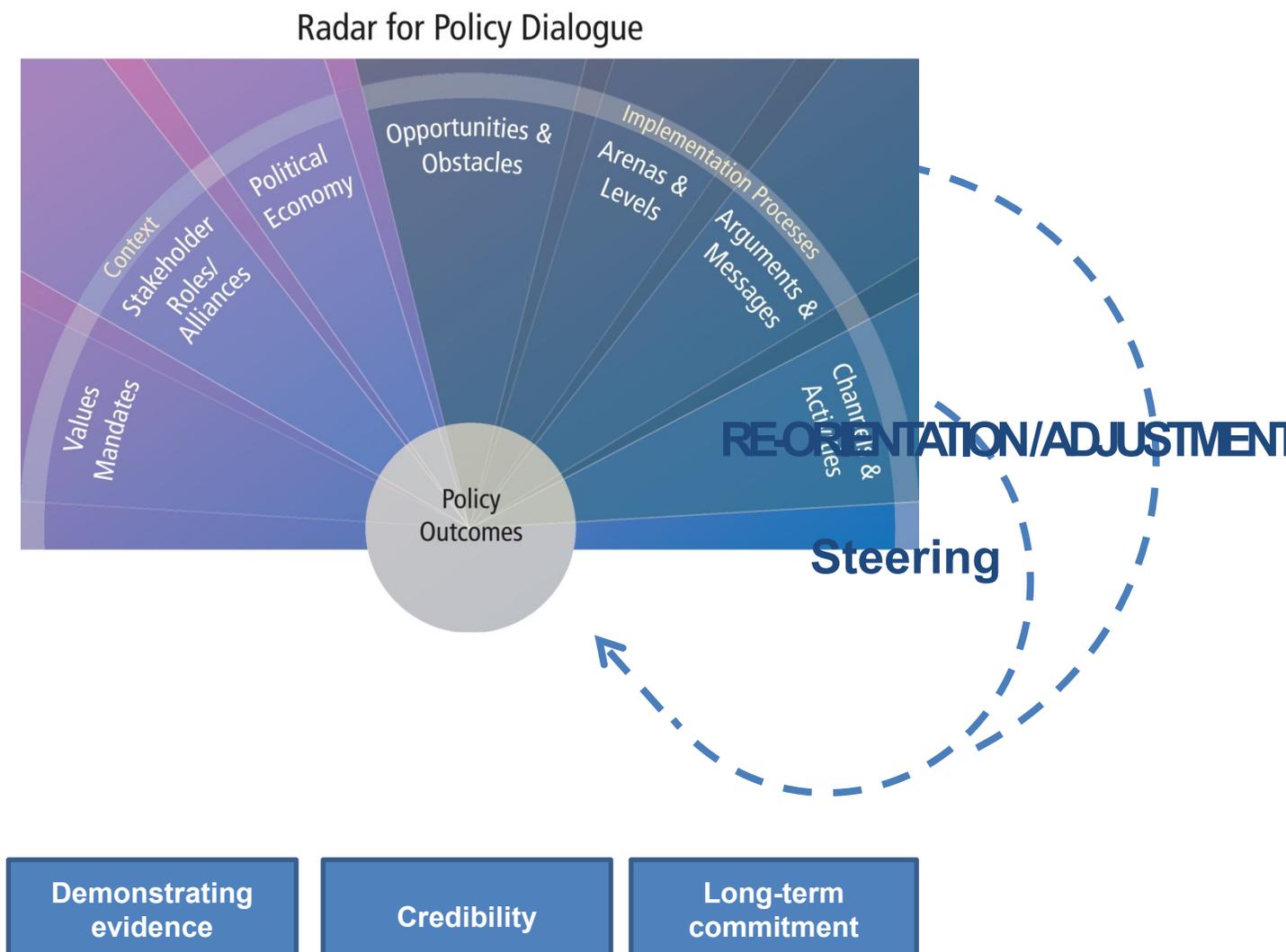
The PD **implementation processes** shown on the right hand side of the PD radar (illustration 1) cover a manifold set of activities. They can be applied in different arenas and various levels, via specific arguments and messages delivered through a variety of channels, e. g.: (i) formal meetings, (ii) participation in conferences and public meetings, (iii) provision of advisory support and (iv) the use of diplomatic "*démarches*" or interventions by the Swiss Representative, which can facilitate and even be decisive in the PD implementation process.

It is often not foreseeable which activity and channel is the most suitable. In order to increase the probability of success, it is thus advisable to:

- use different **arenas**, simultaneously or sequentially; examples include:

- Donor platforms;
- Multi-stakeholder think tanks (academia, media, civil society) and workshops;
- Use diplomatic, government and civil society arenas;
- Support campaigns of civil society
- Enter in the process at expert level as early as possible;
- be active on various **levels** (national, regional and local);
- use and include **arguments/messages** of other development actors (and reference as such);
  - Provide evidence-based know-how and proven experience
  - Feed multilateral PD processes and their achievements into bilateral PD
- Diversify communication **channels** (media, internet) and **activities**

**Illustration 1:** Parameters to be taken into account for a systematic approach to result-oriented PD



A sound **communication strategy** using a variety of arenas (interlocutors, channels...) and media can create space for PD. It increases transparency and has the potential to gain supporters for the PD. Be creative and adjust messages and choice of arenas and media for different actors/target groups according to their capacities and agendas<sup>2</sup>. Sensitive issues should find an appropriate place in the communication strategy.

## Steering approach

Policy processes are complex and rarely linear. Projects and programmes need a **systematic and flexible approach** to implement PD efficiently. Policy change is a complex transformative process and the major challenge is to choose appropriate change processes.

The most appropriate choice depends on the specific content and context of the PD. The implementation process cannot always be planned in advance as it relies on timely reaction to **opportunities and obstacles**. Therefore, interventions need regular adjustments and steering to take advantage of policy opportunities (see illustration 1). PD is an **iterative process**. The challenge to steer such processes can be tackled by continuously assessing whether we are on track or not by using milestones and 'progress markers' as in outcome mapping<sup>3</sup>. As iterative processes are in the centre of PD, do not overly rely on planning and engage simultaneously with relevant partners in revising agendas, reviewing policies and monitoring implementation. Adaption is crucial to reach the objectives of the process.

## Context

To cope with this challenge and ensure a flexible response to changing contexts, a good preparation of the PD process with a subsequent context monitoring system is key. Major observation fields of the context monitoring are shown on the left hand side of the policy dialogue radar in illustration 1:

- **Values and mandates**

- Base yourself on established values shared by SDC (human rights, gender, participation...).

Be conscious of SDC values and reference systems and inherent asymmetric relations caused by SDC's donor position that can be an impediment to open and equal dialogue. Apply PD through a dialogue between equals, in which cultural differences are respected.<sup>4</sup>

- **Stakeholder roles and alliances**

- Entry points and possible leverage partners: Who are the most important stakeholders - key organisations and individuals with access to policy makers? Are there existing networks to use?
- Consider to consult with a wide range of stakeholder and GOV institutions.

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<sup>2</sup> [handbook C4D in the cooperation cycle](#)

<sup>3</sup> [Briefing paper PD and outcome mapping](#)

<sup>4</sup> [SDC Culture and Development Policy](#)

- Issues of **political economy**<sup>5</sup>
  - Power relations as obstacles for change.
  - Underlying interests, incentives, rents/rent distribution, prior experiences with reforms.
  - Important socio-economic, socio-cultural and gender aspects. Who wins? Who loses? Who can/should participate?
  - Institutional structures and the formal and informal rules.

Result-oriented PD starts with a good understanding of context and issues to be addressed. PD has to be integrated in the PCM. Starting with project planning, be aware of the relevance of (i) **Political Economy (PE)**, (ii) **Stakeholder Assessment/Management**, (iii) **Impact Hypothesis** and the Result Chain!

(i) A genuine **PE assessment** helps to prepare and implement a PD<sup>6</sup>. It provides important information on how to interact with the actors of the PD (see guiding questions above). Sometimes power relations make it impossible to influence actors directly, and it is necessary to target others who can influence them. This might mean to reflect once more on the priority stakeholders.

(ii) In PD, **Stakeholder Assessment/Management** (actor mapping)<sup>7</sup> and continuous stakeholder management are even more important than in ordinary projects. The latter takes into account all relevant stakeholders - even those that normally would be left out. Particularly in fragile contexts, long-term reflection on possible allies, which might become important, can be a key for a successful PD. Process ownership of the major actors is crucial. *Quick and dirty* stakeholder assessments and thinking in silos do not work. In PD, searching for the best allies and working together is very important in order to gain influence, in particular for a relatively small actor such as SDC. A sound stakeholder analysis helps to identify opportunities to change stakeholder behaviour. It improves project planning and intervention strategies. Once the priority stakeholders are identified, describe the changes needed if they are to support the desired policy outcome – in other words: include them in a theory of change<sup>8</sup>.

(iii) As PD is a complex, non-linear process, result chains come to their limits. In preparing PD processes, plausibility is more important than strict causality. After agreeing on an objective, map the policy context around that issue and identify key factors that may influence the policy process. Based on the parameters of the PD radar, a narrative of the results chain can be formulated as an **Impact Hypothesis (IH)**<sup>9</sup>. The IH provides plausible cause-effect relations and makes the envisaged intervention and transformation strategy visible. It provides the logic that connects different parts in the planning and implementation of the PD. It can be shared, reflected and adjusted with partners, while keeping in mind the necessary flexible implementation required for the iterative processes related to PD.

<sup>5</sup> „Political economy analysis is concerned with the interaction and economic processes in a society; including the distribution of power and wealth between groups and individuals, and the processes that create, sustain, and transform these relationships over time“ (DAC-OECD). It combines the economic principle of rational behavior that influences decision making with the political perspective of power positions and power relations.

<sup>6</sup> [H2N, WB 2011: PE assessment at sector and project level](https://saeguide.worldbank.org/sites/worldbank.org.saeguide/files/documents/2_Political%20Economy%20Analysis%20(SL-PL).pdf)

[https://saeguide.worldbank.org/sites/worldbank.org.saeguide/files/documents/2\\_Political%20Economy%20Analysis%20\(SL-PL\).pdf](https://saeguide.worldbank.org/sites/worldbank.org.saeguide/files/documents/2_Political%20Economy%20Analysis%20(SL-PL).pdf)

<sup>7</sup> [http://deza-pcmi-lernbuch-3.prod2.lernetz.ch/assets/379/zip/index\\_files/tool\\_stakeholder.pdf](http://deza-pcmi-lernbuch-3.prod2.lernetz.ch/assets/379/zip/index_files/tool_stakeholder.pdf)

[H2N stakeholder analysis](#)

<sup>8</sup> In general terms, impact hypothesis and theory of change can be understood as synonyms, even if the latter is sometimes understood more broadly than the first.

<sup>9</sup> [H2N Impact Hypothesis](#)

Effects of envisaged policy outcomes on the poor people should be scrutinized by applying a poverty lens during policy outcome formulation:

- Deepen the understanding of the realities of the target groups – apply participative Poverty Assessments.
- Bring the local population's views into policy dialogue.
- Define indicators that allow measuring the effects on the target groups as described in the Impact Hypothesis<sup>10</sup>.
- Reflect on how to talk with governments about poverty, inequality and social inclusion.

It is essential to **emphasise both process and result** of PD, which describe the Swiss contribution to policy transformation (outcomes and outputs). While the effect of PD results in the improvement of framework conditions, it is equally important to focus on an inclusive and sound process that is based on shared goals and develops a common understanding of challenges to be addressed.

The **quality of processes matters**. It happens through evidence and innovation for PD and changed behaviour of stakeholders. Successful PD entails a sustained exchange of ideas, perspectives and analysis between implementers, stakeholders and allies. In a successful PD process, the actors define together the issues to be addressed and the targets to be achieved. To the extent possible, they are involved in planning the implementation process. The clearer all involved parties are on the intent of their commitment and on the objectives they want to achieve, the more successful the PD will be.

Look for coherence in the intervention logic and apply a **multi-level approach** in order to link micro, meso and macro levels -> aspire for changes at national level. Assure a good mix of project work and PD to create evidence for PD at national, international and multilateral level. For increased effectiveness consider scaling up from the beginning.

## 4 Appropriate PCM methodology

### Define policy outcomes

It is required to agree and define policy outcomes which determine the effectiveness of policy change, together with partners and project/programme implementers.

Outcomes of Swiss influenced global policies generated by **global programmes** should provide indications on selected national policies and their impact on populations.

Interdependencies between impact on beneficiary and higher levels influence policy processes. As a consequence, the Impact Hypothesis of **programmes/projects** and results chains have to be aligned with country strategies and strategies for global programmes, respectively.

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<sup>10</sup> Beneficiary Assessment: <https://www.shareweb.ch/site/Poverty-Wellbeing/addressing-poverty-in-practice/beneficiary-assessment>

## Choice of indicators

Policy results describe the Swiss contribution to international agreements, multilateral and national policy processes, outcomes and outputs. Do not be overly ambitious with regard to achievable policy changes. Indicators should give answers to the following two basic questions:

- What are the effects on the enabling environment towards systemic and institutional improvements of the partner institution or government?
- What are the ultimate benefits for the target groups?

Having in mind the results chain of global programmes for instance, it can take a considerable amount of time until effects on population and on the institutional level are visible. Process indicators on output level are therefore important for steering the PD process.

Indicators, milestones or progress markers for monitoring the PD process should provide information on short- and medium-term changes to be able to react in time to possible upcoming policy opportunities and obstacles. This applies in particular to the behaviour of policy actors. Focus on policy actors who can be influenced. Monitor their current behaviour and behaviour changes needed to contribute to desired policy objectives (outcome challenges) and short- and medium-term step changes - progress markers<sup>11</sup>.

The focus of PD in partner countries is to create a conducive environment for change at outcome level in order to trigger positive long-term impacts on the target groups. The policy improvement could also provide evidence to promote policy dialogue on international and multilateral level. Indicators for PD should therefore cover various results levels as shown in illustration 2 and annex 2.

**Illustration 2: Achievements of policy dialogue to be monitored**

		Type of indicators	
<b>Long-term Impact</b>	Long term effects	Concrete benefit for the population	Effects at international and multilateral level
<b>Outcome(s)</b>	Effects of outputs, imply behavioural change and systemic change	 <b>Implementation of policies</b> <b>Changes at national and local level</b>	
<b>Outputs</b>	Policy dialogue process towards frameworks/agreements/laws	Approval of policies Adherence to international policies	

<sup>11</sup> [PD actors' progress markers](#)

The indicators should check the short- and long-term validity of the Impact Hypotheses, inform on expected and unexpected effects of the PD process and allow for follow-up of risks and assumptions. Furthermore, PD indicators should:

- permit joint assessments with implementing partners and the various Swiss government agencies within an integrated representation, which show whether the PD is on track;
- be process-related – e. g. show to which extent reforms move towards expected objectives;
- describe changes on institutional level
  - implementation of laws – e. g. sound regulatory policies sustaining the legal system
  - functioning multilevel coordination of new policy
  - strengthened capacities of public employees and/or individuals working for civil society organisations

Although the approval of national laws or international agreements is an important achievement, it is their implementation which finally counts. This requires institutional capacities, organisational change, as well as respect of the rights of beneficiaries.

### **Starting a monitoring practice**

The monitoring system should provide relevant information for steering. Good monitoring which collects/analyses the information covered by the PD radar is essential to cope with the challenges linked to non-linear processes and to allow a flexible response on changing contexts. An effective framework for monitoring PD should:

- Allow to assess performance and policy change;
  - disaggregate data to account for effects on gender and socio-economic characteristics
  - include risk mitigation as part of the monitoring
- Provide an adequate analysis of changes in the enabling environment;
- Inform on sufficient capacity for successful delivery.

Document also information from the beginning and find ways to observe unintended effects. Integrate monitoring of policy outcomes into the process for elaborating annual reports on the implementation of cooperation strategies (assessment by the team, reporting). Also exchange within teams about limits (capacities). Appoint a responsible person and keep effort at a reasonable level:

- Use existing SDC monitoring systems: assessments by multilateral and civil society organisations, mutual accountability mechanism;
- Complement with SDC-specific data, reviews and evaluations, e. g. Beneficiary Assessments;
- Foster joint evaluations

## 5 Roles and Responsibilities

PD is a joint endeavour within integrated representations; development cooperation is not technical only. The Head of Mission is likely to play a crucial role through higher level contacts. Experienced NPOs are playing an important role when carrying out PD. Actively involve NPOs in monitoring and adjusting PD, because a good understanding of political issues and viewing the context from different angles are important.

Assure good collaboration and complementarity with global programmes and other Swiss stakeholders (Swiss Whole of Government Approach) to create synergies.

## 6 Conclusions

Result-oriented Policy Dialogue (PD):

- starts from a robust context analysis;
- is a well-planned, systematic effort and inherent part of any project intervention or cooperation strategy to engage in a process with the aim to change systems and institutions and reach policy outcomes, development effects and impact;
- happens through evidence and innovation for PD and changed behaviour of stakeholders; the quality of processes matters - successful PD entails a sustained exchange of ideas, perspectives and analysis between implementers, stakeholders and allies;
- is a jointly conceived process in integrated representations involving the management of development and humanitarian cooperation and diplomacy;
- takes into account multilateral PD processes and their effects on institutions and people;
- needs credibility, long-term commitment and substantiated evidence, as these constitute the basis for PD and are important factors of success;
- uses flexible, iterative planning approaches (e. g. outcome mapping) for an Impact Hypothesis based on the parameters of the PD radar;
- requires flexible planning and steering, as it is not a linear process;
  - assures effective steering of policy interventions in the PCM cycle -> good and sound PCM -> focus on results management
  - observes the context in order to identify opportunities/obstacles and to adjust the implementation process accordingly
- is aware of the importance of communication and stakeholder management, which should be reflected in the PCM;
- ensures appropriate capacity development for result-oriented PD.

## Annexes

### ANNEX 1: SDC institutional requirements for policy dialogue

Instrument	How
Cooperation Strategy (CS)	<p>Policy results are defined in different fields of the Result Framework:</p> <ul style="list-style-type: none"> <li>• Policy outcomes at partner country level (field 3)</li> <li>• Swiss support (field 1), milestones policy dialogue (field 2)</li> <li>• Fragile contexts: Management or performance results (field 6)</li> </ul> <p>Difficulty: Some policy outcome not known or defined -&gt; include it in Annual Report (seized opportunities), if applicable, update RF</p>
Annual Report (AR)	<p>Logic of contribution at the core of the result statement. It highlights policy dialogue and how it contributed to results achievement Reporting on policy dialogue in field "Performance / process"</p>
Entry Proposal (EP)	<ul style="list-style-type: none"> <li>• Changes at population level as well as on institutional level (system)</li> <li>• Stakeholder Analysis (at the latest in the ProDoc and/or CP)</li> </ul>
Credit Proposal (CP)	<ul style="list-style-type: none"> <li>• Reflection on Stakeholder Analysis: Who benefits from the intervention, who does not, who supports and who opposes it?</li> <li>• Reference to policy dialogue</li> <li>• Intervention logic with Impact Hypothesis</li> <li>• Relevant effects on population level and relevant changes at institutional level</li> <li>• Policy results: changes in policy and its implementation</li> </ul>

**ANNEX 2: Example for possible indicators of a gender PD**

	<b>Results</b>	<b>Type of indicators*</b>	
<b>Long-term Impact</b>	Long-term effects (e. g. enhance gender equality)	Concrete benefit for men and women, girls and boys, e.g.:* <ul style="list-style-type: none"> <li>• Reduction of domestic violence</li> <li>• public services are more gender - responsive</li> <li>• Better access to education for girls (and less drop outs)</li> </ul>	Effects at global and international level
<b>Outcome(s)</b>	Effects of outputs, imply behavioural and systemic change on institutional level, e. g.: <ul style="list-style-type: none"> <li>• Gender mainstreaming in respective ministries and administrations (available strategies and resources)</li> </ul>	 <p><b>Implementation of gender relevant policy</b> <b>Changes at national and local level</b></p>	
<b>Outputs</b>	Products and services e. g.: <ul style="list-style-type: none"> <li>• Gender relevant policy</li> </ul>	Approval of sound gender policy Agreements Adherence to international policies (CEDAW)	

### **Annex 3: Commented examples of projects with focus on policy dialogue**

Decent work, protection and wellbeing for migrant workers and their families in Sri Lanka ([Link](#))

Policy Dialogue: Mongolia artisanal gold mining ([Link](#))