

SDC's Approach to Governance

- **Introduction** to the conceptual and practical guidance documents
- **Part 1** Governance in the SDC
Conceptual guidance
Definitions, approach and priorities
- **Part 2** Governance as transversal theme
A practical guide
Integrating governance in SDC sectors and priority themes
- **Part 3** Governance in health
A practical guide

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**Swiss Agency for Development
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SDC NETWORK

**Democratisation, Decentralisation
and Local Governance**

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1. Basic considerations

Switzerland's Dispatch on International Cooperation 2017-2020 defines Governance as a mandatory transversal theme across all the SDC priority themes/sectors listed in the new dispatch, and across all SDC departments - South Cooperation, the Cooperation with Eastern Europe, Global Cooperation and Swiss Humanitarian Aid. "Switzerland's international cooperation integrates the principles of good governance into all its activities, including political dialogue"¹.

Integrating governance in sectors basically implies (see also "the SDCs governance definitions, approach and priorities", in part 1 of the series of governance working documents):

- Adopting a **system development approach** that starts from a solid context analysis and designs measures to address systemic governance deficiencies (framework conditions, governance processes with respect to the good governance principles, actor's behaviour and their power and capacities);
- Working with **multiple actors** at multiple **levels** (sub-national, national and global) and fostering **linkages**, where possible.;
- Working on **politics and power** imbalances;
- Following a **value based approach**, based on the SDC's good governance principles and human rights based approach;
- But recognising the need for **contextualized, adapted, sequential** activities; providing space for constant learning and adaptation;
- Considering as much as possible the **intersections** between different sectors (i.e. between domains in given countries), and between governance related topics (i.e. between democratisation – decentralisation & local governance - conflict sensitivity – human rights based approach – gender equality).
- Putting **people's wellbeing, basic human rights and peaceful coexistence** at the centre of attention and as the ultimate goal of sector/domain activities;
- To be addressed systematically as part of the **project cycle management (PCM)** in SDC cooperation strategies and programmes, including global programmes and Swiss humanitarian aid;
- To be reflected in SDC **sector policies/strategies** (ex. of water policy in Annex 1);
- Looking at governance approaches, behaviour of **implementing partner organisations**, and taking into consideration **SDC** as an actor.
- Providing the necessary governance **competence** in combination with technical knowhow in sector programmes.

¹ Dispatch on Switzerland's International Cooperation 2017-2020, Common transversal themes, 1.7.2.3.2 Good Governance

2. Steps for integrating governance in sector operations

Methodologically the integration of governance in SDC sector portfolios (domains in cooperation strategies) and programmes (at country and global levels) is structured along the **main PCM steps** and is linked to **actual PCM instruments**.

First we start with solid **analysis** of main governance issues in a given sector (frame conditions, governance processes with respect to the good governance principles, actor's behaviour and their power and capacities, see guiding framework in 2.2).

Based on the analysis we have to define which aspects we want to change (**change areas to overcome important systemic deficiencies**), and what type of change we want to induce (**objectives and expected results**); what needs to change particularly for poor and vulnerable population groups; and how all this contributes to improve people's wellbeing (**overall goal**).²

Following this, we have to define the measures we propose in order to achieve the objectives (**strategic action, outputs and activity lines**), with whom and in which way we want to **partner and collaborate**, and what is feasible and achievable (**risks, obstacles, time frames and resources**). Answering these questions will provide the basic elements for defining our **impact hypothesis** and programme design.

A solid **monitoring** framework will help to cover most important changes. For all these steps the involvement of implementing partners, and if possible beneficiaries and other development partners is recommended.

The most important **PCM instruments** where governance related dimensions must be included are **project documents, entry proposals and credit proposals, country cooperation strategies and strategic frameworks of global programmes/sector policies**. For any commissioned analysis the **terms of reference** need to include key aspects of governance as proposed in the guiding framework below, to make sure that the content and orientation of the analysis are framed appropriately. With regard to monitoring and steering the **annual country reports, programme monitoring reports, the end of phase reports and the MERV** (monitoring of development relevant context changes) are other instruments that should include critical reflection on the integration of governance and on general context changes in view of governance.

² For your orientation you can use the SDC reference frame on poverty dimensions and the poverty assessment guidance (see annex 2), and/or the OECD reference frame on multidimensional fragility and the peace and state building goals: <https://www.oecd.org/dac/governance-peace/publications/OECD%20States%20of%20Fragility%202016.pdf>; <http://www.oecd.org/dac/HLM%20one%20pager%20PSGs.pdf>.

2.1 Quick overview

PCM steps	Subject	Tools	PCM documents
Analysis	Key issues of sector governance	<ul style="list-style-type: none"> - Guiding framework (see 2.2) - Set of analytical tools: <ul style="list-style-type: none"> ➤ <i>Political economy & power analysis</i> ➤ <i>Local governance assessments and Practical Guidance of analysing informal local governance institutions</i> ➤ <i>Conflict analysis</i> ➤ <i>Gender analysis</i> ➤ <i>Beneficiary's assessment and participatory poverty assessments</i> 	<ul style="list-style-type: none"> - Terms of reference (ToR) for mandates - Project documents - Entry and credit proposals - Country cooperation strategies - Strategic frameworks of global programmes/ sector policies
Identification of Entry Points and definition of Expected Results (Outcomes)	<ul style="list-style-type: none"> - Building on strengths, addressing weaknesses - Defining areas of desired change to which SDC wants to contribute 	<ul style="list-style-type: none"> - SWOT analysis - Guiding framework (see 2.2) - SDC reference frame on poverty dimensions - OECD reference frame on multidimensional fragility and the peace and state building goals 	
Implementation	<ul style="list-style-type: none"> - Lines of action - Partner mix and collaboration - Risk Management - Resources, knowhow 	<ul style="list-style-type: none"> - Partner risk assessments - SDC risk assessment matrix - SDC risk management policy (in preparation) 	
Monitoring and Evaluation, Reporting	<ul style="list-style-type: none"> - Fields of observation, indicators, targets - Baselines - Analysis & reporting 	<ul style="list-style-type: none"> - Results frameworks - M&E systems - Participatory Assessments - Visual methods (Videos, digital stories etc.) - MERV 	

2.2 From analysis of governance issues to the identification of change areas

At the beginning of developing or re-planning/reorienting a domain portfolio or programme in a given sector, a comprehensive **context analysis** should identify key governance issues at stake. We need to know the regulatory frame, the management arrangements and sector financing, the key responsible actors and the processes of interaction, and we need to understand how all this plays out in reality and why.

To do this, the SDC has a **set of analytical tools**,³ most importantly the political economy analysis, local governance assessments, and conflict and gender analysis. A beneficiary's assessment can be another useful instrument, to gain a better understanding of different perceptions of change and the nature and scope of discrimination against women and disadvantaged groups (for an overview of SDC instruments see Annex 2). This can be complemented by the use of power analysis tools, such as the power cube or power matrix,⁴ and by other available studies to crosscheck your findings.

To **synthesise** your findings and identify possible entry points to address systemic gaps you may use the **SWOT analysis**. It helps to outline key strengths, weaknesses, opportunities and threats/risks for each of the analytical categories.

Based on this analysis you then **define** the **specific change to which SDC wants to contribute** with its activities (targeted change areas and expected results).

Please refer to the suggested **analytical categories** in the guiding framework below. For each analytical category a set of **analytical questions** is proposed and **ideal areas of change** are highlighted.

Structural and regulatory framework conditions in a given sector

Set of proposed analytical questions:

- How are laws and sector policies regulating the sector? Do they integrate ratified regional and global conventions (e.g. human rights standards, soft law)? To what extent do such policies and related programmes correspond to contextual evidence and to people's needs? How inclusive are they in terms of gender equality, disadvantaged groups? How do they reference to other related sectors? Who is involved in designing them?
- What is the status of sector decentralisation? How are government functions, decision-making authority, financial and human resources assigned at different levels? Are the assignments clear, and are these arrangements suitable to respond to people's needs in their localities? What are the established vertical and horizontal collaboration/concertation mechanisms?
- What are the most relevant institutions and actors and what are their responsibilities in public sector management in a given sector? E.g.: formal state actors and informal actors (such as traditional or religious authorities), the private sector, civil society organisations, user groups, and development partners. How is the representation of women and disadvantaged groups?

Areas of change:

³ Political Economy and Development, three basic tools, SDC 2011; How to note stakeholder analysis, SDC 2013; Guidelines and Toolkit for Local Governance Assessments; SDC 2012; Local Governance Institutions, Practical Guidance, SDC 2016; SDC manual on conflict sensitive programme management (CSPM), 2006 and how to note context analysis in fragile and conflict affected contexts, SDC 2013; Gender in practice – A toolkit for SDC and its partners, SDC 2003, particularly sheet 6 on gender in country, policy and sector analysis; How to note beneficiary assessment, SDC 2013.

⁴ <https://www.powercube.net/>; And for the power matrix: Making change happen: Power, by Just Associates: <https://www.justassociates.org/sites/justassociates.org/files/mch3-concepts-for-revisioning-power-2011upd.pdf>

Sector **legislation and policies** (prepared by government, parliamentary committees) which address people's needs and reflect international human rights standards/other global or regional principles, incorporate dimensions of social inclusion and gender equality and foster integrated approaches with other sectors; they are defined by means of multi-stakeholder dialogue.

Sector decentralization with devolved and clearly defined responsibilities to subnational government levels, with corresponding decision-making authority, human and financial resources (predictable, transparent, adequate fiscal transfers, and authority to impose/collect user fees/taxes), and through a functioning system of vertical (state levels) and horizontal (multiple actors at each level) collaboration, concertation

Governance processes: performance and interaction with respect to the good governance principles

Set of proposed analytical questions:

➤ **Effectiveness and efficiency in fulfilling state obligations:**

- How effectively is the decentralisation architecture working in reality? E.g. is the transfer of resources to subnational state institutions happening on time and according to the established rules? Do they receive important information, guidance from next higher levels and are they actually capable of taking decisions? Are the vertical and horizontal coordination and cooperation arrangements working?
- What is the performance of responsible actors in fulfilling their duties in a given sector compared to defined targets and budgets, and compared to acknowledged standards?
- What is the performance) of responsible actors in public sector management, in providing services and enhancing inclusive (local) development?

➤ **Participation:** do spaces for meaningful and equal participation exist? Are poor men and women and disadvantaged groups able to participate and what are barriers to their participation? By whom, where, and how are important decisions made? (e.g. in open-closed or self-created spaces, at local-national-global level);

➤ **Transparency:** do responsible actors release relevant information about their actions and decisions and is it accessible to the public? Are negotiations and decision making in public sector management transparent or happening behind closed doors? Is the public informed about rules, responsibilities, available resources and distribution of resources?

➤ **Accountability:** what accountability systems are in place, how do they work, who is part of them? How effective are the collaboration and ties between different accountability actors? Are corrective measures or sanctions applied? Are specific anti-corruption measures in place and are people engaged in combatting corruption?

➤ **Equality and non-discrimination:** who are those excluded from benefiting in a given sector (e.g. based on poverty, gender, ethnic/religious affiliation, sexual orientation or other status)? What are the reasons and patterns of exclusion, and in what ways is discrimination manifested? What poverty-related issues exist in a given sector? What are the particular needs and preferences of these population groups? Do mechanisms exist that ensure equal benefits for all, and inclusive participation and decision making?

➤ **Rule of law:** do responsible sector stakeholders comply with rules and regulations and are mechanisms in place to guarantee their enforcement? Is the judiciary or customary justice able to respond to peoples complaints and sanction misconduct? Do people know about their rights and how to defend them? Do they have access to justice?

Areas of change:

Effective and responsive provision of public goods and services and the enhancement of national/local (economic) development: informed and responsive planning, possibly including a regional/territorial planning perspective; results oriented plans and budget allocation, considering

human rights standards (i.e.: public services and goods are sufficient in quantity (availability), accessible and affordable for all, are relevant for the people, of appropriate quality, and adapted to particular needs); multi-stakeholder concertation; solid and transparent income management (e.g. tariff systems, raising taxes) and expenditure management (e.g. investments, contracting and procurement); public information and regular public consultation; government quality control and performance monitoring.

Inclusive governance practices in order to reduce inequalities: inclusive policies; targeted public measures and budget allocation that address specific concerns of disadvantaged groups, poor men and women; supportive public measures that enable their equal participation in public decision making processes; public campaigns and educational measures for changing public perceptions, attitudes and practices of discrimination and exclusion;

Meaningful and inclusive participation in public decision making and in managing public affairs: available and accessible spaces for public discussions, negotiations, joint problem solving, conflict resolution and decision making; spaces that allow for equal, meaningful and safe participation; multiple actors that take responsibility and engage in issues of public concern.

Public oversight and control with a functional accountability 'architecture' and measures for combatting corruption: state authorities that explain and justify their decisions/actions to the public; citizens, parliaments, media, other national oversight bodies that ask for information and monitor the performance of state authorities; collaborative initiatives of public oversight and control and initiatives for denouncing corruption; state institutions and private sector companies complying with integrity standards; corrective measures and sanctioning/redress mechanisms to address complaints.

Enforcement of sector regulation: compliance with regulations by responsible actors; judiciary or customary justice mechanisms that sanction the violation of rules safeguard peoples' rights; people's ability to access justice and defend their claims.

Governance actors: behaviour, motivation power and capacities

Set of proposed analytical questions:

- Which are the most powerful among the relevant actors/institutions in a given sector? Who most powerful and enjoys most legitimacy and trust? What is their base of power and/or legitimacy? (E.g. hierarchy, finances, physical force, tradition and beliefs, performance, knowhow, strong networks); why are other concerned actors less powerful? How is power manifested in the interaction between stakeholders? (E.g. domination and control, acting power, collaboration and alliance, tensions/conflict, self-confidence); and how does all this affect actors/institutions good governance performance?
- How is power executed? (e.g. visible (observable) – hidden (behind the scenes) – invisible (internalised) power); And how does this affect good governance?
- What about the power balance between men and women? How do given gender relations influence good governance?
- What are the personal interests of key actors, what incentives or disincentives are driving them? And how does this influence their good governance performance?
- Are the capacities of key actors sufficient to fulfil assigned public duties and to engage in given sector? What type of domestic support structures and capacity development systems are in place, and how effective are these?
- How is the relationship of SDC implementing partners with key stakeholders shaped? How do they adhere to good governance principles in their own institutions and in their external interaction?
- How do most relevant development partner's, including SDC, or international/multilateral organisations influence a country's sector governance? How is good governance considered in sector-wide approaches and budget support arrangements?

Areas of change:

Civil society actors, including the private sector, are **organized and powerful** in advocating for change and influencing decisions. Disadvantaged groups, poor men and women are more **confident** in making their voice heard and negotiating issues of concern, **and they are well represented in decision-making processes**;

Driving forces within State institutions push for improved governance, they influence decision making, challenge or positively influence obstructive powerful forces; **Incentive structures** promote better governance and **disincentives** are removed;

Increase in trust among key stakeholders, greater **willingness to collaborate** and assume (co)-responsibility;

Supportive domestic training, coaching and advisory services enhance public management capacities of those in charge of exercising state functions;

Adherence of **implementing partners** to good governance within their organisations and in their external relations; responsible conduct by the **SDC as a development partner**, (e.g. being aware of harmful effects, working on systems and in coordination with other development partners).

Conflict potentials and conflict dimensions in a given sector

Set of possible analytical questions:

- What are the sources and manifestations of tensions and conflict affecting a given sector? Who is most affected? What conflicts are transboundary in nature and influence?
- How can good sector governance contribute to reduce/overcome conflicts/tensions?
- What problem solving, conflict mediation and resolution mechanisms exist for a given sector?
- What negative effects do we create as a donor?

Areas of change:

Governance structures and processes allow for peaceful negotiation of opposed interests and conflict resolution: Government or informal authorities (e.g. traditional or religious leaders) that offer spaces for peaceful dialogue, joint problem solving and that engage in mediation of conflicts; inclusive practices of participation and decision making in governance processes, and measures that balance bargaining powers; media providing impartial information and a platform for peaceful public debate; inclusive provision of services and fair share of scarce natural resources and redistribution of public resources; collective action and joint problem solving, including transboundary initiatives.

➡ *Combine possible measures with those in other identified change areas (see other categories above, such as participation or inclusive practices);*

➡ *If necessary, define additional targeted measures;*

➡ *Be aware of harmful implications SDC activities can have and make every effort to minimise harmful activities.*

Global and regional governance dimensions

Set of proposed analytical questions may include:

- What important global, regional conventions related to sector governance exist and have been ratified by partner countries? Are they known to all concerned actors and applied?
- How is good governance applied in aid modalities? How effective is the realization of existing principles and standards in a given sector? (e.g. the principle of mutual accountability (Busan Partnership Document), increased aid efficiency (Paris Declaration) the core humanitarian standard on quality and accountability (CHS) and the principles for good humanitarian donorship (GHD), sector-governance related SDG targets);
- What regional/global networks and joint initiatives exist to advance good governance? Can we use them for our bilateral sector programmes at country level?

- Who is represented, participating and able to influence the negotiations and decision making within regional/global platforms and regional/multilateral organisations?
- What is the role of global, regional organisations or platforms to promote guiding principles and standards in sector governance?

Areas of change:

Global and regional sector-related standards are enhancing good governance: multilateral organisations that contribute to the development of respective global/regional standards and their application; multi-stakeholder representation and influence, including disadvantaged groups and women, in the development of respective global/regional standards; global and regional initiatives or platforms that enhance good governance practice at global/regional/national levels in a given sector; peer learning and monitoring that further improve good governance practice in a given sector; national stakeholders are aware about respective standards and principles and are using them to promote required change.

Important intersections with other sectors

Proposed analytical questions may include:

- What ‘building blocks’ in a given sector are linked to other sectors? And what are important intersections between them?
- What governance deficiencies in sectors within our portfolio affect the performance in this given sector, and vice-versa?
- How are these interlinkages considered by domestic partners and in our SDC programmes?

Areas of change: Improved **multi-sector articulation and cooperation:** better coordinated laws and harmonised measures in sector decentralisation, synergetic and comprehensive efforts among those in charge of public sector management.

Good governance in Swiss Humanitarian Aid

The strategic orientation of Swiss Humanitarian Aid provides multiple entry points for systemic action and promoting good governance principles. The questions for analysis are similar to those outlined in the sections above. The following entry points can be pursued:

- **Strengthening the respect of the humanitarian legal framework:** in order to provide help in the field, it is essential to ensure that international humanitarian law and international humanitarian standards and principles are respected. Where there is armed conflict, it is essential, if help is to reach the people who are in need, that the parties to the conflict allow international aid organisations access to the civilian population. This, and the efficient coordination of financial resources, is what determine the success or failure of international humanitarian aid efforts. It is largely thanks to its presence in the field, its experience, and its international reputation, that Swiss Humanitarian Aid, together with Switzerland’s international cooperation partners, is able to successfully advocate for these concerns in bilateral and multilateral discussions.
- **Humanitarian principles and standards:** Swiss Humanitarian Aid advocates for the adherence to the humanitarian principles of humanity, neutrality, impartiality and independence. The advancement of operational standards ensures that humanitarian aid is delivered to those most in need in a manner that is effective, efficient and independent of political, ethnic or religious affiliation.
- **Enabled domestic actors, improved structures and processes** during all stages of emergency relief, reconstruction, rehabilitation, and disaster risk reduction. Make every effort in

the early stages of humanitarian actions to strengthen connections between relief, reconstruction, rehabilitation and longer-term development cooperation⁵. Help domestic actors to take responsibility and, promote their self-help capacities, participation, self-determination and resilience to future crises. This also includes measures to strengthen domestic capacities for integral risk management (e.g. risk assessment, risk prevention and mitigation measures etc.). Finally this implies to combining technical and hardware support activities with knowledge-building and knowledge transfer to domestic actors and to foster their constructive relations.

- **Consideration of the particular needs and copying strategies of women and men, girls and boys** at early stage of humanitarian actions. Sexual and gender based violence during situations of crisis and conflict are taken care of.
- **Compliance with and protection and fulfilment of international humanitarian law and human rights** standards (principle of rule of law). This also includes targeted measures across all activities to protect civilians from physical and psychological violence (creating safe spaces) and advocating for their security.

2.3 Analytical steps in defining your goal and outcomes

Analytical categories and guiding questions	SWOT	Entry points	SDC contribution to desired change (ToC, goal, outcomes)
Framework conditions			
Governance processes			
Actors behaviour, motivation, power and capacities			
Conflict potentials and dimensions			
Global and regional governance dimensions			
Intersections with other sectors			

2.4 Definition of strategic lines of action

Once the entry points and desired change are defined, the strategic action, partners, possible risks and required resources need to be determined.

▪ Lines of action:

- What promising measures are available to improve a country's sector policies, the institutional setup and procedures, finances and human resources? What is the best way to strengthen the capacities and performance of domestic actors, and what could make them change their practice/behaviour?
- **Empowerment and relationship building:** what activities can help to reduce power imbalances and empower the less powerful, reduce discrimination and improve

⁵ e.g. link emergency water and sanitation services to integrated water resources management (IWRM) and local governance; link reconstruction support to local governance dimensions and vocational education systems; link protection activities to rule of law, accountability and inclusion.

inclusion of those excluded? What measures are available to strengthen driving factors or neutralise blocking factors? What can we do to promote constructive collaboration and relationships of trust among key stakeholders? How can we use existing positive relations?

- **Working in and on conflicts:** how can we best avoid causing conflicts or fuelling existing ones? What are promising ways of engaging concerned stakeholders to overcome their tensions and conflicts?
- **Multi-level activities:** how can we build upon global or regional dynamics to address sector governance issues at subnational-national-global levels? How can SDC country programmes use synergies with SDC global programmes, or other multilateral and international actors?
- **Intersectionality:** how can we foster linkages with other sectors in which we are working? How can we mutually reinforce our activities?
- **Partner mix and collaboration:** which actors do we want to engage with and what type of support and incentives would be most adequate to achieve the desired change? How can we promote adherence to good governance in partner organisations?
- **Risk management:** what are the major identified risks when working ‘on system’ and influencing political processes, and how do we deal with them? How should we deal with risks when working in and on conflicts? How can we minimise possible negative effects stemming from our role as an external development agency?
- **Resources:** what is feasible considering the conditions on the ground and available capacities, our given resources and time horizon? What could be reasonable sequencing? What are the synergies with other development agencies? Do we have the required competence to design and support respective activities? What are the competences of domestic experts, professionals and competence centres?

A SERIES OF CONCRETE EXAMPLES on how to address and integrate the various issues of sector governance in programmes and cooperation strategies are provided in **Annex 1**.

Examples related to sectors:

- Sector governance illustrated by the water sector
- Promoting land governance for improving livelihoods
- Promoting good governance in humanitarian aid
- Public sector financing and decentralisation in Health

Examples of related methodological approaches:

- Promoting accountability
- Promoting social inclusion
- Promoting gender equality
- Addressing power issues
- Addressing the conflict dimension
- Brief example of promoting good governance in partner organisations

2.5 Monitoring and steering

The SDC aims to achieve both tangible results for the benefit of the people and institutional systemic change. The SDC is aware that change processes related to governance are complex; they are influenced by many factors and the way they impact on each other is not always straightforward and easy to grasp. Instead of measuring and aggregating only isolated quantifiable targets it is important to obtain a comprehensive picture of change that has taken place (fields of observation) and also to include quality dimensions and behavioural change processes. 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 political systems is short. Therefore, identifying an easily achieved set of tasks, measures and goals ('low-hanging fruit') in sector governance is crucial. While reporting on results, one should pay attention to qualify achievements against a reference value to assess the significance of achievements.

- **Define fields of observation, indicators and targets** that cover systemic changes; "equality targets" help to monitor reduction in inequalities and exclusion.
- The analytical tools mentioned in Annex 1 can be useful to provide the necessary data for the various **baselines**. (E.g. local governance assessments can provide the information for developing a monitoring frame). Disaggregate data by gender and disadvantaged/vulnerable population groups.
- **Analysis and reporting:**
 - Programme **monitoring reports** should describe the achieved changes (according to the outcomes), what has not been achieved, and explain the reasons for success or failure, and the implications for adapting our activities. Multiple perspectives of involved stakeholders should be used in the monitoring and analysis of results to better understand how change happens and what matters for people. This should be used for continuous learning and flexible programme adaptation, which is particularly important when working on governance issues.
 - The **end of phase/end of programme reports** require a critical reflection on the integration of governance for the phase/programme period (as it does for gender): i) to what extent were governance issues resolved or improved through programmes, ii) how has corporate or institutional governance evolved in partner organisations, iii) have the governance issues changed over the phase/project period and has this been adequately reflected in the approaches, strategies, modalities of our programmes (strategic steering), and iv) what are the major lessons in terms of addressing governance issues and working on the system?
 - **Management responses to core contributions** should comment on the organisation's performance in addressing governance issues.
 - Basically all sections of the **annual reports** template are suitable for specific reporting on governance as a transversal theme. Annual reports should reflect governance-related issues as defined in the cooperation strategy.
 - **MERV (monitoring of development relevant changes):** the different fields of observation should also explicitly refer to changes in governance aspects, in terms of the general governance system and processes (political conditions and general framework) and in particular sectors (economic, social and security conditions). And it should inform about underlying reasons that shape the performance of systems and key actors. Use available SDC analyses as well as other national and international analyses with due consideration for the purpose for which they were conducted.

Selected examples related to sectors

Sector governance illustrated by the Water Sector

Water sector policy for general guidance

Sector policies and strategies describe key governance issues and strategic considerations in a given sector. They provide the basis for SDC positioning and priority setting.

One example is the SDC water sector policy, where good water governance is prominently addressed.⁶ It is reflected in the analysis of global trends, appears under the SDC vision for the future of the water sector and constitutes one of the five strategic fields of action. The emphasis is less on financing infrastructure and more on supporting domestic actors in assuming their roles.

The water sector policy emphasises the following important governance areas:

- A clear and transparent legal framework that regulates and guarantees access and use of water for all, and legal systems that acknowledge the rights of indigenous and minority groups. Legal mechanisms that protect the rights of local population;
- Government authorities that are capable of meeting their responsibilities through effective regulation, distribution and monitoring; Institutions, processes that are geared towards transparency, accountability, equity, efficiency;
- Public oversight and management of water resources as a common good;
- Multi-stakeholder engagement of the public and private sectors, together with civil society, to apply a policy of sustainable development and management of water resources (sharing of roles and responsibilities, dialogue, coordination and concerted action).
- The principle of subsidiarity, with planning and decision making devolved to the lowest possible level (decentralisation of water management systems);
- Due consideration of the disparate interests of all stakeholders – especially those of the poor and marginalised segments of society;
- Involvement of women with equal rights as individual users and partners for institutional development;
- A rights-based approach that on the one hand supports authorities in their responsibility to respect, protect and fulfil the obligation to provide sufficient, safe, accessible and affordable water for all people, and on the other empowers people to exercise their rights and responsibilities;
- The resolution of cross-border conflicts of interests by equitable involvement of the various parties residing in and using watersheds;

Promotion of multi-sector cooperation between key institutions in related domains such as health, agriculture, education, environment, climate change and disaster-risk reduction.

Evolving engagement in water governance in Bosnia and Herzegovina

Over the past decade the SDC has been engaged in the water sector in Bosnia and Herzegovina starting with emergency assistance in 1997 and evolving to a comprehensive programme on integrated water resource management in the Una River catchment area (2006-2013). The aim was twofold: on one hand, to improve reliability and accessibility of good quality water and environmental

⁶ SDC, Water 2015, Policy principles and strategic guidelines for Integrated Water Resource Management –IWRM, 2005.

sanitation (WES) for the population and on the other, to enhance good governance practice at the municipal level by providing quality services in WES.

As a result the coverage of households connected to the water supply and sewage networks increased, and they are now supplied with more water of better quality. The inter-municipal cooperation across ethnic lines in the water basin management also had a dimension of trust building and conflict transformation.

The strategic action was to establish modern management forms of WES services at the level of municipalities which are more effective, efficient, transparent and accountable. The lines of action included:

- **Capacity development of domestic actors**; this resulted in the establishment or reorganisation of WES departments and staff training, the creation of AquaSan, a nation-wide network of experts in the WES sector and the establishment of local technical expert groups of local governance and water and waste professionals (three firms and a government unit).
- Establishing **public/private partnership** arrangements between municipal authorities and service providers;
- Improving public **information** and enhancing **citizens' engagement**;
- **Stronger civil society engagement** in the protection of the environment and water resources and in the interaction with authorities;
- **Joint formulation of coherent strategic orientations, priorities** and time frames among key sector actors, physical **planning** of the **rehabilitation schemes**; finally, municipalities widely adopted the methodologies for integrated local development planning and water sector planning and management (ten strategic plans for the WES sector and nearly 50 local development plans);
- Technical **maintenance** of water resources, and waste water treatment;
- **Management of costs** by invoicing and billing consumers; thanks to the preparation of solid plans by the municipalities considerable financial leverage through downstream domestic and foreign grants, loans and other financing has been possible.
- Stronger **inter-municipal cooperation** for jointly managing water resources in the Una-Sana region and advocating for common interests at different levels and across internal boundaries; this proved to be useful in the **reconciliation** of inter-ethnic divisions and in strengthening **disaster risk reduction** measures;
- **Adoption and application of by-laws, local regulations** and procedures sustaining good governance practices; as a result several municipal orders were issued and cantonal and entity-level laws on utilities, water and waste were promulgated.⁷

Water governance programme in Haiti, contributing to State building

In Haiti water services remain highly centralised and inadequate because the central-level authorities barely contribute to the provision water services. The capacities and resources of key actors at subnational levels are constrained. However, reforms have been initiated and there is some momentum in cooperation with potential change agents at the national and subnational levels..

The programme intends to work within a mix of deconcentrated and decentralised government structures at different levels and to improve capacities, cooperation and concerted action among the actors involved. It will support the principle of subsidiarity and comprehensive water basin and ecosystem management. In a longer term perspective programme activities will contribute to implement and further advance decentralisation reforms in the water sector. Civil society engagement and collective action is another important feature.

⁷ GOV-WADE credit proposals phase 1-3, (2006-2013), and end of project report, Feb. 2015; Jackson, T. (2014) Evaluation of SDC Governance Programming and Mainstreaming, Case study of BiH.

The aim is to establish a domestic system for water sector management with adequate structures and capable, empowered actors engaging in and providing water and services. This will help to overcome the still prevailing project modality approaches in Haiti which are mainly working with parallel structures. In this sense the programme will make an **important contribution to rebuilding weak state structures and improve the weak state-society relations**. Consequently a long term approach over approximately 12 years is planned.⁸

Swiss Humanitarian Aid contribution to managing drinking water with in Lebanon

In Lebanon's Bekaa-Valley, stakeholder assessments and conflict-sensitive project management (CSPM) in the WASH sector highlighted, among other issues, the underlying tensions between local authorities, host communities and the Syrian refugee population living in this area. In this context, the very weak capacity of the regional public water authorities to manage water, measure its flows and charge for it makes access to water a highly conflict-sensitive issue. Besides technical expertise and hardware components for better water management, the project will provide capacity building in water management and billing. The objectives are to strengthen an equitable provision of public water services and to improve trust and good governance between the populations and the regional authorities.

Promoting Global Water Governance⁹

The strategic framework of the Global Programme Water (GPW) starts from the premise that water is a global common good and a basic human right. But fresh water resources are increasingly under pressure due to rapidly growing demand from multiple users and water degradation caused by pollution. Large scale industries and water irrigation and hydropower investments put additional pressure on balancing water use leading to tensions within and between countries. These increasingly *global challenges call for a joint response* and concerted action at the local and global levels.

One of many examples is the GPW contribution to **the Water Integrity Network (WIN)** that advocates for increased transparency, accountability and participation as the three pillars of water integrity to fight corruption in the water sector. WIN works through a large network of partners and members. In 2012, WIN and HELVETAS Swiss Intercooperation joined hands to initiate innovative integrity activities in three countries (Nepal, Mozambique and Guatemala) and launched a multi-year **Multi-Country Water Integrity Programme** which is also supported by GPW.

The GPW has a strong focus on the promotion of the **human right to water and sanitation (HR2WS)**. It closely collaborated with the former **UN Special Rapporteur on the human rights to safe drinking water and sanitation**, to further specify standards and analyse SDC programmes, and it contributes to **WaterLex**, an international membership association that compiles, designs and promotes water laws and policies that comply with the human rights commitments of states. It offers a legal database, a 'Parliamentarian HelpDesk', and multi-stakeholder water governance assessments and strategy workshops in countries.

Another important example is the contribution to the UN-Water initiative **Global Analysis and Assessment of Sanitation and Drinking Water (GLAAS)**, which is implemented by the WHO and provides a reliable, easily accessible, comprehensive and global analysis of the investments and enabling environment for policy- and decision-makers at multiple levels. This contributes to the monitoring of respective SDG targets and also provides evidence to inform decision-making among

⁸ Programme de renforcement de la gestion local de l'eau et l'assainissement (REGLEAU), Entry proposal approved in Septembre 2016.

⁹ SDC Global Water Initiatives Strategic Framework (2013-2017), 2014.

the constituents of the Sanitation and Water for All UN resolution (SWA), in particular the sector and finance ministers who are engaged in the SWA high level political dialogue. This **should lead to improved budget planning and allocation** in sanitation, drinking-water and hygiene. Biennial GLAAS reports have been prepared bi-annually for the SWA High-Level Meetings (2010, 2012 and 2014; to be continued for 2016/17).

Promoting land governance for improving livelihoods

Promoting the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT)

The Global Programme on Agriculture and Food Security has been engaged in the development of the VGGT and is now supporting the International Human Rights Organisation for the Right to Food (FIAN International) which is actively **promoting the implementation of the VGGT** in a number of countries (e.g. in Colombia, Mali, Myanmar). The VGGT are based on the concept of good governance and human rights. The FIAN contributes to raising people's awareness of these principles, helps them to contextualise them, develop proposals and engage in evidence-based policy dialogue and advocacy with the government. The FIAN can also help bring citizens' voice to the global arena. **Such initiatives can also be pursued by bilateral programmes in SDC partner countries.**

Supporting inclusive land governance in combination with community forestry and fisheries in Cambodia

The area along the Mekong River from Cambodia's Kratie Province to Lao PDR has an exceptionally rich biodiversity and natural fishery and forest resources. The wetlands of this area are the livelihood resource for approximately 50,000 local people, many of whom belong to the Phnong and Kuoy indigenous groups. Today these communities face increasing threats due to large-scale and unsustainable exploitation of the water resources, fisheries and forests that have supported them for generations. The alarming rate of illegal deforestation is one of the main threats to forests in Cambodia. Illegal deforestation is practised by a wide number of actors from local police and army to medium-sized loggers with connections to local government and large-scale loggers with political connections to national level government officials. Local government actors have limited awareness, resources, capacity and at times willingness to enforce laws that would reduce the rate of deforestation. This works as a disincentive for local communities to protect their forests and encourages them to clear the forest for income and agriculture.

Economic growth and development policies have largely supported the transfer of state forest lands to private firms through the issuance of economic land concessions. Because of pressure from national and international civil society organisations, the government has recently started to reconsider the social and economic benefits of economic land concessions. However, the capacity of sub-national authorities to support communities in obtaining community forest agreements and implementing management plans remains limited.

The Partners for Forestry and Fisheries Cambodia (PaFF) programme aims to improve, increase and scale up support to community forestry and fishery groups in Kratie and Stung Treng provinces, in order to allow communities (in particular ethnic communities and women) to secure their access to natural resources as a way to improve food security and increase their income. These provinces are home to a significant population of the poorest resource-dependent communities in the country. The programme offers support up to some 75 communities in the implementation of their community forestry and fishery management plans and over-all development and equitable sharing of livelihood and natural resource protection benefits out of community managed forests and fisheries. At the same time communities are assisted in securing forestry land titles and acquiring the necessary know-how to deal with the complicated and cumbersome procedures.

As a result of the recent SDC learning event on land governance, the SDC office in Cambodia office

highlighted two major learnings lessons for continued reflection: i) With with regard to land reform policies there is a need to link the designs of land management systems with the larger vision of agriculture policy; ii) communities are lacking even basic information on land related issues, which is considerably weakening weakens their negotiation and advocacy power vis-à-vis the authorities.

Public sector financing and decentralisation in health¹⁰

Performance based health-based basket fund in Tanzania

In 1999 a Health Basket Fund (HBF) was created as a pooling mechanism for donor resources to support the implementation of the national health strategy plan in Tanzania. The HBF has provided additional resources to the health sector and has played a crucial role in making administrative and financial decentralisation effective by **channelling resources directly to local government agencies** and by stimulating the **generation of local revenues** by primary health care facilities. It has strengthened the use of government management systems through the **improvement of public finance management** (e.g. by expenditure tracking), thus enhancing local government's accountability. As a result, in 2015 92% of the 169 local governments received an unqualified audit report. But the HBF failed to produce the expected progress in terms of access to health services. One of the reasons was its primary focus on developing fund management systems and processes.

In 2014/15, a thorough analysis of HBF achievements and weaknesses resulted in a major **redesign of a performance based health financing instrument** for primary health care service delivery. The fund disbursement is based on three main indicators, which define the health basket score card:

- Basic reporting requirements, for example audits of the health sector, basket finance reports;
- Base indicators, for example quality controlled annual comprehensive health plans prepared by local councils, action plans by the responsible ministries to address all findings, and recommendations of the annual audits;
- Performance indicators, mainly on health service delivery and quality improvements, but also the required supervision of local governments by regional health management teams meeting national supervision standards.

The ministry of finance sets annual health sector budget ceilings and is responsible for the timely disbursement of the performance-based HBF to local governments. The Ministry of Health and Social Welfare mainly provides policy guidance for the HBF with its new national Health Sector Strategy Plan (2015-20). It will evaluate health outcomes nationwide through an improved District Health Management Information System supported by other donors. The Prime Minister's Office on Regional Administration and Local Government is responsible for administering the performance-based HBF resources and will provide the main line of government accountability for resource use and quality service delivery. The government will be supported in **developing capacities in results based financing**.

Complementary to this fund, the SDC supports other programmes with synergetic effects. For example: the "Health Promotion and System Strengthening Programme (HPSS), and the social accountability programme which includes social accountability monitoring activities in the health sector.

Promoting good governance in humanitarian aid

Strengthening domestic capacities in disaster risk reduction (DRR) in Central America

With the support of the SDC's Swiss Humanitarian Aid department, 51 poor communities in Nicaragua and Honduras were able to prepare risk maps as a preliminary step to plan new

¹⁰ For more information on health see also practical guide on Governance in Health, as part of this guideline.

infrastructure projects. Furthermore, 350 settlements have improved their crisis preparedness, e.g. by setting up and equipping brigades and testing them in natural disaster simulations. As another complementary step, and in view to strengthening national capacities to deal with natural disasters, Swiss Humanitarian Aid is providing support to 23 universities to integrate aspects of climate change and DRR into their curricula.

Promoting cash-based instead of food-based social safety measures

At the **World Food Programme (WFP)** headquarters, Swiss Humanitarian Aid initially financed a cash expert mandated to mainstream and build internal capacity in cash-transfer programming. This targeted financial contribution, which was complemented with other secondments, increased the significance and quality of the WFP's cash transfer programmes worldwide and resulted in the WFP being further recognised as competent partner and adviser in this area. Thanks to this contribution, several countries have begun to seek and profit from the WFP's expertise in re-designing their social safety systems. India, which has called on WFP technical assistance for a shift from its food-based to a cash-based social safety net, is a case in point. The digitalisation accompanying the cash transfer system can result in more efficient and transparent processes and hence can help to prevent fraudulent use. By providing cash support instead of food aid, people increase their self-determination, participation and ultimately their dignity.

Supporting the issuance of civil documents for refugees and vulnerable communities

Around 70,000 refugee children who were born in the past 10 years in **Ethiopia** were not issued official **birth certificates**. This can impede their access to basic services and increases their risk of becoming stateless. The UNHCR has stepped up its collaboration and advocacy with the National Vital Events Registration Agency (VERA) which was established in 2012 by the Ethiopian Ministry of Justice. A new decentralised, national civil registration system was introduced in August 2016. A community-based protection officer and a child protection officer seconded by Swiss Humanitarian Aid are continuously advocating on behalf of the UNHCR with the government agencies responsible to ensure the inclusion of refugee children in the new national birth registration system and the issuance of official birth certificates. A draft regulation which includes children born of refugees has been presented to the Ministry of Justice and is expected to be ratified by the Council of Ministers.

In **Myanmar** the lack of proper **identification documents** is a problem that affects more than 10 million people, especially in areas affected by conflict and areas where a peace process is currently under way. The Norwegian Refugee Council (NRC), the implementing partner which is working in close collaboration with the Myanmar Ministry of Labour, Immigration and Population (MOLIP), has set up mobile one-stop service (OSS) centres in south-eastern Myanmar through which identification documents, counselling services and briefs on the legal rights of the ID card holders are provided. Since 2012, more than 431,708 beneficiaries have received ID cards as a result of this service, with the support of donors including Swiss Humanitarian Aid, the European Union, the Australian Department of Foreign Affairs and Trade, the Norwegian Ministry of Foreign Affairs and the Swedish International Development and Cooperation Agency.

Coordinated policy advocacy in Somalia

Swiss Humanitarian Aid is co-chair of the Informal Humanitarian Donor Group (IHDG) in Somalia, which focusses on coordination, joint positions and actions, as well as shared situation analysis and exchange of experience. The IHDG also focusses on reinforcing relations with the relevant Somali authorities, the Somalia NGO Consortium and the UN system. It ensures coordination with the Somalia Donor Group (SDG), the Kenya Refugee Donors group, and EU+ migration working groups. The IHDG is making strategic and targeted advocacy efforts on resilience policy development and

programming on prioritised topics, including: displacement and durable solutions for IDPs and returnees, humanitarian space, access and civilian protection.

Downward accountability by Swiss Humanitarian Aid to internally displaced persons (IDPs)

The **World Food Programme** in **Darfur** has set up a complaint and feedback mechanism for IDPs in camps in Darfur, helping to handle complaints related to their new IDP profiling system. These mechanisms were designed and implemented with the cooperation of traditional leaders and with the setup of community panels in each camp sector. It helped to identify exclusion or inclusion errors of profiled households and to take corrective action accordingly. IDPs have been empowered to take joint responsibility for defending their rights.

Selected examples of related methodological approaches

Promoting accountability

Systemic approach to accountability in health and agriculture in Southern Africa

The effectiveness of investments by national governments and international cooperating partners to address poverty, food insecurity and the HIV/AIDS scourge in Southern Africa have been limited by systemic weaknesses in the management of these resources, including the absence of good governance, widespread corruption, and a weak level of accountability in public resource management.

The programme aims to contribute to the equitable, effective and accountable allocation and use of public resources for health and agriculture by addressing social accountability in a systemic approach. Lessons learned from earlier governance programmes have indicated that social accountability works better if addressed in a systemic way with activities that do not include civil society organisations (CSOs) only but also government officials and oversight bodies, and that bridging the work between media, CSOs and parliamentary committees is crucial to generate results.

The objective of the first phase of the programme is to strengthen public resource management at district, national and regional level in the areas of health (sexual and reproductive health and rights, HIV and AIDS) and agriculture (food security) in four countries of the region: Malawi, Mozambique, Tanzania and Zambia. The expected changes are (outcome statements):

- Relevant parliamentary committees are more responsive, accountable and capable of exercising systemic oversight in the management of public resources in the four target countries.
- Issue-based CSOs, smallholder farmer organisations and media in the Southern Africa region (particularly in the four target countries) have increased capacity in rights and evidence-based social accountability monitoring.
- Relevant government departments in the four target countries are more responsible, accountable and capable of meeting the needs and addressing the rights of citizens – particularly people living in poverty and the marginalised.

The project utilises a 'public social accountability monitoring methodology' (PSAM) which is based on the five public resource management processes – from planning and resource allocation, to expenditure management and performance monitoring, to public integrity checks and oversight – and is premised on a rights-based approach to service delivery. It will invest in capacity development and continued mentorship and support to relevant parliamentary committees, issue-based CSOs, smallholder farmers' organisations, traditional institutions, media and relevant government departments for social accountability monitoring and advocacy. The programme will work at regional, national and district levels (e.g. platform for regional learning and creating a pool from which implementing partners can select potential partners for in-country activities, tailor-made support to

national governments for public resource management, and direct support to multiple accountability stakeholders in districts).

Promoting social inclusion

How to integrate social inclusion in cooperation strategies in the Western Balkan Division

- **Name the target groups** by area: identify and explicitly name the social groups at risk of poverty and social exclusion which Switzerland intends to focus on and explain why. Name these groups as explicit target groups individually in each area of activity.
- **Improve our understanding** of exclusion and activity design: analyse the barriers and mechanisms leading to the exclusion of these groups and take this into account in project design. Transformative change is a political process and in order to meaningfully contribute to it, the SDC needs a good understanding of actors and power relations (political economy). Furthermore a shared vision with our partners and allies is needed regarding our contribution to the transformative change and this needs to be a central part of our theories of change.
- **Monitoring, disaggregation and targeting:** wherever possible in Swiss-financed projects, outcomes should be disaggregated and progress among excluded groups (vs majority population) should be monitored and measures taken that contribute to equality. On the other hand, the representation of the excluded groups among project beneficiaries must be monitored and baselines and targets of this representation must be defined (= targeting). Both the identified excluded groups and the targeting are to be made explicit in the result framework of the cooperation strategies and subsequently also in logframes of programme documents and credit proposals.
- **Special complementary measures:** in some cases, unless special measures are taken, it is unlikely that the target groups will benefit in a significant way from mainstream programmes. Therefore, a percentage of the overall budget will be allocated to complementary measures designed to reach them and promote their inclusion. These measures may not immediately be sustainable and institutionalised but there should be a mid to long-term perspective for their institutionalisation.
- **'Pro-inclusion policy dialogue':** in the Western Balkans, policies are most of the time excellent on paper (EU standards), but fall short with regard to implementation. Reality checks (through our field-based projects) and results monitoring of the implementation of these policies should be followed up closely and be tabled in a suitable form in policy dialogue. Past experiences have shown that SDC efforts to influence pro-inclusion policies are more effective when they build on alliances with CSOs that involve (non-poor) members of the discriminated groups fighting for their rights.

Social inclusion in education in Benin

Universal access to education has seen significant progress in recent decades in Benin (the primary completion rate increased from 24% to 76% between 1994 and 2014). However, in certain areas many children are still excluded from the formal education system. For example, in the Borgou department, 54% of children aged 9-15 years are excluded from the education system. These disparities in access to education particularly affect rural areas where a majority of children do not have access to basic education or are forced to drop out of school. Most affected by this are girls, placed children (raised by other than their biological parents, often for reasons of poverty), the disabled (approx. 3% in the 5-15 years age group, they are hidden and considered shameful for the family) and nomadic Fulani children. The main reasons for exclusion are: French is the only language of instruction (children in rural areas do not speak French) and a mismatch between educational content and local employment realities. These out of school children usually work in agricultural or craft activities for their parents and contribute to household livelihoods.

The SDC programme for the education and vocational training of children who are excluded from the

formal education system (“Programme d’Appui à l’Education et à la Formation des Enfants exclus du système éducatif”) supports informal education centres known as Barka. These combine practical vocational training with more basic education (needed for any future apprenticeship). They are offered in the children’s mother tongue as well as in French, which is used increasingly as the pupils move up the school years. Pupils are therefore not only taught basic literacy and numeracy, but also practical skills such as agriculture and artisanal crafts, according to local needs and employment opportunities

The Barka centres are established through the local communes, so they have institutional anchoring. Importantly, they are in part funded by the local communities themselves. In 2015, 77% of Barka pupils passed the national exam at the end of primary school. Given the disadvantages that these pupils have faced, this is an excellent result, which compares well with the national average of 89% (83% in the department of Borgou). It is particularly encouraging that the idea of informal education in the local language has been taken up by the Ministry of Education. The programme is currently being expanded to six communes beyond the original seven covered in the first phase of PAEFE.

Promoting gender equality¹¹

Fostering the intersection between good governance principles and gender relations

Effectiveness and efficiency: Governance institutions and decision-making processes concerning public resources cannot be effective unless they understand the needs and perceptions of both women and men. This means not only including more women in governance processes but also listening to women and ensuring spaces where women can speak freely. Engendering the efficient and effective use of public resources means assessing the potentially different needs and preferences of women and men and designing and delivering more responsive services. It also means being vigilant about the proper use and distribution of funding mechanisms intended to respond to women’s needs, including earmarked percentages of budgets and social security provisions such as allowances for widows.

Participation: Engendering participation means ensuring that women have access and the capability to actively participate in decision-making spaces at different levels. It means being attentive to the different and sometimes hidden forms of power that operate in these spaces. It also means taking into consideration the gender-specific opportunity costs of participation, including issues of meeting times and child care.

Transparency: Governance processes should be transparent for all citizens. This means thinking about what transparency means for women and men in particular social and cultural situations, considering what the constraints to such transparency might be, and addressing them. For example, women and men might have different strategies for accessing information, different levels of literacy, different levels of use of different kinds of media and different access to public and private spaces where information can be shared.

Accountability: Generally speaking, gender considerations in accountability mean ensuring that both women and men are fully aware of and capable of participating in different accountability processes, both formal and informal. As accountability is essentially a question of power, unequal power relations can make demanding accountability

¹¹ For more information see SDC Factsheet on „Gender and Democratisation, Decentralisation and Local Governance, SDC Gendernet 2016.

even more challenging for some groups of citizens, including women. A further accountability-related implication is that power holders should be held to account for upholding laws and standards affecting gender equality, specifically. Gender inequality is an issue where there is often a vast gap between commitments made in policy and actual practice on the ground. While NGOs often hold power holders to account, oversight institutions within the state – such as ombudspersons, human rights commissions and the judiciary – can also play a role in this respect.

The rule of law:

As outlined in detail in the section above on gender responsive judicial systems, the functioning of legal systems is both a striking example of gender discrimination and also an area in which change could have significant impact.

Equality and non-discrimination:

Engendering equality means not only considering inequality between women and men, but also considering questions of intersectionality. Women from communities that are discriminated against in a particular society may face particular challenges in participating in governance processes (such as differently abled women, for example). The same applies to third-gender individuals.

Gender responsive public sector management

An analysis of the gender responsiveness of public resource management means analysing decision-making processes and outcomes along the public resource management cycle. The diagram, excerpted from guidance on gender responsive budgeting in an SDC financed local governance programme in Kosovo, indicates key questions to ask at each step in the cycle.

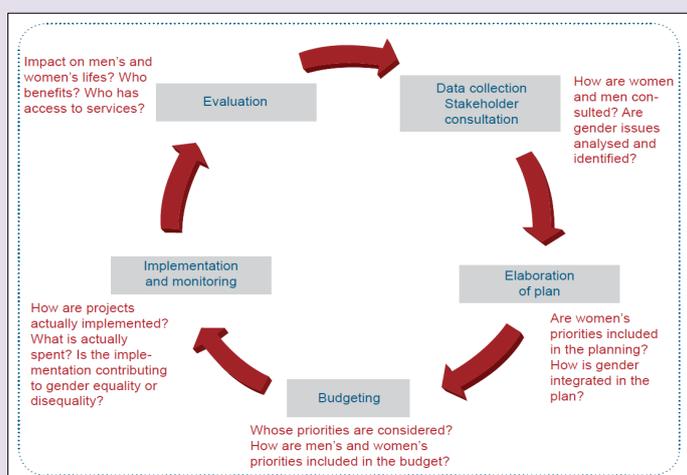


Figure 1: Gender in municipal plans and budgets (Krösschell, 2012)

Addressing power issues¹²

Five pointers for possible action

- 1) Enrich the (compulsory) stakeholder analysis for SDC activities with targeted 'political economy analysis' and 'power analysis':** a more profound analysis of context (structure, quality of performance and processes) politics and power dynamics is a precondition for meaningful external support. Changes in sector governance – that result in improved service delivery – are primarily dependent on domestic political and policy processes. Recipient governments often signal their formal approval of certain reforms but are less inclined to actually ensure effective implementation. Donor reliance on imported 'best practice models' therefore have to give way to 'domestic pathways of change' that are feasible in a given context. That is why political economy analysis (PEA) and power analysis (PA) are worth incorporating in SDC practice. It is recognised that embassies may not always have sufficient time and personnel resources to fully engage in such exercises. Yet there is scope to use these more sophisticated

¹² Based on inputs by Jean Bossuyt, ECDPM and Jethro Petit, IDS.

analytical tools in a 'light' and iterative manner.¹³ Before starting the analysis clarify:

- ✓ The purpose: is the purpose to better understand the context we are working in, or to understand how particular problems, bottlenecks can be solved, or how structural change can be influenced? In principle, the analysis will be more tangible when it focuses on the key issues (influencing factors and power issues) which are relevant for a particular topic, sector or stakeholder. What are the issues at stake and what do we need to know about factors that influence negotiations and decisions?
- ✓ The concept and methodology: the methodology may vary depending on the purpose and context. But the concept of power can also be understood in many ways, and how it is perceived will influence what we think needs to be done. Ideally the analysis will draw on a combination of concepts that can shed light on multiple forms of power.

2) From analysis to action – determine the scope and limits of your activities: both political economy analysis and power analysis offer an opportunity to reflect on our assumptions of how change happens, which may help to determine both the scope and limits of relevant support strategies in a given sector/ context. It may lead us to change relationships with partners, to plan or reorient programmes, and to influence policies more effectively. To that end, the '**4As**' approach could be applied: alter, adapt, avoid or await, leading to the adoption of one or several of the following implementation strategies:

- ✓ Trying to **alter** the influence of structural and process factors of a country / sector will be challenging in the short to medium term and at a minimum requires that long-term influences and structural factors be acknowledged in policy design.
- ✓ Often the preferred option will be to **adapt** to domestic governance realities, interests and constraints. In more mundane terms, this implies 'going with the grain.'¹⁴ This is particularly important in governance settings characterised by patrimonial systems with a strong predominance of informal 'rules of the game'.
- ✓ A major added value of the PEA and PA approaches is that they may help policymakers to **avoid** clear political obstacles to reform: e.g. by mapping the disincentives of key stakeholders to effectively implement stated policy objectives or by mapping the disabling power structures/dynamics that obstruct reforms.
- ✓ PEA and PA can also help policymakers and practitioners to judge whether for some policy reforms it may be more judicious to **await** more propitious political-economic circumstances.

3) Choosing relevant entry points: the next step is to use the analyses for determining the most suitable entry points where real traction exists to improve sector governance. To this end, it is helpful to distinguish between what are (legitimate donor) aspirations regarding a reform process and what represents genuine problem solving in a given context, where political pressure to act is likely to be more acute. The more donors focus on the detailed content (which project, policies, indicators should be pursued), the more the actions could crowd out domestic governance mechanisms. Depending on specific country and sector realities, external agencies can:

- ✓ Work within the existing space for reform –by carefully manoeuvring within the prevailing sector governance arena and making use of all possible windows of opportunities to push for influencing the rules of the game and power imbalances. Furthermore, while it is commonly acknowledged that policy reform often requires a 'champion' to help push it through, it is important to also understand the potential capacity of technical and political individuals in raising their voice and in forming coalitions based on interests.
- ✓ Look for avenues to **expand** the space for reform –this is typically done by investing in a stronger 'demand side' for sector governance (e.g. through voice and accountability mechanisms).

¹³ Current SDC PEA Tools will be revised in this light in 2017. For other available very practical guidance on how to deal with political analysis see D. Hudson et al. 2016. *Everyday Political Analysis*. Developmental Leadership Program.

¹⁴ See R. Crook and D. Booth. 2011. Working with the grain? Rethinking African Governance. IDS Bulletin, 42.2

- 4) Provide smart incentives:** four types of incentives can be distinguished, all of them to be carefully thought through and applied:
- ✓ *Political incentives:* e.g. by involving all the relevant domestic actors who play, or should play, a role in the governance set-up in the sector, including policymakers, checks and balances institutions, local authorities, non-state actors, etc.; or by facilitating the inclusion of the above actors in budget processes.
 - ✓ *Institutional incentives:* e.g. by providing direct funding to local authorities so as to increase their autonomy and accountability as development actors or ensuring the necessary linkages and coherence between sector support and decentralisation processes; or by providing core funding to associations and civil society organisations to enhance their strategic programming and profiling.
 - ✓ *Empowerment strategies – closely linked to political and institutional incentives:* enabling domestic actors to influence spaces where negotiations and decisions take place and the way they are shaped. Different empowerment strategies are possible, such as i) awareness raising, building self-confidence, shaping public discourse, opinions, beliefs; ii) access to information; iii) organising communities and popular support; iii) alliance building, networking, advocacy, iv) policy dialogue; v) knowledge and leadership building; vi) affirmative action.
 - ✓ *Bureaucratic incentives:* e.g. by seeking to formalise proven informal governance practices gradually instead of attempting to replace them in one stroke through formal approaches.
 - ✓ *Financial incentives:* these have traditionally been the preferred set of donor-induced incentives. Yet practice abundantly shows that external agencies *cannot buy reforms* and that aid funding impacts the state-society compact (e.g. in terms of citizens' perception of who delivers services) and related power structures and accountability lines.
- 5) Play a pro-active role as process facilitator:** where possible, the SDC could also seek to engage in brokerage activities, i.e. by harnessing the interests of different stakeholders in terms of (i) defining realistic ambitions; (ii) overcoming information asymmetries; (iii) facilitating collective action as part of a problem-solving approach; (iv) creating demand-side pressures for regional coordination and cooperation; (v) stimulating coalitions of actors.

The politics of decentralisation in Mozambique

In view of preparing the new cooperation strategy, the SDC cooperation office in **Mozambique** commissioned a political economy analysis on decentralisation. It aimed at conducting an in-depth analysis of the decentralisation process and history, the outcomes and challenges, the main stakeholders, drivers and restrainers. It put forward suggestions for entry points for development partners whose focus are the provinces, the districts and the municipalities. The report helped clarify the problem, the rules of the game, the foundational factors, the key actors and who can be the drivers and restrainers of change. Subsequent joint reflection highlighted the importance for the SDC to work at two levels: on the **political settlement** by working on the relations between the two **opposing parties**, Renamo and Frelimo, as well as other actors involved; at the **municipality level** by working with municipalities, association of mayors and civil society organisations. The premise behind the work at the local level was that it would feed the debate and influence the agenda as well as the terms of the agreement. Concerning the political settlement, a coordinated approach between Swiss diplomacy and development is needed.

Example of addressing the conflict dimension

Sustaining a culture of peace in Tanzania

During the elaboration process to design the new cooperation strategy for 2015 – 2018, a conflict analysis recommended taking the increasing level of political, religious, socio-economic and natural resource-based tensions more explicitly into consideration. The governance domain should include political opportunities to work *on conflict* when they emerge and reserve an open budget for financing

future activities. The conflict analysis also recommended creating and strengthening spaces for open constructive social dialogue and peace building, for example through activities with the media (delivery of balanced information and creation of spaces for open dialogue on various socio-political issues).

These recommendations were integrated into the governance domain of the cooperation strategy with a specific *peace maintenance* outcome: “The use of peaceful means to prevent and deal with conflicts, particularly those related to religion is increased.”

Indicators:

- Existence and use of a Conflict Early Warning Mechanism for Tanzania (CEWR)
- Number of successful dialogue initiatives taken up by state and non-state actors to address conflictual topics
- Citizens’ perception regarding availability of public space for social and peace dialogue

As one concrete result, the entry proposal for the SCOPE (Sustaining a Culture of Peace) programme was adopted in March 2016 for the 2016–2025 period, with a budget of CHF 11,550,000. The following goals will have been achieved during the entry phase from April 2016 to March 2017:

- Gauge the Tanzanian government’s interest in and commitment to establishing a Conflict Early Warning and Response (CEWR) mechanism under the stewardship of the Tanzanian National Committee for Prevention of Genocide TNCPG.
- Undertake a careful selection of partners for this action.
- Support the TNCPG in defining a clear concept and action plan for the establishment of a national centre for CEWR and collect baseline data for its establishment.

Example of promoting good governance in partner organisations

Promoting good governance in SDC partner organisations in Benin:

In a collaborative effort with all domestic partner organisations, the majority of them domestic professional organisations and associations, including the association of local governments, the SDC in Benin developed an instrument for analysing their internal governance. This self-assessment tool is based on 7 governance principles and includes a factual and a perception survey. Initial experience indicates that partners appreciate the value of this initiative for their organisation. But to enhance internal learning and broaden the understanding of the good governance concept, the principles must be contextualised with local realities and anchored at the grassroots level of organisations. The instrument also needs to be integrated in their own management processes, for example during the annual review and planning.