



GOVERNANCE AS A TRANSVERSAL THEME:

AN IMPLEMENTATION GUIDE



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GOVERNANCE AS A TRANSVERSAL THEME
An Implementation Guide

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1. INTRODUCTION

In its Strategy 2010, the SDC defined five priority themes, one of them being quality management of public affairs, also known as governance. In 2005, the Governance Division also developed the key messages related to governance that SDC wishes to promote. The portfolio analysis of 2005/06 demonstrated the fundamental importance of this topic for development. Consequently, the Board selected governance as a transversal theme for the activities of the SDC, the same way it did with gender equality.

This Guide serves operational personnel as a practical manual for the implementation of governance as a transversal theme. The definitions of the various governance levels and of the transversal theme can be found in the sub-chapters of Chapter 2. The same section also offers a description of the connection between governance, gender equality, and human rights as well as the added value of governance as a transversal theme. Chapters 3 and 4 represent the main part of this Guide and offer the reader a series of orientation questions applicable to the programme/division/institution for which s/he works. In addition, it provides practical advice for a Cooperation Office or a division.

This Guide has been written for the operational personnel of the Multilateral and Bilateral Cooperation Departments.

SUGGESTIONS FOR USE OF THE GUIDE

- First and foremost, a guide is a tool that does not necessarily have to be read in its entirety in order to be useful, but can simply be consulted when the need arises.
- Building on what already exists: the transversal theme should be added to current activities and help improve what is already being done in various sectors. This guide could therefore be used especially during crucial moments (planning of a new phase, reviews, etc.) for divisions/programmes/projects.
- Orientation questions are suggested in Chapter 3. They form a «comprehensive list». No one would be able to answer all these questions. Therefore, they serve primarily as a reference, rather than as a list of requirements. However, this list of questions, no matter how extensive, is not necessarily exhaustive. Other questions can be formulated depending on the specific needs.
- The degree of relevance or usefulness of the orientation questions will, above all, be determined by the context of the country, the sector, or the programme under review.

2. DEFINITIONS AND CONCEPTS

This short Chapter presents concepts related to governance. On the one hand, it explains the topic and clearly describes the different levels of governance (2.1 to 2.3); on the other hand, it provides details about the methodology related to a transversal theme and the connections that exist between the transversal themes of SDC (2.4 to 2.5). Finally, the Chapter provides some explanations about the added value of this transversal theme (2.6).



2.1. Governance level

The term governance defines the way in which power is exercised and applied at different levels. SDC works primarily on *national governance*, in particular on the way it functions and on the decision-making processes used by the government institutions at all levels (regional, local), as well as on the relationship of the state with its citizens and with the private sector.

However, the national legal and political framework is also affected by international factors that need to be improved. This is especially important for developing countries, which have few possibilities to make progress in an international context that places them at a disadvantage by excluding them from power and markets. This particular problem falls under *global governance*.

Corporate governance comprises the various processes, policies and habits that influence the way an institution is managed, administered, and controlled. This concept also includes the relation-

ships between the different actors involved (management, staff, partners, beneficiaries) as well as the goals of the institution itself. The principles of accountability, risks, and efficiency are at the centre of this concept.

2.2. Governance of a state

The State under the rule of law:

is defined by the existence of a normative system within the state, to which those who hold power have to submit. The first condition is the «hierarchy of norms», which represents one of the most important guarantees for a state under the rule of law. The following applies within this framework: the competencies of each body of the state are clearly defined, and the standards the state establishes are only valid as long as they respect the entire law corpus, which is ultimately governed by the constitution and by international agreements. The second condition for a state under the rule of law is the equality – and the enforcement of the same – of female and male citizens under the law (equality principle). This type of political system implies the separation of powers as well as the existence of a justice system that acts independently and impartially in its interpretation and application of the legal norms. The national norms themselves are subject to evolution; their coherence with the informal and/or traditional systems needs to be examined¹.

The fight against poverty and the economic and social development are closely related to the judicial and political conditions prevailing in a given country. Today, there is consensus about the fact that governance is one of the conditions necessary for the development of a country. The state plays a key role in determining the rules of the game, enforcing those rules, and in making its resources available to the entire population. Governance adheres to certain values (such as democracy), but also serves a concrete ultimate goal: the improvement of the living conditions of the various population groups. Governance allows a state to function well in the service of its citizens.

It is clear that such a vision implies – from a national as well as an international perspective – the creation of a security zone, a good balance between the various existing powers and forces, as well as conditions for economic growth equally serving the interests and rights of the poor. The respect for and creation of a state under the rule of law, human rights, and the separation of powers are essential. In addition, the official powers need to ensure that the entire population has access to essential public services and that the citizens can actively participate in the governmental decision-making processes. Therefore, governance also includes the interaction between the state and other actors (civil society, private sector), which can function as checks-and-balances. Governance encompasses mechanisms, processes and institutions through which the citizens articulate their interests, exercises their rights and obligations, and resolve conflicts.

States have committed to respecting certain standards. All states have ratified at least one of the international human rights conventions, thereby offering the authorities, the citizens as well as donors a universal and legitimate frame of reference for implementing reforms in governance

¹ In countries facing a violent conflict – whether latent or already in progress – the application of governance principles needs to be carried out in the form of a context analysis that specifically takes into account the scope of the conflict. For these situations, the SDC has adopted a Conflict-Sensitive Programme Management approach (CSPM), which completes and strengthens the transversal dimension of governance. The latter actually helps prevent the violent resolution of conflicts by offering a context for negotiation among the parties. In the post-conflict phase, the reconstruction of a state needs to follow governance principles.

matters. In the Millennium Declaration, the member states of the United Nations have reaffirmed their willingness to improve the political context in key domains such as peace, security, development, human rights, and democracy.

The following describes the five principles adopted by SDC, to which a state should adhere in order to implement governance: accountability, transparency, non-discrimination, participation, and efficiency². The essence of these five principles stems from the value system of universal, indivisible human rights and legitimatizes the promotion of governance. The principles resemble five different lenses that allow for close analysis of the activities of a state under certain priority aspects. They are rooted in the fundamental concept of the rule of law.

2.3. Global governance

According to SDC's interpretation, global governance comprises the institutions and rules as well as the new cooperation mechanisms being developed, which enable work on the global challenges to continue and to transcend national boundaries.

Global governance primarily consists of two elements:

- international governance, which refers to the application of governance principles in the relationships between the different international actors (states and civil society);
- institutional governance, which deals with the way international institutions (Bretton Woods and United Nations organizations) function.

The global conferences of the 90's focused primarily on common interests of survival (common public goods). This led to the emergence of a galvanizing philosophy behind international trade and conservation of the environment, the latter by means of three environmental agreements. The «global governance» concept has caused some controversy in the debate on globalization. As a matter of fact, the concept provides the tools to analyse the dynamics of globalization, to create new constellations of actors working on the international political scene, and – simultaneously – to devise tools for political and strategic reform that help shape globalization.

Cornerstones of the architecture of global governance

- *International regimes*. The global governance concept attempts to integrate the international regimes as pillars of international cooperation into a global architecture. This provides a means to examine the self-regulation of state systems as well as the solution mechanisms for problems related to them.
- «*Governance without government*». The recent changes in global politics suggest the creation of a world with several centers of importance and, in certain cases, the transfer of authority from nation states to supranational actors, the reevaluation of the competencies of private actors and civil society, the proliferation of international organizations and NGO's, as well as transnational networks (which promote social movements or function as regulating mechanisms for specific problems and allow for agreements between private and public actors).

² Described in the following Chapter (3) and, in more detail, under «Key Messages of the Governance Division»

- *The roles of states.* States are increasingly interdependent, thereby losing autonomy. However, they remain the principal actors in international politics and form the pillars of the global governance architecture. More and more often, they are obliged to work with groups from civil society. The state takes responsibility for the coordination of tasks, while facing a hierarchical decision-making system consisting of multiple levels. At the same time, however, it is also the recipient of decisions made at the multilateral level, which it must subsequently implement.
- *Global governance does not mean world governance or world state.* The simultaneousness of globalization and regionalization, the tension resulting from globalization, and the increasing emphasis on the local level all contribute to the current tendencies that are reshaping society and global politics. Globalization also promotes the development of regional organizations and prompts – on the national and local levels – the need to define the scope of autonomy and the leeway for action. This results in a renewed interest in decentralised systems.
- *The role of NGOs.* Transnational NGOs are essential for a range of non-traditional political domains, such as the environment, human rights, and development policies; in this context, they have a corrective and consultative function.
- *Global governance encompasses different forms and levels of international cooperation.* International organizations reclaim their function as coordinators and contribute to the process of defining problems. States commit to working on common problems through mutual agreements, e.g., conventions.
- *Shared sovereignty.* The concepts related to global governance have decreased the scope of action of nation states and limited their sovereignty.

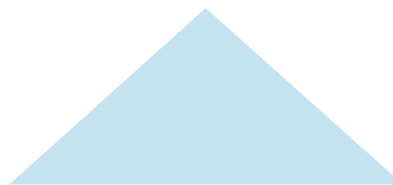


2.4. Mainstreaming governance

The term «mainstreaming» refers to the process through which an institution systematically establishes its strategic orientations and themes within its programmes and working methods. This can be done in direct and explicit fashion, through a process tied to a management decision, or in indirect and implicit fashion, i.e. through discussions concerning the concepts and practices. In reality, a combination of both approaches is often applied³. SDC has already put «mainstreaming» into effect in its gender theme. This can be done similarly with governance.

Mainstreaming Governance

A. Transversal Governance



C. Awareness-raising and internal resources
+ institutional governance

B. Specific governance programmes (sectoral)

Development and implementation of sectoral governance programmes in the partner countries (such as the fight against corruption, decentralisation or the promotion of human rights, for example) are not sufficient to make the government of a state comply with the requirements described under 2.2 above. In this case, governance would limit itself to sectoral activities (B). «Mainstreaming» of governance goes beyond that: the important dimensions and principles that define governance (accountability, transparency, participation, non-discrimination, efficiency) need to be integrated into all sectors and activities programmes (health or rural development, for example). This is what makes governance transversal (A). Chapter 3 of this Guide is exclusively dedicated to transversal governance.

Finally, mainstreaming also encompasses the implementation of these principles within the institution⁴ as well as the provision of adequate resources to reach the goals (raising the awareness of SDC personnel at Headquarters and in the field as well as strengthening their capacities). These are aspects related to institutional governance (C). In this regard, our Guide covers only the relationship between the SDC and its partners (included in Chapter 3) and provides some ideas for better institutional embedding of the theme in Chapter 4.

³ Definition of the «Transversal Themes» Working Group, 2003.

⁴ Certain SDC guidelines target such goals; for example the «SDC Values» or documents from the Human Resources Division dealing with management principles.

2.5. Transversal governance and its connections to the human-rights-based approach and to gender equality

Governance and human rights are mutually reinforcing, as they are both rooted in principles of participation, accountability, transparency, and non-discrimination. The rights-based approach implies the idea of responsible citizens with rights and obligations as well as the idea of a state with obligations regarding respect, protection, and the realization of its citizens' rights. These rights and

Implementing the human-rights-based approach: the example of SDC in Pakistan

The Cooperation Strategy of SDC in Pakistan (2006–2010) was the first to explicitly integrate the human-rights-based approach (HRBA). According to this strategy, the approach's value added in this context is due to the following:

- Based on the universal and indivisible principles of human rights, this approach provides a legitimate base for strengthening the autonomy of the citizens as well as the capacities of the state in fulfilling its obligations by encouraging the calling into question of political, socio-economic, and cultural practices.
- The emphasis put on the analysis of the power relations between the citizens and the state as well as on the strengthening of the existing systems and institutions.
- The change in perspective from the reduction of poverty based on needs (and therefore seen as a type of charity) towards a perspective of poverty reduction in terms of the population's human rights. By acknowledging that there is a close connection between poverty's main causes and human rights, developmental cooperation gains in legitimacy⁵.

obligations cannot be respected and promoted over the long term without the existence of adequate legislation or – equally as important – political, administrative, and managerial institutions and processes that operate satisfactorily.

The «human-rights-based approach» (HRBA) defined in SDC's human rights policy, is a method for implementing governance as a transversal theme based on the following two elements:

- integrating the standards and principles of human rights into the conception, implementation and monitoring of the programmes and projects;
- contributing both to the empowerment of citizens to help them make use of their rights (as rights-holders) and to the strengthening of the state authorities' capacities in fulfilling their obligations.

Governance is impossible without enhanced equality of opportunity between men and women. Therefore, strengthening governance as a transversal theme also implies promoting gender equality.

The five principles of governance include *de facto* equal opportunities for men and women. For example, participation implies that men and women must be able to participate in the political processes in an equal manner. In the same way, the accountability of the state toward its citizens should be applied to men and women.

The main entry point of the human-rights-based approach is the individual; the entry point for the gender approach is male/female relations, while the main entry point for governance as a transversal theme is found in the institutions, especially

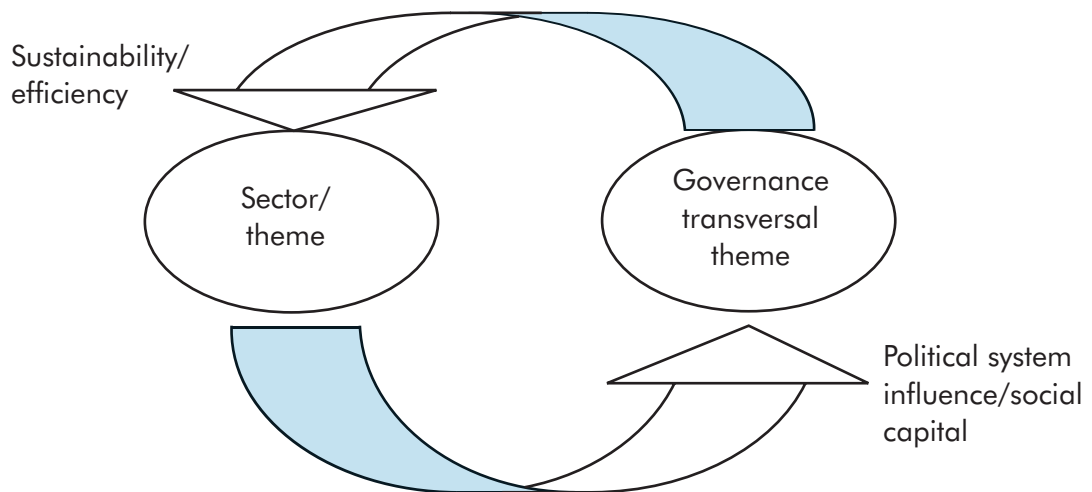
the state institutions. Here, the interaction between the citizens and the state represents an important element.

⁵ Extract from the report «Human rights and Development: Learning from experiences; results of the capitalisation conference», Thun, September 2006.

2.6. Why implement governance as a transversal theme?

Governance as a transversal theme enhances the efficiency and sustainability of sectoral support: sectoral support is insufficient if it focuses only on infrastructural or technical aspects. As a matter of fact, a more systemic approach appears to be necessary, an approach that considers not only the populations who benefit, but also the institutions, especially the state institutions at all levels. When governance is applied to the public service sector, public services should improve and the population should experience positive social and economic effects.

For example, in the area of water and sanitation, the SDC provides less and less financing for infrastructures, but increasingly supports the respective actors (public and private) in the definition of their roles and in the strengthening of their (technical and managerial) capacities. Today, the programmes of SDC focus on a better definition of the responsibilities and competencies at the central, regional, and local levels of the state regarding water sanitation, as well as on the relationship between the state and the private sector. Moreover, the establishment of participatory and transparent management mechanisms concerning drinking water between the municipalities and the populations as well as the existing, legitimate organizations representative of the population, serve as elements that can considerably increase the efficiency of investments and their sustainability.



Sectoral support also contributes to better governance: Experience has shown that improvements in public affairs management in one sector have positive effects on other sectors. For example, a sectoral support programme for women’s micro-businesses often has a positive effect not only on their income, but also on their self-esteem. Experience shows that as a consequence, these women often participate more actively in local participatory management processes of other sectors as well. This means that, gradually, the confidence of both male and female citizens towards the state improves. The existence of a constructive relationship between male/female citizens and the state can therefore contribute to governance. Initial support of a purely technical nature can eventually also exert a positive influence on the political system as a whole.



Lessons learned from the CIS during the implementation of governance as a transversal theme

The CIS Division has learned the following lessons:

1. Governance is important, but is rarely treated as such.
2. The contexts are specific, and decentralisation is a big challenge.
3. Participation increases commitment and transparency. This leads to improved utilisation of project resources, longer durability, and – eventually – an increased impact. Consequently, special attention needs to be paid to governance principles, for governance almost always leads to an increased effect of the long-term measures taken.
4. The implementation of transversal themes at the programme level poses a challenge and requires that resources be directly allocated for this purpose.

Good governance at the heart of challenges related to water

The 21st century has two challenges to face: on the one hand, the tensions that will keep growing over water resources and, on the other hand, the billions of people without access to water and/or without sanitation systems. The leading cause of death in the world, lack of access to water and sanitation systems, affects only the poor. Yet, it is a fundamental human right and a premise for other human rights, such as access to food, health care, and education. These types of challenges require a commitment from all levels, especially from the international community. However, there is no doubt that governance in the water sector can best be practiced and assessed at the level of local communities.

In an increasing number of countries, the responsibility for providing water and sanitation services is being transferred to local governments. This way, the water sector offers a unique opportunity for developing the competencies of local governments and actors (civil society and private sector) with regard to the application of the principles of governance and responsible citizenry. The SDC keeps broadening its support to the point where it includes the definition of the roles of the various actors.

The application of governance principles can be specifically manifested as follows:

- **Participation:** Civil society is involved in water management and has rights and obligations. Such structures are all the more important for the establishment of public/private partnerships.
- **Non-discrimination:** The basic needs for water must be ensured for the entire population and on an equitable basis. Access to water is a human right, and water policies need to balance everyone's interests equally (minorities; marginalised groups; farmers, for whom irrigation is an indisputable priority).
- **Efficiency:** Without integrated management of the various uses of water, human potential and public health are at risk. Water must remain a resource that is accessible to all, regardless of its potential for being taxed; it needs to be protected from pollution and wasteful use.
- **Transparency and access to information:** The distribution of information about the availability of water and about transparent pricing policies is a decisive factor.
- **Accountability:** Since water is a common good, it is necessary that all actors feel responsible for its management. This implies clear regulations for pricing policies and subsidies, as well as the implementation of policies that guarantee good management of watersheds and water-producing ecosystems.

Local governments gain the trust of Bengali citizens: a mayor's account

«Between 2005 and 2006, we (the Union Parishad – local government in Bangladesh) increased the drinking water supply to provide water to 3328 people, most of whom were poor. We did so by building 84 installations. It was an extraordinary experience. Normally, the central government lays the pipes and bores the wells. For the first time, the Union Parishad took the responsibility for this type of construction. The Union Parishad asked the citizens to lend the money for the construction of the infrastructure to the people performing the work. Initially, the people did not trust the Union Parishad (UP) and did not want to deposit their contributions into the account of the UP. A local NGO, whom the people trusted, suggested that the lenders use its bank account for their deposits. Once the money was raised, a public tender to offer bids was launched (in newspapers, on the radio), and private contractors were selected. Today, the people have seen the results of our management; they approve of the call for bids done by the UP. The people now respect my colleagues. Today, we have a list of people waiting to be able to contribute to the financing of the next phase of construction. As for me, I am happy that the people have encouraged me to run for reelection at the next elections in 2007.»

(Mr. Delawere Hossain, Mayor, Binodpur Union Parishad, Chapainawabgonj, Bangladesh)

3. APPLICATION OF THE 5 GOVERNANCE PRINCIPLES

This chapter proposes a methodology for the application of the five governance principles.

3.1. Method and description of the five principles

The method applied to support the integration of governance as a transversal theme is based on the five principles of «accountability, transparency, participation, non-discrimination, and efficiency» and makes them operational within the programmes.

Accountability: refers to the control of the power exercised within state and society, as well as to the obligation for the people holding power to explain their decisions. In addition, it concerns the duty of the controlling agencies to reward good performance and to sanction abuses of power. Accountability presupposes clear definitions of the functions, duties, and rules for the scope of action of public and private institutions.

Transparency: implies that the public in general, or at least those directly affected, should obtain information from the state about the rationale underlying decisions, decision-making criteria, the intended manner of implementing a decision, and any insight into its effects.

Non-discrimination: means that no group may be excluded from power and resources. This implies that proactive public integration policies for excluded or marginalised groups need to be implemented. Non-discrimination policies have to be applied for the expressed purpose of reducing inequalities between men and women, urban and rural populations, and between different ethnic groups.

Participation: implies that all population segments need to be connected to the political and social processes that affect them. This means that public forums exist where different groups can express dissenting opinions and personal interests, and where these viewpoints are treated as serious input in the decision-making process.

Efficiency: implies that financial and human resources are used in optimal fashion (in other words, the target is fixed in relation to the resources, or the resources are adapted to the fixed target), without waste, corruption, or delays.

For this purpose, a series of questions has been developed concerning each principle. These questions illustrate the most common problems related to global, national, local, and institutional governance. They serve as a point of departure for reflection and a source of inspiration for the preparation of context analyses, the preparation of policy dialogues, or as a tool for use throughout the programme management process. The list of questions is not exhaustive and can be extended according to context specificities. Furthermore, it is not necessary to try and answer all the questions systematically.

The questions have been developed for two aid categories: on the one hand, the programmes/projects/sectors (point 3.3), and on the other hand, the new aid modalities (3.4). The following table enables the user to directly consult the questions s/he needs.

	Accountability	Transparency	Non-discrimination	Participation	Efficiency
Global governance	Questions 1–2	Question 12	Question 24	Questions 30–31	Questions 38–41
National governance	Questions 3–7	Questions 13–17	Questions 25–27	Questions 32–34	Questions 42–44
Local governance	Questions 8–10	Questions 18–22	Question 28	Questions 35–36	Questions 45–47
Institutional governance	Question 11	Question 23	Question 29	Question 37	Question 48
New aid modalities	Questions 49–51	Questions 52–53	Questions 54–58	Questions 59–60	Questions 61–63

It should be pointed out that the governance principles cannot be simultaneously applied in all sectors. Certain criteria, chosen on the basis of the local context and sectoral factors, as well as factors related to the programmes/projects considered, need to be selected. It should also be noted that a certain number of trade-offs exist between the different principles and that the priority afforded one principle can impede the realization of another⁶.

3.2. Fields of application

SDC has decided that all its organizational units must integrate the aspects and principles of the transversal governance theme:

- into the annual programmes and the cooperation strategies;
- into the programmes and projects;
- into the contributions made to multilateral organizations.

However, the strategies for the implementation of the transversal theme need to take into account:

- a) *the local context*: the five governance principles cannot be applied everywhere simultaneously and with the same intensity; however, one needs to be careful not to aggravate the situation in the other sectors of activity («Do no harm»).
- b) *available resources*: it may not be possible to work in each sector, considering human and financial constraints.
- c) *the impact potential*: it is important to prioritize the sector (or region) where governance as a transversal theme can have its greatest impact on the results of a programme considering the following challenges:
 - The way the non-application of the five principles leads to a decreased result at the sector level.
 - Determining the sector with the biggest comparative benefit for influencing the system as a whole («scaling-up»).
- d) *geographic coverage*: certain regions and levels of the state (local, regional, national) are better suited than others for the integration of governance principles.

⁶ In particular, the efficiency principle can quite often be in conflict with non-discrimination and participation. For the sake of simplicity, the questions regarding these principles do not address such trade-offs in detail.

However, some selectivity and flexibility are allowed. It is more important to produce results in some activity sectors or regions than to just put all the programmes under one label without attempting to have a real impact.

3.3. Orientation questions concerning governance as a transversal theme in sectors/programmes/projects

These questions should be considered when planning the implementation of the transversal governance theme or during crucial moments of sector/programme/project support.

The use of human rights mechanisms in development programmes: The Girl Child Project in Pakistan

The Girl Child Project in Pakistan has been in existence for over ten years. In the beginning, UNICEF and its partners chose not to address questions concerning the protection of children and gender discrimination within the framework of human-rights-related problems when working with communities. The project got started when girls within the communities identified problems they were facing, problems such as physical violence and rape, or discrimination regarding education. It was only at a later stage that it was possible to make a connection between human rights and the Convention on the Rights of the Child. This progressive approach allowed for a «silent revolution» in 730 communities⁷.

Accountability

Global governance

- 1 The conventions ratified by states form a legitimate basis for asking questions about the responsibility of the authorities and the rights of the citizens to adequate and non-discriminatory services. What convention(s) has the state ratified? What are the main problems the committees overseeing the implementation of the agreements have identified during the monitoring process?
- 2 Do the international organizations provide the member countries with reports of their activities? Do member countries supervise these organizations?

National governance

- 3 Are the Constitution, laws, and national sectoral policies in accordance with the international commitments to respect and protect human rights? Can the norms and standards defined in these conventions provide elements that contribute to the goals of the programmes and projects supported by SDC? Does the programme/project help in the implementation of these conventions? Are the observations and recommendations of the agencies monitoring the human rights conventions used to identify priorities for sectoral activity?
- 4 Is the distribution of responsibilities and roles of the various actors within the sector clear and coherent? Are the decision-making processes between the different levels of the state clearly defined?
- 5 Do the sectoral programmes (health, education, and decentralization) contain mechanisms whereby the government submits the bookkeeping accounts to its citizens? What kind of control do the citizens have over the way in which budgets are decided and subsequently spent? Do the technical means and legal conditions exist for the citizens to exercise control?
- 6 Is the judicial system independent? Does it have the means and capacities to play its role?
- 7 Are there public or private oversight institutions? Do they have the means and capacities to carry out their task?

⁷ Extract from the report «Human rights and Development: Learning from experiences; results of the capitalisation conference», Thun, September 2006.

Local governance

- 8 The notion of accountability includes the issue of exercising power and, in particular, the processes for sanctioning abuses of power. Are mismanagement cases by the authorities and providers of public services sanctioned?
- 9 Do multiple justice systems exist (formal, informal, traditional, and religious)? What kind of access do marginal groups have to them? And how are these systems interlinked?
- 10 Do the municipalities/associations of partnering municipalities report to the population on the projects realized with the support of SDC? Are there mechanisms that facilitate this support?

Building bridges with the help of governance: user committees and public audits in infrastructure projects in Nepal

Before starting construction of a suspension bridge, the community has to form a user committee, come to an agreement on the exact location of the work, and decide on the amount of contributions required from the community. These are requirements in order for the programme to provide the necessary technical and financial support.

Taking non-discrimination principles into account, the programme stipulated that the user committees had to draw at least 30% of its members from the lower castes and women. Today, this requirement is included in the national strategy.

The programme used public audits as an instrument to make sure that the population had control over the entire decision-making process as well as the construction. The audit takes place in front of all the villagers. The district engineer and the user committee inform the public about the funds received from government and sponsors and explain how they were spent, especially those funds distributed to the workers in the form of salaries. This way, the workers can check whether the amounts spent correspond to the money they received. This instrument, which has been applied in other types of projects as well, allows for the population not only to gain some trust in the local authorities, but also to establish a feeling of ownership with respect to its own development.

Nevertheless, a study has shown that the members of the lower castes and the women received a lower salary for equal work and that they were not adequately reimbursed for lost land and the costs of having been displaced. The establishment of quotas did allow marginalised people to join the user committees. However, work needs to continue to strengthen the population and raise their awareness in view of bringing about a change of behavior⁸.

Institutional governance

- 11 Do the beneficiaries of the projects/programmes have access to the decision-making authorities of the project/programme? Does the programme/project offer a mechanism to ensure that the reporting of accounts is conducted properly between SDC and its partners?

⁸ Adapted from «Trail Bridges in Nepal: Partnership Results», Asia Brief of East Asia Division, SDC, July 2006.

Supporting decentralisation in rural areas of Peru (APODER): an alliance between SDC and its partners

Since its beginning in 2002, APODER has been conceptualized as an alliance between SDC and its partners (7 municipality associations, the central government, a network of rural radio stations, and 1 NGO) for the purpose of promoting decentralisation. One of the project goals is the promotion of citizen participation and accountability of local governments. For the sake of coherence, these principles also stood at the centre of both the institutional organization and the operational rules. Everyone is informed about the financial support from SDC and from each of the members. Decisions on the allocation of the financial resources (amounts allocated to each of the partners) are made by all partners. Not only does each municipality association know what the others receive and contribute to the programme, but the associations also consensually plan the activities to be carried out. In other words, the rules of participatory budgeting are applied to the operation of the project itself.

Results:

- A relationship of trust between the APODER members: financial support by municipality associations has increased for the activities supported.
- The project's transparency mechanisms have also favorably influenced management within the municipality associations (accountability towards the members).

Transparency

Global governance

- 12** Are the criteria applied by international organizations for allocating resources clear and known to all?

The World Bank improves transparency in the allocation of its resources

Since 2005, the website of the World Bank lists the criteria for the allocation of IDA resources. These criteria are based on the governance of the states and on their performance. The amounts allocated to each state are posted. Even though this information sometimes provokes reactions from certain countries, there is no doubt that it contributes to the improvement of the internal governance of the Bank and to the greater trust by member countries.

National governance

- 13** Are the selection criteria regarding the allocation of resources based on known facts? Does the country possess reliable, itemized statistics (according to sex, age groups, social groups, etc.)? Are these facts analysed for the purpose of identifying priority groups and areas with regard to the poverty reduction? Are they accessible?
- 14** Are priorities of the national and regional governments' public policies clearly communicated to the citizens? Has a gender-responsive budget analysis been performed?
- 15** Do national as well as regional and local governments provide the citizens (male and female) with accessible and understandable information?
- 16** Do free and independent media exist? Does the (written and oral) press assume its role of public vigilance?
- 17** Has the national government put in place fiscal incentives and effective controls for the preservation of the country's natural heritage?

Local governance

- 18** Petty corruption can often be found in public services. This represents an obstacle for the poor in accessing these services. One way to fight against this practice is the publication of the administrative fees charged. Do sectoral and decentralisation programmes include such a measure?

Transparency and participation in the health sector in Kyrgyzstan, Tajikistan, and in Ukraine

Health sector reforms were carried out in these three countries: the «Perinatal Health Program» in Ukraine, the «Community Health Program» in Kyrgyzstan, and the «Family Medicine Support» programme in Tajikistan. The goal of these projects was to improve and facilitate access to health services, along with increased efficiency and a more needs-based approach. In this context, particular attention was paid to the following themes related to governance: corruption in hospital management, the relevance of the services offered, and the lack of professionalism in the purchase of medicines and expendables. The transparency of the processes and the public participation (for example through «Village Health Committees») were identified as entry points.

- 19 Is the population familiar with the development plans at local level? When programmes strengthen the participatory processes at local level (participatory budgeting, for example), is the transfer of information between the representatives of civil society organizations and their members guaranteed as well?
- 20 Is the budget of the local government established and spent in an equitable manner so that it includes the various social groups («gender-responsive budgeting», social classes, minorities, etc.)?
- 21 Is the capacity of the local authorities strengthened so that they can present clear, simple, complete, and relevant information to citizens (male and female)?
- 22 Do the programmes of SDC support measures that guarantee that the poor social strata have access to natural resources essential for their survival (water, land, forests)?

One-Stop-Shop in Vietnam: a mechanism to enhance the transparency of public administration

The improvement of public administration services at the provincial, district, and communal levels is one of the priorities of the Public Administration Reform in Vietnam. SDC supports the replication of the One-Stop-Shops (OSS) at the national level. These constitute a mechanism created to render services for citizens more efficient, accessible, and transparent. Several OSS models exist; common to all of them is the establishment of one window serving citizens wishing to obtain various administrative services (business licenses, public records, property titles, legal and social services). An evaluation performed in 2004 revealed that, despite certain weaknesses in the management of the OSS, the clients found that the OSS allowed the quality of communal services to improve and that they represented an important step towards a more efficient, equitable, and transparent administration. The special approaches applied by the communities in regions with ethnic minorities (involvement of the local religious leaders and use of traditional communication channels) should serve as an example for an OSS communication strategy⁹.

Institutional governance

- 23 Do the partners and beneficiaries know the programme objectives and the geographic and thematic prioritization criteria? During the planning phase of a project, are the decision-making mechanisms and the amount of the contributions known?

Non-discrimination

Global governance

- 24 The countries of the South have less representation in the decision-making organs of international organizations. What measures need to be considered in order to balance out the power between countries of the North and the South? Does SDC actively support the mechanisms for redistribution of power grounded – for example – in environmental conventions?

⁹ Adapted from «Review of the One-Stop-Shop at Communes and Wards», SDC and MOHA, Vietnam

Contratanet.com «Making Public Procurement More Transparent»: a successful initiative of the National Commission of Corruption Control supported by SDC in Ecuador

The aim of the Contratanet.com project was to create an online database to inform the public about the process of public procurement in Ecuador, and to increase transparency and competitiveness. The specific goal was to reduce the discretionary power exercised by officials at different stages of the public procurement process. Dissemination of information to citizens and private companies lies at the core of the project. Ultimately, it is hoped that this will foster the development of a better public service.

This was a joint initiative between the private sector, the National Commission on Corruption, and the donors.

Results so far are as follows: the number of hits on the internet has exploded. Dissemination of information has led to legal changes on public procurement. However, the number of companies which subscribed to the service was less than expected.

National governance

- 25 Does the Constitution recognize the equality of all its citizens (women and men, majority/minority, rich and poor, etc.)? Are there marginalised groups who are excluded from the political debate and/or from certain socio-economic spheres? How do the strategies and policies of the sector reflect the rights and interests of groups that are traditionally excluded? Are or can corrective measures («affirmative action») be considered?
- 26 It is impossible to promote the economic development of all the regions of a country simultaneously. Choices need to be made based on certain criteria defined by the country (comparative advantages of certain regions, poverty level, impact potential for the rest of the area, etc.). Not all economic branches represented can be supported. Therefore, is it possible to consider compensation measures (or security nets) for the regions/branches with lower priority?
- 27 Are the relations of power between the different actors involved analysed at the start of a project/programme? What measures are being considered to support the process of redistribution of power among the various actors?

Local governance

- 28 Participation implies access to and the ability to analyse information. Is the ability of the population (especially the poorest population segments and women) to analyse the information received and to comment on it guaranteed?

Institutional governance

- 29 Influence peddling among people with power often leads to the discrimination of people who are competent, but not connected to networks of influence. Does SDC watch out for this phenomenon in its partners in civil society, the state, and the private sector?

Participation

Global governance

- 30 Do the decision-making mechanisms of international institutions allow for all countries concerned to be integrated?
- 31 Are the analytical and negotiation capacities of less powerful member countries strengthened in order to allow them to assume a proactive role within international organizations?

National governance

- 32 Do the «traditional» mechanisms of representative democracy (voting, elections) work?
- 33 The civil society of a country is an important opposing force for exposing and preventing corruption. It can assume different roles such as advocacy, prevention amid certain target populations, exposure, investigation, etc. Do the underlying structures of a state with regard to governance allow for civil society to play these roles (freedom of expression and of assembly, freedom of press) and thus to participate in public life?
- 34 Are state institutions capable of managing and responding to the demands stated by the various groups of civil society, and of bringing about a redistribution of interests according to equity and non-discrimination principles? What mechanisms exist to reach this goal?

Local governance

- 35 The partners are often legitimate, but are they also representative? Who speaks for whom? Have marginalised and vulnerable groups chosen their own representatives? Which groups are included in regions with several ethnic minority groups? Is a quota policy in effect or being considered in order to promote participation of marginalised groups? Do representative and qualified women have the same opportunity to be heard as men?
- 36 Often, very concrete obstacles exist that mainly keep vulnerable or marginalised groups from participating (for example, travelling distances, lack of security, lack of food and means of transportation, language barriers, lack of information, etc.). Are the existing obstacles known? What are the measures taken in order to overcome them?

Justice Reform in Eastern Europe – technical assistance for the courts:

In collaboration with the Federal Office of Justice, the SDC has established a system for reforming the courts in Romania, Macedonia, and Serbia in order to modernize them. Thanks to the introduction of a software programme which, among other things, allocated the court cases randomly to various prosecutors, corruption (bribes and other advantages) was reduced drastically in the justice system. In addition, the system's independence was increased since the judges no longer knew in advance over which cases they would be presiding.

Institutional governance

- 37 Participation does not just refer to the possibility to claim one's rights, but implies obligations as well. What is the aim of the participatory processes used: simply to inform the population? Consulting it to gather opinions? Consulting each other and coming to an agreement on new courses of action?

Efficiency

Global governance

- 38 Do the international institutions publish impact reports that allow member states to choose – based on objective criteria – the nature of their relationship with these institutions?
- 39 What mechanisms for the coordination of international agencies exist at the country level (for example, «One UN»)? Do connections between the international financial institutions and the UN exist?
- 40 Is the Paris Declaration for increased aid efficiency applied according to the governance principles?
- 41 Are the partner countries successful in utilising the compensation possibilities for environmental services provided as stated in the environmental conventions?

National governance

- 42 Calls for bids on the open market regularly result in the choice of an offer that is based less on objective criteria than on the expectation of some illicit gain through bribes. This usually expresses itself in the form of investments that are hardly competitive and produce low yields. What influence can SDC exert on the bidding procedures in the sectors in which it intervenes?
- 43 Do the choices regarding political priorities and the allocation of resources take into account the long-term costs for vulnerable populations or future generations, as well as the risk of conflict inherent amid increasing inequalities (including men vs. women)?
- 44 The decision of placing one's hopes on certain activities or social groups can cause losses (the using up of natural resources, stagnation for certain groups of people, loss of certain privileges, etc.) or gains (economic potential, better public services, etc.) for society as a whole or other specific groups. Have these factors been evaluated? Is the strategy chosen the one that maximizes gains and minimizes losses?

Local governance

- 45 The involvement of civil society in the monitoring of certain tasks of the state can contribute to their increased sustainability. Is the strengthening of these mechanisms for mutual consultation (alliances) among the different local actors supported? Does this strengthen the institutional structures of the sector itself?
- 46 Participation in the decision-making processes entails some short-term costs (travel from the place of work or residence to the place of the meeting, opportunity cost, language barriers, lack of security) while the benefits – if any – sometimes appear only over the medium and long term. It is worth measuring the effects of the participation (outcome monitoring) over the medium term in order to see whether the short-term costs are outweighed. If this is not the case, the participation processes should be reviewed.
- 47 Are the long-term support processes combined with the short-term results (quick win) in order to maintain the efficiency and the credibility of the participatory processes?

Institutional governance

- 48 The choice of partners exerts a crucial influence on the efficiency of a programme or project. With certain partners, the changes as intended in a programme can be produced in more efficient ways than with others. Certain combinations of partners can produce better results than others. Is the efficiency of the partners taken into account in the monitoring of the sectors/programmes/projects?

3.4. Orientation questions concerning governance as a transversal theme in new aid modalities

New aid modalities try to promote better harmonization as well as alignment of cooperation programmes with national policies (Paris Declaration). This requires new aid instruments (SWAP's Sector Wide Approaches, general budget support, etc.), which represent not only new opportunities, but also risks in terms of governance. Without doubt, «scaling-up» emerges as one of the major opportunities. In addition, improved coordination between the donors should lead to increased



efficiency in the use of resources. Nevertheless, the potential risk of strengthening the existing power structures needs to be kept in mind. It can also happen that states are not strong enough and do not have adequate internal and social control mechanisms to guarantee good use of the funds. Finally, new aid modalities should not be implemented at the expense of support to civil society organizations.

Accountability

- 49 New aid modalities often strengthen the ties between donors and the executive power. Are there mechanisms that require that the state be accountable to its citizens – besides the donors – about the way in which the public funds are spent? Does the legislative power play its part in this respect? In addition, is there any citizen oversight?
- 50 Are there contractual agreements allowing SDC to withdraw from a SWAP or a budget support in the case of obvious mismanagement of public monies?
- 51 Is the information about the use of the financial resources produced by the state structures (national and regional levels) available and understandable to the citizens (male and female)? If not, does the sectoral support programme intend to include this dimension?

Transparency

- 52 Are the expenditure accounts by sector available to the public (apart from the donors) within the framework of Access to Information Acts, for example?
- 53 The central government often delegates tasks to the lower governmental levels. For this purpose, it also makes transfers of money that may or may not have a condition tied to them

(«earmarked»). Do the local governments have an institutional mechanism allowing them to claim funds that the central government would not have transferred to them otherwise?

Non-discrimination

- 54 New aid modalities entail the risk of inflating the budget of the central government at the expense of the regional and local levels. How are the funds of these new aid modalities distributed between these two levels?
- 55 What is the key criterion for the distribution of the fund transfers at the local level, between the different regions? Is it the number of inhabitants, the geographic characteristics of the region, the economic capacity, or the poverty level? A combination of several of these dimensions? Which distribution formula would be the most equitable and efficient? Does SDC contribute to the definition of this distribution formula?
- 56 Are the public policies also designed to include the traditionally marginalised populations, or do they help strengthen the existing power relations?
- 57 Is there an attempt to balance the forces of the state and civil society through the promotion of activities that strengthen civil society while support is being given to the state?
- 58 Do public policies implemented explicitly promote equal opportunities for women and men? Is this reflected in the budget (Gender Responsive Budgeting)?

Participation

- 59 Frequently, the line ministries lose their negotiation power when general budget aid replaces sectoral aid. What are the processes that involve the line ministries during the negotiations between the donors and the Ministry of Finance?
- 60 Are there participation mechanisms that allow civil society to take part in setting policy priorities, elaborating programmes, defining the budget, and revising it?

Efficiency

- 61 Do the funds allocated through SWAP or budget support enable the realization of the goals set per sector or by the government in general? Are the goals set realistic in terms of the available human, technical, and financial resources?
- 62 What are the criteria (other than budgetary constraints) that determine the tendencies in public spending? In a pro-poor approach, these criteria should be in line with the principle of utility obtained by the greatest possible number of beneficiaries from the activities.
- 63 Is the principle of subsidiarity between the public and private sectors applied in the use of funds given to the state? Which level is the most efficient?

3.5. Risks and challenges

Through its support of certain actors and its attempt to include marginalised populations in the development process, development cooperation contributes to changing **power** relations between the different actors. This often affects the interests of certain dominant groups and can lead to **conflict**. Therefore, it is important to analyse the existing power relations before implementing a programme, to be aware of the changes this type of intervention can provoke, and to contribute to the creation of dialogue mechanisms that promote peaceful management of conflicts.

It can happen that the sectoral projects/programmes contribute to the deterioration of governance. The most common example is the creation of **parallel structures**. Sometimes, the sectoral support structures of the projects are more stable than the partner institutions themselves, which can lead to the weakening of these institutions. A way to diminish this risk is to try and integrate the activities of SDC into projects accomplished by the actors themselves, thereby making contributions to institutions already in existence. These institutions can be modern or traditional, formal or informal. Incorporating governance as a transversal theme allows for a greater awareness of the necessity to strengthen the existing structures by «dosing» the support based on the partner's lead and by centering it on the capacity of the partner. The absorption capacity of countries and partners is a key factor: the support always needs to be proportionate to the efforts put forth locally.

Finally, a growing challenge lies in finding a balance between the long-term and short-term impacts of the activities. The visibility of the results helps build relationships of trust with the partners, while the strengthening of capacities – often less visible – is necessary for the sustainability of the programmes.

4. INSTITUTIONAL EMBEDDING

Governance mainstreaming also implies taking internal measures in the institution itself, be it at Cooperation Office or Headquarters levels. Decisive elements are the strengthening of the capacities of the collaborators in the matter, as well as the provision of instruments (PCM, for example). Another important consideration is knowledge management among peers, as well as between field and Headquarters.



4.1. Practical advice

It is not necessary to implement all the pieces of practical advice presented below. The relevance and usefulness of each depends on the needs of the context in which governance as a transversal theme is implemented. Above all, these pieces of advice serve as an inspiration.

Context analysis

In order to be able to apply the instructions given in this Guide, i.e. to be able to focus on certain governance principles and to choose a sectoral target, it is necessary to analyse the governance situation in a given country. For this purpose, a context analysis done through a «governance lens» is required. Often, analyses conducted by other donors are available, as are tools created by SDC for this purpose¹⁰. This exercise can be done during important phases of the programme (devel-

¹⁰ Refer to «Key questions for contextual analysis» and «Rapid governance and gender assessment» developed by SDC.

opment of a country strategy, for example) or during important political changes in a country (internal conflicts, post-electoral periods, etc.).

Elaboration of a governance concept

It can be very useful to develop a document that clearly defines the priority courses of action in the governance sector and the strategy chosen to promote governance in other sectors. This enables the prioritization of principles and the definition of targets. Concept development also offers an opportunity to specify the financial and human resources that should be dedicated to governance by a country strategy. Finally, the drafting of a concept can also prove useful as a means of communicating to the partners and national institutions the priorities determined in this area.

Knowledge management and learning community

The experience and information exchange between projects and programmes allows for mutual learning. However, these exchanges do not often occur spontaneously. Human and financial resources are needed to promote them. The learning community of practice can function in a virtual environment (for example, through an Internet platform) or in the real world (workshops or related field visits). Donors coordination fora can also serve as interesting opportunities for knowledge management.

Making financial and human resources available

It is important that the amount of financial and human resources needed for the promotion of governance as a transversal theme not be underestimated. First of all, it needs to be emphasized that the responsibility for «mainstreaming governance» rests on all the operational staff, and not on a single individual. This means that activities strengthening the capacities of the Cooperation Office teams and the geographic desks may be necessary.

Determining focal points

In order to promote governance as a transversal theme, foster knowledge exchange, and monitor the progress being made, it is often useful to designate a person at the Cooperation Offices and the geographic desks for the purpose. However, it is important to stipulate that this person primarily has a coordinating role, which does not diminish the responsibilities of the other team members.

Alliances with other institutions

Governance as a transversal theme is part of the international agenda (for example, in the Millennium Declaration). Therefore, numerous institutions have strengthened their capacity in this domain and benefit from interesting experiences. An alliance with these (private or public) institutions can prove useful and offer benefits in the form of new methodological tools and/or thematic knowledge.

Integration into PCM

At the level of the country strategy or the various projects, governance as a transversal theme should be taken into account. It is important to remember that the monitoring of its implementation is the responsibility of the geographic divisions.

4.2. Support of the Governance Division

The integration of the transversal theme greatly depends on the context under review. For this reason, the support of the Governance Division needs to be modular in order to adapt optimally to the special demands of each division or Cooperation Office.

Training: a course entitled «Transversal Governance» will be organized. The Division also offers other courses on specific topics (human rights, gender-responsive budgeting, pro-poor growth). The Governance Division provides support to the divisions that request it for the organization of courses and workshops at the regional and national levels. The advantage of this approach is that it can stimulate horizontal exchanges between countries and partners confronted with similar problems.

Support and advice: the Division is available to provide advice to the Cooperation Offices in the implementation of governance as a transversal theme. Collaboration agreements can be made anytime. For countries undergoing a conflict, the COPRET Division offers a monitoring tool for the application of the CSPM. The other divisions of the F Department, together with the Governance Division, offer specific services tied to the governance of «their» specific themes.

Monitoring: the Division, in collaboration with the E + C networks, supports the divisions and Cooperation Offices in the development of monitoring tools adapted to their needs.

Knowledge management and capitalization of experiences: the Governance Division, together with other departments and their partners, supports centres of excellence in industrialised countries, developing countries, and countries in transition as well as learning partnerships and capitalization and exchange of knowledge. Knowledge development takes place at different levels (programmes, strategies, and policies) with the aim of guaranteeing the knowledge transfer between partners who are often isolated from each other and live in different contexts.

Networks: It is important to offer field personnel opportunities for training and thematic exchanges. The Governance Division, in collaboration with the NPO's and other persons, is establishing a discussion and information platform (Internet, for example) on governance as a transversal theme and on related aspects. The Governance Division also participates in working groups and institutions at the international level (example: the GOVNET network of the OECD) and develops partnerships with various centres of excellence. The Division keeps SDC informed on major developments as well as on problems to be solved in the governance domain. At the same time, it contributes to these processes notably by integrating the experiences accumulated at different levels.

5. ANNEXES

Annex 1: weblinks

Annex 2: governance actors

Annex 3: conflict prevention and governance as a transversal theme

Annex 1:

Weblinks

Intraweb site of the Governance Division of the SDC:

<https://intraweb.deza.admin.ch/index.php?navID=10632&langID=2>

Draft Handbook on Promoting Good Governance in EC Development and Cooperation:

http://ec.europa.eu/europeaid/projects/eidhr/themes-governance_en.htm

Website of the GOVNET network of the OECD/DAC:

http://www.oecd.org/topic/0,2686,en_2649_34565_1_1_1_1_37413,00.html

Publication OCDE/CAD: Uses and Abuses of Governance Indicators:

http://www.oecd.org/document/25/0,2340,en_2649_33935_37081881_1_1_1_1,00.html

Publication PNUD: Women's Political Participation and Good Governance:
21st Century Challenges

<http://www.undp.org/governance/docs/Gender-Pub-21stcentury.pdf>

Publication PNUD: The Parliament, the Budget, and Gender

http://www.undp.org/governance/docs/ParlGuide_parlbudgen.pdf

Governance website of the Overseas Development Institute (ODI)

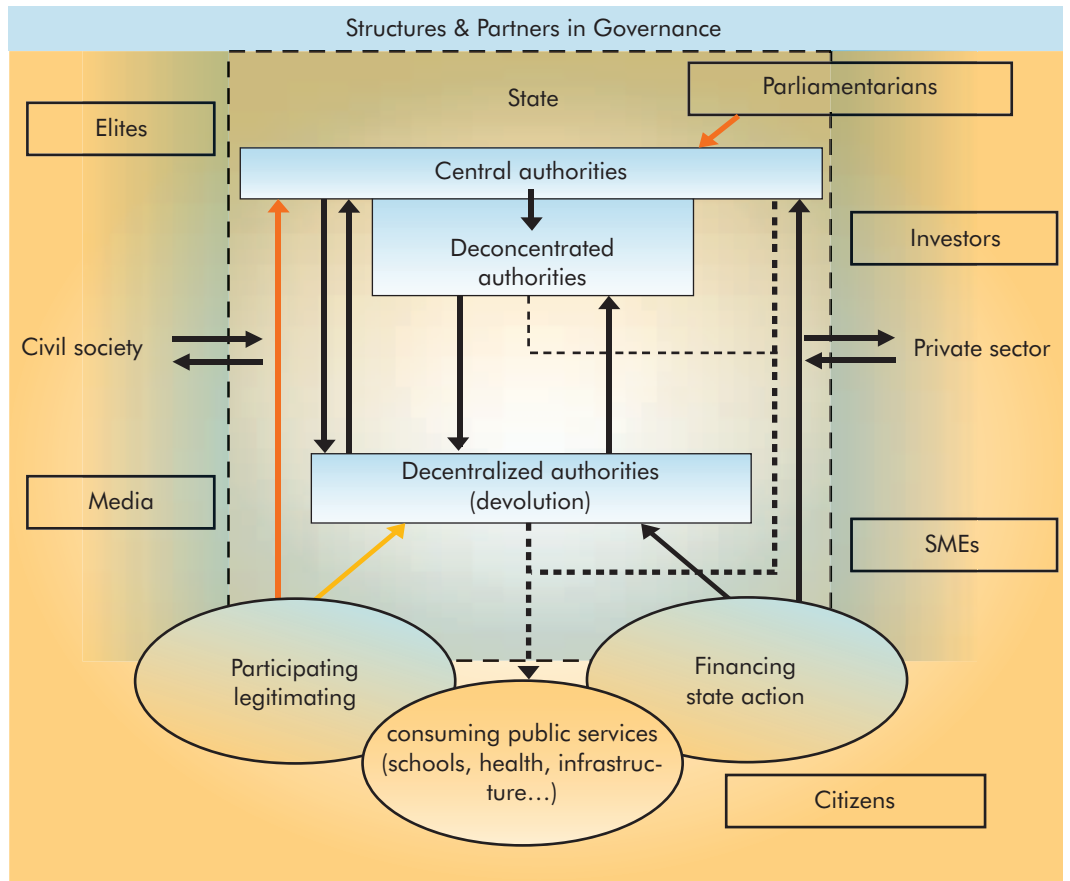
http://www.odi.org.uk/whats_next_portals/governance/index.html

InfoResources Fokus No. 3/2005

Global conventions and Environmental Governance (f/sp)

http://www.inforesources.ch/pdf/focus_3_05_e.pdf

Annex 2: Governance actors



Annex 3: Conflict prevention and governance as a transversal theme

