Evaluation 2015/1

Evaluation of SDC's Performance in Governance Programming and Mainstreaming

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SDC's Performance in Governance Programming and Mainstreaming

Commissioned by the Evaluation and Corporate Controlling Division
of the Swiss Agency for Development and Cooperation (SDC)

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Bern, March 2015

Evaluation Process

Evaluations commissioned by SDC's Board of Directors were introduced in SDC in 2002 with the aim of providing a more critical and independent assessment of SDC activities. These Evaluations are conducted according to the OECD DAC Evaluation Standards and are part of SDC's concept for implementing Article 170 of the Swiss Constitution which requires Swiss Federal Offices to analyse the effectiveness of their activities. SDC's **Senior Management** (consisting of the Director General and the heads of SDC's departments) approves the Evaluation Program. The **Evaluation and Corporate Controlling Division**, which is outside of line management and reports directly to the Director General, commissions the evaluation, taking care to recruit evaluators with a critical distance from SDC.

The Evaluation and Corporate Controlling Division identifies the primary intended users of the evaluation and invites them to participate in a **Core Learning Partnership (CLP)**. The CLP actively accompanies the evaluation process. It comments on the evaluation design (Approach Paper). It provides feedback to the evaluation team on their preliminary findings and on the draft report. During a Synthesis Workshop, the CLP validate the evaluation findings and conclusions and, with the facilitation of the SDC Evaluation Officer and the Evaluation Team, elaborates recommendations and lessons learned for SDC. These are noted in the **Agreement at Completion Point (ACP)**.

Based on the **Final Evaluator's Report** and the ACP, a members of SDC's Senior Management assumes the responsibility of drafting a **Senior Management Response (SMR)**. The SMR is subsequently approved by SDC's Board of Directors.

The ACP and the SMR are published together with the Final Evaluators' Report. For further details regarding the evaluation process see the Approach Paper in the annex on the CD attached.

Timetable

Step	When
Approach Paper finalized	February 2014
Implementation of the evaluation	March 2014
Agreement at Completion Point	September 2014
Senior Management Response in SDC	March 2015

I   Evaluation Abstract

Donor	SDC – Swiss Agency for Development and Cooperation
Report title	External Evaluation: SDC's Governance Programming and Mainstreaming
Geographic area	Global, Bosnia and Herzegovina, Mozambique, Bolivia
Sector	Governance Other: Public Institutions, Decentralization, Fragility, Water, Disaster Risk Reduction
Language	English
Date	September 2014
Author	E. T. Jackson and Associates: Edward Jackson, John Saxby, Lilly Nicholls

Subject Description

This report summarizes the findings and conclusions of an independent evaluation of SDC's governance programming and mainstreaming. The purpose of the evaluation was to capture results, learn from practice and challenges, and contribute to future strategic directions in SDC's governance work. The evaluation assessed the effectiveness of governance programming, examined SDC's mainstreaming approach, located SDC's work within a global context, and was informed by a process of reflective inquiry with stakeholders in SDC's departments and case study cooperation offices.

Evaluation Methodology

Using mixed methods, this study was a formative evaluation aimed at utilization. Data collection included review of more than 500 documents and files, over 300 open-ended, key person interviews, theory of change analysis at multiple levels, three country case studies (Bolivia, Bosnia and Herzegovina, and Mozambique), geographic desk studies (MENA, Mongolia, Rwanda, West Africa), thematic desk studies (Global Water, Disaster Risk Reduction, Decentralization and Local Governance, Fragility and Gender), and an analysis of SDC-wide spending on governance. Drawing on Paris and SDC principles, the evaluation team developed and applied an assessment matrix comprising eight core criteria: legitimacy and relevance; ownership, participation and non-discrimination; accountability and transparency; efficiency; capacity development; outcomes and sustainability; coherence and coordination; and adaptive learning. The team was informed and advised by participatory learning groups of SDC staff in Bern, La Paz, Sarajevo and Maputo.

Major Findings and Conclusions

Overall, the evaluation found that: first, spending on governance accounts for more than one-third (and as much as 60% in some bilateral programmes) of all of SDC's expenditures; second, SDC is producing solid governance results, and is generally doing the right things, for the right reasons, in the right ways in this work; and, third, particularly strong results are evident in local governance and democracy, municipal water and waste systems, disaster risk reduction, and global water policy. The evaluation team rated SDC's governance work across the three case study countries as "Good to Very Good." SDC was found to play an influential role in the governance field through its long-term commitment, respectful partnerships, animation of policy dialogue, piloting of proof-of-concept initiatives, and adaptive learning.

For its part, SDC's governance mainstreaming was generally judged by the team to be solid but not optimal; often innovative, but too often uneven. This work suffers from lack of clear commitment from SDC management to governance mainstreaming, along with a

lack of incentives (and sanctions) for staff to do this work effectively. Updated definitions and guidance on coding, planning, implementation, and monitoring and evaluation in governance mainstreaming are also required, as are increased staff and resources for governance-related networks at headquarters and in regions.

For governance programming and mainstreaming, the evaluation found that SDC should build on its good progress with its results-oriented reporting system and now focus on reporting on cross-cutting and higher level outcomes results. Greater attention should also be paid to properly coding and capturing governance-related ODA expenditures and their leveraging effects. Furthermore, knowledge sharing on governance within regions in particular pays dividends in the form of stronger interventions and better connectivity.

Priorities for Change

Governance will be a key instrument for implementing Switzerland's international cooperation Dispatch 2017-2020 and the United Nations' Sustainable Development Goals during the 2015-2030 period. SDC has an important opportunity to strengthen its approach to governance in order to more effectively contribute to the implementation of these plans. To this end, the evaluation team concluded, SDC should consider:

- Issuing a clear statement that governance programming and mainstreaming are Agency-wide priorities.
- Designating a single unit for SDC-wide coordination of support to all types of governance work.
- Clarifying, updating, renewing, and systematizing the knowledge base underlying this work.
- Renewing efforts to achieve effective governance mainstreaming.
- Testing, deepening and expanding SDC's involvement in governance issues at a global level.
- Strengthening the monitoring and evaluation of, and reporting on, governance outcomes.
- Improving communication on governance work.
- Reviewing and clarifying the division of labour on governance between SDC and SECO, and with other Swiss government agencies.
- Developing a mechanism for incubating, testing and scaling up innovative forms of integrated governance programming combining global and country-level interventions

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II   Senior Management Response and Agreement at Completion Point (Recommendations of the Core Learning Partnership)

Introduction

SDC Senior Management wishes to thank and congratulate the Evaluation Team for an excellent piece of work which will be a leading reference document for the governance theme for some time to come. It is particularly grateful for the very thorough analyses in the case studies and the main lessons derived from those studies. **SDC Senior Management is also sympathetic to the way the Core Learning Partnership (CLP) took up the ball and drafted a statement which clearly indicates that SDC staff wants to become even more ambitious in doing governance work of international excellence.**

SDC Senior Management bases its response on the evaluation report produced by the Evaluation Team under the leadership of Edward T. Jackson and the Agreement at Completion Point (ACP) drafted by the CLP.

This Senior Management Response follows the structure of the nine recommended "Priorities for Change" in Chap. 12 of the evaluation report. SDC Senior Management is confident that the issues raised by the CLP which are summarized in 17 points in the ACP have been adequately considered.

General Statement

In general, SDC Senior Management recognizes the high quality of the work and the impressive track record of the evaluation team. However, in particular the **recommended priority for change 2 which suggests to create one single unit of coordination for all types of governance programming and mainstreaming, a recommendation which was reinforced and concretized in the ACP, overshadows other well intended recommendations and, more importantly, risks questioning important results as well as principles of SDC's 2008-09 reorganization.** The reorganisation certainly had its shortcomings but can largely be seen as a success. One of the elements of success is that the thematic expertise required for SDC's work in developing and transition countries is largely embedded in geographic divisions while global programs have been designed to address poverty relevant issues of global significance through furthering collective, policy based action by the international community. At this point in time, SDC Senior Management wants to avoid any action which would weaken the principles presently in place.

Having said that, Senior Management believes that there is scope for improving coherence and achieving a higher level of integration in governance programming and mainstreaming by optimizing existing structures and procedures. The Evaluation Team calls upon Switzerland to play a leading role in the international governance and development debate. SDC Senior Management considers this recommendation as valid. As a matter of principle, SDC Senior Management considers that resources should be mobilized when a clear opportunity is identified and that this is best done within existing units and not within a special new unit. **SDC Senior**

Management believes that SDC can achieve a sharper profile and a better positioning in all fora by identifying and pursuing joint agendas at the intersections of the governance-related focal points and networks, namely the Decentralization/Local Governance Network (DLGN), the Conflict and Human Rights Network (C+HR) and the Gender Network.

Recommended Priority for Change 1:

Through its Management Board, (SDC should be) issuing a clear statement that governance programming and mainstreaming are agency-wide priorities for both the current Dispatch and the Dispatch for 2017-2020.

SDC Senior Management fully agrees with this recommendation. Governance is at the heart of successful development work by SDC in almost all themes ranging from education to climate change. Since governance programming and mainstreaming accounts for over one third of all of SDC's expenditures and almost all country or regional programs have governance as one of a maximum of three domains (in cooperation with Eastern Europe, one of four), Senior Management considers that the institutional commitment to the theme is given. At the strategic and communications level, the recently approved Information Note to the Federal Counsellors Burkhalter and Schneider-Amman includes governance as one of seven strategic goals for the new International Cooperation Dispatch 2017-2020. At least four other goals strongly refer to governance issues. Gender equity, as a key element of governance, is a stand-alone goal. **In addition to upgrading the status of governance in the Dispatch 2017-2020, SDC Senior Management supports undertaking specific measures to render governance programming, mainstreaming and knowledge management more effective.**

Recommended Priority for Change 2:

Designating a single unit for SDC-wide coordination of support to all types of governance programming and mainstreaming.

SDC Senior Management understands the rationale behind this recommendation which was considerably reinforced in the ACP. However, it considers that constituting a large thematic unit directly attached to the Directorate runs contrary to the fundamental management principles governing SDC at this point in time. While SDC Senior Management partially agrees with the evaluation report that some reinventing of the wheel is going on and fragmentation exists to a certain extent in the decentralized management of its country and regional programs as well as themes, it is not at all convinced that a stronger centralized unit embracing additional resources and two to three existing focal points would resolve this problem. However, as mentioned in the preceding General Statement, **SDC Senior Management believes that a coordination and joint programming between DLGN, C+HR and Gender focal points and networks, -which includes a more binding and accountable commitment of core network members for concrete tasks under the respective focal points - would improve coherence.**

Recommended Priority for Change 3:

Clarifying, updating, renewing and systematizing the knowledge base under-lying SDC's governance work.

SDC Senior Management supports this recommendation and requests the Working Group to draft a learning-oriented Action Plan for SDC (including the necessary human and financial resources for its implementation) that addresses the issues identified in the evaluation report.

SDC Senior Management welcomes an institutional training offering on governance (foundation training, covering key governance issues). In its review of the SDC Concept for Institutional Training in Oct. 2014, SDC Senior Management specifically mandated all thematic focal points to more clearly define their training offerings (internal as well as external). **To underline SDC's commitment, Senior Management reminds staff that in addition to foundation training in governance, key governance-related training courses such as Conflict Sensitive Program Management and Gender are mandatory courses for all relevant staff as soon as they become available. In order for the governance-related training offerings to be well anchored and effective, they need to be underpinned by a common understanding of governance definitions and concepts which shall be laid out in a "Leitdokument B".**

Recommended Priority for Change 4:

Renewing efforts to achieve effective governance mainstreaming.

SDC Senior Management acknowledges the need for action to ensure more effective mainstreaming of various governance dimensions as well as strengthening institutional learning on approaches and indicators for monitoring. Just recently, it has approved revised instruments to guide work in fragile contexts. Typically, governance mainstreaming concerns joint agendas built at the intersections of all development work–not only of the governance-related focal points and networks. **SDC Senior Management tasks the above-mentioned working group to tackle governance mainstreaming as a further priority.**

Recommended Priority for Change 5:

Testing, deepening and expanding SDC's involvement in governance issues at a global level.

SDC Senior Management considers that the dimension of global governance could have been given more attention in the design of the review. It is convinced that doing this would have unveiled additional very good results on various themes. In this sense it is of the opinion that this recommendation is effectively put in place by the global programs, often enhanced by focal points and country programs. The follow-up work by the working group shall adequately take into account this dimension.

Good examples are land use policies, policies for sustainable finance sector development, public health system financing, right to water, etc. SDC is already active in areas identified by the evaluation (e.g. illicit flows of funds, etc.). It does not make much sense to identify additional pilot projects when a number of thematically responsible staff and networks already have the specific mandate to clearly draw on local information and experiences for

use in global level dialogue. In addition to the water examples, many other good cases exist and SDC has developed a training course on policy outcomes which should spur institutional learning.

With much satisfaction, SDC Senior Management has taken note that the Evaluation Team considers that Switzerland could play a much larger role in leading coordinated efforts by donors. SDC management agrees with this recommendation but insists that leading a country group on a specific theme cannot be an objective in and of itself. The goal is to create benefit for poorer people.

Recommended Priority for Change 6:

Strengthening the monitoring and evaluation of, and reporting on, governance outcomes.

SDC Senior Management could not agree more with this recommendation. While it has observed significant improvements in results based management and reporting over the last few years, notably through the increased use of beneficiary and stakeholder assessments, it is of the opinion that considerable improvements are still possible. To this end, the Practice Note on Results Management in DLG is a significant step. For the Dispatch 2017-2020, it is important to define clear objectives and indicators which will allow for sound monitoring and reporting on governance outcomes (beyond DLG and related sub-topics). SDC Management tasks the above-mentioned Working Group with the coordination and drafting of the respective governance chapters (including monitoring and reporting) for the new Dispatch.

Recommended Priority for Change 7:

Improving communication on governance work.

SDC Senior Management welcomes enhanced investments in good communication and training tools and offerings, especially through electronic media. All SDC units have a specific mandate to do so and SDC Senior Management reiterates the importance of line managers assuming responsibility by requesting communication products from field offices. **It is important that this work be included in regular annual planning. Line managers are to verify that this is happening in their management follow-up.**

Recommended Priority for Change 8:

Reviewing, clarifying and rendering more coherent the division of labour on governance between SDC and SECO and with other Swiss government agencies.

In general, SDC Senior Management is of the opinion that with the new Dispatch the countries with joint SDC/SECO action should increase. Creating more synergies with SECO is a key message of the Dispatch 2017-2020. The drafting of the Dispatch 2017-2020 offers the possibility for further sharpening the profiles of both agencies. The same applies with regard to AMS and other federal offices.

Recommended Priority for Change 9:

Developing a mechanism for incubating, testing and scaling up innovative forms of integrated governance programming combining global and country-level interventions (see also recommendation 5).

SDC Senior Management finds it difficult to understand the utility of such a mechanism. It considers that programs like Nepal or Burkina Faso, but also thematic work such as that on land issues already to a large extent apply such an approach. What could be improved is coordination and development of synergies between global and local levels. In this regard, **SDC management reiterates its earlier statements which call upon global programs to seek interaction with country programs on policy issues. In addition, Senior Management mandates the Global Cooperation Domain and the three other corporate domains to assess the current mechanisms of interaction between global and national programmes and, if need be, suggest ways of improvement in the sense of this recommendation.**

In order to implement the approved recommendations the SDC Senior Management tasks a Working Group consisting of the three respective focal points. (DLGN, C+HR, Gender) and further working group members. The Domain Cooperation with Eastern Europe/CIS will appoint a leader for and members of the Working Group. Deputy heads of domains will act as a sounding board. Results will be reported back to Senior Management during the first half of 2016.

March 6, 2015

Agreement at Completion Point of the Core Learning Partnership: Taking Bold Action on Governance

Prozess

Evaluation research shows that the involvement of those responsible for implementation in generating recommendations leads to a higher rate of implementation. Therefore, to ensure recommendations that are well targeted, ambitious and achievable, this evaluation engaged the Core Learning Partnership (CLP) in the development of the recommendations. During a 1 ½ day Synthesis Workshop, the CLP validated the evaluation findings and conclusions and, with the facilitation of the Evaluation Officer from the Evaluation and Corporate Controlling Division and the Evaluation Team, elaborated the recommendations for SDC noted in this Agreement at Completion Point (ACP). This ACP will be forwarded to a group of SDC Directors who will draft a Senior Management Response which will be tabled with SDC's Directorate.

Overall appreciation of the CLP of the Evaluation Report

The CLP welcomes this Governance Evaluation. The evaluation report presents a comprehensive, concise and well-balanced analysis of SDC's governance-related activities. In general, the report is clear, concise and to the point. Key issues are insightfully addressed, the methodology is transparent and the findings and conclusions are well documented. Information gaps, missing elements and the few factual errors that were drawn to the attention of the Evaluation Team by the CLP were appropriately addressed. The Evaluation Team has well understood the overall Swiss context and taken into account the specificities of SDC as an institution. The mix of in-depth case studies coupled with structured analysis of SDC governance programming and mainstreaming has been very useful and has led to relevant, sometimes surprising insights. The Evaluation Team has not only critically evaluated the past, but has also considered the long term perspective as well as options on a strategic level – perhaps the most valuable input for SDC.

The CLP agrees with main conclusions of this evaluation and supports the majority of recommended priorities for change. The mood in the CLP has been frank and constructive throughout the process, enabling the group to have a forward looking perspective and to develop substantial but pragmatic recommendations for the future. These are spelled out in the following.

Recommendations by the Core Learning Groupe

Preamble

Now is the Time to Shape the Future

Now is the time to shape the future of SDC. We cannot be—and we are not—satisfied with the status quo. We have a duty not only to improve our performance today, but we must also make significant changes to position SDC to play an influential, leadership role in the post-2015 period. This is not a time to be timid or cautious. It is a time to be bold. We have a duty to our partners, taxpayers, the Parliament and the global commons to work with those who embrace change and to chart a new course forward.

This is the spirit, the vision and the perspective that should guide SDC in taking action on governance, where it spends more than one third of its overall budget and can build on strong assets. And it is a great opportunity for our institution. Indeed, we have a chance now to make assertive recommendations—an opening that will not be there six to 12 months from now. Let us think beyond the everyday reality to see what is needed tomorrow so that SDC can make a meaningful contribution to a better world in the decades to come. If we can do this, our ideas will walk on their own legs—carried all of a sudden by supporters and stakeholders whom we never expected.

Recognizing the Centrality of Governance

Governance is fundamental to the work of SDC. Not only is governance a cross-cutting issue, it is the prime means by which SDC achieves its results at every level: local, national, regional and global. Building strong, accountable and democratic public institutions, enabling effective and just laws and public policies, and supporting vibrant and inclusive civil societies are at the core of SDC's interventions. It is a unique and strategic vector of change.

Managing the Risk of Inaction

While the evaluation has pointed to SDC's strengths and achievements in its governance work, it also has identified significant challenges that must be addressed. If these are not addressed, there are five risks in particular facing SDC:

1) Performance Risks in Programmes:
- **Underperformance in results orientation and measurement** undermines the effectiveness of SDC programs and weakens its ability to communicate results.
- **Underperformance in governance mainstreaming** could result in water resource management regimes that cannot prevent floods, or health systems that are incapable of responding to outbreaks of deadly diseases such as Ebola and SARS. Lives could be lost, sustainability of programs is at risk.
- **Underperformance in applying an integrated approach:** The globalized volatility and complexity of development challenges oblige SDC to better integrate its planning and implementation at the global, regional, national, regional and local levels. The presently compartmentalized approach towards governance also weakens effectiveness and efficiency of programmes and is an obstacle for clear and strong profiling.

2) **Lacking policy coherence:** There is a lack in coherence between Switzerland's domestic practice and global agendas, and within Swiss foreign policy expressed at the global level. This results in inefficient resource allocation and reduced effectiveness but also in reputation damage to Switzerland, for example when media reports reveal illicit fund transfers to Swiss banks, or Swiss based extractive industries are contributing to exploitative practices and conflict in partner countries.

3) **ODA allocations at risk:** Ineffective reporting on governance activities and outcomes could result in a reduction of public support for Swiss development and transition cooperation, and, in turn, a reduction in ODA allocations to SDC, in an area which now accounts for a very large percentage of overall expenditure. It is crucial to better explain to the public why support to civil society and democratic public institutions in developing and transition countries is fundamental work.

4) **Diminishing knowledge base:** Much of the tacit and informal knowledge on governance is leaving SDC as an aging workforce of managers retires. SDC performance and reputation will suffer if it does not act swiftly to renew, strengthen, systematize and transfer best-practice knowledge on governance to its incoming personnel, and if it does not enhance its expertise.

5) **Weakened positioning:** With SECO becoming a significant funder of governance interventions in recent years, the current funding ratios for ODA between SECO and SDC could change in the future.

SDC must act now to organize itself to address these risks.

Choosing to Lead

In fact, SDC is well-positioned to not only manage these and other risks, but to actually create the conditions and capacities to play a leadership role in a number of themes of this important sphere in the years ahead. The two entry points to this path to leadership are, first, the substance of the Parliament Dispatch for Swiss Cooperation for 2017-2020, and, second, the Switzerland's Sustainable Development Strategy 2016-2019. This Strategy turns into action at the national level Switzerland's commitment in the context of the global post-2015 agenda. Effective, integrated, multi-level governance programming and mainstreaming is essential to the achievement of the goals of both guiding documents. By demonstrating its innovation and success through its own stronger governance policies, programs and systems, SDC will increase its influence over development policies at the international level and in every country with which it cooperates, and within Switzerland itself.

The Elements of an Action Plan

The status quo, therefore, is not an option. Instead, bold action is essential. And it will bring many rewards. From the perspective of the CLP, the main elements of an Action Plan on Governance at SDC are as follows:

A. Over-Arching Recommendations

1) Senior Management should take leadership by expressing its clear commitment to governance programming and governance mainstreaming as SDC-wide priorities.
2) SDC should clarify and update its definitions, conceptual framework, policy, analytical guidance, and priorities for governance programming and governance mainstreaming.

3) A coherent, anchored and binding policy and operational approach should be taken by SDC on governance programming and governance mainstreaming. Senior management should ensure compliance with policies and approaches.

4) SDC should actualize its stated commitment to being an engaged, learning-oriented, risk taking, results-based and evaluative organization in the field of governance.

B. Corporate (Institutional) Level Actions

5) Senior Management should designate one point of contact and agenda-setting for governance programming and governance mainstreaming, by creating a new Governance Hub. The Hub would mainly contribute to firmer and broader anchorage of governance work in SDC, as well as to stronger coherence and a clearer profile (see below for more on the Hub).

6) SDC should increase the number of regional governance advisors, with the goal of covering all geographic regions, in order to better support stronger governance programming and mainstreaming through improved guidance and knowledge sharing.

7) SDC should designate and support governance resource persons in all relevant sector networks and global programs. They would act as contact points for interaction with the Hub. Geographic divisions at headquarters should install dedicated governance resource persons.

8) Senior Management should make sure that clear commitments for governance programming and mainstreaming are defined in the 2017-2020 Parliament Dispatch, linked to, among other things, the international community's Post-2015 Agenda and Switzerland's Sustainable Development Strategy. This should include the formulation of dedicated objectives, expected results and indicators.

9) SDC should develop a Human Resources Plan and Career Path Option in Governance, including a training strategy for incoming staff as older personnel retire.

C. Programming

10) There is a need for coordinated updating and strengthening of the definitions, concepts, guidance and tool kits on governance programming and mainstreaming, giving due attention to thematic and institutional issues of global governance.

11) There is also a need for more systematic gender mainstreaming in governance programming.

12) SDC should foster innovative initiatives for integrated programming, connecting the local, national, regional and global levels. This implies more systematic collaboration on governance related issues between governance focal points (DLG, C&HR, Gender), other relevant focal points, global and multilateral programs as well as with geographic divisions. Potential means are the definition of thematic clusters around governance issues and joint initiatives that will be funded by one or more of the involved units.

D. Governance Mainstreaming

13) Within the Hub, a special, skilled and experienced 'governance mainstreaming team' should be designated. Enabled by dedicated resources and budget, it should develop binding minimal standards for governance mainstreaming.

14) This team would update the overall approach to and definition of governance mainstreaming; it would also work closely with sector specialists to develop standards and tools for governance mainstreaming that are appropriate to the specific character, actors and operational conditions in each sector (e.g. climate change, health, etc.).

15) Guided by the priorities in the new Parliament Dispatch, this team should engage with a wide range of key stakeholders inside and outside SDC and contribute to setting clear targets.

16) This team should also develop a new vision and tools to effectively, consistently and coherently mainstream governance in multilateral institutions.

17) It would contribute to capacity building & coaching of regional governance advisors, and of governance resource persons in divisions, other networks, global programs at headquarters.

E. Results, Knowledge Sharing and Communication

18) The Governance Hub should work with QS and the E+C Division for systematic and strategic reflection on governance performance at the project, program and division levels.

19) Working with the Knowledge and Learning Processes Division and other key units, the Hub should strengthen efforts to more effectively capture good practices, make them known and communicate the value and outcomes of governance programming and mainstreaming, based on both SDC experiences and dialogue with external stakeholders, and using a full range of media platforms and tools (e.g. learn-books, video clips, etc.).

The Hub

Overall the Hub shall be responsible to better coordinate, integrate and strengthen present work on governance or governance-related issues and interventions, to ensure implementation of present concepts and to enhance overall communication. **The purpose of the Hub is to ensure:**

- Coordinated formulation of a vision, concept/approach, policies on governance;
- Systematic coordination and collaboration among the governance related focal points and their respective networks (more coherent, coordinated approach between DLG, C&HR, Gender);
- Coordinated initiatives for integrated programming on governance related issues, connecting the local, national, regional and global levels;
- Dedicated coordination and guidance for governance mainstreaming;
- Regular foundation training on governance and governance mainstreaming for SDC staff;
- Coordinated and targeted communication on governance related results & good practice in-house as well as to the public (differentiated audience);
- Coordinated communication and positioning on governance vis-à-vis SECO, AMS, political divisions.

In terms of **structure** the CLP proposes the creation of one single governance Hub, resourced with a dedicated team and including all governance related focal points (DLG, C&HR, Gender), who would be disassociated from their geographic divisions. Initiatives on particular issues of global governance would also be included in the Hub.

The hub would need a line of command. Two options are possible:

- One option is the Directorate itself (similar to the Institutional Partnerships Division). This would be a clear signal for ownership by the directorate, and it would strengthen the transversal dimensions of governance and gender.
- Another option is to attach the Hub to one of the geographic domains for close operational proximity.

Whatever the chosen option, there will be a need for increased staffing (Hub, as well as better resourced focal points).

In any case, fine tuning of the design will be necessary and various still **open questions** will need further clarification, such as for example:

- Definition of lines of authority for the Hub;
- Exact delimitation of the tasks for the Hub;
- Required human and financial resources as well as funding arrangements;
- Collaboration modalities for integrated programming on governance related issues, including joint funding modalities.

Phasing and Review

Senior Management should mandate a **temporary Task Force** to follow up over the next 18 months on the implementation of the recommendations of this Governance Evaluation, once discussed and approved by the Directorate. It would also be responsible for the clarification of open questions. The composition of the Task Force has not been specified yet.

The implementation of the recommendations of this evaluation should be carried out in two main phases: In the short-term (the next four to six months), the Task Force and the Hub (including the governance mainstreaming team) should all be established and begin their initial work. It will be the responsibility of the Task Force to define a more detailed work plan. In view of the drafting of the new message, the clarification of the governance vision & concept and spelling out minimal standards for governance mainstreaming is of high priority. The Task Force and the Hub should then work intensively for the next 12 months. The outputs of these bodies should be produced in time to guide and support the implementation of the new Parliament Dispatch for 2017-2020. The experience of applying the new policies, systems and tools produced by this work should be reviewed mid-way through the new mandate, in 2018-2019, and adjusted as necessary.

Conclusion

SDC spends more than one third of its overall budget on governance, but does not systematically oversee, monitor, coordinate and direct this very significant expenditure. The status quo carries real risks. It is time to make serious investments in key components of the SDC structure. In turn, such investments will chart a leadership path to an exciting future for SDC. Bold action must be taken now.

October 2014

III Evaluators' Final Report

Evaluation of SDC's Performance in Governance Programming and Mainstreaming

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Acronyms

AP	Approach Paper
BAM	Bosnia and Herzegovina convertible mark
BiH	Bosnia and Herzegovina
BRICS	Brazil, Russia, India, China and South Africa
CHF	Swiss Franc
CLG	Core Learning Group
CLP	Core Learning Partnership
COOF	Country Office
CSO	Civil Society Organization
DAC	Development Assistance Committee
DDP	Defensor del Pueblo (The Human Rights Ombudsman's Office [Bolivia])
DLGN	Decentralization and Local Governance Network
DRR	Disaster Risk Reduction
E+C	Evaluation and Corporate Controlling Division (SDC)
EU	European Union
FDFA	Federal Department of Foreign Affairs
FOM	Federal Office for Migration
GE	Gender Equality
GDP	Governance and Decentralization Programme
GoM	Government of Mozambique
Gov-GEN	Governance-General
GPWI	Global Programme Water Initiatives
HQ	Headquarters
HR2WS	Human Right to Water and Sanitation
HSD	Human Security Division
ICRC	International Committee of the Red Cross
INCAF	International Network on Conflict and Fragility
ISO	International Organization for Standardization
IWRM	Integrated Water Resources Management
MENA	Middle East and North Africa
NGO	non-governmental organization
ODA	Official Development Assistance
OECD	Organisation for Economic Cooperation and Development
OSS	One-Stop-Shop
PED	Political Economy and Development

SDC	Swiss Agency for Development and Cooperation
SDGs	Sustainable Development Goals
SECO	(Swiss) State Secretariat for Economic Affairs
TOC	Theory of Change
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
UNDP	United Nations Development Programme
UNRWA	United Nations Relief and Works Agency
WASH	Water, Sanitation and Hygiene

Acknowledgements

Executive Summary

While, overall, the evaluation rates SDC's performance in all types of its governance work as good, and rates dedicated bilateral governance programming as good to very good, there are significant missed opportunities and areas for improvement, especially given the prominence of governance in SDC's portfolio and SDC's leadership potential in this area. Strong, focused and timely action by senior management is required.

1. Introduction

The purpose of this evaluation was to: 1) capture results in the governance sector and in cross-cutting governance areas based on SDC concepts and directives; 2) learn from good governance practice and experiences in dealing with difficulties; and 3) contribute to the future strategic orientations of SDC's governance sector. The evaluation was carried out from February through July 2014.

This was a formative process evaluation aimed at utilization. The evaluation design was highly participatory and aimed at engaging managers and practitioners within SDC. The evaluation team reviewed more than 500 documents, conducted 300 interviews, undertook three country case studies (Bolivia, Bosnia and Herzegovina, and Mozambique) as well as desk studies including Middle East and North Africa (MENA), Mongolia, Rwanda and West Africa, reviewed the governance dimensions of SDC's Global Programme Water Initiatives (GPWI) and disaster risk reduction (DRR), analysed the work of the Decentralization and Local Governance Network (DLGN), as well as SDC's governance-related work on fragility and conflict, and gender equality; and established an overview of SDC-wide spending on governance.

The evaluation team assessed SDC against eight core evaluation criteria informed by the OECD DAC aid-effectiveness principles, SDC governance principles and recent international thinking in the governance field: relevance and legitimacy; coherence and coordination; accountability and transparency; ownership, participation and non-discrimination; efficiency; outcomes and sustainability; adaptive learning; and capacity development.

Figure 1: Wheels in Motion: Framework for the Evaluation of Governance Programming and Mainstreaming
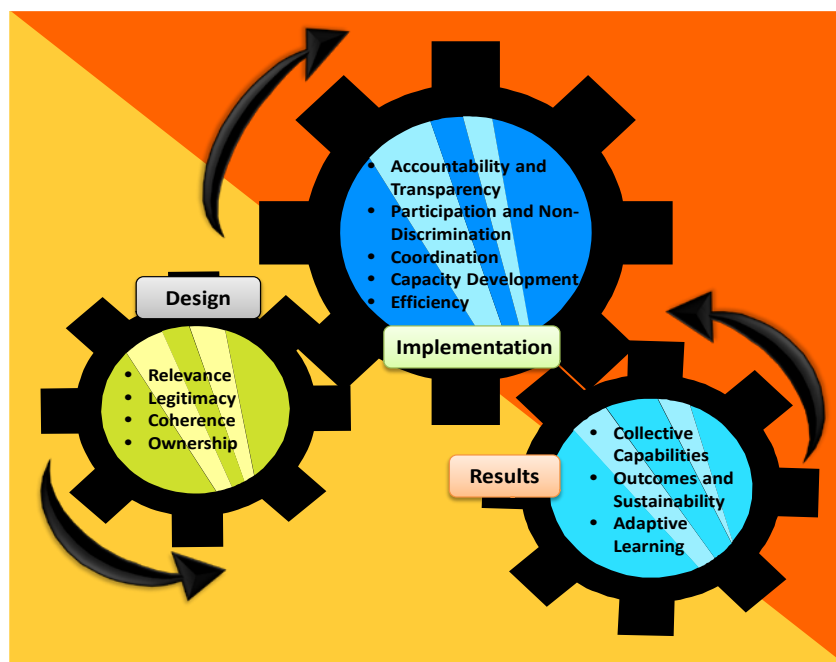
Source: E.T. Jackson and Associates Ltd., 2014

2. Findings and Conclusions

Spending on governance programming and mainstreaming accounts for more than one third of all of SDC's expenditures. In some bilateral programmes, spending by SDC on governance can range from 40% to 60% of all expenditures.

Governance Programming

SDC is producing solid governance results and is generally doing the right things, for the right reasons, in the right ways. The evaluation team documented impressive innovations and results in areas such as local governance and democracy, municipal water and waste systems, national models and systems for disaster risk reduction and global water policy. Through long-term commitment, respectful partnerships, animation of policy dialogue, piloting proof-of-concept initiatives, and adaptive learning, SDC plays an influential role at the local and country levels, and, in some fields, at the global level, as well. The evaluation team rated SDC's performance here, overall, as good to very good.

Table 1: SDC Governance Performance against Evaluation Criteria

PERFORMANCE		
Core Criteria	**Rating**	**Rationale**
Legitimacy and Relevance	Good-Excellent	Long-term, respectful, practical, flexible and dialogical approach aligned with changing priorities of government and civil society; respected by national leaders, other donors
Ownership, Participation and Non-Discrimination	Good-Excellent	Consistent emphasis on human rights and community participation and oversight, especially among minorities and across ethnic groups; gender is mainstreamed unevenly
Accountability and Transparency	Good-Excellent	Committed to increasing public access to public information, requiring disciplined financial reporting, and regular sharing of information with collaborating organizations
Efficiency	Satisfactory-Good	Good leveraging of local and other donor funds, some use of local delivery agencies, but dispersed, labour-intensive project portfolios and administrative burden for all parties
Capacity Development	Good	Short-term gains in skills and planning complemented with longer term institutional reform efforts; application of acquired skills and more precise, feasible log frames are challenges
Outcomes and Sustainability	Good	Local innovations often translated into higher level outcomes; limited use of local systems and implementing agencies, elite capture and corruption can undermine outcomes
Coherence and Coordination	Satisfactory-Good	Programmes generally internally coherent and well-coordinated with other donors, but rarely via harmonized mechanisms; good coordination with SECO, but could be improved
Adaptive Learning	Satisfactory-Good	Strong adaptive learning across phases within projects in scaling methods and models; need for more systematization and dissemination of knowledge, tools within/for regions
Overall Rating	**Good-Very Good**	

Over time, SDC has built and continuously adapted **an approach to governance programming that is distinctive, and generally effective**. SDC's "stock of assets" includes legitimacy and credibility, ability to work with multiple actors at different levels, experience in promoting democracy and local governance, long-term commitment, as well as adaptability and flexibility towards partners. The prime expressions of this positive track record are found in the **promising governance outcomes** produced by SDC interventions. The Bolivia, Bosnia and Herzegovina (BiH) and Mozambique country programmes have proven adept at aligning to changing national priorities, piloting innovations, leveraging resources and implementing creative social marketing. SDC staff and partners understand that conditions on the ground can change very quickly, due to economic events, political actions or natural disasters. SDC has been generally quite effective at mainstreaming the principles of Aid Effectiveness, and its own Governance Principles.

SDC's global governance efforts are strategic, tap into Swiss expertise and have enhanced Switzerland's international reputation. The work by the GPWI to establish water as a dedicated post-2015 SDG target has so far succeeded. And SDC's leadership in and support to DRR efforts worldwide have reinforced the Hyogo Framework for Action, which in turn has levered many more international contributions **SDC's brand recognition and governance comparative advantage is a combination of "locally-rooted action" and "global projection".** With its decentralized structure and experienced staff, SDC is well positioned to not only implement an effective approach, but to continuously review and adapt it. SDC's networks support this effort.

SDC spending on governance programming is often leveraging significant matching and downstream funds from other sources. This is especially true in the sub-domain of local governance and municipal services, where the evaluation identified projects that had stimulated additional downstream loans and grants from national and external agencies worth 10 to 20 times SDC's original contribution to the intervention. Even more modest leveraging factors, especially from central governments and municipalities themselves, promote sustainability.

The evaluation findings also indicate a broad set of **performance challenges** faced by SDC's in-country governance programmes. Among these are:

- Translating individual capacity building (e.g., via training programmes) into collective capabilities (at the organizational and policy levels);

- Scaling up efforts to achieve long-term institutional and policy reform;

- Focusing and adjusting programming scope, coverage, components and partners;

- Monitoring and reporting on outcomes (as opposed to inputs, activities and outputs), including capturing and reporting on financial leveraging effects;

- Systematizing, disseminating and communicating results, best practices and lessons;

- Moving toward the deeper use of country systems;

- Moving from donor coordination to fuller harmonization; and

- Enhancing the Swiss Whole of Government approach through better coordination and coherence with the State Secretariat for Economic Affairs (SECO) and among SDC's geographic, global and humanitarian channels.

More specifically, the evidence suggests that there are certain **programme design issues** that deserve attention, notably:

- The understanding of capacity development is imprecise and under-conceptualized;

- Some theories of change are overly ambitious or have unclear connections between medium-term and long-term results;

- Some theories of change rely too much on a simple dualism of supply and demand, when other factors are also driving or blocking results; and

- Theories of change are not always accompanied by explicit assumptions or a clear identification of enabling conditions and constraints, nor are they always accompanied by ongoing stakeholder and risk analysis, and mitigation strategies.

Governance Mainstreaming

SDC's performance on governance mainstreaming is solid but not optimal. SDC staff and partners are working hard to strengthen government systems and citizen participation in health, agriculture, climate change, peace-building and other sectors where governance is a transversal issue. SDC has been quite effective at mainstreaming both the Paris Aid Effectiveness and SDC Governance Principles in the water sector and in disaster risk reduction, in particular. However**,** the mainstreaming of governance within other sectors—such as health or employment—has been uneven and generally not as effective as SDC's performance in governance programming per se.

Governance mainstreaming has been hindered by the lack of:

- Clear direction from SDC senior management with respect to its commitment to, and the importance of, governance mainstreaming;

- A locus of accountability and oversight at SDC headquarters and in the field for governance mainstreaming efforts;

- A clear and shared SDC-wide governance framework, including strategy, targets, and indicators that could guide and track governance mainstreaming;

- Organizational incentives (and sanctions) for governance mainstreaming;

- Systematization of good-practice knowledge;

- SDC-wide clarity and guidance on definitions and criteria for coding practices, planning, implementation, monitoring and evaluation and staff performance aimed at giving impetus to governance mainstreaming; and

- Time, financial resources and specialized personnel dedicated to governance mainstreaming within the relevant programmes, networks and Embassies.

In SDC **there is rich, field-based knowledge of innovations and achievements in both governance programming and governance mainstreaming that could be systematized, disseminated and applied more broadly within and across countries, programmes and networks**. Understanding how SDC has mainstreamed governance in water and DRR should inform other governance mainstreaming efforts. Such initiatives counter-balance re-centralization or authoritarian tendencies by shifting "sideways" into other sectors and building local critical mass among municipalities until the national context is more propitious. Despite some experiences with creative social marketing (Bolivia and Mozambique) and participatory video (BiH), local Cooperation Offices have not sufficiently developed their communications strategies, products, messages and target audiences in areas of governance programming and mainstreaming. There are opportunities to promote knowledge and communications much more effectively.

3. Lessons

The evaluation identified a number of lessons from SDC's performance in its governance work. Notable among these lessons are the following:

Strategy and Design

1. When ambitious theories of change are combined with broad scope, severe structural obstacles, stakeholder fragmentation, and few mechanisms for building synergies, then implementation challenges and risks are generally amplified.

2. Blending concrete benefits and focused technical assistance with institutional strengthening, coalition-building, strategic policy-making and creative social marketing and public communications, constitutes a winning combination in governance project design and interventions.

3. Large budget increases to targeted countries or regions should not be dealt with through a proliferation of a large, unmanageable number of small, short-term projects, but rather through a smaller portfolio of larger, longer-term interventions using a mix of channels and interventions.

Implementation

Programming

4. In countries where centralizing or authoritarian tendencies are gaining ground, SDC must intensify its work with the international community, as well as with national actors promoting dialogue and building democratic spaces, to moderate these forces while continuing its on-the-ground work with local governments.

5. When national governments can circumvent decentralized structures through their own partisan and patronage networks, it may be time for SDC to withdraw from supporting decentralization or shift sideways to another sector, or elevate its interventions to a multi- country, regional level.

6. Corruption and inefficiency in recipient countries as well as pressures to show quick results and render clear attribution and accountability to parliaments and the public back home can make it difficult for donors to deliver on Paris aid effectiveness goals related to promoting fully harmonized aid or the use of country systems.

7. Global programmes, as demonstrated by Global Programme Water Initiatives (GPWI), can animate the testing, refinement and then replication, adaptation and adoption of innovations across countries and regions. Such programs are especially effective when they work through multiple and varied partners at different levels, aim to add Swiss value and to both complement, and be informed by, country programmes.

8. Stronger political, economic and environmental analysis by Switzerland's Whole of Government is required to better understand the swift descent of countries into instability and armed conflict. Similarly, close collaboration among humanitarian and development interventions, and among all Swiss government departments and agencies, is essential to fully realize Switzerland's potential governance impact both nationally and globally.

Mainstreaming

9. Governance mainstreaming requires a clear statement from SDC senior management that the mainstreaming of governance as a transversal issue is important, as is an updated, common definition of governance mainstreaming, and an updated set of tools rooted in the local context, as well as corporate guidance that staff and partners can apply.

10. Understanding how SDC has successfully mainstreamed governance in water and disaster risk reduction can inform efforts to improve governance mainstreaming in

other sectors. This is often achieved by moving from a micro-to-meso-to-macro path, testing technical solutions locally on a small scale as a means of facilitation broader institutional changes and the eventual adoption of national policies.

11. While some Headquarters-field synergies are being achieved, the governance-related networks at Headquarters and within regions remain under-resourced and under-staffed relative to the need for support and the scale and importance of SDC's investment in governance.

12. The process of testing programmes and models at a very local level and then scaling them up is not simple, linear or predictable. Multiple phases of an intervention and on-going learning, adaptation and resilience are necessary to successfully refine the aspects of the innovation and then roll it out to many municipalities, regions or countries.

Results Reporting, Monitoring and Evaluation, and Knowledge-Sharing

13. Adopting a results-oriented reporting system within SDC has been a good decision, and now the focus should be on reporting on cross-cutting and higher-level outcome results.

14. Properly capturing governance-related ODA expenditures through adequate coding and documenting, measuring and reporting on Switzerland's positive financial leveraging effects of SDC (and SECO) international-cooperation spending on governance, deserves greater attention and effort.

15. Knowledge-sharing on governance within regions (e.g., East and Southern Africa, West Africa, Latin America, Western Balkans) pays dividends in the form of stronger programmes and projects and even better connectivity both within and between country programmes

4. The Risks of Inaction

Although SDC's performance in governance programming is strong, and its work on governance mainstreaming is solid, there also remain real challenges, obstacles to optimum performance and missed opportunities. To date, senior management leadership has been lacking. Indeed, senior management should be aware that there are real risks associated with choosing to *not* take action. These risks cluster around three issues: development outcomes, reputation and human resources.

First, in terms of **development outcomes**, ineffective governance mainstreaming in the health sector, for instance, could result in slow and inadequate partner-country responses to disease epidemics, like Ebola; lives could be lost. Or anti-corruption measures that don't track and disrupt illicit financial flows could allow corrupt and criminal elites to continue to exploit their institutions and citizens, undermining democracy and progress. These examples illustrate the risks of underperformance in governance to successful and sustainable development outcomes.

Second, such failures on the development front could open SDC to **reputational risks**. One of the most important assets Switzerland has as a small country (and SDC as a small donor) is its well-earned reputation for strong and effective development interventions. Lack of organizational capacity and leading-edge knowledge in governance mainstreaming in particular could result in a diminishing of SDC's reputation among peers and partners alike.

Finally, there are risks related to **human resources**. The main threat here is the large number of managers and specialists expected to retire in the next few years and to take their long experience and deep tacit knowledge in governance programming and mainstreaming with them out the door. In fact, this trend is already well underway. If SDC

is not able to effectively train and build competencies in governance for the world of the future among its new cohort of employees, it will be obliged to cope with the combined effects of both development-related and reputational challenges.

5. Priorities for Change

Governance will be one of the most important challenges—and solutions—in the post-2015 era. In the current conjuncture, the world needs more Switzerland. SDC has a corporate responsibility, and the opportunity, to play a more assertive, visible and influential role. To take on such a leadership role, however, SDC needs to renew, deepen and broaden its capacities in governance programming and mainstreaming at the global level and effectively link its expanded global activities to its geographic cooperation efforts at the local and national levels.

In the view of the evaluation team, therefore, SDC should consider:

1. Through its Management Board, issuing a clear statement that governance programming and mainstreaming are Agency-wide priorities for both the current Parliament Dispatch and the Parliament Dispatch for 2017-2020;

2. Designating a single unit for SDC-wide coordination of support to all types of governance programming and mainstreaming;

3. Clarifying, updating, renewing and systematizing the knowledge base underlying SDC's governance work;

4. Renewing efforts to achieve effective governance mainstreaming;

5. Testing, deepening and expanding SDC's involvement in governance issues at a global level;

6. Strengthening the monitoring and evaluation of, and reporting on, governance outcomes;

7. Improving communication on governance work;

8. Reviewing, clarifying and rendering more coherent the division of labour on governance between SDC and SECO, and with other Swiss government agencies; and

9. Developing a mechanism for incubating, testing and scaling up innovative forms of integrated governance programming combining global and country-level interventions.

6. Conclusion

In the years ahead, SDC can play a catalytic role in governance internationally. SDC has shown its capacity in the GPWI initiative, which could be replicated on other selected governance issues where SDC has expertise and programming depth. SDC can play a leadership role in shaping and implementing the governance dimensions of the post-2015 agenda. There is an opportunity for SDC to build on: its strengths in decentralization, governance and democracy; its traditions of accountability, transparency and participation; its use of human-rights-based and conflict-sensitive approaches; and its proven ability to test and scale up programmes, models and other innovations that work.

1 Introduction

1.1 Background

In January 2014, the Swiss Agency for Development and Cooperation (SDC) contracted a team to carry out the evaluation of the Agency's performance in governance programming and mainstreaming. The background, purpose, objectives and key issues of the evaluation were set out in an Approach Paper (AP) prepared by SDC's Evaluation and Corporate Controlling Division (E+C); the AP was revised on February 6, 2014 and updated again on February 28, 2014. The most recent version of the Approach Paper is attached as Annex A. The team carried out an Inception Mission to SDC headquarters (HQ) in February 2014, and submitted its Inception Report in March 2014. The Inception Report is attached as Annex B. Fieldwork in case study countries was carried out in April 2014, along with an extensive portfolio and file review, and additional headquarters interviews. This work continued through June 2014. Throughout this process, the evaluation team was advised by a Core Learning Partnership (CLP) of SDC staff at headquarters and Core Learning Groups (CLGs) at the Embassies in each case study country. This report summarizes the findings, analysis and conclusions of the evaluation of SDC's governance programming and mainstreaming.

1.2 Purpose, Objectives, Focus and Scope of the Evaluation

As detailed in the Approach Paper, the purpose of this evaluation was to: capture **results** in the governance sector and in cross-cutting governance areas, based on SDC concepts and directives; **learn** from good governance practice and experiences in dealing with difficulties; and contribute to the future **strategic orientation** of the SDC governance sector. In terms of objectives, the evaluation was intended to: 1) assess SDC's present overall effectiveness in governance sector programming; 2) analyse SDC's governance mainstreaming approach as an institution; 3) profile SDC's approach against the international governance discourse; and 4) through a process of reflective inquiry with stakeholders in SDC's departments and case study cooperation offices, develop a shared understanding of how to improve SDC governance-related performance.

With regard to scope, the evaluation examined governance as a cross-cutting theme as well as a programming sector by all of SDC's departments—Humanitarian Aid, Global Cooperation, Regional Cooperation, and Cooperation with Eastern Europe/ Commonwealth of Independent States—as well as the role and contribution of the relevant thematic networks to governance mainstreaming (in coordination with a separate, parallel SDC evaluation on the networks). The evaluation team assessed in detail SDC's governance-related performance (cross-cutting and sectoral) in three country case studies: Bolivia, Bosnia and Herzegovina (BiH) and Mozambique. Through desk studies, headquarters (HQ) interviews and case study fieldwork, the team also assessed how governance is addressed as a transversal theme in one Global Programme, Water, and in Disaster Risk Reduction (DRR) work under the Humanitarian Aid Department.

The Approach Paper further indicated that with regard to governance sector programming, the evaluation should: 1) assess its importance as part of the institutional thrust on governance; 2) capture its contribution to mainstreaming governance; and 3) render accountability on SDC's governance activities. While the Governance Evaluation is not expected to collect primary evidence on outcomes and impacts, it renders judgment on SDC's analytical frameworks (theories of change, underlying assumptions), result orientation and ability to report on the effectiveness of its governance activities. SDC's understanding of, and efforts to contribute to, a "whole of Swiss government" approach to governance mainstreaming was also to be covered by the evaluation, though the performance of other parts of the Swiss Ministry of Foreign Affairs and other Swiss government agencies was not to be assessed. In general, the Governance Evaluation

was aimed at assessing "what is", looking back only to the extent necessary to understand and assess present engagement and to assess SDC's performance in adapting to changes in context and feeding lessons into further programme and policy development.

1.3 Evaluation Methodology

1.3.1 General Approach

Overall, the evaluation carried out here was designed to adhere to the Organisation for Economic Cooperation and Development/Development Assistance Committee's (OECD/DAC) 2010 Quality Standards for Development Evaluation and to SDC's 2013 Evaluation Policy. The general approach to this evaluation was theory-based, management-oriented and used a mix of methods. There were seven main elements that defined the methodology used in the SDC Governance Evaluation:

1. **A Results Orientation:** Through document review, key-person interviews, field site visits and learning events, the evaluation team collected and analysed data on the results of SDC-supported governance interventions. These results included outputs, outcomes and, where the data were available, long-term impacts, at various levels: macro (policy), meso (institutional and programme) and micro (community, households and individual). Some results were of an intangible nature; some were unintended, both positive and negative. Particular attention was paid to the results frameworks utilized currently and in the recent past by SDC programmes.[1]

2. **Theory of Change:** As these results were gathered, they were compared with, and tested against, the theories of change (TOCs) explicitly or implicitly guiding SDC governance interventions of a targeted or cross-cutting nature. Again, the current results frameworks being used by country and other programmes, and their impact hypotheses, were used to identify and examine such TOCs (though results statements in themselves do not necessarily constitute TOCs). The evaluation team reviewed the appropriateness of these theories of change and evidence of their adjustment or adaptation over time. The team's application of theory of change was guided by the work of Funnell and Rogers, Rogers and others.[2]

3. **Developmental Evaluation:** Developmental evaluation is an approach to performance assessment that supports innovation in complex environments, provides rapid feedback to programme managers, nurtures learning, and promotes adaptation. In the SDC Governance Evaluation, the learning process focused primarily on SDC stakeholders and was animated through workshops and meetings, both face-to-face and via video-conference, with the Core Learning Partnership at SDC HQ and the Country Office (COOF) in some embassies, this was called the Swiss Cooperation Office, or SCO) CLGs in the three case study countries.[3]

4. **Cross-Case Analysis:** In addition, the evaluation was informed by a cross-case analysis of SDC's performance in governance programming and mainstreaming in three countries—Bolivia, BiH, and Mozambique—where fieldwork was undertaken. Performance was assessed for similar (and different) programmes and projects using

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[1] For a results-oriented approach to evaluation, see Morra Imas, L. and R. Rist, The Road to Results: Designing and Conducting Effective Development Evaluations, World Bank, Washington, D.C., 2009.
[2] Funnell, S.C. and P.J. Rogers, Purposeful Program Theory, Wiley, London, 2011. And Rogers, P.J. Using Program Theory to Evaluate Complicated and Complex Aspects of Interventions. *Evaluation*, 14(1), 2008, 29-48. See Mayne, J., Making Contribution Claims, Presentation to the International Program for Development Evaluation Training. World Bank and Carleton University, 2011. And Leeuw, F.L. Linking Theory-based evaluation and contribution analysis: three problems and a few solutions, Evaluation, 18(3), 348-363.
[3] See Patton, M.Q., Developmental Evaluation: Applying Complexity Concepts to Enhance Innovation and Use, Guilford, New York, 2011.

common evaluation criteria and templates across the cases. We were guided by the work of Yin and others on case study research design.[4]

5. **Triangulation:** While the team chose to use its time doing more in-depth work in the case study countries, where the potential for learning was judged to be greatest, the evaluation also involved desk research on disaster risk reduction, the global water programme, other country evaluations, relevant corporate-level evaluations, and SDC-wide spending on governance. The country field visits enabled the team to validate this desk research (e.g., flooding in BiH, water programming in Bolivia and Mozambique). And in turn, the desk studies provided a means of triangulating the country findings to establish how representative they were.

6. **Analytic Framework:** The evaluation utilized an analytic framework for assessing governance cooperation programmes and projects based on eight core criteria that were informed by the OECD aid-effectiveness principles, SDC governance principles, and recent international thinking in the governance field. Depicted in Figure 2, the core criteria were: relevance and legitimacy; coherence and coordination; accountability and transparency; ownership, participation and non-discrimination; efficiency; outcomes and sustainability; adaptive learning; and capacity development. The definitions for each criterion were developed primarily on the basis of OECD definitions. When we developed the criteria, we did not express their relationship to each to other, and to programming, but over the course of the evaluation, we developed a relational and dynamic expression of these criteria that is presented below, and may be useful to SDC in future in developing and checking progress on Theories of Change.

Figure 2: Wheels in Motion: Framework for the Evaluation of Governance Programming and Mainstreaming
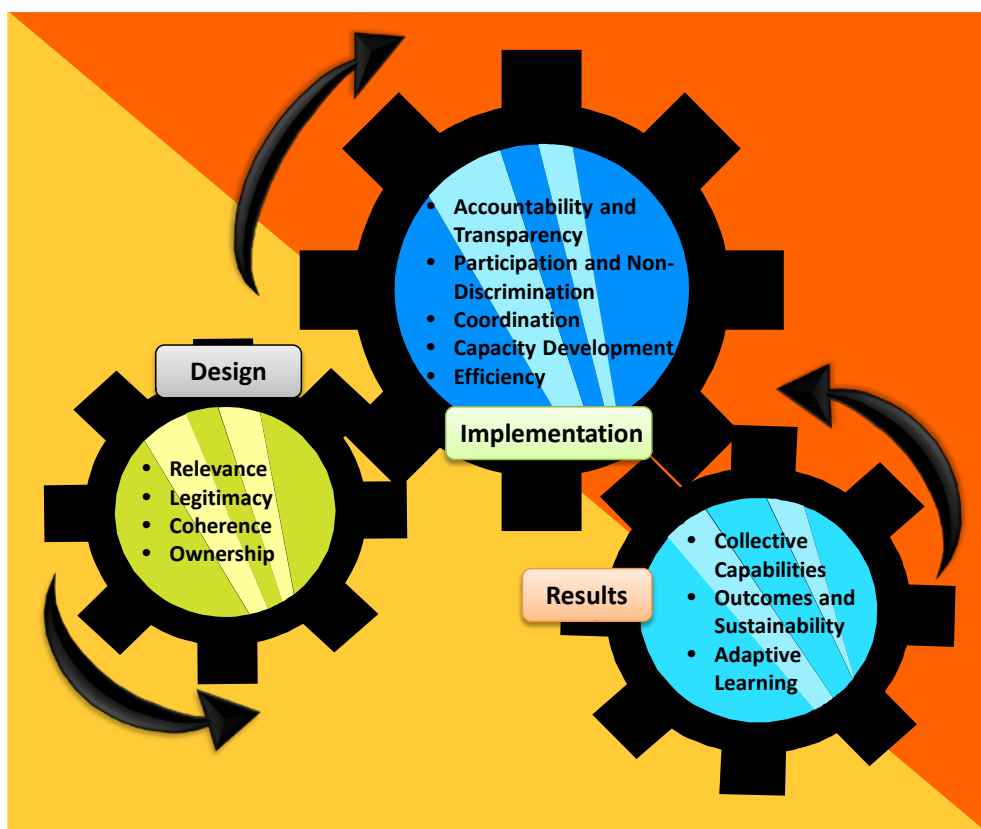
Source: E.T. Jackson and Associates Ltd., 2014

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[4] Yin, R.K., Case Study Research: Design and Methods, Sage, Thousand Oaks, 2009.

7. **Exchanges with Other Donors:** A final element in the general approach to this evaluation was a commitment to exchange with and learn from a parallel evaluation on governance being conducted by the Evaluation Unit of the Dutch Foreign Ministry. One important activity in this effort was a joint workshop in The Hague in February 2014, which informed the content of the analytic framework used for the SDC Governance Evaluation, particularly with respect to capacity development and adaptive learning, both influenced by the work of Armstrong.[5]

1.3.2 Data Collection Methods

Several data collection methods were employed in the present study:

1. **File, Document and Broader Literature Review:** The evaluation team reviewed more than 500 files, reports, books and articles associated with SDC's governance activities at headquarters and in the field, and within the broader field of governance and development in both the professional and scholarly literatures. A list of the main documents reviewed is provided in Annex B; additional documents reviewed by the team are listed in the case study reports.

2. **Key Person Interviews:** The evaluation team also interviewed over 300 key persons involved in SDC governance programming and mainstreaming at SDC headquarters in Bern, and at the Swiss Embassies in case study countries. These interviewees included senior management, middle managers, planners, programme officers, policy analysts, statisticians, and others at SDC headquarters, Swiss and national staff at Embassies, representatives of firms and non-governmental organizations (NGOs) that implement SDC's interventions, officials of government partner organizations, and officials of other donor agencies. These interviews were based on a series of open-ended questions, reproduced in Annex B, which also presents a list of persons interviewed at SDC headquarters. In addition, the case study reports list the interviewees engaged in each of the case countries.

3. **Country Case Studies:** Three country case studies were also carried out, by teams of international and national consultants, in Bolivia, Bosnia and Herzegovina, and Mozambique. These teams reviewed programme and project files and documents, and interviewed SDC and other Embassy personnel, implementing Agency representatives, and host-country government officials. The governance activities of all three countries were primarily centred on local governance and municipal services, in addition to other areas (e.g., human rights in Bolivia, mental health in BiH, and social accountability in Mozambique). While this report summarizes and integrates the findings of these case studies, the full reports of this work are attached as Annexes C, D and E.

4. **Field Site Visits:** The evaluation teams for each case study country visited a sample of field sites of in-country governance interventions, meeting with key project players and observing facilities, technologies and systems. Along with the interviews with a variety of stakeholders, these field site visits provided additional information and helped the teams to verify the content and claims of project files and reports.

5. **Other Programmes:** In order to broaden its base of evidence, the evaluation used document review and interviews to examine SDC's governance work in several other countries and regions, including Middle East and North Africa (MENA), Mongolia, Rwanda and West Africa. The evaluation also reviewed the governance dimensions of SDC's Global Programme Water Initiatives and its disaster risk reduction efforts world-wide, and took a special interest in the work of the Decentralization and Local

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[5] Armstrong, J., Bright Spots: Improving International Capacity Development, Palgrave Macmillan, Basingstoke, 2013.

Governance Network and SDC's work on fragility and conflict, and on gender equality. In addition, the evaluation team undertook an analysis of SDC-wide spending on governance. Gathering and analysing data on these particular countries, programme themes, and networks enabled the team to triangulate, validate and generally "cross-check" its findings and inform its analysis.

6. **Other Evaluations:** Another important source of data collected and analysed for this evaluation was a group of other evaluations commissioned by SDC, particularly in 2006-2014, at the corporate, regional and country levels. In addition, the evaluation team was informed by the 2013 OECD/DAC Peer Review of Switzerland's cooperation programme.[6]

7. **Core Learning Partnership and Groups:** The four learning groups advising and interacting with the evaluation process—the Core Learning Partnership (CLP) at headquarters and the Embassy-based Core Learning Groups (CLGs) in La Paz, Sarajevo and Maputo—themselves generated new data for the evaluation team as the study proceeded. The CLP met in face-to-face sessions in February, April, June and July 2014. This body also developed an Agreement at Completion statement at a workshop in September 2014. The respective CLGs met on a face-to-face basis in April 2014 and, to provide feedback on draft case study reports, via video-conference in June 2014. In addition to commenting on the Main Report, the CLGs also submitted Management Responses to the cases in September 2014. Also in September 2014, the Core Learning Partnership held a workshop to develop its Agreement at Completion statement for the Governance Evaluation. Overall, by posing key questions to these groups and feeding back findings-in-process, as well as facilitating discussions at workshops and meetings, the evaluation team benefited from new information and insights provided by this combined body of more than 30 SDC staff members. In this sense, these learning groups served as data generators as well as advisors. Annex I lists the members of the four learning groups

1.3.3 Assessment Matrix

The main operational tool for the analytic framework of the Governance Evaluation was an assessment matrix based on the eight core evaluation criteria. This matrix is presented as Annex G. The matrix aimed at creating a rubric for determining the extent to which governance interventions could be rated as either: 1) good to excellent; 2) satisfactory to good; or 3) unsatisfactory to satisfactory. The matrix set out detailed performance statements for each of the core evaluation criteria across the three rating classifications. Note that not all interventions necessarily conformed to all performance statements within a classification. It was also understood that the performance of a given intervention could vary across evaluation criteria. That is, a programme or project may have been rated good to excellent on, say, relevance and legitimacy, but satisfactory to good on coherence and coordination, and only satisfactory on outcomes and sustainability. Using the matrix enabled the evaluation team to examine and assess the performance of individual interventions in a nuanced, as well as common, manner across aid channels and modalities, intervention strategies, levels, sectors and countries.

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[6] The present study reviewed a number of key evaluations including the following: Breard & Associates SARL, Thematic Networks in the SDC, Final Draft, June 9, 2014; OECD, OECD Development Cooperation Peer Review: Switzerland 2013, Development Assistance Committee, Paris, 2014; Sida, L. et al., Evaluation of the Performance of SDC Instruments in Fragile and Conflict-Affected Contexts, SDC, Bern, 2012; Stuart, R. et al, Evaluation of SDC's Performance in Mainstreaming Gender Equality, SDC, Bern, 2009; Arnold, P., Meta-Analysis of Selected SDC Evaluations, Bern, 2009; Knechtli, B. et al, Evaluation of Knowledge Management and Institutional Learning in SDC, Bern, 2008; Khot, S. et al, Independent Evaluation of SDC's Performance towards Empowerment of Stakeholders from the Recipients' Perspective, SDC, Bern, 2006.

1.4 Limitations

Several limitations of the Governance Evaluation are worth noting, as are the steps we took to moderate the effects of these limitations. First, our calculations regarding the level of spending of SDC on governance Agency-wide were affected to some degree by inconsistent coding practices within the Agency (this is itself an issue in the governance sphere that needs to be addressed). To moderate this constraint, we carried out a series of calculations using different datasets and codes, to then be able to triangulate across these calculations. Second, relative to the scale of governance activity supported by SDC Agency-wide, the sample of interventions examined here directly, through field work, was small. At the same time, however, we used desk studies of additional countries, themes and programmes to supplement that sample.

Third, the sample of interventions assessed in the field involved a large component of programmes and projects focused on local governance and municipal services. We reviewed, in the field, fewer interventions aimed at other levels and types of governance. Again, our desk studies expanded the range of governance activities assessed in the evaluation. But we also found, through our analysis of SDC spending on governance, that the governance sub-domain that has received, by far, the largest budget allocation (in bilateral programming at least, which is, in turn, the largest segment of programming within SDC) in both the last and current Dispatch to Parliament has been, in fact, decentralization and local governance.

The final constraint was a general one. The budget and time constraints we faced in the present evaluation meant that there is more detailed analytic work remaining to be carried out on the governance file. Our solution here was to identify a number of steps for further action that could be carried out by SDC in the years ahead. We have set these out in the final chapter of this report.

2 Governance

2.1 Definitions and Debates

In our view, put simply, governance is the exercise of power and authority in the public domain. For SDC, governance is "the way in which power is exercised and applied at different levels."[7] For the OECD, governance is "the exercise of political, economic and administrative authority necessary to manage a nation's affairs."[8] Both SDC's and the OECD's definitions primarily refer to the level of the nation state, but acknowledge that governance is carried out at the sub-national or local level, at the supra-national, or global, level. There is also a recognition that governance goes beyond state actors since it involves the interaction between the state, civil society, the private sector and citizens. In the case of global governance initiatives, a wide range of international institutions, mechanisms and actors also play key roles.

For its part, SDC has established five principles that should be applied to mainstreaming governance as a transversal theme in development interventions: accountability, transparency, non-discrimination, participation and efficiency.[9] The Paris Declaration on Aid Effectiveness and subsequent international statements have stressed the importance in governance of coordination and coherence (including harmonization and use of partner-government systems), effectiveness, and outcomes and sustainability.[10] More recently, important debates have focused on the nature of capacity development, understanding

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[7] SDC, Governance as a Transversal Theme: An Implementation Guide, Bern, 2007.
[8] OECD, Governance Definition, Glossary of Statistical Terms, Paris, 2007.
http://stats.oecd.org/glossary/detail.asp?ID=7236
[9] OECD, Paris Declaration on Aid Effectiveness, Paris, 2015, and OECD, Accra Agenda for Action, Accra, 2008.
[10] SDC, Governance as a Transversal Theme, 2007.

governance to be a dynamic and fluid process but one that also can and should build the organizational capabilities, systems, knowledge and skills of various actors inside and outside government.[11] Another line of inquiry has drawn attention to the nature and importance of the process of adaptive learning by institutions at various levels and in different spheres.[12] These debates have informed the construction of the eight core evaluation criteria used in the present evaluation.

At the same time, other commentators have asked critical questions of the governance field. Some research has shown that good governance is not associated with economic growth. Nor is there necessarily a causal relationship between aid and good governance, although aid is found to exert an amplification effect that reinforces the paths countries are already on. Nonetheless, development assistance provided via budget support has, in fact, enabled recipient countries to allocate more public resources to health and education.[13]

2.2 Swiss Interests and Traditions

The current Dispatch for 2013-2016 aims to realize two strategic objectives: solidarity and enlightened self-interest. In pursuing these objectives, Switzerland seeks to project its presence and values into the world. Its political values and traditions, encoded in the Swiss Constitution, include the rule of law and equality and a particular governance system built on federalism and a "bottom-up" state where cantons are strong and federal institutions are relatively weak, on direct democracy, including the frequent use of referenda, and a system of consensus democracy and power sharing where no single winner takes all.[14] While this culture and system is presently under stress, all of these traditions give the Swiss people and institutions, and SDC in particular, a special understanding of and commitment to governance at the local level and how it can be used to shape higher level policies, capacities and results. It is not surprising, therefore, that local governance is the area of governance in which SDC spends most of its funds, and that programming in the local governance sub-domain is of high quality and greatly valued by SDC's stakeholders, as the present evaluation found.

At the same time, in its official June 2014 Swiss Position on a Framework for Sustainable Development Post-2015, the Government of Switzerland has adopted a comprehensive and coherent whole of government stance which goes well beyond notions of local governance. In addition to explicitly highlighting that "a new transformative agenda for sustainable development must include and make strong reference to human rights, including economic, social, cultural, civil and political rights", the Swiss statement specifically identifies justice, the rule of law, peace, and the social inclusion, of women, youth, children and disadvantaged groups as core principles and components of the Swiss position. In addition, three out of the 16 thematic areas identified as Swiss priorities relate to core governance principles (that is, thematic area number 9 relates directly to governance, including transparent and accountable and corruption- free local governments; number 10 relates to gender equality and women's/girls' rights; and number 11 relates to sustainable peace and inclusive societies).[15]

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[11] Baser, H. and P. Morgan, Capacity, Change and Performance: Study Report, Discussion Paper No. 59B, European Centre for Development Policy Management, Maastricht, 2008.

[12] Armstrong, J., Bright Spots: Improving International Capacity Development, Palgrave Macmillan, Basingstoke, 2013.

[13] Dijkstra, A.G., Paradoxes around good governance, Inaugural Lecture, 15 March 2013, Erasmus University, Rotterdam.

[14] Linder, W., Swiss Democracy, Palgrave Macmillan, Basingstoke, 2010. An insightful analysis of Swiss political culture is found in Church, C., The Politics and Government of Switzerland, Palgrave Macmillan, Basingstoke, 2004.

[15] Federal Department of Foreign Affairs. Summary: Swiss Position on a Framework for Sustainable Development Post-2015. Bern, Switzerland. June 2014.

2.3 Evolving Needs and Opportunities for Governance Interventions

There is growing awareness in both Switzerland and the international community, especially as they prepare the post-2015 agenda, that a wide range of complex challenges must be addressed in the years ahead in which the role of governance is crucial, including: strengthening institutions of global governance, confronting growing wealth inequality within nations, demonstrating new ways of generating more good jobs, productively engaging the private sector to contribute to better development outcomes, mitigating climate change, managing migration, protecting fundamental rights, supporting states to encourage political freedom and participation, stabilizing and strengthening fragile and conflict-affected states, and, generally, better managing vertical and horizontal complexity.[16] Clearly, to be of optimum use, the practice of governance must respond to these evolving needs and conditions—though the basic principles or core criteria remain relevant and important.

Key Points

- The purposes of the evaluation were learning and accountability.

- The evaluation looked at governance programming, governance mainstreaming, and governance in global cooperation programmes, as well as Disaster Risk Reduction.

- The evaluation used country case studies (Bosnia and Herzegovina, Mozambique and Bolivia), interviews, documentary research, and cross-checked and validated findings internally and with SDC evaluations and those of other donors.

- The evaluation developed eight criteria based on SDC and OECD DAC aid effectiveness principles to assess governance.

- A Core Learning Partnership provided feedback, validation and stimulated learning.

- Governance is defined as the exercise of power and authority in the public domain.

- Swiss values and traditions with federalism and consensus democracy shape and add value to its governance programming, particularly in local governance and devolution.

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[16] See World Bank, Multipolarity: The New Global Economy. Washington, DC, 2011. Also: Piketty, T., Capital in the Twenty-First Century, Harvard University Press, Cambridge, 2014; Also: International Labour Organization, World of Work Report 2013, Geneva, 2013; Also: European Centre for Development Policy Management, Donor Strategies to Leverage Private Sector Investment Using ODA, SDC, Bern, 2011; Three instruments aimed at assessing responsible corporate performance among multinational enterprises are the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the OECD Guidelines on Multinational Enterprises, and the UN Global Compact; Also: United Nations, The Future We Want. United Nations General Assembly Resolution 66/288, New York, 2012; Also: Intergovernmental Panel on Climate Change, Climate Change: Impacts, Adaptation, and Vulnerability, Geneva, 2014; Also: International Organization for Migration, World Migration Report 2013, Geneva, 2013; The international civil-society umbrella organization, Civicus (civicus.org), has been active in campaigning for such freedoms for the civil society sector; Several systems have been developed to rate and rank the evolving fragility of states, including the Failed States Index of the Fund for Peace and Carleton University's Failed and Fragile States project; Some scholars have questioned the approaches adopted by development agencies to strengthening governance. In fact, some research shows that good governance is not associated with economic growth. Nor is there necessarily a causal relationship between aid and good governance, although aid can exert an amplification effect that reinforces the paths countries are already on. Nonetheless, development assistance provided via budget support has, in fact, enabled recipient governments to allocate more public resources to health and education. See Dijkstra, A.G. Paradoxes around good governance, Inaugural Lecture, 15 March 2013, Erasmus University, Rotterdam, 2013; See also: Armstrong, J., Bright Spots: Improving International Capacity Development, Palgrave Macmillan, Basingstoke, 2013.

PART I   FINDINGS

Part I of this report summarizes the findings of this evaluation. Findings are reported here for the main components of the study: analysis of SDC spending on governance, the three country case studies—Bolivia, Bosnia and Herzegovina, and Mozambique—and desk research on SDC's governance work in other countries (Mongolia and Rwanda) and regions (MENA and West Africa), Global Programme Water initiatives, disaster risk reduction and global governance. The work of the Decentralization and Local Governance Network (DLGN), and the Political Economy and Development (PED) Network are also discussed in this section, as are fragility and conflict activities. Together, not only do these components illustrate the range and diversity of SDC's governance-related activities, they also afforded the evaluation the opportunity to compare, validate and triangulate results and innovations across a sample of divisions, countries, programmes and projects within the Agency. For each component (where applicable), the findings report on and rate programme results, and also describe implications and areas for improvement. Results, implications and areas for improvement for each component are only summarized in subsequent chapters when they are relevant across governance programming.

3   Spending on Governance Across SDC

The present study employed several methods to estimate the extent of SDC's spending on governance programming and mainstreaming. In interviews in early 2014 with SDC managers at headquarters, we found an informal consensus of opinion that overall spending on governance accounts for about 20 to 30% of the current Dispatch budget for SDC. However, when we analysed several sets of data, it became clear that the 20-30% figure should be seen more as a **floor** than a ceiling. In particular, in some bilateral programmes—such as the country programmes of Bolivia, Bosnia and Herzegovina, and Mozambique—SDC spending on governance accounts for between 40% and 60% of *all* expenditures. While there are certain issues related to the coding of these expenditures, this evaluation has confirmed that SDC-wide spending on governance represents, at a minimum, more than one third of overall Agency spending.

As our working paper in Annex H shows, we carried out several exercises to investigate this question, yielding a number of interesting findings:

3.1   Bilateral Commitments to the South

Bilateral **commitments** to the South made in 2013 for 30 sectors with full or very strong governance content accounted for 41% of all bilateral commitments to the South that year. As Table 2 shows, the largest set of commitments, by far, was made to the decentralization, local governance and democracy sector. At the same time, substantial commitments were made to the health, labour-market, rural-infrastructure, human rights and women's rights, agriculture policy and regulation, agricultural research and innovation, peace building and conflict resolution, post-armed conflict state-building, and policy advocacy on water resources.

**Table 2: Technical Cooperation and Financial Aid for Developing Countries in 2013-2016 –
Sectors with the Highest Bilateral Commitments to Governance**

	Sector	Commitments (CHF Millions)
1	Decentralization, Local Governance and Democracy	97.3
2	Health System Strengthening	45.0
3	Labour Market Development	42.6
4	Rural Infrastructure	33.0
5	Human Rights, Women's Rights	32.7
6	Agriculture Policy, Regulatory Framework	31.7
7	Agriculture Research & Innovation Systems	25.7
8	Peace Building, Conflict Resolution	20.6
9	Post Armed Conflict, State-Building	19.2
10	Water Resources, Policy Advocacy	18.5

Source: SDC, 2014

Using the Agency's broader Policy Marker coding convention for the same set of data, 73% of all bilateral **commitments** were for policy-related interventions that usually worked through government institutions. Again, by far the largest set of commitments was made to the decentralization, local governance and democracy sector. Looked at through this lens, other significant areas of commitment were agriculture, drinking water/WASH, vocational training, primary health care, multi-sector interventions, rural infrastructure, human rights and women's rights, and education policy.

3.2   ODA Disbursements for All Bilateral Programmes

Looking at SDC's official development assistance (ODA) **disbursements** for all bilateral programmes across 13 governance-related sectors (consistent with the Organisation for Economic Cooperation and Development (OECD) coding practices), annual expenditures on these sectors grew from about CHF 137 million in 2010 to CHF 197 million in 2013, the first year of the new Dispatch to Parliament. Assessing this same set of **disbursements** data, cumulatively for the period 2010-2013, it was once again found that by far the largest area of expenditure was decentralization, local governance and democracy, especially in the Western Balkans, West Africa, East and Southern Africa, South Asia, and Latin America, areas where other governance interventions are also concentrated. Human rights and women's rights was also a prominent sector for disbursement, particularly through institutional partnerships and in Europe and the Mediterranean (see Table 3).

Table 3: SDC ODA Bilateral Disbursements – Top Sectors, 2010-2013

	Region	Sector	Disbursements (CHF Millions)
1	W Balkans	DLGD*	51.6
2	W Africa	DLGD	27.8
3	E/S Africa	DLGD	27.3
4	S Asia	DLGD	26.7
5	L America	DLGD	25.7

	Region	Sector	Disbursements (CHF Millions)
6	E Asia	Gov-Gen**	24.1
7	L America	Gov-Gen	21.7
8	W Balkans	Gov-Gen	21.2
9	Ins Partnerships	HR/WR¥	19.2
10	E Asia	DLGD	18.0
11	Europe & Med	HR/WR	17.4
12	Commonwealth of Independent States	DLGD	16.5
13	S Asia	Gov-Gen	14.4
14	E/S Africa	Gov-Gen	13.7

Source: SDC, 2014

* Decentralization, Local Governance and Democracy

** Governance-General

¥ Human Rights/Women's Rights

Examining SDC's ODA **disbursements** for all bilateral programmes, this time coded by policy markets for "good governance" (using the OECD coding definition), for the years 2012 and 2013, these expenditures accounted for 30% of all expenditures in 2012 and 39% in 2013. While these data are only for two years, they nonetheless lend further support to the findings that spending on governance has risen in the current Dispatch period compared to the last one, and that SDC's spending on governance accounts for more than one-third of all spending.

We did not calculate governance spending through multilateral cooperation. SDC spends more than CHF 550 million per year on multilateral development cooperation.[17] Thus, it is a significant component. Moreover, governance is an essential part of this effort, in two respects. First, by their very missions the United Nations agencies and international financial institutions receiving these funds from SDC aim to strengthen, at multiple levels, policy and institutions in the public interest. Second, SDC representatives work as members of the boards or funders' groups of the multilaterals to improve the governance of these agencies and institutions themselves. Our view, therefore, is that a large percentage of multilateral spending by SDC could reasonably be coded as direct governance, or governance related. Estimating in detail the spending patterns on governance through the multilateral channel is important work for SDC for the future.

3.3 Comparing SDC and SECO Spending on Governance

We also looked at the role of the State Secretariat for Economic Affairs (SECO) in spending on governance. Reviewing SECO's ODA **disbursements and commitments** for 45 governance-related sectors, substantial growth in spending in this area was evident, showing an increase from CHF 113 million in 2010 to CHF 193 million in 2013. As Table 4 shows, for 2013, by far the largest area of commitment by SECO was to budget support, followed by water supply, public financial management, sustainable global supply management, and waste water treatment.

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[17] According to SDC's 2013 Annual Report, the Agency spent CHF 567 million on multilateral cooperation in 2012, and CHF 553 million in 2013. See SDC, Annual Report 2013: Swiss International Cooperation, Bern, 2014. http://www.sdc.admin.ch/en/Home/Documentation/Publications/Annualreports

**Table 4: SECO ODA Spending on Governance –
Sectors with the Highest Commitments in 2013**

	Sector	Commitments (CHF Millions)
1	Budget Support (Four Countries)	98.0
2	Water Supply	49.6
3	Public Financial Management	38.8
4	Sustainable Global Supply Management	32.2
5	Waste Water Treatment	27.3
6	Business Entry, Operations	13.4
7	Trade and Environment	12.5
8	Hazardous Waste	9.2
9	Financial Sector	8.8
10	Trade/Environmental Social Standards	6.4

Source: SECO, 2014

Annex H provides a full list of the codes used in this exercise.

Table 5 compares spending on governance by **SDC and SECO**, using the ODA disburse-ment data from the foregoing exercises. Calculated in this way, it is notable that not only do both agencies record similar growth patterns over the four years from 2010 to 2013 (with a somewhat more pronounced growth pattern for SECO), but they arrive, in 2013, at almost identical levels of spending on governance. The fact that both agencies spend significant amounts of their overall budgets on governance-related activities is not surprising. However, that they committed an equivalent quantum of funding to this area at the onset of the current Dispatch period is of importance. For one thing, this confirms that Switzerland makes robust use of both of these cooperation instruments to pursue its development goals, particularly those related to state-building, policy development and institutional strengthening. For another, at this common level of spending, SDC and SECO need to ensure that their efforts are coherent as well as coordinated.

**Table 5: Trends in Spending on Governance by SDC and SECO –
ODA Disbursements for 2010-2013**

Year	SDC (CHF Millions)	SECO (CHF Millions)
2010	136.6	112.9
2011	110.9	141.7
2012	141.2	153.2
2013	197.2	193.4

Source: SDC, SECO, 2014

3.4   Coding Issues

Of course, there is more work to do in calculating the quantum and patterns of spending by SDC on governance programming and mainstreaming, as well as that by SECO. One key limitation on the SDC system involves **coding**. Generally, the quality of data is better for ODA data that the Agency codes using OECD/DAC coding conventions than the "raw" data from SDC's SAP system. Yet, even for the ODA data, coding criteria are not consistently applied across programmes or even within programmes, and suffer from inconsistent interpretations. Currently, there is no specialist in governance who is assigned to be "on call" to advise Agency statisticians and, when there are questions, to examine and confirm individual coding decisions relating to governance programming and mainstreaming. This is a Quality Assurance issue, first and foremost, and also a Knowledge Sharing issue—as well as an issue of governance in a domain and network sense. In our view, a governance specialist should be assigned to this role on an ongoing basis in order to improve the quality and consistency of coding practices and thereby the quality of the data.

3.5   Support for Governance-Related Work

Finally, there is the more pressing organization-wide issue of **how governance is supported** more generally across SDC. The spending-analysis exercises reported here indicate that SDC spending on governance programming and mainstreaming exceeds one third of the overall budget of the Agency. These exercises also underscore the central nature of governance as a core tool, and an increasingly important one at that, in achieving the results of the current Dispatch to Parliament. However, in Agency-wide terms, we find that SDC's investments in its own capacity to deliver effective governance programming is inadequate to ensure optimal results. Indeed, the impressive results we report on in subsequent sections of this report have been realized in spite of this underinvestment, not because of it.

True, some policy and programming support is spread across the SDC organizational matrix, not only in the three governance-related networks studied in this Evaluation (i.e., the Decentralization and Local Governance, Conflict and Human Rights, and the now disbanded Political Economy and Development Network – see Chapter 8), but also within SDC's sister thematic networks, global cooperation programmes, Quality Assurance, Knowledge Management and other units. However, this type of support remains fragmented and disproportionately small relative to the budgetary and programmatic importance of governance. This is clearest in the case of DLGN, which has been coordinated with less than two person-years (a third team member was being hired in the latter half of 2014), but which is attempting to provide an advisory role across SDC in support of effective programming valued at about CHF 100 million over 2013-2016. While there are strengths associated with the matrix system, and (as our case studies, especially, show) much good work has been carried out in this area, nonetheless, this level of resourcing for central coordination and management of the DLGN has been wholly inadequate. Support for the governance-related work of other networks, SDC-wide and regional, has been similarly modest and insufficient, as well. At the same time, there has been insufficient coherence and strategy in SDC's governance work overall.

4 Bolivia Case Study

4.1 Overview

Governance is at the heart of Swiss cooperation in Bolivia. As one of three pillars (Decentralisation and Human Rights, Climate Change Adaptation, and Employment and Income) of SDC's 2013-2016 Country Strategy for Bolivia, governance constitutes 20% of SDC's Bolivia Country Strategy whose financial commitments total CHF 150 million. Along with gender equality, governance is also a cross-cutting theme, as well as being at the core of SDC-Bolivia's overarching objective to "contribute towards changes that will ensure continued reduction in poverty and reduced inequality in Bolivia"—a process which, by definition, involves influencing institutional arrangements and public policy. As such, our evaluation team estimates that, at a minimum, a third of SDC's budget in Bolivia is allocated to governance-related work.

This case study examines three governance programmes in Bolivia: two related to human rights and justice, and a third within the sub-area of decentralized service delivery. Together, these three projects constitute all of SDC-Bolivia's governance portfolio. The objective of that portfolio is that local services for poor and vulnerable Bolivians improve and that their rights be realized in the process. The fourth initiative studied is part of the Bolivia Country Strategy's Climate Change Adaptation pillar and was assessed from a governance mainstreaming perspective. SDC's 2013-2016 Bolivia Country Strategy targets the Andean Highlands (*Altiplano*) where the majority of Bolivia's poor live. The evaluation team visited the four projects studied in La Paz and the highland departments of Chuquisaca and Cochabamba where SDC has had a strong historic presence.

The relevance, ownership, participation and inclusion of the programme are strong, and SDC is respected for its social marketing and its inclusion of women and youth. Efficiency and coherence could be improved by increasing geographic focus, by improving linkages between project partners and sub-components, and by phasing out hands-on Swiss management and implementation, all of which tend to elevate transaction costs. Collaboration with other donors and leveraging additional funding has been a successful strategy. Capacity development would be strengthened if it addressed the application of skills. Valuable frameworks and tools exist for governance and gender mainstreaming, but knowledge-sharing on lessons learned, higher level and cutting-edge results could be much more systematic; so too could adaptive learning, in areas such as risk analysis and mitigation, in particular.

4.2 Results

The evaluation team found that SDC's governance work in Bolivia demonstrates strong performance on most assessment criteria and that SDC is generally "doing the right things." SDC is specially recognized for its long-term commitment, adaptability to changing Bolivian governance priorities, and political tolerance. Using a "triangular approach," SDC has successfully worked with state, civil society and international actors at different levels to build Bolivian capacities and networks, as well as to carry out strategic policy dialogue and social marketing campaigns to catalyse broader policy changes. Through this interactive process of building social capital, or *concertación* in Spanish, SDC has fostered strong ownership and empowered Bolivian actors (see Box 1 at the end of this section for an example of the successful application of this approach). However, performance has been uneven in terms of coherence and efficiency. Amid growing pressures for disbursement and demands for financial probity, SDC has had difficulty using country systems or shifting towards full aid harmonization in the area of governance; and governance mainstreaming, results reporting and communications need to be further systematized. Table 6 rates SDC's governance performance in Bolivia against the core assessment criteria employed in the present evaluation.

Table 6: Performance against Evaluation Criteria – Bolivia

Assessment Criteria	Rating	Rationale
Relevance and Legitimacy	Good-Excellent	SDC-Bolivia is widely recognized for its long-term and respectful governance approach, including its alignment to changing Bolivian governance priorities and willingness to tackle tough reform issues (such as justice) which other donors are reluctant to work on.
Ownership, Participation and Non-Discrimination	Good-Excellent	By focusing on poor and vulnerable beneficiaries and insisting on local counterpart funding and community participation and oversight, SDC-Bolivia has made useful contributions to local governance and grassroots development involving women, youth and indigenous groups.
Accountability and Transparency	Good-Excellent	SDC-Bolivia has helped establish public access to public information systems and supported effective social marketing campaigns as means of promoting governance accountability and transparency in Bolivia.
Efficiency	Satisfactory-Good	Its ability to leverage donor and recipient government funding and the dynamism of Bolivian partners explain the cost-effectiveness of SDC's governance work in Bolivia. Yet, there is evidence that the dispersion of projects, the vast array of partners involved and the use of an Office of Project Management has tended to increase transaction costs and administrative burden.
Capacity Development	Good	SDC-Bolivia complements concrete and more immediate benefits with longer-term individual and institutional capacity-building processes in all of its governance efforts. What has proven more difficult is moving from "training" towards actual "skills application" or building "collective capabilities."
Outcomes and Sustainability	Good	SDC-Bolivia has shown that it is possible to translate modest investments in local innovations into higher-level governance impacts. However, limited use of country systems or Bolivian implementing entities has limited long-term sustainability and Bolivian ownership.
Coherence	Uneven	In response to lessons learned and in order to better align with Paris Aid Effectiveness principles, SDC-Bolivia has developed larger and more comprehensive governance initiatives. Yet, a tendency towards complex projects with limited synergies between sub-components or partners has made it difficult to adopt truly programmatic approaches.
Coordination	Good	SDC-Bolivia has significantly ramped up coordination and joint policy dialogue with fellow donors but with the exception of the Human Rights Ombudsman's Office (DDP), has still to make the leap towards genuine aid harmonization.
Adaptive Learning	Satisfactory-Good	SDC-Bolivia has pioneered promising governance and gender equality mainstreaming frameworks/tools. But unless know-ledge-sharing and dissemination is further systematized, adaptive learning within and beyond the Bolivia Country Office will not reach its full potential.
Overall Rating	**Good**	

4.3   Areas for Improvement

The evaluation team identified several areas for improvement that should be considered by SDC in Bolivia. These include:

1. Further focusing the reach and coverage of SDC-Bolivia's governance work;

2. Enhancing programmatic coherence and synergies within and between projects;

3. Carrying out ongoing risk analysis and mitigation;

4. Consciously using country systems (including at the sub-national level) and moving towards genuine aid harmonization;

5. Continuing to pursue multi-donor policy dialogue efforts; and

6. Exploring non-traditional alliances such as South-South cooperation or stronger links with Latin American think tanks.

In terms of governance and gender mainstreaming, the promising frameworks and tools developed by the Bolivia Country Office (COOF) should be further systematized and applied. In the final analysis though, technical tools are no substitute for strong senior-level commitment and investment in governance expertise and networks, as well as for clear corporate direction, organizational incentives and systems conducive to governance and gender equality mainstreaming. Given the plethora of governance success stories and social marketing techniques pioneered by SDC in Bolivia, there is a strong case to be made for enhanced results reporting, knowledge-sharing and the development of a Latin American Communications Strategy to showcase SDC's governance achievements.

Box 1: The Municipal Democracy Support Program (PADEM) Success Story

Within the *Program for Local Service Delivery* (PMS) coordinated by SOLIDAR Suisse, the *Support to Municipal Democracy* (PADEM) Project is noteworthy for its "triangular approach". The first element involves modest funding of innovative civil society and local governance efforts through open contests which further reward those initiatives with the potential to be scaled up or replicated (e.g., INTEREDES was comprised by bringing together NGOs, businesses, the police, municipal service-delivery entities and councillors from the municipalities of Sacaba, Tiquipaya, Vinto, Colcapirhua, Cercado, and Quillacollo in Cochabamba to combat violence against women. With modest seed funding from a PADEM contest, INTEREDES managed to safeguard municipal human resources and investment for the proper function of *Integrated Municipal Legal Service Centres* [SLIMS] to assist victims of family violence. The network shared their experience in a roving "fair" and carried out a wider public education campaign to create wider awareness about the GoB's newly approved *Law to Guarantee Women a Life Free of Violence* [Law 348]. The second element calls for the provision of technical assistance to municipal governments that have shown a commitment towards increased social public spending and multi-stakeholder planning and consultation (e.g., with seed capital from PADEM, the Health Service of Tiquipaya Municipality purchased three motorcycles to reach remote health posts, while longer term technical assistance enabled health officials, the AMDES, and the Mayor's Office bring together 50 actors/sectors to develop the first *Municipal Plan for Health* [POA] in Cochabamba). The final element of this triangular approach entails building broad-based networks capable of carrying out targeted lobbying and mounting creative multi-media campaigns which build social capital, generate public awareness and influence public policy change (i.e*., concertación).* For example, PADEM's fictitious radio character "Dra. Edilicia," a dowdy but avid crusader for women's rights, has caught the imagination of Bolivians who tune in to listen to her educational commentaries about women's rights, while PADEM-sponsored TV spots use famous Bolivian actors, singers, and politicians to transmit the message that a "macho man never hits a woman." The ads have proven to be effective social marketing instruments which not only prompted the Mayor of Cochabamba to wear a T-shirt denouncing violence against women, but have influenced municipal decisions to ring-fence public spending geared towards protecting women's and children's rights.[18] PADEM's successes do not come easily. Although all of its development efforts directly benefit communities and citizens in some form (e.g., through the provision of IT equipment to schools, coordination of municipal planning processes, or training on women's rights), only 20 out of 100 PADEM initiatives produce higher-level national or policy-level impacts and these require long-term commitment and gargantuan coordination efforts. Yet, when facilitated effectively and when PADEM's far-reaching networks and alliances strategically focus on producing major policy change, their broader-level governance impacts can be significant.

Enfoque: Gobernabilidad desde lo local

- Derechos y responsabilidades
- Propuestas para incidencia y acciones concretas
- Respeto y trabajo conjunto con la institucionalidad local.
- Fortalecimiento de organizaciones claves.
- Involucramiento de actores con poder.

Sociedad civil

Estado (énfasis GM)
- Garante de derechos
- Orientación hacia grupos sociales en desigualdad/temas
- Reglas democráticas para la participación.
- Información pública y RDC.
- Calidad atención servicios

Educación Salud Protección a MSV

Medios de Comunicación
- Enfoque de DDHH/institucionalidad.
- Cualificación técnica
- Rol activo (campañas, difusión buenas practicas)

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[18] PADEM. Proyecto para la Mejora de los Servicios Municipales (PMS).SOLIDAR-Suisse, La Paz, Bolivia, April 2014.

5 Bosnia and Herzegovina Case Study

5.1 Overview

Overall, the team found that SDC's work in governance in Bosnia and Herzegovina (BiH) is innovative, of high quality and is achieving meaningful results, especially in the areas of local governance and water services. The Swiss approach—characterized by long-term commitment, dedicated and skilled staff and partners, respect, neutrality, mutuality, policy dialogue, multi-level interventions, and reflective practice—is much appreciated by local stakeholders. SDC in BiH has also proven very effective at responding to natural disasters as it did during the floods of late Spring 2014 (see Box 2 at the end of this section). Moreover, Swiss funding in these areas attracts significant matching funds from local governments and downstream investments from external donors and investors.

However, while SDC interventions in the domain of Local Governance and Municipal Services in BiH generally demonstrate strong performance on most assessment criteria, performance is uneven in terms of coherence and sustainability, reporting on outcomes needs improvement, and programmatic knowledge too often remains implicit and not systematized. Although governance is a cross-cutting theme in all domains of the BiH Country Strategy, performance on governance mainstreaming in domains like Health and Employment and Income, while innovative and aligned with government priorities, is also uneven. Finally, the integration of gender equality measures in governance interventions is generally not systematic or visible.

5.2 Results

Overall, governance is at the heart of Swiss cooperation in Bosnia and Herzegovina. The evaluation team estimates that at least 60% of the Swiss cooperation budget in BiH is allocated to governance, with the bulk of that targeted for local governance and municipal service, and the rest spread across the Employment and Income and the Health domain, as well as the Migration Partnership (MP) Initiative. Over the past decade, a series of projects in the Local Governance and Municipal Services domain has used geographic focus, continuity, partnership, vertical and horizontal engagement, and adaptive learning to produce some impressive results, including:

- widely adopted methodologies for municipalities in integrated local development planning and water sector planning and management;
- nearly 50 local development plans and ten water, environment and sanitation plans;
- municipal decrees and cantonal and entity-level laws on utilities, water and waste;
- entity level (Federation of Bosnia and Herzegovina) draft law on local development planning and management, concept for local development funds in both entities (established in Republika Srpska);
- creation of AquaSan, a state-level network on water and sanitation;
- incubation of local technical expert groups (three firms and a government unit) of local governance and water and waste professionals;
- inter-municipal cooperation, often across ethnic lines, on water-basin management, and on waste management and flood control;
- considerable financial leverage through downstream local and foreign grants, loans and other financing made possible by the preparation by municipalities of strong local development and water, solid waste and sanitation plans.

In the Health domain, among other things, SDC has supported the area of mental health through the preparation and rollout of an **integrated case management approach**,

involving psychiatrists, nurses, social workers and occupational therapists working as a team, rather than in a hierarchy. Within the MP Initiative, SDC and the Federal Office of Migration (FOM) jointly funded the first mapping of the BiH **Diaspora in Switzerland**, estimated to number 60,000. These figures will serve as a basis for providing support to returnees and facilitating investment flows into the economy in close collaboration with the Swiss Ministry for Human Rights and Refugees (MHRR).

Table 7 rates the performance of SDC's governance programming in Bosnia and Herzegovina against the core evaluation criteria employed in the present study.

Table 7: Performance against Evaluation Criteria – Bosnia and Herzegovina

Criteria	Ratings	Rationale
Legitimacy and Relevance	Good-Excellent	Programme closely matches priorities of state and entity level policies. Swiss Cooperation is highly regarded for its continuity, practical results and policy dialogue.
Ownership, Participation and Non-Discrimination	Good-Excellent	Programme is based on these principles. Strong and consistent engagement with all entity groups, and good cross-entity cooperation facilitated. Gender equality is mainstreamed unevenly, though with some gains.
Accountability and Transparency	Good-Excellent	Programme is based on these principles. Good use of municipal budget system and requirement to demonstrate matching funds contribution. Higher levels of government more opaque. Regular monitoring and evaluation of interventions.
Efficiency	Good	Productive incubation and use of local consulting firms to implement later phases of projects. Support to municipalities to attract downstream infrastructure and other investments from external donors and investors.
Capacity Development	Good-Excellent	In multi-phase, well-resourced local governance projects, verifiable gains in strategic planning, job classifications, attraction of downstream investments, local professional expertise, horizontal linkages through networks and policy initiatives.
Outcomes and Sustainability	Satisfactory-Good	Important outcomes too often buried in reporting on outputs and activities. Permanent local professional capacity built in project areas. Local political rotation, and national-level elite capture, political gridlock and high unemployment undermine sustainability.
Coherence and Coordination	Good-Excellent	Programme is internally coherent and well-coordinated across projects and with other donors. Good coordination with SECO, but still could be improved.
Adaptive Learning	Good	Adaptive learning is most evident across phases within projects and in local alliances across projects. Good scaling up from local to regional networks on water and on governance. There is a need for greater systematization of knowledge and tools.
Overall Rating	**Very Good**	

5.3 Areas for Improvement

The evaluation team highlighted several areas for improvement that should be considered by SDC with respect to its governance work in BIH. These include SDC:

1. Playing a more visible leadership role in BiH;

2. Extending its work above and below the municipality;

3. Monitoring and reporting on the financial leverage on Swiss funds;

4. Systematizing its knowledge and projecting it outwards;

5. Communicating more effectively to Swiss Parliament and the general public;

6. Refocusing on integrating gender equality into governance;

7. Linking local and global analysis and action on climate change, disaster risk reduction, governance and livelihoods;

8. Accelerating economic interventions that promote business and employment growth;

9. Harnessing the power of the BiH Diaspora in Switzerland; and

10. Resetting the SDC-SECO relationship.

Work in most of these areas is already underway.

Box 2: Unprecedented Flooding-Climate Change, DRR and Governance

In May 2014, unprecedented torrential rains flooded parts of Serbia and north and central parts of Bosnia and Herzegovina. Authorities estimated that three months' worth of rain fell in just two days—the worst rainfall episode in 120 years. In BiH, 100,000 homes were damaged and as many as one million residents were left without clean water, with nearly 1,500 persons displaced to collective shelters. The flooding also dislodged mines from the war 20 years ago, adding a new threat to the local population already facing the risk of contaminated land and water from the thousands of livestock that died in the floods.[19] The European Bank for Reconstruction and Development (EBRD) estimates the costs of the damage in BiH alone to be US $1.8 billion. The European Union has committed large-scale financial aid and sent civil protection experts to assist. Private donations for relief have been raised across the globe, including Switzerland. SDC has also reallocated some of its existing funds, and committed additional funds, for recovery purposes.[20]

The Swiss Embassy/SDC has provided emergency support through Swiss experts, two helicopters, and small-scale action funds, as well as participating in coordination meetings to gain a full overview of the damage and needs on the ground. SDC is also providing additional financial support to ongoing projects to respond to emergency and recovery requirements. For its part, the SDC-United Nations Development Programme's (UNDP) Integrated Local Development Project (ILDP) has focused on ten of the most affected municipalities in its programming area, including Prijedor, Doboj and Zenica. ILDP moved quickly to carry out a rapid needs assessment

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[19] Euractive. EU Committed to Helping Flooded Serbia, Bosnia and Herzegovina. May 20, 2014. http://www.euractiv.com/sections/global-europe/eu-committed-helping-flooded-serbia-bosnia-and-herzegovina-302236

[20] SwissInfo. Swiss increase aid to victims of Balkan floods. May 23, 2014.
http://www.swissinfo.ch/eng/politics/Swiss_increase_aid_to_victims_of_Balkan_floods.html?cid=38646014
In the wake of this disaster, Switzerland mobilized on several fronts: The Foreign Ministry committed CHF 500,000 immediately for emergency assistance in BiH. SDC's Humanitarian Aid Unit delivered water purification equipment and clean water to the area, and bolstered its technical expert team in the Balkans. Swiss organizations—including the Swiss Red Cross, churches and the fundraising arm of the Swiss Broadcasting Corporation—allocated more than CHF 3 million for relief efforts in BiH.

and provide the ten municipalities with supplies and equipment to disinfect and dry out public and private buildings.[21] The project is now considering how it can support medium- and longer term recovery actions with these partner localities.

While the municipalities in this region of BiH had in recent years cooperated on water-basin management and flood protection measures, through Municipal Development Project (MDP) and ILDP, the extreme nature of this disaster overwhelmed much of that work in a matter of days. Now, because of flood damage to local government facilities, systems and records, the affected government offices cannot provide citizens with even basic services, such as identification documents or vehicle registrations. Moreover, the destruction of the facilities and inventories of most businesses in the area means that there is a looming employment crisis, as well.[22] In fact, in some areas, cash transfers and cash-for-work are critical to the coping strategies of the local population. Clearly, in BiH and Serbia today, it is urgent that the international community, working with local institutions, take rapid, large-scale and bold action on all fronts.

This event dramatically underscores the importance of the nexus of climate change, disaster, governance and livelihoods—and why development agencies like SDC must organize themselves to work at these issues in a coordinated and integrated way, in real time, at multiple levels, from the local to the global, deploying all of their tools: emergency and humanitarian assistance, disaster risk reduction, policy analysis, local and national governance strengthening, and economic and business development.

6 Mozambique Case Study

6.1 Overview

Governance is thoroughly mainstreamed in SDC's Mozambique programme: The Cooperation Strategy for Mozambique asserts that local governance is at the core of Swiss Cooperation, contributing to all of its outcomes. SDC's local governance programming aims to improve service delivery; strengthen decentralization and district and municipal governments; strengthen local communities' organization and ability to demand public accountability; strengthen Civil Society Organizations (CSOs) as independent organizations promoting public debate on accountability and community benefit from natural resources. See Box 3 at the end of this section for various examples of active citizen engagement with the state. SDC's local governance budget for 2012-2016 is CHF 39 million, or 24% of total Swiss planned commitments. All governance activities comprise CHF 88.6 million, or more than 54% of total planned spending.

6.2 Results

The evaluation team found SDC's programming in local governance to be highly relevant, well-conceived, collaborative, and quite effective. SDC is well respected for Switzerland's history of working with Mozambicans, and for its long-term programme commitments to development initiatives of both government and civil society. The Agency has relatively modest financial resources, but has built credibility, productive relationships, experience and significant practical knowledge through its support for local governance and decentralization.

The projects reviewed show actual and potential progress on the core challenge of building the local structures of the state and a democratic political culture. Most of these achievements are short-term results of project activities. They are changes that are especially important to the people involved, and mark progress towards medium or long-term outcomes. The challenge is to consolidate and extend changes already achieved.

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[21] Swiss Embassy, The Aftermath of Floods in Bosnia and Herzegovina: Lasting Damages to Livelihoods and Service-Delivery, Article submitted to the DLGN Newsletter, June 5, 2014, Sarajevo.
[22] Swiss Embassy, The Aftermath of Floods in Bosnia and Herzegovina: Lasting Damages to Livelihoods and Service-Delivery, Article submitted to the DLGN Newsletter, June 5, 2014, Sarajevo.

Table 8: Performance against Evaluation Criteria – Mozambique

Criteria	Ratings	Rationale
Legitimacy and Relevance	Good-Excellent	Programme closely matches priorities of both Government of Mozambique (GoM) and civil society. Swiss Cooperation is highly regarded by national leaders.
Ownership, Participation and Non-Discrimination	Satisfactory	Programme is based on these principles. Gender equality (GE) receives uneven attention within citizens' participation, however: projects implemented by non-government organizations show more focus on GE and better results than those of public agencies.
Accountability and Transparency	Good-Excellent	Programme is based on these principles. SDC's approach and information is accessible to collaborating and implementing organizations.
Efficiency	Satisfactory	No major problems noted, nor outstanding achievements.
Capacity Development	Good	Institutional and community development are critical to Local Governance. SDC has an informed approach to capacity development, but among programme participants, the conception of capacity is uneven, and some project logical frameworks have serious problems. A more comprehensive approach is required, and more systematization of SDC's knowledge.
Outcomes and Sustainability	Satisfactory-Good	Reporting on Outcomes needs improvement. Sustainability is addressed across the programme, but government and especially CSOs have uncertain prospects because they depend on the actions of other countries and other organizations, notably multinational corporations.
Coherence and Coordination	Good-Excellent	Programme is internally coherent, and well-coordinated with GoM, other donors, and CSOs.
Adaptive Learning	Good	Adaptive learning is integral to the programme, with long-term commitments, pilots, and adaptive phasing. The recommendation for more systematization of SDC's knowledge reflects the potential of the programme.
Overall Rating	**Good**	

6.3   Areas for Improvement

The evaluation team identified five areas for improvement, the last three of which include SDC as a whole:

1. Systematizing its governance knowledge in order to use it more effectively in Mozambique.

2. Establishing and implementing a more precise approach to capacity development, especially within institutions.

3. Using information and communications technology, especially video (including, but not exclusively, participatory video) to convey lessons, models, partner profiles and achievements to internal and external publics. The Mozambique programme has already begun this practice.

4. Designing and launching a global governance initiative which would include the key issue of managing natural resources for community benefit. Governance and

management of natural resources for community benefit is a global issue. SDC's programming in Mozambique offers a base of knowledge strong enough to inform and support action by SDC as a whole.

5. Clarifying and strengthening policy coherence and coordination with State Secretariat for Economic Affairs (SECO), especially on extractive industries and resources. SDC and SECO already work closely together in Mozambique, offering a model for both organizations at the corporate level.

Box 3: Examples of Active Citizen Engagement with the State

Securing community members' rights to land

Fifty men and women, representatives of thirty-six community associations near a district capital in Cabo Delgado province, spoke of what they had gained from registering their land:

1. Our community associations are legally recognized and empowered.
2. We know our rights to use our community land, and we have security for our land.
3. We have much better knowledge of nutrition, food, and malnutrition.
4. We have experience of teamwork, and we have experience of negotiating with the local authorities to register and demarcate our land.

Community development councils – participation and accountability

Members of two communities near another district town in Cabo Delgado presented reports on the work of their consultative councils (CCs):

1. Each CC numbered some 30 members, a majority of whom were men; one of the two Presidents was a woman.
2. These village-level CCs are the base level of a hierarchy of CCs extending to the district. Each CC sends one man and one woman to the next level up.
3. Water is a major issue; both communities had water and sanitation committees. The WatSan committees maintain the community water points. Residents' fees cover maintenance costs. The sums are not large, but they are significant: One WatSan Committee reported a positive current balance of approximately US$500 in the account. (This, from a population of 2,100 people.) Twelve people made up the WatSan Committee, six women and six men.
4. Other committees are created to handle specific development issues: agriculture, forest resources, health, education and so on.
5. Speakers—usually a school-teacher—presented written reports on annual work plans and outputs. Neatly organized on flip-charts, they highlighted achievements such as "3 new classrooms built", or "1 new water point installed".
6. Activities planned for the coming year reflected ongoing demands and negotiations: More classrooms; access to the national power grid; more water points for a growing population.

Readiness to engage citizens

Conversations with local public authorities revealed a readiness among both elected officials and staff members to engage with citizens who were taking an active part in planning and monitoring the implementation of local development initiatives. We spoke with young people with university degrees who were working in district offices to support public engagement, and we spoke with elected officials who were confident and candid about the value of this kind of dialogue. **Such sentiments, if they can be nurtured and strengthened, can only encourage the growth of a democratic political culture and responsive and accountable local public institutions.**

7   Other Regions and Countries

7.1   Middle East and North Africa

7.1.1   Overview

The two main components of the MENA Division are the Middle East and North Africa Programs. The United Nations estimates that in 2012 alone, around two million Syrians were internally displaced and over half a million fled to neighbouring countries. In response to the severity of the Syrian crisis, SDC's Official Development Assistance (ODA) expenditures in the Middle East and North Africa have increased significantly. In 2013, SDC's development cooperation in the Middle East and North Africa was CHF 44.9 million. In addition, the State Secretariat for Economic Affairs (SECO) disbursed CHF 19 million, predominantly in Egypt and Tunisia, that same year. Notably, annual Swiss commitments to humanitarian assistance to the region have grown markedly in recent years, rising from CHF 15 million in 2011, to CHF 25 million in 2012, to CHF 39 million in 2013.[23]

Our review of MENA centred on the Middle East component of SDC's work in the region.[24] In the Middle East, SDC's assistance focuses on Syria, as well as on neighbouring countries such as Iraq, Jordan, and Lebanon. The region has not only been deeply affected by the Syrian crisis, but also by insurgencies in Iraq and, very recently, the Israel-Gaza conflict. Top programming priorities include meeting the needs of Palestinian refugees and of refugees and internally displaced persons from Syria. The programme aims to promote access to basic services, to improve livelihoods, and to strengthen disaster risk reduction. Serving the basic human needs of five million people, the United Nations Relief and Works Agency (UNRWA) is a major partner in the region, as are international organizations such as the International Committee of the Red Cross (ICRC), the United Nations Development Programme (UNDP) and other agencies. Key Swiss government partners are the Human Security Division (HSD), the Federal Office for Migration (FOM) and the Federal Department of Defence. SDC has been praised for its overarching Strategic Framework for the Middle East which has a strong governance thrust focused on peace-building, state building and economic development and uses a comprehensive aid approach which combines mix of modalities, including diplomacy, humanitarian aid and development cooperation.[25]

7.1.2   Results

Swiss aid helped 100,000 people in need during the Syrian crisis in 2013.[26] Among the governance-related results reported by SDC's Middle East Programme prior to the Syrian crisis, were:

- Improved capacity of service-providing institutions, particularly: UNRWA's project management and fundraising systems: the United Nations High Commissioner for Refugees' (UNHCR's) ability to coordinate assistance to Syrian refugees; improved management and delivery of services on the part of the Department of Palestinian Refugees in the Government of Jordan; and the creation of a non-governmental organization (NGO) trust to serve as a coordinating platform for 32 NGOs. The Syrian

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[23] SDC, 2013 Annual Report, Table 6 (SDC) and Table 7 (SECO). Also see
www.sdc.admin.ch/en/Home/Countries/Near_and_Middle_East/Near_East_Iraq_Jordan_Syria_Lebanon_Occupied_Palestinian_Territory
[24] In North Africa, SDC, SECO, the Directorate of Political Affairs and FOM work together to assist Tunisia, Egypt, Libya and Morocco to advance democracy and human rights, economic development and job creation, and migration and protection of people at risk. In 2011, in light of political events in Tunisia and Morocco and conflict in Libya and Egypt, Switzerland's Federal Council authorized an intensification of assistance in North Africa, nearly three-quarters of which was ear-marked for economic development.
[25] Sida, L. et al, Evaluation of the performance of SDC instruments in fragile and conflict-affected contexts. Bern, Switzerland, May 2012.
[26] SDC, 2013 Annual Report, 2014.

crisis halted capacity building with the Syrian General Administration for Palestine Arab Refugees.

- SDC contributions that enabled UNRWA to provide basic services and assistance to 11,000 refugees, using gender-based approaches, as well as greater access to refugees in Lebanon, Jordan and Syria to water and solid waste services.

- Support to a self-help shelter rehabilitation project in Lebanon, via a secondment arrangement with UNRWA that has generated strong community participation.

- Support to a cash programme for 2,400 poor families in northern Lebanon who hosted Syrian refugees has enabled 20,000 Syrian refugees to have a roof over their heads without having to move to large refugee camps.

- In addition to integrating DRR into national development plans, the establishment of a full-fledged Disaster Risk Reduction and Preparedness system in Jordan, and, with UNDP assistance, a national action plan prepared for a similar system in Lebanon.

- In the Middle East, SDC has also collaborated closely with fellow development actors such as the Swedish government and an independent group of Indian experts to strengthen regional dialogue on issues of water and security.

- In Gaza, SDC sponsored a training programme for young people implemented by UNRWA where 71% of the 700 young persons trained found work with the private sector, predominantly in construction companies. Such training and job-creation efforts have proven effective at easing the transition from short-term emergency assistance towards longer-term development cooperation and sustainability.

- A general track record by SDC of speed, responsiveness and a partnered as well as a whole of government approach in its work under crisis conditions.[27]

7.1.3 Implications

The sudden crisis in Syria and growing humanitarian needs posed major challenges to the international community and Switzerland, especially since the deteriorating security situation has prevented aid workers from directly accessing citizens in need. At the same time, regional policy dialogue on broader and longer term development issues were found to be difficult to initiate because of the weak roles and capacities of governmental institutions.[28]

Going into more detail, a recent evaluation of this Regional Programme concluded, among other things, that:

- The programme has an unmanageably large number of small projects to administer; it should scale back the number and increase the size of its interventions.

- The programme has a tendency to talk about outcomes but reports mainly on outputs.

- Sustainability requires intensive cooperation with selected partner institutions to build their capacities, in spite of, as in the case of UNRWA, their "heavy bureaucracy and partly non-innovative staff."

- Based on the experience of the cash-for-hosting programme in Lebanon, which is being replicated by other actors (Poland and UNHCR), the programme should actively

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[27] SDC, Annual Reports for 2011, 2012 and 2013; See also SDC, Mid-Term Review of the Cooperation Strategy Iraq, Jordan, Lebanon and Syria 2010-2012, Bern, 2012.
[28] SDC, Mid-Term Review, 2012.

plan for the rolling out and scaling up of successful and innovative interventions, by SDC itself or by other actors.[29]

7.1.4　Areas for Improvement

Several areas of improvement would seem to be appropriate here. First, the experience of this programme responding to the Syrian crisis, rapidly, with an increased budget, is worthy of further analysis, perhaps in the form of a case study. How to be responsive and use partnerships and yet also create a portfolio of interventions that is also manageable, is the central task in this region—as it is in many conflict-zones and crisis situations. An equally pertinent challenge is that of providing rapid and predictable international humanitarian assistance in a coordinated manner, while at the same time building local resilience and strengthening (rather than undermining) national institutions and capacities. As evident in the results highlighted above, in the Middle East, Switzerland has proven adept at working in a collaborative manner, using comprehensive aid approaches and promoting initiatives that help bridge the gap between humanitarian and development assistance. Through webinars, knowledge products and tools, SDC staff and partners should be made further aware of strategies and tactics for responding to a crisis while still looking ahead to fostering longer-term development under more stable conditions.

A second area for improvement is to systematize what is known from this programme and others about how to successfully embed Disaster Risk Reduction (DRR) in national development plans and in a national DRR system. Third, similarly, there is an opportunity and a need to further systematize and spread the knowledge relating to how to scale up or replicate (sideways) innovative models, systems and projects, especially in fragile and conflict-affected areas. Such an effort, in this case, could involve the regional programme, the Humanitarian Assistance Unit, Knowledge Management and Quality Assurance.

7.2　Mongolia

7.2.1　Overview

With strong links to the west and a high-growth economy propelled by the mining industry, and proximity to both China and Russia, Mongolia has become a favourite partner-country of western donors. In SDC's view, "Mongolia's greatest development challenge [is] to transform the benefits of the mining boom into equitable, inclusive and sustainable development for its entire population."[30] Now 15 years old, SDC's programme in Mongolia has focused on rural income and employment, natural resource management, and governance, especially in improving access to public services and increasing the capacities of local governments and communities. Projects have also involved disaster risk reduction initiatives. For the current Dispatch period of 2013-2016, SDC is concentrating its resources on agricultural development for food security and better livelihoods; vocational education and skills training for youth and adults; and strengthening good governance and civil society, particularly reforms for decentralization, direct democracy and civic participation. For 2013-2016, the governance domain has a budget of about CHF 27 million.

The prime programming vehicle for its governance work currently is Phase I (2012-2015) of the **Governance and Decentralization Programme** (GDP), which supports political, fiscal and administrative decentralization.[31] With a budget of about CHF 7.6 million, GDP

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[29] Spirli, G., W. Graf, J. Al Husseini and D. Kessler, Evaluation Regional Program for Iraq, Jordan, Lebanon and Syria, 2010-2014, Evaluation Report, Evaluation and Corporate Controlling Division, Bern, February 17, 2014.
[30] SDC, Welcome to the Swiss Cooperation Office Mongolia! February 2014.
http://www.swiss-cooperation.admin.ch/mongolia/
[31] SDC, Swiss Cooperation Strategy Mongolia-2013-2016, Bern, 2013.

implements four components: policy support and research (with multiple counterparts); strengthening public financial management at the sub-national level (with the Ministry of Finance); fostering civic engagement at the sub-national level (with the Office of the President); and bringing public services to citizens' doorsteps (with the Cabinet Secretariat). The main targets groups for GDP are citizens (male and female) at the sub-national level, including disadvantaged and isolated groups; local governments; and central government.

7.2.2 Results

The Mongolia Country Programme can point to some strong results, especially in working with local government bodies and with civil society groups, as the following indicates:

- The first two years of the **Governance and Decentralization Programme** saw a number of notable achievements. In addition to serving as a useful funding mechanism to the local governance sector, GDP has been very active in working on the demand side with civil society organizations in participatory budget monitoring and planning, for example, particularly with respect to government procurement.[32]

- SDC has engaged a diverse group of **partners** with a range of capacities to implement various components of the GDP, including the World Bank, UNDP, Asia Foundation, Mercy Corps, National Academy of Governance, and Institute of Direct Democracy.[33]

- SDC has supported the capacity building of 120 NGOs and the design of an associated formal training program.[34]

- SDC-supported projects have opened channels for citizen participation in local planning, local development project selection, and local energy efficiency initiatives.[35]

- SDC has promoted more accessible, transparent public services, and a new legal framework for service delivery. One innovative instrument used to achieve these objectives has been the **one-stop-shop**, or OSS, whose piloting and rollout SDC has supported since 2007.[36] Based on a model SDC helped to develop in Vietnam, the one-stop-shop is a way for citizens and businesses to efficiently access government services without suffering from lengthy procedures and delays or having to resort to bribery. Customers are provided with a guide to the services of the OSS and what documents they need to bring.

- By late 2011, it was estimated that some 3.8 million customers, two-thirds of whom were women, had used the services of the OSS system. It was also estimated that customers realized a 70% savings in time, and 90% of them reported being satisfied with the OSS services. Today, all districts across Mongolia and several cities use the OSS to deliver public services efficiently and in an accessible manner. And there is a mobile version of the OSS model that has been tested, as well.

- An ongoing phase (2012-2015), as a component of the GDP, is focused on consolidating the system, rolling it out to more cities, making OSS services even more

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[32] Particip GmbH, Governance and Decentralization Programme: Outcome Evaluation, Mongolia Programme, SDC, 2014.

[33] SDC, Governance and Decentralisation Programme, Fact Sheet, Ulaanbaatar, September 2013.

[34] SDC, Annual Report: Swiss Agency for Development and Cooperation in Mongolia – 2013, Bern, 2014.

[35] SDC, Annual Report 2013: Mongolia, 2014.

[36] SDC, One-Stop-Shops Project, 2013.
http://www.swiss-cooperation.admin.ch/mongolia/en/Home/State_Reform_Local_Governance_and_Civic_Participation /Governance_and_Decentralisation_Programme/One_Stop_Shops

accessible to vulnerable groups, further simplifying its procedures, and more widely testing and refining the mobile OSS model.[37]

- A 2014 evaluation found that one-stop-shops located in urban areas and municipalities have improved the client service orientation, visibility and transparency, and therefore accountability, of government service providers. It also observed that these jurisdictions possess the critical mass of population and sufficient local revenue necessary for their OSS operations to potentially become self-sustaining.[38]

7.2.3 Implications

The 2014 GDP evaluation raised a number of issues regarding the design and operations of that programme. First, the review found that a number of the goal statements for GDP components were overly ambitious or unrealistic. Second, it found that, in general, GDP provided a funding mechanism for local governments and promoted civil society demands for better local services, but that it has not made much progress on the supply side of local governance in terms of political, administrative, fiscal and legal decentralization. Third, in terms of reporting and focus, it found that GDP and SDC emphasized activities and outputs rather than higher level outcomes, especially those on the supply-side. Finally, the evaluation found that GDP played the role of gap-filling among a number of donors (where "everyone funds everything") rather than using its funding to reduce or remove specific bottlenecks in the local governance system.[39]

For its part, the OSS initiative has faced a number of challenges. Support was needed from within the central government as well as from the local governments involved, and ensuring that support took considerable effort. Furthermore, in general, the capacity to respond to citizen demands channelled through the OSS or other means still rests with the central government. So, that part of the system remains incomplete. Moreover, it is not clear whether sparsely populated areas can actually sustain the operations of an OSS, or whether the mobile OSS model is viable. Evaluators who recently reviewed GDP concluded negatively in both cases.[40]

The OSS project has demonstrated an impressive capacity to innovate, test, learn and adjust as it has proceeded forward. Some efforts worked, and some did not. Models and systems had to be tested, interrogated and refined before being replicated or scaled up, and even then required improvements. The substance of this adaptive learning process was encoded in the design of each subsequent phase.

One final observation is necessary here. While the work on these and other local level governance and civil society initiatives is innovative and represents real gains, the balance of decision-making power still remains in the hands of political elites, the cities (especially the capital of Ulaanbaatar) and private sector interests. The work of supporting the fair distribution of the benefits of Mongolia's economic growth continues.

7.2.4 Areas for Improvement

The recent evaluation of the **Governance and Decentralisation Programme** has recommended that the design of Phase II strike a better balance between supply-side and demand-side work to advance decentralisation and local governance in Mongolia. It also recommends GDP becoming a single, integrated programme embedded in a key unit of the Government of Mongolia. Moreover, it recommends that SDC focus its funding on

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[37] SDC, Bringing Public Services to Citizens' Doorsteps, One-Stop-Shops, Fact Sheet, Governance and Decentralization Programme, Ulaanbaatar, September 2013.
[38] Particip GmbH, GDP Outcome Evaluation, 2014.
[39] Particip GmbH, GDP Outcome Evaluation, 2014.
[40] Particip GmbH, GDP Outcome Evaluation, 2014.

areas not supported by other development partners, and that there be a clear separation of responsibilities in the local governance field on the part of external donors.[41]

More generally, one interesting additional area for improvement may be for SDC to work with other SDC country programmes affected by mining to develop new strategies for strengthening the **negotiation leverage** of citizens, agriculturalists, civil society groups, and local governments vis-à-vis the interests and power of central governments and the mining industry. Mozambique is an example of a potential partner in such an exchange or linkage. In addition, global information and analysis on specific commodities and corporations could add value to such an exchange.

Another area for improvement is the pooling of the Mongolia experiences in **scaling up innovations** in local service delivery (OSS) and disaster risk reduction, particularly the insurance scheme, with those of other countries. As SDC staff and partners in other countries also know, the scaling up process can be long, complex and, often, unpredictable. SDC staff should be exposed to case studies and tools that can help them initiate, navigate and adjust scaling up processes. Experts in the scaling up process, from inside or outside SDC, could be made available for counsel and coaching on a responsive basis, as well.

7.3 Rwanda

7.3.1 Overview

Rwanda is one of three priority countries (along with Burundi and the Democratic Republic of Congo (DRC)) for SDC in Africa's Great Lakes Region programme. With its main field office in Kigali, and an annual bilateral budget of about CHF 38 million, the regional programme focuses on four areas: access to basic services, local economic development, protection of civilians, and the strengthening of democracy. The Human Security Division and the Defence Department are also engaged in Burundi and in the DRC. With respect to Rwanda, SDC has worked there for more than 50 years. Following the 1994 genocide, substantial humanitarian aid has been provided in the context of international emergency aid end reconstruction efforts in Rwanda, Tanzania and eastern DRC. However, from the early 2000s onwards, in the wake of the various peace accords, SDC's support was primarily directed to development interventions.[42] In particular, from 2003 to 2012, SDC supported a major Peace and Decentralization Programme in Rwanda.

7.3.2 Results

As SDC representatives told the evaluation team, the Peace and Decentralization Programme achieved some solid results: "At the technical level, the results were positive: improved access to public services, construction/rehabilitation of community infra-structure, capacity building of elected district representatives and technicians."[43]

Moreover, the programme was the testing ground for an innovative approach to capacity building called FORMADIS. This approach involved civil society and the private sector and included needs assessment, training, design, training implementation, and monitoring and evaluation of training outcomes. By 2012, FORMADIS was rolled out by the Ministry of Local Government to all 30 districts in the country as a key human resources strategy for the Ministry.

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[41] Particip GmbH, GDP Outcome Evaluation, 2014.
[42] SDC, The Great Lakes Region, Bern, No Date.
http://www.deza.admin.ch/en/Home/Countries/Eastern_and_Central_Africa/Great_Lakes_Rwanda_Burundi_Democratic_Republic_of_Congo
[43] This account was provided to us in May 2014 through a memorandum from SDC staff who had worked on the Peace and Decentralization Programme.

In the latter half of the programming period, however, the intervention faced serious challenges. As the SDC representatives recalled: "…the top-down nature of decentralization and the existence of parallel decision-making/accountability procedures parallel to the formal local authority channels and, ultimately, the fact that decentralization actually contributed more to strengthening the control of the central government at the local level"—and this was a fundamental problem. "This challenged our initial hypothesis," they said.

"Given the significant risk of 'instrumentalizing' our support to the decentralization process, as well as the extreme sensitivity of Rwandan issues in Switzerland, it was decided in 2012 to put an end to the Peace and Decentralization Programme and its support for the decentralization policy in Rwanda."

7.3.3 Implications

One important implication of this experience is that sometimes central governments can find ways of using decentralization as a cover for recentralizing their power. In this case, a parallel political patronage system was the vehicle for the central government to exert its influence over local authorities even as the same central government promulgated what appeared to be a robust decentralization policy. (In our case study research for this evaluation, we also observed the governing political parties in Mozambique and Bolivia use their political networks and influence, in different ways, to reassert centralized control in a context of ongoing (and often successful) decentralization. Our further observation here is that these are dynamics to which SDC staff and partners must be alert; and they need to be provided with the training and tools to respond appropriately and fluidly, as conditions evolve on the ground.)

Another interesting implication of the case of Rwanda was that, the more difficult and complex local conditions became in the field, the more a Whole of Government approach was necessary and useful for Swiss cooperation. We heard accounts from SDC staff, for example, of the important role played by the Swiss Ambassador based in Nairobi and the head of cooperation based in Kigali, together, in making representation to the Rwandan government on issues of contention. While this joint development-diplomacy effort was not ultimately able to halt the parallel recentralization process, it did provide SDC with higher level diplomatic access through which to convey its messages.

7.3.4 Areas for Improvement

The main area for improvement suggested by the case of decentralization in Rwanda is the need for new tools and training to support SDC staff and partners in navigating and adjusting, and in some cases pivoting, when conditions inhibit or sabotage decentralization or local-government programming. Diagnostic tools, guides and case studies conveyed through webinars, workshops and conferences should be part of this effort.

The content for this knowledge-management and human resource development initiative should be drawn directly from field experience. Our study has shown that there are many ways in which central governments can exert their control over decisions at the local level while still ostensibly supporting decentralization. Among these ways are using parallel political patronage networks, appointing to leadership and management positions of state institutions only supporters of the governing party (or ethnic group), or crafting legislation that subordinates local decision-making processes on critical issues to those of the central ministries and agencies. Such tactics should become the content for the knowledge products and learning activities proposed here.

7.4 West Africa

7.4.1 Overview

Focusing on four priority countries—Benin, Burkina Faso, Mali and Niger—SDC's West Africa Division aims to reduce poverty through basic education, rural development and local public administration.[44] In the sphere of governance, the division supports interventions that: promote demand-driven local public services; mobilize local resources for local economic development (better cost recovery, taxation systems); strengthen the local state; and boost cross-border trade for wealth and job-creation. The division also operates a regional governance network for West Africa that facilitates knowledge exchange. In recent years, the region has been obliged to deal with drought, disease and, in Mali, political instability and armed conflict.

7.4.2 Results

The West Africa Division of SDC reports notable achievements, particularly in local governance, which represents a large percentage of its budget for the region:

- Over the past 15 years in **Niger**, working with mayors and local authorities, SDC has financed infrastructure, training and administrative support to some 400 water projects that will, by 2015, provide water services for 230,000 citizens. The programming vehicles for this work are the Local Investment Support fund and the Local Governance Support Programme.

- In **Mali**, SDC supports decentralized, sector-based budget programmes to improve access to basic services and infrastructure in medium-sized cities. For example, in Koutiala, in central Mali, the Programme for Urban Social Development funded spatial planning for better connectivity between the city and surrounding rural communities. In turn, this spawned users' associations, farmers' cooperatives and a joint group of communities within the city. Increased socio-economic activity improved food security.

- In **Burkina Faso**, SDC worked with the national government to support the construction of the central market in Fada N'gourma. The market, which is run by a management board of the local town council, merchants and trade unions, produces revenues from sales that are used to pay off construction costs and maintenance and to contribute to a community development fund. The market employs 1,300 merchants (25% are women) and generates CHF 50,000 in municipal tax revenues, and community projects have resulted in over three kilometres of municipal roads, a school, housing, and a parking area for commercial vehicles.

- In **Benin**, SDC supports the training of women municipal councillors. In the department of Borgou, where 16 of the country's 66 women councillors are based, elected women officials carried out 15 micro-projects that have helped local women raise their incomes through market gardens, and promoted schooling for children, including girls—all helping women councillors assert their leadership and credibility.[45]

- The West Africa Division has also identified strategies for promoting local government finances. One such strategy is to provide local governments with on-budget financial support rather than grants outside the general intergovernmental transfer scheme. Supporting local governments to become eligible for borrowing is another strategy, though sound administrative and finance practices by the municipality must be supported, as well. Another strategy is to support intergovernmental fiscal transfer schemes, though they are difficult to design and implement.[46]

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[44] SDC, West Africa, Undated. http://www.sdc.admin.ch/en/Home/Countries/West_Africa
[45] These results are drawn from SDC, Local Public Governance in Western Africa: Developing the Countries from the Grass-Roots Up. Africa Brief, October 2012.
[46] SDC, Support for Sustainable Local Government Finances, Bern, No Date.

- Finally, SDC runs a Regional Governance Programme managed by the Regional Governance Advisor based in Mali. The regional programme comprises three core components: local economic development, cross-border local service delivery and citizen participation; and cross-border cooperation at the local level. All three components utilize a governance approach to advance democratization and decentralization processes at the country level, while at the same time promoting regional collaboration and financing mechanisms. The regional programme has proven particularly effective in bringing critical local governance issues to the table in regional fora such as the *Union économique et monétaire ouest-africaine* (UEMOA) and the Economic Community of West African States (ECOWAS).

7.4.3 Implications

To be sure, working at the local level can yield meaningful results. Nonetheless, there are challenges. First, municipalities are often not adequately empowered by their central governments. Second, in infrastructure projects, dominant groups can capture most of the benefits. Third, it has not been easy to scale up support for capacity building of local governments. Finally, governments in the region seem to be unaware of the potential of achieving backward and forward linkages through local projects.[47]

In a broader political and security sense, the case of Mali is interesting. Even five years ago, donors were praising Mali as a stable and prosperous success story. Since then, however, North-South internal tension and political instability and armed conflict in the north have placed this nation firmly on the list of fragile states. The lesson here is that this change can occur very rapidly, and that donors like SDC must be ready to adjust their programming to accommodate the new reality—which SDC has done. The Agency is aware of the need to utilize conflict-sensitive programme management in this context, coordinate with other Swiss actors (Human Security Division [HSD], Defence, etc.) and also to work closely with other external donors, both bilateral and multilateral.

7.4.4 Areas for Improvement

Given the situation in Mali, it would be useful for West Africa Division and its regional governance network to work with the Conflict and Human Rights Network and the Decentralization and Local Governance Network (DLGN), to develop new regionally based tools for conflict-sensitive governance interventions, particularly at the local level. It would also be instructive for the rest of SDC if the West Africa Division and the DLGN were to deepen their analysis and guidance on strategies for promoting sustainable local-government finances. Finally, the West African regional network on governance could benefit from additional resources to engage staff and partners in the region on a more regular and sustained basis.[48,49]

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[47] SDC, Aperçu des orientations et priorités de la Division Afrique de l'Ouest en matière de Gouvernance publique locale, Bern, 2013.
[48] Now, with the Ebola epidemic wracking Liberia and Sierra Leone, and threatening the region, the cross-cutting issue of governance in the health sector has come to the fore.
[49] For comparative purposes, for an excellent assessment of the activities, expertise, weaknesses and opportunities associated with the governance work of SDC's Southern and East Africa Division, see Meyer-Bisch, B., Governance Sector OSA-Overview, Synthesis and Perspectives, SDC, Bern, 2012.

8 Networks

8.1 Decentralization and Local Governance

8.1.1 Overview

The Decentralization and Local Governance Network (DLGN) is one of SDC's most active Agency-wide networks.[50] The overall objective of the network is "to accomplish sustainable state reforms in the field of local governance and decentralization… by enhancing the impact and effectiveness of SDC support programmes and related policy dialogue." The DLGN's mandate is that of an advisory, coordination, and knowledge-sharing role rather than an operational or decision-making one. Its lines of action include linking policy and grassroots, offering policy and analytical guidance, and providing access to knowledge, especially on lessons learned or best practices that can contribute to improving competence. The DLGN works on key topics, especially: democratization; local governance (including citizen participation, non-discrimination, transparency and accountability); administrative, political and fiscal decentralization; and power sharing mechanisms for peace building. The network is coordinated by the Focal Point for Democratization, Decentralization and Local Governance, who is based in the Western Balkans Region programme, supported by a small team.

8.1.2 Results

Among the results of the network to date are:

- At SDC headquarters, some 10-15 core members of the DLGN meet on a bi-weekly basis, and are increasingly involved in planning, overseeing and adjusting the network's work programme.

- A larger network membership has been built across all regions and many countries in which SDC operates. Of a membership of about 200 in 2013, up slightly from the previous year, about 125 are based in the field with both Swiss Cooperation Offices and partner organizations. Still only one third of members are based in the South, with two-thirds based in west and east Europe (including Switzerland). In terms of gender, 43% of DLGN members are women, while 57% are men.[51]

- Additional human resources to manage the network; as of early 2014, the DLGN was supported by 210% programme capacity (including a full-time coordinator and programme officer) and 60% administrative capacity. A third programme staff person was to be engaged in the second half of 2014. A Western Balkans officer also contributes some of her time on visual methods to the network.

- A content-rich website with share-web functionality is the prime working tool for the network but Face-to-face meetings of the network have been organized in India (2009), Bosnia and Herzegovina (2011) and Egypt (2013).

- The network has provided representation on some international bodies promoting democracy, decentralization and local governance in development policy and practice. But DLGN's global role goes beyond representation. The Network has contributed substantively to research on the measurement of governance results (with DFID-UK), as well to discussions about innovative decentralized and local governance practices within the OECD/DAC's Governance Network (Govnet). Most recently, DLGN carried out advocacy in New York to mainstream governance issues in the post 2015 Sustainable Development Goals (SDGs) and played a key role in ensuring justice,

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[50] Decentralization and Local Governance Network, Website, 2014.
http://www.sdc-decentralization.net/en/Home
[51] Focal Point Democratization, Decentralization and Local Governance, Annual Programme 2014, Bern, 2014.

human rights and the need for transparent and accountable institutions featured prominently in the Swiss position on the post 2015 agenda.[52]

- The network has helped connect international think tanks and governance experts from entities such as the International Institute for Democracy and Electoral Assistance (IDEA) and the Institute of Development Studies (IDS) at the University of Sussex with major Swiss civil society organizations like Swisspeace, as well as with governance experts in specific regions, such as Latin America.

- The Focal Point has collaboratively produced an ambitious but focused programme of activities for DLGN for 2014.[53]

- Engagement with other governance-related networks, such as Conflict and Human Rights.

- Aggregation, classification and accessibility of knowledge products, tools, cases and other documents on key topics of interest to SDC staff and partners working in the DLG sphere. A good example here is the area of domestic resource mobilization by local governments. The network is able to drill down into data from specific cases, such as those of the Sharique Local Governance Programme and the Non-lending Policy and Technical Assistance Project in Bangladesh, and also bring forward its own LernBuch on SDC Support for Sustainable Local Government Finances.[54]

8.1.3   Implications

In our view, one of the important implications of the DLGN experience to date is that the more human resource capacity a network has, the more it can do for its members. And, in turn, those members can enhance programming and results. This is a very basic point, but it is one worth emphasizing.

At the same time, however, certain tasks must be prioritized and others deferred. The network is asked by SDC and its members and external allies to do more, but it has finite resources, notwithstanding the improvements. One such area that has not received sufficient attention, primarily because of limited human resources, is engagement with international policy dialogues and working groups on decentralization and local governance. Engaging with multilateral agencies on this theme, or on broader state reform and state building issues, takes time.[55]

Another more programmatic implication is that there is an appetite among SDC staff and partners for on-the-job learning and coaching both in general and on specific topics. DLGN has built a list of external experts and also is aware of potential coaches and instructors among its own members.

8.1.4   Areas for Improvement

In our view, the DLGN is a very successful network within the SDC organizational matrix. It has benefited from dedicated leadership and an energetic team, as well as committed core members, and solid management interest and support. With stronger senior management support, corporate direction, a broader mandate and more resources, it could do even more. In fact, it could be the appropriate platform for building a centre of expertise and accountability for a broader conception of governance within SDC. We return to this possibility in this report's final section on priorities for change.

In the area of international policy, DLGN could be provided with further resources and opportunities to not only engage in policy dialogue at the global level, but also to connect

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[52] Summary: Swiss Position on a Framework for Sustainable Development post-2015, Bern, 2014.
[53] Annual Programme 2014 of the Focal Point.
[54] DLGN, SDC Support for Sustainable Local Government Finances, SDC, Bern, 2012.
[55] See again the Annual Programme 2014 of the Focal Point Democratization, Decentralization and Local Governance.

such dialogue to the national and local levels. Indeed, the most useful international policy work is informed by very granular experience gained in municipalities and countries. Further, DLGN is an excellent and complementary resource for global cooperation programmes on water and other topics, and would be equally effective working with new global cooperation programmes on, say, natural resource development, corruption and financial flows, and related issues.

At the regional level, the potential exists to invest in regional governance experts and to better support expand regional governance networks which already exist in regions such as the Balkans and West Africa to other regions.

SDC would equally benefit from investing resources to ensure that critical justice and rule of law issues, which currently receive only limited attention, can be adequately addressed by the DLGN and the Conflict and Human Rights Network. There is also a need, identified elsewhere in this report, to bring together the actors, knowledge and experience of the cluster of issues relating to natural disasters, climate change, disaster risk reduction, governance and livelihoods. DLGN could work with other networks, programmes and specialists in climate change, Disaster Risk Reduction (DRR), humanitarian assistance, and economic development to develop knowledge products and tools for SDC staff and partners. How to diagnose emergency and development needs in the wake of an extreme climate event like severe flooding, and how to support local-government systems to aid in the recovery, are all issues that could be dealt with in such an effort.

8.2   Fragility, Conflict and Human Rights

8.2.1   Overview

With an estimated 1.5 billion people living in fragile and conflict-affected areas around the world, the scale and volatility of this issue continue to be of concern to the international community.[56] A significant challenge from a development perspective is that fragility and poverty tend to be mutually reinforcing. This may largely explain why, according to the World Bank's *2011 World Development Report*, not one developing country experiencing conflict has yet achieved a single Millennium Development Goal. From a governance perspective, fragility is a major concern because the functioning of the state is often severely impaired in fragile and conflict-affected areas and their volatility and problems can easily spread and drag down neighbouring countries and regions.[57]

SDC calculates that half of its 30 priority countries were considered fragile and that Switzerland spent 28% of its Official Development Assistance in fragile states in 2012.[58] Additionally, in 2013 Switzerland committed itself to increasing its support to fragile and conflict-affected areas by up to 20% by 2016.[59] According to the Organization for Economic Cooperation and Development: "A state is fragile when it is unable or unwilling to perform the functions necessary for poverty reduction, the promotion of development, protection of the population and the observance of human rights."[60] For SDC: "Furthermore, the governments of these countries are unable to develop constructive and interactive relations with the population and society… Fragility, poverty and violence thus form a vicious circle: when state structures are weak and it is no longer possible to guarantee basic social, economic and legal services or security, conflicts often escalate. However, this vicious circle can be broken through the development of legitimate

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[56] International Dialogue on Peacebuilding and State Building, Homepage, No Date.
http://www.pbsbdialogue.org/
[57] World Bank, 2011 World Development Report; See also Sida, L. et al, 2012.
[58] Sida, L. et al, 2012.
[59] SDC, 2013 Annual Report.
[60] SDC, Fragile states – poverty, instability and violence, (Reference to OECD quote in text), Undated.
http://www.sdc.admin.ch/en/Home/Themes/Engagement_in_fragile_contexts_and_prevention_of_violent_conf
licts/Characteristics_of_fragile_contexts

institutions and an active civil society."[61] SDC "helps its partner countries strengthen their state structures, thus enabling them to better fulfil their human rights obligations."[62] Hence, human rights are a critical element in strengthening governance in fragile and conflict-affected contexts.

8.2.2 Results

While working in such areas brings many challenges, SDC can point to an array of achievements and innovations in this field, including:

- Supporting an active Conflict and Human Rights Network which has supported SDC efforts to build a set of accessible tools for managers and officers for fragility, conflict-sensitive programming, special conflict analyses, and human rights protection and advancement;

- Commissioning a wide-ranging independent evaluation of SDC's work in fragile contexts, published in 2012.

- Strengthening key human rights institutions, such as the Ombudsman's Office in Bolivia and supporting Bolivian non-governmental agencies which promoted the adoption of a strong human rights based approach in the 2009 Constitution for the Plurinational State of Bolivia;

- Continuing to work with local-level and regional government structures during episodic conflict (in Mozambique) and post-conflict tension (in Bosnia and Herzegovina);

- Working with the Rwandan government to support decentralization and civil society until the central government's authoritarianism and recentralizing tendencies made this work non-viable;

- Staying engaged and adapting its governance, infrastructure and social inclusion programming during the period of armed conflict in Nepal, including chairing joint donor initiatives such as the Nepal Peace Trust Fund;

- In the Middle East and North Africa, using a variety of aid modalities and coordinated thematic strategies to contribute to peacebuilding and refugee well-being;

- Engaging with a wide range of capable global partners specializing in fragile states, peace building, small arms, human rights and other areas.

- Helping to set up and supporting the UN-World Bank Trust Fund to enhance organizational learning and collaboration in fragile contexts;

- Joining, supporting and contributing to key international networks, notably the DAC's International Network on Conflict and Fragility,[63] and the International Dialogue on Peacebuilding and State Building;

- Enabling, supporting and signing the post Busan New Deal on Engagement in Fragile States in 2011; and

- Continuing to lever national improvements in human rights through the use of international instruments and agencies, such as the Universal Declaration of Human

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[61] SDC, No Development Without Human Rights, Bern, Undated.
http://www.sdc.admin.ch/en/Home/Themes/State_and_Economic_Reforms/Human_Rights
[62] SDC, Fragile States-Poverty, Instability and Violence, Bern, Undated.
http://www.sdc.admin.ch/en/Home/Themes/Engagement_in_fragile_contexts_and_prevention_of_violent_conflicts/Characteristics_of_fragile_contexts
[63] "The International Network on Conflict and Fragility (INCAF) was founded in 2009 in order to help improve international responses to the most challenging development settings and to chart results. It brings together experts from governments and international organizations on issues of peace, security, governance and development effectiveness" See the network's website at http://www.sdc-conflict-and-humanrights.ch/en/Home/Fragile_and_Conflict_Affected_Situations_FCS/Partners_and_Links/INCAF

Rights and the Universal Periodic Review of the UN Human Rights Council. Significant Swiss efforts in this respect include establishing a National Action Plan for the implementation of UN Security Council Resolution 1325 on Women, Peace, and Security and the related reporting system. This process was led by the Ministry of Foreign Affairs' Human Security Division, with SDC making important contributions to the Plan's implementation through the use of a human and women's rights approach.

8.2.3 Implications

As a general approach, SDC has been guided by, and has helped to contribute to, the **OECD's guidelines** for working in fragile contexts. Box 4 presents these guidelines.

Further, as the Conflict and Human Rights Network states, an approach that is coherent, comprehensive and complementary, and uses a Whole of Government framework involving development, diplomacy and defence, is appropriate in fragile and conflict affected areas. More specifically, the following elements are important:

- Analysing, understanding and adapting to specific fragility contexts and conditions;

- Strengthening national ownership and both national and local-level institutional and capacity development;

- Responding in a timely, coordinated and flexible manner to the evolving situation in the partner country;

- Strengthening mutual accountability of partner countries and international actors;

- Providing long-term and predictable international assistance;

- Reducing the burden of aid management on partner country capacity;

- Making efficient use of limited resources and avoiding duplication and funding gaps;

- Increasing both crisis preparedness and response capacities;

- Improving and deepening our joint learning and application of lessons learned.

> **Box 4: OECD Principles for Working in Fragile Contexts**
>
> 1. Take context as the starting point
> 2. Do no harm
> 3. Focus on state-building as the central objective
> 4. Prioritise prevention
> 5. Recognise the links between political, security and development objectives
> 6. Promote non-discrimination as a basis for inclusive and stable societies
> 7. Align with local priorities in different ways in different contexts
> 8. Agree on practical coordination mechanisms between international actors
> 9. Act fast…but stay engaged long enough to give success a chance
> 10. Avoid pockets of exclusion
>
> Source: SDC, OECD

Finally, SDC's **long-term commitment** to the countries it works in is itself a major asset and advantage. Local partners respect SDC's continuity, mutuality, flexibility, adaptability and pragmatism in working in fragile and conflict-affected areas.

Despite its considerable results and assets in this area of work, an independent 2012 evaluation of the performance of SDC instruments in fragile and conflict-affected contexts concluded that SDC still needed to develop a coherent policy and strategy specifically for fragile and conflict-affected areas, to adopt a better coordinated whole of government approach in conflict situations, and to generally be more proactive in directly addressing the root causes of conflict and engaging in high-level policy dialogue, as opposed to merely addressing basic human needs or playing a service delivery function in fragile and conflict-affected areas.[64]

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[64] Sida, L. et al, 2012.

8.2.4 Areas for Improvement

As noted in an independent performance evaluation of SDC's mechanisms in fragile and conflict-affected contexts, SDC "has the right mixture of approaches, good instincts operationally and has the potential to play a valuable role in the international system" when it comes to working such contexts.[65] At the same time, there are several areas that could benefit from improvement, including: anchoring the concepts of fragility, conflict and human rights in the broad definition of governance for SDC as a whole; additional resources to coordinate knowledge product development and exchange lessons learned from programming within the Conflict and Human Rights and other governance-related networks; updating of some of the guides and tip sheets on fragility and conflict, and tools for a human rights-based approach, and especially tools and cases from and about specific regions (e.g., Latin America); access by cooperation offices to a wider pool of experts in human rights, fragility and conflict, again emphasizing regional expertise; closer links between global cooperation programmes and national programmes aimed at reducing the effectiveness of illegal flows of capital and arms that support local conflict; and improved coordination and coherence with SECO, Human Security Division and other Swiss actors in fragile and conflict-affected areas. And, finally, the possibility should be explored of SDC stepping up its actions, funding and visibility in its work with international networks, particularly INCAF, the International Network on Conflict and Fragility and the Dialogue, to play a more catalytic leadership role in the lead up to the implementation of the New Deal and post-2015 agenda.

8.3 Political Economy and Development

8.3.1 Overview

In the evaluation team's view, understanding and utilizing a critical analysis of power and influence among development stakeholders are essential skills and tasks for effective development interventions. The Political Economy and Development (PED) Network provided expertise and tools in this area, but no longer exists as a network at SDC. In recent years, advisors with PED expertise have been made available through a partnership between the Institute of Development Studies and DLGN. Nonetheless, the Agency faces some basic questions here: What value does the PED area add to SDC's work? To what extent is this area of knowledge important to SDC's future governance activities? And what form should it take organizationally?

8.3.2 Results

During its tenure, the PED Network and its advisors produced valuable tools for applying power, influence and stakeholder analysis to the project management cycle, especially in project design and implementation. One tool that continues to be made available, and used by staff, is Stakeholder Analysis and Mapping, which provides a method for visualizing power relations among actors and their existing and potential influence for or against new policies, reforms, democracy and rights. It has been applied to interventions involving watershed management, public financial management, and participatory budget planning.[66]

While the PED Network no longer exists at SDC, its tools and expertise on political economy and power relations in the development process have been absorbed and made available by DLGN and on the Learning and Networking site, in particular.[67]

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[65] Sida, L. et al, 2012.
[66] PED Network, Tool 1: Stakeholder Analysis, SDC, Bern, 2011.
[67] The Stakeholder Analysis tool is available on both the DLGN and Learning and Networking sites.

There is no question that PED expertise and tools have been viewed as valuable, and used extensively, by some country programs. A good example is that of Bolivia, where a comparative study found that "SDC Bolivia analyses power relations and exclusion mechanisms through the instruments and methodology of 'political influence.'"[68] Our own case study of Bolivia's governance work confirms the importance of this type of analysis in informing not only the design of individual projects, but also the evolution of that program as a whole over time.

More recently, there has been an effort by the PED experts at the University of Sussex, Institute of Development Studies (IDS) to provide more updated guidance to SDC staff on political economy and power analysis, to "help identify the decisive actors for producing meaningful change as well as those blocking it." Among other things, this guide links PED analysis to theory of change at the project level especially, and advises integrating the tool into the project management cycle.[69]

Moreover, demand for the application of PED analysis in other areas is still evident. For example, a recent post on SDC's Gender Equality Network site highlighted a webinar on the political economy of violence against women, where power relations are in operation on many levels and in multiple forms, with destructive results.

8.3.3 Implications

Two observations are relevant here. First, most major development agencies employ a form of political economic analysis not only in the spheres of governance and social policy, but also in the spheres of the economy and business. A recent scan of donor practices, including those of the UK Department for International Development (DFID) and the United States Agency for International Development (USAID), shows that such analysis is being applied in the design and implementation of international development interventions promoting economic and private sector reforms.[70]

Second, given the globalized character of "wicked" governance challenges—examples here include elite capture, corruption, illicit financial flows, commodities trading, natural resource development, and arms trading, to name only a few—it may be time for PED to "raise its game" to the global level. That is, stakeholder analysis tools should be capable of assessing the power and influence of actors at the global, national and local levels in order to fully understand and address these problems. This is especially true in the economic sphere. High unemployment and underemployment are the result of a mix of actors, forces and policies operating at the global, national and local levels. Any serious attempt to address these blockages to the distribution of development benefits, and therefore to democracy and good governance, must be informed by stakeholder and power analyses at all of these levels. To date, these tools have focused on national and local actors. In SDC's governance activities of the future, there needs to be a global dimension, as well.

8.3.4 Areas for Improvement

In the evaluation team's view, knowledge and tools for political economy analysis remain pertinent to SDC's governance work. We further believe that the current locus for this expertise and tools, within DLGN and the Learning and Networking site, is appropriate. At the same time, PED analyses represent an opportunity for increased collaboration with SECO on economic governance and political economy issues of common interest. There

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[68] Byrne, S., P. Fendrich, P. Arnold and A. M. Acosta, Four Case Studies on the Experience of SDC and its Partners in Supporting Socially Inclusive Local Governance, SDC, Institute of Development Studies, DLGN and InterCooperation, Bern, 2011.

[69] Acosta, A. M. and J. Pettit, Practice Guide: A Combined Approach to Political Economy and Power Analysis, Discussion Note Prepared for SDC, Bern, 2013.

[70] Rao, S. Political Economic Analysis for Economic and Private Sector Reforms, Applied Knowledge Services, University of Birmingham, Birmingham, 2013.

is no compelling case to reconstitute a separate PED network. However, there is a strong case, in our view, for an updating of the guidance and tools in this area to incorporate a global dimension into stakeholder and power analysis. SDC's own global cooperation programmes would benefit from an explicit use of such analyses in charting their forward directions and interventions. In addition, both SDC and SECO have much to gain from enhanced knowledge sharing on PED issues.

9 Thematic Programming

9.1 Global Programme Water Initiatives

9.1.1 Overview

For more than four decades, SDC has worked with partner countries to ensure supplies of drinking water and sanitation services. In 2012, the Agency allocated CHF 140 million worldwide to water-sector activities, a substantial portion of its programming budget.[71] Established to advance water security in the global agenda, the Global Programme Water Initiatives (GPWI) manages a budget of nearly CHF 40 million and a portfolio of more than 50 ongoing projects, and has attracted over 400 members to its network.

GPWI aims to:

1. ensure that the post-2015 Sustainable Development Goals (SDGs) include a dedicated goal on water, with measurable targets and indicators;

2. influence global policy dialogue on Integrated Water Resource Management, emphasizing gender inclusion and access for the poor;

3. advocate at the global level for improved and equitable access to basic water services and efficient water use for agriculture; and

4. maintain and strengthen the expertise and voice of Swiss players in the water sector and position Switzerland at the forefront of international action on water challenges.[72]

9.1.2 Results

While GPWI is a relatively young programme, it is already making its presence felt. Some examples of notable results to date are worth highlighting. They show effective interventions in global policy forums, operational programmes, and institutional cooperation:

- As of mid-2014, water is positioned prominently as SDG 6 (secure water and sanitation), in the draft post-2015 Sustainable Development Goals. This outcome is not, of course, fully attributable to GPWI, but the fact is that through the programme, Switzerland has made a tangible contribution to this global process.[73]

- GPWI has successfully promoted integrated water resources management (IWRM) as a core concept and approach in global water policy dialogues and processes.

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[71] Within SDC's total budget of CHF 1,658.7 million for that year, this investment in water-sector activities accounts for 8.4% (Federal Depart of Foreign Affairs/FDFA and Swiss Agency for Development and Cooperation/SDC, Annual Report 2012, Swiss International Cooperation, "Statistics 2012", Table 2, p. 9) The total of CHF 140 million is cited in: SDC, Factsheet Global Programme Water Initiatives, Swiss Federal Department of Foreign Affairs FDFA, January 2013. The section "Key Figures" states: "Total SDC investments in this area were CHF 140 million." SDC's Bilateral expenditure on water in 2012 amounted to just over CHF 100 million, a figure exceeded only by expenditures on agriculture and rural development at slightly more than CHF 115 million. "Statistics 2012", Graph 5, p. 21.

[72] SDC, Strategic Framework 2013-2017-Global Water Programme Initiatives, Bern, 2014.

[73] Swiss Confederation, Swiss Position Paper on Water in the Post-2015 Agenda, Bern, Draft, December 20, 2013. "Water is at the core of sustainable development," this paper argues. Its analytic basis is provided by the framework for GPWI, and it highlights the "nexus targets" between water and health, energy, food, and energy and food together.

- GPWI has also contributed to the development of new concepts and platforms on water and security, by taking to the global level the Blue Peace framework for trans-boundary water cooperation, an initiative which the programme had supported on a regional basis in the Middle East.

- The Blue Peace model of water diplomacy has been developed and refined by the Blue Peace Cooperation Council of leaders in the Middle East, and has since been taken up and adapted in Bangladesh, Pakistan, and in Central Asia.

- GPWI has also positioned the Human Right to Water and Sanitation (HR2WS) beyond the WASH (Water, Sanitation and Hygiene) policy discourse at the global level.

- Another initiative supported by the programme, in concert with Helvetas Swiss Inter-cooperation, has been the creation of the Water Integrity Network (WIN). WIN has a strong orientation to water governance, seeking to raise awareness on water corruption, encouraging coalitions to promote solutions to water corruption, promoting the use of diagnostic tools, and building its own capacity to enhance water integrity.

- Operational initiatives with a strong community orientation have included training local officials in Colombia, Vietnam and elsewhere to reduce their "water footprint"; successful hand washing campaigns were supported in Burundi and Zimbabwe; and projects promoting water for family agriculture and scaling up small irrigation in West Africa, Asia and Central America.

- GPWI has built solid partnerships with international organizations like UN-Water, the Joint Monitoring Programme of World Health Organization and UNICEF, Sanitation and Water for All (a global partnership), the Global Water Partnership, the World Water Council, the Water and Sanitation Programme of the World Bank, the Water Supply and Sanitation Collaborative Council, the Rural Water Supply Network, the International Secretariat for Water, and others. SDC also has a seat on the boards of many of the multilateral institutions on this list, ensuring a Swiss presence within both the governance and the operations of these agencies."

- The programme has also developed strong working relationships with Swiss organizations, including the water sub-group of the federal interdepartmental Sustainable Development Committee, the Blue Peace DFAE Group, AquaSan (a community of practice), and the Swiss Water Partnership.

9.1.3   Implications

It is clear from GPWI's work to date that support to the water sector can yield replicable innovations. For instance, humanitarian aid developed and applied rapid water disinfectant solution after the Pakistan floods. In another case, new international standards (ISO) were developed in the practice of the Water Footprints methodology.

At the same time, working in the water sector presents real challenges. The programme reports that balancing water demand with constant water availability—while avoiding intra- and inter-state conflicts—is a major challenge. So too is finding ways of facilitating effective trans-border water cooperation. A further challenge has been to mainstream the Water Footprints approach with cooperating governments and institutions. Finally, and perhaps most important, the global and local requirement to ensure access to adequate, clean water for all who need it remains a permanent challenge.

Apart from the programmatic implications it offers, the Global Programme Water Initiatives is itself a model for other SDC governance programming. Its comprehensive design, its multi-sectoral and integrated programmatic strategies that it employs, the clarity of its plans and targets, the broad-based partnerships and multi-level coalitions that it builds, and the ambitious policy influencing goals that it pursues to impact global water security commitments and national policies and approaches—these all could have analogues in

other thematic areas or sectors. Moreover, GPWI's "way of working" is itself a model in whole of government of Switzerland collaboration. GPI's success in breaking down vertical silos both within and beyond SDC is laudable. By collaborating closely with Swiss diplomats and the political divisions of the Department of Foreign Affairs at all levels on initiatives such as hydro diplomacy and Blue Peace, GPWI has established the value added of Swiss policy coherence and engagement. In addition, working across SDC themes and departments; fostering ongoing learning and knowledge-sharing through a vibrant network and periodic peer review processes; and creating a Blue Thematic Career Path within SDC—these are all best practices directly pertinent to effective governance mainstreaming within SDC. In this sense, GPWI is an instructive and generative model as well as a promising operational instrument for governance mainstreaming. (See Box 5)

Box 5: The GPWI's Blue Diamond Advantage: Local Action, Swiss Know-How and Global Influence

Water is both a common good and fundamental human right. It is at the core of sustainable development and critical for human survival. Without adequate regulatory frameworks or negotiation mechanisms to manage water resources within and between countries, systemic failures in water governance can rapidly undermine our human security, livelihoods and ecosystem. Through the use of a multi-sectoral, multi-level, pro-poor and integrated approach, SDC's Global Programme Water Initiatives (GPWI) is making significant contributions to global water governance and security. GPWI is built around four main objectives: attaining water security as defined by international development commitments; promoting global policy dialogue on the need for integrated water resource management (IWRM), global water cooperation, and improved water access by the poor; increasing the efficient use of water for agriculture; and tapping into Swiss know-how and projecting a Swiss voice on global water security debates. With a budget of CHF 40 million, a portfolio of more than 50 ongoing projects, and an impressive network of public-private, academic and civil society partnerships at all levels, GPWI has, in a short time, become a technological pioneer, effective "connector", and an influential voice in global water issues.

GPWI has been productive, and its achievements numerous and diverse. Globally, GPWI enabled Switzerland to play a catalytic role in advocating for a dedicated Sustainable Development Goal on water (SDG 6) in the post-2015 agenda. GPWI has also helped enhance the credibility of the *Sanitation and Water for All Alliance* put forward through the political commitment of Ministers of Finance; it has explicitly linked water to security issues through the *Global Blue Peace Initiative* in the Middle East; and it has fostered greater synergy and collaboration within global water governance platforms such as the *Global Water Partnership,* the *Water Integrity Network*, the *International Secretariat for Water, a*nd the *World Water Council*. In parallel, GPWI has promoted greater Swiss engagement in global water debates through mechanisms such as the *Swiss Water Partnership* and the *AGUASAN* Community of Practice. Particularly noteworthy though are the various Swiss innovations which GPWIs have brought forward as means of finding new governance solutions to difficult water security and management challenges. For instance, the use of the Water Footprint Methodology, combined with the formulation of new laws, ISO standards, and Green Growth Strategies are helping countries track and conserve water resources; the iMoMo initiative is permitting water user associations to utilize the latest smartphone technologies to provide water flow measurement data; safe wastewater reuse in agriculture, and improved water management by extractive industries are advancing sustainable rural development practices; and new business models such as the Water Benefit Credit mechanism and payment for watershed services are promoting mutual responsibility for managing water resources.

At the same time, GPWI has become a trailblazer within SDC itself. By building powerful coalitions of Swiss bilateral and multilateral partners, working closely with Swiss diplomats and the political divisions of EDA, by fostering Agency-wide collaboration across SDC's thematic areas and global, regional and humanitarian departments, and by developing an impressive network of over 400 members (*RésEAU)*, GPWI has shown that it is possible to break down vertical silos and work in a manner that brings together a wide range of Swiss institutions and development actors. By incorporating external accountability mechanisms such as bi-annual peer reviews by external experts, GPWI has demonstrated the benefits of building in incentives for ongoing learning and knowledge-sharing to promote continuous improvement and innovation.

Finally, by building up a cadre of 16 water specialists stationed in Bern, as well as in several regions, and introducing a "Blue Thematic Career" within SDC, GPWI has established that investing in an internal "centre of competence" can, to a significant extent, enhance SDC's value-added impact and influence. Together, these good practices offer valuable lessons for effective governance programming and mainstreaming within SDC more generally.

9.1.4 Areas for Improvement

Two areas for improvement are evident. The first centres on GPWI itself; the second is a broader issue within SDC, but one in which the expertise and prominence of GPWI may be a resource for the Agency as a whole.

1. *A programme review of GPWI:* The Global Programme Water Initiatives appears to be operating quite effectively. Both the Programme and SDC as a whole would benefit from a programme review midway through the current Dispatch period, between 2015 and 2016. Such a review could usefully assess progress toward planned targets, what is working and what is not, and identify any necessary adjustments to the design of the programme. Because it is a complex and ambitious enterprise, whose lessons are relevant for other global cooperation programmes, it merits a review looking both backward and forward.

2. *Strengthening SDC'S understanding, strategies and tools for responding to the intersecting challenges of water, humanitarian assistance, and governance:* Evidence from country programmes highlights the critical confluence of water, humanitarian assistance, and governance. At both global and country levels, extreme natural disasters involving water, such as the flooding in Bosnia and Herzegovina in May 2014, underscore the need for SDC to better understand how to "pivot back" to emergency and humanitarian assistance and multiple aid modalities after a prolonged period of relatively calm development cooperation. The nexus of issues and strategies relating to natural disasters, disaster risk reduction, governance and livelihoods needs to be better understood, and tools made available to SDC staff and partners so that they are well prepared when such disasters strike. This nexus appears within multiple levels of governance within a country—national, regional and municipal—and the state institutions which have benefited from SDC-supported capacity building also are obliged to shift into emergency mode to provide services to citizens, including water and sanitation services, in the recovery process.

9.2 Disaster Risk Reduction

9.2.1 Overview

Recognizing that the incidence and severity of natural disasters have increased in recent years, the Swiss Agency for Development and Cooperation has devoted more resources and effort to disaster risk reduction (DRR). In 2010, for example, these events claimed 300,000 lives, affected as many as 200 million people worldwide. In fact, each year natural disasters cause US $150 billion in damages and economic losses. The Agency's basic goal in this work is: "Less damage in terms of human and economic losses and less endangered livelihoods from future natural events." Working through humanitarian, regional and global modalities, SDC pursues this goal through three activities: prevention, response and recovery. Climate change is seen by SDC to be of special importance as a cause of a growing number of natural disasters and a focus for adaptation by families and state institutions. Furthermore, in DRR: "Success is possible only by means of a joint effort encompassing national and local authorities, private sector entities (particularly the insurance sector), civil society, international organizations and the general public."[74]

9.2.2 Results

The results achieved by SDC in the field of disaster risk reduction have been diverse and innovative:

- Support of an ongoing, in-house SDC network on DRR. This network aims to support members in making development and humanitarian efforts disaster-resilient and integrating risk reduction into the design of strategies, programmes and projects." These activities require risk awareness; knowledge of existing natural hazards and vulnerabilities; thematic and technical competencies; and the delegation of responsibilities to the local level (decentralization).[75]

- Development of an online platform on DRR providing news items, conference notices, documents and tools, and other resources to DRR Network members, other SDC staff, and SDC's partner organizations.[76]

- In Haiti, the Humanitarian Unit of SDC has worked with local and national stakeholders to design, build and test models for seismic and storm-proof schools, which have now become approved prototypes by the state.

- In Tajikistan, SDC supported the setting up of a national seismic monitoring system to inform settlement decisions, infrastructure planning and the setting of standards for earthquake proof buildings.

- In Central America, Swiss humanitarian rapid-response experts complemented the development of risk maps, territorial planning and the development of drought-resistant plants.

- In Nicaragua, municipalities have integrated hazard-mapping technologies into planning processes.

- In Honduras, civil-protection shelter islands and early warning systems were successfully tested and recommended by government for all communities.

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[74] SDC, Disaster Risk Reduction: A decisive step towards sustainable development, Bern, Undated.
http://www.deza.admin.ch/en/Home/Themes/Disaster_risk_reduction_emergency_relief_and_reconstruction/Disaster_Risk_Reduction
[75] SDC, DRR Network, Bern, Undated. http://www.sdc-drr.net/nw
[76] SDC, DRR Platform, Bern, Undated. http://www.sdc-drr.net/

- In Bolivia, SDC strengthens the national DRR system by working with municipalities on integrating DRR and climate change adaptation into municipal and land use plans, with poor farmers encouraged to use agro-ecological practices to reduce the impact of climate change, and with national government and other stakeholders aiming to rollout a national agricultural insurance fund to transfer and share the risk borne by farmers in regions of high climate risk.[77]

- In Bosnia and Herzegovina, several projects on local governance and water services promoted inter-municipal (and often inter-ethnic) cooperation on flood control measures; in the wake of the extreme flooding of BiH and Serbia in Spring 2014, municipalities and implementing agencies were key players along with SDC's Humanitarian Unit experts in developing a recovery plan for affected areas.

Box 6: SDC Priorities Aligned with the Hyogo Framework for Action
1) Ensure that DRR is a national priority and local priority with a strong institutional basis for implementation
2) Identify, assess and monitor disaster risks and enhance early warning
3) Use knowledge, innovation and education to build a culture of safety and resilience at all levels
4) Reduce underlying risk factors
5) Strengthen disaster preparedness for effective response at all levels
Source: SDC

- At the international level, Switzerland has played an important role in the United Nations International Strategy for Disaster Reduction (UNISDR), and its associated Hyogo Framework for Action. In 2012-2013, Switzerland was the seventh leading donor to the UNISDR (behind the European Union, Sweden and the World Bank, about even with Germany, and ahead of Japan, The Netherlands and the United States). In 2014, 12 United Nations agencies prioritized DRR in their work plans for 2014-2017, indicating that the Strategy is making an impact.[78]

- In recent years, US$10 million has been invested in activities aligned with the Hyogo Framework for Action (see Box 6).

9.2.3 Implications

While these and other achievements and innovations have been impressive, DRR efforts are also challenging. There is complexity and volatility in the context and among the actors on the ground. It is often difficult to argue for preventive measures when there are many other pressing priorities facing national and local governments. After reviewing its work in the DRR space, SDC is shifting to more of a focus on livelihoods, better energy supply or other direct benefits that would promote broader and more sustainable local participation in the work.

At the same time, much has been learned about what works. Capacity development has helped achieve DRR policy objectives in Tajikistan and Nicaragua, for example, and by improving response capacities at the national level (Georgia and Peru) and the local level (Armenia). Local ownership has been found to be critical to the success of DRR projects. And particular risk reduction initiatives tailored to the local context and needs—cyclone shelters in Bangladesh and structural flood prevention in Tajikistan are two examples here—have proven to be effective.[79]

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[77] SDC, Disaster Risk Reduction Programme-Bolivia, La Paz, Undated.
http://www.sdc-drr.net/system/files/FS%20Bolivia%20DRRP%202010-2014_1.pdf
[78] United Nations International Strategy for Disaster Reduction, Geneva, Undated www.unisdr.org/
[79] SDC, Disaster Risk Reduction in International Cooperation: Switzerland's Contribution to the Protection of Lives and Livelihoods, Bern, 2011; and SDC, Effectiveness of SDC's commitments in Disaster Risk Reduction, Internal Technical Report, Bern, 2010.

Finally, two observations are of special significance for the present evaluation. First, it is clear that most DRR initiatives work through government systems. They are, in essence, governance interventions which are often technical in nature, but also involve policy and institutional capacity building. Second, there are many examples where SDC has supported DRR projects that have worked with local governments and tested models and technologies in localities before being adopted for use in national systems. This approach is common to many governance interventions supported by SDC.

9.2.4 Areas for Improvement

We are not aware of any recent independent review of the disaster reduction work of SDC across the Agency and its various channels and modalities. As the post-2015 agenda is firming up, driven to a large extent so far by a strong commitment to environmental sustainability, and with extreme climate events apparently increasing in frequency and severity, it is an appropriate time for SDC to commission such a review. In particular, it would be important to examine how and to what extent more recent DRR initiatives have shifted their focus to livelihoods, energy supply or other direct benefits, and what difference such a shift may have made to the results achieved.

There is also an opportunity to strengthen the knowledge exchange and tools between SDC staff and partners working in disaster risk reduction and those working in decentralization, local governance and democracy. What lessons, tools, guidelines, cases and webinars, for instance, could be shared and help strengthen practitioners on both sides, and those who already do both?

9.3 Gender Equality

9.3.1 Overview

Gender equality is both itself a central cross-cutting issue and an important indicator of human rights and non-discrimination. With equality embedded in the Swiss Constitution, and Switzerland having ratified the United Nation's Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), SDC has long been committed to the promotion of gender equality inside its own organization and in the countries in which the Agency works. With an active Gender Equality (GE) Network, where rich exchanges occur online and Face-to-Face (F2F), plus a set of solid mainstreaming tools, SDC continues to correctly be seen as a leader in this field. As the Network recognizes, in order for gender equality to be achieved, "inequalities have to be identified and challenged, basic conditions have to be improved and models to eliminate inequalities have to be developed and evaluated."[80] SDC staff are provided with a set of instruments to advance gender mainstreaming, including a gender equality toolkit.[81] Officers are also encouraged to use a GE checklist for gathering contextual data for Credit Proposals, designing and planning interventions, and reporting for quality-assurance, knowledge-management and statistical purposes.[82]

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[80] Gender Equality Network, Gender Mainstreaming, Undated.
http://www.sdc-gender-development.net/en/Home/Instruments_Methods/Gender_Mainstreaming The June 2014 Face to Face conference of the network focused on gender, land rights and the rural economy, and was by all accounts a stimulating and productive event.
[81] SDC, Gender Equality, Undated.
www.sdc.admin.ch/en/Home/Themes/Gender_Equality/General_and_thematic_tools
[82] SDC, Gender Equality Checklist, Undated.
http://www.sdc-gender-development.net/en/Home/Instruments_Methods/Gender_Equality_Checklist

9.3.2 Results

In the case study countries reviewed for this evaluation, gender equality approaches and results were found to be uneven. Some projects demonstrate high-quality and thorough GE mainstreaming approaches, but, for others, GE seems to be marginal, even invisible.

To be sure, there are governance interventions that can be considered best-practice with regard to gender equality. For example:

- In Bolivia, the recent GE mainstreaming work of the Rural Economic Development Services Program (PROSEDER) has included the building of training tools in close consultation with beneficiaries and takes into account women's time constraints and the importance of engaging both women and men;

- In Bosnia and Herzegovina, the UNDP-implemented Integrated Local Development Project (ILDP), that builds the strategic planning capacity of municipalities, is rightly recognized for embedding GE mainstreaming in its logical framework, outcome statements and operations, and is used as a case study for training SDC partners;

- In Mozambique, the PROGOAS programme, implemented by an NGO, includes a specific results target dedicated to women's participation in planning and monitoring the use of public resources in the water sector, and have integrated gender parity into their WatSan committees as a key enabler of women's participation.

However, juxtaposed to such high performing interventions, other governance projects could accurately be termed as "gender blind." Such projects do not integrate GE mainstreaming into either their designs, or results targets, even though, in most cases, they are strongly in favour of local ownership, participation and non-discrimination. Consequently, their GE results are partial, fragmented and episodic, at best.

Why is this happening? SDC as a whole and most SDC staff embrace GE as an important value and policy objective and the Agency has generally supported the development of GE analytical tools, exchanges and networking. At the same time, inside SDC, two key pieces are missing: First, senior management has not, in recent years, conveyed a clear statement affirming the importance—and binding nature—of SDC policies related to achieving significant results in gender equality mainstreaming. Second, there is no common definition of what constitute meaningful gender equality results, or common results targets and indicators across programmes and initiatives that would permit institution-wide assessment of progress in this important thematic area. Because outside SDC, conservative forces associated with machismo in Latin America or fundamentalism in the Middle East, for instance, continue to reinforce patriarchy and anti-women attitudes and practices, it is more important than ever that SDC take steps now to accelerate and enforce gender mainstreaming throughout the Agency.

9.3.3 Implications

The best results for gender equality in governance-related interventions have been achieved when project designs actually embed GE mainstreaming targets, principles and practices, where there is GE expertise and commitment on the ground in Embassies and partner organizations, and where partner organizations are also institutionally committed to GE mainstreaming.

At an SDC-wide level, there is a need for common targets or indicators across programmes and initiatives against which overall progress on gender equality could be assessed. This is an issue that was raised in the 2007 Empowerment Evaluation and the

2009 Gender Evaluation, both of which emphasized that gender mainstreaming cannot be accomplished on an ad hoc or "add-on" basis within either projects or programmes.[83]

9.3.4   Areas for Improvement

Looking ahead to the post-2015 agenda, the international community has placed gender equality for women and girls among the top five Sustainable Development Goals to be achieved by 2030.[84] Indeed, Switzerland's own position on the post-2015 agenda identifies gender equality as a high-priority stand-alone goal. And GE mainstreaming will be essential for other core SDGs to be met, particularly those related to poverty, hunger, education and health. For its part, SDC is well-positioned to play the roles, in concert with its peers, of steward and animator of the gender equality goal. To do so, the Agency's leadership must re-energize its focus on GE mainstreaming, clarify its conceptual guidance in this area, and then develop and implement a common set of gender-equality measures that can be aggregated and compared across the Agency and ideally across other agencies involved in Swiss cooperation, including the State Secretariat for Economic Affairs and the Federal Office for Migration.

9.4   Global Governance

9.4.1   Overview

Global governance is broadly defined as "concrete cooperative problem-solving arrangements" and "the complexes of formal and informal institutions, relationships, and processes between and among states, markets, citizens and organizations, both inter and non-governmental through which collective interests on the global plane are articulated."[85] Instead of being based solely on international relations among governments, global governance embraces a much broader range of actors. These include individuals and clubs, enterprises, NGOs, civil society groups, syndicates, networks, think tanks, credit ratings agencies, private military and security companies, and transnational criminal networks.[86] SDC's Global Cooperation Programmes Directorate manages a portfolio of programmes which touch on aspects of global governance, including water, climate change, food security, and migration and development. The Directorate also represents SDC in policy dialogue with UN agencies and international financial institutions; carries out research and analysis; as well as knowledge and learning activities on global issues for SDC as a whole.[87] SDC's total budget in the global cooperation domain is significant: it is estimated to total more than CHF 550 million annually for multilateral development cooperation alone. Currently, however, the Directorate does not manage a programme on global governance *per se*. The prominence of governance issues in the June 2014 Swiss position on the post-2015 agenda opens a unique window of opportunity for Switzerland to substantially increase its ODA investments but to "go beyond aid" by playing a coherent and proactive whole-of-government role in addressing governance challenges at the local,

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[83] Khot, S, S. Joshi and M. Dhamankar, SDC's Performance Toward Empowerment of Stakeholders from the Recipients' Perspective, Evaluation 2007/1, Evaluation+Controlling Division, SDC, 2007. http://www.deza.admin.ch/ressources/resource_en_152746.pdf; and Stuart, R., A. Rao and J. Holland, Evaluation of SDC's Performance in Mainstreaming Gender Equality, Evaluation 2009/1, Evaluation+ Controlling Division, SDC, 2009. http://www.deza.admin.ch/ressources/resource_en_177196.pdf
[84] United Nations, Proposal for Sustainable Development Goals: Outcome of United Nations General Assembly Open Working Group on Sustainable Development Goals, Sustainable Development Knowledge Platform, June 2014. http://sustainabledevelopment.un.org/focussdgs.html
[85] Weiss, T. and R. Thakur, The UN and Global Governance: An Idea and Its Prospects, Indiana University Press, 2006, cited in Schläppi and Töpperwien, 2014, Study on Good Global Governance-Preliminary Input, 2014.
[86] Schläppi and Töpperwien, 2014.
[87] SDC, Directorate Global Cooperation, Bern, 2014.
http://www.sdc.admin.ch/en/Home/About_SDC/Organisation/Global_Cooperation

national and global levels within the framework of the Federal Council's Sustainable Development Strategy 2016-2019.[88]

9.4.2 Results

The Directorate has managed its portfolio of sector- or thematic-based programmes, such as GPWI, with success, achieving important results and enabling Switzerland to exert influence disproportionate to its size and political-economic weight on certain policy files. At the same time, however, it is evident that SDC is **not** engaging in some key sectors or issues that can impede or enable the success of development cooperation on the ground in SDC partners' countries. Let us examine, for example, the cluster of issues related to resource extraction and commodities trade. Global markets for commodities, especially in China, drive the extraction process. Large private sector actors in mining, commodities trade, and finance exert influence on national governance, both in their own societies and in developing countries. International flows of capital target specific investments for the benefit of distant investors, not local communities. The "playing field" is not level, and the interests of local citizens, farmers and workers—economic, social and environmental— can be marginalized. We saw this in our case study on Mozambique, and it is an ongoing concern in Mongolia. While SDC knows how to strengthen local civil society and national and local governments, to be more effective it also needs to—*and can*—participate more actively in global research and policy dialogue to contribute to more responsible and sustainable extractive practices.[89]

Corruption is a second issue, often closely related to the first. All three of the in-depth country case studies carried out for the present evaluation found corruption to be a "wicked problem" that facilitated elite capture of wealth and political power by the dominant political class (and party), limiting both democratic development and a more equitable spread of economic and social benefits to the population. Clearly, corruption is a global issue, as funds that are captured through bribery, fraud and other means are channelled to international havens, sometimes facilitated by organized criminal networks.[90]

Thirdly, there is the issue of conflict. Financial flows—often illicit ones—are directed by warlords and criminals to buy weapons and pay private armies to engage in armed conflict in numerous regions, countries and districts across the globe. These forces ignore the rule of law, destabilize and impoverish communities, and subject local populations to sustained violence and suffering. To put it simply, fragility is financed through international networks.

Effective action on any of these three issues is beyond the reach, leverage and capability of most individual governments. Any progress in constraining or reversing the worst abuses will require initiative by individual governments, to be sure, but will rest primarily on negotiated collective cooperation. It is worth affirming that select global initiatives of this kind are supported by and in turn would reinforce Swiss foreign policy. They would safeguard Swiss interests, promote Swiss values, and assert the country's commitment to the rule of law, universality, neutrality, solidarity and responsibility. Indeed, such strategic initiatives would help expand Swiss global presence and engagement for improved global governance. SDC could build on encouraging headway made on these issues in the recent past. At the same time, Switzerland would need to address policy coherence across Swiss positions and agencies, and to balance divergent interests.[91]

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[88] Summary: Swiss position on a framework for sustainable development post-2015, Bern, 2014.

[89] Switzerland is represented on the Extractive Industries Transparency Initiative by SECO.

[90] Eight years ago, SDC made a public commitment to work against corruption. See SDC, Fighting Corruption: SDC Strategy, Bern, 2006. Corruption remains a key factor undermining and blocking the results of SDC governance interventions at the local and national levels.

[91] Schläppi and Töpperwien, 2014.

9.4.3   Areas for Improvement

Pilot programmes in global governance: There is an opportunity for the Global Cooperation Programmes Directorate to work with networks, geographic programmes and units across SDC which are related to governance, aiming to develop stronger linkages with and add value to local and national cooperation programmes. Using the same global programming approaches it uses for sector-based programmes—research and analysis, policy dialogue, international networking and partnerships—SDC should support up to two pilots of new strategic global governance cooperation programmes on issues such as illicit financial flows, corruption, weapons purchasing and sales, or commodities and extractives. These pilots should test effective ways and means of working closely with in-country governance programs, be reviewed, and then, if they demonstrate positive results, be converted into permanent programs within the global cooperation programmes Directorate. These pilots and any resulting follow-on programmes would require meaningful human and financial resources.

PART II   ANALYSIS AND CONCLUSIONS

10 Analysis and Conclusions

10.1 Overview

This section of the report analyses findings and conclusions for SDC governance programming and both governance and gender mainstreaming across the programmes reviewed here. The core of this cross-programme analysis focuses on the three country case studies of Bolivia, Bosnia and Herzegovina and Mozambique, where our fieldwork permitted more granular research. At the same time, we also draw on findings from the other country and thematic programmes for which we conducted desk studies and make comparisons with other SDC commissioned evaluations. We begin by summarizing five major conclusions, and then present, in greater detail strengths and areas for improvement.

First, spending on governance programming and mainstreaming accounts for more than one third of all of SDC's expenditures. In some bilateral programmes, spending by SDC on governance can range from 40% to 60% of all expenditures. Indeed, policy development and institution building, especially in the state sector, are at the centre of most of the Agency's work. "Governance is everywhere," the team was often told. Yet, there is no central point of coordination of SDC's governance work, and the financial and human resources to support this work have been fragmented and inadequate.

Second, SDC is a strong performer in dedicated governance programming. In general, SDC is doing the right things in governance, for the right reasons, in the right ways. We documented impressive innovations and results in areas such as local governance and democracy, municipal water and waste systems, national models and systems for disaster risk reduction and global water policy. Through long-term commitment, respectful partnerships, animation of policy dialogue, piloting proof-of-concept initiatives, and adaptive learning, SDC plays an influential role at the local and country levels, and, in some fields, at the global level, as well. We rated SDC's performance here, overall, as good to very good (see Table 9, below).

Third, SDC spending on governance programming can lever significant matching and downstream funds from other sources. This is especially true in the sub-domain of local governance and municipal services, where we identified some projects that had stimulated additional downstream loans and grants from national and external agencies worth 10 to 20 times SDC's original contribution to the intervention. Even more modest

leveraging factors, especially from central governments and municipalities themselves, promote sustainability.

Fourth, SDC's performance on governance mainstreaming is solid but not optimal. SDC staff and partners are working hard to strengthen government systems and citizen participation in health, agriculture, climate change, peace-building and other sectors where governance is a transversal issue. However, efforts have been hampered by inadequate senior management attention to the mainstreaming agenda, and insufficient systematization of good-practice knowledge. For its part, the DLGN devotes much of its energy to generating buy-in and a coherent approach to dedicated governance programming. However, promoting governance mainstreaming and global governance issues goes beyond the Network's current mandate. SDC does not currently have an adequate response to strengthening its performance in these latter two areas.

Fifth, in the years ahead, SDC can play a catalytic role in governance internatio-nally. SDC has shown its capacity in the GPWI initiative, which could be replicated on other selected governance issues where SDC has expertise and programming depth. SDC can play a leadership role in shaping and implementing the governance dimensions of the post-2015 agenda. There is an opportunity for the Agency to build on its strengths in decentralization, governance and democracy; its traditions of accountability, transparency and participation; its use of human-rights-based and conflict-sensitive approaches; and its proven ability to test and scale up programmes, models and other innovations that work.

The intensive work our team carried out in the three case study countries permitted us to rate governance work in those countries against our eight core criteria.

Our team's ratings of SDC's performance on our core evaluation criteria highlight the strengths as well as the weaknesses or outstanding issues associated with SDC's approach. To this end, Table 9 permits a comparison of the ratings of the governance work of each country for the eight criteria. The table shows that, **across the three countries, SDC performs very well in terms of: legitimacy, relevance, accountability and transparency, ownership, participation and non-discrimination. However, at the same time, case study performance was found to be uneven or weaker on other evaluation criteria, such as coherence, coordination, efficiency, outcomes and sustainability, capacity development, and adaptive learning.**

Table 9: Comparing Evaluation Criteria Ratings across SDC Case Study Countries

RATINGS			
Core Criteria	Bolivia	Bosnia and Herzegovina	Mozambique
Legitimacy and Relevance	Good-Excellent	Good-Excellent	Good-Excellent
Ownership, Participation and Non-Discrimination	Good-Excellent	Good-Excellent	Satisfactory
Accountability and Transparency	Good-Excellent	Good-Excellent	Good-Excellent
Efficiency	Satisfactory-Good	Good	Satisfactory
Capacity Development	Good	Good-Excellent	Good
Outcomes and Sustainability	Good	Satisfactory to good	Satisfactory-Good

RATINGS			
Core Criteria	**Bolivia**	**Bosnia and Herzegovina**	**Mozambique**
Coherence and Coordination	Uneven Good	Good-Excellent	Good-Excellent
Adaptive Learning	Satisfactory-Good	Good	Satisfactory-Good
Overall Rating	**Good**	**Very good**	**Good**

10.2 Overall Conclusions – Strengths

In this section we discuss in more detail the strengths that this evaluation has found in SDC's governance work. To assist in this discussion, we reintroduce the analytic framework that the evaluation team used for this evaluation.

Figure 3: Wheels in Motion: Framework for the Evaluation of Governance Programming and Mainstreaming
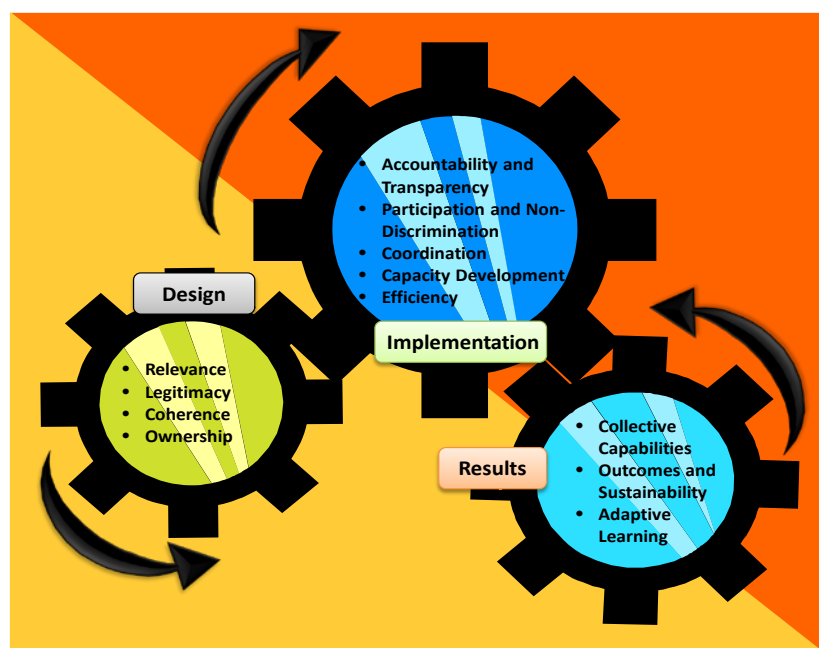
Source: E.T. Jackson and Associates Ltd., 2014

Relevance, Legitimacy and Coherence

This evaluation has found that, across challenging contexts, SDC has consistently shown commitment, persistence, flexibility, activity and adaptability. Indeed, **the over-arching cross-programme finding is that SDC's governance work is, on the whole, "good". In general, we can say that SDC is doing the right things in governance, for the right reasons, and is doing them in the right ways**. The Agency's work across the three case study countries has been especially strong in the area of local governance and municipal services, particularly water supply. It has used these local governance projects to spark vertical change in policy and systems at higher levels as well, though this work is challenging. But SDC has also performed well in other areas, such as disaster risk reduction (BiH and Bolivia) and social accountability through civil society (Mozambique and Bolivia). Finally, it can be observed that the global and cross-border dimensions of governance and development are evident in all three country case studies, although in

different ways, such as migration issues (in BiH) and commodities and mining interests (in Mozambique and Bolivia.

SDC's special expertise in and effective approach to local governance and municipal services are also evident in Niger, where 400 water projects have been supported through mayors and local authorities, and in Burkina Faso, where SDC has supported, in a small city, a locally run, self-sustaining market that in turn funds roads, a school and a housing project. SDC's work with municipalities on disaster risk reduction is exemplified by the integration of hazard-mapping technologies into local-government planning processes in Nicaragua, which are especially alert to the local risks of global and regional climate change. Finally, the broad engagement and varied programme of the Decentralization and Local Governance Network in supporting SDC's work in this field is further evidence of the priority accorded to this sub-domain, which is also the focus of much of the Agency's spending on governance programming.

SDC has excelled, in particular, **in adapting its programming to changing national** (and international) **governance contexts and priorities**; in systematically piloting innovations before scaling them up or sideways; in **leveraging additional resources** and **convening various actors**; and, in some cases, in using creative social marketing campaigns to bring about broader policy and attitudinal changes.

The elements of this approach were most apparent to the evaluation team in the field in Bolivia, BiH and Mozambique. However, our desk research confirmed that many of the elements of this model have been deployed in diverse SDC settings. In Mongolia, for instance, the Agency has tested, refined and improved its one-stop-shop service delivery model for local governments. In Rwanda, the FORMADIS training methodology for local government staff was adopted for the whole country. In Disaster Risk Reduction (DRR), other SDC-supported innovations have been adopted by national governments, including, for example, Haiti (earthquake- and storm-proof school design), Honduras (civil protection shelters and early warning systems) and Jordan (full-fledged national DRR system).

The variety of governance programming illustrates SDC's capacity to respond to context. While each of the three case study countries examined here have been shaped by unique histories, cultures, economics and politics, they also exhibit certain similarities or parallels. For one thing, over the past 15 to 20 years, all three countries have made halting progress on key national indicators, such as their ranking on the Human Development Index, income per capita, and perceptions of corruption. Indeed, currently, high unemployment, especially among young people, regional and ethnic competition and tension, and rural-urban disparities are among the challenges the three countries share. Furthermore, high levels of corruption and the politicization of government institutions are also common features. Finally, notwithstanding the efforts of SDC and other donors, along with their local-government partners, the forces seeking the recentralization of government resources and decision-making are resurgent, particularly in Bolivia and Mozambique.

Similar contextual factors are at work in the other countries reviewed here. Uneven progress on human development, endemic corruption and widespread youth unemployment are also characteristics of the countries in the Middle East and West Africa. So is the dominant power of central government. In Rwanda, government recentralized through patronage networks even while it was claiming to decentralize. Added to this is the factor of volatility, demonstrated with the sudden shift from stability to instability in Mali and the rapid onset of the crisis in Syria.

Yet, over time, SDC has built and continuously adapted an **approach to governance programming that is distinctive, and generally effective**. Box 6 sets out the common features of this approach as found in the three case study countries. With its decentralized structure and experienced staff, SDC is well positioned to not only implement this approach, but to continuously review and adapt it. The Agency's programmes and networks support this effort.

**Box 7: Common Elements in SDC's Approach to Governance
in the Case Study Countries**

- Working at the macro, meso and micro levels to gain synergies
- Strengthening public and civil society institutions, promoting citizen participation and fostering linkages among the three spheres
- Promoting ownership and alignment with country development priorities
- Combining concrete, shorter-term benefits with longer-term capacity development, alliance-building, and policy dialogue processes, building social capital, or *concertación*
- Scaling up innovations and reforms from the micro to the meso and macro levels
- Increasing donor coordination
- Focusing themes and developing fewer and larger programmes
- Strengthening field presence and country-level expertise
- Moving towards results-based management and reporting, as well as contextual analysis
- Adopting a Whole of Swiss Government ("Integrated Embassy") approach

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In addition to **replication of innovations** on a vertical path, from micro to macro, SDC also **disseminates innovations** horizontally, at the country level. One prominent case is that of the Global Programme Water Initiatives (GPWI) taking the Blue Peace framework for trans-boundary water cooperation from the Middle East to Bangladesh and Pakistan.

Moreover, this approach is well appreciated by SDC's partners, including host governments, implementing firms and non-governmental organizations (NGOs) and foreign donors. In both Nicaragua and Mali, for example, SDC has supported programme based approaches and provided budget support at the local level to initiatives involving multiple development actors. In fact, the Agency's long-term commitment to partner countries, its respectful approach, and its track record of achieving practical results on the ground have helped it build a stock of assets. These include: legitimacy, credibility, recognized expertise in local governance and democracy, an ability to work at all levels of government, with civil society and other donors, and skilled staff committed to this methodology.

The prime expressions of this positive track record of performance are found in the **promising governance outcomes** produced by SDC interventions. The Bolivia, BiH and Mozambique country programmes have all achieved positive governance outcomes and demonstrate best practices worthy of further dissemination, especially in the area of local governance. Examples include PADEM in Bolivia's effective application of the "triangular approach" and building social capital; AquaSan in BiH; and the iTC Foundation in Mozambique, to name only three. Positive governance outcomes also include, for instance, the self-sustaining market in Burkina Faso, the growing network of one-stop-shops in Mongolia, and Jordan's national DRR Preparedness system. In addition, SDC has been quite effective at mainstreaming the principles of Aid Effectiveness, and its own Governance principles, into its interventions' activities and results.

Promising governance outcomes have also been achieved at the global level. The work by the GPWI to establish water as a dedicated post-2015 SDG target has so far succeeded. And SDC's leadership in and support to DRR efforts world-wide have

reinforced the Hyogo Framework for Action, which in turn has levered many more international contributions. Global cooperation programmes that, like GPWI, use clear, results-oriented work plans, work through multiple and varied partners at different levels, and try to add value to and be informed by country programmes, can achieve good results.

An important insight from the case study research is that **SDC spending on governance programming can lever, or stimulate, additional national and international funding that advances both outcomes and sustainability.** Indeed, leverage on SDC spending on governance is a significant outcome in itself, though it is a story that is not communicated often enough by the SDC. In Bosnia and Herzegovina, the GOV-WADE project tracked downstream grants and loans from local and national government and external agencies for water programmes and infrastructure. These follow-on investments were the result of strong operational plans developed by partner municipalities for the water sector, with SDC support. Figure 4 illustrates the leveraging power of SDC funds in this case.

Figure 4: Downstream Financing Contributions, GOV-WADE Project
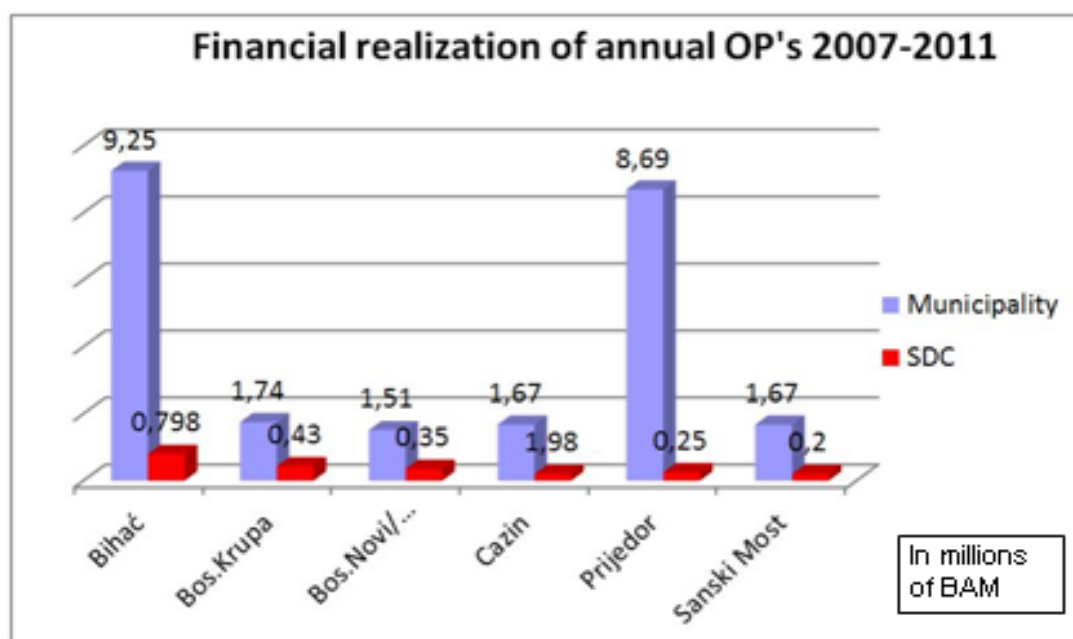
Source: Una Sana Consulting

Across the SDC portfolio, there are other examples of leveraging in governance interventions:

- In Bolivia, disaster risk reduction activities in one project stimulated a 30% increase in municipal and regional investments;

- In Bangladesh, SDC-supported projects at the sub-national level influenced the country level, contributing to an 11% increase in funds transfer from central government to district governments; and

- In various countries, SDC project support has been intentionally used to incubate self-sustaining foundations (Mozambique, Bolivia), technical units or consulting firms (BiH), or private funds (Bolivia).

The leveraging and sustainability outcomes of Swiss cooperation in governance are too often "buried" in reporting on outputs and activities. SDC should, and can, do a better job not only in tracking and documenting these outcomes, but also in reporting on them. This conclusion was replicated in other evaluations we reviewed (OECD, Networks Evaluation). Indeed, more could be done to communicate these stories to various

stakeholder groups in Switzerland (citizens, the media, Parliamentarians) and abroad (peer donor agencies, international bodies). This area would lend itself to video clips (e.g., profiles of high performing mayors and organizations) and social media dissemination, as well as more formal, print-oriented knowledge products. This effort should be taken up by Decentralization and Local Governance Network, Embassy governance teams, regional governance teams and networks, governance-related international networks, perhaps coordinated by Knowledge Management.

10.3   Overall Conclusions – Areas for Improvement

At the same time, however, the programmes reviewed here also indicate that there is a broad set of **performance challenges** faced by SDC's in-country governance programmes. Among these are: translating individual capacity building (e.g., training programme) into collective capabilities (at the organizational and policy levels); scaling up efforts to achieve long-term institutional and policy reform; focusing and adjusting programming scope, coverage, components and partners; monitoring and reporting on outcomes (as opposed to inputs, activities and outputs); systematizing, disseminating and communicating best practices and lessons; moving toward the deeper use of country systems; moving from donor coordination to fuller harmonization; enhancing the Swiss Whole of Government approach through better coordination and coherence with the State Secretariat for Economic Affairs and between SDC's geographic, global and humanitarian channels.

Programme Design

More specifically, the case studies and the desk studies suggest that there are certain **programme design issues** that deserve attention, notably:

- The understanding of capacity development is imprecise and under-conceptualized.[92] In a number of cases, capacity development conflates training of individuals with applying skills or behaviour in a real-world context.

- Some theories of change are overly ambitious or have unclear connections between medium-term and long-term results. The 2012 Fragile States Evaluation noted that SDC has no theories of change specifically targeted to fragile and conflict contexts.

- As the present evaluation found, and as other evaluations have also noted, there is a need for clearer **reporting on achievable, medium-term outcomes**. Too often programme or project-level results statements within Country Strategy logic frameworks (log frames) are set too high, or are too general to really be feasible (see OECD, Gender). And project level reporting is too often about outputs and activities (Middle East Regional Programme Evaluation). In this context, the evaluation found that the shift from output to outcome indicators to monitor progress is an area that needs reinforcement in governance programming, and it may be useful to work on this on an agency-wide basis to support country-level design and implementation. Further, there is a need to further systematize learning, especially within regions and countries (Meta-Analysis) and do more to promote a learning culture across SDC (OECD). As the 2014 Networks Evaluation pointed out, results-based metrics can help track knowledge management progress.

- The 2009 Meta-Analysis of Selected SDC Evaluations also urged the Agency to think through, more carefully, the **scaling up** of initiatives, as well as the phasing out process. Greater commitment to, and planning for, scaling up were also recommended by the 2014 Middle East regional programme evaluation.

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[92] For example, FAO has a useful framework for conceptualizing capacity development. See
http://www.fao.org/capacitydevelopment/the-three-dimensions-of-the-fao-capacity-development-framework/en/

- Some theories of change rely too much on a simple dualism of supply and demand, when other factors are also driving or blocking results; and

- Theories of change are not always accompanied by explicit assumptions or a clear identification of enabling conditions and constraints, and nor are they always accompanied by stakeholder and risk analysis and mitigation strategies that are reviewed and updated during implementation.

It is well understood by SDC staff and partners that conditions on the ground can change very quickly, due to economic events, political actions or natural disasters. Cases in point here are Mali, Syria and BiH. This volatility and (sometimes) unpredictability are strong arguments in themselves for creating and then continuously adjusting theories of change for programme and project interventions that are precise, realistic and address risk explicitly.

To address these design issues, it may be useful to make systematic use of the 'wheels in motion' framework (Figure 1, Introduction) as a common point of reference.

Programme Implementation

The present evaluation found many positive examples of SDC using on-budget support with local governments but not using national level **country systems**. Other evaluations see advantages (OECD) and disadvantages (the 2007 Empowerment Evaluation) with using country systems, and we found this, as well. Several evaluations argued that SDC should move beyond hands-on service delivery to tackle more challenging governance and fragility issues and take on **greater risk** (Fragile States). Along with its hands-on approach is a technocratic and administratively intensive system that imposes undue **transaction costs** on partners (OECD, Meta-Analysis). In the implementation process, SDC should focus more on systematic **scaling up, leveraging** and alliances (Empowerment and other evaluations).

SDC needs to develop systems and procedures to accurately **track and monitor spending** on cross-cutting issues like governance, as this evaluation found, and gender, as the Gender Evaluation found.

According to this evaluation and the recent Networks Evaluation, SDC should also **strengthen the thematic networks**, including the strengthening of regional networks and of regional thematic expertise. Both governance-related and other networks should be encouraged to plan jointly, receive training and improved tools, and be led by better supported Focal Points who can work more closely with relevant line managers. An important role of these networks is to improve the professional skills of its employees, including in higher-level policy dialogue (Fragile States, Meta-Analysis, Gender Equality). In addition, SDC has developed numerous guidance instruments (strategies, guidelines, planning cycles, tools), but they are of varying quality and their sheer number makes it difficult for them to be binding.

Impact

This evaluation found a need for SDC to lever **higher-level policy and systems change** in the field of governance, which other studies (Meta-Analysis, Fragile States) also found.

While there is evidence that Swiss engagement at the micro-meso levels has a bearing on the policy agenda within a country, there is little evidence of national issues being turned into **effective global policy dialogue**. In our view, in the governance sphere, this requires greater joint action by global cooperation programmes and regional cooperation.

Governance Mainstreaming

With regard to governance mainstreaming, the three country cases and the desk studies provide evidence that SDC has been quite effective at mainstreaming both the Paris Aid Effectiveness and SDC Governance principles in the water sector and in disaster risk

reduction, in particular. However, the quality and systematic nature of governance **mainstreaming within other sectors—such as Health or Employment and Income— has been uneven and generally not as effective as SDC's performance in governance programming** *per se*.

Governance mainstreaming has been hindered by the lack of:

- Clear direction from SDC senior management with respect to its commitment to, and the importance of, governance mainstreaming;

- A locus of accountability and oversight at SDC headquarters and in the field for governance mainstreaming efforts;

- A clear and shared SDC-wide governance framework, strategy, targets, and indicators that could guide and track governance mainstreaming;

- Organizational incentives (and sanctions) for governance mainstreaming;

- SDC-wide clarity and guidance on definitions and criteria for coding practices, planning, implementation, monitoring and evaluation and staff performance aimed at giving impetus to governance mainstreaming;

- Time, financial resources and specialized personnel dedicated to governance mainstreaming within the relevant programmes, networks and Embassies.

Gender Mainstreaming

The effective mainstreaming of **gender equality** (GE) is, among many other things, a pre-requisite for full ownership, participation and non-discrimination in interventions involving governance programming or where governance is also a cross-cutting issue. In compliance with SDC policy, the 2013-2016 country strategies for Bolivia, BiH and Mozambique each treat gender equality as a cross-cutting theme. However, our fieldwork suggests that, in practice, the **results of GE mainstreaming in governance programming are, at best, uneven**. To be sure, in some governance interventions, gender equality is mainstreamed in a thorough manner. But in other interventions, the gender dimension is almost invisible.

SDC has developed numerous GE policies, strategies, indicators, tools and success stories, and benefits from an active Gender Equality Network. However, operationally, there are few resources dedicated to GE mainstreaming on an SDC-wide basis, for the Network, within programmes and within Embassies. Nor are there tangible reporting pressures or incentives in place to oblige programmes to report on their GE mainstreaming results. Consequently, the exercise of gender mainstreaming is rendered essentially "voluntary." This was an issue that concerned the 2009 Gender Evaluation, and, five years later, it is still an issue.

Knowledge and Communications

The case and desk studies also show that there is rich, field-based knowledge of innovations and success stories in both governance programming and governance mainstreaming that could be systematized, disseminated and applied more broadly within and across countries, programmes and networks. Despite some experiences with creative social marketing (Bolivia and Mozambique) and participatory video (BiH), local Cooperation Offices have not sufficiently developed their communications strategies, products, messages and audience targets in areas of governance programming and mainstreaming. There are opportunities to promote knowledge and communications much more effectively. Knowledge sharing on governance within regions (e.g., East and Southern Africa, Latin America, Western Balkans) pays dividends in stronger programmes and projects and even better connectivity within country programmes.

Investing in specialized analyses and training increases the understanding of contextual challenges and enables the tapping of a fuller breadth of knowledge (e.g., Monitoring of Development Relevant Trends [MERVs], conflict-sensitive analysis, stakeholder and beneficiary analyses, application of "Do No Harm" frameworks).

Coordination and Integration

There is more work to do on the Swiss **Whole of Government** approach, as noted in the OECD review. While this evaluation documented real gains in coordination between SDC and other Swiss actors, as the Fragile States evaluation observed, most Swiss country strategies are still more a combination of multiple organizational mandates than a single expression of Swiss intent. One of the most coordinated country strategies this evaluation found was that of Bosnia and Herzegovina, though even there the SDC-SECO relationship could be better coordinated, though other evaluations pointed to the difficulty of doing this. Further, there must be additional effort made within SDC to better coordinate between the Agency's regional and global programming.

PART III   PRIORITIES FOR CHANGE

Part III of this report focuses on the future. First, there is a discussion of the development cooperation framework—both Swiss and international—and the multipolar context that will frame and influence SDC's work over the next 15 years, and the strategic governance programming choices SDC has an opportunity to make. This is followed by a section on the risks of inaction by SDC. These sections set the stage for the final section of this part of the report, which identifies priorities for change.

11 Strategic Orientations

While all strategy is about the future, any viable plan for SDC's governance work going forward must build on the demonstrated strengths of the past and present. As this evaluation has shown, there are many such strengths. But strategy is also concerned with weaknesses, threats and opportunities, all of which must also be considered. This section sets out key factors that SDC could utilize in building a longer term strategic plan for governance.

Development Cooperation Commitments: There are two types of development cooperation commitments that matter to SDC. First and foremost is the **Dispatch to the Swiss Parliament** on international cooperation that covers each four-year term of the federal government. Implementing the current Dispatch for 2013-2016 successfully is the immediate priority.[93] This evaluation has shown how pivotal governance programming and mainstreaming are to the achievement of the current Dispatch's objectives. It has also shown that, in terms of volume of spending, a significant proportion of the SDC and the State Secretariat for Economic Affairs (SECO) budgets are allocated to governance for the current period. In a very real sense then, governance can be seen as a prime component of the core business of the development cooperation activities of both agencies.

Looking ahead to, say, 2030, there will be four more Parliamentary Dispatches that will express Switzerland's development cooperation plans, setting out a division of labour between SDC and SECO, and providing funding through Switzerland's key credit frameworks for development. Although it may not be enough to ensure that overall funding for the Swiss aid programme will remain robust, as long as there are two Federal Councillors—those for SDC and SECO—on the Federal Council advocating for the aid

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[93] SDC, Dispatch on Switzerland's International Cooperation in 2013–2016, Bern, 2013.
http://www.sdc.admin.ch/en/Dossiers/Message_2013_2016

budget, there will likely be much greater support for maintaining adequate foreign aid funding levels.[94] The deeper the development programme is anchored in Swiss traditions and culture, as well as interests, the stronger public support will be for its funding. In the case of local governance and democracy especially, these linkages are solid and well-recognized. Improved communications on the results of this work would further strengthen these linkages.

The second type of development cooperation framework that is relevant here is that of the international community's post-2015 agenda. As of mid-June 2014, a broad partnership of actors coordinated by the United Nations had set out 17 sustainable development goals (SDGs) and associated results indicators to drive this agenda through to 2030.[95] While these SDGs, set out in Table 10, are articulated in perhaps an overly ambitious fashion (they are expected to be achieved, everywhere, for all, by 2030), they do, in fact, signal important characteristics of the development challenges, and solutions, that have been identified by multilateral, bilateral, civil society, philanthropic and private-sector actors for the coming years. These characteristics include the global nature of most development issues, the importance of the environment and eco-systems, and the centrality of inclusion—of equality of opportunity for all. Moreover, even though only one of the SDGs refers directly to governance *per se*—see SDG 16, on peaceful and inclusive societies, the rule of law, and effective and capable institutions—it is also clear that effective governance at multiple levels will be crucial to achieving all of the other SDGs, from ending poverty and hunger to addressing climate change and protecting and restoring eco-systems and biodiversity. In other words, governance is a central feature of this agenda, both as an end and as a means.

Table 10: Proposed Sustainable Development Goals to be attained by 2030

Proposed Sustainable Development Goals to be Attained by 2030	
1) End poverty	11) Inclusive and sustainable cities and human settlements
2) End hunger	12) Sustainable consumption and production patterns
3) Healthy life	13) Actions at all levels to address climate change
4) Equitable and inclusive quality education	
5) Gender equality for women and girls	14) Conservation of marine resources, oceans and seas
6) Secure water and sanitation	15) Protection and restoration of terrestrial ecosystems, and halt biodiversity loss
7) Access to affordable, sustainable energy services	
8) Inclusive and sustainable economic growth, and decent work for all	16) Peaceful and inclusive societies, rule of law, effective and capable institutions
9) Sustainable industrialization	17) Strengthen global partnership for sustainable development
10) Reduce inequality within and among countries	

Source: United Nations, June 2, 2014

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[94] These are the Federal Councillor for the Federal Department of Foreign Affairs, responsible for SDC, and the Federal Councillor responsible for the State Secretariat for Economic Affairs.
[95] In early 2013, Switzerland (in a group with France and Germany) was one of 30 founding members (including individual countries and clusters of countries) of the UN Open Working Group that was mandated to do further work on the SDGs (http://www.un.org/ga/search/view_doc.asp?symbol=A/67/L.48/Rev.1&Lang=E) In June 2, 2014, the Working Group issued its Zero Draft document of 17 SDGs as a working document. http://sustainabledevelopment.un.org/focussdgs.html

In mid-2014, the Swiss position on the post-2015 agenda was approved by the Federal Council. Advocating for stand-alone goals on health, gender equality, and peace and inclusive societies, Switzerland also affirmed its commitment to the transversal themes of disaster risk reduction, sustainable consumption and production, and promoting the economic benefits of migration. Strong in-country and global governance structures, systems and policies, involving all actors—government, civil society, the private sector—will be essential to achieving these goals.[96]

Multipolar Global Context: Furthermore, any strategic orientation on SDC's governance work must recognize the particular global context in which these two types of frameworks will be implemented. As the recent initiative by the nations of Brazil, Russia, India, China and South Africa (BRICS) to set up their own development bank exemplifies, the next 15 years and beyond will continue to be characterized by multi-polarity in both geo-political and economic terms.[97] And, while these new economic powers and others have experienced some economic setbacks, their trajectory nonetheless remains positive and their influence in world affairs continues to grow. Indeed, by 2050, when the world is projected to be inhabited by nine billion people, India is expected to challenge the United States to become the world's second largest economy behind China.[98] In addition, there is a second tier of new economic powers—among them Korea, Indonesia, Mexico, Turkey, Saudi Arabia, and later Nigeria—that are likely to play more prominent roles in the future; in some ways, they are already doing so.[99]

Alongside these trends are the efforts of the western donor countries to cope with and overcome their own domestic macro- and micro-economic challenges. Continuing high unemployment, especially among young people, and rising income inequality, are among the economic factors driving political discourse and movements in the West, and shaping (and downsizing) aid programmes in a more self-serving direction. Accordingly, the emphasis in recent years among major western donor agencies supporting the private sector to play a more decisive role in development is often more about enhancing Northern rather than Southern business capacity and success. In this sense, some western nations are trying to align their aid programmes more explicitly to serve domestic economic interests.

All of this has implications for stability, fragility, conflict and human rights. Fragmented political power, ethnic division, global supply chains of weapons and other supplies, corruption in politics and trade on the part of new powers like China and Russia, the relentless drive for commodities to serve Chinese and western markets, and a host of other factors provide a context characterized by heightened economic competition, civil conflict, terrorism, environmental destruction, mass migrations and the abuse of human rights. Twinned with extreme climate events—flooding, hurricanes, tsunamis—a world which has produced stunningly sophisticated technologies has also become volatile, unpredictable and dangerous.[100]

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[96] Federal Department of Foreign Affairs, Summary: Swiss position on a framework for sustainable development post-2015, Bern, 2014.

[97] Deutsche Welle, BRICS nations launch new development bank, July 14, 2014. http://www.dw.de/brics-nations-launch-new-development-bank/a-17779926, and Lewis, J.T. and P. Trevisani, BRICS put money behind their rhetoric, The Wall Street Journal, July 16, 2014. http://online.wsj.com/articles/brics-agree-to-base-development-bank-in-shanghai-1405453660?KEYWORDS=lewis+Trevisani; (On multi-polarity and the new economic powers, see World Bank, Multipolarity: The New Global Economy, Washington, DC, 2011. http://siteresources.worldbank.org/INTGDH/Resources/GDH_CompleteReport2011.pdf

[98] PwC Economics, World in 2050, Delhi and London, 2013. http://www.pwc.com/en_GX/gx/world-2050/assets/pwc-world-in-2050-report-january-2013.pdf

[99] See World Bank, Multipolarity, 2011 and PwC Economics, World in 2050, 2013.

[100] A useful international initiative in the area of conflict and fragility is the International Dialogue on Peacebuilding and Statebuilding, of which Switzerland is a founding member; more than 40 countries and ten multilateral organizations participate. http://www.pbsbdialogue.org/

Two Strategic Options: Against this backdrop, the basic strategic question is: what role does Switzerland wish to play in the years ahead? This evaluation has found that SDC has demonstrated a range of important strengths that can be built upon to position Switzerland to play a leadership and catalytic role in promoting effective governance and sustainable development around the world. These strengths include, among others, proven capacities in local governance, direct democracy, non-discrimination, transparency and accountability, fragility, conflict, and human rights. They also include a commitment to long-term engagement in partner countries, respect for partner actors, flexible implement-tation processes and adaptive learning. And SDC has demonstrated its ability to bring together a diversity of actors, to promote policy dialogue, and to assume the risks of testing proof-of-concept and piloting innovations. Moreover, Switzerland is widely perceived to be a non-aggressive, peace-seeking actor, and that too, is an asset. The area of local governance and local democracy—which is deeply ingrained in Swiss political culture and law, and where SDC's track record is strong and investment is significant—could be a natural focus for expanded investment and influence by the Agency within and across countries.

In our view, there are two broad strategic options available to Switzerland and to SDC. Both options assume SDC making short-term improvements in the way it does its governance work, in order to optimize the results of the current Parliamentary Dispatch. The **first option** is **to maintain its present role** as an actor among many others on the global scene, generating innovations and influence in key governance niches inter-nationally and focusing its efforts primarily on strengthening the outcomes it achieves at the local and national levels. The **second option** is to take steps **to play a more assertive, visible and influential role** globally by enhancing engagement in select strategic areas where there is a strong interplay between national/local level and global issues, thereby extending what SDC is learning from experience on the ground into its international engagement efforts, and vice-versa.

There is a strong case to be made for both options. However, it is our view that, overall, in the current conjuncture, the world needs more Switzerland. SDC should consider stepping forward to play a more explicit, public, systematic and catalytic role in the post-2015 agenda. The nature of development challenges and solutions in the years ahead lend themselves to SDC's advantages as an agile, flexible actor with proven strengths at the local and national levels. In order to play such a leadership role, though, SDC would need to deepen and widen its capacities in governance programming and mainstreaming at the global level, and to effectively link its expanded global activities to work at the local and national levels.

The Risks of Inaction: Although SDC's performance in governance programming is strong, and its work on governance mainstreaming is solid, there also remain real challenges and obstacles to optimum performance. Indeed, senior management should be aware that there are real risks associated with choosing to **not** take action. These risks cluster around three issues: development outcomes, reputation and human resources.

First, in terms of **development outcomes**, ineffective governance mainstreaming in the health sector, for instance, could result in slow and inadequate partner-country responses to disease epidemics, like Ebola; lives could be lost. Or anti-corruption measures that don't track and disrupt illicit financial flows could allow corrupt and criminal elites to continue to exploit their institutions and citizens, undermining democracy and progress. These examples illustrate the risks of underperformance in governance to successful and sustainable development outcomes.

Second, such failures on the development front could open SDC to **reputational risks**. One of the most important assets Switzerland has as a small country (and SDC as a small donor) is its well-earned reputation for strong and effective development interventions. Lack of organizational capacity and leading-edge knowledge in governance main-

streaming in particular could result in a diminishing of SDC's reputation among peers and partners alike.

Finally, there are risks related to **human resources**. The main threat here is the large number of managers and specialists expected to retire in the next few years and to take their long experience and deep tacit knowledge in governance programming and mainstreaming with them out the door. In fact, this trend is already well underway. If SDC is not able to effectively train and build competencies in governance for the world of the future among its new cohort of employees, it will be obliged to cope with the combined effects of both development-related and reputational challenges.

12 Priorities for Change

Governance will be one of the most important challenges—and solutions—in the post-2015 era. In the current conjuncture, the world needs more Switzerland. SDC has a corporate responsibility, and the opportunity, to play a more assertive, visible and influential role. To take on such a leadership role, however, SDC needs to deepen and broaden its capacities in governance programming and mainstreaming at the global level and effectively link its expanded global activities to its geographic cooperation efforts at the local and national levels.

In the view of the evaluation team, therefore, SDC should consider:

1. **Through its Management Board, issuing a clear statement that governance programming and mainstreaming are Agency-wide priorities for both the current Parliament Dispatch and the Parliament Dispatch for 2017-2020.**

SDC staff and partners are seeking a clear signal from senior management of the Agency that governance is recognized as central to the Swiss cooperation programme and to Switzerland's contribution to the post-2015 agenda of Sustainable Development Goals. This statement should also affirm the anchoring of governance as a priority in Swiss values, law and political practices.

To implement the statement, senior management should consider allocating additional budgetary and human resources to the various specialists, teams, networks and programmes providing support to SDC's governance activities. In light of the major investment SDC makes every day around the world in governance programming and mainstreaming—at least one third of its budget—it is appropriate for senior management to consider increasing the budgets and dedicated time of personnel within SDC who support this area of work. This includes SDC-wide networks that are governance-related—i.e., an expanded DLGN, and the networks for Conflict and Human Rights, and Gender—as well as regional governance advisors and networks in the Western Balkans, West Africa, East and Southern Africa, South Asia and Latin America.

2. **Designating a single unit for SDC-wide coordination of support to all types of governance programming and mainstreaming**

Given the central importance of governance programming and mainstreaming in SDC's work, and the large percentage of the Agency's budget that is spent on governance, it seems important that a single, substantially resourced unit within the organization oversee, steward, support and strengthen both programming and mainstreaming in this field. This should and can be done within SDC's current matrix organizational structure. The most appropriate place to start, in our view, is with the Focal Point for the DLGN, and to engage other governance-related networks (particularly Conflict and Human Rights, and Gender), in building an appropriate unit for this purpose.

3. **Clarifying, updating, renewing and systematizing the knowledge base under-lying SDC's governance work**

Governance infuses almost everything SDC does. It is a prime strategy, and indeed perhaps **the** prime strategy, for achieving the objectives of SDC's programmes at all levels. Looking ahead, SDC must consider both external and internal factors. Conditions and challenges in the world at large have changed; the international community is embarking on a new, post-2015 agenda; SDC is facing a large number of both retirements and new recruits; and, in spite of its strengths, there are gaps and weaknesses in SDC's governance work.

It is the right time, therefore, to carry out a purposeful and robust renovation and strengthening of all facets of SDC's governance programming and mainstreaming. The range of tasks necessary here include, among others, updating the definition and concept of governance, improving data coding, creating a mentoring system, and offering the option for staff to build careers specializing in governance. A fuller list of steps SDC should consider taking here include:

- Updating the definition and conceptual guidance on governance programming and mainstreaming, including clarifying the concept of capacity development, and integrating the important dimensions of global governance, economic governance, fragility and conflict, gender, human rights, and disaster risk reduction;

- Commissioning internal work to update the definition, policies, guidance and tools, including results targets and indicators, on governance for SDC staff and partners. This includes work to review, update, systematize and disseminate a wide range of methods and tools for governance programming, especially those that are generated and used within regions;

- Designating a single authority within the Agency to work with the SAP database and Official Development Assistance (ODA) coding processes to determine a consistent set of coding definitions and statistical interpretations with respect to various forms and aspects of governance programming and mainstreaming;

- Setting up a larger system of coaches and mentors in governance programming and mainstreaming on which newer staff can call for advice;

- Collecting experiences and methods in supporting governance programming in fragile contexts, low-income countries and middle income countries, respectively;

- Devoting special studies and publications to the financial-leveraging factors and results, and cost-benefit analyses, of governance interventions;

- Creating new guidance instruments for the design, implementation and modification of governance interventions in light of the particular interaction among natural disasters, climate change, disaster risk reduction, governance and livelihoods;

- Developing pathways for SDC staff to pursue a career specializing in governance; and

- Developing a series of awards for high performance and innovation in governance programming and mainstreaming by SDC staff and partners.

4.   Renewing efforts to achieve effective governance mainstreaming

Strengthening the area of governance mainstreaming deserves a special initiative on its own. However, this work should be part of the work of the new unit designated to coordinate SDC governance activities more broadly. Important tasks here could include:

- Mobilizing and resourcing a special team to work with thematic focal points and networks to develop sector-specific strategies and tactics for mainstreaming governance at all levels;

- Revising and updating the general guide to mainstreaming governance as a transversal theme, informed by the new definition of governance and recent lessons and methods, integrating fragility, conflict and human rights dimensions, as well as

local – national – global interactions, and designed as an evolving rather than static tool;

- Strengthening the commitment and practice by SDC to integrate gender equality into governance in all sectors, at every stage of the project management cycle, with clear performance and reporting targets.

5. Testing, deepening and expanding SDC's involvement in governance issues at a global level

Building on the experience of the Global Programme Water Initiatives and other international initiatives, and recognizing the complex, multi-level character of many development challenges, SDC could consider planning and supporting up to two global pilot projects in key areas. Possibilities here include: illicit flows of capital resulting from corruption and elite capture in developing countries; the environmental and social sustainability dimensions of the governance of commodity exploration, production and trading; and the purchasing of arms to propagate civil and ethnic conflict. Management decisions to act on this priority would include approving such initiatives and ensuring there are mechanisms to link global efforts to regional and country programmes so that there is value-added to both regional and global programmes.

6. Strengthening the monitoring and evaluation of, and reporting on, governance outcomes

Adopting a results-oriented reporting system within SDC has been a good decision. Now the focus should be placed on reporting on cross-cutting and higher-level outcome results. Among the steps that could be taken in this regard are:

- Improving reporting on governance outcomes (as opposed to outputs or activities).

- Developing tools, cases, webinars and other training activities in monitoring and evaluation of governance outcomes as well as more precise and realistic theories of change that are designed to achieve scaled up innovations and higher level results more generally. Such performance assessment activities would need to employ both qualitative and quantitative methods, and seek to create knowledge products that are suitable for Parliamentarians and the general public in Switzerland and in partner countries, as well as for development professionals and foreign-policy specialists.

7. Improving communication on governance work

SDC should consider producing a series of communications tools and knowledge products—making full use of video and social media as well as other means—that profile the strategies, partners, results, challenges and solutions associated with selected governance programmes and mainstreaming activities. Stories of high-performing partners and partnerships, the building of permanent local capacity, human rights gains, adjustments to fragility and natural disasters, and decisive Swiss influence on multi-actor projects and networks—these accounts and more could be brought to the attention of key audiences in Switzerland and abroad.

8. Reviewing, clarifying and rendering more coherent the division of labour on governance between SDC and SECO

Building on the improved coordination between SDC and SECO that is generally evident in the field, SDC senior management should consider taking steps to improve the coherence of the international cooperation activities of each agency. This is especially urgent given the seriousness of widespread unemployment, particularly among youth, in many partner countries, and the need to contribute to faster, larger scale job creation and decent work. SDC should also consider taking steps to further improve coordination with other FDFA divisions and other Swiss government agencies.

9. Promoting integrated governance programming

Finally, SDC should consider developing a mechanism specifically aimed at incubating, testing and scaling up innovative forms of integrated governance programming combining global and country-level interventions. Such a mechanism could be overseen by the Management Board as a whole and supported by the designated governance unit. Its procedures and effectiveness could be tested and refined during the remaining years of the current Dispatch, and, if merited, its use expanded during the new Dispatch period of 2017-2020.

Conclusion

In the years ahead, SDC can play a catalytic role in governance internationally. SDC has shown its capacity in the GPWI initiative, which could be replicated on other selected governance issues where SDC has expertise and programming depth. SDC can play a leadership role in shaping and implementing the governance dimensions of the post-2015 agenda. There is an opportunity for SDC to build on its strengths in decentralization, governance and democracy; its traditions of accountability, transparency and participation; its use of human-rights-based and conflict-sensitive approaches; and its proven ability to test and scale up programmes, models and other innovations that work.

Annexes

Provided separately at this time

Annex A   Approach Paper

Annex B   Inception Report

Annex C   Bolivia Case Study Report

Annex D   Bosnia and Herzegovina Case Study Report

Annex E   Mozambique Case Study Report

Annex F   Members of the Learning Groups of the Governance Evaluation

Annex G   Governance Evaluation Analytical Framework: Assessment Matrix

Annex H   Spending on Governance Across SDC

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