



What is Governance for SDC?



Schweizerische Eidgenossenschaft
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Swiss Agency for Development
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What is governance?

Governance is the political process through which public authority is created and exercised. SDC conceives governance as the way in which core public functions are performed, public goods are produced and distributed, and power is exercised and negotiated by governmental and non-governmental actors at multiple levels that are closely interconnected (from the sub-national to the national state level to the global level).

Governance systems are specific to each country context, its historical background, and the present

political, social and economic challenges. Governance systems are shaped by the formal and informal structures and institutions in place, the quality and performance of governance processes, and the behaviours, attitudes and value systems of governance actors. Fundamentally, governance issues always involve power relations, and governance interventions often directly challenge power holders. Governance touches on core features of how states are organised and operate. **Thinking and working politically** is thus an integral part of the SDC's understanding of governance work.

Why Swiss development cooperation bothers about governance

Governance is an end in itself (SDG 16) and a means for and lever of the systemic transformations needed for achieving all 17 SDGs. Governance builds on the respect of human rights and is an important means "to leave no one behind", and to promote gender equality and peaceful resolution of conflicts. SDC's governance work is guided by essential values that are at the heart of the political stability and economic prosperity of Switzerland.

These values include respect for diversity and individual liberty, the rule of law, power sharing, federalism and decentralisation, direct democracy and a strong spirit of cooperation, solidarity and political compromise. According to the Swiss constitution (Art. 54/2), democracy, human rights, and peaceful coexistence are self-standing goals for Switzerland's engagement in international cooperation and foreign policy. Supporting other countries in achieving these goals also serves the interests of Switzerland's own welfare and security.

SDC's vision of good governance

Good governance is a well-functioning global, national and sub-national governance system that contributes to building and maintaining peace and promotes sustainable development. A performing governance system focuses on the well-being of all people – women and men, girls and boys, in all groups of society, including migrants and forcibly displaced persons. It would "leave no one behind" and respect the diversity of its citizens' ideas of a good life. With a view to realising this vision, SDC aspires to contribute to building and strengthening governance systems that:

- Promote equal access to services and social protection, resources, information and justice for all;
- Foster inclusive participation of citizens, work in a non-discriminatory way and allow for peaceful negotiation of conflicting interests;
- Ensure the rule of law and human rights, and establish legitimate and accountable politics;
- Enable sustainable and inclusive economic development; and
- Strive for efficient, effective, transparent, rule-based, accountable and legitimate institutions and processes.

Source: *The SDC's Guidance on Governance* (2020).

Moving towards better governance: The governance principles

Development challenges are governance challenges. The SDC aspires to contribute to governance reforms, while maintaining the right of every country to decide on its specific state organisation and political system.

“Better” governance is characterised by the respect of a set of principles and adapting to the local context. The good governance principles are overlapping, interdependent and closely interlinked. They largely correspond to the principles that like-minded donors and international development organisations are using. The principles are generic enough to leave room for many different shapes and forms of structures and processes that consider the specific thematic and country contexts. Applying and balancing these

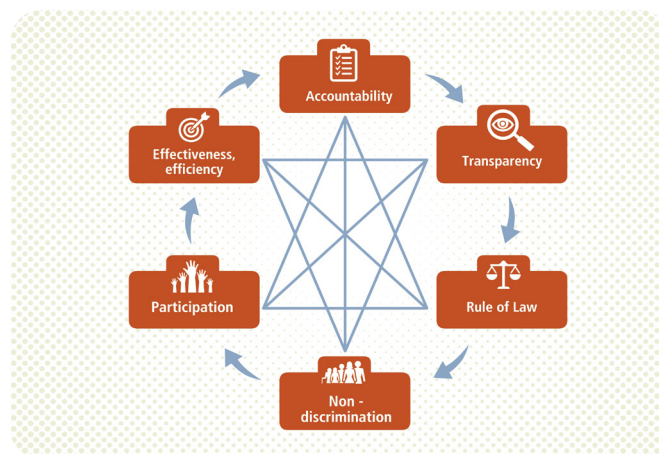


Figure 1: Governance principles

principles allow public systems to respond adequately to multiple development challenges.

A systemic approach to governance

The SDC's work is based on a **systemic and contextualised understanding of governance**. This means that governance challenges and interventions (e.g. promoting local governance) are always embedded and understood within a broader system. The **way we work** on governance is as important as the specific issue we work on (“the how is the what”).

The SDC's systemic approach to governance means and includes:

- A **systemic understanding**, by analysing governance structures, processes, stakeholders and behaviours, and applying the **good governance principles** for assessing the quality of governance processes to identify entry points and orienting action.
- **Thinking and working politically**, by adopting a political approach for problem-solving, influencing

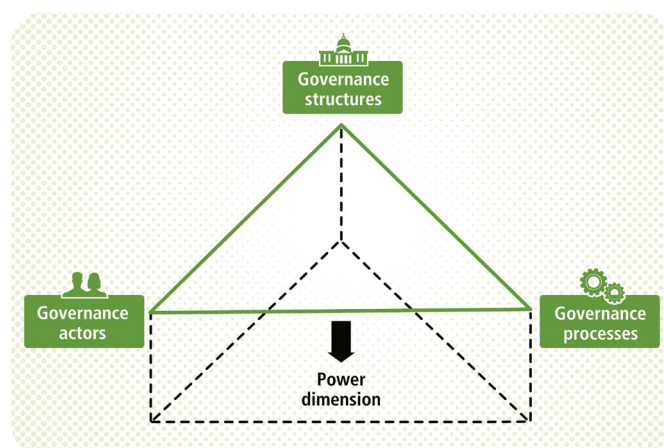


Figure 2: Governance system



Figure 3: Different levels of governance

policies, considering power dimensions, and adaptive programming. **Working on governance dynamics with a multi-level perspective**, by fostering the vertical and horizontal linkages and cooperation between the different levels and systems of governance, both upwards and downwards.

- **Strengthening multiple stakeholders in their governance roles**, by supporting governmental and non-governmental actors and stakeholders in line with their respective roles and responsibilities in the governance system. This means, on the one hand, strengthening state institutions in their capacity and willingness to comply with their obligations, and on the other hand, empowering citizens so people know and can claim their rights (human rights-based approach).

- **Striving for increased policy coherence**, by advocating for a **coherent approach among Swiss actors** towards promoting good governance principles (whole-of-government approach), integrating the governance dimension throughout domestic and international policymaking, and addressing the transboundary and long-term impacts of policies, including those likely to affect developing countries.
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For more details see: *The SDC's Guidance on Governance* (2020).