SDC's Governance Priorities

Development challenges are governance challenges

The achievement of the SDGs depends largely on how governance takes place and the manner in which governance deficiencies are addressed. Development and governance challenges are manifold and strongly intertwined. Persistent development challenges are resulting from weak or failed governance such as poverty and exclusion, gender inequalities, uneven access to and unsustainable use of natural resources, armed conflict and widespread violence, disrespect of human rights and rule of law, as well as systemic corruption. On a global level, interdependence of markets and financial systems, coupled with weak or incoherent policies on economic and climate and environmental governance, are weakening the economic and social fundamentals of many states while migration and rapid urbanisation come with new and increased demand for managing public affairs and delivering basic services to all. Moreover, emerging political trends such as the backslide of democratic governance and an increase in authoritarianism, and the contested and shrinking space for civil society and the media, challenge the paradigm of democracy as a universal and shared value and foundation. Rapid digitalisation offers new opportunities for improved governance but involves considerable risks of widening the digital gap and illegitimate use.

The SDC responds to these multiple challenges by prioritising a comprehensive governance approach and focusing on thematic areas that have high impact and in which the SDC has proven expertise. *The SDC's Guidance on Governance* identifies five strategic priority areas, or "pillars": (1) promoting democratic governance, participation and accountability; (2) supporting decentralisation and well-functioning multi-level governance; (3) combating corruption on all levels; (4) responding to governance opportunities and challenges from digitalisation; and (5) strengthening governance as a lever and transversal theme in all interventions. The SDC addresses these priorities through targeted governance programmes and interventions and by working transversally through other thematic sectors (see: 2-pager *Governance as a Transversal Theme*).

The SDC's governance priorities: the five pillars

Pillar 1: Promoting democratic governance, participation and accountability

The SDC contributes to the strengthening of democratic institutions and processes to preserve, protect and increase democratic and civic spaces for inclusive participation of all people.

In democratic systems, the legitimacy of political institutions is based on people's participation and consent, either by direct vote or by representation, public oversight and accountability. The SDC aims to contribute towards democratic institutions and processes, such as accountability and oversight systems, transparent and inclusive elections, effective citizens' participation, independent and pluralistic media, representative and effective parliaments, the respect for human rights and accessible justice. The democratic backslide and rise of authoritarian rule snd trends in many countries threaten these very foundations and values. To uphold democratic governance and promote, preserve and protect democratic and civic space is thus a key priority:

- Enabling effective **citizens' participation** and protecting and/or increasing civic space;

- Promoting transparent, inclusive and fair **elections** and representative, effective and accountable **parliaments**;

- Fostering horizontal and vertical **accountability mechanisms** and legitimacy of public institutions;

- Strengthening independent and pluralistic **media**; and

- Promoting independent, impartial and accessible **justice**.

Pillar 2: Supporting decentralisation and well-functioning multi-level governance

The SDC contributes to well-functioning multi-level systems and sub-national governance, leading to more democratic control, greater efficiency and accountability in public service delivery and stronger foundations for inclusive economic development.

Decentralisation defines the framework conditions for multi-level governance and determines the roles, functions and power, and the financial and human resources of sub-national authorities. The SDC contributes towards improving domestic capacities and initiatives for decentralisation reforms as well as fostering democratic local (municipal) governance structures. This implies inclusive provision of good quality services such as education, health and social protection, collaborative solutions towards local development, the efficient and responsive management of public finances, effective citizen participation, democratic accountability and oversight. Decentralisation, a capable local government, and democratic principles are also preconditions for successful local economic development and of managing public affairs, delivering basic services, and dealing with conflicts in view of increasing migration and rapid urbanisation:

- Supporting the **administrative, political and fiscal decentralisation**;

- Strengthening the quality of local **public financial management** and the **municipal finance base**;

- Enhancing **local economic development**; and

- Addressing **rapid urbanisation**, particularly secondary cities, promoting rural–urban linkages for development.

Pillar 3: Combating corruption on all levels

The SDC contributes to the global efforts of combating corruption as a major development obstacle, raising awareness on the negative impacts and leading the dialogue with partner governments and development partners.

Good governance is key to ensuring the integrity of power holders and to fight corruption, which are major obstacles to inclusive development. The SDC promotes the integrity of state institutions and the business sector. It strengthens the oversight functions of parliaments and other independent state institutions as well as the watchdog role of the media and civil society, and reinforces the investigation and prosecution capacities against corruption. It supports initiatives to raise public awareness about the risks and costs of corruption, and to mobilise citizens taking action. Finally, SDC also takes care to prevent corruption in its own work and engages with international initiatives, standard setting and competence centres:

- Investing in better **analysis and understanding** of the structures and factors driving corruption;

- Increasing **strategic interventions** against corruption with key government and independent oversight institutions, media and civil society, and promoting digital tools;

- Integrating an **anti-corruption perspective in sector programmes**; and

- Promoting **political dialogue** and engaging in global initiatives.

Pillar 4: Responding to governance opportunities and challenges from digitalisation

The SDC contributes to improving digital governance by managing the digital transformation for the public good, based on principles of good governance

Digitalisation is a key development trend that will increasingly impact on governance processes. Modern forms of democratic participation, new media, and social accountability mechanisms are closely linked to the digitalisation of societies and the public sphere. However, in the hands of authoritarian governments, digital technology may be a powerful tool of repression. The SDC will engage in promoting e-governance where it is adequate and in a way that contributes to improve on governance principles and mitigates risk, and also:

- Invest in learning on **the potentials and risks of (rapid) digitalisation**, and support **capacity building** of partners to profit from digitalisation and respond to its challenges.

- Promote **digital governance** and explore avenues to **digital democracy** (e-governance /e-democracy).

- Engage in **policy dialogue on global digital governance**.

- Promote **data availability** on all levels of governance, including sub-national data availability to promote effective and evidence-based policymaking.

Pillar 5: Strengthening governance as a lever and transversal theme

The SDC promotes good governance and governance objectives as a lever to achieve effective, transformative and sustainable development results in all sectors and interventions.

Given the cross-cutting character of governance and its commitment of thinking and working politically, the SDC takes a "transversal approach" to integrate a governance perspective and the good governance

SDC's governance vision and objective: A well-functioning global, national and sub-national governance system that contributes to building and maintaining peace and promote sustainable development, focusing on the well-being of people – women and men, all groups of society to: promote equitable access to services and social protection, resources, information and justice for all, foster inclusive participation of citizens, enable sustainable and inclusive economic development, ensure the rule of law, human rights and establish legitimate politics and strive for efficient, effective, transparent, rule-based, accountable institutions and processes.

Contributing to
- Switzerland's International Cooperation Strategy 2021-2024: Promoting peace, good governance and gender equality (Obj.4), by promoting good governance and rule of law and strengthening civil society (sub-objective 10)
- Agenda 2030, SDG 16: Promoting peaceful and inclusive societies for sustainable development, providing access to justice for all, and building effective, accountable and inclusive institutions at all levels.

Pillar 1:
Democratic governance, participation & accountability

- Effective citizens' participation and protecting and/or increasing civic space
- Transparent, inclusive and fair elections and issue-based political parties
- Representative, effective and accountable parliaments
- Horizontal and vertical accountability mechanisms, legitimacy of public institutions
- Independent, pluralistic media
- Impartial and accessible justice

Pillar 2:
Decentralisation and multi-level governance

- Administrative, political and fiscal decentralisation, capacities of sub-national governments
- Quality of public financial management and municipal finances
- Local economic development
- Governance challenges of rapid urbanisation

Pillar 3:
Combatting corruption

- Better analysis of factors driving corruption
- Strategic interventions: key oversight institutions, independent media, digital tools, private sector
- Anti-corruption in sectors: accountability, oversight, transparency, social behaviour change
- Policy dialogue, engaging in global initiatives

Pillar 4:
Governance opportunities, challenges from digitalization

- Research, learning on potentials, risks of (rapid) digitalisation, and capacity building of partners
- Promote and explore digital/ e-governance and e-democracy
- Engage in dialogues and initiatives on global e-governance
- Promote data availability for effective and evidence-based policy making

Pillar 5: Governance as a lever and transversal theme in other sectors

- Systemic approach: Analyse and address the governance system (of a sector) by looking at its three dimensions structures, processes and actors.

- Governance principles: Use the good governance principles to assess the quality of governance processes, identify entry points in sectors and report on governance results.

- "Thinking and working politically": Adopt a political approach to governance considering underlying power dimensions, formal and informal rules and norms and facilitate dialogue to strengthen local problem-solving mechanisms. Promote capacities for PEA and adaptive programming.

- Peace, governance and (gender) equality (PGE): Apply a coherent approach towards governance, peace and (gender) equality with joint analysis and instruments to integrate PGE dimensions within SDC's transversal themes
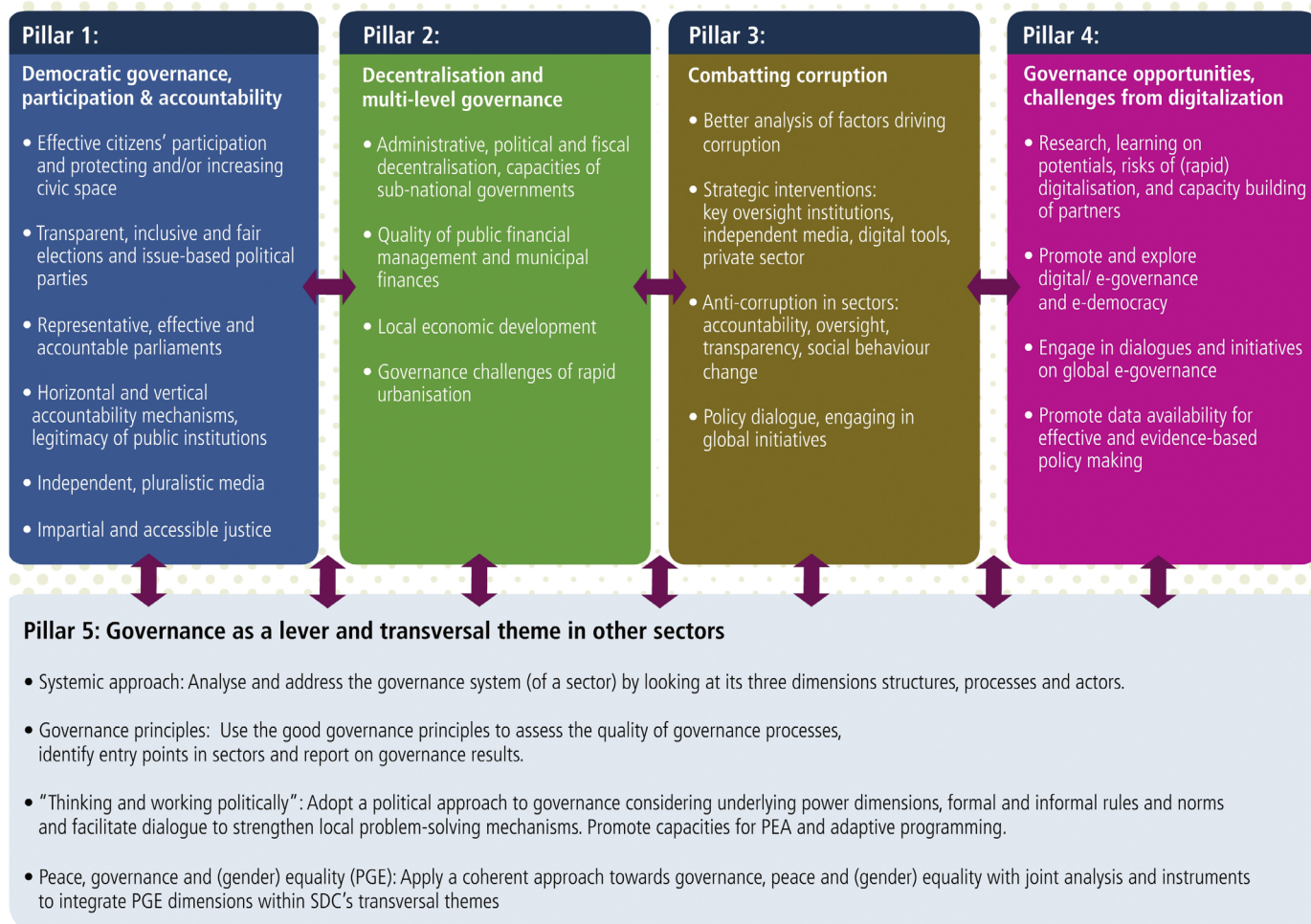
Figure 1: Governance priorities, from *The SDC's Guidance on Governance* (2020)

principles in all sectors and areas of cooperation. To implement governance in all sectors, the SDC applies a systemic and contextualised understanding of governance, as shown in Figure 1.

- **Systemic approach:** Analyse the governance system (of a sector) by looking at three dimensions: its structures, processes and actors, and address governance dynamics with a multi-level and multi-stakeholder perspective.

- **Governance principles:** Use the good governance principles to assess the quality of governance processes and identify sector-specific entry points

as well as strategic monitoring and reporting of governance results.

- **"Thinking and working politically":** Adopt a political approach to governance considering underlying power dimensions, and promote capacities for Political Economy Analysis (PEA) and adaptive programming.

- **Address peace, governance and (gender) equality (PGE) in a coherent way:** Analyse jointly and develop common instruments to promote a coherent approach to PGE within the SDC's transversal themes.