

# SWITZERLAND PROMOTES GOVERNANCE



Schweizerische Eidgenossenschaft  
Confédération suisse  
Confederazione Svizzera  
Confederaziun svizra

Swiss Agency for Development  
and Cooperation SDC

## What is good governance?

Involving farmers' and indigenous peoples' associations in local policy decisions in Bolivia. Improving state structures in Bangladesh to enable them to run water management and purification services effectively. Informing people in Tunisia of their rights and responsibilities through publications, courses and radio programmes. Developing markets in municipalities in Benin.

These examples illustrate various aspects of promoting democracy and governance. 'Governance' refers to the way in which a state is organised and public duties carried out, and in which state power is exercised and legitimised. There is consensus today that governance is a precondition for a country's development and stability. At the basis of this approach is a qualitative understanding of governance, defined by a set of normative principles of good governance. Its ultimate goal is to improve living conditions and security for populations.

Governance has improved in recent years in several developing and post-conflict countries. A number of dictatorships have entered democratic transition processes. Nevertheless, nearly all countries currently undergoing a transition continue to struggle with serious governance issues and democratic deficits. Decentralisation often remains incomplete, with power remaining too centralised, parliaments incapable of functioning effectively, ongoing corruption and platforms for consultation and public debate contested.

In light of countries' increasing interdependence, the global nature of current challenges (climate change, pandemics, food security, water, conflict and migration) and the emergence of new powers, Switzerland considers promoting governance essential.

## Supporting democratic elections in Myanmar

Elections are key moments in political transformation processes. They are an opportunity for citizens to hold political authorities to account. When they take place in compliance with certain requirements they can significantly bolster peace processes and provide a way of including divergent interests in the political system. For these reasons, and while aware of the risks (manipulation of elections, political confrontation, violent conflicts), Switzerland decided to support Myanmar's parliamentary elections of November 2015. The goal was to help Myanmar hold transparent, credible, inclusive and peaceful elections by providing comprehensive, coordinated support.

In cooperation with competent implementation partners (national and international organisations), the Swiss Agency for Development and Cooperation (SDC) helped Myanmar's electoral commission organise and run the elections in accordance with international standards. It also enabled civil society organisations to run campaigns that raised awareness and provided information to voters, including women and disadvantaged groups in particular, helped them to register and encouraged them to vote. Media outlets received support in providing people with accurate, reliable, unbiased information.

On request by the election authorities the Human Security Division (HSD) brokered a code of conduct between the governing party, the opposition and the ethnic political parties to ensure a peaceful election campaign. After six months of negotiations and with support from Swiss election experts, the 89 parties agreed on a set of basic rules for fair and peaceful elections, e.g. to abstain from hate speech and exploiting religious differences during the election campaign. The agreement was a historic event following decades of military dictatorship marked by restricted civil liberties and by armed conflicts.

Finally, Switzerland also contributed to the running of election observation missions by providing support to national election observers (SDC) and taking part in the EU's election observation mission (HSD).



In Myanmar, scanned and recorded ink fingerprints have become the mark of a credible, peaceful electoral process.

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## How does Switzerland work to improve governance and promote democracy?

Switzerland works to improve governance and promote democracy through the Swiss Agency for Development and Cooperation (SDC) and Human Security Division (HSD), which are both part of the Federal Department of Foreign Affairs (FDFA), and through the State Secretariat for Economic Affairs (SECO). The three agencies coordinate their efforts. Switzerland's efforts seek to strengthen the rule of law and democratic participation, and provide support for institutions that serve society, peace and the economy. Switzerland also works to foster responsible, transparent management of economies to allow stable, sustainable, inclusive economic growth.

### A systemic approach

Switzerland takes a 'systemic approach' to maximise the effectiveness and sustainability of international cooperation programmes. This means that various institutions and different actors work together within the political system, making sure that change processes are institutionally anchored and that initiative on the part of partners involved in those processes is encouraged. Switzerland also supports partner countries in the development of reform policy and strengthens capacities in order to implement them, working at both local and central government levels.

### Analysis of the context

Switzerland does not advocate any single ideal political model. The starting point and frame of reference for Switzerland's commitments is always the current context in the country in question. In fragile contexts and conflict situations the focus is primarily the safety of the population and access to justice for the protection of their human rights, access to basic public services and the means to earn a basic income, constructive dialogue and increased legitimacy of political processes. engagement.

## Three Swiss actors improving good governance from different angles

### SWISS AGENCY FOR DEVELOPMENT AND COOPERATION (SDC)

The **SDC** has set three priorities to improve governance in the countries in which it works: democratisation, decentralisation and local governance. While tailoring its activities to the unique context of each partner country, the SDC promotes democratisation by supporting projects that aim in particular to organise inclusive and transparent elections, promote civic participation and encourage citizens' commitment, promote plurality and independence of the media, make parliaments more effective and representative, and strengthen the independence, impartiality and accessibility of the justice system. It thereby encourages responsible, democratic leadership and helps reduce the risk that power will be abused, as do its programmes designed specifically to combat corruption. In the area of decentralisation, the SDC is developing projects which, for example, aim to help certain key ministries and parliamentary committees to develop new policy approaches or new legislation. Finally, to improve local governance, the SDC seeks to build the capacity of local institutions and stakeholders and improve aspects that affect the quality of the services they provide.

### HUMAN SECURITY DIVISION (HSD)

The **HSD** works within its peacebuilding and human rights mandate for the settlement of disputes and political crises in the democratic processes of post-conflict or post-dictatorship countries. Political systems which are inclusive of all groups of society and allow the peaceful sharing of power are an essential precondition for overcoming or dealing with conflicts by peaceful means. Using its own experts, the HSD encourages the peaceful settlement of disputes during electoral and constitutional processes (conflict prevention). It seeks to ensure the involvement of all stakeholders and decision makers (for example political parties, members of parliament, civil society and minorities). HSD experts work in the areas of federalism, election support, election observation, constitutional law and parliamentary support in particular.

### STATE SECRETARIAT FOR ECONOMIC AFFAIRS (SECO)

**SECO** is active in the field of economic governance, i.e. for the development and implementation of rules and standards that establish the conditions for sustainable, inclusive economic development. Central factors are solid, transparent financial and fiscal policy, effective, transparent state institutions to provide the necessary public services, and efficient, transparent private enterprises which uphold ethical principles. SECO supports capacity building to enable the transparent, responsible administration of public funds and promotes the development and application of codes of conduct for the private sector (corporate governance).

## What added value does Switzerland provide in the area of governance?

The duty to strengthen democracy and human rights is set out in the Swiss Federal Constitution and is one of the country's foreign policy priorities. Switzerland's approach to governance is firmly anchored in the country's history.

Federalism, the rule of law and direct democracy are significant factors in Switzerland's economic success, stability and effective management of cultural, religious and linguistic diversity. Other assets are the sovereignty of the Swiss people, pluralism and respect for minorities, decentralised administration, accountability and the application of the subsidiarity principle (the idea that centralised power has a subsidiary role in that a higher level of government will only perform a task that a lower or local level of government is unable to perform effectively). All these aspects of the Swiss federal system can provide valuable references when developing projects to improve governance.

### Encouraging synergies

Switzerland has long experience and proven expertise in questions of governance. It is able to exploit synergies between the various instruments employed by the SDC, HSD and SECO, as well as other Swiss centres of expertise, to pool support and advisory efforts in common partner countries. Switzerland is also a very active participant in political dialogue at global level. Switzerland was actively involved in the discussions leading up to the United Nations 2030 Agenda for Sustainable Development and made a significant contribution to the formulation of the goal that specifically addresses governance (goal 16).



## Advancing decentralisation in Serbia

Serbia is an example of how SECO and the SDC are working together to improve the tax base and financial administration of central and decentralised government bodies. This is an important prerequisite for effective, efficient administration, economic development and the promotion of relationships of democratic accountability. Experience has shown that the population is willing to pay taxes, but only if they know how their money is being used, and only as long as they can benefit from it.

SECO is engaged in significant efforts at central level in Serbia to improve public financial management in accordance with international standards. These efforts include the reorganisation and modernisation of the national tax authority, strengthening the budgeting process, and the analysis of fiscal risks, particularly with regard to disasters. The activities promote transparency, accountability and responsibility in the management of public funds, which contributes to a stable economy that encourages growth. To effectively improve the management of public funds, reforms at national and local level need to be well coordinated, however. Thus SECO has analysed the strengths and weaknesses of public financial management at local government level against internationally recognised criteria. The analyses then serve as starting point for further activities to strengthen the capacity of municipalities in public finance management.

The SDC can also build on the results of these assessment reports in its work to ensure more effective use of funds by local authorities. Further, the SDC is committed to broadening the tax base at the community level. Activities include promoting competent tax administration and introducing competition and a bonus system for tax collection rates in selected municipalities in eastern Serbia. Tax revenue has increased appreciably as a result. To connect reforms at local and national level, the SDC has for many years been supporting lobbying by the national association of municipalities. The association is now recognised by the government as a competent negotiating partner and is currently actively engaged in drafting the new municipality financing law, representing the interests of its members in an effective manner.

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## What does Switzerland spend on good governance?

Because of its crucial importance, governance is a constant theme in all of Switzerland's activities. It is an aspect of the assistance provided by Swiss development cooperation in its various areas of intervention, from development assistance and human security to humanitarian aid.

According to an independent analysis conducted in 2013, about 30% of the SDC's funding annually in the bilateral field is allocated to activities in connection with governance. In 2014 this represented approx. CHF 500 million of a total CHF 1.5 billion. The sums allocated in the multilateral field (e.g. contributions to UNDP) are not included in this amount.

In 2013 the SDC allocated CHF 197 million and SECO CHF 193 million to specific sectors linked to governance. Much of the funding allocated by the HSD (CHF 75 million in 2013) contributes directly or indirectly to better governance in countries in transition.

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## Useful links

- [www.fdfa.admin.ch/sdc](http://www.fdfa.admin.ch/sdc)
  - › Themes
  - › Advocacy and Good Governance
  - › Good Governance
  
- [www.fdfa.admin.ch](http://www.fdfa.admin.ch)
  - › Foreign policy
  - › Human rights and human security
  - › Peace
  - › Supporting elections and democratic processes
  
- [www.seco-cooperation.admin.ch](http://www.seco-cooperation.admin.ch)
  - › Themes
  - › Cross-cutting themes
  - › Economic governance

## Strengthening democratisation in Mongolia

Mongolia is a typical example of how the SDC has supported the formulation and implementation of decentralisation and democratisation reforms through a comprehensive programme spanning a number of years. This support is important to enable the country to consolidate the political reforms it has launched and to put the proceeds of economic growth into balanced development for all.

At the central level, the SDC provides the necessary expertise to advise on the development of new laws, and at sub-national level it contributes to improving the quality of local administrations. This includes building expertise in planning and budgeting processes to enable authorities to coordinate and monitor implementation and establish a practice of public information and consultation. Activities included the creation of a nationwide system of government service points where the population can go for competent information and support ('one-stop shops').

A key aspect is building civil society organisations' capacity to monitor government procurement and negotiate on equal terms with the authorities on issues that affect the population. This has helped time and again to reduce mismanagement and improve public services, such as primary healthcare and social services. In parallel, the SDC promotes the supervisory powers of local parliaments, which further strengthens the public's ability to hold government to account.

The SDC has also recently started working in the rapidly growing metropolis Ulaanbaatar, where the authorities can no longer keep pace with the growing demand for basic services. The authorities' capacity to do this needs to improve, in particular in the outlying slums in which there is extreme poverty.



In Khovd Province in Mongolia, more and more citizens are interested in the challenges of local development.

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