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Evaluation 2022/2

Independent Evaluation of SDC's Performance in National Policy Dialogue 2013 - 2020

Independent Evaluation of

SDC's Performance in National Policy Dialogue 2013 - 2020

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

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Donor	SDC – Swiss Agency for Development and Cooperation
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Bern, July 2022

I   Evaluation Process

Evaluations commissioned by the SDC's Board of Directors were introduced in the SDC in 2002 with the aim of providing a more critical and independent assessment of the SDC activities. These Evaluations are conducted according to the OECD DAC Evaluation Standards and are part of the SDC's concept for implementing Article 170 of the Swiss Constitution, which requires Swiss Federal Offices to analyse the effectiveness of their activities. The 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 reports directly to the Director General, commissions the evaluation, taking care to recruit independent evaluators and manages the evaluation process.

The Evaluation and Corporate Controlling Division identified the primary intended users of the evaluation, and invited them to participate in a **Core Learning Partnership (CLP)**. The Core Learning Partnership actively accompanied the evaluation process. It commented on the evaluation design (Approach Paper); it validated the evaluation methodology (Inception Report); and it provided feedback to the evaluation team on their preliminary findings. During a capitalization workshop and a presentation on the Draft Evaluation Report, the Core Learning Partnership had the opportunity to comment on the evaluation findings, conclusions and recommendations.

The evaluation was carried out according to the evaluation standards specified in the Terms of Reference.

Based on the **Final Report of the Evaluators**, the **Senior Management Response (SMR)** was approved by the SDC's Board of Directors and signed by the SDC Director-General.

The SMR is published together with the **Final Report of the Evaluators**. Further details regarding the evaluation process are available in the evaluation report and its annexes.

Timetable

Step	When
Approach Paper finalized	March 2021
Implementation of the evaluation	June 2021 – March 2022
Senior Management Response in SDC	July 2022

II   Senior Management Response

In May 2019, SDC commissioned an independent evaluation of SDC's Performance in National Policy Dialogue 2013 - 2020. Due to the COVID-19 pandemic, the evaluation started mid-2021 and assessed the performance of SDC's programmes and projects along the OECD DAC criteria of relevance, coherence, effectiveness, impact, efficiency, and sustainability. In addition, the evaluation considered where and to what extent the engagement of SDC is transformational in nature. The evaluation aims to support SDC in achieving the objectives of Switzerland's International Cooperation Strategy 2021-2024, and in contributing to achieving the Sustainable Development Goals (SDGs).

The evaluation team had access to all documentation of relevant data in SDC and analysed in debt documents for specific country studies: Burkina Faso, Moldova, Nepal, Tanzania, and Ukraine. Within these five countries, two or more sectors/themes were chosen for an in-debt analysis of the Swiss national policy dialogue within the country (government and non-government actors), its role in aid and donor coordination, and linkages to wider political dialogues and dialogues in the context of global programmes. An additional set of case studies were carried out on selected projects and programmes in seven other priorities countries/regions. The team interviewed more than 100 informants. Field visits were made to Moldova and Ukraine, as well as Tanzania.

This Senior Management Response was submitted to the Board of Directors for approval and signed by the Director-General of SDC. It sets forth concrete measures and actions to be taken, including responsibilities and deadlines.

Assessment of the evaluation

The evaluation was conducted by a team of independent experts in accordance with international standards. The evaluation process included close involvement of a Core Learning Partnership (CLP). The CLP comprised staff from all SDC departments. SDC appreciated the process of the evaluation, the comprehensiveness of the report as well the sound analysis of key elements of SDC's Performance in National Policy Dialogue (NPD) 2013 - 2020.

The report's analysis and resulting recommendations are considered to be useful for strengthening the strategic orientation of NPD within SDC. The interactions between the evaluation team with the interviewees as well as the CLP led to a helpful precision of the definitions and distinction between policy and political influence. See also Table 3 of the evaluation report below.

Table 3 Most common types of policy dialogue

Type	Examples
Political	• Political dialogue in support of foreign policy goals (e.g., human rights; rule of law; governance (transparency, accountability)) etc. • Political dialogue in support of implementation of the global development agenda (i.e., Agenda 2030 or Climate Change conferences) - higher level and broader aims of the dialogue.
Policy	• Policy dialogues with partner country governments concerning policy changes related to national objectives to which Switzerland contributes to through its programme/ projects. • Policy dialogues with civil society/ private sector in support of policy changes at the national and regional level. • Dialogues with partner governments in contexts of regional cooperation.
Technical	• Technical dialogues in support of implementation of Swiss programmes and projects
With development partners, incl. multilateral institutions	• Donor dialogues – global level, HQ level, and national level. • Dialogues with multilateral and regional organisations/institutions active in the country.

SDC's Senior Management thanks the evaluation team and SDC staff involved for their effort and for a substantial and comprehensive report. SDC's Senior Management is committed to implementing the measures set out in the response.

Main findings

The overall findings of the evaluation can be distinguished into three broad categories, results, approaches and management:

Results
1. Policy dialogue has led to significant results that outweigh the relative low costs associated with conducting dialogue.
2. SDC engagement in policy dialogue has been evolving in recent years. Adopting a whole of government approach, greater attention to the political environment, policy dialogue for systemic change, and the systematic approaches to policy dialogue were supporting this.
3. Fostering domestic local and national policy dialogue has been emerging as the ultimate goal in some countries.

Approaches
4. Ambitious projects worked better when accompanied by wider, higher-level policy/political dialogue. And wider policy aims benefitted from close linkage with concrete achievement at project level.
5. A core challenge was how to support implementation of policy – SDC focussed on evidence gathering or working through others in cases where policy change was needed (not on developing policy).
6. Policy dialogue that worked in partnerships with multilaterals and others on implementation of global norms and standards proved to be effective.
7. An opportunistic, adaptable and long term approach to policy dialogue yielded good results.
8. SDC's significant investment in aid coordination and upholding good donor practices was a valuable contribution to national policy dialogue.

Management
9. SDC resources and skill sets for policy dialogue have increased, but gaps in meeting the demands remain. As policy analyses skills improve, it is important not to downgrade technical capacity and sector expertise.
10. When space for national dialogue was under pressure, the inclination of Switzerland was to leave it to larger multilateral actors to act.
11. There is room for a more forward-leaning role of Switzerland in policy dialogue at the country level, based on Swiss values and a thorough understanding of the strategic policy issues at stake in each partner country – this would not be in contradiction to impartiality and evidence-based policy dialogue.
12. There is, for all donors, a tendency to inflate their own contribution to policy dialogue.
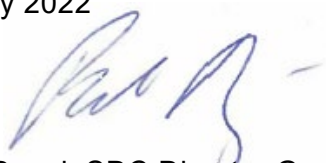
Appreciation of SDC's Senior Management

SDC's Senior Management considers National Policy Dialogue as an integral and fundamental part of SDCs work for the implementation of the International Cooperation Strategy 2021-2024 and the achievement of the Agenda 2030. SDC projects have as a good practice that they work on three aspects: strengthen duty bearers, strengthen rights holders *and* improve the normative context. The evaluation provides evidence on how National Policy Dialogue contributes to overall achievement of results, what approaches are taken and how it is managed. Leading good National Policy Dialogue is a key competence of SDCs global and bilateral cooperation (and one that can not be delegated to implementers or multilateral organisations), also, it links its thematic and geographic work in important ways. The evaluation also helps to clarify what SDC understands as National Policy Dialogue and how to distinguish it from other kinds of high level political or policy dialogue.

Out of the 7 recommendations, SDC's Senior Management agrees with 5 fully (green) and with 2 partially (orange) (see more detailed explanations in the annex).

1. Clarify how proactive Switzerland is willing to be in using policy dialogue to influence a change in policy.	🟧
2. Strengthen the whole of government approach and the synergies between the country programme and project level to promote systemic change.	🟩
3. Build capacity for domestic policy dialogue and be ready to support the enabling environment for such dialogue when it is under threat.	🟩
4. Continue to invest in aid coordination but be clearer about the policy objectives	🟩
5. Prioritise and invest in staff time to carry out national policy dialogue building on SDC's operational strengths at project level.	🟩
6. Empower staff through continuous development of capacities in: policy dialogue, political economy and public administration.	🟩
7. Strengthen monitoring and assessment of policy dialogue outcomes in a constantly changing environment.	🟧

Bern, July 2022

Patricia Danzi, SDC Director General

Annex: Overview of recommendations, management response and measures

Annex: Overview of recommendations, management response and measures

Fully agree	Partially agree	Disagree

Recommendation 1
Clarify how proactive Switzerland is willing to be in using policy dialogue to influence a change in policy.

Rationale: In general, there is scope for Switzerland to take a more forward leaning role to influence national policies where they are dysfunctional and not appropriate to advance international cooperation, SDGs and human rights – as is often the case in fragile situations. Switzerland, through its governance and related activities capitalises on its knowledge and reputation to advance global norms and standards such as human rights principles of equality, participation, and inclusion; governance principles of accountability and transparency as well as international humanitarian principles – but it could do more especially on strengthening not just right holders but also accountability of duty bearers. These all form a recognised basis for policy dialogue even if requiring a tailoring to the national context. The Swiss Foreign Policy Strategy and International Cooperation Strategy are firmly rooted in these norms and principles, but they are not always operationalised at the country level. A more forward-leaning role of Switzerland should build on combining policy and political level dialogue and on the Swiss ways of working, continuing to be impartial - speaking to everyone – and firmly based on evidence. At the thematic level, there were noteworthy examples of synergies exploited between policy dialogues at global level to inform global norms and standards, for example in health and country level dialogues that can be learned from more widely. The triangle approach between SDC field representations, HQs multilateral divisions and Swiss missions, which reflects an advanced WOGA, was effective when it engaged in policy dialogue especially for humanitarian aid.

Measures to implement this recommendation include:

a) Initiate an internal process for providing guidance on whether and when to be more proactive in influencing and changing policies in situations where national partner policies are dysfunctional.

b) Strengthen synergies between global policy dialogues on improving norms and standards and policy dialogues at country level across more fields using the learning networks more actively and by ensuring institutional structures which facilitate these synergies.

c) Further enhance a WOGA approach and make use of both policy and political dialogue in striving for the same objectives.

Management Response		
Fully agree	**Partially agree**	Disagree

On measure a)

- SDC's Senior Management does not see the need to develop a new and additional "internal process" to provide guidance on whether and when to be more proactive or forward leaning. The process of the elaboration of Country Programs in the WoGA modality allows the setting of policy priorities with all Swiss stakeholders (and beyond) and is deemed as a good instrument. In case of an abrupt context change during the implementation of a Country Program so called "notes" to the directorate are used to determine an adapted approach, they are however not public. For public purposes, a "Sprachregelung" (external communication) is developed. Internal funding proposals systematically address weaknesses related to normative and policy questions.

- The internal exchange on "working in authoritarian contexts" led by the Peace, Governance and Equality Cluster has led to a guidance that can help Swiss Representations in their decision on *how* to engage in a situation where the *government willingness* for reforms is low (not so much where *state capacity* is low). Discussions around engaging in situations where there is no government willingness to follow through on reforms or where human rights were violated are debated amongst FDFA directors (involving political, development and security issues). These are not easy decisions and they depend on several factors (see Policy Note on "*Working in authoritarian contexts*").

On measure b)

- Senior Management agrees with the evaluators that the link between the global and national (as well as the local) level needs to be made. This is what is internally called the "elevator approach" and what is lived also through the thematic networks. As part of the F4P process, the project approval processes are being reviewed to improve the linages and cooperation between thematic, multilateral, and bilateral entities (including instruments such as co-ownership of projects and reciprocal annual service agreements). Senior Management believes that additional processes to ensure this "elevator" should only be considered after the above-mentioned changes have been implemented/tested.
- The evaluation states (p. 5): "Even though SDC recognises that development is inherently a political process, as it involves the redistribution of power and resources, there is, at the same time, a relatively more "hands-off" approach to politics than is the case for many donors". Senior Management is aware that decisions on how much a Swiss Representation "leans forward" in its 'political' dialogue depends on the context as well as the people deployed. It is aware, that international and local partners, at times ask for a more normative reaction in certain partner countries. Senior Management considers that the competence to decide on the most appropriate and context specific approach lies with the Representations. At the same time, there is the possibility to make good use of different roles that different Swiss actors can take up in different kinds of dialogues.

On measure c)

- We see political dialogue as a responsibility of the State Secretariat for Foreign Affairs in its (bi-) annual dialogues to which SDC is actively associated.
- Following the "Thinking and Working Politically" paradigm that is practiced within development cooperation since over a decade, all development cooperation as well as humanitarian aid is *political*. Apart from a WoGA, it is interesting to see that even within Policy Dialogue, different approaches can be distinguished and are relevant in practice: Advising, Advocacy, Lobbying, Activism (see Policy Influencing Concept of the Moldova office in Annex 2).

Measures	Responsibility	Deadline
No measures needed.		

Recommendation 2

Strengthen the whole of government approach and the synergies between the country programme and project level to promote systemic change.

Rationale: The country programme development process can be used to identify the policy objectives for the cooperation based on Swiss priorities and development needs. This should lead to a focus on policy dialogue topics which are of strategic importance for the development of the country and that can be supported by project level interventions. This recommendation is complementary to the above recommendation but where recommendation 1) is about the policy dialogue in pursuance of global values and principles that Switzerland adheres to, recommendation 2) is about ensuring that the policy dialogues address the important policy and reform issues that emerges from the perspective of the development needs of the country. It builds on the conclusion that policy dialogue worked better when it was deliberative and in service to clearly defined goals for Swiss development cooperation and based on country needs. This in turn relied on a realistic and regularly updated assessment of the context and opportunities for change.

Measures to implement this recommendation include:

a) Design the country programmes/regional programmes with clear policy objectives and possible outcomes to be pursued through political/policy dialogues interacting with funding of projects and programmes to achieve the country programme objectives; and be realistic about what can be achieved bilaterally and when to work in partnerships with others, not least multilaterals that often (but not always) have the skills and resources to back policy changes.

b) Systematically apply the guidance in the How-to-Note on Results-oriented Policy Dialogue starting with a deeper understanding of the context (e.g. on winning alliances) as the basis for designing iterative flexible policy dialogue processes and objectives supported by Swiss development and humanitarian cooperation as well as diplomacy, monitor progress and be ready to adapt.

c) Work closely with all partners to define from the outset the roles, level of intervention and synergies between the strategic level policy requirements for systemic change and the project activities - in the process also defining the roles and responsibilities for different types of dialogue.

Management Response		
Fully agree	Partially agree	Disagree

On measure a)

- Senior Management agrees with this recommendation. It is important to consciously and explicitly identify policy goals already in the development of new cooperation programs and to consistently pursue them in their implementation and, if necessary, to adapt the measures to achieve the policy goals.

On measure b)

- Senior Management agrees with this measure. As outlined later in Recommendation 6, apart from the knowledge on the How-to-Note there is room to exchange in thematic networks on good practices and also take up the rich material that has been gathered through the evaluation in the RBM course. Different offices have established different tools that could be used and replicated as they help to make policy dialogue objectives and adaptations of the process visible.

On measure c)

- Senior Management agrees that it is important to forge alliances with other bilateral and multilateral donors to achieve policy goals at the national level. Roles and responsibilities in relation to partners must be clearly defined (see for example the

template of the Moldova Office in annex, where objectives are tied to actors and their roles).

- An implementing organisation cannot do political influencing on behalf of Switzerland. However, Switzerland provides support to some international organisations that have policy shaping or advocacy mandates in their own right (OHCHR, UN Women). We expect our project implementing partners to provide data, evidence, and theories of change, that will inform and shape the normative context.

Measures	Responsibility	Deadline
As suggested by the consultants:		
• Design the country programmes/regional programmes with clear policy objectives and possible outcomes based on Swiss foreign policy goals, projects/programmes as well as linking it to the global agenda.	Swiss Representations / Division Management	Ongoing / during process of new CP elaboration
• Forge alliances with bi- and multilateral development partners in joining efforts to back policy changes. Good practices have shown that it is useful to define 3-5 key policy messages together.	Swiss Representations	Ongoing
• Systematically apply the guidance in the How-to Note on Results-oriented Policy Dialogue starting with a deeper understanding of the context (e.g. on winning alliances) as the basis for designing iterative flexible policy dialogue processes and objectives supported by Swiss development and humanitarian cooperation as well as diplomacy, monitor progress and be ready to adapt.	Swiss Representations (Management and NPOs)	Ongoing
• Work closely with all partners to define from the outset the roles, level of intervention and synergies between the strategic level policy requirements for systemic change and the project activities - in the process also defining the roles and responsibilities for different types of dialogue.	Swiss Representations (Management and NPOs)	Ongoing

Recommendation 3
Build capacity for domestic policy dialogue and be ready to support the enabling environment for such dialogue when it is under threat.
Rationale: Policy changes and reforms have to be "locally owned" and legitimised at all levels – which can only happen through the genuine "not only on paper" participation and involvement of national stakeholders in the development of reforms. For policy dialogue to be effective, transparent, and inclusive capacities and processes for policy dialogue of national stakeholders must be ensured.
Measures to implement this recommendation include:
a) Continue to support domestic actors through grants and technical assistance to enhance their capacity for national policy dialogue.
b) Give recognition to national actor contributions to policy reforms and systemic changes.
c) When the situation requires it, be ready to support, through political and policy dialogues, with the governments the space for national policy dialogue and inclusive participatory processes for policy reforms.

Management Response		
Fully agree	Partially agree	Disagree

In order to establish accountability in a policy sector, it is highly relevant that local actors are capacitated to lead policy dialogue with "their" governments themselves. Thus, while the Swiss Representation staff has to play an important role in policy dialogue with the donor community as well as the government, it is highly relevant for sustainability that local actors are entering this dialogue as ever stronger partners. Thus, Senior Management fully supports this recommendation with all three measures.

Measures	Responsibility	Deadline
• Continue to support domestic actors through grants and technical assistance to enhance their capacity for national policy dialogue.	Swiss Representations	Ongoing
• Give recognition to national actor contributions to policy reforms and systemic changes.	Swiss Representations	Ongoing
• When the situation requires it, be ready to support, through political and policy dialogues with the governments, the space for national policy dialogue and inclusive participatory processes for policy reforms.	Swiss Representations	Ongoing

Recommendation 4
Continue to invest in aid coordination but be clearer about the policy objectives. Rationale: SDC has a policy of investment in aid coordination from an aid effectiveness point of view. SDC has demonstrated a comparative advantage in supporting aid coordination which in some situations has served its national policy dialogue well. However, the demand on Embassy/SCO resources has been high and there is a need to economise and ensure mechanisms are not overly complicated. Measures to implement this recommendation include a) When investing in aid coordination mechanisms, be clear about the outcomes that are pursued including the policy objectives that the aid coordination can help promote. b) Use the credibility of Switzerland in aid coordination to support improved effectiveness of aid coordination structures including by in some cases simplifying them.

Management Response		
Fully agree	Partially agree	Disagree

On measure a)

• While aid coordination of development cooperation efforts enhances effectiveness and efficiency i.e. through joint exploratory missions, delivery, negotiations, monitoring, mitigation/sharing of risks,…) , it is not always clear what other objectives are pursued, i.e. sustainability or relevance or accountability (and if, for whom)? Senior Management supports the recommendation to better define the aim of policy dialogue, i.e. policy development, coherence between donors, alignment between donors and government, support of civil society and other actors to participate in policy dialogue. In some cases coordination requires to reduce ambitions for individual donor visibility and influence. This is acceptable if the policy objectives are reached.

- Switzerland is often lead donor which might lower this loss of sovereignty and also, coordinates aid in sectors where it brings a lot of evidence based on projects/programs as well as partnerships. Thus, Senior Management fully agrees that it is important to be clear on the outcomes to be pursued.

On measure b)

- Senior Management agrees that applying the four effectiveness principles (results orientation, inclusive partnerships, country ownership, and mutual accountability) are valid and need to be applied more systematically and supported in our partner countries.
- While this is outside the scope of this evaluation, there might be an advantage in "formalising" informal donor meetings through a kind of contract or agreements, as they are more cost-efficient in terms of recurrent transaction costs. Most interesting coordination is in sectors. *As an example, see Annex 3, the joint statement to support decentralisation in Ukraine.*

Measures	Responsibility	Deadline
• When investing in aid coordination mechanisms, be clear about the outcomes that are pursued including the policy objectives that the aid coordination can help promote.	Swiss Representations	Ongoing
• Assess the appropriateness of the aid coordination mechanism for the jointly defined objectives.	Swiss Representations	Ongoing

Recommendation 5
Prioritise and invest in staff time to carry out national policy dialogue building on SDC's operational strengths at project level. Rationale: Policy dialogue requires substantial staff time for analysis, preparation and implementation. This is not always fully recognised by management in the Embassy/SCO and headquarters. Reporting and measurement systems can easily discourage more time on policy dialogue. Close coordination between Embassy/SCOs and the projects ensures that the policy dialogue benefits from the strong technical assessment found at project level. Projects have also proven effective in supporting the practical implementation of policy and reforms. Measures to implement this recommendation include a) Prioritise and recognise the need for staff time (both international and national) on policy dialogue and clarify the roles of different actors (SDC, project implementers, international organisations, etc.) b) Consider reporting on staff time spent on policy dialogue as well as progress made in the annual reports and continue to measure policy dialogue efforts in the staff appraisal system. c) Ensure that SDC continues to invest in the strong technical and sectoral knowledge at project level so that policy dialogue is well founded and credible.

Management Response		
Fully agree	Partially agree	Disagree

On measure a)

- Senior Management agrees that it is relevant to determine who has which role in policy dialogue. As indicated in the evaluation, it can also be useful to distinguish policy messages depending on the specific profile of the respective organisation or even the staff (i.e. more diplomatic or more international cooperation). Below is an

example of a policy influencing concept from a mental health program in Moldova how such a definition of roles was done (see Figure 1).

Figure 1

Policy objective 1: Regionalisation of acute inpatient care for mental illness is supported and implemented								
Pathway of change (milestones)	**Stakeholders & positions**	**Approaches**	**Key actions & channels**	**Responsible** red: lead green: support				
	+ pro policy reform = neutral / - contra ? unclear			Trimbos	SDC	MoH	MoLSP	Other stakeholders
-Decision taken on location of acute inpatient wards (3 within the pilot raions, an additional 2 in the rest of the country)	**MoH** (passive, but supportive): Responsible for setting up of this component of the model of care	Advising & Lobbying	Organise meetings with representatives from MoH and CNAM to discuss options for setting up and locating these wards	x	x			
	CNAM (?) Responsible for paying for this new set of services		Organise meetings with LPAs and raional hospital directors to discuss options locating these wards and steps for setting up wards	x		x		x
	Raional general hospitals (?) Responsible for housing acute inpatient wards		Prepare draft of human resources structure with Human Resources Department at MoH specifying HR allocation and roles and responsibilities for these new services	x		x		x
	Psychiatric hospitals (-): In charge of delegating		Organise lobbying discussions with decision-makers in psychiatric hospitals.	x				x
Dedicated human resources to			Organise meetings between CMHCs and focal points for setting up the raional hospitals to discuss	x		x		x

On measure b)

While Senior Management believes that it is not necessary to introduce another reporting requirement. , the existing objective definition processes should be used (MbO Management by Objective).

On measure c)

Senior Management supports this measure, as good policy dialogue depends on evidence. In order to establish this evidence based for a credible policy dialogue, the specific thematic and technical knowledge is needed. This is ensured through regular exchanges in the thematic networks to foster peer learning and exchange, as well as through the ongoing training possibilities offered to both Swiss and local staff.

Measures	Responsibility	Deadline
• A lot of Swiss representations already establish policy influencing strategies for large projects and should continue to do so. They can be inspired by existing examples like the one mentioned above. The exchange of good practices might be facilitated by the thematic networks.	Swiss Representations, networks	Ongoing
• Take up engagement on Policy Dialogue in MbO exchanges.	Management Swiss Repre-sentations	Ongoing
• With the establishment of the thematic section as well as with the possibility of a renewed thematic career profile technical expertise and sectoral knowledge is supported. The thematic networks have the responsibility to provide and offer on-the job trainings as well as continuing education to their members (both Swiss and national staff).	Management Swiss Repres-entations, networks Division Thematic Collaboration	Ongoing

Recommendation 6

Empower staff through continuous development of capacities in: policy dialogue, political economy and public administration.

Rationale: Policy dialogue is not easy. The How-to-Note on Results-oriented Policy Dialogue provides a strong guidance but it has not been widely used. There is much to learn from sharing experience across different SCO offices – there were several cases where SCOs cooperated with each other and provided useful insight and inspiration (this knowledge exchange was facilitated/convened by the networks). Investment in the capacities of both Swiss staff and local staff is important – the latter often being the long-term capacity that stays on, in often long-term policy reform processes as Swiss staff move on to new countries. Sometimes national staff can also move on outside of SDC and into the domestic sector they have been working in and become important actors in national reforms bringing with them the capacities and knowledge into the national spheres. In this way, the capacity is not lost as they contribute to domestic capacity building for policy dialogue.

Measures to implement this recommendation include

a) Review current capacity development and training on policy dialogue and risk management skills of SDC staff and implementing partners. If relevant, plan an intensification for example by enhancing this topic in induction training and peer to peer exchange.

b) Encourage SCO to SCO experience exchange on policy dialogue, especially for SCOs in similar contexts – taking advantage of new skills in remote communication.

c) Provide staff with continued professional development in policy dialogue and the underlying skills and knowledge of political economy and public administration.

Management Response

Fully agree	Partially agree	Disagree

All three measures are good measures to learn from existing good practices (there are many) and Senior Management fully agrees with them.

Measures	**Responsibility**	**Deadline**
• Adapt the existing module on Policy Dialogue within the Results Based Management / Policy Dialogue Course to build on concrete examples identified in this evaluation, and possibly allocate more time to NPD within the course.	QS and Governance network	Already started (pilot in Sept 2022)
• The new Thematic Regional Advisors are in a good position to encourage regional cross-fertilisation on this topic in a specific sector.	Thematic Regi. Advisors, networks	To be taken up after Sept. 2022
• The Governance network is responsible for the trainings on "Political Economy" and "Thinking and Working Politically". It already organises tailor-made workshops or courses and collaborates also with organisations that offer continued education courses on the topic.	Governance network	Ongoing

Recommendation 7

Strengthen monitoring and assessment of policy dialogue outcomes in a constantly changing environment.

Rationale: Clarifying policy dialogue objectives and possible outcomes is a starting point for more effective use of the policy dialogue instrument. Clarity of intended outcomes also helps in allocation of resources needed to reach the objectives. Effective policy dialogues require close monitoring of the dialogue process to be able to adapt to changes in circumstances, including acting with flexibility and agility to pursue options when they arise. It is important to continue to learn about what shapes good policy outcomes, reporting with realism and an eye for the varied contributions needed for policy changes. Policy changes can be sequenced from being put on paper, put into practice and sustained over a longer period of time. Definition and measurement is needed to capture the full scope of achievement across this sequence. Some agencies have found it useful to adopt an "advocacy progressive index" approach which measures key process in the sequence from initiating a policy to change to confirmation that it is being put into practice and achieving the intended benefits. It is also important not to over formalise reporting but to monitor take it up findings and reflections in discussion within the country teams with summary reporting as part of annual country reports.

Measures to implement this recommendation include:

a) Monitor policy dialogue processes, consider using an advocacy progressive index approach and be ready to adapt to changes in circumstances.

b) Assess and analyse policy dialogue outcomes in the Annual Report, including factors and contributions from others in particular national actors. Use this assessment for possible changes to the policy process and the focus.

c) Promote institutionalised learning by firmly rooting learning from policy dialogue processes, objectives, and outcomes in the existing thematic learning networks.

Management Response		
Fully agree	**Partially agree**	Disagree

On measure a)

- The Senior Management refrains from introducing yet another monitoring requirement for the Swiss Representations. Also, it is aware that the exact measuring of policy dialogue impact is a difficult endeavour and can amount to an academic exercise which is not purposeful for what we aim to achieve.
- However, Senior Management supports and adds on to measures b) and c) as two measures which aim at the same goal but do not need to be formalised. Senior Management suggests that Policy Dialogue Concepts are established per sector or programs that outline the objectives as well as the specific process how to reach this objective. Thus, a defined and traceable process is established that serves as orientation in the Swiss Representation's work on policy dialogue.

On measure b)

- A year ago, the template for the Annual Report had a specific paragraph on the achievements in policy dialogue. In the new format, this is not a requirement anymore and Senior Management regrets this, as it supports that Swiss Representations define objectives in their national policy dialogue and also report on them.
- Another document where the definition of objectives would be purposeful is in an Entry Proposal for an overall portfolio in a sector.

On measure c)

- The Senior Management agrees with this measure. The new thematic unit in the f4P structure allows that all themes set a goal to exchange on policy dialogue in their network, namely to collect experiences within their sector and exchange good practices as well as learn from mistakes (jointly with the geographic divisions and among the thematic sections).

| Measures	Responsibility	Deadline
• Swiss representations outline their policy dialogue objectives in the Cooperation Programs, and Project Proposals and report on them in the Annual report. This will also depend on the decisions in the F4P process.	Swiss Representations	Ongoing
• Networks establish peer learning processes among their members (and possibly strategic partners) to learn about good practices in policy dialogue planning, implementation and monitoring. They also exchange with other networks as well as the geographic sections.	Networks with members and geographic sections	From Sept. 2022 onwards

Annex 2:

POLICY INFLUENCING CONCEPT
SCO MOLDOVA

Introduction

The purpose of this concept is to facilitate the strategic planning and coherent implementation of policy influencing (PI) activities by the SCO Moldova and its project partners. A key component of the concept is a user-friendly instrument/ template for formulating a PI strategy. The elaboration of such a strategy should help create a common understanding between the SCO and its project partners about the key objectives and general direction of PI efforts over the duration of a project phase. It should also delineate in a clear and transparent manner the division of labor with regard to PI between the SCO, on the one hand, and the project implementer/ facilitator, on the other hand.

A PI strategy should be developed for every SDC-financed mandate project. Based on the project-specific strategies, the SCO will elaborate an integrated PI strategy at program level, leveraging synergies between different project interventions.

Definition of key terms

Under **policy** we understand a comprehensive, long-term course of action taken by government. Policy consists of a series of interconnected governmental decisions such as laws, regulatory measures, actions plans, or funding priorities/budget allocations. When we speak about policy we refer to the development of these decisions, to their content, as well as to their actual *implementation.* This broad and encompassing definition implies that policies are being influenced in different ways by a multitude of stakeholders, both in a very immediate manner (e.g. by policy-makers) as well as through more indirect long-term processes (e.g. by the electorate and civil society through public pressure on decision-makers). Policies are developed and applied through a **policy process**. This process can be divided into five main stages:
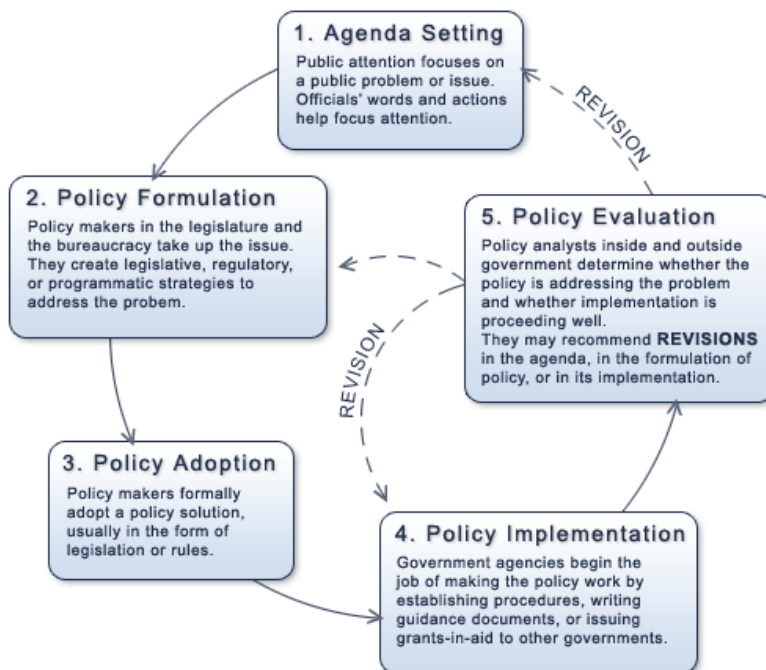
Source: The Texas Politics Project, https://texaspolitics.utexas.edu

(1) *Agenda setting* is about what issues make it onto the policy agenda and which ones are neglected. This stage in the policy process includes several steps: (i) the identification by different actors (such as mass media, interest groups, parties) of a particular problem that requires public attention; (ii) the definition/articulation of that problem into a policy issue; (iii) the inclusion of that issue into the government agenda.

(2) *Policy formulation* concerns the development of new or the revision of existing policies. Important considerations in formulating policies pertain not only to the technical soundness and expected benefits of a policy proposal, but also to its political acceptability and feasibility of implementation.

(3) *Policy adoption* refers to formalizing a decision in the form of a law or a regulatory measure. Once a policy has been adopted, funds can be set aside for its implementation in the annual budget.

(4) *Policy implementation* is about the actual execution of existing policies. This constitutes the action part of the policy process and is a critical to policy outcomes. The key actor at this stage is the bureaucracy/public administration.

(5) *Policy evaluation* is a systematic process for assessing the design, implementation and outcomes of public policies. It looks into the relevance, effectiveness and efficiency of a policy. As the final stage of the policy process it triggers the identification of problems and sets in motion a new policy process.

Policy processes can be differentiated according to the way in which policy decisions are taken and implemented: How much participation is allowed and encouraged? How inclusive (in terms of involving different stakeholder groups) is the process? How much is the process driven by evidence and good practices? How much is it affected and shaped by vested interests?

Policy influencing refers to the conscious endeavor to take influence on the policy process with a view to changing the policy outcome. The term policy influencing has been deliberately chosen over the related term policy dialogue. While policy dialogue is a process-oriented concept referring to an activity ("leading a dialogue"), policy influencing implies a much stronger orientation towards the results of this process.

Policy influencing is an inherently *political* process. The existence of a sufficient level of political will is a precondition for any successful policy influencing. In a situation where political will is absent, policy influencers should think about ways how to generate such will. A long-term strategy is the organization of so-called **public will** campaigns aimed at motivating public officials to take policy action. "Public will building is a communication approach that builds public support for social change by integrating grassroots outreach methods with traditional mass media tools in a process that connects an issue to the existing, closely held values of individuals and groups." (Metropolitan Group 2009, p. 3) Creating public will entails raising the perceived importance of a social problem by the concerned community or general public. A specific feature of public will campaigns is that they do not only identify problems and propose solutions to them, but also try to engage the affected population in advocating for and bringing about the expected change.

Why have a policy influencing strategy?

Most SDC project partners already have experience with carrying out PI activities, and so does the SCO Moldova. However, attempts to influence policies have often been launched in an ad hoc manner, without proper planning and preparation. While punctual successes have been achieved in such a way, larger-scale reforms could not be tackled. Aiming for more systemic changes at the sector level requires a much more thought-out long-term plan on how to bring about the targeted changes. This plan is embodied in a policy influencing strategy.

PI should not be seen as a separate stream of action and additional burden on project implementers but as an integral part of any cleverly devised project intervention strategy. Being strategic about taking influence on the policy process should enable project implementers to be more effective in their core business and to better reach their objectives.

<u>Who does what in policy influencing?</u>

The proposed division of labor between the SCO and its project partners is as follows:

Preparation of a PI strategy: Since policy influencing is an integral part of a project intervention strategy, the main responsibility for preparing a PI strategy lies with the respective project partner. The SCO's role is to actively support partners in the drafting of the strategy by providing methodological guidance and facilitating the drafting process. The PI strategy should be developed through a series of team discussions in a workshop-type setting. Preferably initial discussions would be facilitated by an operational SCO representative (NPOs, Program Manager, Assistant DoC), while the main contributions to the content of the strategy should come from project staff.

Implementation of a PI strategy: The primary responsibility for putting the day-to-day actions defined in the strategy into practice lies with the project partner. However, the SCO has an important role to play in different high-level policy influencing activities. Generally speaking, the SCO would take over all PI activities at the level of the Prime Minister, State Chancellor, Line Ministers, Members of Parliament, Ambassadors, Heads of Development Agencies, and other high-level officials and representatives. For the SCO to effectively assume this task, it is of utmost importance that the relevant SCO staff possesses all pertinent information regarding the policy issue at stake. This means that SCO staff has to be properly briefed by project partners before any policy influencing meeting or event.

Developing a policy influencing strategy

Ideally a PI strategy should be developed at the very outset of a project, when drafting the ProDoc. However, it can also be devised for a project already under implementation, especially if the given project does not have a clear policy influencing or stakeholder engagement strategy yet.

<u>Defining clear policy influencing objectives</u>

When devising a PI strategy, it is essential to first reach clarity *why* PI activities are warranted in a specific situation. To this end, SDC partners and relevant SCO staff should find answers to the following sets of questions:

- Why does a policy need to be developed or modified? What is presently not functioning properly? What should function differently? In what way should it function differently? Who would benefit from a new/amended policy? What are the tangible benefits that can be expected from a policy change?

- What are the underlying issues at stake? What is the root problem that needs to be addressed (as opposed to only symptoms of a problem)?

- What are the concrete policy objectives the project wants to achieve?

<u>Performing an in-depth stakeholder analysis</u>

Once the PI objective(s) have been clarified, project partners should perform a detailed stakeholder analysis, or update an existing one. The power and interest of different stakeholders towards the identified PI objective(s) should be carefully analyzed with a view to identifying forces for and against change. The findings can be depicted in a power/interest matrix. The matrix should help project partners identify potential allies and expected opponents of the desired change.
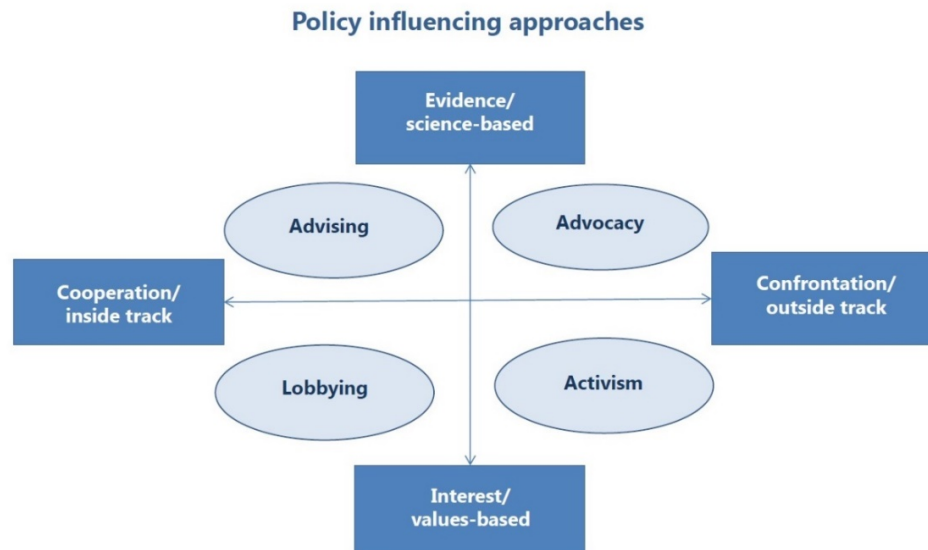
Power/Interest Matrix

Developing a Theory of Change

On the basis of the stakeholder analysis, a theory of change (ToC) with regard to the identified PI objective(s) should be developed. The ToC defines how the desired change can occur and what needs to be done in order to trigger that change. To that end, the ToC should specify how the project intends to engage with the different key stakeholders, both directly and indirectly. It should clearly spell out with what allies the project intends to combine forces and in what ways it intends to influence opponents (e.g. indirectly via more favorable stakeholders). It should also specify how the intended change can be brought about through a combination of individual actions (behavioral change), community actions/public will building, and institutional actions (adopting new policies, practices or procedures).

Deciding on key policy influencing approaches

In a next step, project partners should decide on their preferred PI approach(es). Different approaches for influencing policies include:

- Advising – The focus is on cooperative relationships with decision-makers. Based on findings from research and analysis, policy advisors lead an evidence-based dialogue with government. Advising is the preferred approach pursued by specialized agencies of the UN (e.g. WHO, UNICEF) or Multilateral Financial institutions such as the World Bank.

- Advocacy – Advocacy is about exerting pressure on decision-makers and those who oppose reforms through different means, e.g. campaigns, public education, awareness raising activities. Advocates generally strive for constructive, issue-based engagement with decision-makers. Advocacy can be performed by a wide range of actors including NGOs, donors, interests groups, professional associations.

- Activism – Activists seek direct confrontation with opponents of reform through the organization of demonstrations, protests, rallies etc. Activist actions are usually performed by watchdog or environmental NGOs (e.g. Greenpeace).

- Lobbying – Lobbying is a form of advocacy with the intention of influencing decisions on behalf of a special interest or a member of a lobby. Lobbyists aim to persuade decision-makers of a certain policy stance by building long-term relations with them. Lobbying is performed by representatives of the government, private sector, and organized civil society (associations, interest groups).

Policy influencing approaches

Advising

Advocacy

Evidence/
science-based

Cooperation/
inside track

Confrontation/
outside track

Lobbying

Activism

Interest/
values-based

Source: Jones/ODI 2011

Drafting the policy influencing strategy

Based on the gathered information, project partners, assisted by SCO staff, can start drafting their policy influencing strategy, which outlines how the project intends to engage with all key stakeholders.

Template for Formulating a Policy Influencing Strategy

Policy objectives	*Define (a) concrete policy objective(s) for the project.* *Usually at least one outcome in the logframe will have an important policy component. A policy objective can refer to different aspects of the policy process:* Agenda setting: Getting new issues onto the political agenda or to the attention of the public, framing debates. Procedural change: Changing the way how policies are developed and shaped (e.g. by making the process more participatory). Policy content: Making policies more inclusive, equitable, responsive etc. Policy adoption: Influencing the adoption of a preferred policy option. Behavior change / change in performance: Promoting and supporting effective policy implementation. *The <u>ultimate</u> aim of any policy influencing activity is always a change in performance that brings about benefits for the final target group.*
Stakeholders & positions	*Analyze stakeholders and their positions. Be as specific as possible, identifying individual persons within institutions/stakeholder groups.* *<u>Non-exhaustive</u> list of potential stakeholders:* Users/Consumers/Clients; Community-Based Organizations; Non-Governmental Organizations; Professional Associations; Think Tanks; Companies/Businesses; Chambers of Commerce; Employers' Associations; Media; Prime Minister's Office/State Chancellery; Ministries; Agencies; Parliament; Political Parties; Local Administrations; Local Government Association; Local Councils; Regional Development Agencies; Regional Councils; Development Partners; Multilateral Financial Institutions; Embassies
Theory/pathway of change	*Develop a pathway of change with clear milestones for each policy objective.* *Examples of generic milestones:* Evidence for policy change generated or collected Discussions within the relevant policy fora held Reform champions identified / capacitated / strengthened Alliances with key stakeholders built Collaborative action among partners taken Media coverage increased or improved Relevant legislation passed New approaches adopted by key stakeholders Increased institutional performance

Approaches	*Decide on what approach(es) to take in relation to each stakeholder or stakeholder group: Advising, Advocacy, Lobbying or Activism.* *SDC and its partners would usually take an advising or advocacy approach to policy influencing. Advocacy and advising approaches rely on a strong evidence base in order to influence policy in an effective way.* *More confrontational activist-type activities and lobbying efforts should also be considered as a complement to more "traditional" PI measures. However, these would have to be closely consulted with and approved by the SCO.*
Evidence Base	*Project partners should clearly state on what kind of evidence they will rely, how this evidence will be generated or gathered, and in what form it would be presented. Possible sources of evidence are:* • Evidence generated by SDC-financed projects: surveys, analyses, studies, policy reviews • Practical examples from SDC-financed projects: results of pilot projects/test interventions, good practices, examples from the field • International evidence: surveys, analyses, studies produced by internationally recognized institutions, e.g. WHO, World Bank, UN etc. • National evidence: statistics, public perception studies, ministries' annual reports, national reports on implementation of international conventions, civil society shadow reports, etc.
Key Actions & Channels	*Describe what kind of actions you will pursue and what channels you will use. Define ex ante who is responsible for performing each action. In case the involvement of the SCO in the realization of certain actions is needed, this should be mentioned here.* *Possible actions comprise:* Short-term: Holding formal and informal meetings; Organizing formal and informal discussion fora with key stakeholders; Developing policy briefs and case studies; Disseminating research findings & good practice examples; Facilitating debates through events and roundtables; Advocating for change via public media; etc. Long-term: Building and maintaining relationships with key stakeholders at all levels across the institutional spectrum; Providing continuous support to champions in partner institutions; Developing capacities of committed key stakeholders to conduct analyses, drive policy processes and implement policy change; Building public will for a desired change; Decreasing the number and power of opponents and weakening their position; etc. *When describing your actions also try to think of the channels you will rely on, such as:* Task forces; Technical working groups; Roundtables or other dedicated events; Sector coordination councils; Public events; Donor fora; Media; Social networks; Door-to-door direct marketing.

Communication: Messaging & Packaging	*Formulate key messages why a policy change is needed. The message should answer three main questions: What's wrong? Why does it matter? What should be done? The messages should be differentiated according to the different target audiences/ stakeholder groups.*
	Package the respective evidence. Packaging refers to both the format and the style of a communication product, i.e. what form does the product take and how is it presented. It should always aim for a maximum of user-friendliness, both in format and style.
Resources	*A significant part of resources has to be mobilized from project budgets. In addition, the Small Actions credit line could exceptionally be used for funding significant policy influencing activities.*

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Annex 3:

Joint Statement by Bilateral Donor Agencies, Embassies and Multilateral Organizations supporting Decentralization and Local Self-Government Reform in Ukraine

Kyiv, 9 November 2017

The ongoing decentralization reform is one of Ukraine's key policy endeavors that has the potential to lay the foundations for a more democratic, prosperous Ukraine with strong municipalities that are able to provide their citizens with quality public services and to promote local economic development, while widening possibilities for citizen participation. Since the adoption of the Concept on Reform of Local Self-Government and Territorial Organization of Power in Ukraine in April 2014, many steps have already been undertaken that provided the basis for first tangible results of the reform. The donor community appreciates progress achieved on many fronts, including the optimization of the administrative and territorial structure and the increasing fiscal autonomy of local self-governments, giving them opportunities for much needed investments in local infrastructure and for enhancing public service delivery.

The donor community supporting the decentralization and local governance reform in Ukraine would like to emphasize its fruitful cooperation with the Government of Ukraine, in particular the Ministry of Regional Development, Construction, Housing and Communal Services, during recent years for the benefit of the reform. With the establishment of a Donor Board on Decentralization and the development of a Common Results Framework integrating technical assistance and governmental strategies and action plans, this cooperation has recently moved to a new level of partnership. The international community has been generously providing technical assistance to the reform and intends to continue doing so.

The further success of the decentralization reform, its irreversibility, and the sustainability of the new local self-government system will largely depend on further strengthening the legal and regulatory framework, which should consider the following points:

1. We believe that it is of utmost importance to ensure a smooth continuation of the amalgamation process and therefore express our hopes that favorable legislative conditions for the emergence of further unified territorial communities can be created, in line with established international practice and taking into account the legitimate interests of villages, settlements and towns that have so far not amalgamated into a larger community.

2. In particular we would very much hope that a reasonable solution regarding the establishment of an efficient rayon level structure can be found in the near future. The status of rayons, the territory of which is fully or mostly covered by amalgamated communities, requires clarification.

3. The implementation of the reform at the local level is not possible without efficient, professional and accountable local self-government service enjoying greater autonomy and attracting talented professionals. Thus, the reform of the civil service in local self-government bodies, fully aligned with the European Charter of Local Self-Government principles, is crucial to sustain the reform agenda.

4. Believing that communities which enjoy larger powers and resources will be the cornerstone of a prosperous and democratic Ukraine, we would favor enhanced land management and spatial planning competencies for local self-governments. If the jurisdiction of communities is indeed extended beyond the boundaries of settlements, this will significantly contribute to local economic development.

5. Fiscal decentralization is a fundamental pillar of the overall decentralization reform and shall therefore be sustained or increased as appropriate to guarantee subsidiarity to the maximum practical extent. Ensuring that local governments receive adequate funding for functions they have been assigned is critical for continued success of the reform. We believe that stable and predictable revenue sources for local budgets, including equitable and transparent state transfers and increased own-source revenue, are essential to further advance regional and local development. The reform eventually also needs to be put on a solid constitutional basis. We appeal to the different committees and factions, and indeed to all members of the Verkhovna Rada of Ukraine to ensure legislative settlement of the aforementioned issues that currently hinder further progress of the local self-governance and administrative-territorial reform, which is central for Ukraine's democratic development, prosperity, security and European integration.

This statement is supported by the governments of Canada, Denmark, Germany, Poland, Sweden, Switzerland, the United Kingdom and the USA as well as by the Council of Europe, the European Union, the OECD an

III Evaluators' Final Report

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

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March 2022

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Abbreviations and acronyms

BPCA	Blue Peace Central Asia
CLP	Core Learning Partnership
CSO	Civil Society Organisation
DAC	Development Assistance Committee
EQ	Evaluation Question
EU	European Union
FDFA	The Federal Department of Foreign Affairs, Switzerland
GP	Global Programme
NGO	Non-Governmental Organisation
OECD	Organisation for Economic Cooperation and Development
PD	Policy Dialogue
SCO	Swiss Cooperation Office
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SECO	State Secretariat for Economic Affairs, Switzerland
UN	United Nations
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
US	United States
WB	World Bank

EXECUTIVE SUMMARY

Purpose - this evaluation aims to understand how SDC can better carry out national policy dialogue. It looks at what worked, what did not and why. By looking at policy dialogue results it seeks to identify factors of success as well as the challenges.

What was evaluated - The evaluation was global and covered national policy dialogue across all SDC domains. The evaluation covered the period from 2013 to 2020. SDC defines national policy dialogue as taking place at the national and sub-national level in an open and inclusive process. SDC focuses on policy dialogue that is linked to concrete results.

Method – The evaluation has four questions and 24 indicators. The overall purpose and link to the five questions is shown below:

What worked, what didn't and why? Successes, difficulties (including failures) as well as good practices of how policy dialogue is conducted by SDC and how good practices could be systematically applied within SDC.	SDC performance in policy dialogue in comparison with international practices.

Q1 Outcomes - What were the outcomes and impact (positive and negative) from policy dialogues as a tool to achieve the country's development goals within the domains of Swiss development policy objectives?	**Q2 Factors** – What are the factors/practices that supported/hindered outcomes from policy dialogues?	**Q3 Lessons learnt** - What are the lessons learned and how were they applied?	**Q4 Peers** - What are the experiences of peers with regards to national policy dialogues and are there lessons to be learned?

The evaluation used a range of different methods. The first step was to review the theory of change. A light portfolio analysis was done to provide an overview. This also guided the choice of countries and projects to look at in greater depth. Five countries were selected for field work: Burkina Faso, Moldova, Nepal, Tanzania, and Ukraine. An additional set of case studies were carried out on selected projects and programmes at both country and regional level. A desk study of documents and earlier project reviews was carried out. An extensive survey was carried out at SDC headquarters and country offices. Interviews were held with the Swiss Cooperation Office (SCO) and project managers. National partners, civil society and others were also interviewed. Due to Covid-19, field visits were only made to Moldova, Tanzania, and Ukraine.

Conclusions

Policy dialogue led to significant results at a low cost. In all of the countries examined, the evaluation found significant results arising from policy dialogue.

SDC engagement in policy dialogue has evolved over time. Policy dialogue in some cases was project-driven and focused on technical issues. In the words of one observer, there was a tendency to *"provide technical solutions to political problems"*. However, over the years SDC focussed more on the political environment and how to achieve systemic change. SDC developed systematic approaches to policy dialogue. An example is the "how to" note. The evaluation found that projects worked better where higher-level policy dialogue

also took place. The policy aims were gained where there were concrete achievements at project level.

Where there were credible reforms in place, the main issue was how to maintain and implement the reforms rather than develop new policies.

Fostering domestic policy dialogue has been emerging as the ultimate goal in some countries. The SDC tradition for supporting civil societies provided solid entry points for promoting domestic policy dialogue.

Policy dialogue worked in partnerships with multilaterals and others on implementation of global norms. SDC invested in aid coordination which contributed strongly to effective policy dialogue. It was also found that an opportunistic and adaptable approach to policy dialogue yielded good results.

SDC resources and skill sets for policy dialogue have increased, but gaps in meeting the demands were still evident. When space for national dialogue was under pressure, the inclination of Switzerland was to leave it to larger multilateral actors to act. There is room for a more forward-leaning role of Switzerland in policy dialogue at the national level. It was also found that donors had a tendency to inflate own contribution to policy dialogue and SDC was not an exception.

A summary of factors of success and challenges that reduced success is given in box 1.

Box 1 Factors of success and challenges

The factors of success that emerged from the evaluation were:

- Working with other development partners to support implementation of country-owned reforms, often linked to global norms and standards.
- Generation and presentation of strong evidence for policy change and reforms – including from projects where the project was intended to provide evidence.
- Understanding of the context.
- Continuity of involvement and a long history of cooperation.
- Defining policy objectives and outcomes and pursuing those flexibly and with agility – combined with ongoing monitoring and readiness to adapt.
- Leveraging Swiss added value in terms of impartiality.
- An opportunistic approach that capitalised on insight and made use of personal relations whilst avoiding over-reliance on individuals.

Apart from absence of the above, factors that tended to reduce the success of policy dialogue included:

- Fragile and conflict-affected situations.
- Implementation through partners where the responsibility for policy dialogue was unclear and therefore left to linger.

Recommendations

1) **Clarify how proactive Switzerland is willing to be in using policy dialogue to influence a change in policy.** <u>Rationale.</u> In general, there is scope for Switzerland to take

a more forward leaning role in policy dialogue. Switzerland also has much to offer and can better capitalise on its knowledge and reputation to advance global norms and values. These include human rights principles of equality, participation, and inclusion.

2) **Strengthen the whole of government approach and the synergies between the country programme and project level to promote systemic change.** Rationale. The country programme process can more explicitly identify the policy objectives for the cooperation. This should lead to a focus on policy dialogue topics which are of strategic importance. And, how system change can be supported by project level interventions. A WOGA approach has created strong results but is not always fully used.

3) **Build capacity for domestic policy dialogue and be ready to support the enabling environment for such dialogue when it is under threat.** Rationale. Policy changes and reforms are much stronger when "locally owned" and legitimised at all levels. In the long term it is local actors that have to sustain policy dialogue. Building their capacity is key. SDC's track record working with civil society gives it good entry points.

4) **Continue to invest in aid coordination but be clearer about the policy objectives.** Rationale. SDC has demonstrated a comparative advantage in supporting aid coordination. In many cases this served national policy dialogue well. However, the demand on resources has been high and there is a need to economise and ensure mechanisms are not overly complicated.

5) **Prioritise and invest in staff time to carry out national policy dialogue building on SDC's operational strengths at project level**. Rationale. Policy dialogue requires substantial staff time for analysis, preparation and implementation. This is not always fully recognised by management in the Embassy/SCO and headquarters. Reporting and measurement systems can easily dis-encourage more time on policy dialogue.

6) **Empower staff through continuous development of capacities in policy dialogue, political economy and public administration**. Rationale. Policy dialogue is not easy. The SDC "how to note" provides a strong guidance but it has not been widely used. Where SCOs cooperated with each other they provided useful insight and inspiration. Investment in the capacities of both SDC staff and national staff is important.

7) **Strengthen monitoring and assessment of policy dialogue outcomes in a constantly changing environment**. Rationale. Clarifying policy dialogue objectives and outcomes is a starting point for more effective use of the policy dialogue instrument. This also helps to define the resources needed to reach the objectives. Effective policy dialogues require close monitoring of the dialogue process to be able to adapt flexibly to changes in circumstances.

Overview of conclusions and recommendations

Conclusions

Results

C1) Policy dialogue has, in some circumstances, led to significant results that outweighed the relative low costs associated with conducting dialogue.

C9) Fostering domestic policy dialogue has been emerging as the ultimate goal in some countries.

C2) SDC engagement in policy dialogue has been evolving in recent years. Adopting a whole of government approach, greater attention to the political environment, policy dialogue for systemic change, and the systematic approaches to policy dialogue were supporting this.

Approach

C3 Ambitious projects worked better when accompanied by wider higher-level policy/political dialogue. And wider policy aims benefitted from close linkage with concrete achievement at project level.

C6) An opportunistic, adaptable and long-term approach to policy dialogue yielded good results.

C5) Policy dialogue that worked in partnerships with multilaterals and others on implementation of global norms and standards proved to be effective.

C8) SDC's significant investment in aid coordination and upholding good donor practices was a valuable contribution to national policy dialogue.

Management

C4) The core thrust for SDC in policy dialogue was how to support implementation of policy – SDC focussed on evidence gathering or working through others in cases where policy change was needed.

C10) When space for national dialogue was under pressure, the inclination of Switzerland was to leave it to larger multilateral actors to act.

C12) There is, for all donors, a tendency to inflate their own contribution to policy dialogue.

C7) SDC resources and skill sets for policy dialogue have increased, but gaps in meeting the demands remain. As policy analyses skills improve, it is important not to downgrade technical capacity and sector expertise.

C11) There is room for a more forward-leaning role of Switzerland in policy dialogue at the national level, based on Swiss values and a thorough understanding of the strategic policy issues at stake in each partner. country – this would not be in contradiction to impartiality and evidence-based policy dialogue.

Recommendations

R1) Clarify how proactive Switzerland is willing to be in using policy dialogue to influence a change in policy.

R2) Strengthen the whole of government approach and the synergies between the country programme and project level to promote systemic change.

R3) Build capacity for domestic policy dialogue and be ready to support the enabling environment for such dialogue when it is under threat.

R4) Continue to invest in aid coordination but be clearer about the policy objectives.

R5) Prioritise and invest in staff time to carry out national policy dialogue building on SDC's operational strengths at project level.

R6) Empower staff through continuous development of capacities in policy dialogue, political economy and public administration.

R7) Strengthen monitoring and assessment of policy dialogue outcomes in a constantly changing environment

1 Introduction

1.1 Scope of the evaluation

The purpose of this evaluation is to provide a better understanding of what constitutes successful national policy dialogue, defined as follows:

> *Box 2 National policy dialogue definition*
> **National policy dialogue** is a policy dialogue that takes place at the national/subnational level in an open and inclusive process to support the partner country's efforts to achieve development objectives, often in the context of development activities.

The evaluation encompasses the period from 2013 to 2020 and aims to:

- identify successes, difficulties (including failures) as well as good practices of how policy dialogue is conducted by SDC, and to assess to what extent, and how, good practices could be systematically applied within SDC;
- compare SDC performance in policy dialogue with international practices.

The evaluation did not assess the performance of the political and policy dialogues carried out by Switzerland/SDC vis-à-vis multilateral institutions or as part of the global programmes. Nor did the evaluation assess the broader political dialogue[1] carried out as part of Switzerland's foreign policy related to issues beyond development cooperation. However, as implied by the Terms of Reference (ToR), and as reinforced by consultations with the Core Learning Partnership (CLP) and in interviews during the inception phase, the evaluation did, where relevant, assess synergies with regard to global programmes, and political dialogues at country-level as these reflected on the political environment for development cooperation.

In accordance with the ToR, the evaluation covered the geographical domains of South Cooperation and East Cooperation, as well as the Humanitarian Domain, although due to the methodology and the choice of case studies, the latter is only covered in one specific situation.

1.2 Methodology

The ToR presented six areas of inquiry, based on the standard OECD/DAC evaluation criteria, with close to 25 overarching evaluation questions. To enhance the usefulness of the findings, the evaluation team simplified the evaluation matrix and organised the evaluation around four main evaluation questions clustered under outcomes, factors, lessons learnt, and peers (see also in section 3). The evaluation team applied the OECD/DAC criteria in answering the four evaluation questions, i.e., the indicative evaluation questions from the ToR lent themselves as a set of indicators or part of an indicator to the principal evaluation questions. A combination of six different approaches and methods were used in this evaluation: reconstruction of the theory of change; sampling; desk study of guidance and thematic documents and evaluations/review documents; interviews with stakeholders; country and project-level analysis (including visits to Moldova, Tanzania, and

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[1] Political dialogue for the purpose of this evaluation is defined as high-level dialogue carried out in pursuance of Switzerland's foreign policy objectives. These objectives constitute the overall strategic framework for Swiss international development cooperation. They can be summarised as follows, based on the most recent Foreign Policy Strategy 2020-23: 1) Peace and security, including human rights, humanitarian commitment, and migration and displacement; 2) Prosperity, including rules-based economic and financial order, and development cooperation to contribute to prosperity throughout the world; 3) Sustainability, including through support for Agenda 2030, climate and the environment; and 4) digitalisation. There is an overlap between political dialogue and national policy dialogue as "international cooperation" features in both.

Ukraine); and an on-line survey of SDC/Embassy/SCO staff. Below reflections relate to sampling and interviews. A full, detailed presentation of the sources of data, methodology and instruments is available in Annex A and the inception report (September 2021).

Sampling
Based on discussions with the CLP and document review, selection criteria for the five country case studies requested in the ToR were developed. They included geographical spread; diversity of country contexts; WOGA experiences; substantial long-term engagement; links to global programmes; and the availability of written documentation of policy dialogue. Through a selection process, five countries were chosen for detailed country-level analysis: Burkina Faso, Moldova, Nepal, Tanzania, and Ukraine. Within these five countries, two or more sectors/themes were chosen in cooperation with the Embassy/SCO for an in-depth analysis of the Swiss national policy dialogue with the country (government and non-government actors); its role in aid and donor coordination; and linkages to wider political dialogues and dialogues in the context of global programmes. In most cases, interventions in the governance and the health sectors were chosen, supplemented, in some case-study countries, with additional examples. It was possible to visit three of the countries: Moldova, Tanzania, and Ukraine, for which there are detailed country studies. In these countries, the team reached out to a broad range of development partners – multilateral and bilateral – that Switzerland collaborated with to get insights. The case of Nepal coincided with the evaluation of the country programme, and it was decided to include the policy dialogue questions in that evaluation as the country programme evaluation team was visiting the country. The note for Nepal primarily draws on the evaluation and interviews. To enhance the richness of the evidence beyond the five case countries, and to cover some issues that had been specifically requested by the CLP, including policy dialogue in a humanitarian situation and regional policy dialogues, the evaluation team suggested to look into additional examples. Therefore, short notes of evidence were produced from the following cases: Albania, Burundi, Central Asia, Mongolia, Latin America, Serbia, and Syria.

The selection of peers with whom to compare the Swiss experience in policy dialogue was based on suggestions by the CLP and focussed on similar-size and "like-minded" donors, the Nordics – Sweden, Denmark and Finland.

Interviews
Interviews played a big role in this evaluation, as policy dialogue activities and outcomes were often not documented. The team carried out more than 100 interviews with the following types of key informants - preliminary numbers:

Table 1 Type of informants

Type of informants	Number	Location
SDC	20	Bern
SCO/ Embassy	49	Partner country
Government officials	15	Partner country
Multilateral representatives	20	Partner country
CSOs	5	Partner country
Bilateral development partners	13	Partner country and HQ
Implementing partners	10	Partner countries
Other	4	Partner countries

Survey
Because of the fact that activities and outcomes of policy dialogue are rarely documented in detail, the evaluation team additionally conducted an online survey to obtain a broader and more representative response. The survey captured respondents' perspectives on policy dialogue outcomes, factors that led to positive and negative outcomes; lessons learnt;

and experiences from peers. The survey was completed by 69 respondents from 34 Swiss Cooperation Offices (SCOs) and HQ.

Limitations
The main limitations related to the subject of the evaluation. i) Even though the availability of documentation on policy dialogues was amongst the selection criteria for countries and within countries for sectors, the quality of the available data was an issue, as clear objectives and outcomes for policy dialogue were often not defined and reporting on activities and outcomes were scarce. The team sought to overcome this limitation through interviews with government partners, who themselves had a stake in the outcome, as well as with development partners. In addition, the smaller case studies provided valuable input as they were often in other sectors and contexts and helped to probe the broader validity of findings. ii) The team encountered issues related to attribution/contribution. In most cases, it is difficult to attribute policy changes or policy dialogue outcomes to one single action/actor – it is nearly always the result of multiple actions by multiple actors, to which Switzerland contributed. In many cases due to the desire to enhance and ensure ownership, attempts to attribute positive results to donor action is kept low key. This is the reason for having chosen general language to describe the Swiss contribution unless in those cases where all stakeholders interviewed agreed to attribute the outcome to the role of SDC.

The evaluation was affected by Covid-19. As a result, it was only possible to travel to three out of the five countries, and one country was covered by another evaluation team (also in order not to overburden office staff with too many visits). During the visits to Ukraine and Moldova, some of the interviews had to be conducted virtually; only in Tanzania was it possible to have face-to-face meetings, in Dar es Salaam and Dodoma.

The data collection was, with the exception of Albania and Burkina Faso, completed in late 2021. The findings for Ukraine are affected by the Russian invasion and war in Ukraine which started on 24 February 2022.

2 Overview of National Policy Dialogue in SDC

2.1 The Swiss context for national policy dialogue

Policy dialogue with partner countries takes place within the overall Swiss Foreign Policy framework, the most recent iteration of which is outlined in the Swiss Foreign Policy Strategy 2020-23. It defines a framework that is immediately relevant for development cooperation as is clear from the objectives that can be summarised as follows: 1) Peace and security, including human rights, humanitarian commitment, and migration and displacement; 2) Prosperity, including rules-based economic and financial order, and development cooperation to contribute to prosperity throughout the world; 3) Sustainability, including through support for the 2030 Agenda, climate and the environment; and 4) Digitalisation. These objectives are then cascaded to the International Cooperation Strategy – earlier Dispatches for Swiss Cooperation. The most recent International Cooperation Strategy 2021-2024 stressed coherence in foreign policy instruments and defined as the main objectives: 1) economic development; 2) climate and natural resources; 3) human development; and 4) promoting peace, rule of law and gender equality. The most recent Dispatch 2017-2020 had as its strategic objectives 1) contribute to the international framework for responding to global challenges; 2) prevent and manage crises; sustainable access to resources; 4) sustainable economic growth; 5) strengthen the rule of law and democratic participation; 6) respect for human rights; 7) gender equality. The Dispatch 2013-2016 was geared towards five strategic objectives: 1) preventing crises, conflicts and disasters; 2) access to resources and services for all; 3) promoting sustainable economic development; 4) democracy and market economy; 5) environment friendly and socially responsible globalisation. These policy/ strategic objectives are then ideally cascaded down to the national level through the country programmes; political and policy dialogue activities; and funding. Experience at the national level is also passed up and can over time influence the policies and strategies at global level. Figure 1.1 illustrates the overlapping features of political and policy dialogues and its interrelations.

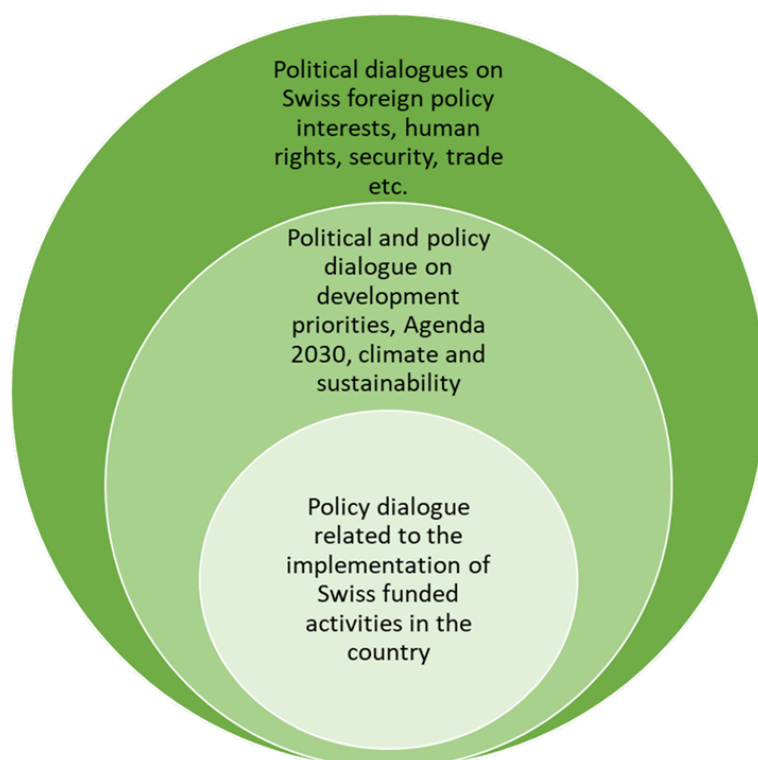*Figure 1 Swiss political and policy dialogues at the national level*

Figure 1.1 reflects the distinction between policy and political dialogue as practiced by the EU where: "*Political dialogue, which in line with the Lisbon Treaty or other legal bases covers all EU external policies be they development, neighbourhood or enlargement, foreign and security, or migration policies and policy dialogue covers the specific sectors of EU cooperation and supports the partner country's efforts to achieve the objectives laid down in their strategies.*" (EC, Annex 13, Budget Support Guidelines 2017)

In 2017, SDC produced a How-to Note on Result-Oriented Policy Dialogue.[2] It came as a response to demand from country offices for guidance on policy dialogue and a more systematic institution-wide approach. The How-to Note stressed the SDC focus on result-oriented policy dialogue, which is defined as evidence-based advice and advocacy for policy reforms. The Note sets out the rationale for policy dialogue and makes suggestions for approaches and factors of success to be included in the political economy analyses as a basis for policy dialogue. It also makes suggestions for dialogue processes (activities and actors), and for defining policy dialogue outcomes and monitoring. The How-to Note is focused on policy dialogues in the context of projects and programmes and highlights the importance of changing systems and institutions to reach programme and project objectives and scale. The Note identifies key factors internal to SDC for the success of policy dialogues: the credibility of Switzerland as a long-term and trusted partner, and SDC's capacity to demonstrate evidence for the policy suggestions. To address external factors related to policy dialogue, the How-to Note stresses the importance of analyses of the context, including of stakeholder roles and alliances, and issues related to the political economy with view to establishing an impact hypothesis and a results chain. There is emphasis on the outcome as well as the process of the policy dialogue.

In 2021, a Fact Sheet on Policy Dialogue[3] was produced that followed up on the How-to Note. The Fact Sheet stresses the importance of systemic changes for the sustainability of projects and programmes, including SDC's engagement in policy dialogue aiming at reforms that are more widely – beyond the narrow project and programme focus – supportive of a governance system respecting key principles of good governance. The Fact Sheet also stresses the importance of working with state and non-state actors alike to build their capacities and bring them together in fruitful dialogue. Factors for success are focused on those internal to SDC, for example: the credibility of Switzerland as an honest broker with limited self-interests, long-term development engagement as well as capacity for political and conflict analyses; establishment of a sound influencing strategy based on a thorough understanding of the context, stakeholder interests etc.; and finally, an understanding that policy dialogue requires long-term financial and technical commitment, and a WOGA to ensure this long-term financial and human resource commitment as well as speaking with one Swiss voice in all contexts.

The How-to Note and the Fact Sheet suggest - and this was also confirmed in interviews - an ongoing internal debate in SDC on the use of policy dialogue and how to address the well-recognised need to go beyond technical and project-specific matters and aim at broader systems changes. The tendency to focus on project level dialogues is also evidenced in recent evaluations, which, in many instances, point to the need for a stronger engagement in policy dialogue or better linkages between what goes on at the project level and the wider reform agenda in, for example, a sector (see table 4).

Even though SDC recognises that development is inherently a political process as it involves redistribution of power and resources, there is, at the same time, a relatively more "hands-off" approach to politics than is the case for many donors. The documentation and the interviews suggested a strong narrative about Switzerland as an honest broker, which

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[2] SDC How-to Note on Result-oriented Policy Dialogue, 2017
[3] SDC, 2021 Fact Sheet on Policy Dialogue

is a high-value asset and door-opener for SDC in policy dialogue, requiring that Switzerland does not impose its own views and solutions. Interviews also suggested that this approach is under discussion in the current environment of democratic backsliding; increased inequality and exclusion; and geopolitical developments. Interviews indicated a debate about a more assertive Swiss role based on Swiss values of human rights, participation, and inclusion. This debate may also be linked to the increased tendency, in Switzerland and elsewhere, to frame development cooperation as responding to national interests.[4] Also relevant is that development cooperation has been taking place against a shifting environment marked by traditional, Northern/ Western donors in some regions being eclipsed by new donors, in particular China, with different agendas.

Mapping of national policy dialogue: There are many different types of national policy dialogue as it varies depending on its purpose; the partners with whom the dialogue is conducted; the parties/ agents undertaking the dialogue; and other factors, such as the level of dialogue, and the process being followed. The Fact Sheet and the How-to Note outline different parameters/ features of policy dialogue such as levels and arenas and recognise the different aims of policy dialogue. Drawing on this work, and for the purposes of this evaluation, the nomenclature was used as in table 2 which outlines these parameters.

Table 2 Nomenclature of features of policy dialogue

Features		Description of options and variations within each parameter/feature
What is policy dialogue trying to do	Aim – intended outcome	• Improve awareness and understanding of a development challenge • Change policy, rules and regulations (on paper) • Change practice and behaviour (based on rules on paper) • Change values
Who we talk to	Dialogue partner – with whom is the dialogue	• Partner country stakeholders • Global/regional multilateral arena • Other donors/donor groups in partner countries • National actors/agents supported by SDC
Who does the talking	Dialogue actor/agent – who is carrying out the dialogue	• SDC • SCO • International organisation • Project agent (implementer)
How is the process arranged	Process - who has the lead in the policy dialogue	• Multilateral-led • Bilateral-led • Project-led
At what level do we engage	Level	• Political (focus on Embassy) • Policy (focus on aid agency) • Technical (focus on project implementor)
What tools are we using	Tools	• Advocacy, influencing(e.g., through campaigns) • Evidence analysis • Implementation support (money) • Capacity development

What is the context	Context	• Open country
		• Closed country – autocratic
		• Fragile and conflict affected situations:
		   o Extreme and widespread
		   o Extreme but highly localised
		   o Gradually descending

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[4] Switzerland's International Cooperation Strategy 2021-24, page 17.

In practice, a particular policy dialogue is based on combinations of features which may change over time. For example, for a given topic, a policy dialogue may start out as a donor-led process to enhance awareness on the topic working with national non-state actors; it may then, over time, develop into a national policy dialogue vis-à-vis the national government, conducted jointly with other development partners. Defining these features will support the analysis of factors/ practices that impact on the outcome of policy dialogues.

The most common types of dialogues are listed in Table 3.

Table 3 Most common types of policy dialogue

Type	Examples
Political	• Political dialogue in support of foreign policy goals (e.g., human rights; rule of law; governance (transparency, accountability)) etc. • Political dialogue in support of implementation of the global development agenda (i.e., Agenda 2030 or Climate Change conferences) - higher level and broader aims of the dialogue.
Policy	• Policy dialogues with partner country governments concerning policy changes related to national objectives to which Switzerland contributes to through its programme/ projects. • Policy dialogues with civil society/ private sector in support of policy changes at the national and regional level. • Dialogues with partner governments in contexts of regional cooperation.
Technical	• Technical dialogues in support of implementation of Swiss programmes and projects
With development partners, incl. multilateral institutions	• Donor dialogues – global level, HQ level, and national level. • Dialogues with multilateral and regional organisations/institutions active in the country.

2.2 National policy dialogues in previous evaluations

Until now, SDC had not commissioned an evaluation of the results of its national policy dialogue efforts. However, a number of earlier thematic, global, and country evaluations, from 2009 onwards, contain conclusions and recommendations regarding the importance of policy dialogue when evaluating the success or failure of Swiss development cooperation activities. These evaluations clearly recognised the importance of national policy dialogue in achieving or contributing to systemic changes and sustainable results in partner countries and, in some instances, signalled the need for a political back-up to SDC staff in partner countries, especially in fragile contexts where, as per the evaluation of SDC instruments in fragile and conflict-affected contexts[5], *"it is difficult to achieve structural development without political dialogue. This means the niche is Switzerland, not SDC or any of the individual aid instruments*." (p. 42)

We extracted the recommendations and linked them to parameters for national policy dialogue as defined in table 2 (see Annex F). Most evaluation recommendations relate to more than one parameter. As shown in Table 4 below, the most frequent recommendations relate to strengthening SDC resources and capacities, including interlinkages between technical and political skills. The second most frequent recommendation focuses on the importance of linking local-level, project-level activities to national-level policy processes. And the third most frequent set of recommendations relates to stakeholders with whom to dialogue, including recommendations on strengthened dialogue with governments and civil society, and strengthening their capacity to participate in dialogue, as well as

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[5] https://www.eda.admin.ch/dam/deza/en/documents/laender/evaluation-performance-fragile-contexts_EN.pdf

recommendations regarding donor coordination. Most policy dialogue recommendations were well received in SDC and are reported to be 'initiated' or 'ongoing'. The recommendations are presented in the table below.

Table 4 SDC policy dialogue recommendations from earlier evaluations

SDC-related	• In fragile contexts, it is difficult to achieve structural development without political dialogue. This means the niche is Switzerland, not SDC or any of the individual aid instruments - there is a need for other aspects of Swiss cooperation and international relations to be brought into its fragile states work.[6] • Ensure and strengthen the interface of technical and diplomatic excellence through, for example, trainings, retreats, and communications.[7] • Create incentives for more mobility between diplomatic and technical personnel.[8] • Consider introducing thematic careers that extend beyond the SDC - the combination of diplomatic and thematic skills should be institutionalised in SDC to enhance the influence of global programmes on policies at global level, and to address the negative side effects of staff rotation.[9] • Ensure through leadership and the allocation of resources that there is a political commitment to, and sustainability of Global Programmes (GP) given their relevance for influencing policy, their capacity to address global risks, and the complementarities of GPs within the SDC as a new aid instrument.[10] • Increase human (mix of thematic and diplomatic skills) and financial resources for currently temporary GP positions in the Swiss Permanent Representations to the United Nations (UN) in Geneva, New York and Rome.[11] • Increase the level of communication between HQ, SCOs and Global Programmes.[12] • Ensure personnel continuity to keep up capacity in policy dialogue.[13] • Define policy for motivating staff to conduct field missions and policy dialogue on a frequent basis.[14]
Linking local-level activities with national policy dialogue	• Link the market system development projects and interventions to wider processes to gain coherence and critical mass.[15] • Feed local experiences and good practices into the national policy dialogue processes.[16] • Follow a dual strategy: linking technical with policy level; activities from the local/regional level with national policy dialogues.[17]

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[6] Evaluation of the performance of SDC instruments in fragile and conflict-affected contexts. (2012, pp. 42, 55)
[7] Evaluation of SDC's Global Programmes Climate Change; Water Initiatives; Food Security; Migration and Development and Health. (2015, p. 4)
[8] Evaluation of SDC's Global Programmes Climate Change; Water Initiatives; Food Security; Migration and Development and Health. (2015, p. 4)
[9] Evaluation of SDC's Global Programmes Climate Change; Water Initiatives; Food Security; Migration and Development and Health. (2015, p. 8)
[10] Evaluation of SDC's Global Programmes Climate Change; Water Initiatives; Food Security; Migration and Development and Health. (2015, p. 3)
[11] Evaluation of SDC's Global Programmes Climate Change; Water Initiatives; Food Security; Migration and Development and Health. (2015, p. 9)
[12] Cooperation Strategy Evaluation Central Asia 2012 – 2015. E+C Management Response Tracking Table
[13] Cooperation Strategy Evaluation Afghanistan 2015 – 2018. (2018, p. 8)
[14] Country Strategy Evaluation Tanzania 2011 – 2014. E+C Management Response Tracking Table.
[15] Evaluation of SDC performance in Agricultural Market Systems. (2021, p. 6)
[16] Country Strategy Evaluation Tanzania 2011 – 2014. E+C Management Response Tracking Table.
[17] Cooperation Strategy Evaluation Central Asia 2012 – 2015. E+C Management Response Tracking Table

	• Follow a dual strategy: linking activities at the district and local level with national=level policy dialogues.[18] • Create an interface between civil society and the state sector so as to enable a learning process between both.[19]
Policy dialogue actors	• Build capacities of local actors to engage in sector dialogue with the authorities.[20] • Strengthen policy dialogue with the national and local authorities, CSOs and relevant professional associations.[21] • Link with policy makers at regional/national level, NGO community, project partners and cultivate contacts with the national government.[22]
Donor coordination	• Strengthen donor coordination and shift towards more coherent analyses and messages on policy reforms.[23] • Continue active involvement in donor coordination and policy dialogue; place a stronger emphasis on donor coordination and policy dialogue.[24] • Seek coordination and dialogue with emerging new donors and the dialogue with existing regional entities on issues of supranational nature.[25] • Continue donor coordination and political dialogue with government authorities.[26]

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[18] Country Strategy Evaluation Tanzania 2011 – 2014. E+C Management Response Tracking Table.
[19] Cooperation Strategy Evaluation Central Asia 2012 – 2015. E+C Management Response Tracking Table
[20] Tracking Management Response Evaluation CS Moldova. (2018).
[21] Tracking Management Response Evaluation CS Moldova. (2018).
[22] Country Strategy Evaluation Tanzania 2011 – 2014. E+C Management Response Tracking Table.
[23] Country Strategy Evaluation Mongolia 2013 – 2016/2017 (2017, p6)
[24] Cooperation Strategy Evaluation Afghanistan 2015 – 2018. (2018, p. 23)
[25] Cooperation Strategy Evaluation Central Asia 2012 – 2015. E+C Management Response Tracking Table
[26] Evaluation of the Cooperation Strategy Burkina Faso 2017-2020. E+C Management Response Tracking Table

3 Findings on the evaluation questions

The ToR present close to 25 overarching evaluation questions across the OECD/DAC evaluation criteria of relevance, coherence, effectiveness, efficiency, impact, and sustainability, and a set of questions related to types of policy dialogues and activities of other donors. During the inception phase, these were distilled down to four questions supported by 24 indicators to enhance the usefulness of the findings. The 25 indicative questions presented in the ToR have been covered either in a specific indicator or as part of an indicator.

The evaluation aimed to respond to two core questions:

- What worked, what did not and why, i.e., what were successes, difficulties (including failures) as well as good practices of how policy dialogue is conducted by SDC and how good practices could be systematically applied within SDC?
- What was SDC performance in national policy dialogue in comparison to international practices?

These are summarised and linked to the four evaluation questions as shown below in Figure 2:

Figure 2 Core and evaluation question
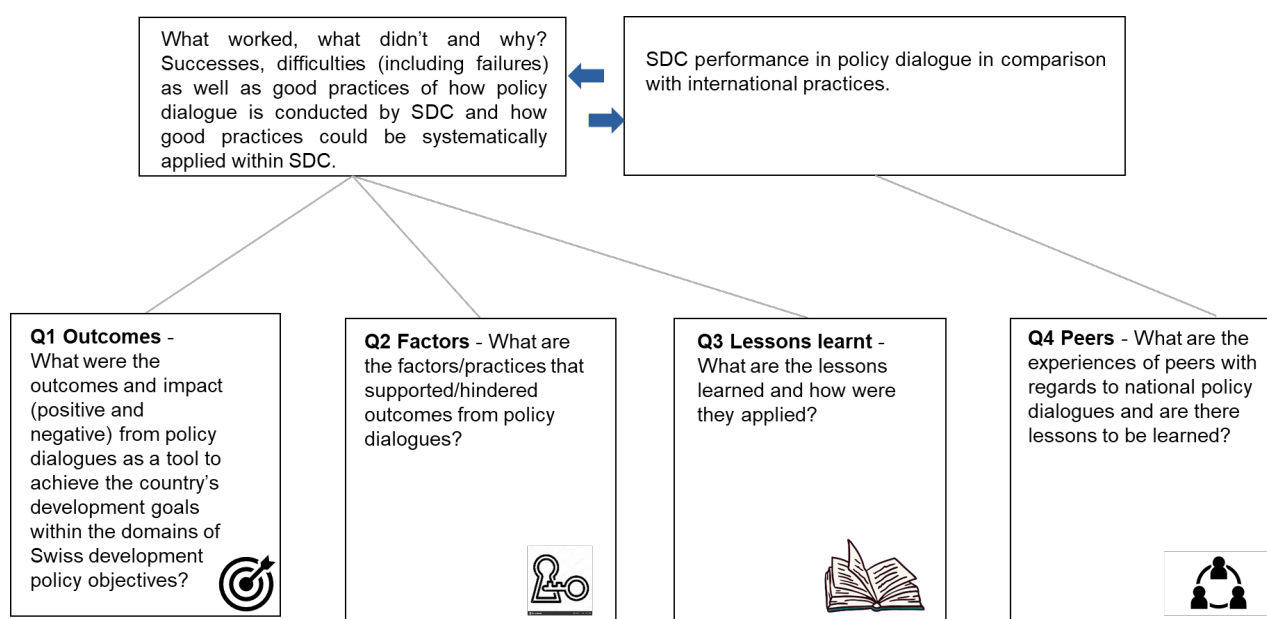
The findings under each question grouped by outcomes, factors, lessons learnt, and peers are summarised below. The indicators that are linked to individual findings are given brackets at the end of each finding and where quotes are made an anonymous code is used.

3.1   EQ 1 Outcomes

EQ1 Outcomes: What were the outcomes and impacts (positive and negative) from policy dialogues as a tool to achieve Swiss development goals within the domains of Swiss development policy objectives?	Indicators: 1.1 Evidence of positive outcomes in terms of changes to policies, practices, behaviours, enhanced understanding of policy issues and other outcomes 1.2 Evidence of negative outcomes in terms of changes to policies, practices, behaviours, and enhanced understanding of policy issues, and other unwanted outcomes 1.3 Evidence of the extent to which national policy dialogue contributed to the success/failure of SDC's programme and project objectives 1.4 Evidence that positive changes resulting from policy dialogues led to systemic changes and can be considered sustainable 1.5 The extent to which the national dialogue actors/agents are capacitated to carry out policy dialogues and own the process 1.6 Evidence of impacts from the changes induced by policy dialogue
Summary of findings • Policy dialogue did create tangible results. *(1.1)* • Although practice varies, most country programmes and projects did not explicitly identify policy dialogue outcomes and very few measured policy dialogue outcomes. *(i1.1, 1.2)* • Policy dialogue results were most clearly evident where they enhanced the credibility and implementation of already agreed reforms rather than spearheading development of new policy development. *(i1.1-3, 1.6)* • The contribution to policy dialogue success at local level was especially notable, although it often proved difficult to combine pilot approaches at the local level with policy dialogue at the central level. *(i1.1, 1.2, 1.4)* • Not all attempts at policy change were successful, in particular in creating systemic change. *(i1.2, 1.4, 1.6)* • SDC supported aid coordination provided a systematic and structured set of entry points for policy dialogue. *(i1.1, 1.3)* • SDC contributed to fostering domestic policy dialogue. *(i1.4, 1.5)*	

Policy dialogue did create tangible results – the country and project case studies shown in boxes 2 to 8 summarise results encountered and evidenced from a longer list. This finding is also reflected in the SDC survey response. Figure 3 below indicates policy dialogue is seen as contributing to a large extent to cooperation success by 41% of the respondents and to underachievement of objectives by 19% of the respondents. Almost all respondents (96%) reported that policy dialogue contributed either to a large, or to some extent to cooperation success.

Figure 3 Survey: SDC contribution to success/ failure of SDC interventions
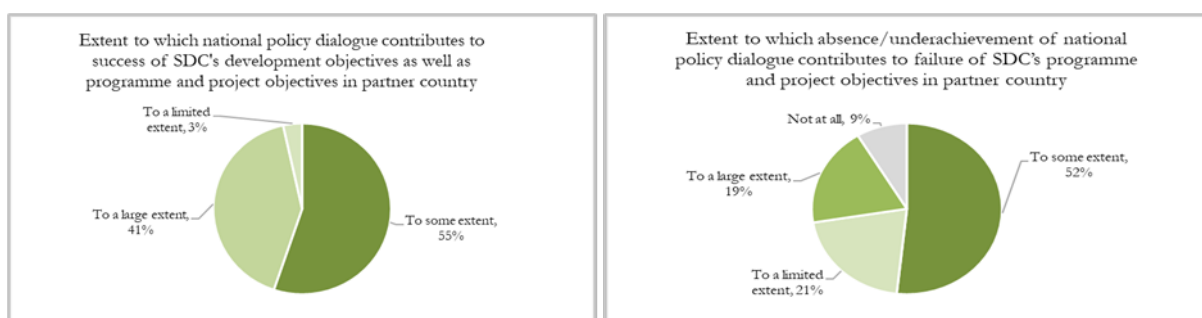
Although practice varies, most country programmes and projects did not explicitly identify policy dialogue outcomes, and very few measured policy dialogue outcomes. Even though policy dialogue outcomes and targets were only rarely identified, policy dialogue was generally recognised as important in supporting country and project-level objectives.

Overall, little evidence was found of explicit policy dialogue agendas being developed or integrated into the country programme (including results framework) or project log frames (including at indicator level). Policy-related challenges were more likely to feature as assumptions or risk factors than as areas where joint action by the projects and the Swiss Cooperation Office/Embassy and team could create change. In many cases where a policy dialogue agenda was <u>not</u> written down there was an implicit understanding among staff of the cooperation office of the aims of policy dialogue – an example is Ukraine, where there was high awareness of the implicit agenda in the decentralisation and health sectors among staff in the Swiss cooperation office and team. *(i.1.1, 1.2)*

Policy dialogue results were most clearly evident where they enhanced the credibility and implementation of already agreed reforms rather than spearheading development of new policy development. In most of the countries and cases examined, the issue was how to maintain and implement, and thereby ensure continued credibility of reforms rather than to develop new policy, or to add new ideas or directions. Policy dialogue in some cases focussed not on new policy but on identifying what was holding back progress in reform implementation. In these cases, technical assistance delivered through projects was a key tool for bringing policy "dialogue" to policy "influence" i.e., moving from paper to practice (as described in the policy influencing tool in Moldova and other countries in the East Cooperation). Where there was a need for policy dialogue to develop new policies, the SDC supported the development of evidence and relied on cooperation with multilateral agencies that brought with them policy expertise (for example in Moldova in the health sector) or worked with other donors drawing experiences from similar processes (Tanzania, health sector and the establishment of the decentralised health financing fund). Boxes 1-7 highlight examples of policy dialogue results confirmed during country studies. *(i1.1-3, 1.6)*

Examples of policy dialogue results confirmed during in-depth country studies

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Box 3 Ukraine – Decentralisation and digital transformation.

SDC worked through a harmonised and supportive international response that contributed to desired policy outcomes including:

- The government approach to amalgamation of local authorities was reinforced. The longer-term impact was a decentralisation that was more coherent, less administratively and financially burdensome and less politically fragmented. (The policy dialogue took place through issuing joint donor statements and endorsing the approach when it was being undermined by vested interests. This built on earlier policy dialogue where the policy messages were to continue amalgamation, adopt the Council of Europe charter standards and improve the communication and information exchange between central and local government. SDC provided political support to facilitate access, through the Council of Europe, to high level government representatives.)

- Fiscal decentralisation took place. The longer-term impact was a higher degree of financial sustainability at local level and a greater degree of decentral control and responsibility. (The policy dialogue took place through launching a social media and twitter storm to signal international support for fiscal decentralisation.)

- Reinforcement of the benefits of digitalisation and reducing misinformation on the nature of leakage of personal data that threatened to undermine confidence in the digital platforms. The longer-term impact was to retain credibility nationally and internationally in the digitalisation initiatives. (The policy dialogue took place through holding meetings and expressing support for the government position and by harnessing the convening power of the Lugano reform conference to reinforce the importance of digital transformation in advancing policy reforms and providing an opportunity for showcasing Ukrainian advances on digital technologies.)

Box 4 Ukraine – Health

SDC contribution to policy dialogue results in the health domain included:

- The Ministry of Health of Ukraine was provided with a strengthened capacity to assume the political and technical lead to drive the reform process. The longer-term impact was to improve the implementation of the first National Health Sector Reform Strategy 2015-2020. (The policy dialogue took place by providing technical support, via WHO and the WB, to the reform process especially in evidence gathering and communication and through effective donor coordination.)
- Although the momentum for health sector reform has considerably slowed since then, there is evidence that these practices have remained as the guiding, best practices approach to policy-making, even though the MoH might not themselves be able to conduct these processes.
- Inclusion of difficult topics into the health reform agenda, for example on mental health reform (even though clear SDC attribution is difficult). The longer-term impact is a health reform that addresses mental health.

Box 5 Moldova – Water

Although it ultimately proved difficult to ensure systemic changes there were some important policy dialogue results:

- Appropriate design and alternative management models were demonstrated at the local level. A compendium of options and solutions has been developed and widely disseminated. The longer impact is that these models provide an evidence basis for future improved investment decision-making. (The policy dialogue took place through advocating and financing the demonstration of different models and dissemination of the compendium.)
- Adjustment in Law 303, which now allows for a degree of recognition, on a case-by-case basis, of local-level management of water services. The longer-term impact is that it is now possible to opt for local level management of basic services. (The policy dialogue took place through advocating and providing demonstration of the benefits of different management options.)
- Strengthened Congress of Local Public Administrations of Moldova. The longer-term impact is that there is now an operational structure in Moldova that provides demand-based assistance and capacity-building for small operators and Local Public Administrations. (The policy dialogue took place through providing technical assistance and advice on roles and functions in the sector).
- The Austrian Aid agency and the World Bank are making use of the SDC project outputs and approaches in their new project.

Box 6 Moldova – Health

Support at the legislative, regulatory and normative levels to assist Moldova in achieving the systemic reforms, which it has committed to as part of existing national health policies. Policy dialogue results included:

- Strengthened policy environment for mental health including enhanced capacity to implement the National Mental Health Action Plan and Mental Health Centres on the budget. The longer-term impact will be improved mental health. (The policy dialogue took place through support to the roll-out of the implementation of reforms through technical and other assistance at the local and regional levels. For example, the ongoing project on mental health, MENSANA, has provided policy dialogue in support of the mental health action plan, as well as a comprehensive package of capacity building and trainings across Moldovan stakeholders and institutions in charge of implementing these reforms).

- Support the design and adoption of key legislation on the use of tobacco; salt and sugar; and alcohol use. A current NGO-led project on Non-Communicable Diseases (NCD), Healthy Living, funded with Swiss support and working at local and regional levels incorporates actions on the implementation of this new legislation, and, in turn, feeds evidence back to WHO; the Ministry of Health; and the parliamentary committee that can inform necessary further policy reforms. The longer-term impact is improved prevention of illness.

- Even though policy dialogue was generally encouraging in the health sector in Moldova, not all areas were successful. The policy dialogue under the Healthy Youth project did not yet result in making education on sexual and reproductive health and rights a compulsory part of the educational curriculum.

Box 7 Tanzania – Health

Support for the health sector in Tanzania represents an example of a sector with a mixture of dialogue successes, often in collaboration with partners in the context of the Health Sector Basket Fund and less successful outcomes of a technical, project driven policy dialogue showing the limitations of such an approach.

- The establishment of a decentralised health financing facility based on experiences from Kenya. The longer-term impact will be to ensure financing at the district level as well as the standardisation of procedures for good financial management and introduction of an IT-based Management Information Systems that forms the backbone of this facility, which is a necessary, albeit not sufficient factor for a functioning health system that can deliver health improvements at district level in Tanzania. (The policy dialogue took place through the aid coordination structures of the health sector cooperation and Health Sector Basket Fund which included the donors to the fund and the government. SDC played an influential role as lead of the sector cooperation and based on SDC's long-term engagement via a combination of policy dialogue, support for an on-budget health basket fund and a technical assistance project contributing to notable systemic changes.)

- Establishment of a private, sector-based procurement system for medicines and supplies. The long-term implications are that availability of medical supplies will be predictable and thus, lead to improved health outcomes. (As above, the policy dialogue took place through a combination of advocacy and technical assistance – this result is widely attributed to Swiss policy, technical and financial support.)

- It was not possible to advance the development of an insurance-based long term financing model for the health sector to which SDC had decided to invest in through technical assistance. Support for this highly political issue was dealt with as a technical issue by the implementing partner. Political/policy issues related to coverage of the fund, including defining the poor that should be exempt, and defining the cost and coverage models never really was discussed (where was it never discussed? In the ministry? With the ministry of finance?). In November 2021 a law on the future Health Insurance was being debated in Parliament that the development partners did not know the details of.

Box 8 Tanzania – Governance

Policy dialogue with the government is, in principle, conducted through the Development Partner Group (DPG). However, there was de facto no dialogue between the government and development partners from 2014 onwards. SDC supported well-established national actors in advocacy and policymaking at the national and sub-national levels.

- Support to civil society and media contributed to improved accountability in service delivery. Between 2015 and 2020, SDC partners reported improvements in service delivery at local government levels on more than 50 instances in health, agriculture, education, and WASH. Swiss support to community radios has increased awareness on governance, health, and employment topics, among youth especially. In 2017, 61.5% of SDC supported media reported direct benefits of their engagement at the local level, i.e., improved health services; solutions to land disputes; or discovery of corruption cases. (The policy dialogue took place through the project management process. SDC did not engage in policy dialogue itself).

- Long-term support to key national CSOs led to both capacity building for further engagement in national policy dialogue by these actors, as well as policy inputs e.g., to the Finance Bill and rules regulating CSOs; in 2019, 33% of changes to Political Act amendments proposed by CSOs were accepted and the most contentious sections in the Statistics Act were removed which slowed down the erosion of political and civic space. (The policy dialogue took place through CSOs advocating for changes. Same as above, SDC did not engage in policy dialogue itself but supported CSOs financially and with strategic advice when that was needed).

- The financial sustainability of supported CSOs and media outlets needs increased attention in SDC dialogue with the supported organisations, to decrease donor dependency and to ensure long term sustainability.

Box 8 Burkina Faso – Decentralisation

Long-term support to decentralisation built the policy-dialogue capacity of civil society stakeholders, which could then be harnessed to influence the debate around changes to the country's Mining Code, the successful implementation of which is important to advance fiscal decentralisation. Elements of this process include:

- Switzerland has supported Burkina Faso's decentralisation agenda for several decades, including support to fiscal decentralisation. In the process, it has built and expanded the capacity of civil society organisations and other national stakeholders to advocate for policy changes. (The policy dialogue was done through piloting evidence-based initiatives in select regions, as well as at the central level, including through leveraging possible because of SECO's direct budget support project).

- A new mining code was developed by the Burkinabe government in the early 2010s, and provided, in principle, an opportunity for much-needed revenue at the local level by obliging mining companies, prior to issuing their extraction licenses, to feed 1% of their profits into local budgets. The adoption of these legal provisions was under threat, and Swiss partner CSOs became key advocates for them, and these were successfully passed, although implementation remains a problem. (The policy dialogue took place by SDC encouraging its local partners to insist in a place at the table; it was supported by the possibility to withhold SECO direct budget support).

- The long-term impact of this policy dialogue is that, if companies implement the legal provisions, it will fundamentally change the communities' funding base for public services etc., as even 1% of the profits is considerably more than what is now available.

Box 9 Nepal – Peace Accord and Constitution

The political support for the implementation of the Peace Accord and the most recent Constitution (2015) provides the framework for Swiss cooperation with Nepal. Notable outcomes to which Switzerland contributed and which are thought important for upkeeping the peace include:

- Support for the Constitutional process – this led to a constitution that enshrines equality, inclusion and participation to be ensured, amongst other things, through a federal structure. During the process, Switzerland conducted political dialogue with parties and other stakeholders, and technical support on issues related to federalism.

- Support for implementation of the Constitution – focus on federalism. Examples: Swiss influence on the political process to develop a Civil Service Act to underpin federalisation and ensure enough capacity at provincial and local levels to deliver in accordance with the Constitution; policy influencing in the road sector, to ensure that also development partner engagement supports federalisation, and where the WB and ADB accepted the Swiss arguments related to implementation of road projects that underpinned federalism, with implementation of smaller roads at the provincial/ local level. Influence pursued through a combination of political/policy dialogue with the government, administration, and parliamentarians, working with development partners to respect the constitutional provisions, financial support for building up capacity and strengthen awareness at the provincial level of new roles and responsibilities. Reorganising the SDC cooperation to fit the new federal structure – which required a major effort of policy dialogue to shift the funding and implementation responsibilities to provincial and local levels.

- Another notable policy outcome was in the area of migration, where Switzerland contributed to a policy shift in the Government towards a more pro-migrant understanding of migration, including through joint support for Migrant Resources Centers offering support for migrants prior and after migration. An example of proof of concept that is then taken over by the government.

Box 101 Nepal – TVET, migrants and other

Outside the realm of the peace/constitution processes there are examples of systemic changes that SDC policy dialogue contributed to:

- The introduction of the dual TVET system in Nepal whereby the federal system sets standards and certifies; provincial levels offer higher-level skills and local governments often in collaboration lower levels skills training options (TVET schools) and the apprenticeships model. Policy dialogue with parties to federalize the TVET sector through law, and support for provincial level to understand their new role. Ensuring a coherent federal approach by other development partners in the sector.

- Shift towards a more realistic and pro-migrant understanding of migration in the government and administration. SDC and GoN now collaborates on issues related to safe migration including through joint support for Migrant Resources Centers offering support for migrants prior and after migration. An example of proof of concept that is then taken over by the GoN.

- Full adaptation of the implementation of Trail bridge Sector and Motorable Bridge Sector according to the new Constitution.

Other policy dialogue results arising from case studies include the following:

- **Burundi:** Switzerland's engagement in Burundi in the past years represents an example of a successful WOGA approach linking political influence with cooperation as well as an example of Switzerland being able to exploit its impartiality, its "Swissness". A key result of policy dialogue was: Ensuring a joint international appeal to all actors in Burundi to resolve disagreements regarding the outcome of the elections in a peaceful manner – widely thought to have led parties in Burundi to abstain from violence. Switzerland, through its policy dialogue, contributed to the reengagement of Burundi with the international community in 2021 following the elections, taking the risk, and reaching

out to the new Government combining political (visit to Switzerland and actions in the UN Human Rights Council) and development instruments and presence in Burundi.

- **Central Asia, Blue Peace (BPCA) (water):** The diplomatic front end of the initiative was an instance of effective WOGA (where both regional and global efforts worked together) and found to be constructive in enabling SDC to engage in the transboundary cooperation in the Chu-Talas river basin and concrete measures such as installing water flow measurements to provide 'real' data' to support the management of the river basin; and initiating joint management of a small lake on the border between Uzbekistan and Kyrgyzstan in a highly militarised area. A capitalisation study noted that "*SDC management consider these small examples extremely relevant for showing the countries in the region that when they talk to each other then they can find local solutions. Thus, BPCA is considered a facilitator by demonstrating that credible data and local solutions can make a difference*".

- **Latin America (water):** This multi-country project aimed to improve corporate water governance. The project supported and led to a number of policy-level changes including the configuration of new public policy instruments such as the Blue Certificate in Peru; the creation of a Clean Production Agreement referred to as the Blue Certificate in Chile, and a water policy instrument to analyse water availability, uses and risks in Colombia. Both above-mentioned instruments seek to generate systematic information to facilitate the articulation of Information Systems within the environmental authorities at the regional and national levels. There was a strong WOGA coordination between country, regional and global Swiss programmes, also between, and within SDC and embassies.

- **Mongolia (decentralisation):** A number of policy and regulatory measures were approved and under implementation linked to the SDC policy dialogue including the state policy for decentralisation was adopted in 2016 with the key decentralisation principles reflected in the Sustainable Development Vision of Mongolia-2030 (2016) and the revised Law on Administrative and Territorial Units and Their Governance was approved by the Parliament (December 2020). This is considered a significant advance towards ensuring decentralisation reform and strengthening local governance by transferring financial, administrative and property management powers. One of the factors of success was the political capital that Switzerland was willing engage combined with a WOGA approach of joint policy and political dialogue.

- **Serbia (decentralisation):** Cooperation and support to the Ministry of Public Administration and Local Self-Government contributed to the adoption of a local governance reform programme and action plan. A notable success has been achieved through a national level law but impacted the local level (and thus everyday life of the citizens), where SDC contributed to a successful transfer of responsibility to levy and manage property tax at the local level by Amendments to the Law on Property initiated by SDC partners. On the other hand, SDC did not manage to institutionalise the Social Inclusion and Poverty Reduction Unit of the Government of the Republic of Serbia. Despite a recently identified solution - the establishment of a new sector within the Ministry of Labour, Veterans and Social Affairs, this is considered as a failure, given that SDC collaborated with the Unit for 12 years. Moreover, it is unclear how optimal, i.e., viable and sustainable such a model is. Swiss long support to the Unit ended in December 2021. One of the probably most successful policy dialogue interventions in Serbia was the Swiss contribution to the law on dual vocational education and training. Currently, 10 000 students are enrolled in dual vocational education and training.

- **Syria (humanitarian advocacy):** SDC has used its presence in Damascus since 2017 to push for and has achieved better access to humanitarian aid as well as access for international partners to work in Syria. SDC also used its presence to move around the country and establishing contacts to governors and local authorities to work with them in the delivery of humanitarian assistance. To ensure coherence and give guidance to the different WOGA interlocutors engaged in various aspects of the Syria crisis, a Humanitarian Advocacy Plan for Syria was developed in the summer of 2021. It is firmly based on international humanitarian principles and rights; at the same time, it is forward leaning in terms of contributing to all pillars of the UN Humanitarian Response Plan. SDC is heavily engaged in donor coordination in the context of Syria, and the Plan is useful to ensure common messaging in various settings where humanitarian action vis-à-vis Syria is being discussed. The achievements clearly show the potential of policy dialogue even in some of the most difficult humanitarian, fragile and conflict affected situations.

- **Burkina Faso: In 2017, Swiss engagement in policy dialogue with the government and donors was timely in highlighting the need to respond to a deterioration in the security context and the anticipated impact of this on primary education**. As a result, UNICEF, along with other donors pledged funding for the programme "Education in an Emergency Context", targeting primarily border regions; this programme continues to exist and is supported by a Technical Secretariat of the government of Burkina Faso. UNICEF is piloting approaches to make schools more resilient to crises. National stakeholders whose capacities had been built in previous phases of support (see previous paragraph) are now empowered to participate in policy dialogue and implementation of actions in the context of the humanitarian fund.

The contribution to policy dialogue success at local level was especially notable, although it often proved difficult to combine pilot approaches at the local level with policy dialogue at the central level. SDC typically supported pilot projects at the local level for later national replication. There were cases of success, such as the practical support for service delivery within water and waste management, for example in Ukraine, which was vital in serving to increase local commitment to the reform process. In combination with intensive and professional support to communication of the reforms, these efforts strengthened both the demand and expectations for reforms, as well as the delivery of reform outcomes. But support for piloting approaches at the local level – often implemented through partners – was often not sufficiently well linked to national policy processes and therefore did not lead to the scaling up and systemic changes foreseen. The hypothesis that policy dialogue can be done by demonstration and evidence at the local level worked, but only where there was focussed support on how to connect upwards (an example of where this did not happen was the water sector in Moldova and an example of where it did happen was on digital transformation in Ukraine). In some cases, this missing middle was addressed by working through local government or associations, for example in Burkina Faso in the context of the policy dialogue around the 2018 Code on Agro-Pastrol Investments, and where Switzerland empowered farmers' associations at local, sub-national and national levels contributed to the adoption of the Code. In other cases, working with implementing partners to understand the political context and link up to political processes has been initialised, for example in Nepal, where the Embassy used the two-step tendering process to be able to ensure that the partner was clear about the policy/ political aspects of the project they are bidding for. In Serbia, SDC collaborates with a well-established and recognised local organisation, the Standing Conference of Towns and Municipalities of Serbia (SCTM, i.e., National Association of Municipalities), which acts as a bridge between the central and local level by integrating local-level interests in national laws and policies. Notable results were achieved from 2014 onwards. SDC is the only core funder of the SCTM and thus deemed with a significant role in their results. However, the exact contribution is difficult to measure, also because the SCTM work covers all local

governments of the country and implements projects funded by other donors, which is why the results achieved are reported under country results in SDC annual reports. *(i1.1, 1.2, 1.4)*

Not all attempts at policy change were successful, in particular in creating systemic change. There was no one reason for lack of success, even when a considerable effort was put into policy dialogue for reform. It can be related to the policy environment; lack of political will; change of government; timing; other priorities; or simply that the evidence for policy change was not convincing enough. In Moldova, although some policy dialogue results were achieved in water, overall, the results were disappointing. Systemic change in the approach to investment decisions such as choice of technology and regionalisation of service operators in the water sector has not, yet, occurred. Partly as a result, SDC experimented with deepening ownership at the centre through a nationally implemented project on the Strengthening the Institutional Framework in the Water and Sanitation Sector (IFSP). However, the policy aims of this project to create systemic change also fell short of expectations. For example, support has not, yet, succeeded in establishing a sustainable source of finance for the river basin management organisations – although there are some cases of municipalities providing skeleton budgets which, although insufficient, is encouraging. Linked to low success in creating policy-level change through either local or central level approaches, SDC decided to pull out from direct support to the sector and instead to focus more widely on local government. Burkina Faso is another example. There is considerable success in policy dialogue - yet the new policy framework often lacks follow-up and implementation. For example, the success in the change of the Mining Code (in part due to conditionality on the release of budget support) has yet to be accompanied by the implementation of the new policy.

In Central Asia, even after significant support over more than seven years, the highly ambitious results of the political track of the Blue Peace project were not clear or easy to grasp. The capitalisation study noted that *"Internal stakeholders (SDC staff involved) in the field find that the successes have been marginal".* In Mongolia, although much was achieved under the policy dialogue on decentralisation, the original aims of the policy dialogue on citizen engagement were not met following a sudden change in government. In Serbia, the results of Swiss support to parliament reforms were modest. Whilst there were results at the technical level, the wider aim of reforming the electoral process as a precondition for institutional strengthening of the Parliament's representative function have not yet taken place. (*i1.2, 1.4, 1.6*)

SDC supported aid coordination provided a systematic and coordinated set of entry points for policy dialogue. One of the most notable contributions of SDC to policy dialogue was to support donor/aid coordination mechanisms, which provided a structure, and systematic series of entry points for dialogue so that key policy issues could be raised at different levels. Despite the relatively small size of SDC support, SDC often took a lead donor or at least highly influential role in getting the dialogue structure to function.

SDC's contribution to policy dialogue was often more evident on the process than the content. And in so doing SDC contributed to addressing challenges and proposing common solutions. An example of this is Ukraine, where SDC was key in fostering a systematic platform for policy dialogue at different levels of government that ensured a harmonised donor voice. SDC helped to establish the donor board for decentralisation, and, more recently, was a key actor in initiating the three-tier coordination structure. As well as ensuring a harmonised donor response and reducing the burden on the government, the new structures have also, at least in some sectors, enabled the government to take an increasingly active role in coordinating external support. SDC and fellow donors benefitted from having systematic and multi-level entry points for policy dialogue. In Tanzania, SDC was instrumental in getting the aid policy dialogue moving again after years of stand-off

between the government and the development partners, which did require a considerable investment in terms of staff time. The effort was highly appreciated by the UN resident coordinator; development partners; and the government. Other examples that emerged from the survey responses include South Sudan, where SDC engaged with a number of partners at all levels to contribute to the development of a peacebuilding policy for the Ministry of Peacebuilding; Kosovo, where the Inter-ministerial Water Council supported by SDC in coordination with other donors and implementing partners created space for dialogues on laws and national strategies in the water sector; Nicaragua, where faced with a government reluctant to accept any international aid following devastating hurricanes, despite the enormous needs, SDC's political dialogue succeeded in opening up spaces and defining modalities to allow access to the Swiss and international humanitarian aid.

As can be expected, there were also examples where the coordination efforts did not work or take place as well. In Serbia, governance is only partly covered in donor sector working groups. SDC did not establish parallel coordination structures vis-a-vis its support for decentralisation and local governance reforms. Further, there is no well-established, coherent and harmonised system for donor coordination around democratic backsliding in Serbia. In the Blue Peace initiative in Central Asia, although the coordination was helpful, it was not enough to bring different national entities together in a regional cooperation or ensure a high level of coordinated support from international finance institutions. The importance of development coordination, and the need to involve not just donors but a wider range of partners was evident in Mongolia, where a technical rivalry of ideas between different donors on how to conduct civic engagement provides an example of policy goals not being achieved as expected. Overall, the degree of government leadership of the donor coordination was highly variable, and most platforms were generally dependent on external financial support. As they are temporary vehicles, this is not necessarily problematic unless they substitute a domestic dialogue on policy. *(i1.1, 1.3)*

SDC contributed to fostering a domestic policy dialogue. There is some evidence in several of the countries examined that in the long-term, the capacity built at individual and even institutional level could lead to a critical mass of local expertise for domestic policy dialogue. SDC engaged with many local experts and partners in government and civil society. Over the years, these experts and partners have been exposed to international practice in critical, transparent, participatory, and evidence-based policy dialogue. Some have then gone to influential positions within and outside government and are already contributing to a healthy domestic policy dialogue process. In Ukraine and Moldova, SDC strengthened local government associations in their advocacy with central government. SDC, working through international organisations such as the WHO, created capacity within the Ministry of Health to build up evidence-based approaches and engage in policy dialogue internally within Ukraine. In Tanzania, SDC provided support to well-rooted national actors in civil society and media to engage in advocacy and policy-making both at national and subnational level. In Burkina Faso, Switzerland has empowered domestic stakeholders at local levels who have, over many years, developed their expertise and skills to engage in policy dialogues, including at the national level, and who have successfully participated in policy dialogue around the Agro-Pastoral Investment Code, the Mining Code, and in the education sector.

It is difficult to determine if a critical mass of domestic capacity for policy dialogue was established, and there is always the threat of reversal. Nevertheless, there are prospects, in the longer term, looking at the domestic capacity within Ukraine, Tanzania and other countries, that they will have developed the routines and sufficient internal capacity for effective domestic policy dialogue. *(i1.4, 1.5)*

3.2 EQ 2 Factors

EQ2: What are the factors/practices that supported/hindered outcomes from policy dialogues?	**Indicators**: Context-related 2.1 The extent to which <u>national policy dialogue aims and content</u> were well grounded in the context and relevant for the partner in pursuing development priorities as well as relevant from the point of view of Swiss development policy goals and SDC's programme and project objectives 2.2 The extent to which the <u>national</u> <u>policy dialogue processes</u> were well grounded in the context and building on understanding of context, including timing and choice of partners 2.3 The extent to which internationally agreed goals e.g., SDGs, conventions, humanitarian principles enabled national policy dialogues. Actors-related 2.4 The extent to which policy dialogues with multilateral institutions (globally and nationally) and in the context of global programmes were coherent and supported SDC policy goals at the national level 2.5 The extent to which SDC working with other development partners in developing joint policy messages and conducting joint policy dialogues enhanced the effectiveness and efficiency of policy dialogues 2.6 The extent to which working with national partner country actors, including other than the government, supported national policy dialogue outcomes Internal capacity-related 2.7 The extent to which Swiss ways of working, including long-term partnerships, broker, and bridge builder, is a high value asset and door-opener for Swiss engagement in policy dialogue 2.8 The extent to which knowledge and Swiss comparative advantages and domestic expertise supported outcomes of policy dialogue 2.9 The extent to which Swiss political dialogue with partner countries supported outcomes of SDC policy dialogues and projects/programmes 2.10 The extent to which SDC's policy dialogue activities were systematically and sufficiently coordinated internally (including SDC HQ and SCO) and with other Swiss government counterparts (WOGA), as well as non-Government entities where relevant 2.11 The extent to which SDC's procedures (including for preparation and development of strategies for policy dialogues) and modalities were value-for-money and conducive to implementing policy dialogues 2.12 The extent to which SDC staff guidance, staff training and capacities supported outcomes of policy dialogue
Summary of findings:	
Context	• The political willingness to reform was one of the most important factors for successful policy dialogue. (*i.2.1*) • In most contexts, Switzerland is a comparatively smaller donor, although this lessened influence, there was leverage gained from political neutrality providing support for evidence and linking to wider frameworks. (*i.2.1,2.7*) • More evidence is needed on policy dialogues in contexts that are descending into fragilisation and what the implications are for the prospects for policy dialogue.[27] • A deep understanding of the political economy helped identify what was feasible and improved the prospects for success. (*i.2.1*)

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[27] Note: SDC have produced a series of documents on operating in authoritarian contexts e.g., https://www.shareweb.ch/site/DDLGN/Documents/Policy%20Note%20AuthoritarianRegimes%20EN.pdf

	• In contexts where politics and policies are driven by individuals, there is evidence that progress depends on personal relations - an opportunity, but also a potential pitfall. (*i.2.2*)
Actor-related	• Linking national policy dialogue to implementation of global standards that SDC partner countries have committed to form a good reference framework for pursuing policy changes. (*i.2.4, 2.5*) • Where synergies between global policy-level influencing and national-level policy dialogue were exploited, there were good results – but synergies were not always pursued (and not always present). (*i.2.4, 2.8*) • SDC invested substantially in aid coordination mechanisms which was highly appreciated by development partners and governments, as it allowed for structured dialogues. (*i.2.5*) • SDC supported civil society and non-state actors to build national capacity for policy dialogue – also support for media was used to enhance national policy awareness. (*i.2.6*)
Internal capacity	• Switzerland is seen as a trust-worthy, capable, and predictable long-term partner – this is a good starting point for policy dialogues. (*i2.7*) • The link between on one hand the objectives outlined in the Swiss Foreign Policy Strategy and the Swiss International Cooperation strategy and, on the other hand the policy dialogues taking place at country-level was not always clear – leaving room for personalised implementation. *(i2.10, 2.11)* • The How-to Note on Results-oriented Policy Dialogue provided guidance related to policy dialogue processes, but it was demanding on skills and resources. (*2.11, 2.12*) • Successful policy dialogue required skills sets combining analytical skills with operational capacity and technical knowledge. • The trade-off between defining policy dialogue outcomes too specifically and the need for agility and adaptability to be able to pursue opportunities for policy dialogue was generally acknowledged. • Despite increased attention and understanding of what systemic changes entails, policy dialogue was still in some cases project driven – this was often linked to implementation through partners.

In summary, the factors of success that emerged from the evaluation were:

- Working with other development partners to support implementation of country-owned reforms, backed by global norms and standards or the possibly to withdraw general budget support (an example of conditionality was in Burkina Faso in the mining sector);
- Generation and presentation of strong evidence for usefulness of policy change and reforms – including from projects;
- Understanding of the context - continuity and long history of cooperation;
- Defining policy objectives and outcomes and pursuing those flexibly and with agility – combined with ongoing monitoring and readiness to adapt;
- Leveraging Swiss added value in terms of impartiality;
- An opportunistic approach that capitalised on insight and made use of personal relations whilst avoiding over-reliance on individuals.

That is also reflected in the survey results (see figure 4). Figure 4 clearly indicates that various other factors - contextual, capacity and actor-related - all to varying degrees, contributed to the outcomes of national policy dialogues.

Apart from absence of the above, factors that tended to reduce the success of policy dialogue included:

- Fragile and conflict-affected situations;
- Implementation through partners where the responsibility for policy dialogue was unclear and therefore left to linger.

Figure 4 Survey: Factors that supported national policy dialogue outcomes
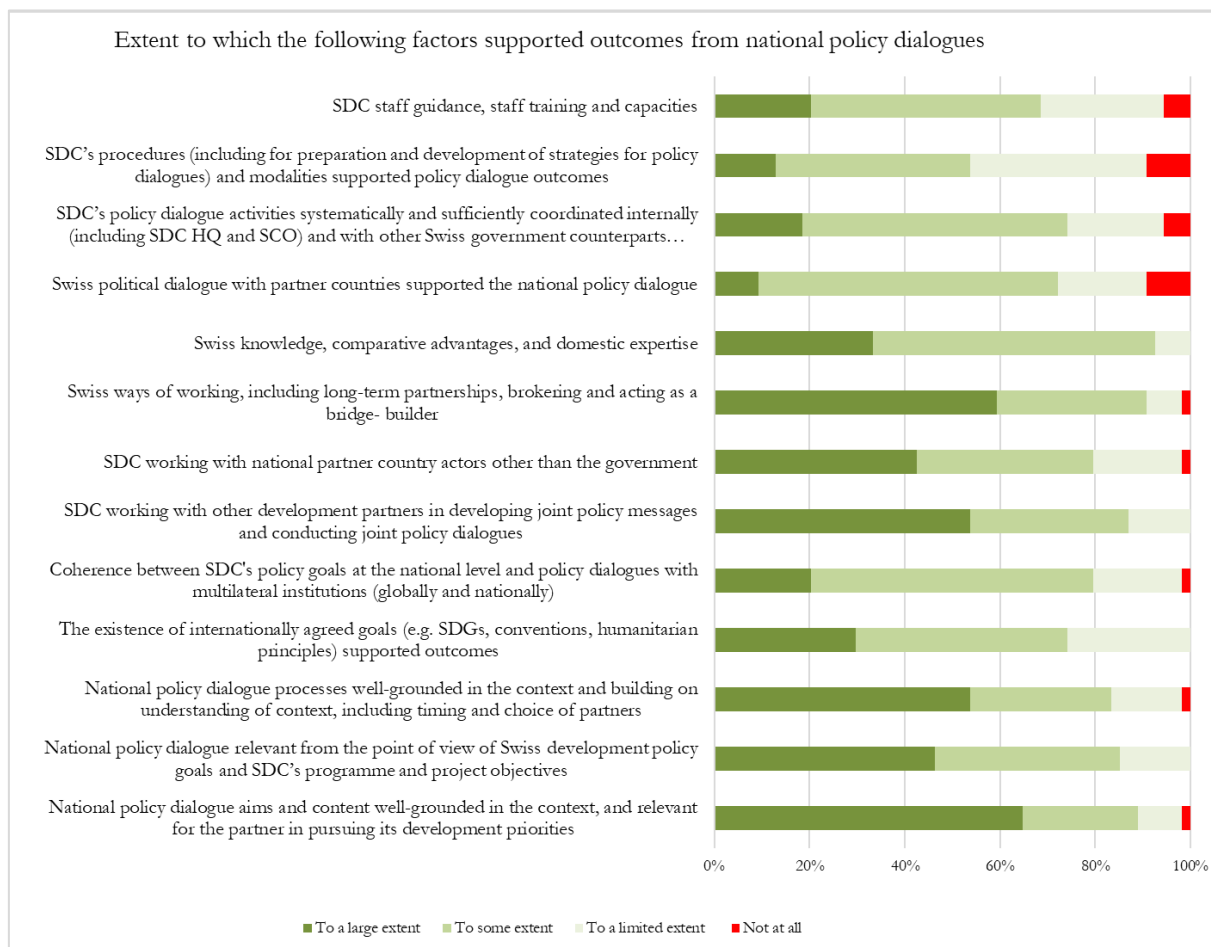
3.2.1 Context-related

The political willingness to reform was one of the most important factors for successful policy dialogue. There are considerable contextual differences in different countries that influence the political willingness and environment for reforms. For example, the East Cooperation differs from the South Cooperation, partly because the rationale in the East Cooperation is to support ongoing reforms and transition to democratic and market economies, and where the reform dynamics are largely informed by countries' aspirations to greater association with or membership in the European Union, which add urgency to the policy dialogues and the associated reform processes. For the past two decades, the prospect of closer EU association or membership has acted as a powerful incentive for countries to reform, and the success of Swiss policy dialogues is, at least in part, influenced by these dynamics. For example, SDC engaged heavily in policy dialogues around decentralisation in Ukraine and Albania; in both countries, reforms have been seen as part of moving closer to European (including Council of Europe) standards, in line with the countries' EU accession/ association agendas. In this context, Swiss engagement on the topic met with favorable contextual factors determined by international aspirations of the countries. Going forward, EU accession fatigue, as a result of what is seen as fickle

commitment on the part of the EU, might have an impact, on the prospects for success of SDC policy dialogues as countries might lose their resolve for reforms. Early signs of this are already visible in Serbia, where, despite an official EU accession agenda, there is democratic backlash, and which has influenced the context of SDC-Serbian policy dialogues recently. It is in the East Cooperation, too, that there is typically a good level of commitment by donors to coordination, increasing the prospects of success for Swiss engagement in donor coordination. Similarly, in Rwanda, where there is a performance and reform-minded government, the political environment is ready for policy dialogue with a constant pressure to show results. It was noteworthy that much of SDC's policy dialogue thrust was to support and lend credibility to the implementation of already approved reforms rather than to contribute to new reforms and it is in this context that most of the policy dialogue success was found. *(i2.1)*

In most contexts, Switzerland is a comparatively smaller donor, although this lessened influence, there was leverage gained from political neutrality providing support for evidence and linking to wider frameworks. The limited size of the Swiss engagement, including the financial envelope, meant that there were limited entry points for policy dialogue suggesting a continued link between policy dialogue and project investments and between showing and doing. In a number of countries, donors are seen to be having a hidden agenda based on geo-political or geo-strategic considerations. In these contexts, Switzerland is seen as a neutral broker, as opposed to what is often perceived as a distinct large power agenda. For example, in Ukraine, Switzerland is in a strong position on humanitarian dialogue given its neutrality, in the territories outside of the control of the Ukrainian government. Bringing technical knowledge either through SDC itself, implementing partners such as UN or NGOs, and supporting evidence production were other ways that Switzerland tried to distinguish itself and leverage its policy influence (see examples under EQ1). An example where the limited investment impacted the outcomes, was the multi-annual Swiss engagement in policy dialogue in the Blue Peace-Central Asia initiative to meet the challenges of growing water scarcity and increasing competition for water resources, where Switzerland overestimated the attractiveness, for the participating countries, of a regional cooperation format in the absence of tangible, hard investments into infrastructure. It was not possible to get to a point where the international financial institutions would be ready to provide the large investments needed to get political cooperation on transboundary water management going. *(i2.1./2.7)*

More evidence is needed on policy dialogues in contexts that are descending into fragilisation and what the implications are for the prospects for policy dialogue. Burkina Faso represented a context that is gradually moving towards fragilization. Policy dialogue in these contexts includes the need for partner governments to realise the impact of fragility on day-to-day governmental business, something that stakeholders report has not been very prominent, as there is a tendency and desire, on the part of the government, to continue business-as-usual. The context in Chad also made policy dialogue increasingly difficult due the political situation. The formal structures of government did not decide what was going on in the country. Very large donors had their own agenda with the military-led government leaving little space and opportunity for policy dialogue for a development partner like SDC.

A deep understanding of the political economy helped identify what was feasible and improved the prospects for success. Generally, there were efforts to understand the values and interests at play in different contexts, the legal thinking, and the incentives/ drivers promoting and/ or hindering policy dialogue. The case studies found that overwhelmingly, the political economy issues were addressed; the context was well understood; and there was ongoing work to increase and deepen the understanding on actors and potential stakeholders. But there were exceptions, as the Blue Peace in Central Asia project, until it launched its own political economy analysis, was less successful in

identifying the over-riding role of political leaders; and the lack of willingness to cooperate at a regional level as factors that ultimately determined the success of any political and policy dialogue. Now that here is a political economy analysis the project is in a better position to conduct meaningful policy dialogue. In other contexts, Swiss cooperation was maximising the potential offered by regional competition and the reputational aspirations of countries. For example, in Ukraine, the country's striving to international recognition and acceptance as a modern, IT-savvy state that had shed its post-Soviet past was a contributing factor for the pace and success of its digitalisation and decentralisation reforms (both strongly supported by Switzerland). In Nepal, Switzerland had accompanied the peace and constitutional processes for the past 25 years and was deeply involved and invested into the political fabric of Nepal (a special position in the donor landscape), leading to an ability to identify partners and processes for engagement. *(i2.1.)*

In contexts where politics and policies are driven by individuals, there is evidence that progress depends on personal relations - an opportunity, but also a potential pitfall. Across case study countries, there were examples showing that Swiss cooperation was able to understand and pursue its influence by heavily relying on personal relationships at the highest echelons of government. While this opened the doors and fast-tracked policy dialogue, for example in Mongolia and Ukraine, in both countries, progress stalled when the political setting changed. *(i2.2)*

3.2.2 Actor-related

Linking national policy dialogue to implementation of global standards that SDC partner countries have committed to form a good reference framework for pursuing policy changes – this often involved working in partnerships, including with multilateral agencies, drawing on their networks, capacities, and experiences in other countries**. For example, in the health sector in Moldova, working in collaboration with WHO, UNFPA, UNDP, and the government and parliament, SDC provided support for evidence-based policy dialogue for the design and implementation of key health-related legislation regarding the use of tobacco, alcohol, sugar, and salt. Similar positive results were achieved by working in partnerships with WHO and NGOs with regards to improving the situation for people with mental health issues. Other examples include Ukraine, where SDC supported the WB and the WHO to provide technical assistance to the Ministry of Health to drive the reform process for the first National Health Sector Reform Strategy; and where Switzerland worked with the Council of Europe, the standard-setter on decentralisation, to advance critical parameters of the decentralisation process. Another example is the Swiss Syrian Humanitarian Advocacy Plan, the basis for which were the international humanitarian principles and the UN-led Syria Response Plan that then formed the framework for Swiss policy advocacy with Syrian authorities and humanitarian partners. (i*2.4, 2.5)*

By contrast, there were questions by some interlocutors about the relevance of Swiss experiences for informing policy dialogue. For example, it was questioned to what extent the Swiss experience would be meaningful for Tanzania in its work to establish health insurance. A contrast was drawn with working with multilaterals, for example the WB or the WHO, which could have drawn in more diagnostic capacity as well as more relevant experiences from other developing countries. Similarly, there were questions as to the extent the Swiss experience with federalism would be relevant for countries that were pursuing decentralization/ devolution, as the Swiss experience had evolved in unique circumstances and involved states handing power to the federal level. The experience was more useful where it had been translated and tailored to the specific circumstances and informed wider practice on. *(i2.4, 2.8)*

Where synergies between global policy-level influencing and national-level policy dialogue were exploited, there were good results – but synergies were not always

pursued (and not always present). Global programmes were not usually strongly referenced at project design and reporting level. An exception was a close link between national policy dialogue and the global water programme especially for regional programmes, for example in Latin America (private sector involvement) and Central Asia (water diplomacy). It could be that the global programmes were more dependent and better coordinated with national programmes than the other way around. The GP for Health is set up "*at the service to the countries and vice versa"* and has a structure with focal points in representations which allows for synergies*.* Examples of successful interactions between policy dialogues at country and multilateral levels are found in mental health and diabetes, where the country-level activities in Moldova, Bosnia and Herzegovina, and Ukraine contributed to an active Swiss role in the WHO leading to the adoption of resolutions regarding these issues, which then formed the basis for policy dialogue to change the situation in the countries. In Albania, Swiss support on decentralisation drew on the standards set by the Council of Europe's Congress of Local and Regional Authorities to advance policy dialogue. Burundi, where Switzerland combined its chairmanship of the UN Peace Building Council in Burundi with an active, policy-oriented presence in Bujumbura is another example of synergies well exploited. In other countries, synergies were missing. For example, in Tanzania, there was little evidence found of the Swiss global advocacy regarding sexual and reproductive health and rights, even though with a birth rate of 5.6 per cent a year and issues regarding teenage pregnancy would appear to be a key strategic policy issue. Nepal is an example with limited cooperation between Global Programmes and the Embassy with insufficient awareness of each other's activities and hence no ability exploit synergies in areas such as migration. *(i2.4)*

SDC invested substantially in aid coordination mechanisms which was highly appreciated by development partners and governments, as it allowed for structured dialogues. In all case countries, SDC played a strong role in aid coordination, often as co-chair of the general aid coordination mechanism and/or as a lead donor in a sector. This investment is a policy priority for Switzerland and rooted in the pursuit of aid effectiveness. *Good coordination is essential as it improves the effectiveness of international cooperation while preventing the duplication of efforts and the piecemeal allocation of funds*[28]. As mentioned under EQ1, in some instances, SDC was instrumental in establishing the mechanisms for aid coordination and joint policy dialogues with the government without having specific policy objectives in mind. SDC interlocutors described the existence of aid coordination mechanisms as useful for policy dialogues, as they offered a legitimate structure that could be used if and when there was a need for policy dialogue. The frameworks examined also outlined the mechanisms for escalation of policy issues to the political level when progress got stuck at lower levels. Development partners recognised this Swiss investment – one calling it a global public good – but they also noted that Switzerland did not often use the opportunity to pursue Swiss policy objectives. There were examples of joint donor policy agendas with shared speaking points amongst donors, e.g., Cambodia and Mongolia. Aid coordination practices which also involved national partners from local and district levels, civil society and the private sector were deemed useful in themselves, for example, Action Dialogues advocated for by the Global Partnership for Aid Effectiveness, of which Switzerland is also a co-chair. An Action Dialogue was under implementation in Tanzania involving a substantial and costly process involving many actors and layers of government. *(i2.5)*

Sectors with sector budget support (provided by donors other than SDC)such as health, lent themselves to strong sector coordination and policy dialogue with the government as a basis for the support. This was the case in Ukraine and Moldova, where the policy dialogue was firmly led by the ministries of health. In the case of Tanzania, despite an elaborate dialogue structure for the health sector, the past years' stand-off between the government

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[28] Switzerland's international Cooperation Strategy 2021-24 pg. 34.

and the donors implied that the strategic dialogue for the sector was lacking; this included the question of future health financing. Pursuing policy dialogue in sectors where the overall structure for policy dialogue was weak is more difficult. This was seen in the context of the evaluation of the SDC support for Market Systems Development. As aid coordination in the agriculture and food systems area was more dispersed and less structured, often involving multiple actors on all sides including the private sector, it became more difficult to bring policy issues to the attention of the political level. *(i2.5)*

There were also examples where SDC invested in aid coordination with a view to addressing policy level concerns. In the context of Syria, the large investment of SDC in donor coordination was described by others as a global public good that strongly supported the donor community in coming together on a joint policy stance, underscoring a more interventionist line that Switzerland supported from the outset. In the case of Nepal, SDC successfully used its strong platform within aid coordination to advocate that development aid was aligned with the implementation of the Nepal Constitution and the federalist structure. *(i2.5)*

SDC supported civil society and non-state actors to build national capacity for policy dialogue – also support for media was used to enhance national policy awareness. SDC has engaged with many local experts and partners in government and civil society and has contributed to building their capacity to become stakeholders in policy dialogue processes, sometimes outside the themes/ sectors that were covered by the initial or core cooperation. For example, in Burkina Faso, SDC has worked with several NGOs for many years on decentralisation; it was then able to activate these NGOs to successfully advocate for important changes in the Mining Code, and which had implications on fiscal decentralisation.

SDC support for civil society actors in Tanzania had as one of its objectives to enhance the policy influencing capacities of civil society and the media to increase pressure on the government for accountability. This has happened to some extent, with CSOs and local media being very positive about the achievements in their self-reporting, whereas a recent mid-term review was only cautiously positive as it found that the impact on policy changes remained limited to minor changes. However, when the space for civil society in Tanzania was curbed, the Embassy continued its low-key approach vis-à-vis the government, expecting the multilaterals to step in to defend the space. *(i2.6)*

As found in the context of EQ1, a critical mass has not yet been established, and there is always the threat of reversal. Developing the capacity of local civil society actors is a deliberate approach, which SCO staff acknowledged takes time and effort to yield returns. The approach is rooted in the conviction that allowing such actors to grow offers a sustainable, long-term prospect for results. (i2.6)

3.2.3   Internal capacity-related

Switzerland is seen as a trust-worthy, capable, and predictable long-term partner – this is a good starting point for policy dialogues. Uniformly, national government partners, national stakeholders, and development partners praised SDC as a long-term trusted development partner. SDC was described as predictable, credible, and impartial. This allowed Switzerland to play the role of the honest broker, which Switzerland applied in different circumstances. For national government partners, SDC was seen as a serious donor, genuinely interested in the long-term development of the country, and ready to accept a high degree of country ownership for the reform processes. The "Swiss" way of working was associated with seriousness, impartiality, but also a low-key role *("la force tranquile"* as one stakeholder summarised it), whether in national policy dialogue or in the context of aid coordination. In some situations, this was felt as too un-ambitious by SDC

implementing partners – as one partner noted *"The Swiss are thinking politically, but they are not acting politically. This is deliberate."* Some staff also wanted the leadership of the representation to lean-in more heavily, not only related to values and interests, but in general on strategic development policy issues. *(i2.7)*

The link between on one hand the objectives outlined in the Swiss Foreign Policy Strategy and the Swiss International Cooperation strategy and, on the other hand the policy dialogues taking place at country-level was not always clear – leaving room for personalised implementation. Swiss foreign policy, like other countries' foreign policy, is based on promotion of Swiss interests and values that are again translated into thematic priority areas, which, among other things, informs the Swiss International Cooperation Strategy (see chapter 2). Swiss interlocutors confirmed that in the recent Swiss foreign policy (2020-2023), Swiss values and interests have come more to the forefront. This is reflected in a stronger emphasis on peace and security; the rule of law; including human rights; and migration, in addition to the thematic areas of prosperity, sustainability, and digitalization. The guidance for country programming outlines a WOGA process with SDC/the relevant Embassy/SCO in the lead and the final decision by the SDC Director General, and for Eastern Europe, by SDC jointly with the head of the State Secretariat for Economic Affairs (SECO). The guidelines clarify the framework as: country needs; Swiss foreign policy and international cooperation strategies; as well as international agreements. Despite these references to Swiss foreign policy and international agreements, the follow-up is not clear, as the country programmes focus almost exclusively on the design of the aid cooperation. This also has the implication that it is left to the discretion of the Head of Mission as to whether to pursue political and policy dialogues in these overarching areas of Swiss interest and strategic development issues for that country. The country programme for Nepal provides an exception although there is an increasingly close link with the Swiss foreign national policy since 2021 (for example in the Great Lakes region). See box 12 below. *(i2.10, 2.11)*

Box 11 Nepal Coordination Strategy

Swiss Foreign Policy, Strategic perspectives of Dispatch for Swiss International cooperation in Nepal Cooperation Strategy:

- Prevent and manage the consequences of crisis and disaster, and of fragility; promote conflict transformation.
- Strengthen the rule of law and democratic participation; support institutions serving society and the economy.
- Ensure the respect for human rights and fundamental liberties, and support efforts to advance their cause; and
- Strengthen gender equality and the rights of women and girls.

In the Eastern Cooperation where the engagement was rooted in political support for democratisation and transformation, the cooperation of Switzerland was more political – more closely linked to Swiss political interests and values, and more focused on support for the reform processes in the countries. Similarly, in countries coming out of conflict, the context obliged Switzerland to act more politically. The cooperation programme for Nepal is designed from the political perspective of supporting the peace process and the implementation of the constitution with the projects reframed to reflect this overall political perspective of the Swiss-Nepali cooperation. In the most recent country programme for Tanzania (and now the trend for new country programmes), the outcomes are linked to the international cooperation strategy, and they are formulated at a higher strategic level across traditional domains to strengthen the programme and accompanying policy dialogue to focus on strategic development issues that are relevant for all domains: *"Outcome 1: State Institutions are more efficient and effective, inclusive and increasingly free of corruption,*

which is an important outcome for achieving progress in both the governance, the health, and the Technical and Vocational Education and Training (TVET) sectors to which Switzerland contributes." [29]

The ability and interest to conduct political and policy dialogue to pursue Swiss interest were not seen to be linked to whether the head of mission was in the diplomatic career track or the SDC. Rather, this appeared to be based on a personal understanding of the role. In most cases the cooperation is seamless, but in a few cases, there was reluctance on the part of SDC staff to involve the ambassador in policy dialogue related to development, or to limit this dialogue to easily conveyed issues. In the case of Burkina Faso there was strong interest in more "ambassador time" to be able to have access at higher levels (including higher-level aid coordination mechanisms) and to convey political concerns. *(i2.10, 2.11)*

The How-to Note on Results-oriented Policy Dialogue provided guidance related to policy dialogue processes, but it was demanding on skills and resources. To make full use of the How-to Note required considerable skills, resources, and clarity as to what the policy dialogue should be about**.** The Note presents a comprehensive and ambitious process for policy dialogue. Many staff know about it, but it is not clear to what extent it is being applied. In a few countries, especially in the East domain and Southeast Asia, influencing tools were developed to ensure more strategic and systematic approaches to policy dialogue. An important aspect of using the note and tools was to define the policy objectives – but here, guidance was more limited. Overall, the tools were found to be more useful for brainstorming approaches than to measure progress in policy results or dialogue. There was recognition that the process was time consuming, and staff felt that this was not always fully recognised by management. There are training courses related to National Policy Dialogue where policy dialogue is explained in the context of results-based management and risk management. The courses are primarily attended by junior and national programme staff. *(i2.11, 2.12)*

SDC in the How-to Note stresses that its policy dialogue aimed to be evidence-based and results-oriented. Some staff mentioned that they would like to be more active in policy dialogue, but that it was not always clear to them what the policy messaging/ policy lines should be. Working out the policy messages drawing on Swiss policies, commitments, and values, internationally and nationally available evidence, and then situating this in the context of the country in most cases proved the most difficult part. SDC had many guidance notes, but most of them do not provide for a set of clear messages that staff could use as Swiss policies in specific areas. Guidance was primarily developed with a view to programming and focusses on the processes and the analyses necessary for good programming, examples include the Note on SDC's Approach to Governance, and SDC's Guidance on Leaving No-One Behind. The option of using the thematic networks more actively to also develop Swiss policy lines within policy priority areas was mentioned. Currently, the Governance Network is working on Guidelines on Working in Authoritarian Contexts and there is also a Guidance on Governance in Fragile Contexts. Taking care that such policy lines were then further developed to be relevant in the country context would go a long way towards ensuring that such an approach was not in contradiction with evidence-based policy dialogue. *(i2.11, 2.12)*

Successful policy dialogue required skills sets combining analytical skills with operational capacity and technical knowledge. SCO/Embassy staff were highly appreciated by their partners for seriousness and their often-high level of technical knowledge. This was also the case beyond those receiving funds from SDC. As was seen from the examples of successful policy dialogue, several skills are required: relevant sector knowledge, capacity for political economy analyses; stakeholder analyses; and a good

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[29] Swiss cooperation programme Tanzania 2021-2024

understanding of how bureaucracies work are important skills to have in a representation to be able to support systemic changes. In addition, staff needed to be outgoing, curious, great networkers, opportunists. It was not possible during the relatively short stay in the countries to gain an insight as to the skills and capacities in each of the Embassies/ SCOs. What was gained from interviews was that capacities varied between Embassies and SCOs often depending on few really good staff in some areas, that then could pull beyond the thematic areas.

The trade-off between defining policy dialogue outcomes too specifically and the need for agility and adaptability to be able to pursue opportunities for policy dialogue was generally acknowledged. Successful policy dialogue also required agile and adaptable ways of working to be able to cease opportunities and change course when needed. Defining policy dialogue objectives in country programmes, and project documents and developing policy dialogue can be useful when they bring attention to policy dialogue and support clarification of policy priorities. Ukraine defined policy dialogue objectives at the strategic level and then developed scenarios with stakeholder analyses for changing contexts both favourable and unfavourable – often as part of a risk management exercise. This provided a mechanism and reason for monitoring a changing policy environment and its effect on SDC programmes as well as providing an early warning of opportunities/ risks. In Nepal, the strategic areas for policy dialogue at the country programme level was defined and linked to the overall objectives allowed the representation to build up the necessary evidence for strategic policy dialogue in these areas and reflect these policy objectives in the projects. With the new country programme in Tanzania, an agile approach was being pursued with policy dialogue activities linked to the cross-cutting objectives of corruption and youth; emphasising that policy dialogues would be pursued on the cross-cutting objectives depending on the most opportune contexts. This approach has been chosen based on past years difficulties in moving policy changes forward.

Despite increased attention and understanding of what systemic changes entails, policy dialogue was still in some cases project driven – this was often linked to implementation through partners. This way of working was described as "*providing technical solutions to political problems".* Project driven approaches led to overlooking root causes or challenges in the wider context, that cannot be solved by the project, or the project led dialogue. Support for piloting approaches at the local level – often implemented through partners – was often not sufficiently linked to national policy processes and therefore did not lead to the scaling up and hence systemic changes foreseen. Sometimes the situation was the result of delegation of responsibility for policy dialogue to the partner that then did not take place. But there were also good examples of representations taking an active approach to link projects to policy dialogues by clarifying roles and responsibilities with implementing partners and ensuring that this was reflected in project documents, or by working with implementing partners to define policy dialogue entry points and developing influencing tools. In Moldova, the influencing tool was seen as demanding by partners but also leading to enhanced awareness of implementers of the ultimate objective of systems change, and a clear framework defining roles and when to involve SCO in the policy dialogue. In Serbia, policy dialogue on wider reforming of the electoral process SDC entrusted to the UNDP through the implementation of the Parliament project, which, given the delicate political environment, yielded some results only at the technical level. In Bangladesh, the recent SDC evaluation of market systems development noted that for many years innovative projects such as the Katalyst and Samriddhi projects were implemented by contracted partners with relatively little link to the SCO. As noted in the evaluation (SDC 2021, Evaluation of SDCs Performance in Market Systems Development in Agriculture 2013-2019, p15) *"A thoughtful reflection by one of the projects implementing agencies involved in the Samriddhi project in Bangladesh [7F-03402.03] noted that in the first years of applying MSD the advocacy on making*

changes on regulation and rules was weak. This was attributed partly because it was not designed as part of the project and partly because the project staff did not have the familiarity and skills to engage with government at local or central level: "most national level and policy related market constraints identified by Samriddhi have either been dropped or they achieved little results…mainly due to lack of explicit focus on advocacy from the start of the project and lack of practical experience of the staff in dealing with public sector agencies." (Helvetas, 2014) "
The same evaluation also noted later approaches where the SCO was strongly involved in policy dialogue in a way whereby the project developed the messaging and evidence base, and the SCO supported by communicating this at higher level forums. A main finding of the evaluation was "*Projects working alone found it challenging to advocate for change in policies, rules and regulations. Where there was evidence of Swiss Cooperation Offices (SCOs) making use of the projects and information base to enhance policy dialogue, results were promising*" (Ibid, p1). In other countries, there was reluctance to involve the implementing partners in the dialogue finding this the remit of the Embassy/SCO.

3.3 EQ 3 Lessons learnt

EQ3 Lessons learnt: What are the lessons learned and how where they applied?	Indicators: 3.1 The extent to which SDC identified lessons and best practices in policy dialogues with regards to processes and reaching outcomes 3.2 The extent to which SDC applied such lessons in its policy dialogue activities across the organisation and shared knowledge with other government agencies engaged in policy dialogue activities
Summary of findings: • Policy dialogues and systemic reforms that reach beyond areas of engagement were increasingly recognised. *(i3.1, 3.2)* • SDC identified and applied lessons that can be clustered into four areas for improvement: donor coordination; policy dialogue actors; understanding of context; and engagement period. *(i3.1, 3.2)*	

Policy dialogues and systemic reforms that reach beyond areas of engagement were increasingly recognised. The Fact Sheet on policy dialogue underscored the evolution in the approach to policy dialogue by recognising that SDC, in addition to policy dialogues and pursuing systemic changes <u>also</u> must aim at reforms that make the governance system in general and in specific sectors of engagement perform more effectively. This implies increased attention to issues of good governance - transparency and accountability - as well as inclusive and participatory decision making. Examples of this approach were most evident in the countries where the country programmes had a distinctly political starting point for the engagement, such as Nepal and Ukraine. The new country programme for Tanzania is developed in the same spirit. *(i3.1, 3.2)*

SDC identified and applied lessons that can be clustered into four areas for improvement: donor coordination; policy dialogue actors; understanding of context; and engagement period. *(i3.1, 3.2)* Most lessons relate to the importance of donor coordination mechanisms to provide systemic entry points for policy dialogue and to increase the legitimacy of policy dialogue. SDC recognised that a unified and persistent effort of development partners, including a broader range of development actors, increases prospects for sustainable development solutions - this is clearly evident in the attention that SDC gave to supporting donor coordination frameworks in all the countries and sectors examined. The second most frequent lesson considers the SDC implementing partners and their role in national policy dialogue and points to the need for further empowerment of national actors as carriers of change, thus anchoring policy dialogue activities within local

organisations – the practice varies but, with a generally increasing awareness of the importance of building local capacity, supporting civil society in their advocacy role and support to local government - noted in Burkina Faso, Nepal, Moldova, Ukraine and Tanzania. A continuous assessment and deep understanding of the political economy, institutional challenges and partner country needs will make policy dialogue informed, evidence-based and aligned with government plans. SDC also learnt that longer-term engagement is a way to better policy dialogue outcomes. Lesson emerged from various processes/ contexts/ situations among them are the completion reports and end of project phase lesson reflection on lessons learnt and also more global processes such as the development of the how to note and various networks such as the employment and income (E+I) network which looked at lessons learnt for making systemic change in markets. The lessons and how they were applied are presented in the table below:

Table 5 Overview of lessons learnt (source of information - country, or project case study)

Donor coordination and working with/ through partners (beyond donors) and at different levels	• Donor coordination mechanisms, when combined with systematic entry points, increase the effectiveness and legitimacy of policy dialogue. *(Ukraine, Moldova, Tanzania)* • Working through international bodies in the health sector has proven to be effective as they are able to provide global legitimacy to difficult policy messages. The reforms in the health sector to a considerable extent result from working with WHO. SDC support to WHO has helped strengthen the organisation's policy influence at the national level. *(Moldova)* • Although not formally donors, Stanford University and the Centre for Democracy Studies, Aarau and the donors financing them are also relevant when it comes to coordination, illustrating the need to coordinate a wider range of development actors. *(Mongolia)* • The institutionalisation of the Social Inclusion and Poverty Reduction Unit of the Government of the Republic of Serbia, which SDC supported for 12 years, did not succeed, among other things, because of the lack of strong EU push for reforms in the sector. *(Serbia)* • A strong Swiss WOGA and a joint development partner approach are needed to match the scale of challenges. *(Central Asia and Syria)* • Better engagement in policy dialogue and donor coordination requires more time, additional human resources, and an active decision to do so by the management of the Embassy. *(Tanzania)** • The broader policy discussion on governance and reforms is best pursued in the context of the Action Dialogues between the government and the development partners involving also other national stakeholders backed up by frank discussions through bilateral dialogues in the context of the continued development cooperation within the priority areas. *(Tanzania)*
National Policy dialogue partners	• Building up and facilitating domestic capacity for internal policy dialogue was recognised as important and helped to ensuring that development partners kept a distance and did not inadvertently substitute local actors. *(Ukraine)* • Recruitment and empowerment of local SDC staff have proven to be effective- they are often able to find entry points and catalyse domestic capacity for advocacy *(Ukraine, Burkina Faso)** • Engaging with local partners that recognise the gaps and the context of each country was significant in achieving results. *(Latin America)*

	• Ownership cannot be obtained simply by converting to national implementation. The capacity, the coordination and absorption capacity of the local partners has to be in place. *(Moldova)* • Empowerment of local SCO staff – provided continuity and insight (tends to lead to better dialogue with national policy dialogue partners). *(Mongolia, Moldova, Ukraine, Burkina Faso)** • In the process of contracting implementing partners, the Embassy now use the two-tier process to ensure that the partner understands the political aspects of the project and that this is well reflected in the project description and results framework. *(Nepal)*
Context – understanding of political economy	• A deep understanding of the political economy context, of the value at work and of the legal thinking is an absolute must – but we are not necessarily ready to learn – rotation is contributing to a loss of knowledge. In recognition a political economy analysis was undertaken *(Central Asia)** • In water, the approach was too technically dominated without a realistic assessment of the political economy and institutional challenges. *(Moldova)* • SDC policy dialogue could not address all policy-related issues: there are areas where progress will need to await a national shift in opinion or expectations that are not open to external influence. *(Moldova)* • Support to the provision of in-depth evidence-based assessments and analyses has contributed considerably to influencing policy change. *(Moldova)* • Alignment with Government policies/strategic goals/visions has been an important factor, bearing in mind the level of political leadership and willingness. In some cases, it is important to consider the views of political parties in promoting programme goals. *(Mongolia)*
Reforms take time and require a long-term credible engagement	• Long-term, predictable, and flexible support that mixes bottom-up investment and capacity development with interventions at a higher policy level was found to be effective. *(Ukraine, Moldova, Albania)* • Long term presence and interactions with all parties were important aspects for enhancing credibility. *(Burundi)* • Policy dialogue is a step-by-step process, making significant changes in public policy takes time. The main starting point was creating common ground for all the stakeholders allowing them to communicate in the same language, share inputs and show results. *(Latin America)* • There are some things SDC, and donors cannot do – projects are short in horizon, mandate, and resources, they also need to have aspirations that match these limitations. Keep it simple was the main lesson learnt. *(Mongolia)*

Note: * denotes that the lesson learnt is linked to internal capacity

3.4   EQ 4 Peers

EQ4 Peers: What are the experiences of peers in conducting national policy dialogues, and are	Indicators: 4.1 Evidence of good practices in policy dialogue from other donors that can inspire SDC practices 4.2 The extent to which policy dialogue processes and outcomes of other development partners' efforts contributed to SDC ways of conducting policy dialogue

| there lessons to be learned? | 4.3 The extent to which the Swiss approach to policy dialogues was more effective/less effective than peers' |
| | 4.4 The extent to which SDC collaborated with others in exchanging knowledge on good/bad practices and developing existing practices, thereby enhancing the effectiveness of policy dialogues |

| Summary of findings: |
| • Few donors had conducted evaluations of policy dialogue experiences – outcomes were positive and factors for success similar to the ones identified in this evaluation. *(i4.1)* |
| • Peers include policy dialogue in their thematic strategies and programming processes rather than having specific guidelines and often take as a starting point the global normative framework. *(i4.1, 4.2)* |
| • To conduct meaningful dialogue, knowledgeable and analytical skills were needed, as were clear policies. *(i4.2)* |
| • On the whole, SDC saw its way of doing policy dialogue as effective as peers – if not more effective, a statement that was, however, not readily supported by peers, pointing to many actors and factors that influence policy dialogue outcomes. *(i4.3, 4.4)* |

Few donors had conducted evaluations of policy dialogue experiences –outcomes were positive and factors for success similar to the ones identified in this evaluation. Sweden, in 2015, conducted an evaluation of policy dialogue as an instrument specifically assessing policy dialogue for gender equality. The impact of Sweden in promoting gender equality was found to be particularly successful where multiple approaches had been applied.[30] Australia conducted an evaluation in 2013, and also found good examples of successful policy dialogue, often linked to the skills and capacities of staff to act politically.[31] Finally, Finland recently conducted an evaluation of its impact in multilateral organisations, where one of the conclusions was that Finland punched above its weight in multilateral arenas.[32] Denmark in 2016, based on data collected through the Aid Data research project, sought to understand its performance in policy dialogue. Based on this set of data, Denmark scored higher in terms of influence than the average bilateral DAC-donors (SDC not mentioned).[33] Apart from these specific evaluations, policy dialogue and policy influencing were most often covered as an aid modality in country and thematic evaluations, as has been the case until now for SDC evaluations. Outcomes of policy dialogues are on the whole found to be good, and the factors for success similar to what was found in this evaluation, see Box 13. *(i4.1)*

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[30] Sida: Evaluation of policy dialogue as an instrument – the case of gender equality. 2015

[31] AusAID: Thinking and Working Politically. An Evaluation of policy dialogue in AusAID 2013

[32] Finnish Development Policy Influencing Activities in Multilateral Organisations 2020

[33] Danida: Danish development cooperation from a partner country perspective. 2016. This study was based on a larger study by AidData that sought to score influence of all development partners, not surprisingly concluding that multilaterals like the World Bank, IMF, UNDP etc have most policy influence, but that smaller donors like Ireland and Luxembourg can be influential in niches. Switzerland/SDC is not referenced in the study but appear in graphs as a medium influential donor. https://www.aiddata.org/publications/listening-to-leaders-which-development-partners-do-they-prefer-and-why

1. Policy dialogue works best where there are clearly defined objectives and values, consistent messaging complemented with concrete support. It must be evidence-based and lead to concrete actions. Basing dialogue on international conventions proved useful. (Sida)
2. Multiple approaches support good outcomes: Working at different levels (political dialogue, and technical level/formal and informal dialogues) and with different partners (government, CSOs), and providing concrete support for gender equality activities in support of the policy dialogue. (Sida)
3. Capacity for dialogue is important - of staff as well as national partners (Sida)
4. The biggest constraint to policy dialogue has been lack of political will. Sweden's policy dialogue based on international conventions proved most effective in overcoming obstacles. (Sida)
5. Good policy dialogue processes were predictable and depended on organisational values and principles; the capacity to think and work politically; the allocation of sufficient and the right resources. (Australian Aid)
6. The introduction of results-based influencing tools has made influencing more structured, and supported reporting to Parliament, but it did not change the way of working. (Finland)
7. Country-level information and experience can be useful inputs for multilateral influencing, but they were not always accessible. (Finland)
8. Adequate resources and strategic use of staff placements was good for multilateral influencing. (Finland)
9. The ability to influence policy reforms was in particular linked to long-term engagements in priority countries combining policy dialogue and support for policy implementation with high levels of funding; high level of communication with country partners; and influence was strongest in sectors of comparative advantages (social sectors and private sector development). (Danida)

Peers include policy dialogue in their thematic strategies and programming processes rather than having specific guidelines and often take as a starting point the global normative framework. Despite a recommendation in the Sida evaluation to develop policy guidelines, the decision by Sida was to include policy dialogue in thematic guidelines, the rationale being to link the processes (the HOW) more clearly to the policy messages and the policy dialogue outcomes (the WHAT). For example, the Swedish Foreign Service Action Plan for Feminist Foreign Policy 2019-2022[34] clarifies the goals, objectives, and ways of working to promote gender equality based on the internationally agreed framework. Also, Danida does not have specific guidelines for policy dialogue, but policy dialogue is included in the Aid Management Guidelines and thematic strategies such as Strategic Framework for Gender Equality, Rights and Diversity in Danish Development Cooperation.[35] *(i4.1, 4.2)*

To conduct meaningful dialogue, knowledgeable and analytical skills were needed, as were clear policies. Peers emphasised the importance of evidence-based dialogue; clarity in messaging was often based on values and experiences that the donor country itself was recognised for, e.g., gender equality or climate solutions; this provided strong inroads for policy dialogue with partner governments. Sida has a back-up system for policy dialogue on gender equality, which consist of a network of focal points across representations and thematic units/ departments responsible for gender equality that ensures that new insights and knowledge about gender equality-related issues are widely shared amongst staff to be used in policy dialogues with multilateral institutions and for policy dialogue and programming in countries. In addition to the network, there is a pool of consultants that embassies can draw on in their policy and programming work. It is

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[34] https://www.government.se/49700e/contentassets/9992f701ab40423bb7b37b2c455aed9a/utrikesforvaltningens-handlingsplan-for-feministisk-utrikespolitik-2021_eng.pdf and https://www.government.se/4acfa2/contentassets/3e6be18734b94807b98a7b4d4c970d81/strategygenderequalityandwomensrights-002.pdf

[35] https://amg.um.dk/en/policies-and-strategies/gender-equality/

recognised that such networks of focal points were only as effective as the staff that were involved, including that they knew how to use the information proactively and with whom in order to strengthen policy dialogue outcomes. *(i4.2)*

On the whole, SDC saw its way of doing policy dialogue as effective as peers – if not more effective, a statement that was, however, not readily supported by peers, pointing to many actors and factors that influence policy dialogue outcomes. In SDC, there is recognition that SDC does not have the policy influencing capacity that comes with international mandates; large technical resources; diagnostic capacities; and/or financial volume like the International Finance Institutions or UN. There was also a recognition that in some contexts, Switzerland was just too small to have an influence when larger countries pursued other interests (especially security related ones) – the US and France in Chad was one example. In the East Cooperation, the policy agenda was largely set by the EU in the context of the accession and association agreements. Based on interviews and the survey, there was some recognition in SDC that working with other donors had contributed to the ways SDC conducted policy dialogue – 66 pct. found that other donors had contributed to SDC ways of working to a large extent or some extent (figure 5). According to both peers and some SDC staff, development partners had been working together for years, and approaches did not differ substantially. This made policy dialogue accomplishments particularly difficult to attribute, as every donor was more aware of its own actions rather than those of development partners and tending to ascribe success to its own actions rather than those of others.

However, the survey also indicated that one third of SDC staff only to a limited extent or not at all found that others had contributed to the way SDC conducts policy dialogue. There were also interviewees that felt that the SDC approach to evidence-based policy dialogue was better than peers, as Swiss policy dialogue to a much larger extent was based on technical substance. In the health area, the ability to link country and global policy dialogue was also pointed to giving Switzerland a unique influencing position compared to other donors. Some staff also pointed out that Switzerland was able to play the role of the honest broker in political situations as long as Switzerland was outside the EU, an option many of its peers did not have. For the vast majority of survey respondents – 91% - being an honest broker engaged in the long run was what made the Swiss approach to a large or some extent more effective than the approach of others (figure 5). *(i4.3, 4.4)*

Figure 5 Survey: Policy dialogue of peers
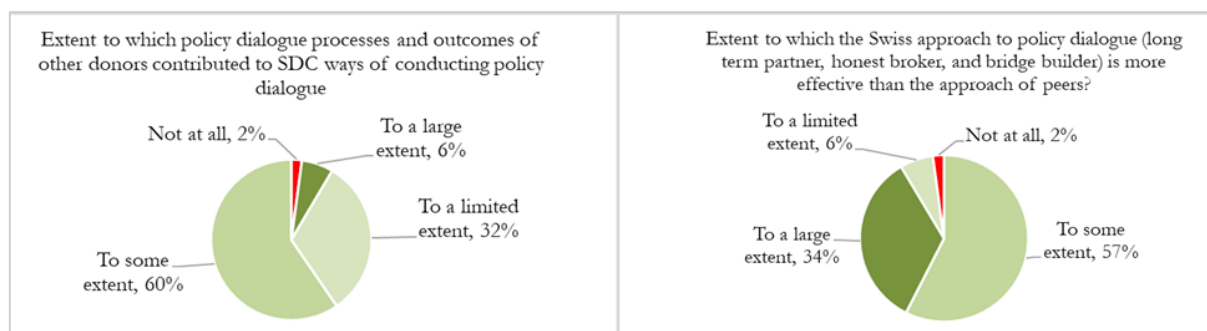
4 Conclusions

Conclusions that emerge from across the four evaluation questions and close to 30 findings at evaluation-question level are summarised below:

1. Policy dialogue has, in some circumstances, led to significant results that outweighed the relative low costs associated with conducting dialogue.
2. SDC engagement in policy dialogue has been evolving in recent years. Adopting a whole of government approach, greater attention to the political environment, policy dialogue for systemic change, and the systematic approaches to policy dialogue were supporting this.
3. Ambitious projects worked better when accompanied by wider higher-level policy/political dialogue. And wider policy aims benefitted from close linkage with concrete achievement at project level.
4. The core thrust for SDC in policy dialogue was how to support implementation of policy – SDC focussed on evidence gathering or working through others in cases where policy change was needed.
5. Policy dialogue that worked in partnerships with multilaterals and others on implementation of global norms and standards proved to be effective.
6. An opportunistic, adaptable and long-term approach to policy dialogue yielded good results.
7. SDC resources and skill sets for policy dialogue have increased, but gaps in meeting the demands remain. As policy analyses skills improve, it is important not to downgrade technical capacity and sector expertise.
8. SDC's significant investment in aid coordination and upholding good donor practices was a valuable contribution to national policy dialogue.
9. Fostering domestic policy dialogue has been emerging as the ultimate goal in some countries.
10. When space for national dialogue was under pressure, the inclination of Switzerland was to leave it to larger multilateral actors to act.
11. There is room for a more forward-leaning role of Switzerland in policy dialogue at the national level, based on Swiss values and a thorough understanding of the strategic policy issues at stake in each partner country – this would not be in contradiction to impartiality and evidence-based policy dialogue.
12. There is, for all donors, a tendency to inflate their own contribution to policy dialogue.

1) Policy dialogue has, in some circumstances, led to significant results that outweighed the relative low costs associated with conducting dialogue. In all of the countries examined there were significant policy dialogue results that are documented under the evaluation question on results. The presence, sustainability and impact of these results were confirmed through reporting, interviews and a survey with a total of 69 respondents from SDC headquarters and 34 SCOs. The results are based on a number of interaction factors including conducive contexts coupled with improved political economy analyses for policy dialogue, Switzerland' long term and credible engagement in partner countries, Swiss ways of working as the impartial and evidence-based development partner, and finally cooperation with other development partners and national stakeholders. The achievements of policy dialogue in Syria, Burkina Faso and other cases clearly show the potential of policy dialogue, particularly under a whole of government approach, even in some of the most difficult humanitarian, fragile and conflict affected situations.

2) SDC engagement in policy dialogue has been evolving in recent years. Adopting a whole of government approach, greater attention to the political environment, policy dialogue for systemic change, and the systematic approaches to policy dialogue were supporting this. Working in contexts of either strong reform efforts as, for example, in the East Cooperation or situations of fragility strengthened the understanding of cooperation as contributions to political change processes and the need to engage beyond projects. This, coupled with increased recognition of the need for systemic changes for sustainability, has significantly changed the way SDC approaches policy dialogue. The How-to Note on Results-Oriented Policy Dialogue and the follow-up note provided state-of-the-art guidance for how to engage in policy dialogue at the national level that was well-planned and systematic. However, apart from a few exceptions, the How-to Note has not been systematically used to strengthen policy dialogue, possibly an indication that the skills set; available resources; and management clarity and coherence on the nature and content of policy dialogue were not always clear. Contributing to system change is difficult and success is far from guaranteed. And there is also a growing demand for accountability in terms of concrete achievement. These factors challenged policy dialogue. Nevertheless, some countries have applied the principles of the note and found them useful. Moldova and a few other countries (e.g., Lao/ Cambodia/ Nepal) have even gone on further to develop advanced policy influencing tools based on the principles of the note. The main benefit was found to be the clarity and consensus gained on both process and content of the policy dialogues during internal discussions prompted by using the tools. For this reason, making use of such tools as a fixed procedure is likely to be counter-productive and create box-ticking fatigue instead of an agile and dynamic approach.

3) Ambitious projects worked better when accompanied by wider higher-level policy/political dialogue. And wider policy aims benefitted from close linkage with concrete achievement at project level. Credibility and legitimacy of policy dialogue benefitted from concrete achievements and a deep knowledge of the sector / topic from project level. Policy dialogue in some cases was project-driven and focused on technical issues – even when the issues were political **–** in the words of one observer, there was a tendency to "*provide technical solutions to political problems".* This tended to arise from policy dialogue being conducted in a project context that was not equipped to explore the wider root causes or challenges that were beyond the narrow project scope. In some cases, this was linked to the implementation being carried out by partners. A typical example was the water sector in Moldova (project dates 2015-2018), where project support for piloting approaches at the local level were not sufficiently linked to overcoming challenges at the level of national policy processes and therefore, did not lead to the scaling up and hence, systemic changes foreseen, despite good work at the project level. The program has then been replaced by a more systemic local governance program. The hypothesis that policy dialogue can be done by demonstration and providing project-developed evidence at the local level without interaction at the higher political level has often not worked. Examples include: the attempts to bring about pasture management reform in Mongolia without linkage to the wider land reform issues; and supporting health insurance development in Tanzania without in parallel engaging in policy dialogue on the implications for the poor and boarder health financing. There were a number of cases where projects were closely linked to wider policy objectives with notable success. Examples include the efforts to support implementation of the new constitution in Nepal, where the concrete delivery of projects enhanced the credibility of the overall political objectives of the country programme. Another example was in Ukraine where projects on supporting digital transformation and decentralisation were enhanced by national policy dialogue and contributed to the policy-level success through developing capacity and demonstrating the benefits of implementing the policy.

4) The core thrust for SDC in policy dialogue was how to support implementation of policy – **SDC focussed on evidence gathering or working through others in cases where policy change was needed**. In many cases (especially where there were credible reforms in place such as in Ukraine/ Moldova/ Nepal), the issue was how to maintain and implement, and thereby ensure, continued credibility of reforms as opposed to adding new ideas or directions. This also linked to national ownership of reforms. In these cases, technical assistance was a key tool for bringing policy "dialogue" to policy "influence" i.e., moving from paper to practice. The role of policy dialogue was defined by what was holding back progress in reform implementation. Where there was a need for policy dialogue to develop or adjust policies, SDC supported development of evidence and relied on cooperation with multilateral agencies that brought with them policy expertise such as in Moldova in the health sector. There were also other examples such as working with WHO in Ukraine. SDC recognised the difference between 1) stable countries where the framework and government willingness are present therefore our job focus on reforms to be implemented and 2) more fragile or difficult contexts where implementing the existing framework is also a challenge but where also policies in some sectors are missing. In these cases, SDC did engage as policy developer/driver (e.g., in health insurance in Tanzania, mining code in Burkina Faso), but less so than many donors.

5) Policy dialogue that worked in partnerships with multilaterals and others on implementation of global norms and standards proved to be effective. Broad collaborative approaches involving cooperation with multilaterals, supported by advocacy from CSOs and research contributed to results. Support to the implementation of global standards provided an effective framework for policy dialogue as the policy goals are shared and based on strong evidence. In the case of the health sector, the policy contribution of SDC was to fund diagnostic and evidence studies that enhanced the credibility and ensured effective messaging of policy dialogue delivered by a variety of organisations in different settings. No instances of inconsistency in messages or practice were found between SDC engagement at the global level through the global programs and policy dialogue at the national level. At the same time, it was also noteworthy that there was not a close, or at least explicit, connection between national policy dialogue and the global programmes apart from the health sector. Global programmes were not usually strongly referenced at project design and reporting level. An exception was a close link between national policy dialogue and the global water programme for especially regional programmes, for example in Latin America and Central Asia. These examples also show how a relatively small input at global level can be a large influence at national level. It could be that the global programmes were more dependent and better coordinated with programmes implemented through the SDC country programmes than the other way around. In Tanzania, it is likely that the national policy dialogue on the health programme would have benefitted from closer connection to the SDC global programme.

6) An opportunistic, adaptable and long-term approach to policy dialogue yielded good results. SDC was usually engaged in sectors where policy change was an inherently long-term process, and where opportunities arose and closed. This called for adaptable ways of working at the strategic level and at the engagement level. It also rewarded a longer-term approach where trust could be built up over many years and where SDC was present and active and in a position to intervene when the environment became more conducive. An example of adaptable management that allowed SDC to support a highly relevant but unplanned policy dialogue was noted in Ukraine where there was a need to define how to manage virtual assets (e.g., bitcoin). SDC was able to mobilise support and advice, and to create a mechanism and platform for interaction between stakeholders that resulted in far-reaching laws being drafted together in an ecosystem of partners that could sustain and build on good practices. Several countries defined policy dialogue objectives at the strategic level and then developed scenarios with stakeholder analyses for changing contexts, both favourable and unfavourable – often as part of a risk-management exercise.

This provided a mechanism and reason for monitoring a changing policy environment and its effect on SDC programmes, as well as providing an early warning of opportunities.

7) SDC resources and skill sets for policy dialogue have increased, but gaps in meeting the demands remain. As policy analyses skills improve, it is important not to downgrade technical capacity and sector expertise. SCO/ Embassy staff were highly appreciated by their partners and not just among those receiving funds from SDC. Much of policy dialogue in the public sphere required, apart from relevant sector knowledge, a relatively high appreciation of political economy/ political science/ public sector administration and civil service operations. Systemic change might be inspired by stand-alone projects but will not take root unless successfully brought into the public administration and civil service spheres. The realism of achieving this type of systemic penetration is much linked to how well the political economy and political science aspects have been understood and navigated. However, as attention to political economy analysis increases, this must not lead to a downgrading of technical skills. The resources and skill set needed for impactful policy dialogue were in general underestimated at SCO level.

8) SDC's significant investment in aid coordination and upholding good donor practices was a valuable contribution to national policy dialogue. SDC sees its contribution to aid coordination as significant for aid effectiveness. SDC is seen as a credible actor by donors and governments in contributing to and investing in systematic and structured platforms for dialogue, leading to aid coordination and sometimes harmonised views amongst donors. This, in some instances, brought SDC relatively high influence on collective policy dialogue messages as well as providing a service to the policy agenda of other development partners that ensured greater coordination and more effective outreach. Examples where SDC supported coordination mechanisms in the context of humanitarian assistance to Syria; digital transformation in Ukraine; and the effective influencing development partners' (including large partners) ways of working in support of the implementation of the constitution in Nepal.

9) Fostering domestic policy dialogue has been emerging as the ultimate goal in some countries. Some SCOs are increasingly recognising that shaping policy is a long-term process that sooner or later needs to be fully integrated into national and donor-free mechanisms. Whilst clearly long-term, it was, at least in some countries, a goal that was kept in sight. In Ukraine, some advance has been achieved as a range of organisations and stakeholders have been engaged and there are prospects of a critical mass of Swiss-exposed experts that carry on without SDC. Support to CSOs and national actors in Tanzania and Burkina Faso had the same longer-term aim. Increasingly, although not universal, there is a recognition that fostering a healthy national process should be a central aim of sustainable and locally owned policy dialogue. The SDC tradition for supporting civil societies and at the local government level provided solid entry points for such longer-term ambitions.

10) When space for national dialogue was under pressure, the inclination of Switzerland was to leave it to larger multilateral actors to act. Swiss support for civil society capacity building and activities was substantial in many countries (Serbia, Tanzania, and Burkina Faso). This collaboration and support were only to a limited extent reflected in the policy dialogues with the duty bearers. Examples of this were noted in Serbia and Tanzania where there was reluctance to lean in when space for civil society came under treat or when media freedom – that was supported by SDC – was being curtailed. It was also noted by some SDC staff, and supported by the evidence of the case studies, that topics such as security e.g., in the Sahel or conflict in Eastern Ukraine were areas where Switzerland did not pursue strong bilateral action.

11) There is room for a more forward-leaning role of Switzerland in policy dialogue at the national level, based on Swiss values and a thorough understanding of the strategic policy issues at stake in each partner country – this would not be in contradiction to impartiality and evidence-based policy dialogue. Even though SDC recognises that development is inherently a political process as it involves redistribution of power and resources, there is, at the same time, a relatively "hands-off" approach to politics (at least on a bilateral basis and compared to other donors). The documentation and the interviews suggested a strong narrative about Switzerland as an honest broker being a high-value asset and door-opener for SDC in policy dialogue – and engaging in political dialogues could undermine Swiss credibility. At the same time, Switzerland underscores that impartiality – speaking to everyone – is not in contradiction to upholding universal principles, values, and agreements on e.g., human rights, humanitarian principles and SDGs as is evident from Swiss foreign policy papers. But even in the current environment of democratic backsliding, more conflicts and increasing fragility in many countries, there is a lack of clarity about how these values and principles translated into political and policy dialogues, situated in the country context. This lack of clarity led to personalised implementation of these policies. There are ways to give guidance as to a clearer and more coherent Swiss role as was seen in the context of Syria, where different FDFA departments, including SDC, developed a Humanitarian Advocacy Plan. But even here, the concrete messages still needed to be developed. In general, the difference in approach does not appear to be based on whether it is an "integrated embassy" or SCO office, but rather on the role different heads of Embassy/ SCO choose. Sometimes, there is reluctance on the part of SCOs to involve the out-of-country ambassador in policy dialogues related to development cooperation. In other cases, there is great interest in seeing a more forward-leaning role of the ambassador.[36]

12) There is, for all donors, a tendency to inflate their own contribution to policy dialogue. Evaluations trying to understand the contribution of an individual donor to policy change tend to lead to conclusions about "punching above their weight" as there are inherent issues regarding attribution and evidence of systemic changes, as well as the way data is collected, as discussed above under limitations. This being said, it is beyond doubt that SDC is moving in a direction of a more policy savvy donor who is increasingly strengthening the capacity and ability for political/ policy dialogues based on technical inputs. As SDC does so, evidence-based reporting and measuring impact of policy dialogue successes and failures remain important to continue to able to understand the factors of success and failures and provide valuable learning.

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[36] The definition of policy and political dialogue, as noted in chapter 2, is highly fluid and contested. There is not yet consensus on a definition of the two and even the linguistic distinction between policy and political dialogue varies between languages. What can be said is that: i) there is in practice a large overlap between what is considered policy and political dialogue; ii) in many instances both cooperation aid agency and high-level diplomatic engagement in dialogue are needed and can be mobilised to serve the same goals. This does not imply a shift in responsibility or power balance between the diplomatic and cooperation arms, but it does imply a more intense and agile adoption of the whole of government approach.

5 Recommendations

The recommendations are summarised below:

- Clarify how proactive Switzerland is willing to be in using policy dialogue to influence a change in policy.
- Strengthen the whole of government approach and the synergies between the country programme and project level to promote systemic change.
- Build capacity for domestic policy dialogue and be ready to support the enabling environment for such dialogue when it is under threat.
- Continue to invest in aid coordination but be clearer about the policy objectives.
- Prioritise and invest in staff time to carry out national policy dialogue building on SDC's operational strengths at project level.
- Empower staff through continuous development of capacities in policy dialogue, political economy and public administration.
- Strengthen monitoring and assessment of policy dialogue outcomes in a constantly changing environment.

1) Clarify how proactive Switzerland is willing to be in using policy dialogue to influence a change in policy.

Rationale: In general, there is scope for Switzerland to take a more forward leaning role to influence national policies where they are dysfunctional and not appropriate to advance international cooperation, SDGs and human rights – as is often the case in fragile situations. Switzerland, through its governance and related activities capitalises on its knowledge and reputation to advance global norms and standards such as human rights principles of equality, participation, and inclusion; governance principles of accountability and transparency as well as international humanitarian principles – but it could do more especially on strengthening not just right holders but also accountability of duty bearers These all form a recognised basis for policy dialogue even if requiring a tailoring to the national context. The Swiss Foreign Policy Strategy and International Cooperation Strategy are firmly rooted in these norms and principles, but they are not always operationalised at the national level. A more forward-leaning role of Switzerland should build on combining policy and political level dialogue and on the Swiss ways of working, continuing to be impartial - speaking to everyone – and firmly based on evidence. At the thematic level, there were noteworthy examples of synergies exploited between policy dialogues at global level to inform global norms and standards, for example in health and national level dialogues that can be learned from more widely. The triangle approach between SDC field representations, HQs multilateral divisions and Swiss missions, which reflects an advanced WOGA, was effective when it engaged in policy dialogue especially for humanitarian aid.

Measures to implement this recommendation include:
- Initiate an internal process for providing guidance on whether and when to be more proactive in influencing and changing policies in situations where national partner policies are dysfunctional.
- Strengthen synergies between global policy dialogues on improving norms and standards and policy dialogues at national level across more fields using the learning networks more actively and by ensuring institutional structures which facilitate these synergies.
- Further enhance a WOGA approach and make use of both policy and political dialogue in striving for the same objectives.

2) Strengthen the whole of government approach and the synergies between the country programme and project level to promote systemic change.

Rationale: The country programme development process can be used to identify the policy objectives for the cooperation based on Swiss priorities and development needs. This should lead to a focus on policy dialogue topics which are of strategic importance for the development of the country and that can be supported by project level interventions. This recommendation is complementary to the above recommendation but where recommendation 1) is about the policy dialogue in pursuance of global values and principles that Switzerland adheres to, recommendation 2) is about ensuring that the policy dialogues address the important policy and reform issues that emerges from the perspective of the development needs of the country. It builds on the conclusion that policy dialogue worked better when it was deliberative and in service to clearly defined goals for Swiss development cooperation and based on country needs. This in turn relied on a realistic and regularly updated assessment of the context and opportunities for change.

Measures to implement this recommendation include:
- Design the country programmes/regional programmes with clear policy objectives and possible outcomes to be pursued through political/policy dialogues interacting with funding of projects and programmes to achieve the country programme objectives; and be realistic about what can be achieved bilaterally and when to work in partnerships with others, not least multilaterals that often(but not always) have the skills and resources to back policy changes.
- Systematically apply the guidance in the How-to Note on Results-oriented Policy Dialogue starting with a deeper understanding of the context (e.g., on winning alliances) as the basis for designing iterative flexible policy dialogue processes and objectives supported by Swiss development and humanitarian cooperation as well as diplomacy, monitor progress and be ready to adapt.
- Work closely with all partners to define from the outset the roles, level of intervention and synergies between the strategic level policy requirements for systemic change and the project activities - in the process also defining the roles and responsibilities for different types of dialogue.

3) Build capacity for domestic policy dialogue and be ready to support the enabling environment for such dialogue when it is under threat.

Rationale: Policy changes and reforms have to be "locally owned" and legitimised at all levels – which can only happen through the genuine "not only on paper" participation and involvement of national stakeholders in the development of reforms. For policy dialogue to be effective, transparent, and inclusive capacities and processes for policy dialogue of national stakeholders must be ensured.

Measures to implement this recommendation include:
- Continue to support domestic actors through grants and technical assistance to enhance their capacity for national policy dialogue.
- Give recognition to national actor contributions to policy reforms and systemic changes.
- When the situation requires it, be ready to support, through political and policy dialogues, with the governments the space for national policy dialogue and inclusive participatory processes for policy reforms.

4) Continue to invest in aid coordination but be clearer about the policy objectives

Rationale: SDC has a policy of investment in aid coordination from an aid effectiveness point of view. SDC has demonstrated a comparative advantage in supporting aid coordination which in some situations has served its national policy dialogue well. However, the demand on Embassy/SCO resources has been high and there is a need to economise and ensure mechanisms are not overly complicated.

Measures to implement this recommendation include
- When investing in aid coordination mechanisms, be clear about the outcomes that are pursued including the policy objectives that the aid coordination can help promote.
- Use the credibility of Switzerland in aid coordination to support improved effectiveness of aid coordination structures including by in some cases simplifying them.

5) Prioritise and invest in staff time to carry out national policy dialogue building on SDC's operational strengths at project level.

Rationale: Policy dialogue requires substantial staff time for analysis, preparation and implementation. This is not always fully recognised by management in the Embassy/SCO and headquarters. Reporting and measurement systems can easily dis-encourage more time on policy dialogue. Close coordination between SCOs and the projects ensures that the policy dialogue benefits from the strong technical assessment found at project level. Projects have also proven effective in supporting the practical implementation of policy and reforms.

Measures to implement this recommendation include
- Prioritise and recognise the need for staff time (both international and national) on policy dialogue and clarify the roles of different actors (SDC, project implementors, international organisations etc)
- Consider reporting on staff time spent on policy dialogue as well as progress made in the annual reports and continue to measure policy dialogue efforts in the staff appraisal system.
- Ensure that SDC continues to invest in the strong technical and sectoral knowledge at project level so that policy dialogue is well founded and credible.

6) Empower staff through continuous development of capacities in policy dialogue, political economy and public administration.

Rationale: Policy dialogue is not easy. The how to note provides a strong guidance but it has not been widely used. There is much to learn from sharing experience across different SCO offices – there were several cases where SCOs cooperated with each other and provided useful insight and inspiration (this knowledge exchange was facilitated/convened by the networks). Investment in the capacities of both Swiss staff and local staff is important – the latter often being the long-term capacity that stays on, in often long-term policy reform processes as Swiss staff move on to new countries. Sometimes national staff can also move on outside of SDC and into the domestic sector they have been working in and become important actors in national reforms bringing with them the capacities and knowledge into the national spheres. In this way, the capacity is not lost as they contribute to domestic capacity building for policy dialogue.

Measures to implement this recommendation include
- Review current capacity development and training on policy dialogue and risk management skills of SDC staff and implementing partners. If relevant, plan an intensification for example by enhancing this topic in induction training and peer to peer exchange.

- Encourage SCO to SCO experience exchange on policy dialogue, especially for SCOs in similar contexts – taking advantage of new skills in remote communication.
- Provide staff with continued professional development in policy dialogue and the underlying skills and knowledge of political economy and public administration.

7) Strengthen monitoring and assessment of policy dialogue outcomes in a constantly changing environment.

<u>Rationale:</u> Clarifying policy dialogue objectives and possible outcomes is a starting point for more effective use of the policy dialogue instrument. Clarity of intended outcomes also helps in allocation of resources needed to reach the objectives. Effective policy dialogues require close monitoring of the dialogue process to be able to adapt to changes in circumstances, including acting with flexibility and agility to pursue options when they arise. It is important to continue to learn about what shapes good policy outcomes, reporting with realism and an eye for the varied contributions needed for policy changes. Policy changes can be sequenced from being put on paper, put into practice and sustained over a longer period of time. Definition and measurement is needed to capture the full scope of achievement across this sequence. Some agencies have found it useful to adopt a "advocacy progressive index" approach which measures key process in the sequence from initiating a policy to change to confirmation that it is being put into practice and achieving the intended benefits. It is also important not to over formalise reporting but to monitor take it up findings and reflections in discussion within the country teams with summary reporting as part of annual country reports.

Measures to implement this recommendation include:
- Monitor policy dialogue processes, consider using an advocacy progressive index approach and be ready to adapt to changes in circumstances.
- Assess and analyse policy dialogue outcomes in the Annual report, including factors and contributions from others in particular national actors. Use this assessment for possible changes to the policy process and the focus.
- Promote institutionalised learning by firmly rooting learning from policy dialogue processes, objectives, and outcomes in the existing thematic learning networks.