PCSD PARTNERSHIP
A multi-stakeholder partnership for enhancing Policy Coherence for Sustainable Development

How can policy coherence be enhanced to eradicate poverty and promote prosperity in a changing world?

Online Dialogue, 19-30 September 2016
Synthesis Report

Introduction

The Multi-stakeholder Partnership for Enhancing Policy Coherence for Sustainable Development (the PCSD Partnership) was launched as part of the United Nations Partnerships for Sustainable Development Goals (SDGs) Platform in a context where countries across different regions and levels of development are aligning their national strategies, adapting institutional frameworks and shifting policies in preparation for SDG implementation. The Partnership is committed to inform the UN High-Level Political Forum on Sustainable Development (HLPF) on progress, and on how this initiative is helping to advance the 2030 Agenda and the SDGs. A set of deliverables has been defined by the partners ranging from case studies, reports and workshops to methodologies and guidance for policy-makers.

As part of its work programme, the Partnership organised its first online dialogue as input to a collective contribution on PCSD to the 2017 High Level Political Forum (HLPF). It was hosted and moderated by the OECD on the dedicated PCSD Partnership Online Platform. The dialogue aims to bring together diverse stakeholders from across the world to exchange experiences, good practices, expertise and resources on how to enhance policy coherence for sustainable development (SDG target 17.14) as a means of implementation for the SDGs.

Reflecting the structure of the dialogue, this synthesis report covers four thematic areas: (A) evidence to inform coherent policy making, (B) institutional practices to enhance policy coherence for SDG implementation, (C) integrated approaches to address the interconnected SDGs, and (D) quantitative and qualitative tools for tracking progress on policy coherence. For each area, it summarises the key messages, provides practical examples and case studies, and makes cross-references to numerous tools and publications on policy coherence for sustainable development. A concluding section maps the need for further work and provides an outlook for future activities.

A. Ending poverty as called for by SDG1 requires greater policy coherence in areas with important cross-border dimensions and with a strong poverty reduction impact

Poverty encompasses many dimensions, but its underlying causes include exclusion from economic opportunities, depravation related to food, education, health, etc., as well as lack of access to natural resources. Key policy areas with important cross-border dimensions, such as trade, agriculture, investment, migration, environment, health, etc., can have a strong poverty reduction impact. A comprehensive analysis of potential transboundary impacts, their interconnections and implications,

as well as good information on the views and roles of diverse actors at different levels of government are critical for coherent and evidence-based decision-making in implementing the SDGs.

> *No good governance is possible without proper documentation. India's AADHAAR number, for example, can help to establish identity, open bank accounts and disburse salary, pension, subsidies and tax refunds directly into the bank account of a beneficiary. – Dr. Vrajlal Sapovadia, American University of Nigeria.*

Food security (SDG2) is critical for poverty reduction (SDG1) and requires taking into account not only agriculture but also the great potential of fisheries and aquaculture. Fisheries provide income and nutrition to a substantial part of the global population, but also impact negatively on climate change and environmental pollution. Illegal, unreported and unregulated (IUU) fishing, moreover, curtails governments' capacity to sustainably manage fish stocks, and intersects with other forms of criminal activities such as tax evasion.

Effectively balancing and coordinating the different policy objectives (such as nutrition, environmental protection, growth and job creation, increasing efficiency and profitability, effective taxation and the fight against organised crime) is pivotal for making progress on *all* the SDGs involved.

> *Income growth is central to lasting reductions in global hunger. However, most fish stocks cannot support further increases in catch effort and expansion of aquaculture production will only continue if externalities are better controlled to avoid degradation of ecosystems. Sustainable improvements in income generated by the sector in the long-term will have to come from promoting a sustainable Blue Economy: increasing the value of the seafood produced and reducing production costs, such as through more efficient aquaculture production, reducing waste and lowering transport costs along the value chain. – Ingrid Kelling, OECD.*

A focus on the "costs of inaction" can increase awareness amongst decision makers and thereby spur political reform. For example, OECD estimates put the costs of exposure to droughts, floods, and inadequate access to water supply and sanitation at least USD 500 billion per year. Similarly, revenue losses from Base Erosion and Profit Shifting (BEPS) are conservatively estimated at USD 100-240 billion annually, or 4-10% of global corporate income tax (CIT) revenues. Given developing countries' greater reliance on CIT revenues, the impact of BEPS on these countries is particularly damaging.

> *The diseases and parasites associated with poor access to sanitation, and long term deprivation of nutrients, prevent adults from working and children from studying, and from developing their brains and bodies. It has been estimated that the cost-benefit ratio of interventions to give universal access to improved sanitation is 5.5 globally, and as high as 8.0 in East Asia. Moreover, "closing the loop" in sanitation and wastewater management, i.e. recovering and reusing these resources, could benefit a wide range of policy areas: food security, water security, energy access, climate mitigation, economic productivity, business and market development etc. – Caspar Trimmer, Stockholm Environment Institute.*

Equally alarming, with regard to gender equality (SDG5), the UNDP estimates that the unequal treatment of women in the labour market costs Sub-Saharan Africa about USD 95 billion annually between 2010 and 2014.

> *Related to policy coherence and SDGs in general - even if specifically devoted to Cultural and Creative Industries (CCIs) – we are partnering in 'Law for Creativity', a study that is going to be presented later in the year. – Michela Cocchi, Lady Lawyer Foundation.*

B. Governments need to strengthen their capacities to work across policy domains and adopt more integrated approaches to sustainable development for an effective SDG implementation

Implementing the SDGs requires governments to be able to work across actors, policy domains, governance levels and timeframes. Institutional mechanisms for policy coherence can facilitate policy integration across various sectors. The SDGs as an internationally agreed framework offer an opportunity to build complementarities among planned policies, programmes and actions in the economic, social and environmental areas to increase the long-term effectiveness of government policy agendas.

Several examples shed light on attempts to reconfigure political structures in light of the SDGs: A study entitled "Universality, Integration, and Policy Coherence for Sustainable Development: Early SDG implementation in selected OECD countries", published by the World Resources Institute (WRI) and a coalition of think tanks, highlights various ways in which countries seek to build a political and coherent frameworks conducive to SDG implementation. In Germany, the Federal Committee of State Secretaries for Sustainable Development, comprising state secretaries from all federal ministries, oversees the planning for SDG implementation and is thought to have reduced conflicts and strengthened cooperation among ministries. In Korea, the Office of Government Policy Coordination, headed by the Prime Minister, has played an important role in preparing for the SDG negotiations and is now set to coordinate SDG implementation and build consensus across the Korean administration.

> *With regard to multi-stakeholder collaboration, a so-called 'SDG charter' adopted in The Netherlands is signed by more than 80 partners from the private sector (large multinational corporations as well as social enterprises), civil society organisations, trade unions, local governments, and knowledge institutes:* http://www.globalgoalscharter.org/. *These partners all commit to reaching the SDGs in The Netherlands and try to work together on a project basis in reaching the SDGs. – Ries Kamphof, Kaleidos Research.*

Key messages distilled from the examples provided include the following:

- Local government authorities play an essential role as they are involved in policy implementation and follow-up monitoring "on the ground". As a consequence, they often know best what the actual challenges are as well as unintended side-effects and spill-overs of certain policies as they experience them first-hand. Endowing them with adequate financial

resources and strengthening their institutional capacity can therefore go a long way in delivering on the Agenda 2030.

> *Assam was the first Indian state to adopt the SDGs as its official path for development. The central government of India is establishing appropriate structures for coordination with state and local governments, i.e. Panchayati Raj Institutes, to closely implement and monitor grass root level projects. – Dr. Vrajlal Sapovadia, American University of Nigeria.*

- Budgetary pressures and financial incentives also mould organisational behaviour, often in a way that undermines effective coordination and sharing of knowledge and capacity. Restructuring government budgets with a view to fostering inter-ministerial collaboration can strengthen policy coherence and the institutional capacity/willingness to "break down the silos".

> *Countries are preparing their own institutional responses to address the SDG targets they have prioritised. These responses are all appropriate to, and relevant for, the unique approaches to governance and policy change, and emphasise that there is no "blueprint" for effective implementation of the SDGs. – Niels Keijzer, German Development Institute (DIE).*

- A context-sensitive approach is imperative. Most countries are in the process of developing institutional arrangements that build on existing bodies and modes of policy formulation/implementation. This can generate synergies as well as a sense of continuity, and increase legitimacy and effectiveness. Consequently, we should not think about drawing up "one-size-fits-all" schemes applicable to all countries alike. Any attempt to alter an institutional arrangement should instead be informed by an in-depth understanding of a country's particular context, political dynamics, administrative culture, and specific capacities and needs.

> *Another question is in which governance landscape the analysis of interactions is generated? Or in which it "lands"? How can public administrations act on the information? At this stage in implementation, there is great value in learning from different country experiences - how they have begun approaching implementation in a coherent way, what approaches and mechanisms are out there, and what works where? – Nina Weitz, Stockholm Environment Institute (SEI)*

- The role of central coordination at the highest level of government is a principal issue. In order to steer the process of SDG implementation, foster effective horizontal coordination and ensure broad-based buy-in from relevant stakeholders, a "centre of government" – led approach can be a powerful means of implementation.

> *We look at two lines of institutional aspects for sustainable development: education in citizenship, social responsibility and sustainable development (Linha EConsCiencias) and governance and public policies*

4

in sustainable development (Linha EcoPoliticas). – Patricia Almeida Ashley, Nucléo Girassol.

C. New analytical tools can help policy makers identify interactions across SDGs and targets, understand their implications, and support more coherent decisions for implementation

The economic, social and environmental challenges that the SDGs aim to address are increasingly complex and challenge traditional policy delineations. Yet, policy-making is mostly carried out based on sectoral perspectives and in silos, increasing the risk of unintended spill-overs and side-effects. The SDGs represent an integrated and an indivisible set of global priorities that necessitate new approaches to simultaneously pursue several goals, instead of narrowly focusing on any single one. Hence, a major challenge for governments is to enhance policy coherence and foster work across sectors, actors, governance levels and time horizons in implementing the SDGs.

> *Mappings of SDG interconnectedness can be striking for showing the nexuses between policy areas. An interactive map where all interactions could be documented in a collaborative manner, could be a formidable tool for decision- and policy-making. – Martin Ronceray, European Centre for Development Policy Management (ECDPM).*

Diverse analytical tools are already available that could help policy makers to comprehend the complexity of the SDGs, identify crucial interlinkages and interactions and formulate commensurate policies. For example, the Millennium Institute is proposing an interactive "iSDG" tool for policy makers to simulate the effect of specific policies vis-à-vis the SDGs, and is already piloting it in collaboration with the government of Cote d'Ivoire.

> *Our model provides policy makers and stakeholders with an interactive, experimental platform to facilitate evidence-based debate and consensus building. The model is not a one size-fits-all but is customized to meet the circumstances and needs of specific countries and regions. – Steve Arquitt, Millennium Institute.*

The Stockholm Environment Institute and the International Council on Science (ICSU) have pioneered a new evaluative scale by which to gauge different forms of interactions between SDG targets. Building on this research, the OECD-PCD unit is currently devising a "coherence monitor" which could support policy makers in identifying crucial interlinkages, exploiting synergies and resolving trade-offs, and take into account the impact of policy decisions on the wellbeing of people "here and now", "elsewhere" and "later".

> *How targets interact is an empirical question and the answer is highly contextual (depending e.g. on natural resource base, governance, technologies and ideas of future pathways towards sustainable development). This recognition to context needs to be the entry point when we develop tools and methods to help make sense of the interactions. – Nina Weitz, Stockholm Environment Institute.*

For the new "SDG mind-set" to unfold its full potential, SDG policy processes should be rooted in a long-term transformational vision. The SDGs articulate such a vision of a "future we want", aiming at reconciling and balancing the ecological, economic and social dimension of sustainability.

> *In addition to devising analytical tools for SDG implementation, it is also important to reflect on the 'awareness' of the interactions between the SDGs. If this awareness is not taken into account, we risk working enthusiastically on individual SDGs while not seeing the full picture. This would work contradictory to the SDGs which are indeed meant to be 'indivisible'. – Ries Kamphof, Kaleidos Research.*

Policy integration requires fundamental changes in the way people conceptualise (policy) challenges and their interconnectedness and imagine their individual relationships with each other and the world. This could enable truly and thoroughly coherent action and transformation for sustainable development. The need for such a new vision places high expectations on educators to provide younger generations with the skills to confront these challenges, to critically scrutinize path dependencies and to identify leverage points for transformative change.

> *The G20 countries have agreed to a political vision of strong, sustainable and inclusive growth, based on technological innovation. But now that technico-economic progress is recognized as a means to human progress (Better Lives for the OECD and Human Development for the UN), the hegemony of economic growth has to give way to a balance between the economy, nature and society. This, it seems, is the political vision behind the SDG's. It implies systemic reform of three interacting systems with different logics. – Ron Gass.*

D. Tracking progress on policy coherence requires capturing the links between economic, social and environmental values as well as the effects of policies on the wellbeing of people "here and now", "elsewhere" and "later".

The Sustainable Development Goal 17 (means of implementation) includes Target 17.14, to "enhance policy coherence for sustainable development". In order to gain a sense of where governments stand, and what their respective strengths and weaknesses are, a way to measure progress would be helpful. However, like some of the other means of implementation set out in Goal 17, PCSD is more about processes and means, rather than ultimate outcomes. It is therefore challenging to define or measure a target for PCSD in a rigorous, outcome-focused way.

One interesting approach referred to is the "Sustainability Monitor" in the Netherlands which covers the three dimensions outlined in the OECD's analytical framework on PCSD: here and now, elsewhere, and later, and measures Dutch sustainability performance in each of these areas. Although this might help to indicate potential policy incoherencies, it tells little about where and how these incoherencies might have arisen, and thus requires additional evaluation methods in order to help policy makers to understand and rectify the root causes of the incoherence.

For example, was it insufficient inter-ministerial collaboration that created the incoherence, or were relevant actors excluded from the decision making process? In general, how to measure and quantify

a phenomenon as multi-facetted and complex as PCSD remains a challenge, which is why this is one of the areas where much theoretical and analytical work remains to be done.

Potential areas of work

The discussions highlighted some areas in which there exists a need for further work and research:

1. **Identify indicators to track progress on PCSD.** Currently, no agreed set of indicators exists that could be used to track progress towards PCSD with respect to its procedural element. Yet, it became evident that these indicators are necessary to make the PCSD approach fully operational. While a global level indicator has already been suggested (*Number of countries with mechanisms in place to enhance policy coherence for sustainable development*), there is a need for alternative and complementary indicators to track progress on the regional, national and local governance levels.

2. **Strengthen the focus of analysis on the underlying causes of policy incoherence**. With much of the political discussion centred on the policy dimension of the SDGs, more attention could be paid to how to foster an "SDG mind-set" that could enable and guide truly coherent, transformational action towards sustainable development.

3. **Foster information sharing and exchange of experiences on institutional adjustments or innovations for coherent SDG implementation.** The recent discussions and reports on the early adopters brought to the fore the variety of approaches chosen by respective governments to put themselves and their societies on a trajectory towards sustainable development. Instead of "one-size-fits-all" schemes, mutual learning, exchange of best practices, and country-specific adaptation could all help to tailor the SDG approach to different contexts

Further reading

Abson, D.J. et al (2016), Leverage Points for Sustainability, Ambio, pp.1-10, Leuphana University.

Ashley, P. et al (2014), Participatory monitoring and accountability: A means of implementation for the Post-2015 Agenda.

De Mello, L. (2016), Coordination and implementation of the SDGs: The role of Centres of Government, OECD Insights.

ICSU (2016), A draft framework for understanding SDG interactions.

O'Connor, D. et al (2016), Universality, integration, and policy coherence for sustainable development: Early SDG implementation in selected OECD countries.

OECD (2016), Better Policies for Sustainable Development: A new framework for policy coherence.

OECD (2015), Green Growth in Fisheries and Aquaculture.

OECD (2013), Evading the Net: Tax crimes in the fisheries sector.

Partos (et al.). 2016. Ready for change? Global Goals at home and abroad. Amsterdam

UN High-Level Panel on Women's Economic Empowerment (2016), Leave no one behind: A call to action for gender equality and women's economic empowerment.