Towards a set of indicators for tracking progress on policy coherence for sustainable development (PCSD) at the national level

Introduction

1.   This note introduces a proposal for developing a set of process indicators to help countries track their progress towards enhancing policy coherence for sustainable development (PCSD) in line with SDG 17.14. It suggests 16 tentative process indicators for further development, which focus on the institutional dimension of policy coherence, organised according to the Eight Building Blocks of PCSD featured in the OECD Report: *Policy Coherence for Sustainable Development 2018: Towards Sustainable and Resilient Societies*.

2.   The note also suggests a scale and traffic light system, which could be further developed to be used – on a voluntary basis – as a self-assessment tool and illustrate how a country is strengthening its institutional mechanisms for enhancing PCSD in the implementation of the SDGs. An annex to this note provides the background rationale, scope and focus of this proposal.

3.   Building on the discussions in the 14th meeting of the informal network of national focal points for policy coherence in May 2018, and following up on the Survey conducted in 2018 on "applying the eight building blocks of PCSD in the implementation of the 2030 Agenda", the purpose of this proposal is three-fold, to:

- Provide a basis for countries to self-assess and monitor the progress in achieving SDG target 17.14 at national level;

- provide input to the global indicator 17.14.1 being developed by UN Environment; and

- inform the work for updating of the 2010 Recommendation of the Council on Good Institutional Practices in Promoting Policy Coherence for Development, as well as to provide a methodology to monitor the implementation of the revised Recommendation.

4.   It is important to highlight the voluntary nature of this exercise, and emphasise that it is not aimed at creating an index, or rank countries against one another. Any next steps are to support country efforts in strengthening existing monitoring and reporting systems for policy coherence. This note provides background for discussion for the 15th Meeting of the National Focal Points to be held on 14th November 2018.

Questions for discussion

- Are the proposed set of process indicators sufficient to track progress and assess institutional mechanisms for PCSD? What is missing?

- What kind of progress on institutional mechanisms for PCSD would you like indicators to capture?

- Do you agree with the proposed approach and roadmap for further developing the indicators and traffic-light scale?

The proposed set of indicators

5.   OECD's work on policy coherence for sustainable development (OECD, 2017[3]; OECD, 2018[2]) has identified eight mechanisms (building blocks) essential for coherent implementation of the SDGs. These are: 1) political commitment; 2) policy integration; 3) long-term vision; 4) policy effects; 5) coordination; 6) regional and local involvement; 7) stakeholder engagement; and 8) monitoring and reporting. They represent institutional structures, decision-making processes and working methods in public administrations, which have been observed in most of the 20 OECD countries that have presented voluntary national reviews to the UN High-Level Political Forum from 2016-2018.

6.   Based on these eight building blocks, a set of tentative process indicators are suggested below for consideration (Table 1). These indicators are qualitative in nature and relate to institutional structures (e.g. arrangements for inter-ministerial coordination); processes (e.g. planning and budgeting for SDGs); and working methods (e.g. provisions in the public administration that facilitate cross-sectoral collaboration). They are meant to illustrate how different institutional mechanisms work together and contribute to higher degrees of policy coherence in terms of:

   a) mobilising whole-of-government action;

   b) balancing economic, social and environmental objectives;

   c) reconciling short- and long-term priorities;

   d) addressing potential negative impacts of policies beyond borders, in particular on developing countries;

   e) anticipating and resolving policy conflicts as well as ensuring coordinated and mutually supportive efforts across sectors;

   f) involving regional and local authorities;

   g) engaging key stakeholders beyond the government; and

   h) using monitoring and reporting systems to inform coherent policy-making.

7.   The sixteen indicators aim to capture: i) the existence of the PCSD building blocks and the conditions in place (who does what?) with a view to establish a baseline to take stock of existing mechanisms; and ii) the level of successful implementation (how the building block should operate for enhancing coherence?). The indicators could identify institutional gaps as well as to collect information on good institutional practices and examples of concrete measures applied to enhance policy coherence.
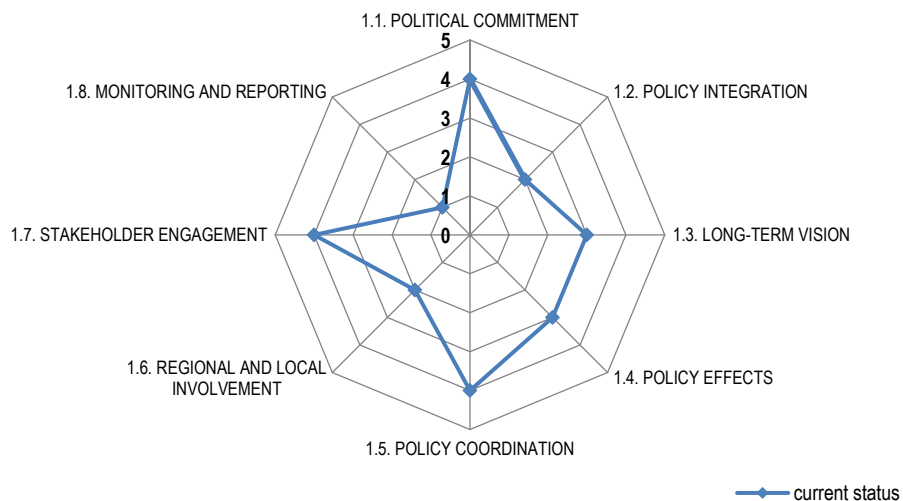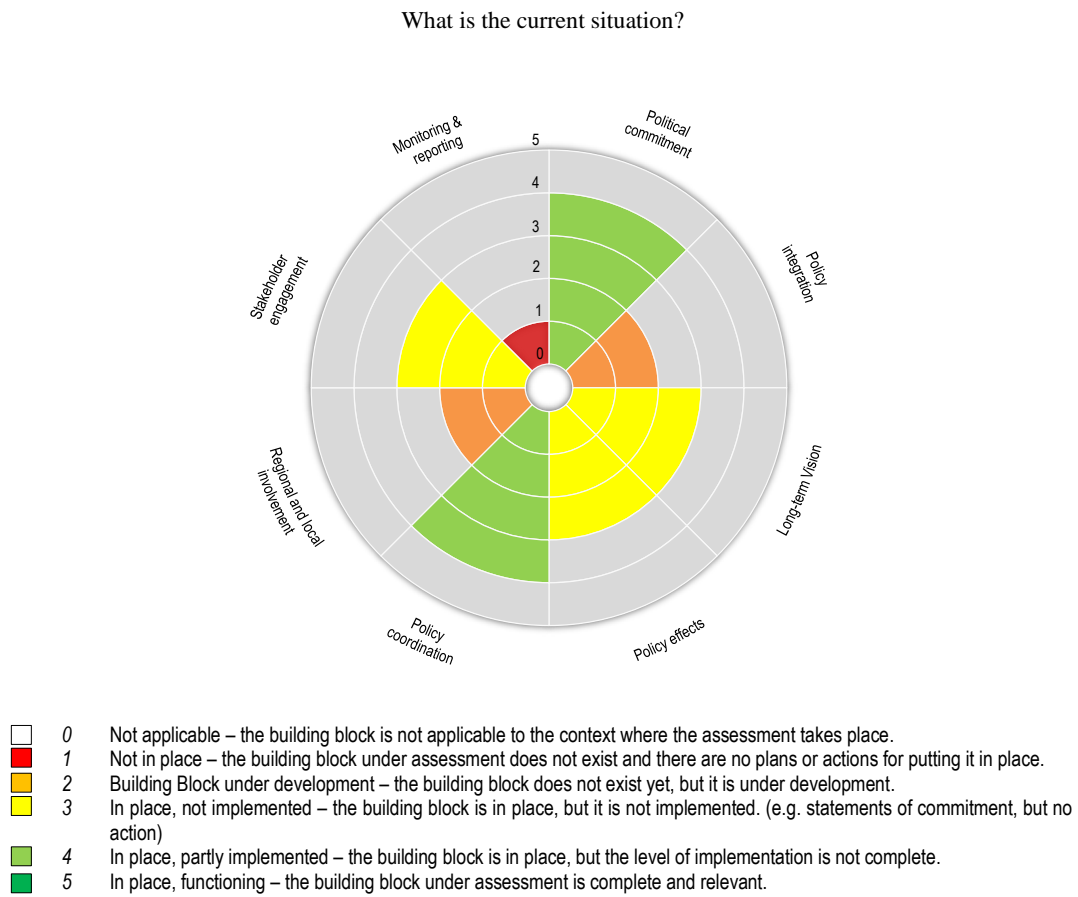
8.   The proposed indicators could be used as a self-assessment tool, if used in combination with a scale or a traffic light system and accompanied by a check-list. They could provide a framework to illustrate the current status of institutional mechanisms in place, as well as to illustrate how a country is enhancing PCSD through institutional measures at the national level, in line with SDG target 17.14. A traffic light baseline (scale) similar to the one established for the OECD water governance indicators (OECD, 2018[4]) could be developed for this purpose and spider graphs could be used for visualising progress and results (Figure 1).

Table 1. A tentative list of indicators for assessing institutional mechanisms for policy coherence in SDG implementation

Building Block	Proposed indicator
1. Political commitment	**1.1.** Existence of explicit commitment to PCSD, formally included into national legislation and/or national strategy and/or action plan. **1.2.** The government publishes a time-bound action plan for making progress on PCSD defining priorities clearly linked to the SDGs
2. Policy integration	**2.1.** Existence of specific mandates and mechanisms (planning processes, budgetary processes, guidelines or regulations) that allow ministries and public sector agencies to align respective sectoral programmes, budgets and policies to the SDGs. **2.2.** The SDGs are systematically considered in government's proposals for new regulations or policies.
3. Long-term perspective	**3.1.** Existence of strategic frameworks or mandates that allow for considering long-term effects of policies, taking precautionary decisions, as well as mechanisms to sustain commitment to SDGs and PCSD over time. **3.2.** The government has provisions to ensure sustained efforts beyond electoral cycles, and that future government programmes and budget preparations include SDG and PCSD considerations.
4. Policy effects	**4.1.** Existence of formal provisions that allow for systematic assessments of potential negative impacts of domestic policies on sustainable development at home and abroad, and in particular on developing countries. **4.2.** Assessments of sustainable development linkages and potential positive and negative effects (including transboundary effects) of policy and legislative proposals are regularly conducted before, during and after implementation.
5. Policy Coordination	**5.1.** Existence of a mechanism for cross-sectoral coordination that allow ministries and public sector agencies to share information, and allocate responsibilities and resources for SDG implementation. **5.2.** The government has a mechanism with a clear mandate to promote PCSD, and anticipate and resolve policy conflicts.
6. Regional and local involvement	**6.1.** Existence of coordination mechanisms that allow for systematic consultation, collaboration and alignment of efforts at the national, regional and local levels. **6.2.** National, regional and local levels of government align their SDG implementation plans considering their respective competences.
7. Stakeholder engagement	**7.1.** Existence of legal frameworks and mechanisms that allow for engaging stakeholders (civil society, business and industry, science and academia) in the formulation and implementation of plans and policies for SDGs. **7.2.** The government diagnoses and reviews stakeholder engagement.
8. Monitoring and reporting	**8.1**. Existence of formal provisions or mandates to regularly monitor and report progress on policy coherence. **8.2.** The government publishes regular reports for the parliament and the public about progress on PCSD in SDG implementation, which help adjust policies.

Source: Adapted from (OECD, 2018[2]).

Figure 1. Example of a traffic-light visualisation and scale (PCSD Building Blocks)

What is the current situation?

	0	Not applicable – the building block is not applicable to the context where the assessment takes place.
	1	Not in place – the building block under assessment does not exist and there are no plans or actions for putting it in place.
	2	Building Block under development – the building block does not exist yet, but it is under development.
	3	In place, not implemented – the building block is in place, but it is not implemented. (e.g. statements of commitment, but no action)
	4	In place, partly implemented – the building block is in place, but the level of implementation is not complete.
	5	In place, functioning – the building block under assessment is complete and relevant.

Notes: 0) Not applicable; 1) Not in place; 2) Building Block under development; 3) In place, not implemented; 4); In place, partly implemented; 5) In place, functioning.
Source: Adapted from (OECD, 2018[4]).

Roadmap for further development

9.   Further work on refining the proposed indicators will build on related work on assessments of environmental governance and management in OECD Environmental Performance Reviews; on OECD work on a territorial approach to the SDGs; on the OECD Water Governance Indicator Framework; on OECD work on Centres of Government as well as in the area of public governance and regulatory policy. The wide range of indicators provided by the OECD Government at a Glance series (OECD, 2017[5]) will be a key source of data and information for this purpose. Table 2 summarises some of the existing indicators at the OECD that could inform the development of process indicators for PCSD.

10.   It is proposed to further develop these indicators through dedicated sessions in subsequent national focal points meetings, and in close consultation with key stakeholders. In this process, it would be important to harmonise the set of proposed indicators and the elements to be assessed (eight building blocks model) with the methodology of the global indicator for SDG 17.14. It is proposed to take the following steps in further developing the indicators:

- 14 November 2018 – Discussion of the proposal at the National Focal Points meeting.

- 15-16 November 2018 – Informal consultation at the Expert Group Workshop on SDG Indicator 17.14.1.

- December 2018 – Call for inputs and suggestions.

- January-March 2019 - Refinement of indicators and scale (traffic light system).

- April/May 2019 – Discussion of revised version indicators at the National Focal Points meeting.

- May 2019-September 2019 – Pilot testing on a voluntary basis with interested countries to check the relevance of the indicators and collect data.

- November 2019 – Presentation of final version of the indicators at the National Focal Points meeting

Table 2. Selected OECD indicators that could be relevant for tracking progress on PCSD

Existing indicators	Links to PCSD Building Blocks (BB)
OECD Water Governance Indicator Framework	
- Principle 3: Policy coherence	BB 5. Policy coordination
- Principle 7: Regulatory Framework	BB 2. Policy integration
- Principle 10: Stakeholder engagement	BB 7. Stakeholder engagement
- Principle 11: Trade-offs across water users, rural and urban areas, and generations	BB 2. Policy integration
- Principle 12: Monitoring and evaluation	BB 8. Monitoring and reporting
Indicators of Regulatory Policy and Governance	
- Stakeholder engagement for developing regulations	BB 7. Stakeholder engagement
- Regulatory Impact Assessment	BB 4. Policy effects
- Ex-post evaluation of regulation	BB 4. Policy effects
Institutions	
- The centre of government's readiness to implement the SDGs	BB 1. Political commitment
	BB 5. Policy coordination
Budgeting practices and procedures	
- Performance budgeting	BB 2. Policy integration
- Gender budgeting	
Public procurement	
- Strategic public procurement	BB 2. Policy integration
Open Government	
- Open government co-ordination and human resource management	BB 5. Policy coordination
- Citizen participation in policy making	BB 7. Stakeholder engagement
- Open government data	BB 8. Monitoring and reporting
Public sector innovation	
- Innovation in human resource management strategies and programmes	BB 2. Policy integration
- Supporting structures for public sector innovation	BB 2. Policy integration

Rationale

11.   Policy coherence for sustainable development (PCSD), embodied in target 17.14, is an integral part of the means of implementation for the Sustainable Development Goals (SDGs). At the global level, progress on this target will be monitored by indicator 17.14.1: "Number of countries with mechanisms in place to enhance policy coherence for sustainable development". An important first step is to foster a common understanding of what is meant by "mechanisms" to enhance PCSD, and identify relevant indicators at the national level.

12.   Tracking progress on PCSD, like some of the other means of implementation set out in SDG 17, involves looking at processes. Experience at the OECD over the past two decades of promoting policy coherence for development, as well as lessons drawn from the implementation of sustainable development strategies in accordance with the Agenda 21 that emerged from the Rio Earth Summit, shows that the processes by which policies are formulated, implemented and assessed have a determining effect on policy outcomes. Processes, institutional structures and working methods are therefore essential when it comes to produce coherent sustainable policy outcomes.

13.   Earlier efforts in OECD to track progress have focused primarily on the three building blocks for policy coherence for development (PCD). These include: (i) political commitment; (ii) coordination mechanisms; and (iii) monitoring, analysis and reporting systems, which have been assessed on a regular basis in the OECD-DAC Peer Reviews since 2010. In this context, progress towards PCD was conceptualised as a three-phase cycle, with each phase of the cycle supported by one of the three building blocks. Phase 1 consists in prioritising and articulating objectives for policy coherence; phase 2 entails coordinating policy and its implementation to resolve potential conflicts between policies; and phase 3 involves collecting and analysing evidence about the impact of policies and reporting to parliaments and the public.

14.   While the three PCD building blocks are still very relevant for assessing institutional mechanisms for policy coherence in the context of the 2030 Agenda, they need to be complemented to adequately reflect the universal, integrated and indivisible nature of the SDGs. There is a need to put greater emphasis on key elements such as: sustainability; integrated and balanced approaches to economic, social and environmental dimensions of sustainable development; long-term vision in planning and policy; local and regional involvement; and multi-stakeholder engagement, all of which feature prominently in the 2030 Agenda (Table 3).

Table 3. Key principles for SDG implementation included in the 2030 Agenda

Principle (Building Block)	Reference in the text of the 2030 Agenda
Integration	"We are committed to achieving sustainable development in its three dimensions… in a balanced and integrated manner." (Preamble)
Long-term vision	"We will implement the Agenda for the full benefit of all, for today's generation and for future generations." (Para. 18)
Transboundary impacts and interconnectivity	"All of us will work to implement the Agenda within our own countries and at the regional and global levels… We acknowledge also the importance of … interconnectivity in sustainable development." (Para. 21)
Regional and local involvement	"Governments… will work closely on implementation with regional and local authorities, sub-regional institutions, international institutions…" (Para. 45).
Stakeholder engagement	"All countries and all stakeholders… will implement this plan" (Preamble).

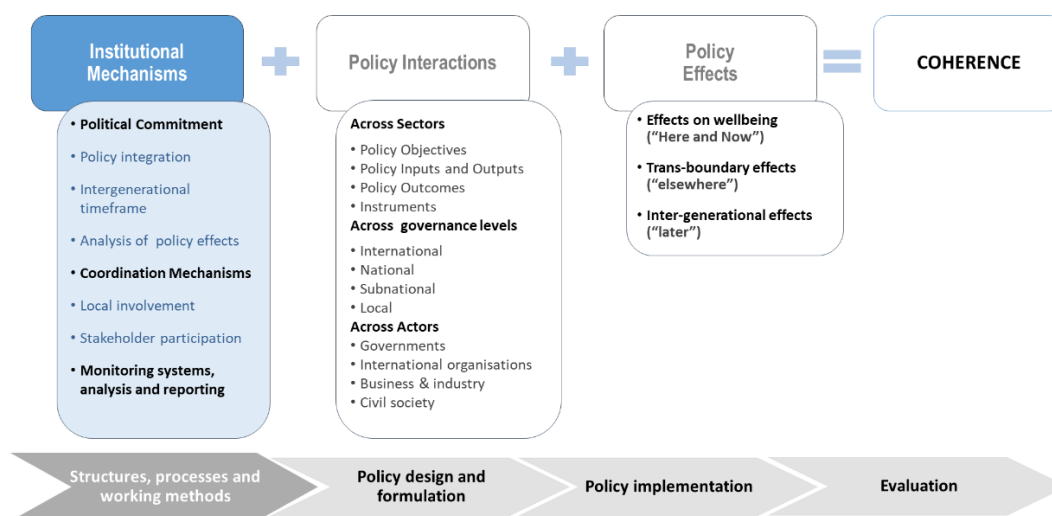*Source*: (UNGA, 2015[1]).

Scope and focus

15.   The proposed set of indicators is meant to cover the institutional dimension of policy coherence with particular attention to "basic government tools" (i.e. structures, processes and working methods) that have proven to be conducive in improving PCSD. According to OECD analysis, tracking progress on PCSD at the national level in the context of the 2030 Agenda entails considering three interrelated elements of policy-making (OECD, 2018[2]). As highlighted in Figure 2, these elements are:

a) *institutional mechanisms,* to assess the extent to which existing structures, processes and working methods are supportive of policy coherence for SDGs;

b) *policy interactions,* to examine how sectoral policies in different domains and at different levels complement each other to achieve a higher level policy outcomes, such as the SDGs; and

c) *policy effects,* to assess the economic, social and environmental impacts of policies on sustainable development "here and now", "elsewhere" and "later".[1]

---

[1] The joint UNECE/OECD/Eurostat Task Force for Measuring Sustainable Development developed a broad measurement framework that links three conceptual dimensions of sustainable development, i.e. human well-being of the present generation in one particular country (referred to as "here and now"), the well-being of future generations ("later") and the well-being of people living in other countries ("elsewhere"). This framework has inspired the more proactive approach to policy coherence for sustainable development (PCSD).

Figure 2. Three key elements for tracking progress on PCSD

Source: (OECD, 2018[2])

16.   The indicators proposed in this note focus on the first element (i.e. institutional mechanisms). The indicators build on the results of the 2018 country survey on applying the eight PCSD building blocks as well as on related work for assessing policy coherence in DAC Peer Reviews.

References

OECD (2018), *Implementing the OECD Principles on Water Governance - Indicator Framework and Evolving Practices.*, OECD Publishing, Paris. [3]

OECD (2018), *Policy Coherence for Sustainable Development 2018: Towards Sustainable and Resilient Societies*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264301061-en. [2]

OECD (2017), *Government at a Glance 2017*, OECD Publishing, Paris, http://dx.doi.org/10.1787/gov_glance-2017-en. [4]

OECD (2017), *Policy Coherence for Sustainable Development 2017: Eradicating Poverty and Promoting Prosperity*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264272576-en. [1]

OECD (2016), "A new framework for policy coherence for sustainable development", in *Better Policies for Sustainable Development 2016: A New Framework for Policy Coherence*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264256996-6-en. [6]

UNGA (2015), *A/70/L.1: Transforming our world: the 2030 Agenda for Sustainable Development*, http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E. [5]