HELPING GOVERNMENTS IN DESIGNING, IMPLEMENTING AND MONITORING COHERENT POLICIES FOR SUSTAINABLE DEVELOPMENT

At the 2019 SDG Summit, world leaders expressed concerns that progress towards the Sustainable Development Goals (SDGs) is slowing in many areas, including in fighting poverty and inequalities, addressing climate change and decoupling economic growth from environmental degradation. To accelerate action, leaders have committed to "equip domestic institutions to better address interlinkages, synergies and trade-offs between Goals and targets through a whole-of-government approach […] and ensure policy coherence for sustainable development (PCSD)". Furthermore, is essential to align national sustainable development goals with the domestic development strategies and objectives and to link them to the national strategy to respond to the COVID-19 pandemic and strengthen resilience for a post crisis recovery.

Given the integrated nature of the SDGs, PCSD is critical to capitalise on synergies among goals and targets. For example, increasing water use efficiency (SDG6) will depend on improving sustainability in agriculture (SDG2), as agriculture is a major user of water, accounting for about 70% of the world's freshwater withdrawals. PCSD is also essential to inform decision-making and manage trade-offs. Different sectors might be competing for the same resources and involve trade-offs, for example, between efforts to end hunger (SDG 2.1) and efforts to increase the share of renewable energy (SDG 7.2) by producing biofuels, if food crops and biofuel crops are competing for the same land and water resources. This is even truer in the current crisis context and its aftermath.

PCSD is also essential for making informed choices about sustainable development, considering the effects of today's policy decisions on future generations, and on the development prospects of other countries. Maximising synergies and managing trade-offs, while considering long-term and transboundary impacts entails whole-of-government co-ordination, as well as the involvement of a range of public and private actors at different levels in the decision-making, policy and implementation cycles.

The OECD supports countries in enhancing policy coherence for sustainable development in 5 steps

The OECD responds to specific demands from national governments to strengthen governance mechanisms and capacities that enable coherent policy-making. It does so in partnership with the governmental body responsible for coordinating the national implementation of the SDGs and the broader domestic development strategies. Based on an assessment of the situation of the country with regard to the strategic and institutional frameworks in place for SDG implementation, and considering the specific political economy challenges of the country, the OECD provides tailored policy advice on the basis of good practice experience supported by evidence-based analysis, dialogue and peer-learning.

The OECD supports countries in enhancing policy coherence for sustainable development in 5 steps

1. *Self-assessment*
2. *Stocktaking of country's work on Sustainable Development*
3. *Analysis and recommendations*
4. *In country policy dialogues on policy coherence for sustainable development including peers from other countries*
5. *Knowledge sharing through the SDG Hub*

Delivering on the SDGs is a formidable governance challenge – one that implies re-engineering how governments work and building public support for implementing reform agendas that are linked to SDGs.

The OECD helps countries to build capacities to deal with the integrated nature of the SDGs. It supports policy-makers and key stakeholders in identifying interlinkages across economic, social and environmental sectors as well as in developing policy priorities considering synergies and trade-offs; balancing short and long-term policy goals; bridging domestic and international implementation, addressing trans-boundary impacts and aligning public and private actions. Interdependencies with the responses to the current COVID-19 crisis and longer-term strategies to prepare the crisis aftermath are also considered. By building capacities through inter-ministerial and multi-stakeholder dialogue, the OECD contributes to galvanise whole-of-government approaches and cross-fertilisation across different policy fields for SDG implementation.

The OECD's support to governments in enhancing policy coherence for sustainable development consists of five mutually supporting steps:

1. Self-assessment

- **PCSD Checklist:** *to* screen policies, organisational structures and policy-making processes, and identify strengths and areas for improvement in light of the eight principles promoted by the OECD Recommendation on Policy Coherence for Sustainable Development (box). This tool helps to appraise the existence of the mechanisms of coherence and the conditions in place (who does what?) as well as the level of implementation (how the mechanism operates for enhancing coherence?).

OECD Council Recommendation on Policy Coherence for Sustainable Development

The OECD Recommendation on Policy Coherence for Sustainable Development adopted by all OECD member countries on 11 December 2019, provides a comprehensive standard to help countries equip policy-makers and key stakeholders with the necessary institutional mechanisms and policy tools to enhance PCSD. It presents a set of eight principles under three main pillars. Notably it recommends that countries that have adhered to it set up and strengthen mechanisms that support:

I. A strategic vision for achieving the 2030 Agenda and the SDGs in an integrated manner		
1 Political Commitment and Leadership	2 Strategic Long-term Vision	3 Policy Integration
II. Effective and inclusive institutional mechanisms to address policy interactions across policy sectors and align actions among levels of government		
4 Whole-of-Government Coordination	5 Subnational Engagement	6 Stakeholder Engagement
III. A set of responsive and adaptive tools to anticipate, assess and address domestic, transboundary and long-term impacts of policies to advance the SDGs		
7 Policy and Financing Impacts	8 Monitoring, Reporting and Evaluation	

2. Stocktaking of country's work on Sustainable Development

- **Institutional scan:** to review how core governance systems are adapted to deliver cross-cutting policy objectives and support an effective and integrated implementation of the SDGs.

- **SDGs Policy Tagging:** to establish a dashboard of existing sectoral policies and expenditures across the SDGs targets. This exercise reveals current sectoral priorities of the government, as well as linkages between budgetary programmes with SDGs and targets.

Achieving the SDGs requires planning for the future, to support present needs and those of future generations. Policy makers need to anticipate and address complex interconnected issues, identify and understand the shifts they can bring about in economic and social conditions, and adapt the design and implementation of reforms accordingly.

3. Analysis and recommendations

Based on the results of the self-assessment and stocktaking phases, in this phase the OECD provides analysis, adapted support (training modules, multi-stakeholder workshops, etc.) and recommendations to enhance PCSD in the implementation of the SDGs. The OECD also provides evidence on country practices and promotes peer-learning. Support includes combined modules:

- **Strategic visioning for sustainable development:** to develop capacities to make informed choices about sustainable development, considering the effects of today's policy decisions on the well-being of future generations (for instance, through training on applying strategic visioning, foresight and scenario development).

- **Prioritising actions based on integrated approaches and dialogue:** to facilitate inter-ministerial and multi-stakeholder dialogue to develop and align priorities for achieving SDGs (i.e. how policy interlinkages can be operationalized into cross-sectoral actions and milestones?) while considering synergies, trade-offs and transboundary effects.

- **Adapting institutional frameworks and governance processes:** based on a set of recommendations to: *a)* adapt legislative frameworks, procurement, and other core government processes; *b)* strengthen inter-ministerial and national and subnational linkages; and *c)* improve the coordination function and the capacities of the governmental body responsible for SDG implementation to manage and address trade-offs and policy divergences.

- **Integrating SDGs into core government processes and systems:** building capacity for integrating sustainable development issues into policy planning, implementation, budgeting and evaluation (for instance, training on capacity for evidence informed policy-making).

- **Budgeting for SDGs:** provide technical support to align budget programmes to SDGs and gauge the contribution of the national budget to the SDGs.

- **Engaging stakeholders:** develop communication plans and platforms for enabling multi-stakeholders (private sector and civil society, foundations, academia, etc.) to engage effectively in the policy-making process as well as in the design and implementation of the SDGs.

- **Addressing transboundary policy impacts:** workshops to build capacities to identify potential negative or positive spill-over effects of policies as well as recommendations for strengthening monitoring, reporting and evaluation systems to track policy impacts.

- **Sectoral and thematic reviews on mainstreaming sustainable development across policy areas:** undertaking sectoral (environment, health, education, etc.) and thematic (food systems, climate change, circular economy) reviews of how governance arrangements and policies are adapted for sustainable development in a specific policy area.

Policy makers need to systematically consider to what extent policy choices may lead to future challenges. The well-being of future generations depends on the stock of assets left behind by the current generation, including economic capital (physical, knowledge, financial), natural capital (energy and mineral resources, land and ecosystems, water, air quality and climate), human capital (labour, education, and health) and social capital (trust and institutions).

4. In-country policy dialogues and peer-learning on PCSD:

In this phase, the OECD works closely with the government, non-state actors and peers from other countries to validate the findings and recommendations identified. The purpose is to ensure buy-in for the recommendations by high-political representatives and broad segments of society. This is done by presenting the results of the work at key political events (i.e. public function week, Permanent secretaries' forum, etc.) and opening spaces for dialogue with non-state actors (i.e. festivals and music events around SDGs, etc.).

5. Raise visibility through the SDG Hub

The final stage consists of participating or hosting regional consultations organised by the *OECD-UNDP Hub on the Governance for the SDGs.* The purpose is to present the country efforts in enhancing PCSD, and share knowledge, good emerging practices and lessons learned. The *Hub* is an online knowledge platform to support countries in strengthening leadership capacities, knowledge and skills to advance the SDGs. Country pilots demonstrate how governance mechanisms can improve country-specific work and inform regional consultations where a broad range of countries can assess their needs and exchange practices.

Examples of country work

Country reviews focus on fostering a whole-of-government approach to SDG implementation, by formulating action-oriented and measurable recommendations to enhance policy coherence, improve data interoperability and develop SDGs based budgeting. Examples below outline some of the OECD's most recent work.

In **Malta,** the OECD is working with the government in guiding the action plan and governance framework to support the implementation of the SDGs. The government has a 2050 Sustainable Development Vision and several ministries have developed their own visions for this time horizon (Transport, Planning, Health, Environment, etc.). The OECD supports the government in:

- Identifying interlinkages and potential trade-offs across sectoral policies that are planned from now to 2050

- Defining priorities to be included in the Sustainable Development Strategy (SDS) and Action Plan (AP)

- Assessing existing governance arrangements for SDGs and how they would support the implementation of the SDS and AP

In **Romania,** the OECD is assessing the extent to which the institutional mechanisms that have been created at the national level are fit to support Romania's vision for Agenda 2030. The OECD is providing a scan of current policy planning and budget processes and formulating recommendations on the entry points for mainstreaming SDGs-related issues across the policy cycle.

The OECD supports international efforts for enhancing PCSD as called for by SDG target 17.14

TARGET 17·14

ENHANCE POLICY COHERENCE FOR SUSTAINABLE DEVELOPMENT

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