

## **Summary of the 20th Meeting of the informal Network of National Focal Points for Policy Coherence**

### **Policy coherence in times of COVID-19: Making the recovery work for people, planet and economy**

25-26 November 2020, 14:00 – 17:00 hrs, Virtual Meeting – Video Conference

This document presents a summary of the discussions at the 20<sup>th</sup> Meeting of the informal Network of National Focal Points for Policy Coherence.

PCD Contact: [PCD.Contact@oecd.org](mailto:PCD.Contact@oecd.org)

## Key messages of the 20<sup>th</sup> PCSD Focal Points Meeting

The National Focal Points for Policy Coherence for Sustainable Development (PCSD) met virtually on 25 and 26 November 2020 to discuss how to drive policy coherence in the current context of COVID-19 crisis and ensure a recovery that enables progress on the SDGs. The meeting featured the launch of the policy brief [Building a coherent response for a sustainable post-COVID-19 recovery](#). It provided an opportunity to exchange country experiences, and share early lessons from country projects on key areas of PCSD and governance for the SDGs.

In particular, the meeting focused on exploring institutional mechanisms that can help drive whole-of-government action towards the SDGs. It also highlighted the role of strategic government tools, such as the budget and regulations, in proactively advancing a sustainable recovery in alignment with SDGs. In addition, the meeting focused on how to address transboundary impacts; how international regulatory co-operation could help address the COVID-19 crisis in a sustainable manner, and how to build political commitment for policies that are coherent with sustainable development in developing countries.

A thematic session allowed to reflect on how to address trade-offs between the timely provision of essential goods in times of crisis, a rules-based global trade system and sustainability. It explored ways to enhance coherence across the food systems, which play an essential role for alleviating the immediate impacts to public health as well as long-term impacts to water systems, nutrition, resilience and the economy.

The discussions highlighted that:

- despite all the difficulties with the COVID-19 crisis – governments have an unprecedented opportunity to build forward better and ensure a sustainable recovery aligned with the aspirations in the 2030 Agenda and the SDGs;
- there is convergence on the need to keep SDGs and policy coherence at the centre of national policy agendas, especially during this crisis and the recovery process; and
- maintaining PCSD and SDGs among the top government priorities, including beyond the electoral cycles, requires robust data as well as strong institutions, systems, coordination mechanisms and tools, such as impact assessments, budget systems, and reporting to parliaments.

Strong institutions and processes need to be complemented by public service skills and leadership capabilities that allow for horizontal and vertical coherence within the government, as well as active engagement with non-government stakeholders to deliver on the SDGs in a coherent manner. As next steps and as part of the programme of work 2021-2022, the OECD will focus on: 1) further exploring the use of government tools and on strengthening institutional capacity to enhance coherence for implementing the SDGs; 2) developing an Observatory on PCSD to collect evidence and facilitate exchange of experiences, and 3) strengthening a methodological monitoring framework to help countries assess progress on PCSD at the national level.

We will also continue to work with the Members to reflect on the way of strengthening the Network of National Focal Points for PCSD in order to provide best support for the implementation of the OECD Recommendation on Policy Coherence for Sustainable Development. To this end, Members are encouraged to identify a second focal point from their country (as appropriate) to ensure that both domestic and international perspectives on SDG implementation are well reflected in the OECD work. Members are also encouraged to join the informal Advisory Group, which would aim to provide strategic advice to the OECD on the advancement of the PCSD agenda.

In this context, National Focal Points are invited to:

- Provide comments on
  - the **draft paper Civil Service Capacities in the SDG Era** by 15 January 2021 (deadline extended).
  - the **Guidance Note** by 15 January 2021 (deadline extended).
- Provide feedback in February (date tbd) on the **joint OECD-JRC report on Transboundary Impacts**, which will be circulated to Focal Points during the second half of January.
- Attend an informative session on the data collection for SDG indicator 17.14.1 to be held virtually on 14 January 2021 (see separate communication on this issue).
- Join the **2021 edition of the [online course on PCSD](#)** developed by the United Nations Staff Systems College's, in collaboration with us. It will take place from 15 February -19 March 2021. The deadline for registration is 15 January 2021.
- Indicate their interest to join the Informal Advisory Group by 15 January 2021;
- Identify a second Focal Point, as appropriate, to ensure that each country is represented by officials covering both the internal (domestic) and external (international) dimension of SDG implementation.

The meeting convened participants from many OECD members and several partner countries, together representing both the domestic and international perspective in implementing the SDGs. It aimed to reflect on how to foster policy coherence in the current context and ensure a COVID-19 recovery that supports and enables progress on the SDGs, while leaving no one behind. Participants stressed that the COVID-19 pandemic has triggered the most severe economic recession in nearly a century and highlights the complex interconnections between all dimensions of sustainable development. Ms. Elsa Pilichowski, Director of the OECD Public Governance Directorate, underlined the timeliness of the meeting and welcomed discussions on ways to make the recovery from the COVID-19 crisis work for people, the planet and economy.

Participants noted that a sustainable recovery requires governments to invest in a range of governance capacities. There is a need for effective institutional arrangements and agile processes in order to break out of policy silos. In particular, governments need to use more proactively core governance systems – from budgeting to regulatory practices or public procurement – to promote policy coherence. At the same time, these systems need to become more adaptable and resilient to unexpected events and crises such as COVID-19, which in turn requires enhancing anticipatory governance. A key priority is to increase the resilience of our economies and societies. Policy coherence is critical for aligning recovery investments with sustainable and climate goals, and the Focal Points Network plays a key role here. The Network plays an important role in ensuring that policy coherence becomes a roadmap for a whole-of-government approach to SDG implementation that also contributes to a COVID-19 recovery.

### **Mainstreaming the SDGs into policy-making and recovery: promoting a whole-of-government approach to PCSD in the era of COVID-19 and beyond**

Sound institutional mechanisms are essential to enhance policy coherence in order to drive transformational change, build resilience and safeguard a recovery from Covid-19 that supports and enables the achievement of the SDGs. The SDGs can provide a framework for a sustainable recovery as

the economic, social and environmental targets on the agenda are a clear roadmap for a more resilient world.

This session highlighted that despite the difficulties exacerbated by the health crisis – governments now have an unprecedented opportunity to chart a new policy course, and steer transformation towards more resilient and sustainable economies and societies. Policy coherence is critical for ‘building forward better’ – as a sustainable recovery requires a shared vision of long term sustainable development, whole-of-government approaches as well as organisational support that transcends often compartmentalised structures of government. It was also underlined that the PCSD Recommendation provides a comprehensive framework to achieve this ambitious agenda. Work is currently underway to develop a practical Guidance Note to support the implementation of the Recommendation. The Guidance Note will support Adherents and stakeholders to conceptualise how to translate the Recommendation’s eight guiding principles into practice. It provides the rationale for the three pillars and related guiding principles; suggests actions and provides good practice examples. It also highlights links with the global indicator for measuring progress on SDG target 17.14 on enhancing policy coherence for sustainable development.

The session also provided an opportunity to reflect on the outcomes of the OECD meeting on [“Linking the SDGs with Covid-19 recovery”](#), held on 17 November 2020 as part of the OECD **Government After Shock Event**. Key highlights included the need to see the COVID-19 crisis as an opportunity to drive concrete change through new ideas and ways of working. This includes shifting policy systems and institutional frameworks to work across agencies and involve stakeholders in the transformation process, in particular those that have been excluded. Beyond the COVID-19 response and recovery measures there is a need to put greater emphasis in redesigning policy making institutions that are locked in unsustainable practices. A major challenge perceived for the policy coherence agenda is the need to go beyond technical solutions and motivate stronger engagement of decision-makers and build political commitment for change.

The main takeaways included:

- *Long-term commitment to sustainable development has to be enshrined in high-level documents and mainstreamed into core processes and activities of the government, including through the budget; and to apply a whole-of-society approach. For instance, the Swedish government has put forward a new bill on the implementation of the 2030 Agenda, which places PCSD at its core. In Mexico, several mechanisms are supporting PCSD efforts at the federal level, including the planning law, which mandates the long-term and sustainability approach on policy-making.*
- *Build a common language on sustainability helps communicating to people at different levels of the government and beyond. The need to transforming behaviours towards sustainability asks for multi-stakeholder actions and shared agenda and milestones. Recent Pilots conducted by OECD in Romania and Colombia experimented innovative dialogues across stakeholders involving peers from different countries. In Colombia, the peer-learning activity involving multiple stakeholder from governments, civil society, private sector from Sweden, Spain and Colombia provided the foundation for the next steps in setting up the SDG Multi-stakeholder platform in 2021. In Romania, the pilot activity brought together different actors to exchange on challenges and solutions to transiting towards more sustainable ways of producing and consuming, benefitting from the experience of an expert from Belgium. Sweden has appointed a national coordinator to foster a dialogue across all sectors of the society and stakeholders. Sweden also looks at the Voluntary National Review (VNR) as an important process for sharing practices that different actors encountered in implementing SDGs. For its second VNR in 2021 is creating a number of participative moments culminating with civil society organisations participating to its launch.*
- *Linking national strategies and short-term recovery plans to SDGs: countries are faced with the challenge of measuring the interlinkages across sectoral strategies and potential trade-offs for instance between achieving carbon neutrality and ensuring jobs relocation. Countries such as*

Finland has been focusing on promoting the European Green deal need to coordinate this agenda with other sustainable priorities. In Aruba, a Small Island Developing States (SIDS), efforts are being made to ensure complementarities between the existing SDG roadmap and national strategic plan on the one hand, and the new three-year master plan for COVID-19 recovery focused on key structural issues. In Mexico, as a result of strengthening different policy coherence mechanisms, 65% of the ministries have their sectorial plans linked to the SDGs. Malta experimented different tools for linking policies and budget to the SDGs. In particular, the government checks how budget actions are contributing to the SDGs before including them in the annual budget submitted to parliament. This process has proven to be essential to avoid conflicts between economic, social and environmental priorities and increase accountability. Integrating SDGs into the budget is not an easy task, not all budget measures can be properly aligned with SDGs, and when ministries are not prepared for the alignment the exercise is often considered a burden.

- *Linking policy performance to SDGs:* in Mexico the performance evaluation systems, led by the finance ministry, is linked to SDGs. Italy developed a matrix to assess the contribution of the EU cohesion funds to the National Strategy for Sustainable Development, and is in the process of integrating the principles of sustainable development into the work of the Inter-ministerial committee for economic programming. Since 2016 Italy introduced 12 well-being indicators into the annual budget law to assess the quality of expenditure. Currently the OECD is helping in developing a PCSD Action Plan to strengthen and use more proactively existing tools to enhance coherence.
- *Role of the public administration in leading by example:* the public administration needs to be further aware of sustainability challenges and use tools such as public procurement to change behaviours. Poland highlighted the critical role that public administrations can play in advancing the SDGs, and the current efforts with the support of the OECD to enhance effectiveness and efficiency of human resources by expanding knowledge and skills for sustainable development. It is expected that the project in Poland supported by the OECD will help better integrate the SDGs into national development strategies, budgetary process and monitoring framework, and build partnerships for implementation. A forthcoming paper on SDG skills will provide a framework for collecting data, identifying country practices and developing a benchmark of the skills and organisational capacities needed for public services to deliver on the SDGs, in line with OECD benchmarks such as the PCSD Recommendation and the Recommendation on Public Service Leadership and Capability (PSLC).

## Addressing the transboundary impacts of policies, in particular on developing countries, in times of COVID-19

Meeting participants noted that the COVID-19 crisis is a forceful reminder that “shared prosperity” is not a catch phrase but a fundamental and unavoidable truth, which calls for coherent domestic and international policies. Mr. Jorge Moreira da Silva, Director of the OECD Development Co-operation Directorate, encouraged governments to *think politically* and to *think multilaterally*. Strengthened data and evidence and the capacity to interpret them will be critical for coherent policy and decision making that limits adverse impacts beyond national borders, in particular on developing countries. In this context, a forthcoming joint publication by the EC Joint Research Centre (JRC) and the OECD will aim to support Member and partner countries in addressing transboundary impacts by introducing new governance and analytical tools. These include e.g. integrated impact assessments, quantitative accounting, life cycle analysis and inter-country input-output analysis, to name a few.

In addition, this session explored the role of International Regulatory Co-operation (IRC) in tackling transboundary impacts. It was noted that:

- Countries can do a lot at the national level to improve the coherence of their regulatory frameworks with the international environment and build trustworthy institutions that can form the foundation of co-operation arrangements.
- The escalation of the COVID-19 crisis has highlighted the need for collective action across policy fronts to supplement domestic action and tackle transboundary challenges in the short and long term. Limited co-ordination of initial policy responses to the pandemic has exposed weaknesses in international regulatory co-operation.
- IRC can enable the availability of key COVID-19 supplies by limiting export restrictions and unnecessary regulatory frictions. Early lessons in Canada related to Personal Protective Equipment (PPE) such as respirators indicate that, domestically, employers and organised labour groups need to know that the domestic standard and certification is of high quality; and, internationally, IRC partners need to understand the impact that unilateral decisions have on the global supply chain.

Further discussions on IRC and other public governance tools will provide important input to the OECD's work on PCSD going forward, including the development of the Guidance Note.

The session also explored how to build political support in developed countries for policies that are coherent with sustainable development in developing countries. It was highlighted that:

- An important part of DAC member efforts to promote PCD has been the creation of institutional mechanisms and tools. Luxembourg has a PCD commitment that is included as one of ten objectives in the national SDG action plan. Sweden's work against antimicrobial resistance (AMR) is a good example of how a transboundary challenge can be tackled at the national level – and at the same time contribute to implementing the SDGs. The EU is promoting regulatory impact assessments that contribute to regulation that reflects development co-operation objectives.
- However, having mechanisms in place does not alone guarantee their effective application or influence on policy. To make progress on policy coherence for development (PCD), it is important to also appreciate the political nature of the challenge.
- Experiences from OECD DAC members in addressing transboundary impacts suggest five building blocks that can facilitate progress on policies that better reflect developing countries' concerns:
  - (i) make your global contribution to the SDGs a domestic priority;
  - (ii) Enable continuous debate with all stakeholders;
  - (iii) make technical ministries responsible;
  - (iv) use the multilateral lever; and
  - (v) focus your efforts.

OECD's work on building political support for policy coherence in developing countries is explored further in the aforementioned OECD-JRC publication, which will be published in March 2021.

The session concluded that it is critical to consider transboundary impacts at all stages of the policy-making cycle and that governments and other stakeholders should make use of existing and emerging governance and analytical tools to this end.

## **Strengthening systems for securing the supply of essential goods and ensuring a sustainable COVID-19 recovery: Policy coherence across the food system**

Discussions during this session were diverse and covered a range of issues that surround the essential goods debate in the COVID-19 context, and how these apply to food systems. Key messages included:

- The evolving risk landscape calls for international co-operation to strengthen resilience buffers at affordable costs to secure supply of essential goods.
- COVID-19 has imposed major stresses on the food system; yet, food supply chains in OECD Member Countries bounced back quickly. Building food system resilience calls for coherent policies that address the food system triple challenge – food security and nutrition; livelihoods and rural development; and resource use and climate change – holistically.
- The corona virus has exposed weaknesses in countries' (e.g. Israel's) public health and call for a reconfiguration of the current food, nutrition, health, and social protection systems to ensure food and nutrition security for all. Inter-sectoral coordination is needed to take sustainability principles into account and scientific research will be necessary to fill in existing knowledge gaps.
- A historic perspective of the EU's experience in fostering policy coherence across the food system shows that the debate has broadened from being primarily about farm productivity, stability and income, assured supplies and reasonable consumer prices in the 1950s – towards sustainability, climate change, biodiversity, diet and health, food security and resilience today.

Considering this significant shift surrounding the essential goods debate, both historically and over the past year, there is a need to rethink food systems resilience and their ability to secure the supply of essential goods for different types of potential shocks, affecting supply, demand, or any segment of the food value chain. A foresight approach to food security would avoid the risk of overlooking possible new threats. The session also highlighted the importance of strengthening coordination mechanisms, particularly between agriculture and health, and pointed out the relevance of the regional scale for food system resilience and the related regional trade dimension. More broadly, the COVID-19 pandemic has emphasised the need for anticipatory, coherent and integrated governance approaches to boost the resilience of supply chains and address both the effects of the crisis as well as pre-existing trends and challenges.

#### Next Steps

As part of the PCSD Programme of Work for the next biennium 2021-2022, and with a view to support countries in enhancing PCSD and deepening the integration of the SDGs into policy and decision-making, the Secretariat will work on:

- Preparing **analytical reports** on: 1) good practices on using **government tools for policy coherence**, such as the budget, to implement the SDGs in an integrated manner; and 2) on strengthening **institutional capacity** to enhance coherence for implementing the SDGs (including skills) at the centre of government linked to a specific thematic area (e.g. governance of essential goods, food systems, RBC). To this end, the Secretariat will undertake data collection to identify good practices in these areas and to facilitate the exchange of what works. This work would also support the implementation of the OECD wide priorities on driving inclusive and sustainable recovery from COVID-19, including in other OECD committees and directorates.
- Developing an **Observatory on PCSD**, as part of the online [Portal on Governance and Policy Coherence for the SDGs](#), which would aim to facilitate the exchange of international experiences on PCSD and governance for SDGs, and peer-to-peer partnerships for knowledge and learning on how best to support coherent SDG implementation.
- Developing a **monitoring methodological framework** to help countries assess progress on PCSD at national level. This work will draw on collaboration between the OECD and UN Environment on the global methodology for SDG-indicator 17.14.1 (Mechanisms in place to enhance policy coherence of sustainable development); and with the OECD Statistics and Data Directorate on transboundary impacts.

- Launching an **informal Advisory Group**, which will provide strategic advice to the OECD on the advancement of the PCSD agenda, in particular the OECD Recommendation on PCSD, across Member and interested partner countries. The group would also guide the reflection process on options for **strengthening the Network of PCSD National Focal Points** in order to position the Network at the heart of the recovery efforts, which should be aligned with the SDGs.

National Focal Points are invited to provide feedback on:

- **Implementing the OECD Recommendation on Policy Coherence for Sustainable Development: A Zero Draft Guidance note** - The Secretariat will integrate comments received from Focal Points by 15 January into a consolidated draft, which will be used to consult the Public Governance Committee (PGC), the Development Assistance Committee (DAC) and relevant OECD Committees, as well as experts across the OECD during the first quarter of 2021;
- **SDG Skills framework** - Focal Points are invited to provide inputs by 15 January, in particular on the practices employed to assess and build the necessary skills for SDGs. The Secretariat will further seek to engage other relevant OECD bodies, such as e.g. the Public Employment and Working Party and the Global Network of Schools of Government to further refine the framework.

**Transboundary Impacts** - During the second half of January 2021, the Secretariat will share with Focal Points for review the draft manuscript of the joint OECD-JRC publication on “Operationalising a Sustainable and Resilient Future by Dealing with Spillover and Transboundary Impacts in the 2030 Agenda” (title tbd).