



ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

## **Workshop: More Coherent Policies for More Inclusive Growth and Development**

Session Papers  
(Final updated)

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## INTRODUCTION

Contributing to global development is a key objective of the OECD. Even though aid remains an important driver for poverty reduction, mutually supportive policies across a wide range of economic, social and environmental issues are needed to accelerate progress on poverty reduction. Due to its multidisciplinary policy expertise and direct contacts to national ministries and authorities, the OECD has a clear comparative advantage in this respect. In general, promoting interdisciplinary analyses enhances policy coherence in OECD activities, and increases the relevancy of OECD work in the global context by strengthening OECD's capacity to find common responses to global challenges<sup>1</sup>.

Beyond fairness in the international economy, and the commitment to the Millennium Development Goals, achieving policy coherence is increasingly in OECD countries' own interest. In the increasingly global economy, countries are mutually dependent. This is the underlying rationale for supportive policies in OECD countries in order to create the conditions required for growth and poverty reduction. Rising prosperity in OECD countries depends increasingly on economic growth in the developing countries. If the development progress is faltering, this can generate highly negative economic, humanitarian and security impacts on global economy.

### **What is policy coherence for development (PCD)?**

PCD aims to identify and promote comprehensive policy actions for more effective poverty reduction. To be successful, this approach requires that decision-makers be well informed to assess relevant policy options before disbursing public funds or adopting regulatory policies that may affect developing countries negatively. Fully coherent policies from a development perspective in all circumstances may not be feasible due to competing national interests.

Coherence can be promoted at several levels: a) internal coherence within development cooperation policies; b) intra-country coherence, meaning consistency between aid and non-aid policies; c) inter-donor coherence, meaning consistency of aid and non-aid policies across OECD countries; and d) donor-recipient coherence to achieve shared development objectives.

Policy *incoherence*, are actions that reduce current income and growth prospects in developing countries and run counter to aid policies. There is little point, for example, in providing development aid to improve a country's ability to engage in trade if the donor countries then maintain trade barriers that keep the developing country's goods out.

The keynote presentation, prior to the sessions, will highlight recent trends in globalisation that have consequences for policy coordination for growth and development. First, globalisation creates a demand for harmonisation of standards in areas not directly related to development, such as food safety and banking regulation. These policies can have a profound impact on the production and finance systems of developing countries, creating a need for policy coordination across a broader range of policies and policy

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<sup>1</sup> To address policy coherence issues from a whole-of-government perspective, the OECD ministerial meeting in 2002 called on the OECD to "enhance understanding of the development dimensions of member country policies and their impacts on developing countries. Analysis should consider trade-offs and potential synergies across such areas as trade, investment, agriculture, health, education, the environment and development co-operation, to encourage greater policy coherence in support of the internationally agreed development goals".

making bodies. Second, globalisation processes create new actors that need to be incorporated into policy coordination. On one hand, private sector actors play an increasingly active role in standards setting, with major implications for developing countries' access to global markets. On the other hand, the new powers in the global economy, notably China and India, are development actors in their own right and influential voices in policy making. Their rise blurs the distinction between OECD members and developing countries and creates new coordination challenges.

## **SESSION 1: INTERNET ACCESS AND THE INFORMATION SOCIETY – WHAT POLICY MIX WORKS FOR EMERGING ECONOMIES AND DEVELOPING COUNTRIES?**

Access to electronic communication networks and use of information and communication technologies (ICTs) have become major factors that drive competitiveness, economic growth and social development. ICTs are crucial to poverty reduction and can improve access to health and education services, and create new sources of income and employment for poor people. In the last decade, ICTs, particularly mobile phones, open up new channels for the free flow of ideas and opinions which can promote democracy and human rights. But there are substantial discrepancies in access to ICTs between countries, particularly at the North-South level; also within countries, depending on key factors such as gender, rural coverage, skills and educational levels.

The Internet, in little more than a decade following its commercialisation, has been remarkably successful in developing greater opportunities for communication access for the first billion users. Internet access depends on telecommunication connectivity that underpins the network of networks. The viability and prices of Internet Service Providers in developing countries depend not only on enabling domestic policies, but also on the structure and competitiveness of their access to international bandwidth<sup>2</sup> markets. In this area however, there is a widespread perception that the policies pursued by developed countries, in respect to international exchange of Internet traffic, are negatively impacting the development of access to communications in developing countries. The question of whether the policies – in OECD or developing countries - are conducive for development, and as a consequence poverty reduction, is the main issue under consideration in this session. This issue will be discussed also at the OECD's Ministerial meeting on "The Future of the Internet Economy" to be held in June 2008 in Seoul and we hope that the discussions at the workshop will contribute also to the preparations for this meeting.

Identifying and sharing the reasons for the Internet's and information technology's tremendous accomplishments, to date, and the barriers to the future development is critical. All indications suggest that the majority of the next several billion users, mainly from developing countries, will connect to the Internet mainly via wireless networks. In some developing countries, the number of wireless subscribers already outnumbers those for fixed networks by more than 20 to one. The characteristics of these "new" Internet users will be vastly different from the first billion users. The majority of users now joining wireless networks, for example, has incomes of less than 2 USD per day.

Liberalisation has played a key part in the expansion of fixed and wireless access networks, which in turn make possible access to the Internet, and in making these services increasingly affordable and applicable to people with very low incomes. Jamaica provides one example of how rapidly access to communication services can change. Mobile penetration in Jamaica went from less than 5% to just under 100% in the five years following liberalisation (2000-2005). Jamaica has a GDP per capita half that of an OECD country with lowest rate but a mobile penetration rate equal to the leaders. There is, of course, still a role for complementary government policies, in areas such as capacity building or encouraging network coverage in rural areas as well as relevant content availability, but such policies should build on what a competitive and open market can achieve. For example, the cost to extend coverage to a village in a rural area of a developing country is much less if commercial networks have been able to flourish. In the past, justifying monopolies to provide universal service has meant the cost of such coverage was both prohibitive and impractical.

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<sup>2</sup> The amount of [data](#) that can be transmitted in a fixed amount of time. Bandwidth is usually expressed in bits per second ([bps](#)) or [bytes](#) per second.

There is increasing innovation occurring in a number of developing countries with competitive markets applicable to local circumstances. The employment, micro-entrepreneurial and social development opportunities which have emerged, as access levels have raised among low income users, can also be highlighted. It can also be noted that micro-entrepreneurial opportunities have been opened for women in some of the world's poorest countries. Banking via mobile telephones or international remittances via the Internet are just two further examples of how people that would otherwise not have access to affordable banking services are taking advantage of ICTs. That being said, more than 70 countries still have monopolies over international gateway services. Such monopolies raise the prices for accessing international capacity, far beyond costs, and reduce the affordability of Internet access to business and end users.

OECD's work over the past decade indicates that the current commercial model for Internet traffic exchange has been highly successful and that regulatory reform during the same period has been positive in developing communication access. At the same time, tremendous opportunities exist for reducing costs and increasing competitiveness through the development of local infrastructure and human capital. As of November 2007, 91 countries do not have an Internet Exchange Point (IXP) and continuing efforts are needed on capacity building in respect to inter-networking skills which are needed to run IXPs<sup>3</sup>.

The challenge for all stakeholders is to expand the economic and social opportunities, made possible by the Internet, for the next several billion users. A flexible and light regulatory environment has contributed much to the Internet's success in supporting new communication opportunities and growing the Internet as a platform for rapid innovation. At the same time, as the Internet becomes a fundamental infrastructure critical to economic and social development, all stakeholders have an ongoing interest in its performance and reliability. There is a need to ensure that this key infrastructure is extended to developing countries to enhance their economic and social development. The OECD countries will also benefit from the network effects and the creation of new markets.

The recent OECD study on the access to internet put forward the following proposals:

- The next several billion Internet users represent a commercial opportunity rather than a burden and this should be reflected in policy approaches.
- There is now a large body of experience to draw on in reforming communication markets and orienting them towards growth. These include the introduction of competition, separating the function of policy making from operational responsibilities and the creation of an independent regulator with the power to enforce appropriate regulatory safeguards.
- Liberalisation of communication markets focuses competitive forces on the expansion of access and affordability for the poor as well as promoting innovation applicable to local circumstances as highlighted by the recent experience of some developing countries from Asia and Africa. Improved access and lower communication costs generate general economic and social benefits. Historically, in markets typified by monopolies and little momentum for access growth, the cost of reaching and maintaining service to low income users was not sustainable.
- Opening communication markets enables private sector investment to respond to demand and scarce government resources to be used elsewhere for development in areas of high priority (e.g. health, education). The development of a competitive and commercial market stimulates the build out of infrastructure which can then enable targeted intervention by government to achieve public policy goals (e.g. for provision of access in those underserved areas of their countries at a reasonable cost such as a village access point).

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<sup>3</sup> IXPs are places where different Internet networks can physically interconnect to send and receive traffic between their networks.

- Higher prices for communication services generally exist where one or more players can exercise monopoly power in the use of existing infrastructure (e.g. an undersea cable or international gateway) or prevent the development of more cost efficient infrastructure (e.g. IXPs). Governments should aim not only to ensure competitive markets for users in their own countries but for the delivery of international services from their country and to their country through lower termination rates.
- The barriers for establishing IXPs in countries where they do not yet exist are largely non-financial. There is a lack of appreciation among all stakeholders of mutual benefits which they can enable. An efficiently managed IXP can rapidly generate savings that pay for its establishment and maintenance as well as improve Internet performance in the concerned country. It is estimated that expenditure of less than 40 000 USD in total would fund the establishment of an IXP in each of those 92 countries where they do not exist (i.e. a total of under 4 million USD). Such expenditure for example in the form of development cooperation would only make sense if the conditions are in place to enable the IXP to operate efficiently and become industry driven.
- It is necessary for governments in OECD and developing countries to consider closely the overall coherence of their policies in order to support development. The benefits of liberalisation – supported by relevant capacity building -- extend well beyond the communication sector to economic and social use of networks and services.
- Policy or regulatory approaches that place burdens on the communication not related to sector specific goals, which are additional to those applied to the rest of the economy or society (e.g. taxes, tariffs), or do not encourage competition to flourish, act as a barrier to overall economic and social development.
- The globally interrelated nature of the Internet means that the policies and practices adopted in any country have the ability to affect the security and stability of network use in another. In this context the development of a culture of security which benefits all users around the world, and the expenditure necessary to sustain that environment, will be particularly challenging for the next several billion Internet users. All stakeholders should support capacity building, developmental and cross-border cooperation to build a global culture of security.

### *Topics for Discussion*

- How could Internet, communications, and innovation policies in OECD and developing countries better promote development outcomes such as economic growth and poverty reduction?
- What complementary policies and practices are needed to realise this potential and where are the policy incoherencies that impede development?
- What are the key barriers that prevent the poor from accessing the Internet, and ICT? What are the key reasons for the successful growth of access to communication networks in developing countries and what more can be done?
- What is the role of development financing and development agencies and the civil society organisations?
- Why have IXPs thrived in some very low income countries, such as in Africa, but not in others?
- How can all stakeholders respond to the need for capacity building in respect to ICT and inter-networking skills?

## SESSION 2: IMPROVING ASSESSMENT OF POLICY COHERENCE: LEARNING FROM EACH OTHER

In this session, we aim to discuss how the assessment of results in promoting policy coherence for development could be improved. As a case study we will have the opportunity to consider the *European Union's Report on Policy Coherence for Development*. In the discussion, we should also consider other mechanisms in place, including the OECD peer review process in monitoring progress in PCD, the Commitment to Development Index (CDI), and several national mechanisms in place. Do national progress reports on PCD and independent monitoring of PCD efforts stimulate more coherent policies?

The European Union (EU) evaluation report sheds some light on its progress of promoting a higher degree of coherence between the policies that affect developing countries, and identifies the main outstanding issues to be considered for further action by the EU. The report also provides a basis for assessing the application of PCD. The EC has also other mechanisms to help promote PCD, including Inter-Service Consultations, the Impact Assessment mechanism, Trade Sustainability Impact Assessments, and an Inter-Service Group on PCD. At the EU level, there is an informal PCD Network for exchanges of information between European Commission (EC), member states, and the Presidency PCD Rolling Work Programme to identify common priorities.

The EU has taken concrete steps to improve the degree of PCD. In terms of concrete results however, according to the evaluation progress remains below the ambition set in the European Consensus on Development. Awareness and knowledge remain insufficient.

Main findings of the report with regards to the EU's organisational mechanisms include:

- Awareness of the external impact of EU policies beyond development has increased within EU institutions and the importance of PCD seems widely recognised, as reflected by the many PCD mechanisms put in place at Member State, EU and EC levels. Adequate policy frameworks, procedures and instruments to promote PCD have been set up and must now be used in a more systematic way and, if necessary, improved and adapted based on experience.
- Within the EC, a series of relevant mechanisms are in place and are helpful to promote PCD, in particular the Inter-Service Consultation (ISC) which has been set up to ensure proper co-ordination between the various EC services and the Impact Assessment System. An inter-service group has also been set up to promote PCD. Within the Council, much progress has been made so far due to Presidency actions; but, according to some member states, PCD could be better institutionalised in the decision-making process. Within the European Parliament, the Development Committee is increasingly engaging in PCD, which it furthers through issuing reports and defending positions in plenary sessions and related activities.
- In spite of these efforts, the EU is still at an early stage of developing PCD. Capacity is often lacking and awareness amongst non-development departments remains low. The process of preparing this report itself may have contributed to starting to reverse the trend.
- Overall, member states' assessment shows that progress towards PCD has been greater at the EU level than at a national level.
- Conflicting political priorities amongst policies or different interests amongst member states as well as amongst developing countries are the main obstacles to PCD.

## *Key policy areas*

The report addresses 12 key policy areas and their multiple interactions with EU development policy. All areas analysed have an effect on the economic, social, environmental or political situation and prospects in developing countries:

- 1) **Trade.** Trade is a powerful engine for economic growth and countries rely for a substantial part on trade to fight poverty. While trade alone cannot solve development problems, openness to trade and support for supply capacity are important elements in any coherent development strategy.

Besides the ISC, the main EU tool to ensure PCD in trade consists of the Trade Sustainability Impact assessments. They are carried out by independent external experts and identify the potential economic, social and environmental impacts of any given trade agreements.

- 2) **Environment.** While affecting everyone, the magnitude of environmental challenges varies considerably from one region (or country) to another. Many, if not most, developing countries are directly threatened by environmental degradation and the poor are usually those who suffer most from environmental problems.

Tools such as Country Environment Profiles and Strategic Environmental assessments can favour better integration of environmental concerns into the development and poverty-reduction strategies of partner countries

- 3) **Climate change.** While climate change is affecting all countries, developing countries and poorest populations will be hit the earliest and hardest.

Impact assessments of EU climate change and energy policies need to carefully continue to examine the effect of these policies on developing countries.

Systematic climate risk assessment and mainstreaming of climate change into development policies and programmes ('climate proofing') are still at an early stage, both within development agencies and at developing-country level.

- 4) **Security.** Even though the number of conflicts in the world has declined, internal civil wars are devastating and lack of security hampers people's legitimate aspirations.

The report identifies the need for a comprehensive policy framework to further develop the security development nexus and for better coordination between the pillars through better information exchange and more regular joint meetings between first and second pillar working groups in the Council. The organisational mechanisms in the EC and the Council should be strengthened to better take account of development concerns in security decisions; and, a conflict prevention lens should be systematically applied to development cooperation.

- 5) **Agriculture.** Agriculture is of particular importance for developing countries and plays a key role in their economic growth, poverty reduction and food security. The reform of the CAP is contributing to better taking into account the development dimension. Ensuring coherence of agriculture policy with development objectives is sometimes difficult due to the fact that the same measures have different consequences on different countries.

- 6) **Fisheries.** Fisheries is an important economic activity in many coastal developing countries and it can make an important contribution to food security.

The EC systematically undertakes sustainability impact assessments and consults relevant stakeholders on this issue. The 2002 Communication on an integrated framework for fisheries partnership agreements (FPAs) with third countries, and the Council conclusions on FPAs with third countries of July 2004 provide a framework that have effectively managed to ensure better coherence between EU fishing interests and development policy objectives. Fisheries policy, therefore, seems to have benefited from a policy framework ensuring PCD. However, the challenge is still there to fully implement these policies.

- 7) **Social dimension of globalisation, employment and decent work.** The working poor represent one half of the poor across the world and child labour affects millions of children. The EU's efforts to enhance the social dimension of globalisation are fundamentally favourable to the MDGs.

While the impact of European Social and Employment Policies on developing countries remains limited compared to other PCD areas, the European community and member states increasingly address employment and social issues as part of their external development and trade policies.

- 8) **Migration.** There is now a clear understanding that migration can be good for development and vice versa. Hence the importance of trying to harness the positive links and synergies that exist between the two policy areas and the importance of progress made in the EU dialogue with developing partner countries in this regard. While important steps have been taken to incorporate migration into country strategy papers, examples of concrete action in the field remain limited.
- 9) **Research.** The ability to generate, absorb and apply new knowledge is an increasingly important factor determining the international competitiveness of modern economies as well as contributing to sustainable development.

It is important that funds for research specifically targeted on poverty issues are increased and, more importantly, that research is not only 'for' but 'in and with' developing countries. Developing countries' capacities to participate and benefit from research programmes need to be improved.

- 10) **Information Society.** ICT can be a powerful tool for development, driving competitiveness, economic growth and social progress, as well as opening up new channels for the free flow of ideas and opinions which can promote democracy, freedom of speech, human rights and mutual understanding amongst people. However, the report points out that there is limited awareness of the potential impact of ICT policies on development amongst EU member states.
- 11) **Transport.** The provision of an effective and efficient transport infrastructure is needed to achieve the MDGs, and is a key element underpinning competitiveness and economic growth.
- 12) **Energy.** Electrification and the availability of clean cooking fuels could substantially improve sanitary and health conditions and increase standards of living for the two billion people in the world that rely on traditional biomass fuels for cooking and/or have no access to modern energy services.

*Topics for Discussion:*

- How can we enhance PCD more effectively? What is the role of assessing and results?
- What assessment tools (e.g. indicators, benchmarks) are useful, informative, practical and acceptable for policy evaluation?
- Who and at what level - national or international – should be conducting the assessment?

## SESSION 3: INTERNATIONAL MIGRATION: WHAT IMPACT ON DEVELOPMENT?

About 3 percent of the people in the world today live outside the countries where they were born. While this proportion has not risen markedly in recent decades, the migrant share of the population of more developed regions has risen steadily, to about 7,8 percent at the beginning of the millennium (OECD population censuses, around 2000). Migration, foreign direct investment, and trade flows can be mutually reinforcing, providing a strong case for cooperation across policy domains. Greater coherence – between ministries within a country and between countries – among migration policies, development cooperation policies, as well as employment, trade and security policies is indispensable.

OECD countries could better interlink migration and development policies; developing countries, for their part, could mainstream migration and remittances in their national development strategies. Enhanced partnerships between sending and receiving countries may be an effective mechanism for assuring that interlinked and coherent policies are put in place and properly implemented. But how could this best be achieved in practice?

Taking stock of what we know about the links between migration and development leads to several proposals for policy innovation. *These can be sorted into three groups of detailed questions:*

### **1. Encouraging governments in receiving countries to look at their migration policies through a development lens:**

- How to encourage OECD countries to develop guidelines regulating the recruitment of highly skilled workers from developing countries?
- Which concerted steps should be taken to lower the costs of financial transfers through formal channels while banks and financial institutions in OECD countries, in cooperation with financial institutions in developing countries, take the lead in expanding financial services to poor rural communities?

### **2. For economic policy makers in emigration countries: migration as part of national development strategies:**

- How can the major emigration countries adapt their macroeconomic policy making – including taxation, expenditure and exchange rate policies – to the outflow of migrants?
- How can the sending countries adapt their human resource policies, in both the public and private sectors, to emigration? How to develop a partnership approach that links OECD countries' migration policies and origin countries' human resource development policies?
- What measures are most feasible for financing higher education, including financial assistance to needy students and the planning of curricula?
- How to strengthen regional initiatives among developing countries with the support of OECD countries; much low-skilled migration from the poorest countries is to nearby developing countries?

**3. Promoting greater coherence of policies in OECD to allow more effective management of the emerging mobility system:**

- How to introduce at the national level, inter-ministerial and interdepartmental initiatives to promote coordination of development and migration policies?
- How can we encourage and implement more regular consultations among different policy communities of the OECD?
- What is the role of development assistance? Will it bring developing countries to the bargaining table, and how can it better help build capacity in emigrating countries so that they can better benefit from migration?
- OECD countries' security policies must recognise the broad nature of "insecurity" and the relationship between insecurity and labour mobility.

**Topics for Discussion:**

- What role do development assistance, migration, trade and other policies play in helping migrant-sending and migrant-receiving countries gain from labour mobility?
- What are the consequences of international migration for economic and social progress in low- and middle-income countries?
- What policy reforms would maximise the benefits and minimise the risks of these migration flows for all parties involved – sending countries, receiving countries and the migrants themselves?

## SESSION 4: FUTURE CHALLENGES AND CRITICAL THEMES FOR PCD

### Why is PCD difficult to achieve?

PCD will continue to be a function and outcome of competing and conflicting interests and values. The extent to which certain interests override others is a matter of stakeholder power, transparency in decision-making and ultimately political will to spend scarce political capital. Vested interests in certain areas have been shown to be considerably more powerful than developmental interests. OECD taxpayers and consumers, as well as the poor in developing countries, often bear the costs of policy incoherence. Multilateral negotiations are often key in unlocking political obstacles at domestic levels.

Promoting policy coherence for development requires a strong political commitment to take into account the needs and interests of developing countries in domestic policy-making and the evolving world economy. This is a challenge for OECD countries when domestic interest groups are more preoccupied with concerns and responsibilities other than combating world poverty.

### What can be done to achieve more PCD?

The linkage of PCD to the “political economy” is one of the issues we need to understand better to promote PCD more effectively. “Political economy” has been explained as “advocating the right thing” without giving up politicians’ chances to be re-elected, or to be voted into office. These “political economy” considerations – to which the OECD is currently paying more attention, need to be better understood to advance PCD agenda.

In the discussion, we should consider how can policy-makers across party lines – and more importantly the voters – be convinced to support long-term goals and concrete policies that may not have as direct beneficiaries our own OECD citizens in the short- to medium-term? How can we implement more comprehensive policies which take account of development impacts? Why have the good and generally accepted policy recommendations not been implemented properly? Why are we not achieving public policy goals? What is the role of lobbying of diverse interest groups?

The OECD’s analysis on the key institutional building blocks<sup>4</sup> to promote policy coherence for development gives us the basis for understanding the decision-making process. We need to identify where and when to inject incentives in the political economy for a more coherent policy-making.

We should also discuss the focus of our attention - where can the greatest impact be achieved? Who are the main drivers for change, and where does ‘resistance’ get its support? How do we increase dialogue with the national actors and developing countries themselves in order to promote more coherent policies at the four levels identified above? How can priority setting and trade-offs across OECD countries assist in promoting PCD and what role could (informal and ad hoc) coalitions, possibly with developing countries, play? How can good intentions be translated into operational and meaningful work programmes on PCD?

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<sup>4</sup> The four main building blocks that we have defined to promote PCD are: (i) political will, (ii) institutional structures for coordination, (iii) expertise and capacity, and (iv) monitoring of results.

What is the role of parliamentarians? They are key players in the political economy of reform and thus could be also in promoting PCD. They are critical in ensuring a whole-of-government approach. Parliamentarians play an essential role in communicating the benefits of coherence to their constituencies.

What is the role of civil society organizations (CSOs)? In many OECD countries CSOs already work closely with policy-makers, bringing in the ‘voices’ of the public. Their role is also crucial in raising awareness and sustaining visibility. How to make our case more convincing and draw the attention of the needed main actors at the national level? How to improve our communication and make it more ‘user friendly’ and focus on sectors relevant to our members?

### **What are the key areas for future substantive work on PCD?**

Below are some substantive areas for discussion. Where can we see the most benefits and/ or incoherences? Where do we need more research and where is it more of a question of ‘lobbying’ and implementing the generally accepted public policy goals?

**Agriculture:** For developing countries, agriculture is still a major source of income and potential poverty alleviation. OECD analysis has shown that reducing agricultural trade protection and trade distorting support would improve global economic welfare. Agricultural policy reform is difficult to achieve, not because policy-makers are ignorant of the potential benefits but because those who fear they would lose out are able to block or water down reform initiatives. The impact of inefficient biofuels policies on agricultural production and food prices and thus food security makes this sector even more critical.

**Trade policy:** The tariffs on industrial goods imposed by OECD countries affect products that are critical to the economic well-being of developing countries – textiles, clothing and leather – and raise prices for consumers in developed countries. It is recognised that one-third of the world’s poorest people live in the so-called “fragile states” and that beyond aid, trade is one avenue to help these states out of their current situations of fragility. While substantial energies are devoted to bilateral or regional trade negotiations, various analyses point to the advantages of a multilateral approach to trade liberalisation and regulation; this can expand the range of trade-offs and facilitate resolution of sensitive issues. In the trade sector the non-trade barriers have become an increasingly important obstacle for developing country exporters when tariffs have been removed or reduced.

**Knowledge and technology transfer:** Access to products of the knowledge-based economy, as well as effective transfer of technologies and information, are key determinants for growth in developing as well as developed countries. The role of policy and practice in delivering effective access to internet will be discussed under session 1. But other areas of ICT can be equally relevant. The level of protection and enforcement of intellectual property rights (IPR) have been given increasing attention in the international debate, especially in relation to innovation of medicines for neglected diseases and to access to medicines for the poor.

**Migration:** Migration can be a powerful motor for economic and social progress in migrants’ home countries, but the contribution of migration to development varies over time and from country to country. More effective management is needed to maximise the gains and minimise the risks associated with the phenomenon. This issue will be discussed under session 3.

**Governance and Anti-corruption:** Insufficient transparency, accountability and integrity in the public and private sectors; deficient criminal legislation and anti-corruption mechanisms; and insufficient international cooperation all weaken OECD members’ ability to address corruption and illegal transfers effectively, both at home and in their relations with other countries. Greater policy coherence would also require more attention to the supply side issues of corruption.

***Climate change:*** Industrialised countries (home to 20% of the world's population) account for 63% of carbon dioxide emissions that have accumulated in the atmosphere since 1900. The ensuing global warming will impose heavy costs on vulnerable developing countries. The 2006 OECD *Ministerial Declaration on Integrating Climate Change Adaptation into Development Cooperation* recognised that responses to climate change should be coordinated with social and economic development in an integrated manner, taking into account the needs of developing countries for the achievement of sustainable economic growth and the eradication of poverty. In addition to adaptation the question of mitigation and an efficient and equitable multilateral framework on climate change are important elements for more coherent policies.

This final session will draw upon the discussions during the day's preceding sessions. The establishment in July 2007 of an OECD informal network of focal points in capitals will greatly enhance the quality and quantity of the Organisation's dialogue with members of the OECD and of the Governing Board of the Development Centre. PCD is a multifaceted and complex issue that requires that all stakeholders are heard and the network will help us to pursue this aim. We hope to benefit from participants' expertise when defining future priorities and identifying new entry points for promoting more coherent policy-making.

***Topics for Discussion:***

- What are the major challenges for OECD countries in promoting policy coherence for development?
- What are the critical themes that will require particular focus in the coming years; in what form can they be best addressed and what role can the OECD play?
- Where do we need further research and evaluation to identify productive avenues for policy coherence?
- How could the informal network of focal points best assist in promoting PCD issues – at home and at the OECD? What would be the most efficient working methods?