



The Policy Coherence for Development work in the OECD

Raili Lahnalampi

Office of the Secretary General





Policy Coherence for Development (PCD)

“The pursuit of development objectives through the systematic promotion of mutually reinforcing policy actions on the part of both OECD and developing countries.”



Rationale for policy coherence for development

- Globalisation and liberalisation raise the gains from interdependence and integration – which require coherent policies.
- Aid alone cannot reduce poverty: PCD is an essential tool to fulfil the Millennium Development Goals.
- Incoherence has an economic cost – to the poor in the developing world, and to taxpayers in OECD countries.



Dimensions of coherence

- Internal coherence within development co-operation policies.
- Intra-country coherence: consistency between aid and non-aid policies of a single donor.
- Inter-donor coherence: consistency of aid and non-aid policies of many donors.
- Donor-partner coherence to achieve shared development objectives: consistency of donor and developing-country policies.



Development Assistance Committee's priorities for PCD

- Communication and implementation of PCD lessons learned;
- Assessment of PCD, including a synthesis of lessons from Peer Reviews;
- Co-ordination and joint meetings with other Committees and bodies within OECD;
- Strengthening and widening the informal grouping of member countries to be the “client” for and advisor on PCD output;
- Improved networking with other organisations.




OECD's unique capacity to promote policy coherence for development

- Multidisciplinary policy expertise and competences covering the whole policy spectrum.
- Direct contacts to national ministries and authorities.
- OECD's role as a 'hub for globalisation' gives our work on PCD an added value and visibility.
- Interdisciplinary analyses increase the relevance of OECD work in the global context.



OECD's landmark documents and PCD

The **DAC strategy *Shaping the 21st Century*** (1996)

- emphasised the importance of ensuring that the relevant policies are consistent with and do not undermine development objectives.  MDGs

The **DAC Guidelines on Poverty Reduction** (2001)

- overall coherence between the different policies of OECD governments as a key factor influencing the effectiveness of development co-operation policies on poverty reduction.

The **Paris Declaration** (2005)

- laid out a strong agenda for aid effectiveness, donor harmonisation and alignment.



Aim of the work on policy coherence for development

- Exploit the potential for positive synergies.
- Avoid policies that undermine each other.
- Avoid OECD-country policies that adversely affect the development in developing countries.
- Focus on member countries' policies in trade, investment, migration, agriculture, health, the environment.



Results of the PCD programme

- Analytical output has been a key component of the programme.
- *OECD*-framework provides tools to guide policy makers in their *institutional approaches* to enhance PCD or to assess the impact of sectoral policies on development.
- Sectoral studies (trade, agriculture, fisheries, environment, anti-corruption) have been initiated for members' use.
- Publications in the 'Development Dimension' series:
www.oecd.org/development/policycoherence



Overview Highlights: Policy Coherence For Development OECD

ANALYTICAL APPROACHES / OUTPUTs	Analytical Tools/ Instruments	Policy Dialogue	Publication/ Dissemination
INSTITUTIONAL	Framework/checklist for Peer Reviews	Ongoing: Peer Reviews	TDD* series, national and inter-national seminars
REGIONAL			
East Asia Africa	Regional/country case studies; lessons learnt Action frontiers & performance benchmarks	Preparatory workshops (2) and international seminar Consultations African civil society & officials, donors	TDD series; Berlin & Tokyo, policy brief, DEV/Japan book, workshops; Joint ECA/OECD report
POLICY AREAS			
Agriculture	Policy decision framework; PSE other measures of support	Global Forum on Agriculture, Regional outreach events (3), Parliamentary seminar	TDD series
Anti-Corruption	Principles; Collective action agenda	Ongoing	Brochure, articles, SG speeches
Cotton in West Africa	Stats, country cases	Numerous consultations with African partners	SWAC reports, TDD series
Environment	Declaration & Framework; modelling	Ongoing	Declaration & Framework; ENV Outlook
Fisheries/Natural resource sectors	Analytical framework	Joint workshop	TDD series
Health	Economic analysis, incentives	High level forum June 2007	Goes in TDD series
Macroeconomic policies	Econ. Stats & projections	Several seminars	DEV ** papers, chapter in TDD series
Migration	Case studies, statistics, lessons	Parliamentary seminar; policy seminar 2007	TDD series, DEV**
Peace, Security & Fragile States	IF-SSR Field Manual, fragile state pilots, SSR assessment framework	Country, regional workshops; senior level meeting	Field applications by multi and bilateral donors
Trade	Statistics, cases	Seminars, meetings with WTO, conference workshops	TDD series, DEV**
Internet connectivity	Statistics, cases	Internet Governance Forum 2007	

* TDD: *The Development Dimension* publication series.** DEV: includes Development Centre Policy Briefs, Policy Insights; studies & future flagship.



Policy recommendations

Enabling conditions for PCD:

- No development without peace and political stability: a whole-of-government approach to security is needed, with development objectives an integral part.
- Developing countries are responsible for ensuring coherent and economically sound domestic policies.
- Development co-operation plays a critical role in helping developing countries to benefit from policy reforms in other policy areas.
- Two-way street: Development policy makers must take on board the concerns of other sectors.



Policy recommendations (cont.)

Ensuring PCD at national level

- Institutional co-ordinating mechanisms are indispensable to implement policy coherence.
- Four main components:
 - political will and the policy framework
 - building capacity
 - overcoming institutional challenges
 - assessing the results of policy coherence efforts.



Policy recommendations (cont.)

Assessing PCD results

- Results in policy coherence for development can only be measured against clear and common goals.
- Commitments (Millennium Declaration, Monterrey, Johannesburg World Summit on Sustainable Development, Doha Development Agenda) are the concrete development objectives for which developed countries are accountable to their partner countries.
- This is the framework for action, mutual accountability and results measurement, together with a timeframe for delivery of results.