



2017 HIGH-LEVEL POLITICAL FORUM SIDE EVENT REPORT

The OECD, together with the Government of the Grand Duchy of Luxembourg, organised a side event on ***“Policy coherence as a means for addressing dilemmas in SDG implementation: Eradicating poverty in all its dimensions, while protecting the planet”*** on 18 July 2017 in the context of the UN High-Level Political Forum on Sustainable Development (HLPF). The event convened a high-level panel of representatives from governments, international organisations and the business sector to share good institutional practices to enhance policy coherence for sustainable development (SDG 17.14) for the effective implementation of the Sustainable Development Goals (SDGs). The event was followed by an interactive learning session on policy interactions, facilitated by Måns Nilsson from the Stockholm Environment Institute (SEI).



Mr. Jaime Miranda, Mr. Romain Schneider, Mr. Doug Frantz, Ms. Ebba Dohlman and Ms. Carole Dieschbourg.

Key messages

- Policy coherence for sustainable development can be supported by eight institutional building blocks: political commitment and leadership; integrated approaches to implementation; intergenerational timeframe; analysis and assessments of potential policy effects; policy and institutional coordination; local and regional involvement; stakeholder participation; and monitoring and reporting.
- There is a need to integrate policy coherence at both the conceptual and operational level and to raise awareness of policy coherence and its multidimensional nature outside the development community.
- Partnerships between various stakeholders – governments, the private sector, NGOs and civil society and academia – should underpin all efforts to implement the SDGs.
- Greater efforts are needed to align and integrate the implementation of the different international agendas, e.g. the 2030 Agenda, the Paris Climate Agreement, the Financing for Development Agenda and Africa 2063.
- Sustainable business practices can offer win-win solutions as high productivity also facilitates the achievement of environmental and social objectives.
- Implementing the SDGs requires governments to prioritise and sequence actions and policies, and to consider trade-offs, synergies and impact on other countries.
- Official Development Assistance remains important but must be done differently. We must move from a supply-driven donor agenda to one that is demand-driven and goes beyond aid.
- Parliaments and Supreme Audit Institutions can play an important role for effective SDG implementation.
- Local authorities are key for accelerating the transition to more sustainable development.

The event was opened by OECD Deputy Secretary-General **Doug Frantz**, who also acted as moderator. He underscored the OECD's commitment to support all countries at all levels of development in their implementation of the SDGs. This involves measuring progress, developing evidence-based and coherent policies, and helping to identify and mobilise finance. Policy coherence for sustainable development requires an integrated approach to policy and co-ordinated actions across all levels of government.

Ebba Dohlman (OECD) provided a brief introduction to the OECD's work on PCSD, highlighting in particular eight elements which have been identified as good institutional building blocks for coherent SDG implementation:

- *Political commitment and leadership* – to guide whole-of-government action and translate commitment on SDGs into concrete and coherent measures at the local, national and international levels.
- *Integrated approaches to implementation* – to consider systematically inter-linkages between economic, social and environmental policy areas before making decisions.
- *Intergenerational timeframe* – to make informed choices about sustainable development considering the long-term impact of policy decisions on the well-being of future generations.
- *Analyses and assessments of potential policy effects* – to provide evidence on the potential negative or positive impacts on the well-being of people in other countries, and inform decision-making.
- *Policy and institutional coordination* – to resolve conflicts of interest or inconsistencies between priorities and policies.
- *Local and regional involvement* – to deliver the economic, social and environmental transformation needed for achieving the SDGs and ensure that no one is left behind.
- *Stakeholder participation* – to make sure that SDGs are owned by people, diverse actions are aligned, and resources and knowledge for sustainable development are mobilised.
- *Monitoring and reporting* – to better understand where there has been progress, why there has or has not been progress, and where further action is needed.

Romain Schneider, Minister for Development Cooperation and Humanitarian Affairs, Grand Duchy of Luxembourg, pointed to the need to integrate policy coherence at both the conceptual and operational level. To put this into practice, Luxembourg has reactivated an inter-ministerial policy committee with a large mandate. A number of issues have been analysed by the committee through a policy coherence lens, including pensions funds, agricultural policies and taxation. Civil society acts as an active observer during these meetings and can propose themes. Luxembourg also tried during its 2015 Presidency of the European Union to raise awareness of policy coherence and its multidimensional nature outside of the development community.

In reference to Luxembourg's Voluntary National Review, he noted that both PCD and PCSD put pressure on governments to make the right choices at the right time. This will inevitably involve trade-offs across sectors and between short- and long-term policy interests. Importantly, it will be a challenge to find the right complementarity between PCD and PCSD. While PCSD tends to be seen as a domestic principle, interests of developing countries are at risk of being put aside. This should be avoided, included by pursuing PCD.

Jaime Miranda, Vice-Minister for Development Co-operation, El Salvador, explained that El Salvador is going through an accelerated process to implement the SDGs. The country's national plans have been adapted to provide a roadmap for the medium-term and progress thus far is satisfactory. The challenge now will be to maintain this work and to develop a long-term strategy. To this end, El Salvador has begun

to explore its accountability mechanisms on two levels: on policy level; and on the technical level, and this approach appears to be bearing fruit. El Salvador has also established a Sustainable Development Council and recognises that the responsibility for implementing the SDGs has to be owned and paid for nationally. Finally, Mr. Miranda underlined the importance of partnerships with all actors, including the private sector.

Paula Caballero, Global Director, Climate Program, World Resources Institute, agreed that momentum for the 2030 Agenda is growing, but that greater efforts are needed to align this agenda with the Paris climate agreement. Specifically, there is need for:

- A better understanding of the co-benefits between two agendas; policy coherence can offer a lens and support action at all levels.
- A new mind-set, whereby the question on rebalancing is reformulated. It is absolutely impossible to sustain growth and eradicate poverty unless we put natural resource management at the heart of our efforts.
- Increased investments in e.g. human capital, as well as de-risking of green investment flows to developing countries.
- Long-term perspectives in today's policy making. This would ensure that these policies contribute to poverty eradication.

Jan Moström, President and CEO of LKAB Sweden, deliberated on the incentives that businesses have for transitioning to sustainable practices and what governments can do to support these efforts. LKAB is the largest iron ore producer in the European Union. Due to its remote location in northern Sweden, the company has to work with energy efficient processes to produce premium products in order to stay competitive. When you pursue high productivity, you are simultaneously achieving environmental objectives: LKAB has the lowest carbon footprint of any iron ore producer. The company's current ambition is to work together with SSAB to develop a method for manufacturing carbon-free steel. This is a capital-intensive process, which governments can accelerate by continued funding for the development of new technologies.

Debapriya Bhattacharya, Chair of Southern Voice, noted that the SDGs provide new intellectual impetus and that the transition from PCD to PCSD represents a new paradigm in which we move from development co-operation to global development. He raised three points:

- *Conceptual issue.* The debate is overwhelmingly focused on goals and targets and not so much on the means of implementation. However, coherence does not mean relating everything to everything; there is a need to prioritise and sequence policies and actions. This lack of conceptual clarity is also evident in the VNR guidelines.
- *Methodology.* In addition to inter-ministerial coordination, there is a need to measure inter- and intra-regional trade-offs and synergies, and to consider the impact of our policies on other countries.

- *Process.* There is no adequate platform to report on the contribution of the global development community and there is need to create new instruments along with the revision of the VNRs. Mr. Bhattacharya put forth the idea of a “Voluntary Global Review”.

Charlotte Petri Gornitzka, Chair of the OECD’s Development Assistance Committee (DAC), recognised that the SDGs require donor countries to look themselves in the mirror. Official Development Assistance remains important, but there is a need to do things differently. However, sometimes changing the way we do business can be more difficult than doing completely new things. While the MDGs were supply-driven, we must now work together with all stakeholders, including businesses, to change behaviours.

Implementing the SDGs will require 2.3 trillion annually and governments need to be incentivised to make investments where needed. This will require coordination and the DAC is currently trying to map out existing financing initiatives in order to ensure that we work in a coherent manner. We are also discussing the possibility to pilot different financing tools in partner countries that want to work differently and go “beyond money” to focus on knowledge and best practices. To better align to the 2030 Agenda, the DAC has also proposed a new measure for monitoring and reviewing resource flows: total official support for sustainable development (TOSSD).

Marion Barthélémy, Director of the Division for Public Administration and Development Management, UNDESA, underlined the importance of coherence between institutions, but noted that only 22 out of 50 countries analysed use some kind of cross-sectoral coordination. She urged participants to use the HLPF to continue the discussion and to take into account the important roles of Parliaments and Supreme Audit Institutions. Outreach should not only involve reaching out to outside actors etc., but also be undertaken within institutions (e.g. UN Public Service Forum in The Hague). She called for coherence between the implementation of international agendas to ensure that countries are not overburdened and noted furthermore that policy coherence tools can help to clarify concepts and change mind-sets.

Carole Dieschbourg, Minister for the Environment, Grand Duchy of Luxembourg, reiterated Luxembourg’s whole-of-government approach for implementing the SDGs. She noted that investments need to shift and align with the vision of a decarbonised economy and that local authorities are game changers when it comes to accelerating the transition to more sustainable development. We need more and better data and we need a new and optimistic narrative – one that is linked not only to environmental concerns, but also to human health and social wellbeing. The SDGs represent a huge task but also an enormous opportunity for all.