OVERVIEW OF PROGRESS IN PREPARING GUIDANCE FOR DEVELOPING AND IMPLEMENTING COUNTRY LEVEL STRATEGIES FOR SUSTAINABLE DEVELOPMENT

(Note by the Delegation of the United Kingdom and the European Commission)

This note provides an overview of progress in preparing guidance for developing and implementing country level strategies for sustainable development. It is submitted for DISCUSSION at the DAC Senior Level Meeting on 12-13 December under agenda item 2 a)

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TABLE OF CONTENTS

I. Background ........................................................................................................................................................................... 3

II. Clarifying sustainable development concepts in collaboration with developing country partners .... 3
    Why is additional guidance needed? ........................................................................................................................................... 4

III. Workshop on convergence between strategic planning initiatives: PRSPs, CDF and NSSD ........ 4

IV. Outputs and time frames .......................................................................................................................................................... 4
    A. “Policy Guidance” on country-level strategies for sustainable development .............................................................. 5
    B. "Source Book" on practical approaches to support strategic processes ................................................................. 5

ANNEX: POLICY GUIDANCE FOR DEVELOPING AND IMPLEMENTING COUNTRY-LEVEL STRATEGIES FOR SUSTAINABLE DEVELOPMENT: DRAFT ANNOTATED OUTLINE ........................................................................................................................................... 6

Box 1: Framework for policy guidance on strategies for sustainable development ....................................................... 6

1. The challenges of sustainable development and responses to them ..................................................................................... 7
2. Criteria for strategies for sustainable development ............................................................................................................. 8

Box 2: Possible issues to be considered in defining principles for strategies for sustainable development .9

3. Current practice: existing country level frameworks ........................................................................................................ 11
4. Evolving towards strategies for sustainable development .................................................................................................. 13
5. External partners: roles and relations ................................................................................................................................. 13
6. Monitoring processes and practices .................................................................................................................................. 15
OVERVIEW OF PROGRESS IN PREPARING GUIDANCE FOR DEVELOPING AND IMPLEMENTING COUNTRY LEVEL STRATEGIES FOR SUSTAINABLE DEVELOPMENT

I. Background

1. The 1992 United Nations Conference on Environment and Development (UNCED) Agenda 21 called upon countries to adopt a national strategy for sustainable development (nssd). *Shaping the 21st Century: The Contribution of Development Co-operation* (OECD, 1996), sets a target date of 2005 for nssds to be “in the process of implementation in every country”. In 1997, the UN General Assembly Special Session (UNGASS) set a target date of 2002 for all countries for their introduction. This is one of the seven international development targets agreed by the international community. The DAC Working Party on Development Co-operation and Environment (WP/ENV) has been mandated to formulate guidance for donors in supporting developing country partners with strategies for sustainable development [DCD/DAC(98)4]. A Task Force led by the United Kingdom and the European Commission was established to carry out this work.

2. This note provides an overview of the progress achieved by the Task Force. A tentative annotated outline of the policy guidance to be prepared is presented in the Annex. This draft guidance is for information only at this stage.

II. Clarifying sustainable development concepts in collaboration with developing country partners

3. In line with the partnership principles of the DAC 21st Century Strategy, WP/ENV Members agreed that formulation of policy guidance should involve collaboration with developing country partners. A series of in-country dialogues have been launched in Bolivia, Burkina Faso, Nepal, Tanzania, and Thailand. They are designed to improve understanding of the key challenges for developing and implementing effective strategies for sustainable development. Key steps in the dialogue process include the identification of a lead institution, a detailed review of past and ongoing strategic planning initiatives and consultations with government and civil society stakeholders, through workshops and round tables. In each country, a Steering Committee with high level political support is responsible for organising the work.

4. Each country has organised its dialogue in line with its national circumstances. For example, Bolivia is building on an ongoing National Dialogue on Poverty Reduction and the Global Plan for Bolivia which involves the Ministry of Finance and the Ministry of Sustainable Development. In Burkina Faso, the focus is on learning from the development of new planning approaches aimed at co-ordinating planning processes at international, national, regional and local levels. The Thailand dialogue concentrates on an analysis of the National Economic and Social Development Plan. In all dialogue countries, the integration of poverty reduction within long term sustainable development strategies is a central theme.

5. To supplement the knowledge gained through these dialogues, detailed reviews of lessons learned from strategic planning processes in Ghana, Namibia, and Pakistan are also underway. Relevant experience from programmes such as UNDP-Capacity 21 is also being drawn upon. A Mid-term Review
Workshop, hosted by Thailand in October 2000, provided the opportunity for all the partners in this exercise to take stock of progress achieved; compare initial results from the in-country dialogues and chart the course for the continuation of the exercise. A final workshop will be held in Bolivia in February 2001, to finalise the lessons from the exercise.

**Why is additional guidance needed?**

6. One of the primary results of the workshop held in Thailand was a consensus to move away from talking explicitly about “national strategies for sustainable development” but rather to focus on the principles that should be applied to any strategy to give it the best chance of putting the country on a path towards sustainable development. The distinction is not purely a semantic one. Although the international development target talks about “nssds”, use of the term itself meets with resistance and is therefore a significant barrier to its adoption. Three questions are often raised:

   i) Why is a new national strategy needed?
   ii) Isn’t the existing national environment plan a strategy for sustainable development?
   iii) What is the relationship between nssds and other on-going strategic planning initiatives.

7. These questions can of course be answered in each case but the need to do so is indicative of the fact that the target is widely misunderstood. The policy guidance will be pragmatic with an emphasis on principles for developing and implementing country-level strategies for sustainable development, examining approaches that have worked; why they have been successful; and how to encourage their adoption.

**III. Workshop on convergence between strategic planning initiatives: PRSPs, CDF and NSSD**

8. An important issue which emerges from the above is the need to ensure convergence between existing country-level strategic planning frameworks and the more recent Comprehensive Development Framework (CDF) and Poverty Reduction Strategy Papers (PRSPs) supported by the Bretton Woods Institutions as well as the United Nations Development Assistance Framework (UNDAF). These frameworks appear to share a number of common principles including an emphasis on partnership, participation and country-level ownership. An informal workshop has been scheduled on 28-29 November 2000 to review approaches to and potential convergence between PRSPs, CDF and sustainable development strategies with representatives of the Bretton Woods Institutions, the United Nations and developing country partners, under the chairmanship of the DAC Chairman. The workshop is organised in collaboration between the Working Party on Environment and Development Co-operation and the DAC Informal Network on Poverty Reduction.

9. The conclusions from the Workshop will provide input to the DAC guidance on poverty reduction and the formulation of principles and policy responses for country-level strategies for sustainable development, to be submitted for endorsement to the DAC High Level Meeting in April 2001. The discussions and recommendations of the workshop will be summarised in a brief report to be submitted to the Senior Level Meeting as a room document.

**IV. Outputs and time frames**

10. Based on the outcome of the in-country dialogues and other relevant inputs, the Task Force has set out to prepare two outputs:
A. “Policy Guidance” on country-level strategies for sustainable development

11. The framework for an annotated outline of the policy guidance was agreed at a mid-term workshop in Thailand by country partners and Task Force members. It is attached as an Annex to this document and is submitted to the SLM for review. It builds on past experience and lessons from the work carried out to date under this project, and signals only what is anticipated to be covered in the guidance. It will be further developed during the next three months in collaboration with developing country partners involved in the dialogues. The workshop to be held in Bolivia in February 2001 (para. 5 above) will provide the opportunity for all dialogue partners to agree on this guidance.

12. The lessons and experience emerging from the dialogues demonstrates that many of the challenges and weaknesses faced by country-level strategic planning processes are not new. Many are already acknowledged in the DAC’s *Shaping the 21st Century* policy document. The project is showing that there is a need to turn rhetoric into real commitment and practice. The policy guidance will identify ways in which these challenges can be, and are beginning to be, addressed and will put forward recommendations for donors in supporting this change. A tentative annotated outline of the policy guidance to be prepared is provided in the Annex.

13. The policy guidance is specifically targeted at development co-operation agencies but it is intended that it will also be of value to individual countries and of interest to a wider audience, particularly in the context of the preparations for the Rio + 10 Summit in mid-2002.

B. "Source Book" on practical approaches to support strategic processes

14. Designed primarily for field-level practitioners, this document will set out technical guidance on developing and implementing country-level strategies for sustainable development. It will outline policy implications, bringing together the main issues, lessons and case material from the dialogues and also experience of other strategic planning processes. The source book will suggest practical ways for donors to assist developing countries with such strategies. This will include institutional arrangements and instruments for participatory decision-making processes, indicators of progress, monitoring and evaluation systems and other relevant instruments. The sourcebook will be produced, as agreed, by the end of 2001.
Box 1: Framework for policy guidance on strategies for sustainable development

1. The challenges of sustainable development and responses to them
   1.1 Emerging consensus on the meaning of sustainable development
   1.2 Trends, major challenges and responses
   1.3 The need for a strategic approach and new approaches to planning for sustainable development

2. Criteria for strategies for sustainable development
   2.1 What are strategies for sustainable development?
   2.2 Key principles for strategies for sustainable development

3. Current practice: existing country level frameworks
   3.1 Range of existing country level frameworks
   3.2 Strengths of existing frameworks
   3.3 Weaknesses of existing frameworks (and reasons)

4. Evolving towards strategies for sustainable development
   4.1 Building on strengths and tackling weaknesses
   4.2 Key lessons from the dialogues to guide the development and implementation of strategies for sustainable development
   4.3 Addressing constraints

5. External partners: roles and relations
   5.1 Principles and instruments for partnerships
   5.2 Recommendations for donors

6. Monitoring processes and practices
   6.1 The need/ rationale/ utility of monitoring
   6.2 Who monitors
   6.3 Monitoring timeframe
   6.4 Private sector role
1. The challenges of sustainable development and responses to them

1. There is broad acceptance of the vision of sustainable development, and many efforts to translate its principles into practice. However, the concept is still interpreted in different ways by different people. Many see it as a mainly environmental issue. There is also confusion about what is implied by a strategy for sustainable development. It is often interpreted as meaning a document: it is necessary, therefore, to clarify the concept of sustainable development, and why strategic approaches are necessary to respond to the challenges that the world and individual countries are facing. Furthermore, it is important to define what this may mean in practice, and how the international community can support developing countries in their strategic efforts to move towards sustainable development.

1.1 Emerging consensus on the meaning of sustainable development:

2. One of the main achievements of the 1992 Earth Summit was Agenda 21. It established sustainable development as the guiding vision for development efforts in both industrialized and developing countries, and for international development co-operation. The principles of sustainable development recognize that, over the long term, economic, social and environmental goals are not in competition, but are complementary and interdependent dimensions of the development process. Their integration needs cross-cutting approaches to development that address specific national and local contexts and respond to existing cultural, institutional and political conditions. Thus, whilst sustainable development is a universal challenge, the response can only be defined locally.

3. Agenda 21 called on all countries to prepare national strategies for sustainable development (nssd), a commitment reconfirmed at the 1997 Special Session of the UN General Assembly. The OECD-DAC, in its vision for the future of development co-operation, documented in its 1996 policy statement *Shaping the 21st Century*, reconfirmed OECD members commitment to support developing countries in their efforts to elaborate nssds, making them one of the seven International Development Targets (IDTs). In 1999, DAC development ministers again reconfirmed their support for the formulation and implementation of nssds.

4. Other issues to be covered:

- Divergent interpretations of sustainable development derive from different values/ideologies and interests in different societies.
- It is important to recognise that there are also local definitions of sustainable development in various countries.
- Sustainable development has implications for politics, institutions and capacity e.g. it is a democratic concept and requires a degree of pluralism and room for consensus and negotiation.

1.2 Trends, major challenges, and responses

5. There are many challenges for sustainable development across the world. They affect individual countries in different ways and responses vary. This section will briefly introduce examples (e.g. globalisation; foreign debt; democratisation and decentralisation; conflict and instability; corruption; poverty; disease; technology; family breakdown; narcotic drugs; natural resource depletion; climate change; water and air pollution) and point to the associated opportunities and threats for developing countries. More detailed discussion of these challenges and the various responses being used/suggested to deal with each of them will be contained in the Sourcebook. This section will note:
The distinction between global, national and local challenges and links between them.

The problems of transition costs towards sustainable development paths.

The trade-off between meeting international (environmental) obligations and satisfying local needs (e.g., the conservation of bio-diversity in the face of local demand for more land for agriculture).

The frequent imbalances between the various ‘pillars’ of sustainable development. For example, economic needs and political expediency usually outweigh environmental and social considerations in decision-making. The supporting legislative, judicial and institutional apparatus is often very weak in developing countries – notably concerning the environment.

The challenges involved in balancing social, economic and environmental objectives and, where such balance is not possible, in negotiating trade-offs between them.

1.3 The need for a strategic approach to sustainable development:

6. This section will deal with the need to respond strategically to the challenges of sustainable development. It will argue that because of:

- The need to keep track of trends and challenges in an ever-changing world.
- The need for debate amongst stakeholders on such trends and challenges to seek ideas and a vision on how to respond to them.
- The largely differing perspectives, power, interests and time horizons of the various stakeholders and the need to balance these to maintain political stability.
- Frequent short-term tensions between legitimate economic, social and environmental interests.
- The need to seek compromise between short-term trade-offs for the sake of the long-term survival of individual regions as well as the planet as a whole.
- And, the need for learning and improvement in response to change.

7. A strategic approach is necessary in every country. Developing and implementing such a strategic approach requires a new understanding of development and planning processes that implies:

- Moving from a view that the State is responsible to one that responsibility lies with society as a whole.
- Moving from central and controlled decision-making to transparent negotiation and co-operation.
- Moving from policy planning to policy learning.
- Moving from sectoral to integrated planning.
- Seeking coherence between existing strategic planning frameworks.
- Monitoring the impacts of responses to challenges.

2. Criteria for strategies for sustainable development

2.1 What are strategies for sustainable development?

8. In May 1999, the DAC High Level meeting agreed to define a national strategy for sustainable development (nssd) as “a strategic and participatory process of analysis, debate, capacity strengthening,
planning and action towards sustainable development”. In addition, the dialogue partners have agreed that an NSSD should not imply initiating a completely new or stand-alone strategic planning process. Rather it should set out basic principles and practices for strategic planning applicable at national to local levels.

9. Depending on the outcomes of the dialogues, a revised definition of a strategy for sustainable development may be produced.

2.2 **Key principles/criteria for sustainable development strategies**

10. Dialogue workshops already held in Ghana, Nepal and Tanzania, discussions at the Mid-Term Workshop in Thailand, and experience from elsewhere, suggest a range of issues that are likely to form the basis of principles/criteria for strategies for sustainable development. Some of these are suggested in Box 2. More will emerge from the on-going dialogues.

<table>
<thead>
<tr>
<th>Box 2: Possible issues to be considered in defining principles for strategies for sustainable development</th>
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<td><strong>Note:</strong> These principles are all important and no order of priority is implied in the list</td>
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**CONTENT**

- A key feature of strategies for sustainable development is that they are *comprehensive and integrate* (where possible) the various dimensions of sustainable development and agree trade-offs where integration cannot be achieved. They should also analyse external linkages (e.g. impacts of national development on neighbouring countries and the global commons – and vice versa) and aim to link local-to-national levels and national-to-global levels. The entry point for seeking such integration and negotiating trade-offs can vary (e.g. poverty, environment).

- Strategic planning means building a bridge between a vision for the long-term development of a country and satisfying short and medium-term necessities. Therefore strategies for sustainable development need to *provide a vision for the future* (and provide ways of dealing with change on the path to achieving the vision) and a general framework for action at a country level.

- Strategies for sustainable development need to *set clear priorities*. They need to be *reflected in public spending and resource allocation*, including the transfer of resources from central to decentralized levels. Transparency and accountability are paramount here.

- It is important to *identify milestones* and establish effective monitoring mechanisms to steer processes and to capture learning.
Ownership

- National ownership of strategic approaches is essential. It is best secured when strategies are built on ‘home-grown’ efforts, i.e., when they are not driven by external pressures, demands or conditionality, but are developed domestically and driven by a genuine awareness of their importance and value.

- **High-level political commitment** is paramount. Otherwise there is a high risk that the processes will become exhausted, that participants will become frustrated, and there will be a lack of financial resources and responsibility for implementation. Political commitment is underlined by, for example, cabinet or parliament decisions and debates on strategies, ‘green’ cabinets, and the integration of strategy processes with other ongoing reform processes.

- On the other hand, **ownership should not be limited to government alone**. It also implies the involvement and participation of key stakeholders to foster commitment in developing and implementing strategies for sustainable development.

Participation

- Governments need to **promote and facilitate multi-stakeholder processes** (which include the marginalised and weakest/poorest). Lasting benefits are best secured when all the dimensions of sustainable development are considered from the start of the strategy formulation process. An important challenge is the need to strike a reasonable balance between comprehensive analysis; engaging local skills and capacity – both within and outside government; incorporating stakeholder views through broad participation; and the political realities of each country.

- Broad participation will also promote the political sustainability of strategies, so that changes in government do not interrupt implementation. Therefore, processes of developing and implementing strategies for sustainable development need to **strike a balance between government responsibility and the wider participation of society**.

- Strategies for sustainable development are more likely to be accepted and embraced by the population if they respond to peoples' needs and take these as a starting point. Therefore, strategies should **support bottom-up approaches** (e.g. facilitate the design and implementation of sustainable development initiatives by local people).

Coherence, co-ordination and linkages

- However, there will always be some strategic issues that should be dealt with at a central level (e.g. fiscal and trade policies, external relations, etc.). But it is essential to ensure good information flow and learning at all levels. Sustainable development strategies should therefore be **two-way iterative processes** with priorities and the main directions set at a central level and detailed planning and implementation undertaken at a decentralized level and transfer of resources.

- It is essential to establish effective mechanisms for co-ordination and to ensure **coherence between sectors and different planning initiatives/processes**, and effective **systems for conflict management and resolution**.
Management systems and communication

- Developing strategies for sustainable development needs good process management systems. This implies that the roles of the main actors in developing and implementing strategies need to be clearly identified (i.e. rights, responsibilities, rewards, relations). Furthermore, the political, institutional, scientific and financial capacity of countries needs to be taken into account.

- To secure broad ownership and participation, adequate communication and information systems are necessary.

Time frame

- There can be no set time frame for developing and implementing strategies for sustainable development. It takes time to establish and foster participatory, multi-stakeholder processes and to build trust and confidence. Strategies should not be seen as one-off exercises culminating in final products. They should rather be iterative processes with successive cycles generating increased learning and enhanced skills and capacity, and enabling adjustments to policies and actions.

3. Current practice: existing country level frameworks

3.1 Range of existing country frameworks

11. Only a few countries have developed a specific or overarching strategy for sustainable development, and specifically labelled it as such (e.g. United Kingdom). But, in most countries, there is a range of past and existing strategic planning approaches. These include:

- National level (e.g. national development plans, national visions; Agenda’s 21; Comprehensive Development Frameworks (CDF); Poverty Reduction Strategies (PRS); strategies and action plans prepared in response to the Rio conventions; sector-wide plans and investment strategies).

- Sub-national level (e.g. strategic planning frameworks at provincial and district levels).

- Bottom-up strategies (e.g. local, traditional, NGO-driven).

12. This section will review these frameworks (including their scope, promoters, initiators, etc.), and assess them by reference to the principles set out in section 2.2.

3.2 Strengths of existing frameworks: examples.

- ‘Ownership’ - examples of genuine ‘home-grown’ initiatives that have been successful.

- Priority-setting at decentralised levels in some countries (e.g. Ghana).

3.3 Weaknesses of existing frameworks (and reasons)

13. These examples (which apply equally to developed and developing countries) show that most existing country-level strategic planning frameworks would not currently satisfy the principles in Box 2 and many would meet only a portion of them.
Lack of political commitment. Where there is commitment, it is often undermined by lack of continuity between governments.

Focus is usually on producing a product (e.g. a document) rather than establishing an enduring process.

Unclear strategic objectives, indicators and time frame; lack of clear priorities (particularly in national development plans); narrow or unclear scope (e.g. environment dealt with as a ‘sectoral’ issue rather than on a cross-cutting basis; poverty treated as a social policy issue rather than as a cross-cutting concern); many are very superficial and merely represent ‘shopping lists’ of projects requiring support.

Poor analysis of problems (including how and by whom they are generated) and lack of comprehensive assessment of impacts and long-term risks, inadequate economic evaluation; and weak policy analysis (sector policies, institutional framework, etc.), leading to lack of ideas for policy/institutional reforms. These weaknesses arise mainly from a lack of technical capacity and methodological skills.

Unclear responsibilities or procedures for implementation and revision (i.e. no mechanisms for a continuing, iterative and cyclical process).

Most strategic planning frameworks are seen as government led – there is little sense of commitment or ‘buy-in’ by other stakeholders in the private sector and civil society. This arises, in part, because many country frameworks are externally-driven as a consequence of conditionality and time pressure (e.g. NEAPs in the past, PRSPs at present). Frequently, the result is lack of domestic ‘ownership’ and lack of co-ordination between frameworks, and a tendency for ownership to be focused within the particular government institution(s) and amongst those driving the process - often Ministries of Finance where budget support is involved. This can alienate others who might also have legitimate interests or could make important contributions in support of strategy formulation and implementation.

The formulation of most strategies and national strategic plans is dominantly top-down for various reasons, e.g.

i) Very low capacity (in governments, private sector and civil society) to articulate interests, to build alliances, to seek compromises, to accept different perspectives, formulate and implement long-term goals and strategies and to manage participatory and pluralistic processes.

ii) Unclear mechanisms and methodologies for organising appropriate participation at different levels and at different stages of planning cycle.

iii) Difficulty in achieving effective participation (e.g. poor people are able only to deal with their immediate priorities, and also lack resources, capacity and power to engage).

Development and implementation is adversely affected by frequent turnover and lack of motivation of technical staff.

Lack of effective monitoring and evaluation.

Lack of co-ordination and coherence amongst the many diverse national and sector strategies; between strategies/plans, budgets and implementation; and amongst donors in targeting aid resources. The many frameworks are overburdened and expected to serve simultaneously too many divergent purposes, e.g. integrate national policies, empower a broad array of stakeholders, provide a platform for the co-ordination of donor support, provide a basis for bilateral development co-operation programmes, fulfil donor conditionalities, etc. As a result, none of these purposes can be fully satisfied.
4. Evolving towards strategies for sustainable development

14. This section will build on section 3 and draw out the most important lessons from existing strategy frameworks and provide recommendations for future strategic planning processes.

4.1 Building on strengths and tackling weaknesses (brief introduction)

4.2 Key lessons from the dialogues (including methods/instruments) to guide the development and implementation of sustainable development strategies.

15. This section will outline how the weaknesses identified in section 3.3 have been addressed in particular cases, particularly from the dialogue countries, and what strengths have enabled this to happen. Examples of themes that might be included are:

- How convergence has been achieved between country frameworks, and how they have adhered to the principles, particularly integration of social, economic and environmental objectives.
- How country frameworks have balanced top-down and bottom-up approaches and developed national-local links.
- How a people-centred approach has fostered cross-sectoral integration at local levels.
- How accountability has been promoted at all levels.

4.3 Addressing constraints

16. There is a range of constraints to the successful and effective development and implementation of strategies for sustainable development, e.g. limited skills, capacity, financial resources, as well as lack of political commitment, institutional rivalries and inertia. This section will examine how these constraints have been addressed in particular cases, particularly from the dialogue countries. It will also discuss such issues as:

- The role of different stakeholders in partner countries.
- Ways to support bottom-up approaches - learning from successful local sustainable development initiatives and promoting replication elsewhere; and the necessary conditions for establishment of such initiatives (e.g. capacity-building, education); identifying which issues can only be addressed at a national and central level, and which can best be addressed more locally.
- Mechanisms to ensure good dialogue, information flow and learning between all levels.

5. External partners: roles and relations

17. This section will address good practices and principles of development partnerships in supporting country-level strategic approaches to sustainable development, including:
5.1 Principles and instruments for partnerships

18. The *Shaping the 21st Century* policy document states that development co-operation should be targeted to support national priorities and programmes established under a national strategy; and recognises the need to co-ordinate and harmonise aid around country level frameworks. This section will identify ways to put this into practice, including:

- Mechanisms to co-ordinate external assistance, such as the pooling of funds, and programme and budget assistance, need to be further developed.
- Critical policy and procedural change reforms that are needed in both recipient countries and donors so that development co-operation programmes are integrated, where possible and appropriate, into national budgets and programmes.
- Instruments for joint monitoring for learning and improvement.

5.2 Recommendations for donors

19. Recommendations for donors might be provided on a number of themes. Examples include:

- How to ensure the coherence of development co-operation and other policies with strategies for sustainable development.
- How to focus technical assistance on building long-term capacity of recipient countries/institutions. This requires flexible approaches tailored to the circumstances and long-term horizons of particular countries, and could include services (e.g. a facilitating role, help in managing participatory processes) as well as financial support.
- Ways to systematically promote the integration of sectoral and other policies and strategies in meetings of donor Consultative Groups and Round Tables and through other co-ordination mechanisms.
- How best to play an advocacy role in supporting adherence to such principles in country level development frameworks, including those promoted by multilateral agencies such as IBRD, IMF, regional development banks, etc.
- How to promote international learning and understanding of strategic approaches to sustainable development, e.g. by supporting information and experience sharing.
- How to provide assistance for the development of appropriate indicators and monitoring instruments to measure progress towards sustainable development guide policies.
- How to ensure that such indicators are not used to determine the allocation of development assistance in a simplistic manner. (e.g.: by reducing aid if poverty levels exceed a particular level).
- How to help avert the ‘brain drain’ of developing country expertise to international organisations, so as to retain national human skills and expertise.
- How to support the participation of marginalised groups and facilitate conflict resolution (e.g. through mediated negotiations).
How to promote understanding of the principles in the private sector (e.g. multinationals) to mobilise wider support for sustainable development; and how to assist private sector actors in developing countries to apply these principles.

6. Monitoring processes and practices

20. Monitoring of strategies for sustainable development can be considered on three levels:

- Domestic monitoring to learn lessons and signal when and where corrective actions might be required – this should be a built-in component of the processes of developing and implementing strategies for sustainable development (see section 2).

- Monitoring progress towards meeting the IDT on sustainable development. The needs and modalities for this will be addressed in appropriate international fora. The policy guidance will raise a number of important key issues and options that will need to be considered in designing any such monitoring. Monitoring of the IDT should not be used to impose any form of conditionality by donors.

- Monitoring DAC Members adherence to this policy guidance.

6.1 The need/rationale/utility of monitoring

21. Monitoring should:

- Aim to facilitate improvement in performance and to learn lessons to steer future directions - it should not be judgmental.;

- Facilitate internal performance improvement.

- Help developing countries and donors identify where partnerships would help promote progress within countries in working towards sustainable development.

- Promote transparency, accountability (of countries and donors actions alike), etc;

- Enable comparisons between countries.

- Be undertaken for all countries, not just developing countries, and as part of a harmonised/coherent international system of monitoring of all IDTs.

22. Any monitoring will need to focus on what a country determines its strategies for sustainable development to be (i.e. the processes and initiatives it is undertaking to respond to the challenges of sustainable development) - whether a single strategy or the sum of a number of initiatives/approaches. The key issue will be whether any of these approaches meet/satisfy the key principles set out in section 2.
6.2 **Who monitors? Possible options include:**

- **In-country monitoring:**

  - **Self-monitoring:** by the agency/agencies responsible for the development and implementation of strategies (central, regional or local) (risk of bias);
  - **Independent monitoring:** by a neutral, well respected in-country institution;
  - **Peer review:** by a stakeholder team representative of government, private sector and civil society.

- **International monitoring:**

  - **United Nations:** by the Commission for Sustainable Development (CSD) or other UN bodies;
  - **International peer review:** by a team drawn from peer group countries;
  - **International panel:** by a team drawn from an international panel or forum of experts on strategies for sustainable development and policy-makers.

- **Monitoring DAC members:**

  23. A mechanism is needed to monitor the adherence of DAC members to this guidance in providing support for the development and implementation of strategies for sustainable development – perhaps best undertaken as a partnership process between developing countries and donors.

6.3 **Monitoring time frame**

24. Consideration should be given to the timing of any domestic or international monitoring and any reporting by countries. The first ‘round’ should be undertaken in 2002-2006, and then maybe every five years. Effective reporting would be promoted by co-ordinating reporting on monitoring of strategies for sustainable development within the framework of other IDT monitoring.

6.4 **Private sector role**

25. Consideration should be given to monitoring the role and impact of the investments made by the private sector in promoting/supporting strategies for sustainable development. For example, any monitoring framework for strategies for sustainable development could be used to assist international tracking of the new UN-Private Sector compact on responsible business behaviour.