

## DRAFT AGENDA Meeting of the National Focal Points for Policy Coherence for Development (PCD) 7 November 2012, CC 7

### Background and objectives

That profound mutations are now occurring in the global economy is clear to all, even if the pathways ahead remain undetermined and indeed uncharted territory. The *OECD Strategy on Development* agreed by Ministers last May laid out this context and established a whole of OECD approach to engage on development agendas in close collaboration with other major players and with developing countries, using a variety of modalities. And the 2010 *Recommendation of the Council on Good Institutional Practices in Promoting Policy Coherence for Development* recognizes that “policy makers increasingly need to be aware of the impact that policies developed at times in seemingly unrelated areas may have on development issues”.

The narratives that have provided the understanding of the dynamics of the global economy have been progressively changing over recent decades, but now we are facing major discontinuities. New narratives are emerging. The growth of the middle class in developing countries, albeit along with significant persisting poverty and inequality, is pushing commodity prices upwards for the medium term and creating large new growth drivers and sustainability issues. The convergence of communications, information and computing, foreseen three decades ago by the OECD, has transformed economic, social and political dynamics, as evident in the Arab Spring. Multiplying global value chains spread value-added activities around the world, and the import content of exports is rising dramatically. The recent *Beijing Conference on Global Value Chains in the 21<sup>st</sup> Century* (19-20 September 2012), organized jointly by the Chinese Ministry of Commerce, WTO, UNCTAD and the OECD, explored the policy implications for trade, investment, statistics and developing countries. The WTO has established a *Panel on Defining the Future of Trade* in order “to look at the drivers of today and tomorrow’s trade and at what it means to open global trade in the 21<sup>st</sup> century, bearing in mind the role of trade in contributing to sustainable development, growth, jobs and poverty alleviation”.

Global policy interactions are becoming more ubiquitous as macroeconomic and structural challenges among OECD countries, notably in the wake of the financial crisis and subsequent recession, reverberate around the world. Currencies are becoming a major policy question as capital flows shift in response to uncertainties and competitiveness concerns heighten.

A range of rising powers are playing key roles in a diverse set of new trade and investment relationships and innovation processes. For example, China has adopted a five-year plan for transition from an investment and export-led economy to a consumption, innovation and equality-based economy with rising real wages and dramatically lower energy and emissions intensities. The flow of Chinese finance to the rest of the world, via FDI, equity positions and loans, already significant, will rise even faster as it invests excess capital for future income. Brazil and India and an increasing number of other developing countries are also new sources of investment, business models, innovation and ideas. And with oil prices set to remain high in the medium-term, oil exporters will generate new levels of capital exports and domestic investment. In Africa, higher growth in the last decade has yet to lead to structural transformation and employment generation, but an educated labour force is emerging, increasingly female, and there are signs of successful new business models in agro-industry, finance and ICTs. These new dynamics of the global economy and the new political geography of poverty with its persisting problems of hunger and malnutrition in both urban and rural settings suggest that policy coherence issues will be more complex.

Against this background, the policy coherence for development (PCD) lens is in principle more useful than ever, with its potential to bring issues and actors together and to shape and monitor connections between policies and impacts. The OECD, with its direct access to policy communities across a wide range of issues, retains a strong comparative advantage in this context, further enhanced by the new OECD Strategy on Development. But it is important to ask how the PCD lens can be widened to comprehend the new dynamics and actors in the global economy and what are the implications for the objectives and measurement of PCD and for its application in various institutional processes.

This Focal Points meeting is designed to gather perspectives and experience from officials and experts on these issues and to identify ways to move the PCD process forward in OECD countries and beyond.

8h45 – 9h00	Registration and coffee
9h00 – 9h15	Welcome and opening remarks by <b>Rintaro Tamaki</b> , OECD Deputy Secretary-General.
9h15 – 10h30	<p><b>SESSION 1: NEW NARRATIVES IN THE GLOBAL ECONOMY: IMPLICATIONS FOR MONITORING AND MEASURING PCD</b></p> <p><i>Chair: Pawel Wojciechowski</i> , Ambassador of Poland and Chair of the Development Centre Governing Board.</p> <p>The OECD Strategy on Development provides us with a mandate to take forward the PCD measurement agenda. Moreover, the nearing MDG ‘deadline’ of 2015 provides a timely opportunity to discuss alternative quantitative and/or qualitative development goals. In this session, we will try to reach an agreement on <i>what</i> it is we want to measure and <i>why</i>. The afternoon session, in turn, will focus on the <i>how</i>.</p> <p><i>Short introductions (5 minutes) followed by open discussion:</i></p> <ul style="list-style-type: none"> <li>• Global value chains and structural transformations, <b>Dirk Pilat</b>, Head of Division, OECD/STI and <b>Raed Safadi</b>, Deputy Director, OECD/TAD.</li> <li>• Measuring PCD, <b>Owen Barder</b>, Director, Center for Global Development (CGD) Europe.</li> <li>• PCD in the post-2015 context, <b>Hildegard Lingnau</b>, Senior Counsellor, OECD/DCD.</li> </ul> <p><i>Questions for discussion:</i></p> <ul style="list-style-type: none"> <li>✓ In the emerging new narratives of development paths in changing global dynamics, what could be the objective of PCD? If poverty reduction remains a primary goal, could the objective be extended to fostering sustainable economic transformations and human well-being as the emerging global common interest?</li> <li>✓ What impact might the new structural dynamics in the global economy have on how policy coherence issues are generated and perceived in the trade and investment fields and on the links between innovation and sustainable economic and social transformation?</li> <li>✓ With multiplying regional and global supply chains, how far might current assumptions about key issues, cause and effect chains and shared responsibilities need to be rethought? What are the implications for the scope and content of efforts to measure policy coherence?</li> </ul>

	<ul style="list-style-type: none"> <li>✓ Global governance arrangements geared to the emerging new realities have the potential and the need for a policy coherence perspective and tools. There is a tracking tool for G20 commitments and achievements. Various international organisations are also making use of systematic monitoring and accountability tools. Think tanks have been active and pioneering in developing toolkits. How are monitoring and measuring methodologies adjusting to the new narratives of global development?</li> </ul>
10h30 – 10h45	Coffee break
10h45 – 12h30	<p><b>SESSION 2: NATIONAL EXPERIENCES OF PROMOTING COHERENCE AND ASSESSING IMPACTS IN A PUBLIC GOVERNANCE PERSPECTIVE</b></p> <p><i>Chair: Brian Atwood, OECD-DAC Chair.</i></p> <p>The main purpose of this session is to exchange experiences on how to best promote PCD. In particular, Focal Points are invited to share best practices and success stories. These can relate both to institutional mechanisms (<i>e.g.</i> political commitment; coordination; monitoring and reporting) and/or specific policy areas (<i>e.g.</i> trade, migration, environment, innovation).</p> <p><i>Short introductions (5 minutes) followed by open discussion:</i></p> <ul style="list-style-type: none"> <li>• Sustainable governance management indicators for OECD countries and transformation indicators in developing countries, <b>Daniel Schraad-Tischler</b> and <b>Najim Azahaf</b>, Bertelsmann Foundation.</li> <li>• The role of Centres of Government, <b>Andrew Davies</b>, Senior Counsellor, OECD/GOV.</li> <li>• <b>Tour de Table</b> on recent efforts to promote, monitor and measure PCD (starting with the EC, Australia, Korea).</li> </ul> <p><i>Questions for discussion:</i></p> <ul style="list-style-type: none"> <li>✓ If policy coherence demands coordination across governments to respond to complex policy challenges, what efforts are currently being made to foster, evaluate and measure performance at this level?</li> <li>✓ To what extent are Centres of Government actively promoting PCD perspectives and processes?</li> <li>✓ What can recent concrete experiences of PCD in OECD capitals tell us about the current political and coordination frontiers of PCD? What areas of success and failure can be identified and how?</li> </ul>
12h30 – 14h00	Lunch break
14h00 – 16h00	<p><b>SESSION 3a: MEASURING PCD – WORKSHOP (breakout sessions)</b></p> <p>This session will be organised in a workshop format. Three separate groups will discuss questions related to measurement and PCD indicators in three areas where the OECD has core competences and can add value to the work of other stakeholders. The aim is to draw upon the morning’s discussion on <i>what</i> we want to measure and to come up with concrete proposals for <i>how</i> to do this, as well as to identify a group of “champions” among Focal Points that are willing to contribute more actively to this work.</p>

	<p>❖ <b>Breakout Group 1: Global food security and policy coherence</b>  <i>Facilitators:</i> Jonathan Brooks, OECD/TAD and Earnan O’Cleirigh, OECD/DCD.</p> <p>As world population climbs by three billion over the next four decades – with Africa emerging as the world’s fastest growing food market, with global middle class consumption patterns changing the demand for food quantitatively and qualitatively, and with environmental constraints in agriculture tightening in some countries – the OECD Strategy on Development has identified PCD and knowledge sharing as key issues in global food security. A multisectoral perspective, taking account of differences across the spectrum of developing countries, is proposed in clarifying the role that OECD countries could play in terms of improving policy coherence. In particular, investment in regional and global food supply chains will demand ever more coherence between domestic and trade policies, greater policy predictability and coordinated responses to crises and volatility in world food markets. The OECD is also a key convener of the inter-organisational work on food security within the G20.</p> <p>❖ <b>Breakout Group 2: Financial integrity and development – curbing illicit financial flows</b>  <i>Facilitator:</i> Ben Dickinson, OECD/CTPA.</p> <p>There is convergence towards the view that development blockages are essentially political in nature, closely linked to incentives for elites to construct and maintain predatory systems of governance rather than stimulate inclusive national wealth creation. The existence of financial and legal facilities in the global economy where predatory gains can be accumulated and stored thus forms a key part of the incentives for the capture of the state by predatory elites. The work on illicit payments under the OECD Strategy on Development confronts this fundamental PCD problem.</p> <p>❖ <b>Breakout Group 3: Green growth</b>  <i>Facilitators:</i> Paul Schreyer OECD/STD and Ron Steenblik OECD/TAD.</p> <p>Green growth, another important component of the OECD Strategy on Development, involves some large PCD issues. The G20 work on green growth, drawing inter alia on OECD analytical support, has produced commitments to lower carbon emissions by (i) phasing out inefficient fossil fuel subsidies while providing targeted support for the poorest and (ii) encouraging effective policies to spur innovation and deployment of clean and efficient energy technologies. Progress and problems in implementation of these commitments and their development dimensions will serve to illuminate issues of PCD.</p>
16h00 – 16h15	Coffee break
16h15 – 17h30	<p><b>SESSION 3b: MEASURING PCD – WORKSHOP (presenting the results in plenary)</b></p> <p><i>Workshop facilitator:</i> <b>Richard Carey</b>, Adviser/Facilitator.</p> <p>Each group will present the outcomes of their discussion, including proposals on ways forward.</p> <p><i>Questions for discussion:</i></p> <ul style="list-style-type: none"> <li>✓ What can the PCD lens contribute to national and international discussion and progress in these areas?</li> </ul>

	<ul style="list-style-type: none"> <li>✓ To what extent are coordination arrangements between policy communities improving?</li> <li>✓ To what extent are quantitative and qualitative assessments of policy settings and development impacts being developed and used in these areas?</li> <li>✓ What can be further improved and how?</li> </ul>
17h30 – 18h00	<p><b>SESSION 4: THE OECD’S ROLE IN PROMOTING PCD – WHAT CAN WE DO FOR YOU?</b></p> <p><i>Chair: Ebba Dohlman, OECD Senior Advisor on PCD.</i></p> <p>Based upon the morning session’s Tour de Table, this session will discuss how the OECD can help to promote the PCD agenda further in capitals, for example through the dissemination of best practices, analytical support, policy instruments and recommendations.</p> <p><i>Questions for discussions:</i></p> <ul style="list-style-type: none"> <li>✓ What is the action agenda that emerges from the Focal Points meeting on (i) approaches to measurement of PCD performance, (ii) involving a wider range of policy actors in the new global economy, and (iii) contributing to OECD work on the post-2015 global development agenda?</li> <li>✓ What further steps can the OECD take to assist policy coherence processes in capitals?</li> <li>✓ How can the web-based PCD Platform be further elaborated and provide facilities for developing country-based inputs (e.g. from field staff, think tanks and country development dialogues)?</li> </ul>