



With a clearly stated commitment, Luxembourg has engaged in a process to strengthen governance for policy coherence. The approach pursued through the third National Plan for Sustainable Development (NPSD), due in 2018, aims to identify policies likely to have an impact on the three dimensions of sustainable development in line with 2030 Agenda and will further address PCSD (OECD, 2017^[1]). The report on the implementation of the 2030 Agenda adopted by the government in May 2017 emphasises the need to establish mechanisms and institutions to support SDG17.14. It further outlines the whole-of-government approach envisioned for SDG-implementation and the need for enhanced coordination and efficiency in order to ensure the mobilization and use of all available resources (Grand-Duchy of Luxembourg, 2017^[2]). The 2017 VNR states the need to ensure the maximum coherence of policies both internally and externally in SDG implementation (Grand-Duchy of Luxembourg, 2017^[3]).

New institutional arrangements for collaboration among ministries can help enhance coherence between domestic and international policies for delivering on the SDGs. The Inter-Departmental Commission on Sustainable Development (ICSD), composed of representatives of all ministries and government administrations is the central coordinator of domestic sustainable development policies. Established in 2004, the ICSD will be equipped with the necessary competences to address PCSD via the NPSD as well as to promote and monitor SDG-implementation and draft reports. The Inter-Ministerial Committee for Development Cooperation (ICD) meets six times a year to identify and discuss trade-offs and synergies and formulate non-binding recommendations to government regarding PCD. It has adopted a new working method in 2014 involving consultations with civil society, choice of subjects, analysis and findings. Members of the ICSD participate in the ICD and vice-versa (OECD, 2017^[1]). Policy coherence efforts can benefit from the introduction of a specific mandate to resolve potential incoherence issues that might arise during SDG implementation (OECD, 2017^[4]).

Table 1. Institutional Mechanisms for PCSD in Luxembourg

PCSD Building Blocks	
Political commitment	The third National Plan for Sustainable Development (NPSD), the implementation strategy of Agenda 2030, is currently being elaborated and will address PCSD. Since 2012, the Inter-Ministerial Committee for Development Cooperation (ICD) is mandated by law to deal with PCD and an explicit commitment is made in the current 2013-2018 government development program.
Policy integration	The National Plan for Sustainable Development (NPSD) is being elaborated by the Inter-Departmental Commission on Sustainable Development (ICSD) in a participatory process with all ministries. The ICSD supports the integration of sustainable development in sectoral policies. Ministries can decide on follow-up PCD actions after recommendations of the ICD in their respective fields.
Intergenerational timeframe	SDG-implementation is considered essential among a majority of parties and population. The trade-offs between short and long term interests are decided at government level. Identifying long-term goals can be difficult however, when tangible benefits are hard to communicate.
Policy effects	The ICD can identify and propose to address ex-ante potential transboundary and intergenerational effects. Once identified, ICD can discuss unintended effects and formulate unbinding recommendations to government. The government plans to establish a sustainability check, to strengthen policy coherence and better understand potential national and transnational effects of policies on sustainable development.
Coordination	The Interdepartmental Commission on Sustainable Development (ICSD), composed of representatives from each ministerial department, is preparing the National Plan for Sustainable Development (PNDD) and the national report on the implementation of sustainable development. The Environment Department of the Ministry for Sustainable Development and Infrastructure coordinates national SDG-implementation and chairs the ICSD. The Inter-ministerial Committee for Development Cooperation (ICD) meets every two months to consider international development cooperation including PCD. It shares information, formulates non-binding recommendations to the government, provides mediation among ministries in potential cases of disagreement. Members of the ICD participate in the ICSD and vice-versa.
Local involvement	The PNDD will be implemented at the national as well as local level. In Luxembourg, many parliamentarians are also mayors, so that local concerns can be raised in parliament. The local level can also influence legislation via regular consultation processes.
Stakeholder participation	The launch of the <i>Fair Politics barometer</i> , a report by Luxembourg's national umbrella organization of NGOs (Cercle.lu), and the subsequent discussion in Parliament in December 2017, was a first step towards greater consideration of PCD and the SDGs during the next legislative period. The Ministry of Foreign and European Affairs supports this ongoing advocacy. The ICD invites NGOs active in the development and cooperation sector to participate in its debates, attend its meetings and identify priority topics to be considered. An additional platform for reflection, discussion and advice/opinion on sustainable development, the High Council for Sustainable Development, consists of 15 persons from civil society and the private sector, and submits an annual report to parliament.
Monitoring and reporting	The ICD meets every two months providing minutes and an annual report which are accessible to the public and presented to parliament. Parliament can also ask for action to be taken on ICD's non-binding recommendations. The close involvement of NGOs in monitoring policy impacts such as through the Fair Politics barometer is highly appreciated and supported financially and politically by the government.

Source: OECD (2017^[1]).

Box 1. Aligning efforts for Financing Climate Actions

To strengthen the coherence and the whole-of-government approach to fight climate change, several ministries work closely together, including the Department of Environment of the Ministry of Sustainable Development and Infrastructure and the Directorate for Development Cooperation and Humanitarian Action of the Ministry of Foreign and European Affairs

Cross-representation of sector experts has been introduced to promote coherence. The Department of the Environment is represented in the Inter-Ministerial Committee for Development Cooperation (ICD), in the Luxembourg development executing agency and in its audit committee. The Directorate for Development Cooperation and humanitarian action is represented in the Interdepartmental Commission on Sustainable Development (ICSD) and in the Climate and Energy Fund "FCE".

There is greater cooperation in strategy and criteria. FCE adopted in May 2017 its strategy and eligibility criteria for international climate financing in collaboration with the Directorate for Development Cooperation and humanitarian action. The ICD has also adopted a set of criteria for environmental and climate policy.

Vertical coherence has also increased. A climate pact, an agreement between the municipalities and the Luxembourg state guides municipalities in the implementation of their energy and climate policy and municipalities agree to establish an "energy accounting system" for their buildings, public lighting and their communal vehicles. This partnership and the participation of various actors at the level of the municipalities, has helped to intensify efforts in energy and climate policies within the municipalities.

Source: OECD (2017^[1]).

References

- Grand-Duchy of Luxembourg (2017), *Mise en œuvre de l'AGENDA 2030 au et par le Luxembourg*, <http://environnement.public.lu/content/dam/environnement/documents/developpement-durable/rapport-meo-agenda2030.pdf> (accessed on 12 March 2018). [2]
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