

Ensuring a sustainable COVID-19 recovery in Small Island Developing States

The role of institutional mechanisms and civil service skills for SDG implementation

A regional consultation and knowledge-sharing workshop
co-organised by the Government of Aruba and the OECD
Virtual Meeting, Thursday, 11 March 2021 at 9am-12pm AST (2pm-5pm CET)

The [workshop](#) *Ensuring a Sustainable Recovery in Small Island Developing States: The role of institutional mechanisms and civil service skills for SDG implementation* brought together around 100 government and non-government stakeholders to discuss the synergies between effective SDG implementation and COVID-19 recovery. It facilitated an exchange of good country practices to build resilience and coherence across sectors and levels of government, with a view to provide input to an OECD Guidance Note on Policy Coherence for Sustainable Development (PCSD) and to identify related capacity gaps.¹

Key messages

- Given their heavy reliance on tourism, many SIDS have been hard hit economically by the COVID-19 pandemic. On the other hand, they have managed to contain the health implications of the crisis relatively well.
- Improved skills and institutional mechanisms for coherent SDG implementation could help SIDS to reduce vulnerabilities and build resilience, while ensuring that ongoing efforts to reboot and restructure their economies do not come at the expense of long-term sustainability objectives.
- A sustainable recovery, aligned with the SDGs, requires cross-sectoral actions and mechanisms to manage unavoidable trade-offs between short and long-term priorities, and between economic, social and environmental policy goals.
- Policy Coherence for Sustainable Development provides an international benchmark to help SIDS equip policy-makers and key stakeholders with the necessary institutional mechanisms and civil service skills for accelerating progress towards the SDGs.
- The use of governance tools to mainstream the SDGs into policy making, such as budgeting, public procurement and regulatory impact assessments, have proven helpful in many countries around the world. Peer learning around these issues could help to build additional capacity in SIDS.
- The OECD Guidance Note on PCSD will offer concrete examples from countries, including SIDS, on how to enhance policy coherence in practice. Please submit your best practices to: PCD.Contact@oecd.org.

Opening session

The meeting was opened by **Prime Minister Evelyne Wever-Croes, Aruba**, who noted the timeliness of this workshop. *“It has been a year since the global pandemic reached our countries and communities. As we have been addressing as governments with decisive leadership to contain the pandemic in the first months of the COVID-19 outbreak, our fragility and vulnerabilities as Small Islands have become not only exacerbated but very much apparent. In Aruba, this has meant the introduction of various emergency and stabilization measures for the increase in unemployment, developing*

¹ This summary record compiles written inputs provided by different speakers. It is an honest account of the challenges and opportunities facing SIDS in building institutional mechanisms and civil service skills to ensure a sustainable COVID-19 recovery, along with insights from OECD member countries.

additional urgent social programs and SME support programs with an economic contraction of a third (1/3) of our economy. Our dependence on a single economic industry made us complacent in the pre-COVID times, we rode with what we saw as a successful tide. These are temporary measures. As we recover, our experience with the pandemic has to guide our direction toward a sustainable recovery and embrace a new way of thinking, to be able to not only build back better.”

Prime Minister Wever-Croes highlighted three elements that Aruba is working on to direct the island towards a sustainable recovery, underpinned by stimulating innovation and building a resilient future that will make it stronger to deal with external shocks:

- The Masterplan for Economic Recovery and Innovation has been a nationally coordinated effort with both public and private individuals contributing to work on economic growth that is smart, inclusive and sustainable and focusses on structural reforms. This medium term plan has been aligned to the national strategic plan and the Sustainable Development Goals. It seeks enhanced policy coherence between the departments on policy synergies and trade-offs, short-term and long-term goals with increased civic and private sector participation.
- This requires capacity building to develop skills to go along with it. The complexity of the issues demands for the need to identify innovative ways to cultivate and create new approaches that are to effectively address and implement the transformative change. Through strong collaboration models and continuous open dialogue, anything is possible. The SDG framework is a great tool for this.
- The last element is that of finance. As the temporary measures that have been introduced has made countries stretch their public finance and financing capacities to our limits. Unfortunately, not all countries are able to raise the investments necessary for their recovery plans. Here we are still looking to strengthen our response from a highly vulnerable place where doors are essentially closed for us. It is paramount, during these extraordinary times, to address our vulnerabilities and to increase our resilience to future shocks.

With only nine years left to achieve the Sustainable Development Goals (SDGs), **OECD Deputy Secretary-General Jeffrey Schlagenhauf** urged for accelerated progress in implementation. *“This is a big ask at a time when governments are struggling to cope with a global pandemic and the most severe economic recession in nearly a century. COVID-19 is causing enormous damage to people’s health, jobs, and well-being and risks reversing progress on the SDGs. It is a multidimensional crisis without precedent in modern times, and developing countries are among those hardest hit.”*

While SIDS have managed to contain the health implications of the pandemic well, the economic losses are enormous. Mr. Schlagenhauf underlined three points for helping to ensure a sustainable recovery in the Caribbean region and beyond:

- An effective response to the COVID-19 crisis requires mutually supportive and integrated policies across economic, social and environmental objectives that address the deeper nature of the crisis. The SDGs can act as a [roadmap](#) for ensuring that countries take coherent action, avoiding costly trade-offs and exploiting synergies.
- A sustainable recovery aligned with the SDGs requires institutional support that transcends organisational structures and policy silos. Institutional mechanisms for policy coherence for sustainable development – PCSD – have proven particularly relevant for addressing the integrated nature of the SDGs.
- As part of their SDG strategies, governments need to adjust their management practices to deploy human resources and capabilities in the most effective way. Civil servants at all levels and in all institutions will need to obtain skills that take them beyond their traditional operating environment and challenge them to think and act in new, cross-disciplinary ways.

It was underlined that the OECD, through peer learning between members and with partner countries, its analytical and governance tools, international benchmarks and access to good practice networks could support SIDS in their efforts to design and implement coherent policies based on evidence and good practices.

Aligning SDG implementation with a sustainable COVID-19 recovery in SIDS

This session aimed at providing an overview of SDG progress in SIDS in the Caribbean region, as well as of the challenges and opportunities in ensuring a sustainable [blue recovery](#) from COVID-19. It benefitted from presentations by **UNDP** and **Aruba** as well as peer exchanges by **Trinidad & Tobago** and **Malta**.

Three entry points in particular were identified for spurring the change needed to bolster resilience and continue progress on the SAMOA Pathway and 2030 Agenda:

- Aligning recovery with climate goals – the unambiguous message coming from island leaders is that a COVID-19 recovery must be a green recovery.
- SIDS are pioneering the Blue Economy paradigm as a framework for economic diversification and inclusive societies.
- Investing in digital transformation is the key for rapid and scaled change, allowing SIDS to overcome their endemic obstacles and bridge persisting digital divides.

UNDP's SIDS offer [Rising Up for SIDS](#) is built around these three pillars of transformative change. For SIDS to realise their ambitions for an inclusive, green recovery, focus must be on enabling access to finance. The middle-income status of most SIDS greatly obscures the level of risk and vulnerability they face – a [multidimensional vulnerability index](#) will more accurately reflect their ability to absorb shocks and unlock access to finance needed to address their systemic vulnerabilities.

In Aruba, the development of the National Strategic Plan (NSP) is based on the SDGs and accelerators developed in the SDG implementation roadmap and focused on Policy Coherence and Financial Synergy with financial resources from the current budget cycle and no availability of alternative financing mechanisms. The SDGs were aligned with the COVID-19 Economic Recovery Master Plan, and the objectives and activities of the Masterplan were integrated the National Strategic Plan. Long-term strategic thinking offered through the SDGs provides a renewed opportunity to keep the focus on building back better differently and create stronger yet nimble institutions that will help us be better prepared for future shocks. Insights and lessons learnt in aligning these plans include:

- How does policy decisions impact each other? Trade-offs and synergies call for serious conversations, open, inclusive and transparent dialogues on these matters to increase broad support for directions and decisions taken.
- Strong leadership and deeper understanding of partnerships at the local level, regional and international level are essential, including to link financing mechanisms and discuss synergies and trade-offs as an intrinsic part of the way to develop and implement policies.
- International co-operation should go beyond traditional instruments and include such modalities as innovative instruments of knowledge sharing, capacity building and technology transfers.
- Traditional economic paradigms and policy strategies have shown to be inadequate. The pandemic presents us with opportunities to do things right. As SIDS, we need to do our homework and put our position out there.

The Government of the Republic of Trinidad and Tobago has embarked upon setting a robust and prudent development agenda to successfully navigate the country back to socioeconomic prosperity. Through the adoption of a comprehensive national development planning framework, the National Development Strategy (NDS) 2016-2030, Vision 2030, lays the foundation for these efforts. In preparing the NDS, the 17 SDGs were reviewed and aligned to the Vision 2030 goals to ensure coherence.

In Malta, work is underway to mainstream sustainable development principles into the national budget process. Integrating sustainable development considerations across all policy domains of the budget would support the alignment of incentives and lead to a coherent informed approach to policy making, supported by budgetary decisions. It would also help to avoid conflicts between different resource allocations and ensuring that Malta's national budget is in line with other international commitments.

Other countries echoed the need to ensure that the recovery from COVID-19 is sustainable and expressed an interest in learning more about the use of governance tools for balancing economic, social and environmental priorities as well as short- and long-term objectives.

The role of policy coherence and civil service skills for more effective SDG implementation

This session introduced the concept of policy coherence for sustainable development (PCSD), a key means for implementing the SDGs; and highlighted how skills and institutional mechanisms for PCSD can contribute to more effective implementation. A scene-setting presentation by the **OECD** was followed by peer exchanges from **Belize, Canada** and **Poland**. Key take-aways included:

- Policy Coherence for Sustainable Development (SDG target 17.14) is a key means for implementing the SDGs. It is essential for balancing economic, social and environmental priorities and deliver integrated policies for promoting the well-being of the present generation in one particular country ('here and now'); for making informed choices about sustainable development, considering the effects of today's policy decisions on the well-being of future generations ('later'); and for considering how domestic policies affect positively or negatively the well-being of people living in other countries ('elsewhere').
- The [OECD Recommendation on PCSD](#) provides a comprehensive standard to help countries equip policy-makers and key stakeholders with the necessary institutional mechanisms and policy tools to enhance PCSD, address integrated economic, social and environmental goals, and accelerate progress towards the SDGs. Specifically, the Recommendation presents a set of eight principles for promoting PCSD (Figure 1).
- Institutional mechanisms need to be underpinned by [civil service skills and leadership capabilities](#) for implementing the SDGs. In today's fast changing world, a professional, capable and responsive public service is more important than ever to deliver value and drive citizens' trust in public institutions. Civil servants will need to learn to apply new tools and methods in systems thinking and experimental policy design; and to develop leadership styles that encourage collaboration across ministries and agencies to meet the challenges posed by the SDGs.

Figure 1. OECD Recommendation on Policy Coherence for Sustainable Development



However, there is no one-size-fits-all when it comes to enhancing PCSD. Countries are advancing in different ways. In Belize, the Growth and Sustainable Development Strategy (GSDS) is the first of a series of medium-term strategies to achieve the SDGs and the vision of the Horizon 2030 long-term vision for Belize. The Strategy mainstreams the SDGs in Belize's national planning framework; serves as the mechanism for implementing, monitoring and tracking the SDGs; and reflects strategic actions that are expected to contribute towards attaining sub-goals, goals, and the overall goal. It also recommends an institutional framework for its implementation and includes a monitoring and evaluation framework

with key performance indicators, base line data and targets for 2020 and 2030. A key challenge is the gap in human resource capacity for data collection, analysis and reporting across sectors to monitor the GSDS, with a view to build strong institutions that are accountable and transparent.

Canada's 2030 Agenda National Strategy – *Moving Forward Together* seeks to create and foster an enabling environment for ongoing participation, dialogue, and whole-of-society collaboration to help advance progress on the 17 SDGs. Fostering leadership, governance and policy coherence is one of five core objectives. Through its SDG Funding Program, the Government of Canada is funding whole-of-society actors across sectors to ensure that all institutions involved in SDG implementation are well equipped with the appropriate skills and resources to advance action. The SDG Unit is currently working with other government departments and agencies to develop a Federal Implementation Plan. The Federal Implementation Plan is expected to enhance collaboration and alignment by articulating a federal governance structure, establishing roles and responsibilities of federal departments, and defining the federal process for reporting on the 2030 Agenda and the SDGs.

Poland is implementing a project in collaboration with the OECD and the European Commission to ensure that its civil service is equipped with the tools and knowledge to address the complex nature SDGs. The project aims at elaborating "Design of a Capacity Building Programme for Public Administration to Support the Implementation and Carrying Out of Actions for SDGs and Sustainable Development". Its purpose is, inter alia, to strengthen the skills of Polish civil servants in the area of SDGs and the concept of sustainable development as a whole. Upon completion, Poland hopes that the Capacity Building programme can be replicated and used by other countries that have similar needs and expectations as to the directions of civil service development and its participation in the creation of policies for sustainable development.

In many SIDS, enhancing policy coherence for sustainable development is also challenged by financial, administrative and technical limitations, which further underlines the need for international co-operation and assistance.

Session 3: Identifying capacity gaps and priority areas for action in the Caribbean region

This session aimed at identifying the institutional and knowledge gaps in the region, based on experiences from ongoing capacity-building initiatives for SDG implementation. This will help to define areas where future work and practical guidance is needed, both in terms of civil service skills and leadership capabilities and institutional and governance arrangements. **UN DESA**, the **ICON Institute** and the **University of Aruba** presented their experiences and findings in this regard.

The Committee of Experts on Public Administration's (CEPA) voluntary [Principles of Effective Governance for Sustainable Development](#), and accompanying Strategy Guidance Notes, highlight the need for pragmatic and ongoing improvements in national and local governance capabilities to reach the SDGs. In this context, UN DESA is supporting UN Member States in strengthening their institutional arrangements for policy coherence and to implement the principle of sound policymaking. In terms of institutional arrangements for policy coherence, the Caribbean region still faces many challenges:

- The institutional mechanisms for national development planning including sector planning in many Caribbean countries are not very robust. In many instances these countries are financially, administratively, and technically unprepared to effectively execute such broad mandates.
- Implementation may require additional technical expertise that ministries or agencies do not possess, and there may be no mechanisms to source this expertise within existing public sector employment systems. Further, national development plans often lack supporting sector-specific policies and fail to account for gender and other inequalities - limited policy coherence. In some cases, a sector-specific strategy may be at variance with the development priorities identified for that sector in the national development plan. This lack of coherence in policies results in inefficiency in the national development process.
- Although the use of modelling tools in the building of development scenarios is gaining in popularity in the region (e.g., Jamaica and Guyana) growth and development objectives in national development plans are mostly developed without rigorous analysis, are not realistic and lack reliable data. This poses a major obstacle

to the attainment of these targets which, a priori, may be unachievable, and reflects a major gap in almost all national development plans in the Caribbean.

At the national level, these challenges manifest themselves, in a high degree of fragmentation in the application of various policies; silos in governance architectures, unwillingness to share data, insufficient political will; unsustainable project-based funding and lack of accountability among actors. For the Caribbean to recover from COVID-19, targeted and coherent policies that define strategies for recovery and long-term integrated development plans that are anchored in the 2030 Agenda and the SAMOA Pathway will be required. For example, planning must become an essential governance tool for mapping objectives and establishing baselines; distributing resources across all sectors; mapping and measuring risk; monitoring, measuring, and assessing progress; and taking strategic decisions to adjust the development path as required. Strengthening of internal policy making processes and national institutions, fostering national ownership, and leadership mechanisms that are cross-cutting and multisectoral in character and structure, greater use of systems modelling tools for assessing trade-offs, among others, are required for a sustainable recovery.

To build and sustain institutions and policy coherence in Aruba further, the ICON Institute in collaboration with the Aruban National SDG Commission and the University of Aruba is working to ensure sustainable capacity development of civil servants through two training programs: (i) Policy, Programming and Management and (ii) Statistics and Data production. The OECD's work on PCSD and governance for the SDGs could add value to these efforts and help to build an enabling institutional environment that complements and reinforces technical skills development.

Closing remarks

Closing remarks were offered by **Xiomare Ruiz Maduro, Minister of Finance, Economic Affairs and Culture in Aruba**. COVID-19 has brought many challenges, but the pandemic has also offered new opportunities to forge stronger partnerships and work more together. This workshop provides a solid basis for continued collaboration with international partners, including the OECD, to engage with peers and become better equipped to build stronger institutions for coherent SDG implementation. It paves the way for peer learning around innovative and nimble policy approaches that have the potential to be replicated and scaled up in other countries and regions of the world.