

## POLICY COHERENCE FOR DEVELOPMENT

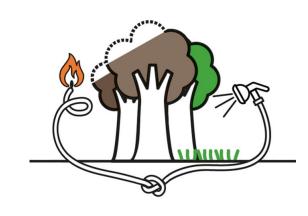
DEVELOPMENT CO-OPERATION FUNDAMENTALS

### WHY IS IT IMPORTANT?

#### Many policy areas outside of development co-operation affect developing countries.

These include trade, business regulation, environment, climate, migration, tax and finance, and security.

- Incoherent policies impede development, waste resources and undermine development co-operation efforts.
- Coherent policies support development, create synergies with investments and strengthen development co-operation efforts.





A strategic vision, mechanisms and tools to facilitate coherence are in place.



Coherence issues are identified, assessed and ways forward are debated.



**Support** for more coherent policies is **generated**.



Policies and processes are adjusted for greater coherence.

### **BASIC STANDARDS**

Policy coherence for development requires that governments take into account the objectives of development co-operation in domestic policies, in areas likely to affect developing countries. Policy coherence for development is *one dimension* of policy coherence for sustainable development.

To advance policy coherence for development governments need to put in place

A **strategic vision** to address areas of incoherence

Mechanisms to debate and engage stakeholders on these issues

Tools to monitor and follow-up

<u>Sustainable Development Goal (SDG) 17</u> refers to the need for cross sector and cross country collaboration. Many **binding and non-binding international frameworks** also set out objectives and concrete measures on the need to adapt national policies, including on climate, arms trade, international public health, biological diversity, international finance and migration.

Section I.2 of the OECD DAC Peer Review Analytical Framework sets out the expectations of the Development Assistance Committee (DAC) on policy coherence for sustainable development.

### **GOOD PRACTICES**



#### **Strategic vision**

Governments develop a strategic long-term vision where policies and laws demonstrate a clear commitment to enhancing policy coherence for development. Action plans are developed, outlining priority policy objectives for coherence, accountability and how success will be measured.

- Luxembourg's third <u>sustainable development plan</u> makes poverty eradication and the coherence of domestic policies for development abroad one of its ten priority actions.
- Italy has <u>a legal commitment</u> to make "an utmost effort to guarantee that its policies, even when not directly linked to development co-operation, be consistent with the purposes" of the development co-operation law.
- The Netherlands has submitted to parliament an <u>action plan for policy coherence for</u>
   <u>development</u>. For priority policy areas, the government identifies objectives and actions to
   support coherence across sectors.

### **GOOD PRACTICES**



#### **Mechanisms for co-ordination and consultation**

Ministries have the mandate, capacity and resources to assess and address coherence issues. Mechanisms enable discussing action on priority issues, across government and with subnational and domestic stakeholders, with developing countries and in multilateral fora.

- Sweden requires <u>all ministries to develop action plans</u> on their global contributions to the SDGs.
- Evaluations from the <u>EU</u> and <u>Norway</u> recommend that all parts of government take responsibility for global sustainable development.
- <u>Belgium</u>, <u>Germany</u> and the <u>Netherlands</u> established multi-stakeholder platforms to discuss actions for more coherent policies and responsible business conduct in global value chains.
- DAC members have contributed to multilateral agreements for more coherent policies, e.g. on climate change mitigation, arms trade and taxation to avoid base erosion and profit shifting.

### **GOOD PRACTICES**



#### Tools to assess, monitor, report and evaluate

Governments use tools to systematically assess, monitor, report and evaluate the coherence of legislation and policies, and their impact on developing countries.

- The EU requires that all proposed regulation undergoes an impact assessment. For the effects on developing countries, it has developed <u>specific guidance</u>, but the practice still needs to expand.
- The <u>Netherlands</u> and <u>Sweden</u> report actions and progress to Parliament. <u>Finland</u> and <u>Switzerland</u> collate indicators on global responsibility for SDG reporting.
- The <u>EU</u>, <u>Norway</u> and <u>Sweden</u> (see also this <u>report</u>) have evaluated their efforts to ensure greater policy coherence, with recommendations on how to further improve. The EU evaluated its system of <u>trade preferences</u>; the Netherlands evaluated action on <u>responsible business</u> <u>conduct</u>.

### **MEASURING SUCCESS**

- Priority issues are identified
  - Governments identify priorities for policy coherence engagement and develop tools for monitoring and assessing the impact of policies, both nationally and on developing countries.
- Engagement with subnational entities and stakeholders is proactive

  Consultations are informed by evidence, pros and cons considered, solutions proposed and stakeholders mobilised to support policy coherence.
- Policies and processes are adjusted leading to greater coherence

  Policies are informed by stakeholder discussions, reflect the impact on developing countries while continuing to uphold sustainable development commitments at a national level.

### RESOURCES

The <u>OECD Recommendation</u> on Policy Coherence for Sustainable Development is accompanied by a <u>toolkit</u>, <u>country profiles</u>, <u>and regular reports</u>.

The Centre for Global Development (CGD) produces an annual Commitment to Development Index.

The SDSN Sustainable Development Report publishes information on "policy spillovers."

Find relevant evaluations via the <u>DAC Evaluation Resource Centre (DEReC)</u>.

#### Relevant topics in this series

Global education and awareness raising builds public support for coherent policies.

Multilateral partnerships help to create a level playing field and facilitate follow-up.

Last updated: June 2021

# DEVELOPMENT CO-OPERATION FUNDAMENTALS

This series unpacks development co-operation standards and illustrates how DAC members are applying them. Applying standards can help all actors to fulfil their ambitions and commitments.

Each *Fundamentals* document introduces a *key aspect* of effective co-operation, sets out *basic standards*, offers *good practice* examples, and identifies *relevant resources*.

Other topics in this series, which is being expanded and updated regularly, can be found <a href="https://example.com/here">here</a>. For any comments contact <a href="https://example.com/doi.org">DCD.TIPs@oecd.org</a>.

