



Institutional Arrangements and Governance Capacity for Policy Coherence

A Toolkit





An Introduction to the Toolkit

From a policy perspective, the key challenge of the Agenda 2030 is policy coherence. How to ensure that trade-offs and synergies among SDGs are identified, quantified, taken into account in the policy making and the political decision processes, and respected during implementation?

Theoretically a convincing concept, experience shows that governments continue to struggle complying with the principle. COVID-19 is without doubt the most comprehensive real time experimentation of the devastating effects of missing or weak policy coherence. Adopting typically a single health policy approach to fighting the pandemic, governments had quickly to realize the limits of thinking and acting in a policy silo. **Recognizing the interlinkages with other policy sectors became the imperative.** But how to act on it? It is perhaps a truism but worth to be repeated, also in a crisis, **creating public value requires a multidisciplinary approach, across levels of government and including the whole of society.** Governments will also need to remember it when climate change policies are to deliver the next level of results.

While much energy and many resources are spent around the world on overcoming the difficulties, and promising practices emerge, **taking the message of the benefits of policy coherence to a larger audience** may be an important missing piece of making policy coherence work in practice everywhere.

The ambition of this toolkit is to assist officials and public servants to embrace policy coherence as a means to increase the chances of sustainable development. Travelling along the policy cycle, participants of the training will be invited to learn at every stop about the conditions to be put in place to get closer to policy coherence. In each module, introductions to the key questions alter with the exchange of experiences of participants, group work facilitates deep dives into specific angles, and short presentations by experts provide the context to each stop of the journey.

A large part of the training is devoted to getting to know experiences which have allowed countries to progress without avoiding evoking the challenges met on the way. Participants are encouraged to consult other toolkits for more detail and practical insights. The **UN DESA Readiness Assessment on Institutional Arrangements for Policy Coherence** is the backbone of the training which invites participants to go through a set of critical questions (collectively) related to each module.

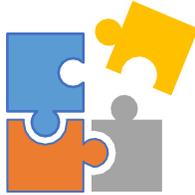
A globally relevant toolkit on policy coherence would be overstretching intentions given the diversity of context. This toolkit offers a grid which can be tailored to the needs of countries, regions and audiences. The trainer will carry out a needs assessment and design the appropriate substantive coverage and depth of each training accordingly. Elaborating the Action Plan which is understood as a “Learn and Apply” exercise will represent a tangible result of the training. Its quality depends on the engagement and commitment of the participants. Shared preparations of the training, active participation along the way and a strong focus on the Action Plan will maximize the benefits for all parties involved.

If experience is an indication, advancing policy coherence is a marathon. The toolkit aims to get everyone started.



Why a toolkit on policy coherence?

Policy coherence is often the missing element in public policy practice – despite intensive research of the subject and the widely shared acknowledgement of its potential benefits. The UN Sustainable Development Agenda 2030 is an urgent call on governments to advance the practice of policy coherence:



SDG 16 addresses explicitly the governance dimension of the SDGs – to achieve peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels. To achieve related targets, i.e. develop effective, accountable, and inclusive institutions and ensure responsive, inclusive, participatory, and representative decision-making at all levels requires public institutions to be ready for policy coherence. Coherence is crucial at the levels of goals and targets as well as delivery and implementation.

SDG 17 calls for a global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology, and financial resources. It aims at enhancing international support for implementing effective and targeted capacity building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation. Strengthened capacity for policy coherence supports governments to achieve these targets.

Rationale: Why policy coherence?

Maximizing synergies and minimizing trade-offs among the goals is part and parcel of the pursuit of the SDGs. This requires strengthening the institutional capacity of governments to plan, coordinate, and work across organizations and policy areas as there is often a mismatch between how institutions and jurisdictions are organized and ways in which problems materialize or how goals and targets are interconnected. Changes in one policy area often affect one or more other policy areas. Anticipating and integrating those changes and their implications is at the core of striving for policy coherence.



Coherence is a frequent challenge in other policy areas as well. In the COVID-19 crisis, nearly all governments, or more precisely the executive, around the globe have focused their actions from the start exclusively on protecting the lives of their citizens. This ‘whatever it takes’ approach of lockdowns, putting the economy into coma and debt financed public spending implied a strict hierarchization of objectives. It went unquestioned, until the dire consequences of a single-objective strategy for economic and social life surfaced: Free-falling output, exploding unemployment, lack of income, and sharply rising social costs from missed education to violence against women provoked pressures for unwinding the restrictions. All countries are now facing a particularly delicate period of assessing numerous potential trade-offs. How to understand, consult, decide and implement under time pressures and in parallel policies aiming at avoiding a second wave of infections, launching economic recovery, and making progress in social healing? This is the classic configuration of policy coherence, a challenge currently attenuated by the urgency of crisis management.

Climate change presents policy makers in many ways with a comparable situation in terms of policy coherence. Although governments’ views may differ regarding the degree of urgency of action, limiting the increase in global temperature is the overriding and numerical objective. What are the potential trade-offs with economic growth, mobility, or social inclusion - among others? How to create synergies between



these objectives? Here again, aiming for policy coherence implies a multi-sector and multi-actor approach, and a deep dive into the interdependencies of objectives is critical.

Of course, there are important differences between managing crises or developing policies for multiple objectives in regular policy cycles. In the latter case, speed is less of an imperative, impact analyses can be carried out, participatory processes with stakeholders organized, and data be identified or even collected specifically. Various expert networks can be linked to ministries or agencies and cross-cutting interaction be established to identify the limits and opportunities of policy coherence. Nevertheless, the two situations share an important feature. Investing time and resources into the complexity of managing systemic risk is likely to help mitigate risks and to improve preparedness for managing crises.

While the relevance, rationale, concept, and benefits of policy coherence seem to be well understood and widely shared, progress in practices is generally slow, sporadic, and uneven across countries and regions. No doubt, the SDGs have brought the principle of policy coherence globally back to the fore again. Some countries have in fact moved further again in pursuing policy coherence, among them typically those that have been committed to the principle already for a while.



Why do we not see more progress in practicing policy coherence? The answer could partly be related to the political dimension of public policy making. Achievements and results which can be attributed directly to the initiatives of individual political leaders are expected to pay-off in electoral terms, while coherence tends to translate into shared returns with other ministers or political parties. Similarly, at senior administrative levels, performance management systems often measure how senior officials cater to the needs of the political leadership rather than assessing if and how policies are coordinated with other ministries or agencies. Policy coherence is more time consuming than hierarchical decision-making in ministries, agencies etc. and can require substantial capacities in a long-term perspective because it must deal with complex links between goals and objectives, including planning, research, data, and analysis.

There is another obstacle to further progress in policy coherence for SDGs which this toolkit addresses head-on: The fact that institutions, instruments, and processes require adjustments to make them fit for purpose in delivering on policy coherence and SDG implementation. These adaptations concern the mindset of political leaders and the public workforce towards co-operation and collaboration; the evaluation of policy objectives towards an assessment of minimizing trade-offs and maximizing synergies among SDGs; and the policy instruments towards the specific multi-sector, multi-level and multi-actor paradigm of the Agenda 2030. It is an ambitious contribution of the toolkit to advancing policy coherence but in many ways overdue since overlooked for too long as a promising lever.

The Division for Public Institutions and Digital Government of the UN Department of Economic and Social Affairs of the UN is proposing to assist Member countries in their efforts for policy coherence through a toolkit on policy coherence. The toolkit serves as an instrument for developing and implementing strategies for the coherent implementation of the SDG agenda based on national priorities and needs. Its primary focus is to strengthen public institutions for policy coherence at the national level; it covers all key related aspects, such as stakeholder participation and multilevel governance arrangements from local communities to intergovernmental organizations.

The toolkit takes the form of modules which governments are recommended to consider for the design of institutions, procedures, and instruments for policy coherence to implement the SDG agenda. Its

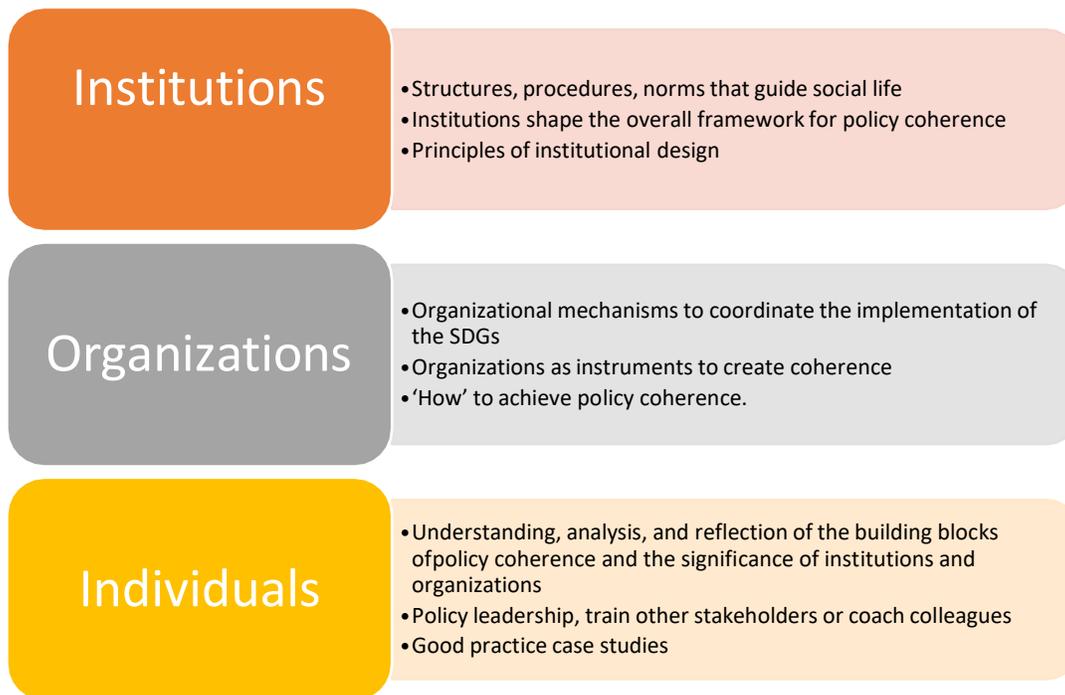


potential use is not limited to the SDG Agenda 2030. It might very well benefit those who are confronting the current global challenge of the Covid-19 pandemic or the climate change agenda, for example. Combined with the concept of system thinking the toolkit could become part of the modernization agenda of public administrations to support sustainable development that considers the multi-sectoral implications of policies and their social, environmental, and economic dimensions.

This toolkit is prepared in the context of the broader effort of the Curriculum on Governance for the SDGs to provide a comprehensive set of training toolkits on key pillars for governance transformation needed to realize the 2030 Agenda.

Objective of the Toolkit

The primary objective of the training toolkit is to assist Member States in strengthening their public institutions for policy coherence to implement the SDGs. The toolkit aims to strengthen the capacity for policy coherence at the institutional, organizational, and individual level. The toolkit seeks to enable individual participants to understand, analyze and reflect on the significance of institutions and organizations for creating coherent policies.





Four Guiding Principles of the Toolkit

1. No one-size fits all-approach

Recognizing the diversity of the institutional context (political, economic, social, and historical circumstances, as well as formal rules, norms and values, administrative traditions, and culture) in Member countries, the toolkit does not suggest a one size fits all approach.

2. Acknowledge the political nature of government

The central contribution of the toolkit is a comprehensive menu of issues which countries will face in their design and implementation of policy coherence and the range of potential responses. To be realistic, the latter must include both the substantive and inherently political nature of policy making, such as party politics, coalition logics and the election cycle. The role of government is vital to initiate the change of institutions and procedures for policy coherence. As importantly, policy coherence as such is political as the compromises and the outcome of conflicts in coordination often represent trade-offs between different policy solutions and reflect political power relations and/or differences in resource availability.

3. Keep the learning formats flexible

The toolkit offers flexible support to officials at all levels of government. It can be used in many formats, for different target groups and at all levels of government: from senior leadership levels and government officials (e.g. policy makers in central planning entities, senior managers in inter-ministerial workshops), middle management, national experts and academics, Schools of Public Administration and institutes of public management, UN Country Teams, and others.



4. Focus on practical relevance and combine a birds-eye perspective with deep-dives

The toolkit favors a pragmatic approach to the trade-off between a comprehensive, encompassing approach and the need for compactness and accessibility. There is a wide range of conceptual and case-specific material on institutional and managerial building blocks for policy coherence. The toolkit suggests combining broader overviews with case-specific deep-dives as well as institutional analysis with managerial topics dependent on target audience and context. The toolkit also encourages practical and interactive exercises as well as elaborating action plans to be used in participants' daily work.



How to use the toolkit

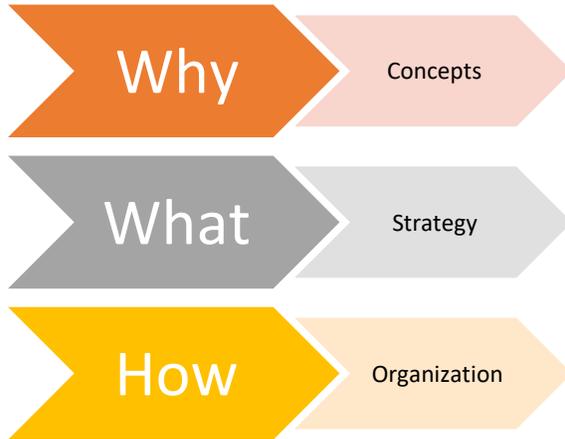
The toolkit proposes a framework covering the essential institutional and managerial building blocks to strengthen policy coherence for the SDG implementation. This framework is supposed to represent a menu from which the 'trainer' – the reformer him/herself or the actual course leader - can choose those modules and deep-dives, they consider most appropriate given the target participants and country context. Whether covering the entire policy cycle from design to evaluation, the whole of the SDG



agenda or specific sectoral policy challenges, such as water or electricity production and distribution, the toolkit empowers the trainer to carry out a collective learning process for colleagues, collaborators, decision makers in administrations or political leaders.

Collective learning is key

The toolkit is designed to take the institutional contexts of the participants into account and to depart from a needs assessment. Scope, depth, and modalities of the toolkit can be accommodated to best fit the profile of the participants and their priorities. The collective learning exercise includes an interactive



format during which participants are encouraged to develop actions for change in their every-day work environment.

The toolkit is meant to be a learning instrument well as a compendium of ‘what works’. As such, it will encourage continuous inclusion of good practices from other organizations or jurisdictions in the curriculum along its way. It will be drawing continuously on the VNRs and related UN data bases. It will benefit from the results of a questionnaire on the readiness assessment of a selected group of countries

from all regions facilitating access to the most recent experiences and improvements. Regular updating implies more widely and more timely dissemination of good experiences and practices of the triggers of integrated policymaking, institutional arrangements and of the challenges which these practice cases would still need to overcome.

Key learning objectives of the Toolkit

(1) Why: Conceptual background of Policy Coherence

1. Understand the relevance of policy coherence and how the core dimensions of policy coherence and coordination are intrinsically linked to the implementation of multisector public policy challenges such as the SDGs as well as to building resilience for complex challenges.
2. Understand the systematic enablers of and obstacles to achieving policy coherence and coordination in government at all levels, for example the implicit tension between coordination and specialization, turf protection, information asymmetries and power differentials.
3. Be aware of the systematic building blocks and indicators for policy coherence as entry points for the improvement of whole of government/ integrated approaches and particularly understand the crucial role of institutions to make progress towards policy coherence.



(2) What: Strategy for Policy Coherence

4. Appreciate the conduct and benefits of an institutional readiness assessment for policy coherence with a view to define priorities for capacity development.



5. Understand how the insights from the assessment can be translated into concrete actions by developing individual and organizational action plans to make progress in daily work.
6. Identify policy areas and policies with cross-sectoral dimensions that require coherent and integrated policymaking.

(3) How: Organizational preconditions for Policy Coherence

7. Reflect on the importance of the organizational, political, and ethical context of decision making (based on values, norms, customs, informal rules that regulate behavior).
8. Understand how the instruments of HR, budgeting, and IT need to facilitate implementation of policy coherence.
9. Learn about the benefits of mapping and engaging effectively with relevant stakeholders; possible approaches, tools, and methods to developing coherent policies through a consultative process, both in the case of existing policies, or to proactively identify opportunities for policy integration.

Structure of the toolkit - Modules





Module 1: Institutional Capacities for Policy Coherence

The module aims to familiarize participants with the crucial significance of institutions for policy coherence. Institutions are vital to creating policy coherence because they shape roles and resources in decision-making. They distribute tasks and political attention and contribute to the distribution of power in government. Institutions have their own cultures and mind-sets which differ in how much they encourage cooperation across institutions. The module takes a broad conceptual perspective and introduces participants to the role and significance of institutions in governance and policymaking, to institutional principles for governance, to the concept of policy coherence and system-thinking to support policy coherence. It discusses the importance of coordination for policy coherence as well as organizational factors for coordination problems. The following key questions guide the module:

- How and why do institutions matter for public policies and governance?
- What is policy coherence?
- Why is policy coherence key to SDG implementation?
- What is the link between coordination and coherence?
- Why is coordination important, but difficult?

Module 2: Assessing Institutional Readiness for Policy Coherence

The module focusses on how to assess the institutional readiness of a governance system for policy coherence and introduces the UN DESA Institutional Readiness Assessment, its building blocks, and indicators. The UN DESA Institutional Readiness Assessment is based nine building blocks. Next assessing structural preconditions for policy coherence, the assessment emphasizes the political nature of policy coherence. The module discusses why and how politics matters for policy coherence. The module explores the first three sections of the UN DESA institutional readiness assessment for policy coherence and discusses in-depth the significance of political commitment for policy coherence.

The module addresses the following key questions:

- What are building blocks for policy coherence?
- Which sets of indicators to check for the institutional readiness for policy coherence?
- What are the implications of moving towards policy coherence for administrative reform?
- How important is political commitment for coordination and coherence?

Module 3: Planning for SDG Implementation: Organizational Structures for Inter-ministerial Collaboration

The module aims to enable participants to use National Development Plans (NDPs) and similar national planning documents to make progress towards policy coherence. NDPS and similar documents have a rich history as key strategic documents for long-term planning and development. SDG implementation requires changes to these instruments, and countries have taken different pathways, including developing new NDPs in response to the 2030 Agenda. The module introduces a range of to NDPs and discusses tools for how to align strategic planning documents to the SDGs. The UN's Rapid Integration Assessment and MAPS are discussed in greater detail. Organizational structures for planning, SDG implementation and inter-ministerial coordination are key for moving towards policy coherence and strengthening the capacity of governments to align long-term policy making across sectors and with the SDGs. For that reason, the module presents and reflects on different models of organizational structures for SDG implementation and coordination. The following key questions guide the module:



- How can NDPs and similar planning documents contribute to policy coherence and the implementation of the SDGs?
- How to align NDPs with the SDGs?
- Which organizational models for SDG implementation prevail?
- What works best for SDG implementation, what are the drivers of effectiveness?

Module 4: Aligned Budgeting and Digital Technologies for Coherent Implementation of SDGs

This module aims to familiarize participants with three critical instruments of public policies for the design and implementation of SDGs: performance-based budget planning and execution, financial frameworks, and instruments of regulatory quality. As budgets are powerful instruments for realizing plans and policies, they are a good fit for SDGs – in principle. The module introduces the institutional and political challenges and offers practical ways to integrate the SDGs in the budgeting process through integrated financing frameworks and the concept of performance-based budgeting. Recognizing the existing administrative limits and capacities in countries, governments will have to make choices how best to shape the actual budgeting systems for policy coherence. Addressing the interlinkages among SDGs in public service delivery can be supported significantly through integrated digital services. They require high degrees of coordination among ministries and agencies and leveraging system-thinking. This includes paying attention to the technical conditions of access of citizens to digital services, such as internet availability and penetration rates. The following key questions will guide the module:

- How can budgeting help make progress towards policy coherence?
- How can budgeting processes and integrated financial frameworks instruments support SDG implementation?
- What are the institutional requirements for performance-based budgeting to support policy coherence and SDG implementation?
- What are the political obstacles and limits of performance-based budgeting for SDGs?
- How can digital transformation facilitate the delivery of public services on interlinked SDGs?

Module 5: Performance Management and Changing the Political and Administrative Culture for Policy Coherence

This module invites participants to deep dive into the critical role the public workforce for coherent policy making and implementation of the SDGs. Going beyond the call for political leadership and political commitment as necessary conditions, policy coherence requires an administrative and operational culture which encourages collaboration and rewards commitment of civil servants and public officials to collaborate with each other across ministries, agencies and with external stakeholders. The required competencies, collaborative skills and mindsets will be discussed based on detailed materials from the UN and other sources. The function of “spanning boundaries” is a rather recent concept. Approaches and tools of performance management ranging from raising capacity to incentives and shared accountability need to be integrated with well-defined strategic goals and training offers and become part and parcel of ‘how things are done’. The module provides for five group activities to facilitate the exchanges among participants on a subject which remains in many countries still a key challenge on the way to policy coherence. With Finland, Colombia and Singapore having responded to the invitation by the



UN Secretariat to go through the Readiness Assessment participants will be able to draw on three up-to-date case studies. The following key questions will guide the module:

- How to change mindsets towards a culture of collaboration, leadership and shared results and accountability in the administrative and political space of government?
- What responsibility for leaders?
- What skills and competencies are needed?
- Which tools and approaches of performance management are available?
- How can training effectively support public servants to buy into a collaborative mindset?

Module 6: Stakeholder Participation in the SDG Policy Cycle

The module aims to familiarize participants with rationales and designs to achieve effective stakeholder participation for the SDG implementation. Why is participation and stakeholder engagement key to the Agenda 2030 and is addressed by several SDGs and targets? What is the potential, what are the challenges? Engaging relevant stakeholders and including multiple perspectives, types of knowledge and experiences among them are vital pre-requisites for policy coherence. The module discusses the significance and challenges of stakeholder engagement for policy coherence, introduces different levels of participation and looks at how to set up stakeholder engagement. Involving stakeholders in the SDG implementation allows to develop implementation arrangements and approaches based on a diverse set of perspectives, expertise and interests, and thus to address the specific regional and local situations, understand the impact of policies and to generate and sustain support for the SDGs. The module covers the following key questions:

- Why include stakeholders in SDG policy making and implementation?
- How to distinguish different levels of participation?
- How to select relevant stakeholders?
- How to map the landscape of stakeholders for different objectives and how to assess their interests?
- Through which institutional designs to include stakeholders effectively?

Module 7: Policy Coherence on Track? Monitoring and Evaluation

The aim of the module is to introduce participants to the significance of monitoring and evaluation for policy coherence and SDG implementation. Monitoring, and evaluation are key components of ensuring if and how implemented policies achieve the intended goals. Monitoring and evaluation provide relevant information on the outcome of policies to be used for reform or to adapt implementation practices and to get insights into 'where you stand' regarding SDG implementation and sustainable development more broadly. Valid indicators are crucial for monitoring and evaluation. The module investigates how monitoring and evaluation link with policy coherence, which challenges are related, how the global SDG monitoring/reporting system operates and looks in detail into sub-indicator 7 of indicator 17.4.1. The module is organized around the following key questions:

- How do monitoring and evaluation link to policy coherence?
- Which challenges are linked to monitoring and evaluation for policy coherence?
- How does the SDG monitoring system work?



- What role for indicators for monitoring policy coherence?

Module 8: Data for Evidence-Informed Policymaking

This module familiarizes participants with the crucial role of evidence and data to inform coherent policies. While data is abundant in contemporary societies, challenges for data governance and for the use of evidence in policymaking are still considerable. Yet, not only for the SDG implementation, it is crucial to recognize the value of data to assess policy linkages, synergies, and trade-offs. The module introduces the concept of data governance and discusses the challenges of evidence-informed policymaking, data use and data governance and familiarizes participants with the CLEWS tool. The module focusses on the following key questions:

- How can evidence-informed policymaking contribute to policy coherence?
- Which challenges are linked to evidence and data to inform policies?
- What is data governance
- What examples do exist to understand policy linkages, synergies, and trade-offs through data?

Module 9: Policy Coherence and Multi-level Governance: From Local to National to International Cooperation

The module familiarizes participants with the concept of vertical governance which is of critical importance for the localization of SDGs: How to ensure the delivery of the SDGs to their citizens at local and regional level given the level of decentralization of countries? As regional authority is increasing globally – cities have turned into major drivers of economic, social, and environmental improvements - localization of the SDGs requires new channels and ways of coordination between levels of government for policy coherence. The module introduces tools and approaches of institutional, territorial and management reforms to facilitate the integration of SDGs, while identifying the potential gaps between cooperation between levels of governance and the ways how to overcome them. Participation of local and regional governments in national coordination mechanisms for the SDGs is weak or does not exist at all in far more than 50 percent of the countries. On the other hand, capacity, and funding gaps to implement the SDGs are addressed in many places through establishing local representative offices of central government institutions throughout local or regional authorities. A territorial approach to SDG localization includes also greater coordination among governments across the same level – a challenge which will be subject of the group activities of the module.

- How to improve policy coherence across levels of government?
- How does decentralization impacts on the implementation of SDGs at local and regional level?
- How can deficits and gaps in multi-level governance arrangements be overcome for the benefit of delivery of SDGs at local level?
- Which institutional and managerial arrangements favor the localization of SDGs?



Learning Resources

This toolkit is a set of comprehensive and tailor-made learning materials, which include presentations, a self-assessment on institutional arrangements for policy coherence, exercises, case studies, tools, and approaches. It can be used as direct training, or training of trainers. The Syllabus is designed in such a way that it allows trainers to tailor the content to the specific context in which it is deployed by focusing on specific modules or adjusting time spent on different parts of the Toolkit.

Case studies of the experiences and practices of countries regarding the building blocks of the toolkit should be selected in terms of their relevance for the learning communities. While they can inspire country specific solutions, traditions, environments, capacities, and resources vary considerably between countries. The higher the degree of comparability of case studies with the conditions of the home country/ies of participants, the greater the benefits. A specific questionnaire is being developed to understand in greater detail the experiences of selected countries from regions around the world in their pursuit of increasing policy coherence with a view to integrate them into the toolkit.

The toolkit aims to complement and is building on many initiatives underway in Member countries and the UN process itself. It draws, among others, on the VNRs to the UN HLPF. Since 2016, 158 countries have informed the global community on their progress and solutions to achieve the SDGs, some of them for a second time (grey colored on the map below). For the 2020 cycle, 51 countries are scheduled to present their VNRs to the HLPF (blue colored), 22 of them for the second time and one for the third time. The thematic reviews and synthesis reports by the UN Secretariat are equally rich sources of country strategies and practices.



Source: UN-DESA (2019), *Handbook for the preparation Voluntary National Reviews, The 2020 Edition*, https://sustainabledevelopment.un.org/content/documents/25245Handbook_2020_EN.pdf, p. 3