

## **Regional and Global Policy Coherence: Supporting the Sustainable Development of SIDS**

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### **The role of Policy Coherence for Sustainable Development in the 2030 Agenda**

The Sustainable Development Goals (SDGs) are an indivisible set of global priorities. They integrate economic, social and environmental dimensions and recognise their inter-linkages in achieving sustainable development. They are all interconnected and mutually reinforcing. An effective implementation will therefore require an integrated and coherent approach. Policy coherence is a tool and approach to help break out of sectoral silos and ensure more integrated policies in implementing the SDGs. It can help to foster synergies and manage trade-offs among SDGs and targets, between different sectoral policies, and between diverse actions at the local, regional, national and international levels. The SDGs contain a specific target 17.14 to “enhance policy coherence for sustainable development” (PCSD). PCSD can help raise awareness of the wider systemic constraints and enabling environments, as well as to inform decision making at the national and international level on potential effects “here and now”, “elsewhere” and “later”. OECD’s PCSD Framework provides a start: [Better Policies for Sustainable Development 2016: A New Framework for Policy Coherence](#).

A coherent policy approach will be particularly important for the SIDs at the national level in light of their location, impacts of climate change, high dependence on marine resources, and the vicious circle of recurrent disasters, low growth, high debt, limited fiscal space and high vulnerability. At the regional and international level, achieving a common vision and coherent roadmap will be particularly challenging in light of the many agreements that are now converging, including the SAMOA Pathway, the Addis Ababa Action Agenda, the Paris Climate Change Agreement, the 2030 Agenda etc. For example, SDG target 14.5 to conserve, by 2020, at least 10% of coastal and marine areas coincides with paragraph 58(o) of the SAMOA Pathway, which highlights the need for a coherent approach in the implementation of both SDGs and the SAMOA Pathway to ensure effective outcomes. While international actors and inter-governmental organisations will need to be aware of the complexity of many agreements, and can facilitate a coordinated and coherent approach, it is at the national level where the key building blocks will need to be put in place.

There is no single blueprint for policy coherence. Experience shows that there are different approaches, visions, models and tools available to each country, in accordance with its national circumstances and priorities. A first step may be to carry out a mapping of all the agreements and strategies at the national and international level and identify the actors and processes associated with each one. Communication among decision-makers is essential. Lessons learned, including from the first year of implementing the SDGs, also suggest the following as key building blocks: a high level commitment to a coherent approach; the engagement of relevant stakeholders at all levels; appropriate institutional mechanisms that facilitate integrated approaches and take into account the potential trade-offs, trans-boundary and inter-generational effects; and take a long-term perspective. A coherent approach at the national level will go a long way to fostering coherence at the regional and international level.

Examples of coherence challenges at the regional or international level important for the SIDS may include the following:

### **Fragmented management of marine resources**

The SDGs recognise the importance to the SIDS of the ocean, seas and marine resources. SDG 14.7 states “by 2030, increase the economic benefits to SIDS and LDCs from the sustainable use of marine resources (living, genetic, renewable, and finite) including through sustainable management of fisheries, tourism, energy, mining, shipping and other marine and coastal industries.”

Harnessing the potential of the ocean, seas and marine resources for sustainable development calls for integrated and coherent approaches. The ocean (SDG 14) can contribute to a wide range of other goals and targets in the SDGs, from food security (SDG 2) and climate change (SDG 13) to the provision of energy (SDG 7), employment creation (SDG 8) and improved health (SDG 3). It provides materials, food, livelihoods and recreation. It is the largest natural carbon sink and plays a key role for supporting climate change mitigation as well as to provide other environmental services. But it is well known that the ocean is already under stress from over-exploitation, pollution, declining biodiversity, and climate change. Ocean acidification, pollution, and overfishing are causing important damages to coral reefs and marine ecosystems, on which many SIDS depend on for food and tourism. According to UNEP, 60% of the world’s major marine ecosystems have been degraded or are being used unsustainably.

There are diverse policy instruments available which can help address pressures on marine biodiversity. Marine protected areas for example, can help address over-fishing and habitat destruction, and ensure the provision of multiple ecosystem services for human well-being, including for fisheries, coastal protection, tourism and recreation. More efforts will be needed to achieve the SDG 14.5 to conserve 10% of marine and coastal areas by 2020.

A number of instruments and international agreements have been developed over time to address many of the potential risks, mainly through a variety of sectoral approaches. Breaking out of silos and engaging in co-ordinated actions such as on fishing, shipping, tourism, oil and gas development, can be more effective to managing ocean resources and regulating ocean activities. This would mean a multi-stakeholder approach to develop a comprehensive package of policy measures that involve not just the environment communities but agriculture, rural development, fisheries, aquaculture, tourist, zoning interests to be taken into account.

### **Fragmentation of ocean governance arrangements**

Realising the full potential for SIDS will demand responsible, sustainable and coherent approaches at home, but the international community also has a collective responsibility to foster an enabling environment for sustainable development including through more coherent ocean governance.

Ocean governance is beset by gaps in international regulation which leads to uncertainties and risks. These include a plethora of different agencies looking after different activities, weak compliance, lack of enforcement, new and emerging uses, including high seas industries such as energy production, and lack of an equity framework for exploitation of genetic resources. These uncertainties will impact a variety of economic related activities, including for example, a lack of legal clarity about economic activities in the oceans beyond national jurisdiction as well as the potential of increased competition between states for access to resources in the seas. Deep-sea corals, for example, are covered by a variety of laws but there is no direct international agreement covering their protection and use. And competition for ocean resources is compounded by the lack of incentives to develop joint inter-state activities such as for deep-sea mining.

The OECD has put forward a number of recommendations to boost the long-term development prospects of emerging ocean industries and their contribution to growth and employment, while managing the ocean in

responsible, sustainable ways. These include to (i) foster greater international co-operation in maritime science and technology such as through international comparative analyses and reviews; (ii) strengthen integrated ocean management by making greater use of economic analysis and tools, and establishing international platforms for the exchange of knowledge, experience and good practice; (iii) improve the statistical and methodological base at national and international level for measuring the scale and performance of ocean-based industries and their contribution to the overall economy; and (iv) build more national and international capacity for ocean industry foresight, including the assessment of future changes in ocean-based industries.

### **Fragmentation in finance for climate-resilient development**

While many SIDS face unique structural constraints to growth and disproportionate impacts of climate change, concessional financing in support of resilient development is limited and difficult to access. Lacking relatively stable and strong fiscal revenues and domestic savings, SIDS governments often need to divert scarce public resources from essential social and economic development investments to address disaster-related needs, compromising the pace and scope of future growth. While several market-based financing mechanisms have become available globally, they are not equally and easily accessible to all SIDS, and concessional finance from the international community remains a key source of financing to foster climate and disaster resilient development.

Concessional finance is shrinking, however, and largely provided in a fragmented and uncoordinated fashion, not targeting adequately some of the most critical areas of development. In 2014, concessional finance to SIDS amounted to USD 5.2 billion, 21% below the annual average of the previous five years. Fragmentation of efforts is widespread with concessional finance spread thinly across a large number of projects, leading to high transaction costs and placing additional stress on the management capacity of SIDS.

Although investments to build resilience to climate and disaster are a prerequisite for achieving sustainable development in SIDS, financing available in this area is limited and complex to access. The joint OECD-World Bank research on climate and disaster resilience financing in SIDS<sup>1</sup> found that only 14% of the concessional finance provided by bilateral and multilateral providers was in support of resilient development (an annual average of USD 783 million in 2011-14). A number of global climate and disaster funds have been established over the past decade to increase developing countries' access to financing. However, access by the SIDS remains limited because of complex eligibility criteria and procedures in relation to administrative and technical capacities.

The OECD is currently preparing a report mapping the entirety of concessional finance to SIDS and exploring innovative ways to deploy it to tackle some key challenges faced by the SIDS, with a view to expanding the evidence base and help develop financial instruments and approaches that are tailored to their specific needs.

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1. OECD-WB (2016, forthcoming) Climate and Disaster Resilience in SIDS.