

EVALUATION DEPARTMENT



REPORT 8/2018



Photo: Ken Oppran

Evaluation of Norwegian Efforts to Ensure Policy Coherence for Development

APPENDIX 4-6

Appendix 4: A brief chronological description of Norwegian PCD

The first OECD-DAC peer review, launched in 2004, requested Norway to anchor PCD more firmly in an overarching government approach, the report recommended that Norway should report regularly on actions aimed at improving policy coherence, and set up a «government-wide» mechanism to strengthen PCD within different policy areas such as trade, agriculture, environment, security, migration and economics. Responding to the increased focus on policy coherence for development and the recommendations from OECD DAC¹, the then development minister Erik Solheim appointed a “Norwegian Policy Coherence Commission” in late 2006 to assess how Norwegian policies (domestic and international) beyond the field of development and aid affected poor countries, and how Norwegian policies could become more coherent to ensure development in poor countries.

The Policy Coherence Commission was broadly based and included representatives from all political parties, and a wide range of civil society actors. In their work over a 2-year period, the committee looked into Norwegian politics and policies in several sectors: trade, investments, financing for development, climate and energy, migration, transfers of knowledge and technology and peace, security and defense policies. In its mandate, the commission was also asked to discuss and recommend institutional initiatives and mechanisms to secure that work on promoting policy coherence for development was properly institutionalized. The commission delivered its report in 2008 (NOU 2008:14) with in-depth analysis and concrete recommendations. With regards to administrative capacity and mechanisms for securing policy coherence for development the commission recommends a strengthening of the awareness and capacity on policy coherence for development in Norwegian bureaucracies across policy fields. More concretely they recommend:

- Establish a PCD unit within the Ministry of Foreign Affairs to coordinate the inter-ministerial work on PCD;
- Appoint an external reference group/board with representatives from private sector, trade unions and civil society to discuss and promote PCD;
- Research communities should be commissioned to give independent evaluations on Norwegian policies and development;
- Establish regular reporting routines to Parliament on issues of policy coherence for development;
- Establish routines for independent evaluations of Norwegian policy coherence for development.

The 2008 OECD DAC per-review of Norway commended the Norwegian commitment to policy coherence for development, but encouraged the Norwegian government to strengthen their strategies, monitoring, analysis and reporting efforts in promoting policy coherence for development. The OECD report recommends, in line with the policy coherence commission for development that an institutional focal point should be established; preferably located at the Prime Minister’s Office with a dedicated unit in the MFA, referring to the report from the policy coherence for development commission (NOU 2008:14).

¹ OECD- DAC peer review 2004.

The government “responded” with the 2009 white paper “**Climate, conflict and capital**” (NOU 2008/2009:13) which referred at length to the «Coherent for Development” (NOU 2008:14). The paper was presented as a point of departure for a new politics to secure greater coherence for development in Norwegian policies and it has a separate chapter about coherence between domestic and developmental policy. One concrete recommendation on policy coherence for development was made: an invitation to Parliament to initiate a yearly reporting mechanism on securing policy coherence for development within and between different policy areas, following up on one of the recommendations from the *Coherence for Development* report and the 2008 OECD-DAC peer review.

The yearly reporting mechanism from government to Parliament on Norwegian efforts to secure PCD was established and integrated as part of the yearly budget proposal presented to Parliament. The first report was launched in 2011, and has since been presented annually. The reports have, however, been subject to much criticism from civil society, particularly related to development issues, primarily because the reports are characterized by an aim to show all that Norway has done correctly, and with little willingness for self-criticism and the illustration of dilemmas between Norwegian proprieties and development goals. The annual reports focus on selected thematic areas, and essentially present what the government has done and does to promote development and ensure coherence within these areas. Every report ends with a checklist for consideration of PCD effects of policies and activities, which has been unchanged since the first report in 2011.

Responses to these reports include subsequent **alternative reports written by civil society actors** (Norwegian Church Aid, 2011, 2014 and 2016, Forum 2015), commending, criticizing and recommending further initiatives. The role of CSOs as critics and presenters of conflicts between Norwegian policy goals within other policy areas and development policy has been important to raise awareness about policy coherence in society and among policymakers. Many of the respondents we have spoken to throughout the evaluation (both within the government and outside) emphasize the important role of CSOs in raising difficult questions and illustration dilemmas within PCD. CSOs are important actors in securing continued attention to and awareness around policy coherence for development. These CSOs also receive substantial funding from the MFA or other government sources. In the wider sense, it might be possible to see the reactions from an active civil society as part of a mechanism, if not established, at least supported by the MFA. Pressures from CSOs and private actors such as Norwegian businesses have also led to alternative mechanisms/initiatives being established in cooperation with government/MFA contributing to enhanced policy coherence in Norwegian policies; KOMpakt (the consultative body on matters related to corporate social responsibility) and the Council on Ethics for the Government Pension Fund Global are examples of such mechanisms/initiatives.

The current government of Norway (elected in 2013 and re-elected in 2017) recognized the link between development and other sector policies explicitly in their policy platform from 2013, declaring to: “*Pursue an integrated development policy, in which measures within the various sectors point in the same direction to the greatest possible degree*” (Sundvolden Declaration 2013)². The government’s commitment to Agenda 2030, the action plan for implementing the sustainable development goals, where policy coherence for sustainable development is a target (target 14) under goal 17, enhances the focus on policy coherence, and a commitment to the target is explicitly

² https://www.regjeringen.no/contentassets/a93b067d9b604c5a82bd3b5590096f74/politisk_plattform_eng.pdf.

announced in the government's new white paper on development launched in 2017 (St. Meld 24 (2016/2017)). In relation and reaction to the government's statements, representatives from the Christian Democratic Party (KrF), on behalf of a majority in Parliament, launched a proposal to initiate a "*Policy Coherence for Development Reform*" in late 2016. This was also partly based on an alternative white paper on development published by the Christian Democratic Party in 2016 (Verdivalg og veivalg), where policy coherence was presented as a key issue and clear recommendations were made. Some of the recommendations from CSO, and OECD together with the commitment to the 2030 Agenda and the SDGs, have been taken into consideration in the latest white paper on Norwegian development policy (NOU. 24 (2016/2017) "*Common Responsibility for Common Future*"), where a chapter is dedicated to policy coherence for development and a more independent form of reporting is suggested and a new forum for policy coherence is envisioned.

Appendix 5: Timeline for Norwegian PCD initiatives and mechanisms

Time	Signals	External actors	PCD Suggestions (Recommendations)	Initiatives from MFA / government	PCD mechanism	Other PCD mechanisms
2004	1st OECD-DAC peer review	OECD	<ul style="list-style-type: none"> • Report regularly on PCD actions (suggest Norad to be responsible) • Setting up a “government-wide” mechanism to strengthen inter-ministerial coordination 			
2006				Established Development commission		
2008	NOU:14 "Coherent for Development?" »	Development Commission / MFA	<ul style="list-style-type: none"> • Establish a PCD unit within the Ministry of Foreign Affairs to coordinate the inter-ministerial work on PCD; • Appoint an external reference group/board with representatives from private sector, trade unions and civil society to discuss and promote PCD; • Research communities should be commissioned to give independent evaluations on Norwegian policies and development; • Establish regular reporting routines to the parliament on issues of policy coherence for development • Establish routines for independent evaluations of Norwegian policy coherence for development. 			
2008	2d OECD-DAC peer review	OECD	<ul style="list-style-type: none"> • Develop an overarching approach to policy coherence for development • Setting up a “government-wide” mechanism to strengthen inter-ministerial coordination • Establish annual reporting on PCD 			

2009			<ul style="list-style-type: none"> • Seek to make all Norwegian policy more development friendly • Establish annual reporting from the government to the Parliament on PCD 	Report No.13 to the Storting " <i>Climate, Conflict and Capital</i> "		
2009				Report No.10 to the Storting " <i>Corporate social responsibility in a Global Economy</i> "		
2009				NOU:19 " <i>Tax havens and development</i> "		
2010					Established a "dialogue project on capital and development" across several ministries MFA, Finance, Trade and Justice (level of state secretary)	
2011	Redefining KOMpakt	Private sector / SCO / MFA	A revitalization to better comply with the Report to the Storting " <i>Corporate social responsibility in a Global Economy</i> "			New version of KOMpakt
2011				First MFA report on PCD	Established mechanism for annual reporting on PCD	
2011	1st NCA alternative PCD	Norwegian Church Aid / SCO	Evaluation of Norwegian Policy coherence for development, no clear recommendations			
2011				Report No.14 to the Storting " <i>Towards Greener Development</i> "		

2013			The new government wants to <i>“Pursue an integrated development policy, in which measures within the various sectors point in the same direction to the greatest possible degree. “</i>	Newly elected government’s commitment to PCD, The Sundvollen Declaration		
2013				The development ministers portfolio is transferred to the foreign minister		
2013				Report No.25 to the Storting <i>“Sharing for prosperity”</i>		
2013	3. OECD-DAC peer review	OECD	<ul style="list-style-type: none"> • Develop a specific and time-bound coherence agenda 			
2014	2nd NCA alternative PCD report	Norwegian Church Aid / SCO	<ul style="list-style-type: none"> • Establish a designated PCD unit in the MFA • More coordination across ministries, each ministry should report on PCD • Establish a dedicated PCD unit in the ministry for trade and business • Yearly PCD report to parliament including independent evaluations 			
2015				Establishment of a new unit in MFA (Department for Economic Relations and Development)		
2015	Agenda 2030	UN / SCO	<ul style="list-style-type: none"> • Separate goal for policy coherence (17.14) 			
2015	Forum Report «Development beyond aid»	Forum / CSO	<ul style="list-style-type: none"> • Establish a coordinating PCD unit at the Prime Minister’s Office • Administrative responsibility should lie with MFA, establish a PCD unit in MFA 			

			<ul style="list-style-type: none"> • Each ministry should have a PCD focal point, and an inter-ministerial mechanism should be established to discuss PCD issues • Establish a knowledge-based, multi stakeholder “center” for research and reporting 			
2016	3rd NCA alternative PCD report	Norwegian Church Aid / SCO	<ul style="list-style-type: none"> • A designated PCD unit should be established in the MFA, alternatively at the Prime Minister’s Office • In independent PCD report should be published yearly – the report should be related to the SDGs • The government should develop an action plan to secure a coherent approach to the SDGs and establish a multi-stakeholder committee 			
2016	KrF alternative NOU on development	KrF with support from the majority in Parliament	<ul style="list-style-type: none"> • Yearly PCD report to parliament including independent evaluations • Establish a coordinating PCD unit at the Prime Minister’s Office • Institutionalize PCD evaluations in all major and relevant suggestions to parliament • Establish a multi stakeholder forum/ advisory groups on PCD 			
2017			<p>Suggest the establishment of a policy coherence forum to promote development</p> <p>Introduction of cross-cutting priorities in Norwegian development policy</p> <ul style="list-style-type: none"> • Human rights, • Women’s rights and gender equality • Climate and environment • Anti-corruption 	Report No.24 to the Storting “ <i>Common Responsibility for Common Future</i> ”		
2017				Report No.36 to the Storting “ <i>Setting the course for Norwegian</i> ”		

				<i>Foreign and security policy”</i>		
2017	OECD reporting on the 2030 agenda	OECD				
2017				Launch mandate for new forum for PCD		

Appendix 6: Sources for identifying dilemmas related to PCD

<p>Dilemmas raised by (some) respondents interviewed in the evaluation:</p> <p>During interviews with respondents in both Myanmar and in Norway, the project team asked them to identify dilemmas related to PCD. Below are some of the dilemmas listed by the respondents.</p> <p><i>Respondents from civil society</i> represent both respondents from CSOs, researchers, members of the coherence committee and other key respondents.</p>	<p>Norwegian Church Aid (NCA)</p> <p>NCA have produced consecutive alternative reports on policy coherence for development in Norwegian policies beyond aid. The three main reports (2011, 2014, 2016) present PCD efforts in ten main areas of Norwegian policy (with 21 sub categories), and rates the efforts accordingly. Efforts are evaluated as particularly insufficient in areas of climate and environment and in trade.</p> <p>Icons behind each specific issue refer to the evaluation by NCA on PCD efforts within the issue. (☺=good, :-=average, ☹=bad).</p> <p>Sources:</p> <p>Norwegian Church Aid (2016): Fortsatt ustemt – Hvordan norsk politikk kan bli mer samstemt for utvikling (Still incoherent – How Norwegian Policy can be more coherent for development)</p>	<p>Forum / FNI</p> <p>The FNI/Forum report used two criteria to select important dilemmas/challenges in PCD in the Norwegian context: global importance (CDI index) and national relevance, and came up with five global development challenges: 1) finance and development, 2) corporate responsibility and transparency, 3) climate change, energy and development, 4) trade and development and 5) security and development.</p> <p>Source: Norwegian Forum for Development and Environment (2015): Development Beyond Aid: global challenges and national reform. By Irija Vormedal and Leiv Lunde, the Fridtjof Nansen Institute (FNI)</p>	<p>OECD</p> <p>OECD highlights challenges within development and environment, trade, peace and security, fiscal policies and finance for development</p> <p>Source: “Addressing governance Challenges to promote PCD” Statement by Serge Tomasi Deputy Director, OECD Development Co-operation Directorate³</p>	<p>CDI*</p> <p>The CDI assesses seven policy areas: aid, trade, finance, migration, environment, security, and technology.</p> <p>Source: Käppeli, A, Hillebrandt, H and Mitchell, I. (2017): “The commitment to development index: 2017 Edition”, CDI⁴</p>	<p>EU</p> <p>Aiming at a more strategic and targeted approach the EU decided in 2009 to cluster the 12 policy areas around five PCD challenges.</p> <p>Source: (See Communication from the Commission COM (2009) 458 final: “Policy Coherence for Development - Establishing the policy framework for a whole-of-the-union approach and related 2009 Council Conclusions”)⁵.</p>
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³ <https://www.oecd.org/pcd/Addressing%20governance%20challenges%20to%20promote%20PCD.pdf>

⁴ https://docs.google.com/document/d/1xoMYuccl3CVwiY1K2CmYzXdkicUM4Y_MtBiV9BV8T5k/edit#

⁵ [2009 Council Conclusions https://ec.europa.eu/europeaid/policies/policy-coherence-development_en](https://ec.europa.eu/europeaid/policies/policy-coherence-development_en)

		<p>Norwegian Church Aid (2014): Hvor er dirigenten? – Fremdeles mer ustemt enn samstemt for utvikling (Where is the conductor? - Still more incoherent than coherent for development)</p> <p>Norwegian Church Aid (2011): Mer ustemt enn samstemt – Hvordan norsk politikk påvirker utvikling i fattige land (More incoherent than coherent – How Norwegian Policy influences development in poor countries)</p>					
Dilemmas presented by respondents	Category of challenges/dilemma	Main area	Specific issues	Main PCD challenges	Main PCD challenges	Main PCD challenges	Main PCD challenges
Tax and capital flight <i>(interview with civil society)</i>	Finance	Norwegian businesses and CSR	Norwegian businesses and CSR :-	Government ownership, corporate responsibility and transparency	Fiscal policies for development	Finance (Norwegian ranking 2017: 3/27)	Trade and finance
GPFG's use of tax havens (25% of the fund in tax havens) <i>(interview with civil society)</i>			Government ownership and procurement :-				
Nordfund's use of tax havens (not reporting on development) <i>(interview with civil society)</i>		Illicit capital flights and transparency	Country-to-country reporting :-				
Dilemmas related to GPFG (support to companies undermining development)			Ownership registry :-				

<i>(interview with member of coherence committee)</i>							
The use of tax havens <i>(interview with politician)</i>			Tax agreements transparency :-				
Dilemmas related to the investments of the GPFG <i>(interview with member of coherence committee/civil society)</i>		Investments	Finance for development :-	Finance for development	Finance for development		
			Ethical consideration in the Pension Fund Global :-				
		Illegitimate debt and responsible loans	Norway's role in the international debt debate ☹				
			Bilateral loans :-				
			Loans through the GPFG ☹				
Norway's role in the international climate negotiations (Producers are not responsible for emissions) <i>(interview with MFA employee)</i>	<i>Climate and environment</i>	<i>Climate</i>	<i>Norway's position in international climate negotiations</i> :-	<i>Climate change, energy and development</i>	<i>Environment and development</i>	<i>Environment</i> (Norwegian ranking 2017: 18/27)	<i>Addressing climate change</i>
Extraction of oil vs. fight against climate change <i>(interview with civil society)</i>							
Waste from mines dumped in Norwegian fjords vs. the commitment to "clean oceans and secure life in water" (SDG)			Emissions ☹				

<i>(interview with civil society)</i>							
GPFPG investing in fossil fuels <i>(interview with civil society)</i>			Climate financing ☹				
Statsbygg's use of tropical timber and government's commitment to rainforest <i>(interview with civil society)</i>							
Oil extraction and climate change <i>(interview with MFA employee)</i>							
Environment champion vs. extraction of oil <i>(interview with MFA employee)</i>							
Climate <i>(interview with politician)</i>							
Norway aims to keep the price of oil high (OPEC) vs. the need for oil/energy in developing countries <i>(interview with politician)</i>							
Climate vs. development <i>(interview with former employee in Norad and MFA)</i>							
Business vs. aid <i>(interview with civil society Yangon)</i>	<i>Trade</i>	<i>Trade policy</i>	<i>Access to Norwegian markets</i> ☹	<i>Trade and development</i>	<i>Trade and development</i>	<i>Trade</i>	<i>Trade and finance</i>

Business vs. aid <i>(interview with MFA employee)</i>			<i>Norwegian interests and developing countries' policy space</i> ☹️			(Norwegian ranking 2017: 27/27)	
The dilemma around Norwegian agricultural policy and development <i>(interview with MFA employee)</i>			<i>Positions in global trade negotiations</i> ☹️				
Development vs. Norwegian business interests is the main dilemma at the Embassy in Yangon <i>(interview with civil society Yangon)</i>							
Agricultural policies and development <i>(interview with civil society)</i>							
Norway's role as a promoter of free trade in international forums vs. protectionism of Norwegian agriculture at home <i>(interview with civil society)</i>							
Norwegian interests in salmon exports vs. support to local small-scale fisheries in developing countries <i>(interview with civil society)</i>							
Dilemmas related to positions by WTO (development vs. restrictions on ways of development) <i>(interview with former employee in Norad and MFA)</i>							

Dilemmas related to fishing policies – Norwegian national interests vs. development of local fisheries <i>(interview with politician)</i>							
“National interests related to trade and agriculture are almost impossible to challenge” <i>(interview with MFA employee)</i>							
Development vs. peace building <i>(interview with Swiss Embassy in Yangon)</i>	<i>Security, conflict and peace</i>	<i>Conflict, peace and security</i>	<i>Protecting women’s role in peace and security</i> ☺	<i>Security and development</i>	<i>Peace, security and development</i>	<i>Security</i> (Norwegian ranking 2017: 15/27)	<i>Strengthening the links and synergies between security and development in the context of a global peace-building agenda</i>
Dilemmas related to development funding to non-signatories to peace agreement <i>(interview with Swiss Embassy in Yangon)</i>			<i>Balancing military operations, humanitarian aid and reconstruction</i> :-				
Security vs. peace and development <i>(interview with MFA employee)</i>							
Dilemma related to Norwegian engagement in Afghanistan – support to the US/NATO-led alliance vs. development <i>(interview with former employee in Norad and MFA)</i>							
Support to US lead fight against terror vs. humanitarian assistance in the same country. Security for humanitarian actors							

<i>(interview with civil society)</i>							
General dilemmas related to security interests and human rights <i>(interview with politician)</i>							
Norwegian interests in leading peace processes vs. including other partners and countries <i>(interview with Swiss Embassy in Yangon)</i>							
Engagement vs. draw out (sanctions) particularly with regards to the Rakhine situation <i>(interview with the Swiss Embassy Yangon)</i>							
Weapons exports to countries vs. development <i>(interview with civil society)</i>		<i>Weapons export</i>	<i>Requirements for export of arms</i> ☹️				
Weapons exports vs. development <i>(interview with politician)</i>			<i>Government ownership and labeling of ammunition</i> ☹️				
Weapon export to UAE vs. support to humanitarian actors in Yemen <i>(interview with civil society)</i>			<i>Norway's commitment to the Arms Trade Treaty</i> 😊				
Migration vs. the “protection” of the tripartite model of Norwegian society					Migration	Migration (Norwegian ranking 2017: 5/27)	Making migration work for development

<i>(interview with former employee in Norad and MFA)</i>							
						Aid (Norwegian ranking 2017: 4/27)	
						Technology (Norwegian ranking 2017: 2/27)	
							<i>Ensuring global food security</i>
Dilemmas related to the definition/understanding of development (humanitarian, social, environmental, economic, peace etc.) <i>(interview with civil society Yangon)</i>	Understanding of development						
Dilemmas related to the understanding of liberalization as foundation for development <i>(interview with civil society)</i>							
Dilemmas related to the perception that trade is good for development							

<i>(interview with civil society)</i>							
Dilemmas related to the ideological perception of what development is <i>(interview with MFA employee)</i>							
“PCD is not seen as sufficiently important to other ministries, not even to other divisions in the MFA” <i>(interview with MFA employee)</i>	Political commitment to PCD				Commitment to PCD		
“PCD is mostly seen as something one has to show that one has done well, not something that one should strive for as a goal” <i>(interview with MFA employee)</i>							
“Each ministry has their own responsibilities, these take priority – unless there is a clear commitment from political leadership towards PCD it will not be prioritized” <i>(interview with the Prime Minister’s Office)</i>							
“PCD is something a very few people in the ministries are concerned with, most others do not really understand what it is or why we should work towards it” <i>(interview with MFA employee)</i>							

***On the CDI index** – some have been critical of the development of the CDI index, and see it as unfair for countries like Norway that have energy production. The index measures fossil fuel production per capita as an approximation to Norway's contribution to global emissions. Thus, the methodology differs from the conventional way to measure emissions from fossil fuel energy consumption. How fair the CDI measures of Norwegian GHG emissions are, and thus Norway's contribution to global climate change, is questionable. The CDI methodology is not in line with the reporting requirements under the United Nations Framework Convention on Climate Change (UNFCCC), and thus runs counter to the main credo of Norwegian climate policy: to reduce emissions by pricing carbon through taxes and/or emissions trading. (Norway has generally argued that it is not cost-efficient to target the production of energy with policy measures). The low CDI score on trade is due to the high tariffs on imported agricultural products – critics of the index have claimed that the fact that Norway imports most of its food from the EU and only about 10% from developing countries needs to be taken into consideration and that it thus is unfair that we “lose” points on this indicator. At the same time Norway has implemented a system of general trade preferences (GSP). These systems have been criticized by CSOs for being implemented arbitrarily and that there is room for changing the preferences if it is seen as a threat to the Norwegian agriculture (example is the import of mutton from Botswana).

