Auditing Sustainable Development Goals:

Key Principles and Tools on Policy Coherence and Multi-stakeholder Engagement for Supreme Audit Institutions

INTOSAI
Working Group
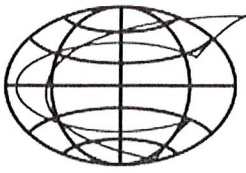on Environmental
Auditing

Foreword and Acknowledgements

The International Organization of Supreme Audit Institutions (INTOSAI) Working Group on Environmental Auditing's (WGEA) 2020-2022 Work Plan has included the Sustainable Development Goals (SDGs) as a cross-cutting priority. Specifically, Work Package 5 aimed at increasing the understanding of environmental SDGs in the INTOSAI community. The Supreme Audit Institutions (SAI) Canada and the WGEA Secretariat in SAI Finand volunteered to lead the development of this research project. We would like to acknowledge the efforts of the authors, the contributions made by SAIs worldwide, and the valuable inputs and help by the INTOSAI WEGA as well as its Steering Committee members, and the Organisation for Economic Cooperation and Development (OECD).

The research paper supports the Work Package 5 target to develop understanding of auditing SDGs from an environmental perspective and communicate the results with the INTOSAI community. This paper analyzes information on tools and methods used to assess policy coherence and multi-stakeholder engagement, including environmental concerns in all SDGs. Building on the 2019 WGEA discussion paper on Environmental Audit and the SDGs, this paper addresses the importance of policy coherence and multi-stakeholder engagement from the perspective of environmental auditing, good governance and effective public spending. In addition to explaining key concepts, it is a practical collection of ideas and tools for SAIs around the world on how to include policy coherence and multi-stakeholder approaches into their work.

Dr. Sami Yläoutinen
Auditor General of SAI Finland
Chair of the INTOSAI WGEA

Annex-II

Quality Assurance Certificate of the Chair of the INTOSAI Working Group on Environmental Auditing

This is to certify that *Auditing Sustainable Development Goals: Key Principles and Tools on Policy Coherence and Multi-Stakeholder Engagement for Supreme Audit Institutions* which is placed at level three of Quality Assurance as defined in the paper on "Quality Assurance on Public goods developed outside Due Process" approved by the INTOSAI Governing Board in November 2017 has been developed by following the Quality Assurance processes as detailed below:

i.   The project proposal was developed by the team with consultation of INTOSAI WGEA Steering Committee Members;
ii. The project was discussed during the 20th INTOSAI WGEA Assembly meeting held online in January 2021;
iii. The project output draft was circulated among team members, Steering Committee members, and has gone through more than 30-day exposure (from 13 April to 16 May 2022) for comments and circulated among WGEA members via an online portal.

The product developed is consistent with relevant INTOSAI Principles and Standards. The structure of the product is in line with the drafting convention of non-IFPP documents.

The product is valid till 30 September 2028 and if it is not reviewed and updated by 30 September 2028 it will cease to be a public good of INTOSAI developed outside the Due Process.

Helsinki, 8 June 2022

Dr Sami Yläoutinen
Auditor General of the National Audit Office of Finland
Chair of the INTOSAI WGEA
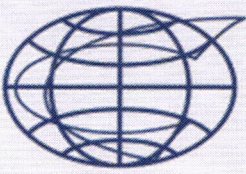
Quality Assurance Certificate of the Chair of Knowledge Sharing and Knowledge Services Committee (KSC)

Based on the assurance provided by the Chair of the **INTOSAI Working Group on Environmental Auditing (WGEA)** and the assessment by the Goal Chair, it is certified that **Auditing Sustainable Development Goals: Key Principles and Tools on Policy Coherence and Multi-Stakeholder Engagement for Supreme Audit Institutions** which is placed at level **3 (Three)** of Quality Assurance as defined in the paper on "Quality Assurance on Public goods developed outside Due Process" approved by the INTOSAI Governing Board in November 2017, has been developed by following the Quality Assurance processes as detailed in the Quality Assurance Certificate given by the Working Group Chair.

The product is valid till **30 September 2028** and if it is not reviewed and updated by **30 September 2028** it will cease to be a public good of INTOSAI developed outside the Due Process.

Girish Chandra Murmu
Chair of Knowledge Sharing and
Knowledge Services Committee

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Acronyms and abbreviations

BCCIC	British Columbia Council for International Cooperation
CAAF	Canadian Audit and Accountability Foundation
CEPA	Committee of Experts on Public Administration
CPA	Citizen Participatory Audit
CSO	Civil society organizations
DFOG	Duplication, Fragmentation, Overlap, Gap
ECOSOC	Economic and Social Council
ESCAP	Economic and Social Commission for Asia and the Pacific
EU	European Union
FOD	Fragmentation, Overlap and Duplication
IAP2	International Association for Public Participation
IDI	INTOSAI Development Initiative
IIED	International Institute for Environment and Development
INTOSAI	International Organization of Supreme Audit Institutions
ISAM	IDI SDGs Audit Model
ISSAI	International Standards of Supreme Audit Institutions
MOOC	Massive open online course
OECD	Organisation for Economic Co-operation and Development
PCD	Policy Coherence for Development
PCSD	Policy Coherence for Sustainable Development
SAI	Supreme Audit Institution
SD	Sustainable development
SDG	Sustainable Development Goal
SEI	Stockholm Environment Institute
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UNEP	United Nations Environment Programme
UNITAR	United Nations Institute for Training and Research
VNR	Voluntary National Review
WGEA	Working Group on Environmental Auditing

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Executive Summary

Policy coherence and multi-stakeholder engagement are key to implementing Agenda 2030 and supporting the sustainable development goals (SDGs). Policy coherence should systematically reduce conflicts and promotes synergies between various policy areas on jointly agreed policy objectives. Mutually reinforcing or non-contradictory policies ensure that no one government action is hindering another, which is especially pertinent regarding the interconnected nature of the SDGs. Policy coherence can also avoid harmful spillovers of government actions elsewhere in the world. Multi-stakeholder engagement can serve to support policy coherence through an inclusive process. It should promote and maintain relationships between governments and stakeholders, which can help in keeping parties informed on areas of environmental concern, sharing knowledge and resources to implement the SDGs, obtaining feedback and different perspectives, partnering on service delivery, or even collaborating on decision-making. Both concepts are captured within SDG 17: Partnership for the Goals. Target 17.14 encourages countries to establish institutional mechanisms to enhance policy coherence for sustainable development (PCSD). Related to multi-stakeholder engagement are Target 17.15 and target 17.16, which aim to promote the sharing of knowledge, expertise, and resources to achieve the SDGs.

This paper suggests a move towards a whole-of-society approach to sustainable development. While a whole-of-government approach focuses on addressing intersectional challenges with a collaborate response from across various sectors, a whole-of-society approach moves one step further emphasizing the need to work broadly across society (non-governmental) to address sustainable development concerns. This approach calls on participation, engagement, and consultation with stakeholders. Both the coherence among government policies and actions, as well as engagement with stakeholders play a role in maximizing efforts toward the SDGs.

The paper is divided into two thematic sections. Parts 3 to 5 cover policy coherence, while parts 6 to 9 move the discussion to multi-stakeholder engagement. Both topics are defined in this paper, as well as conceptual information, linkages to the SDGs, and SAI examples. Supporting this foundation, the paper aims to provide practical guidance by sharing tools and methods for addressing and assessing these two concepts.

SAIs are well-placed to consider policy coherence in their work. One way to do so is paying particular attention to nexus areas where multiple sectors are involved or impacted. This section presents tools to address and assess policy coherence in audit, including the OECD guidance and assessment tool, an SDG Synergies tool, types of analysis frame-

works, and example criteria to assess policy coherence. This paper also provides examples of policy coherence in budgeting and financing. It includes discussions on fossil fuels subsidies, the "do no harm" principle, sustainable investment, and phenomenon-based budgeting.

Through audit, SAIs can assess the level and adequacy of engagement the government undertook on a particular issue. Several different levels of engagement exist from informing a stakeholder to collaborating on decision-making. This paper shares examples of when each type of engagement may be beneficial in the context of the SDGs, as well as tools for auditors. These tools include the IDI's SDGs Audit Model, criteria to assess multi-stakeholder engagement consolidated from various international sources, and resources for gaining more information. Beyond this, multi-stakeholder engagement can benefit SAIs themselves. UNDESA provides a useful framework to conceptualize the relationship between SAIs and stakeholders: one-way relationships serve to inform citizens, two-way relationships aim to consult citizens and obtain feedback, and partnerships mean that decision-making responsibilities are shared. Throughout this section, examples from various SAIs, guidance, tools, and additional resources on good practices are shared.

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Introduction

The concept of policy coherence is deeply embedded into the notion of sustainable development, as it seeks to integrate the economic, social and environmental dimensions of sustainability. In 2015, 193 countries adopted Transforming Our World: The United Nations 2030 Agenda for Sustainable Development (hereafter referred to as Agenda 2030), which includes a commitment to 17 Sustainable Development Goals (SDGs) and their respective 169 targets and 232 indicators. Of these SDGs, one target (17.14) and its corresponding indicator (17.14.1) are dedicated to enhance policy coherence for sustainable development. This same goal also recognizes the importance of multi-stakeholder engagement in implementing the SDGs. Two SDG targets (17.15 and 17.16) and one indicator (17.16.1) concern the establishment and implementation of multi-stakeholder partnerships to promote the sharing of knowledge, experience, and resources.[1]

In 2017, the International Organization of Supreme Audit Institutions (INTOSAI) adopted the SDGs into its strategic plan. To date, many countries have conducted audits of preparedness for implementation of the SDGs. INTOSAI Development Initiative (IDI) maintains a database of published SDG preparedness and implementation reports by region.[2] Moreover, the INTOSAI Working Group on Environmental Auditing (WGEA) published a 2019 discussion paper on the SDGs, stressing the importance of long-term thinking and integration of environmental, economic, and social objectives of sustainable development in decisionmak-

Figure 1.1: UN Sustainable Development Goals

ing. WGEA argued that based on the early examples of performance audits on the SDGs, there are still many challenges faced by Supreme Audit Institutions

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1 United Nations (2015). Transforming our world: the 2030 Agenda for Sustainable Development. https://sdgs.un.org/2030agenda
2 INTOSAI Development Initiative (2022). Audits of Sustainable Development Goals: SAI Contribution to People and Planet. https://www.idi.no/work-streams/relevant-sais/auditing-sdgs

(SAIs) and auditors concerning challenges related to the capacities and skills required to understand and analyse governance and policy issues and to assess the integrated approaches required by the SDGs.

One key result of the SDG preparedness audits around the world was the need to pay more attention to policy coherence. Without policy coherence, governments miss an opportunity to capitalize on potential synergies across policy areas, identify trade-offs or address spill-over of domestic policy. Policy coherence is dependent on the engagement of a variety of different stakeholders, known as multi-stakeholder engagement. As recognized by Agenda 2030, multi-stakeholder engagement in implementing the SDGs includes the involvement of various levels of government, civil society, academia and the private sector. After the preparedness audits, some SAIs have moved on to auditing the implementation of the SDGs.

Meanwhile, SAIs are also developing approaches to mainstream sustainable development and the SDGs in all their audits.

Text Box 1.1: SAI Finland approach to sustainable development

SAI Finland is developing an approach to apply the sustainable development considerations to all relevant audits. Using the following framework, in the planning phase of relevant audits, a consideration would be made on whether some sustainable development perspectives would enrich the audit. Here, the very nature of sustainable development uniting economic, social and environmental dimensions, needs a coherence approach.

Source: National Audit Office of Finland

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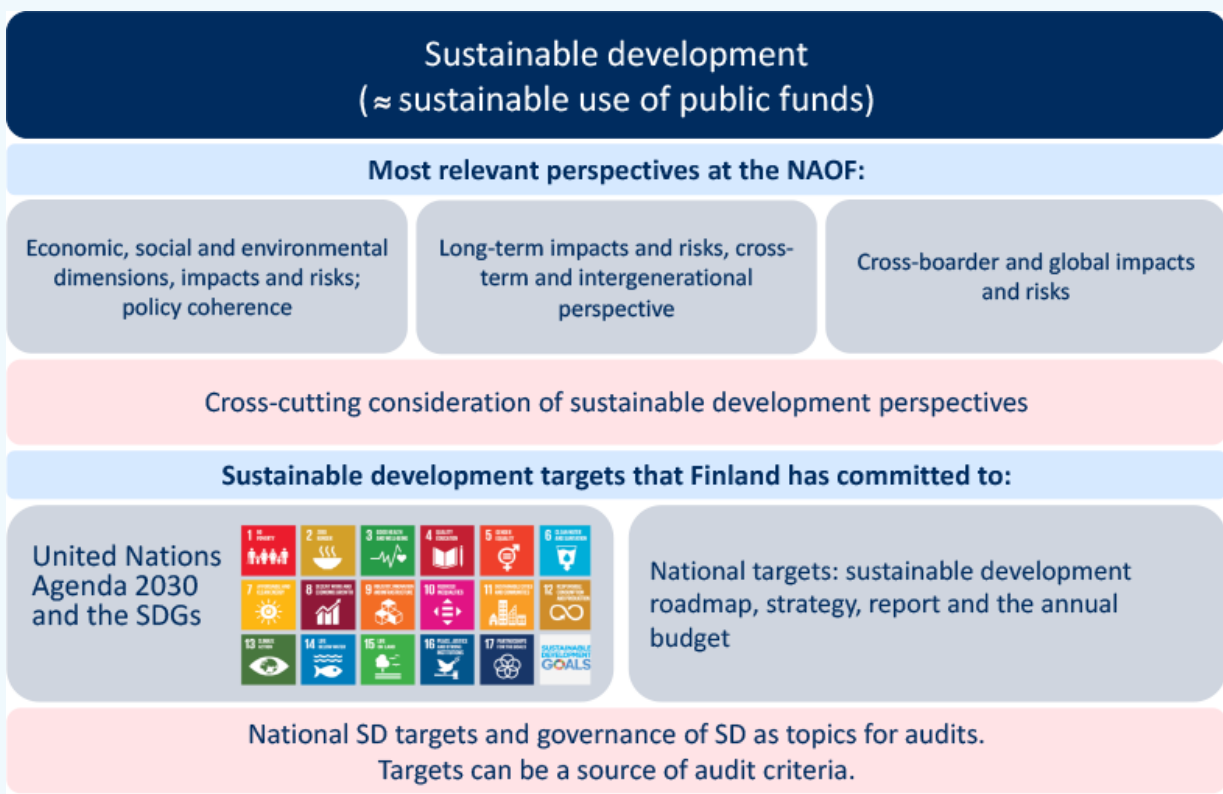
Text Box 1.2: SAI Canada SDG mainstreaming in audit

SAI Canada added auditing sustainable development to its mandate in 1995 with the creation of the Commissioner of the Environment and Sustainable Development position. The 2030 Agenda provided a clear framework for auditing sustainable development. Guidance material, templates, methodology, and training have been updated to help performance auditors consider the SDGs in their work. Audit teams conduct performance audits and special examinations that consider the SDGs, and some teams have reported on specific goals. Additionally, the SDGs are used as criteria in selecting audit topics. SAI Canada's website also includes a section on sustainable development, including the SDGs, on the OAG's public website.

Text Box 1.3: SAI Thailand integration of SDGs

SAI Thailand has adopted a systematic way to integrate SDGs into its audit work. The process included collaboration with academia and training of the staff.
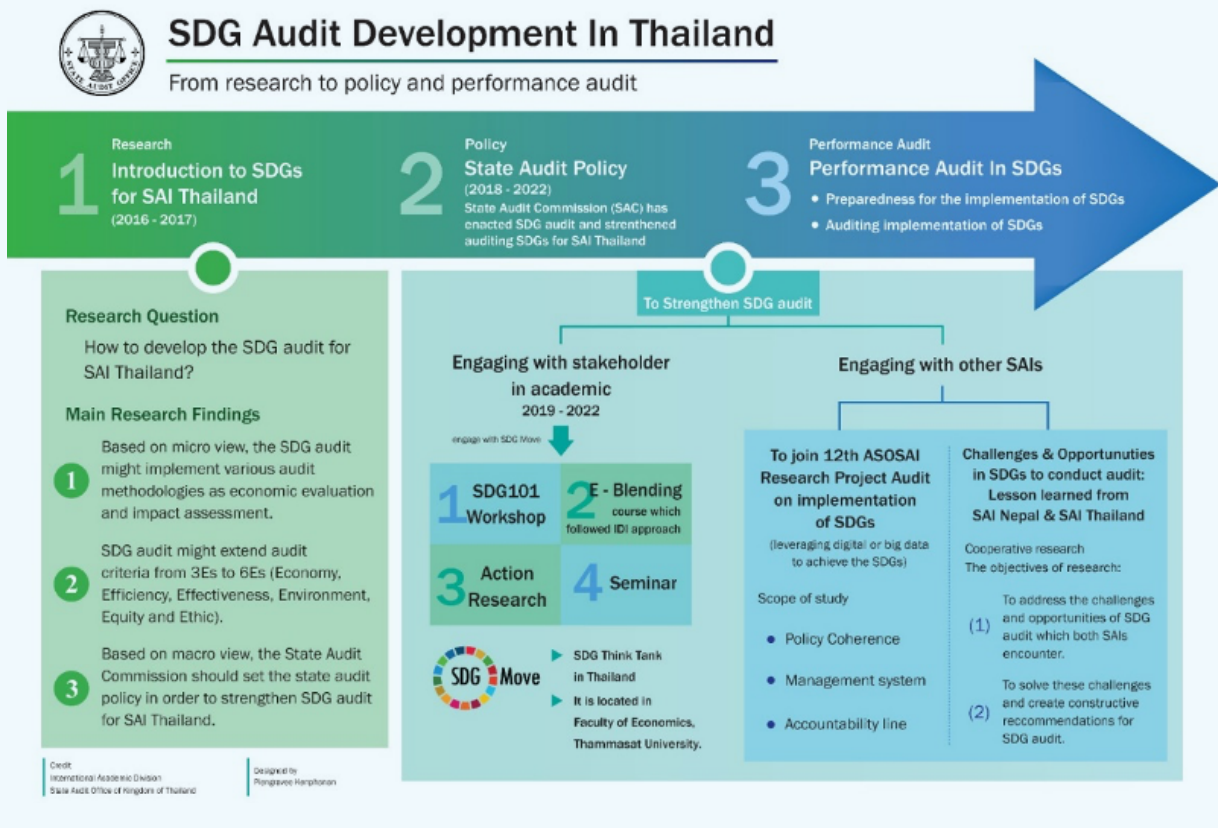
Source: SAI Thailand

The INTOSAI WGEA included the SDGs as a central point of focus in its 2020-2022 Work Plan. The WGEA principally focuses on the environmentally oriented SDGs (i.e. SDGs 6, 7, 11, 12, 13, 14, and 15), recognizing relationships among all SDGs. Within this work plan, all WGEA thematic focus areas link to one or more SDGs such as work on plastic waste (SDGs 12 and 14), international climate finance (SDG

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13) and sustainable transport (SDGs 11, 3, and 7). Work Package 5 focuses on policy coherence between them. While conducting this work, it became clear that multi-stakeholder engagement is a component in realizing policy coherence and a whole-of-society approach to sustainable development.

Within the next chapters of this paper, we will share conceptual information on the principles discussed and the SDGs, raise awareness to publically available tools and resources SAIs can use to help their operational work, and provide audit examples of policy coherence and multi-stakeholder engagement. The SAI examples used in this paper have been chosen because they exemplify good practices and are not meant to be an exhaustive list. Examples have been sourced from publically available analysis and feedback from WGEA members. Examples for SAI

Canada and SAI Finland appear most frequently, as a result of the respective experience of the authors within those institutions.

One source of inspiration was the round of stakeholder discussions the WGEA Secretariat conducted between May and August 2021. We asked, among other things, what are the emerging topics and audit approaches that SAIs and their auditors should take into consideration while planning their future work. One of the key takeaways was the need to apply a broad perspective and seek to understand the interlinkages and nexus areas between various issues and policy sectors.

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Moving toward a whole-of-society approach

Agenda 2030 suggests a whole-of-government approach to sustainable development. This approach focuses on desired governmental action in addressing particular cross-sector challenges, as opposed to the operations of a single government department or agency. Due to the complexity of and interaction amongst sustainable development challenges, a whole-of-government approach is critical to auditing the integration, coordination, and capacity of SDG planning, implementation, and results.

One key aspect of this approach is policy coherence and integration. The United Nations Department of Economic and Social Affairs' (UNDESA) 2021 World Public Sector Report highlights the importance of both horizontal and vertical policy coherence. Horizontal policy coherence is the idea of breaking down silos to increase cooperation and integration in an effort to achieve a specific target. For example, government departments and agencies working together in implementing a national strategy to achieve the SDGs, resulting in a whole-of-government approach. Meanwhile, vertical coherence refers to consistency across all levels of government ensuring that policy implementation takes into consideration global, national, and local levels.[4] An international dimension should also be considered. International policy coherence refers to the policy domains in different countries and aids in addressing transboundary spill-over effects and effects on global public goods

and global commons. Moreover, collaboration, co-ordination, and integration between institutions at all levels of government is one of the Committee of Experts on Public Administration's (CEPA's) 2018 Principles of Effective Governance for Sustainable Development, endorsed by Economic and Social Council (ECOSOC) in 2018.[5]

SAIs are positioned to play an important role in monitoring national progress on specific SDGs as well as auditing the coherence of public policies implementing the SDGs as a whole. In order to assess public policy coherence, SAIs can focus on central criteria such as coordination across sectors and levels of government, alignment of SDGs and the budgetary process, alignment of short and long-term policy priorities, spillover effects crossing the boarders and availability of reliable sustainable development data.

Multi-stakeholder engagement is a key practice in working together with the broader society to address sustainable development concerns. Recognizing the importance of stakeholders, Agenda 2030 also calls for a broader whole-of-society approach. This includes coherence with stakeholders such as citizens, civil society organizations (CSOs), academia, and the private sector in sustainable development. Participation and consultation support active stakeholder engagement in the process, design, implementation, monitoring, and review of Agenda 2030. Similarly to

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4 United Nations Department of Economic and Social Affairs (2021). World Public Sector Report, pages 137-141. https://publicad-ministration.un.org/en/Research/World-Public-Sector-Reports#profile4
5 Committee of Experts on Public Administration (2018). Principles of Effective Governance for Sustainable Devel-opment. https://publicadministration.un.org/Portals/1/Images/CEPA/Principles_of_effective_governance_english.pdf

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Text Box 2.1: Considering whole-of-government in audit

SAI Canada concluded on whole-of-government preparedness to implement the SDGs in 2018. This was done by auditing multiple specific departments responsible for various SDGs, as well as examining the government's approach and coordination among federal departments to contribute to SDGs targets. Canada used policy coherence as a criteria to assess the preparedness action and a key finding of the report was limited progress in this regard. In 2021, SAI Canada audited the implementation of the SDGs. This audit commented on policy coherence as well. It included a recommendation that government entities should establish and communicate an implementation plan that includes coherent action to achieve national-level SDG targets.

the topic of policy coherence, UNDESA's 2021 World Public Sector Report recognizes the importance of stakeholder engagement.[6] SAIs are well-placed to assess the level of multi-stakeholder engagement on particular issues.

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6 UNDESA (2021). World Public Sector Report, page 114.

3. Policy coherence as a concept

The INTOSAI WGEA Secretariat published a summary of approaches on policy coherence in the context of an international seminar held in November 2019.[7] It noted a lack of policy coherence and siloed governance structures have been identified as one of the main problems in current governance systems. Governmental organization based on strong sector ministries often leads to siloed structures, which creates challenges in implementing integrated approaches to problemsolving. This can reduce effectiveness, increase costs and erode impacts when it comes to the use of the entire public sector budget, not only sector allocations. Incoherence increases the risk of actions offsetting each other and missed synergies also represent a lost opportunity, as well as risk of lockingin to systems that are unustainable in the long run.

In academic research, policy coherence is defined as a policy that systematically reduces conflicts and promotes synergies between various policy areas on jointly agreed policy objectives.[8] While horizontal policy coherence takes place between sectors, vertical coherence refers to various governance levels. Moreover, policy integration refers to a situation where certain policy goals of one policy subsystem are adopted also in another policy subsystems. According to the IDI's 2019 project on nations' preparedness to implement the SDGs, governments have made only few actions on vertical coherence.[9]

Agenda 2030 includes a commitment to pursuing policy coherence with regards to the 17 SDGs. The SDGs have a potential to facilitate the integration of actions across all sectors and levels of government and nongovernmental actors. Therefore, it is no surprise that policy coherence is one of the means of implementing the SDGs. Nevertheless, SDG target 17.14., "Enhance policy coherence for sustainable development", is a challenge. According to the WGEA stakeholder interviews, too often the SDGs are approached as individual goals and targets, whereas the understanding of their interlinkages and indivisible nature has not been understood, or it has been neglected.

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7 INTOSAI WGEA Seminar Summary (1/2021). Policy Coherence and Sustainability Transition: Inspiration for Auditors and Evaluators. https://www.environmental-auditing.org/media/117193/intosai-wgea-seminar-summary-1_2021.pdf
8 Nilsson, M. et al. (2012). Understanding policy coherence: analytical framework and examples of sector–environment policy interactions in the EU. Environmental Policy and Governance, 22(6), 395-423. https://doi.org/10.1002/eet.1589
9 IDI (2019). Are Nations Prepared for Implementation of the 2030 Agenda? Supreme Audit Institutions' Insights and Recommendations, pages 16-17. https://www.idi.no/work-streams/relevant-sais/auditing-sdgs/sdgs-preparedness-audit/idi-ksc-2030-agenda

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Text Box 3.1: Audit example of policy coherence to address climate change

In 2021, SAI Canada's Lessons Learned from Canada's Record on Climate Change looked at over 30 years of the country's commitments and actions on climate change. The report found that stronger leadership and coordination are needed to drive progress toward climate commitments. Addressing the climate change crisis requires leadership and coordination among many government actors— not only federal organizations, but also the provincial, territorial, and municipal governments. The report also found examples of policy incoherence. For example, the federal government made a direct and significant investment in fossil fuel infrastructure (i.e. Trans Mountain Pipeline Expansion) while trying to simultaneously position itself as a global leader on climate action.

What could policy coherence mean in practice? One way is to pay attention to the nexus areas, where various topics come together. For example, environmental risks related to climate change and biodiversity loss are closely linked. Deforestation can accelerate climate change, as it reduces ecosystems' ability to regulate greenhouse gases. One driver of deforestation can be the production of biofuel crops. These are examples of policy tradeoffs. On the other hand, positive relationships between nexus areas could also exist. For example, nature-based solutions could help to adapt to climate change by protecting mangrove areas and thus contributing to flood control. In the urban environment, planting trees in cities can cool them down in the event of extreme heat wave. These are examples of policy synergies. However, not all climate action supports biodiversity policies.

As another topical example, "Planetary Health" or "One Health" approaches hinge upon the close inter-linkages between health of ecosystems and human health. The key idea is that human health is dependent on the health of the environment. The root causes of various diseases including the COVID-19 pandemic can be found in unsustainable management of ecosystems, whereas industrial agricultural practices can lead to antibiotics resistance. To tackle Planetary Health, in addition to human and veterinary medicine, we also need expertise in environmental topics and cooperation with the environmental sector. We need an understanding of how healthtargeted measures affect the environment, and how biodiversity and conservation measures impact health.

To tackle such difficult problems, collaboration between government sectors as well as with stakeholders is paramount. In other words, we need policy coherence. For auditors, this means departing from narrow audit approaches or governance sector towards larger understanding of system risks and system change. This does not mean that auditors should only conduct large cross-sectoral audits. Instead, with a broad understanding of interlinkages, auditors can plan audit aptly to pinpoint the most pressing issues and areas of ineffectiveness in government action. One way to acquire a broad understanding of the issues is to apply a multi-stakeholder approach, which will be discussed later in the paper.

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4. Tools and methods to address and assess policy coherence

In this section we present some examples of tools to assess policy coherence in governance practices. We explain how organisations can use the Organisation for Economic Cooperation and Development (OECD) self-assessment tool, how SAIs could audit the coherence between government programmes, and how SAIs could study the cross-impacts of SDGs in their audit planning.

4.1 OECD guidance and self-assessment tool

OECD considers the main objectives of policy coherence for sustainable development to be fostering synergies, identifying trade-offs and addressing spillovers of domestic policies. In support of these aims, OECD has developed guidance, recommendations, and a self-assessment tool for organizations to use in their work.

In 2010, OECD adopted the Recommendation of the Council on Good Institutional Practices in Promoting Policy Coherence for Development (PCD).[10] Following Agenda 2030, OECD broadened the approach and renamed the revised Recommendation on Policy Coherence for Sustainable Development (PCSD).[11] The revisions aimed to provide policymakers in OECD and Partner countries with tools to support and promote coherent policies for sustainable development in alignment with the 2030 Agenda and the SDGs. This recommendation outlines eight principles for promoting policy coherence, some of which touch on topics covered in other areas of this paper (e.g., whole-of-government coordination, multi-stakeholder engagement).

The OECD self-assessment tool includes a checklist, helping countries to assess institutional mechanisms

Figure 4.1: OECD principles for promoting policy coherence

Vision and Leadership

1. Political Commitment and Leadership

2. Strategic Long-Term Vision

3. Policy Integration

Policy Interactions

4. Whole-of-Government Coordination

5. Subnational Engagement

6. Stakeholder Engagement

Impact

7. Policy and Financing Impacts

8. Monitoring, Reporting and Evaluation

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10 Organization for Economic Co-operation and Development (2010). Recommendation of the Council on Policy Coherence for Sustainable Development. https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0381
11 OECD (2019). Recommendation on Policy Coherence for Sustainable Development. https://www.oecd.org/gov/pcsd/oecd-recommendation-on-policy-coherence-for-sustainable-development.htm

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and practices for PCSD. The checklist is structured according to the eight guiding principles of the afore-mentioned OECD Recommendation.

With the checklist, policymakers and other interested parties can screen policies, organisational structures and policymaking processes, and consider essential factors that can influence improvements in policy coherence for the implementation of the SDGs. The checklist tool also helps users to examine their current institutional mechanisms and practices for promoting policy coherence, identify strengths and areas for improvement, and determine what changes are needed, if any, to adapt and align their mechanisms with the vision of the 2030 Agenda.

For example, the self-assessment questions concerning policy integration are:

- Are there any guidelines or provisions to integrate sustainable development into the sectoral plans and policies of line ministries?

- Are there specific reviews of laws and regulations to check whether they conflict with sustainable development, and are sustainable development objectives embedded in new legislation and regulations?

- Is sustainable development (SDGs) integrated into regular government exercises (e.g. planning, budget process)?

- Is there a framework for assessing the performance of public organisations with regard to sustainable development?

In 2021, the OECD published a Guidance Note for Implementing the OECD Recommendation on PCSD. This document provides further actions to consider in the context of each of the eight principles, along with good practice examples from countries around

the world. These considerations could be useful inspiration for audit criteria and questions.[12] For example, concerning developing a strategic long-term vision that defines sustainable development outcomes, such questions could be:

- Have long-term timeframes been adopted? Do they include intergenerational principles and indicators?

- Has a well-being perspective been integrated into broader sustainable development strategies? Does this include considering business impacts on well-being and related policies?

- Have good governance principles been applied for intergenerational justice, such as youth strategies?

- Has agedisaggregated data been gathered? Have regulatory and budgetary impact assess-ments been applied to address inequalities?

- Have the government-established oversight institutions been used to monitor the implementation of intergenerational justice commitments?

- Are there communication strategies and initiatives to keep both citizens and the whole government informed and aligned with the government's strategic view on implementing the SDGs?

- Have digital tools been used for implementing and communicating a strategic long-term vision?

- Have references been made between the National Sustainable Development Strategy and National Digital Government Strategy?

- Have formal coordination mechanisms been used? Are there cross-cutting projects and goals between sustainable development and digital government policy to set a long-term strategic vision?

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12 OECD (2021). Implementing the OECD Recommendation on Policy Coherence for Sustainable Development: Guidance Note. https://www.oecd.org/gov/pcsd/pcsd-guidance-note-publication.pdf

4.2 CEPA actions to address policy coherence

UN CEPA developed a set of principles of effective governance for sustainable development in an effort to provide interested countries with practical guidance on a broad range of governance challenges associated with the implementation of the 2030 Agenda.[13] These principles could be used as audit questions, by benchmarking whether governments have established the following actions:

- Establishing a high-level interagency committee

- Establishing a coordinated institutional mechanism building partnerships across ministries.

- Conducting simulation and mapping exercises and arranging multi-stakeholder consultations

- Ensuring SDGs are visible and mainstreamed in national policies and budgets

- Requiring strategic impact assessments of draft policy bills to ensure that SDGs are taken into account in policy and planning.

- Imposing mandates and reporting requirements of SDGs across ministries and agencies

- Engaging in international cooperation and peer learning around integrated action and policy coherence.

4.3 SDG Synergies tool

There are some online tools available for mapping the SDG synergies[14]. Stockholm Environment Institute (SEI) has developed the SDG Synergies tool to map the cross-impact assessment between various SDGs.[15] Several countries have used this tool to help advance their work on understanding the linkages between SDGs, such as Columbia and Mongolia. This free, online tool allows users to record, visualize, and analyse how multiple SDGs and targets interact in a given context. Users can tailor the matrix to include as many SDGs, targets, and custom goals as desired. Participants assess the degree to which they potentially support or hinder each other using a seven-point-scale, where uncertainties can be considered.

In early-2022, INTOSAI WGEA Secretariat invited the Steering Committee members to test the tool and provide feedback. A total of 14 participants joined the exercise from across the world. While results from individual participants varied slightly, the aggregated results showed interesting dynamics between selected goals.

To limit the scope of the trial, WGEA Secretariat chose to focus on the seven environmentally focused SDGs, recognizing that this might lean towards positive synergies. This hypothesis was confirmed in the group feedback discussions where participants raised the point that including socially and economically focused goals might have resulted in more negative impacts between goals. However, identifying trade-offs is equally important as finding synergies. Participants also commented on the lack of correlation and thematically remote nature of these SDGs and their targets.

The test case found that efforts to achieve SDG 13 on climate action had the most positive synergistic effect, supporting the achievement of other goals (row 14 in image below). SDG 14 on life below water was identified as having the overall most negative impact on the other SDGs that were examined (row 14 in image below). The orange dot represents the only weakly restricting link. It represents the negative impact on SDG 11 on sustainable cities when progress is made on SDG 14.

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13 UNDESA (2021). CEPA strategy guidance note on promotion of coherent policymaking. https://publicadministration.un.org/en/Intergovernmental-Support/CEPA/Principles-of-Effective-Governance
14 See also an EU Joint Research Centre project: EnablingSDGs | KnowSDGs (europa.eu).
15 Stockholm Environment Institute. SDG Synergies. https://www.sdgsynergies.org

## Figure 4.3.1: WGEA Steering Committee test results (matrix)
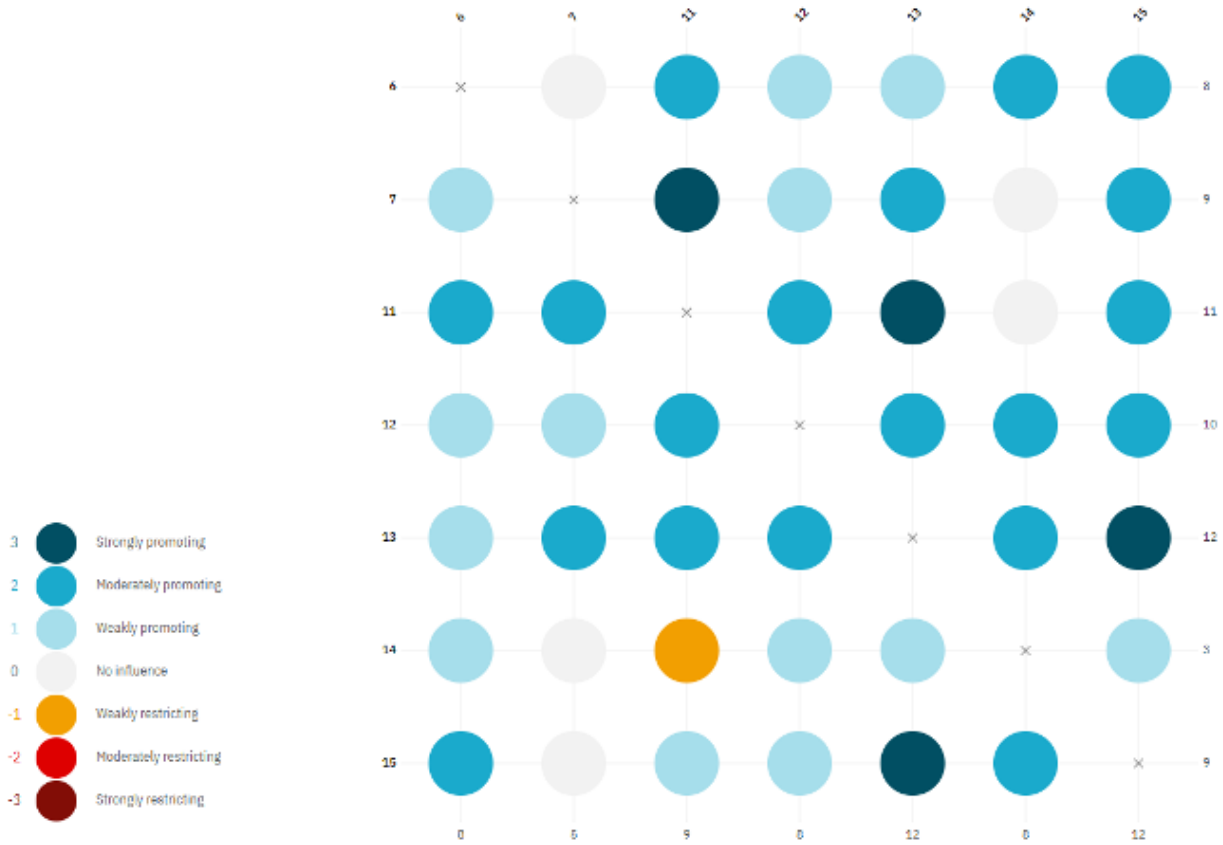
Source: SDG Synergies tool, INTOSAI WGEA trial

The matrix allows for users to assess the relationship between SDGs in two ways, noting a difference in the synergy depending on how the question is framed. For example, one participant noted that the realization of SDG 6 on clean water supported SDG 11 on sustainable cities, but that efforts towards SDG 11 do not necessarily support SDG 6.

The SDG Synergies tool can be used to map a network analysis (see figure 4.3.2). SDG 13 on climate action and SDG 15 on life on land, are most central and thus more connected to other goals. On the other hand, SDG 14 on life below water and SDG 6 on clean water appear to be most isolated.

In the feedback sessions, participants were provided an opportunity to discuss points of concern and synergies they had indicated in the exercise as "uncertain". For example, possible trade-offs between SDG 7 on energy and SDG 15 on life on land were discussed. It

Figure 4.3.2: WGEA Steering Committee test results (network)
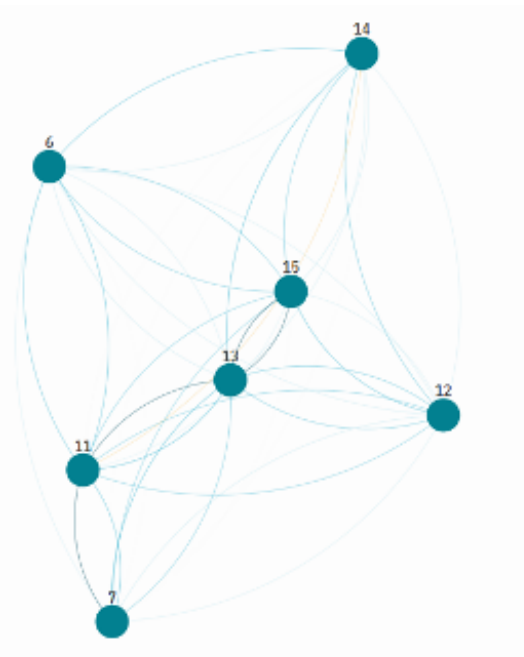
Source: SDG Synergies tool, INTOSAI WGEA trial

was noted that government actions in support of increased energy access might be harmful to biodiversity.

Feedback sessions also revealed some hesitation about the subjective nature of the assessment and whether users have the knowledge to make the "right" assessments. However, the purpose of the tool is to combine the subjective views and contextual knowledge of the respondent.

Overall, participants found the tool effective in facilitating thinking on the interrelatedness of SDGs and policy coherence. Participants found the SDG Synergies tool could be especially useful for choosing audit topics for the audit plan. Analysis with the tool helps to identify synergies, trade-offs, or unexpected interdependencies that could help to direct audits to important directions. In addition, the tool could point out those SDGs that are most likely to be jeopardised. While this test was done at the global level, a similar assessment at a national level could provide clearer findings for SAIs, policymakers, and other stakeholders.

4.4 Duplication, fragmentation, overlap, and gap analysis

SAIs themselves have developed methods to aid in assessing the aspects related to policy coherence. One example of such a method invented by SAI United States

and further developed by SAI Brazil is the Duplication, Fragmentation, Overlap, Gap (DFOG) analysis.

First developed by SAI United States, the Fragmentation, Overlap and Duplication (FOD) analysis guide[16] helps analysts and policymakers to identify and evaluate instances of fragmentation, overlap and duplication among programs. It can be used to identify options to reduce or better manage the negative effects of FOD and evaluate the potential trade-offs or unintended consequences.

SAI Brazil has further developed the method to include also the cases of gaps: Duplication, Fragmentation, Overlap, and Gap (DFOG). DFOG analysis has three clear steps. First, map the policies. Second, identify areas of DFOG. Finally, analyse the positive, negative, or neutral effects.

As an example, SAI Brazil has used the DFOG in an audit on SDG 2.4 on sustainable food production systems. The audit mapped relevant public policies, such as promotion of organic food production, support to sustainable production through technical assistance, credit and insurance, and tax policies related to the use of pesticides. Audit findings included fragmentation in public policies, overlapping goals in two or more programs, roles and responsi-

Figure 4.4.1: Understanding Duplication, Fragmentation, Overlap, and Gap (DFOG)

Fragmentation   **Overlap**   **Duplication**   **Gap**
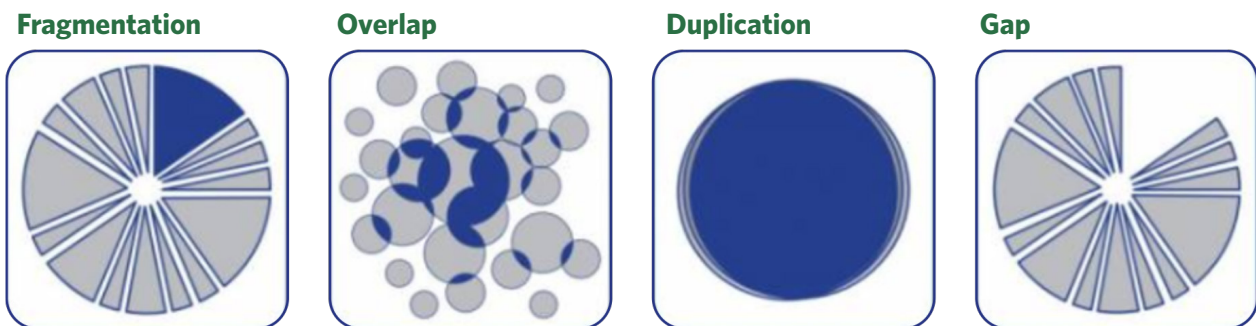
Source: SAI Brazil

16 Government Accountability Office of the United States (2015). Fragmentation, Overlap, and Duplication: An Evaluation and Management Guide. https://www.gao.gov/assets/gao-15-49sp.pdf
17 Organization of Latin American and Caribbean Supreme Audit Insitutions (2021). Proected Areas Coordinated Audit. https://portal.tcu.gov.br/biblioteca-digital/auditoria-coordenada-em-areas-protegidas-2-edicao.htm

bilities unclearly defined and gaps when it came to mechanisms for horizontal coordination, integrated follow-up and review. SAIs in Latin America, Caribbean and the Iberian Peninsula also used the DFOG tool in the Coordinated Audit on Protected Areas (2018-2021) on protection, tourism and land-use planning policies.[17]

Challenges related to the use of DFOG analysis include the question of keeping the scope manageable, how to use the information gathered in order to help promoting/boosting government coordination and public policies coherence in a fragmented context, and how to assess or estimate the losses and gains related to DFOG.

4.5 Criteria to assess policy coherence

An important task in audit work is developing the criteria against which the auditors make their assess-ments. Below are some example questions which could help when developing policy coherence criteria.

The International Institute for Environment and Development (IIED) guide for evaluators on connecting national priorities with the SDGs suggests some evaluation criteria and questions.[18] These are the suggested questions to help establish criteria for policy coherence:
- Do national policy frameworks consider the inter-connected nature of sustainable development?

- Are the implementation mechanisms adequate to ensure effective integration?

- Do they require or encourage interdepartmental or public-private sector collaboration?

- Has the policy/plan/programme resulted in unconsidered negative environmental or social externalities?

- Has it produced any unexpected economic, environmental or social co-benefits?

- What is the level of coordination between government departments and the different geographic levels of government?

Additional criteria could be developed from the UN global indicator addressing SDG 17.14 on policy coherence "Number of countries with mechanisms in place to enhance policy coherence of sustainable development" and the way United Nations Environment Programme (UNEP) responsible of the indicator has further broken it up to various domains to capture various aspects of policy coherence.[19]

The UNEP domains of policy coherence are closely linked to the OECD's eight principles on PCSD and include:

1. Institutionalization of Political Commitment

2. Long-term considerations in decision-making

3. Inter-ministerial and cross-sectoral coordination

4. Participatory processes

5. Policy linkages

6. Alignment across government levels

7. Monitoring and reporting for policy coherence

8. Financing for policy coherence

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18 International Institute for Environment and Development (2020). Evaluation to connect national priorities with the SDGs: A guide for evaluation commissioners and managers. https://pubs.iied.org/sites/default/files/pdfs/migrate/17739IIED.pdf
19 United Nations Environment Programme. Indicator 17.14.1. https://www.unep.org/explore-topics/sustainable-development-goals/why-do-sustainable-development-goals-matter/goal-17-1

Policy coherence in budgeting and financing

Policy incoherence results in adverse spending, which in turn hampers the effective use of public funds. One well-known example of this is fossil fuel subsidies. The Kyoto Protocol, which has now been replaced by the 2015 Paris Agreement, introduced this approach by pointing the need for "policies and measures which would progressively reduce or phase out market imperfections, fiscal incentives, tax and duty exemptions and subsidies in all greenhouse gas emitting sectors that run counter to the objective of the Convention and apply market instruments".[20]

In the context of the Agenda 2030, the SDG target 12.c echoes this principle stating a need to "rationalize inefficient fossilfuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist (…)".[21]

Text Box 5.1: Auditing fossil fuel subsidies in Canada

SAI Canada's 2021 audit of the government's Emissions Reduction Fund found that poor program design resulted in the government being unable to ensure credible and sustainable greenhouse gas emissions in the oil and gas sector. For example, in two thirds of the 40 projects funded by the Emissions Reduction Fund, companies stated in their applications that the funding would allow them to increase their production levels. When production increases, so do the related emissions.

SAI Canada has assessed non-tax subsidies and tax subsidies for fossil fuels in 2019. The topic is important because inefficient fossil fuel subsidies encourage wasteful consumption, undermine efforts to address climate change, and discourage investment in clean energy sources.

Failing to integrate Agenda 2030's three dimensions (economic, social, and environmental) increases the risk that the sustainability of these three factors would be considered on an equal basis or over the long-term. When assessing the efficiency of Tax Subsidies for Fossil Fuels, SAI Canada's audit found that the government focussed almost exclusively on economic considerations without integrating social or environmental sustainability factors. In its assessment of the Non-Tax Subsidies for Fossil Fuels, the responsible department did not consider the economic, social, and environmental sustainability of subsidizing the fossil fuel sector.

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20 UN (1997). Kyoto Protocol to the United Nations Framework Convention on Climate Change, page 3. https://unfccc.int/documents/2409
21 UN (2015). 2030 Agenda, page 23

Text Box 5.2: Review example of financing for climate and gender in Finland

Gender perspective is present both in the Agenda 2030 and the Paris Agreement. Strengthening the status of women and girls is also one of the four priorities and cross-cutting objectives of Finnish development cooperation. Therefore, international climate finance included in Finland's development cooperation should support climate change mitigation and adaptation but also gender equality, and contribute to empowering women and girls. This would also increase coherence and synergies between the goals of the 2030 Agenda.

SAI Finland found in its 2021 review carried out together with its audit of Finland's International Climate Finance that the Ministry for Foreign Affairs has aimed to promote gender equality in all development funding, including climate finance, and has drawn attention to it in the goal setting of many programmes and projects. There are however differences in the gender impact of climate projects and the information available on the impact varies. Also reporting on the gender perspective varies.

Policy coherence in the context of climate is not only about fossil fuels subsidies. As with any other environmental topic, climate change can also be scrutinized in the context of other key policies, such as gender. Climate change affects vulnerable groups of people particularly hard. Women and girls are in a special position because most people living under the poverty line are women and girls. Especially in developing countries, women's livelihoods are often linked to water as well as agriculture and forestry, which are particularly dependent on a stable climate.

Besides climate, there are also other environmental concerns that policies should consider. One frame-work helping to make such assessment is the European Union (EU) taxonomy on sustainable finance, which includes the principle of "do no harm".

The EU taxonomy on sustainable finance is a classification system that provides companies, investors and policymakers definitions for which economic activities can be considered environmentally sustainable. The purpose of the system is to create security for investors, protect investors from greenwashing, help

companies to become more climate-friendly, mitigate market fragmentation and help shift investments to where they are most needed.

The Taxonomy Regulation establishes six environmental objectives:[22]

- Climate change mitigation

- Climate change adaptation

- The sustainable use and protection of water and marine resources

- The transition to a circular economy

- Pollution prevention and control

- The protection and restoration of biodiversity and ecosystems

Sustainable investment has to make a positive contribution to at least to one of the above objectives. On top of that, the activity should do no significant harm to the other objectives. This means that an

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22 European Commission. EU taxonomy for sustainable activities. https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en

activity should not significantly lead to greenhouse gas emissions, increased adverse impact of the current climate and the expected future climate, be detrimental to the good status or the good ecological potential of waters, lead to inefficiencies in the use of materials or use of natural resources or increase the waste, lead to a significant increase in emissions of pollutants into air, water or land, or be significantly detrimental to the good condition and resilience of ecosystems, or detrimental to the conservation status of habitats and species.

A closely related approach is to track the negative spending of public budgets.

Traditional budget structures can often hamper coherent analysis. Budgeting is usually organized according to the sectoral ministries, due to lacking cooperation between the ministries or because of poor data quality or regulatory mechanisms. One way forward is to reorganise the whole budgeting in a non-traditional way, concentrating on the phenomena rather than the government sectors. The OECD has also developed this in the green budgeting initative.[23]

Text Box 5.3: Tracking negative environmental spending

France has implemented an ambitious system for analysing and reporting the environmental impacts of the state budget – including the impacts of the tax system. The system identifies six environmental dimensions, following the EU taxonomy categories (see above).

The French system divides investments into favourable, neutral and unfavourable. The approach adopted is applied to the total state budget, at the level of individual budget lines. Unlike the EU Commission approach, which uses so called Rio markers and classifies for example the climate expenditure either as 100%, 40% or 0% contributing to the objective, the French systems does not scale the amount of negative or positive impact. Its strength is however that it recognises the negative impacts, addresses both tax expenditure as well as direct public expenditure, and it identifies impacts across a range of environmental dimensions.

Moreover, Norway is developing a robust methodology to report on the quantitative effects of the state budget on GHG emissions, including revenues and the broader economic effects of government spending.

See the Institute for European Environmental Policy's Review of approaches to tracking climate expenditure for more information and examples.

23 Paris Collaborative on Green Budgeting - OECD

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Text Box 5.4: Phenomenon-based budgeting

In order to respond to complicated societal problems, such as urbanization, climate change, immigration, or pandemic, we need new kinds of tools also in budgeting. One approach is so called phenomenon-based budgeting. While phenomenon-based budgeting can take many formats, the approaches share a common goal of responding to complex social questions and phenomenon that cannot be solved by a single administrative branch.

The most long-standing example is probably gender-responsive budgeting. Canada has been a forerunner in this area with the introduction of a Gender Budgeting Act in 2018 and the publication of its first Budget Gender Report in 2019. Finland is experimenting with child-responsive budgeting, while New Zealand has an ambitious wellbeing budget model. Budget models that take the Sustainable Development Goals (SDGs) into account are also applied by Mexico, Ireland, and Scotland, for example.

According to a SAI Finland review, phenomenon-based budgeting may improve the knowledge base of decisionmaking and help with forming a shared overall view. At the same time, it may also provide continuity over different government terms if a phenomenon proves to be a long-term challenge. It may promote policy coherence, increase the efficiency of the use of state assets, and improve the effectiveness of the assets used in relation to the targets set. Phenomenon-based budgeting may help us identify adverse spending as well as common benefits for different targets and different resource allocations.

Phenomenon-based budgeting may also improve transparency and accountability. Parliament and citizens could obtain more comprehensive and new kind of information on the allocation of state assets and on how the Government is achieving the phenomenon-based objectives it has set.

6. Policy coherence as an inclusive process – multi-stakeholder engagement

Policy coherence is dependent on the engagement of a variety of different stakeholders, sometimes called multi-stakeholder engagement, participation, or cooperation.

First, we recognize that there are several different types of engagement more generally. The International Association for Public Participation (IAP2), an international organization striving to advance the practice of public participation, proposes a spectrum for public participation that includes five levels of stakeholder engagement: inform, consult, involve, collaborate, and empower.[24] As the level of engagement with stakeholders increases, so too does the stakeholders' influence on decisionmaking.

Moving toward multi-stakeholder engagement requires broadening the traditional scope of who is a stakeholder. Multi-stakeholder engagement can include different levels of government (i.e., national, regional, local), international organizations and agencies, donors and foundations, non-governmental organizations, civil society, and even individual citizens themselves.

The power of multi-stakeholder engagement comes from the varied approaches and complementary resources that different sectors can bring together for a common cause. The Partnering Initiative is a United Kingdom-based non-governmental organization dedicated to multi-stakeholder collaboration that creates tools, guidebooks, and trainings through

Figure 6.1: Types of engagement

Inform	Providing balanced and objective information to assist the public in understanding
Consult	Obtaining feedback from the public on analysis, options, and decisions
Involve	Directly working with the public throughout the process to ensure understanding of concerns and goals
Collaborate	Partnering with the public in all aspects of decision-making
Empower	Entrusting the public with the final decision-making power

Source: Adapted from International Association for Public Participation

a global network of over 20 countries. It defines multi-stakeholder partnerships as "involving organisations from different societal sectors working together, sharing risks and combining their unique resources and competencies in ways that can generate and max-imise value towards shared partnership and individual partner objectives, often through more innovative, more sustainable, more efficient and/or more systemic approaches." [25]

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24 International Association for Public Participation (2014). IAP2's Public Participation Spectrum. https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf
25 The Partnering Initiative (2016). An introduction to multi-stakeholder partnership. https://www.thepartneringinitiative.org/wp-content/uploads/2017/03/Introduction-to-MSPs-Briefing-paper.pdf

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The use of multi-stakeholder partnerships was given a significant boost on the global stage when they were included as official outcomes for Agenda 21 and Agenda 2030. Most recently, UNDESA's 2021 World Public Sector Report noted that the COVID-19 pandemic brought to light the importance of multi-stakeholder partnerships in effective crisis response. Governments facing the enormous challenge of responding to emergency risks were able to lean on stakeholders to help in sharing information, enabling public trust, mobilizing response efforts, and delivering programming to those in need.[26]

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26 UNDESA (2021). World Public Sector Report, page 141.

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7. Multi-stakeholder engagement in the context of the Sustainable Development Goals

Multi-stakeholder engagement is a key principle of Agenda 2030. It recognizes stakeholders as valuable partners in implementing the SDGs and raising public awareness. All levels of government, civil society, and the private sector can be engaged with regards to the SDGs to assess progress, incorporate data and analyses to fill information gaps, and gain contributions from non-state actors.

The systemic issue of multi-stakeholder partnerships is mentioned in SDG 17, to strengthen the means of implementation and revitalize the global partnership for sustainable development.[27] SDG target 17.15 recognizes each country's respective role to establish and implement sustainable development multi-stakeholder partnerships. In addition, SDG target 17.16 aims to promote the sharing of knowledge, expertise, and resources supported by multi-stakeholder partnerships to achieve the SDGs. Indicator 17.16.1 monitors the number of countries reporting progress in multi-stakeholder development effectiveness monitoring frameworks to support this work.

In September 2019, member states also adopted Gearing up for a decade of action and delivery for sustainable development, a declaration in support of increased efforts to achieve the 2030 Agenda with specific mention of the need to create durable partnerships between government at all levels, and with all relevant stakeholders, including civil society, the private sector, academia, and youth.[28]

The UNDESA defines multi-stakeholder partnerships in the context of the SDGs as "an ongoing collaborative relationship among organizations from different stakeholder types aligning their interests around a common vision, combining their complementary resources and competencies and sharing risk, to maximise value creation towards the Sustainable Development Goals and deliver benefit to each of the partners."[29] This approach recognizes the need for mechanizms of dialogue and engagement where governments and stakeholders can come together to identify challenges, set priorities, develop actions, and mobilize resources for sustainable development.

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27 UN (2015). Agenda 2030.
28 UN (2019). Gearing up for a Decade of Action and Delivery for Sustainable Development: Political Declaration of the SDG Summit https://www.un.org/pga/73/wp-content/uploads/sites/53/2019/05/Zero-draft-Political-Declaration-HLPF-17.5.19_.pdf
29 UN (2020). The SDG Partnership Guidebook: A practical guide to building high impact multi-stakeholder part-nerships for the Sustainable Development Goals, 1st ed., page 6. https://sustainabledevelopment.un.org/content/documents/2698SDG_Partnership_Guidebook_1.01_web.pdf

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The UNDESA and the United Nations Institute for Training and Research (UNITAR) highlight four of the aforementioned IAP2 levels as useful for engaging stakeholders in the implementation and review of the SDGs: inform, consult, involve, and collaborate. The organizations recognize that the fifth level "empower" would require further adaptation to be useful for this context. UNDESA and UNITAR note that one-way communication of information may be appropriate as a preliminary phase before deeper participation or when stakeholders have a low understanding of Agenda 2030. Consultation with stakeholders is beneficial when limited options for change exist, when governments want to improve existing plans, and to help stakeholders understand operations. This approach may not be appropriate when plans are finalized as feedback cannot be incorporated, or when clear plans do not exist. Directly involving stakeholders could occur when governments need expertise in order to implement decisions and stakeholders have a demonstrated desire and capacity to be engaged. Stakeholder collaboration is appropriate when there is sufficient time and resources to do so meaningfully and is important in sharing the feeling of ownership in the process between government and stakeholders.[30]

For our purposes, multi-stakeholder engagement can be thought of in two distinct ways: how SAIs audit multi-stakeholder engagement efforts of their respective federal governments and how SAIs interact with stakeholders, including citizens.

Text Box 7.1: Multi-stakeholder cooperation in Finnish sustainable development policy

The Finnish National Commission on Sustainable Development is an influential forum gathering the significant societal actors together, and chaired by the Prime Minister. The Commission promotes cooperation to achieve the sustainable development goals and strives to integrate the strategic objectives of sustainable development into the national policy, administration and social practices. The Commission supports the inclusion of society as a whole in the work on sustainable development. The annual Citizens' Panel on Sustainable Development enables citizens to participate in the assessment of the state of sustainable development in Finland. The panel's findings are used to support the work of the Government and Parliament.

Society's Commitment to Sustainable Development is one of the instruments Finland uses to implement Agenda 2030. Commitment includes eight objectives: equal prospects for well-being, a participatory society for citizens, sustainable work, sustainable local communities, a zero carbon society, a resource-wise economy, life choices that respect nature's boundaries and decision-making that respects nature.

Businesses, communities, educational institutions, public administration, political parties, cities and also private individuals can make an operational commitment on concrete action to achieve common goals. By making operational commitments, the actors commit themselves to doing their part in attaining the set objectives within the next 5 to 10 years. Through these concrete commitments, operators can take part in the promotion of all or just some of the shared objectives both in Finland and globally. More than 2600 commitments from all sectors of society have already been made.

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30 UNDESA and UNITAR (2020). Stakeholder Engagement and the 2030 Agenda: A Practical Guide. https://sustainabledevelopment.un.org/content/documents/2703For_distribution_Stakeholder_Engagement_Practical_Guide_REV_11SEPT.pdf

8. Tools and methods to address and assess multi-stakeholder engagement by governments

As we know, implementing Agenda 2030 requires engagement with stakeholders over the long-term. Cooperation Canada and UNDESA partnered to prepare Multi-stakeholder Engagement in 2030 Agenda Implementation: A Review of Voluntary National Review Reports (2016-19). This research paper found that member states conduct activities to inform, consult, involve, collaborate, and empower non-state actors. However, it recognizes the need to improve reporting on multi-stakeholder engagement. For example, other nations and non-state actors could benefit from having access to more detailed information and analysis on how non-state actors are engaged, collaboration to leave no one behind, and lessons learned to inform good practices.[31]

SAIs are well positioned to assess and comment on the multi-stakeholder engagement efforts of the government. Given SAI mandates, an examination of multi-stakeholder engagement typically takes the form of examining governmental efforts to involve different stakeholders in implementing a national target linked to a specific SDG. Auditors can examine whether or not the government created suitable conditions for engagement, the extent of stakeholder involvement, and the adequacy of interaction.

Since multi-stakeholder engagement includes the public, civil society organizations, and so on and auditor may also need to reach out to sources outside of formal government structures to gain an understanding of the process and outcomes.

8.1 IDI SDGs Audit Model
The IDI's SDGs Audit Model (ISAM) proposes questions on multi-stakeholder engagement that auditors can consider when developing an understanding of the nationally agreed upon SDG target.[32] These questions include, but are not limited to:

- How do the overall institutional arrangements relating to the national target involve key line ministries, subnational and local levels of government, parliament, human rights institutions, CSOs, and the private sector?

- How are the various levels of government, legislative body (e.g. the parliament), and the stakeholders working together to achieve the target?

- What mechanisms and platforms are available for stakeholders from civil society and the private sector to contribute to the planning, implementation, monitoring and review of the policies, plans and programmes intended for the achievement target?

- What partnerships, including with the private sector, have been put in place for the implementation of the target?

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31 UNDESA (2019). Multi-stakeholder Engagement in 2030 Agenda Implementation: A Review of Voluntary National Review Reports (2016-19). https://cooperation.ca/multi-stakeholder-engagement-in-2030-agenda-implementation/
32 IDI (2020). IDI's SDG Audit Model. https://www.idi.no/elibrary/relevant-sais/auditing-sustainable-development-goals-programme/isam/1089-isam-idi-s-sdg-audit-model

In addition, ISAM provides guidance on assessing the adequacy of interaction with stakeholders. It suggests questions such as:

- Did communication channels allow for open and honest feedback?

- Was the feedback system accessible and uncomplicated for the stakeholder?

- Did the feedback system allow for multiple exchanges and negotiated dialogue?

8.2 Criteria to assess multi-stakeholder engagement

The British Columbia Council for International Cooperation (BCCIC), a Canadian organization paving the way in researching multi-stakeholder engagement to realize Agenda 2030, also provides guidance on assessing engagement. It proposes five principles for effective multi-stakeholder engagement. Engagement must be timely, open and inclusive, transparent, informed, and iterative.[33]

The Economic and Social Commission for Asia and the Pacific (ESCAP) and IAP2 have developed a tool to assess stakeholder engagement for the 2030 Agenda. Creating a Seat at the Table includes a framework describing four dimensions of engagement: purposeful, inclusive, transformative, and proactive.[34]

The primary audience for this framework is governments planning, designing, and delivering stakeholder

Text Box 8.2.1: Examples of the five principles for effective multi-stakeholder engagement

1. Timeliness refers to stakeholders being given sufficient timeframes for engagement that are communicated in advance. In Canada, the Federal Sustainable Development Act requires the government to carry out consultations according to a predetermined timeline.

2. Agenda 2030's pledge to "leave no one behind" necessitates the second principle of open and inclusive engagement. The aspect of inclusivity requires extra attention during engagement design in order to ensure those groups who most often get left behind are included. Some examples include, United Arab Emirate's establishment of youth councils, Benin's use of Indigenous languages, and Ireland's annual practice of discussing who is missing in engagement in an effort to include them the next year.

3. To ensure transparency, information and documentation to inform engagement must be communicated in advance and follow-up should include opportunities for stakeholder feedback. For example, Cameroon has established Common Working and Collaboration Platforms supported by a Civil Society Engagement Charter outlining stakeholder inclusion in national SDG implementation.

4. Informed engagement requires that participants are informed of the purpose of the engagement, how their inputs will be utilized, and expected outcomes. To help inform, Spain created a platform to promote learning among stakeholders.

5. Finally, the "iterative" principle supports the idea that engagement is not a single event, rather a continuous and evolving process. Finland's uses the National Commission for Sustainable Development, created to be reflective of its population, in support of SDG implementation.

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33 British Columbia Council for International Cooperation (2019). Effective multi-stakeholder engagement to realize the 2030 Agenda. https://www.bccic.ca/wp-content/uploads/2019/04/Effective_Engagement_International.pdf
34 Economic and Social Commission for Asia and the Pacific and International Association for Public Participation. Creating a Seat at the Table: Stakeholder Engagement for the 2030 Agenda Brochure, page 4. https://www.unescap.org/sites/default/files/Stakeholder%20Engagement%20Indicator%20Framework%20Brochure_180518_0.pdf

Figure 8.2.2: Framework for assessing stakeholder engagement

PURPOSEFUL

Engagement is **PURPOSEFUL** when we:
• Know why we are engaging – clearly define what we want to get out of the engagement
• Develop an engagement plan and allocate resources and responsibilities
• Build engagement into every phase – planning, delivery and follow-up and review
• Evaluate to improve engagement

INCLUSIVE

Engagement is **INCLUSIVE** when we:
• Map and analyse our stakeholders
• Recognize their views – even if we don't agree with them
• Have special mechanisms for those normally "left behind"
• Put in place ways to remove/reduce barriers that make participation difficult – language, geographic location or distance, abilities, age, income, connectivity, culture bias, discrimination
• Manage power imbalances and find ways to ensure that people feel safe to contribute (e.g. anonymity)
• Recognize and utilize traditional channels of engaging

TRANSFORMATIVE

Engagement is **TRANSFORMATIVE** when we:
• Choose methods that build understanding and collaboration across different groups in society, sharing information from diverse perspectives
• Encourage and recognize contribution - motivate stakeholder action through a "whole of society" approach
• Choose methods that integrate social, economic and environmental perspectives
• Choose methods that encourage dialogue and shared action across the SDG framework
• Are willing to take a participatory approach to addressing important societal challenges

PROACTIVE

Engagement is **PROACTIVE** when we:
• Build engagement planning into implementation
• Communicate the scope of engagement to stakeholders
• Provide the information they need in an accessible and timely way
• Consult stakeholders on the way they would like to participate
• Respond to questions and concerns promptly

Source: Economic and Social Commission for Asia and the Pacific and International Association for Public Participation

engagement processes on the SDGs. However, it is also relevant to auditors assessing stakeholder engagement at the national level as these elements strongly support the objective of inclusion (i.e. "no one left behind") in Agenda 2030.

8.3 Voluntary National Reviews

Voluntary National Review (VNR) reports to the High-level Political Forum on Sustainable Development can contain useful information for understanding multi-stakeholder engagement within a specific country's context. The Voluntary Common Reporting Guidelines and Handbook for the Preparation of Voluntary

National Reviews recommend organizing the reports thematically, capturing elements of multi-stakeholder engagement.[35] Analysis of the 2016-2019 VNRs found that few member states explicitly reported on good practices (ex. Latvia, Poland, and Indonesia). Meanwhile, several countries reported on challenges related to multi-stakeholder engagement and many included broadening stakeholder engagement as part of their planned next steps in implementing the 2030 Agenda.[36] One challenge with this type of information is inconsistency in reporting and level of details.

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35 UN Sustainable Development Knowledge Platform. Voluntary National Reviews: Resources. https://sustainabledevelopment.un.org/vnrs
36 UNDESA (2019). Multi-stakeholder Engagement in 2030 Agenda Implementation, page 14.

Text Box 8.3.1: Good practices for collaboration

In 2018, SAI United States identified mechanisms that the United States government uses to lead and implement interagency collaboration in 2018. SAI United States found that government agencies use a variety of mechanisms to implement collaborative efforts between agencies and often use a combination of more than one to address a given issue. These practices can be applied to assessing collaboration to achieve Agenda 2030 targets and conducting individual performance audits.

Read the WP3: Auditing Climate Finance

Key features		Key considerations
	Outcomes and accountability	Have short-term and long-term outcomes been clearly defined? Is there a way to track and monitor their progress?
	Bridging organizational cultures	What are the missions and organizational cultures of the participating agencies? Have agencies agreed on common terminology and definitions?
	Leadership	How will leadership be sustained over the long-term? If leadership is shared, have roles and responsibilities been clearly identified and agreed upon?
	Clarity of roles and responsibilities	Have participating agencies clarified roles and responsibilities?
	Participants	Have all relevant participants been included? Do they have the ability to commit resources for their agency?
	Resources	How will the collaborative mechanism be funded and staffed? Have online collaboration tools been developed?
	Written guidance and agreements	If appropriate, have participating agencies documented their agreement regarding how they will be collaborating? Have they developed ways to continually update and monitor these agreements?

Source: GAO | GAO-18-171

Source: United States Government Accountability Office

8.4 MOOC training

More formalized training on multi-stakeholder engagement is available. For example, UNDESA and the UNITAR offer a free, self-paced massive open online course (MOOC) on Strengthening Stakeholder Engagement for the Implementation and Review of the 2030 Agenda.[37] The MOOC is structured in four modules:

1. Understanding the need for stakeholder engagement in the 2030 Agenda at the national level

2. Learning about approaches and tools for strengthening stakeholder engagement for the SDGs

3. Designing successful strategies for stakeholder engagement in national implementation and review processes for Agenda 2030

4. Leaving no one behind: Approaches, tools and best practices to promote meaningful engagement of all stakeholders in the implementation and follow up of the 2030 Agenda

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9. Multi-stakeholder engagement in audit

Beyond auditing multi-stakeholder engagement, SAIs can look inwards at their own organization and consider how to involve different stakeholders in audits in various ways. Engaging with civil society presents an opportunity for SAIs to draw on industry expertise, existing connections with local communities, and networking abilities.

INTOSAI Principle 12, formerly known as International Standards of Supreme Audit Institutions (ISSAI) 12, Value and Benefits defines a stakeholder as a person, group, organization, member or system that can affect or can be affected by the actions, objectives and policies of government and public entities.[38] Examples of stakeholders as they relate with SAIs can include, but are not limited to:

- Legislature

- Executive

- Audited entity

- Judiciary

- Civil society organizations

- Media

- Other accountability organizations (e.g. Anti-corruption agencies)

Collaboration between SAIs and stakeholders serves to benefit all engaged. By engaging with SAIs, stakeholders can improve service delivery, increase efficiency, and enrich their strategies and agendas. For SAIs, collaboration with stakeholders also serves to increase efficiency, as well as strengthening accountability, legitimacy and independence as an organization.

How do auditors engage with stakeholders? The UN-DESA categorizes the types of interaction between SAIs and citizens as follows: (1) a one-way SAI-cit-

Figure 9.1: Types of interaction between SAIs and stakeholders

Type of Interaction	Purpose	Description
One-way relationship	To inform citizens	SAIs maintain a one-way relationship with citizens through publishing audit reports, press releases and other communications to the general public.
Two-way relationship	To consult citizens	Facilitating a two-way relationship requires a SAI to engage citizens and civil society groups directly through means such as focus groups, advisory committees, or surveys.
Partnership	To share decision-making responsibility with citizens	SAIs in the third category are less common. These audit offices actively engage citizens and organizations in decision-making.

38 INTOSAI (2019). INTOSAI-P - 12 - The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens. https://www.intosai.org/fileadmin/downloads/documents/open_access/INT_P_11_to_P_99/INTOSAI_P_12/INTOSAI_P_12_en_2019.pdf

izen relationship where SAIs inform citizens; (2) a two-way relationship where SAIs consult citizens; and (3) a partnership for decision-making between SAIs and citizens.[39]

SAIs maintain a one-way relationship with citizens through publishing audit reports, press releases and other communications to the general public. This type of communication is common among SAIs. For more examples and information, see INTOSAI WGEA's 2019 research paper on Communicating Environ-mental Audit Results to improve visibility.[40] Facilitating a two-way relationship requires a SAI to engage citizens and civil society groups directly through means such as focus groups, advisory committees, or surveys. For example, SAI Argentina has a Citizen Participation unit that reaches out to civil society organizations annually with an opportunity to present topics of interest for consideration in future audit planning. SAI Australia promotes closer engagement in the audit process by published the annual draft audit work program for feedback and

Text Box 9.2: Citizen Participatory Audit in Philippines

One of the INTOSAI WGEA projects in 2020-2022 was on Citizen Participatory Audit (CPA). SAI Philippines has developed the method and compiled the experience change material for INTOSAI WGEA. https://wgea.org/media/117686/citizen-participatory-audit.pdf

For SAI Philippines CPA is one of the approaches identified to address certain problem. CPA challenges the mindset of citizens being in governance a spectator rather than a participant. CPA increases transparency and can support the auditees to implement audit recommendation, and facilitate adoption of technology, as civil society can acquire skills on new technology faster. Citizens can have different roles, as members of audit teams, as partners in capacity building activities, as partners in shared agenda building for strategic planning and audit planning, and as partners in validating implementation of audit recommendations.

For SAI Philippines, the CPA is:
1. Technique in conducting audits with citizens as members of CPA audit teams
2. Mechanism for strategic partnership and sharing of aspirations, goals, and objectives between the SAI and civil society
3. Technique for citizen / civil society partnership in other areas of the SAIs work, CSOs and individuals have expertise, talents, knowledge, and skills, which they can bring into the audit arena to make the good, better and the best
4. Strategy for reform to uphold the people's primordial right to a clean government and the prudent utilization of public resources, founded on the premise that public accountability can prosper only with a vigilant and involved citizenry. The CPA is meant to change people's mindset. One pernicious mindset is thinking that the work of governance is only for people in the government – the spectator mindset. We would like our people, especially the younger generation, to be involved in the work of governance.

The WGEA report on the CPA also includes an annex with other SAIs' experiences in involving citizens.

39 UNDESA (2013). Citizen Engagement Practices by Supreme Audit Institutions, page 14. https://publicadministration.un.org/publications/content/PDFs/Compendium%20of%20Innovative%20Practices%20of%20Citizen%20Engagement%202013.pdf
40 INTOSAI WGEA (2019). Research Project on Improving the Visibility of SAI's work: Communicating Environmental Results. https://wgea.org/media/113684/21a-wgea_visibility_18-sep-2019-rev.pdf

allowing interested parties to contribute information to audits. The SAI welcomes members of the public contributing information for consideration when conducting performance audits. In-progress performance audits are posted to the SAI website with an icon indicating whether or not the file is open for contribution or if contribution has closed. If it is open, citizens are encouraged to contribute information and attach relevant files for submission.

SAIs in the third category are less common. These audit offices actively engage citizens and organizations in decision-making. SAI Ghana launched an app called Citizenseye, allowing citizens to anonymously report issues concerning the office's audit plan for the upcoming year. Categories for complaints include hospitals, schools, environment, infrastructure, and agriculture. Citizens are able to narrow the topic of their complaint using subcategories, and provide evidence (such as photographs and locations) to further support their report. Complaints are analyzed by a review committee and shared with the relevant audit office departments and regions for follow-up. Benefits of this approach include enhanced citizen participation, attention being brought to hidden issues, enhanced citizen trust in audit work, and justification for changes to SAI budget allocation to address citizen concerns.

SAIs' engagement with stakeholders is impacted by both the SAIs own capacity to engage and the willingness and capacity of the stakeholders to meaningfully engage with the SAI.

The INTOSAI IDI 2020 Global SAI Stocktaking Report reveals that although two-thirds of SAIs have communications strategies in place, the focus remains largely on communication with auditees and there are variances when it comes to involvement of other stakeholders such as citizens, media, and civil society. The survey results show that SAIs are increasingly aware of the importance of stakeholder engagement. for delivering audit impact. Since the last stocktake,

the number of SAIs planning to strengthen communication with the legislature, executive, and judiciary has doubled, while those wanting to strengthen communication with media, citizens, and civil society has increased by 20%.[41]

Similarly, the Canadian Audit and Accountability Foundation (CAAF) surveyed audit offices across Canada and around the world in September 2020, receiving responses from 36 SAIs and 10 provincial, state, or city level offices. Up to one third of respondents' offices reported that they are engaging civil society organizations to help with selecting topics, planning audits, or collecting evidence. For example, Bosnia and Herzegovina holds annual consultations where civil society organizations are invited to suggest future audit topics. However, the CAAF survey also found that fewer audit organizations are engaging civil society in disseminating audit findings or monitoring the implementation of audit recommendations. This type of participation present opportunities to increase awareness and build public pressure for governments to implement audit recommendations.

The INTOSAI Capacity Building Committee published Engagement with Civil Society: A Framework for SAIs in 2021. This framework, intended for SAIs working on strengthening engagement and cooperation with civil society, aims to explain the benefits of such engagements and provide a set of principles based on good practices. The five principles of are that SAI-civil society relationships should:

- Be results focused

- Involve engagement throughout the audit process

- Seek to strengthen country systems

- Be context-specific

- Be introduced gradually

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41 INTOSAI Development Initaitive, Global SAI Stocktaking Report 2020, Page 12. https://www.idi.no/our-resources/global-stocktaking-reports

Within this civil society engagement framework, SAIs can also find good practices on strategically engaging, leveraging technology, citizen-friendly reports, and risk management.

In 2017, the IDI published Guidance on Supreme Audit Institutions' Engagement with Stakeholders intended to help SAIs formulate and implement strategies aimed at enhancing audit impact through stakeholder engagement. Throughout this guidance, SAIs can explore information about:

- Stakeholder identification

- Foundational frameworks of SAI engagement with stakeholders

- Stakeholder identification

- Current SAI good practices and challenges with stakeholder engagement

- Methods for linking stakeholder engagement to operational and strategic planning processes

- Developing stakeholder engagement strategies

The World Bank offers a comprehensive and freely available readiness assessment tool designed to help supreme audit institutions assess where to focus when developing their plans or policies for citizen engagement. In addition, they have an interactive chart showing global, legal resolutions pertaining to the importance of transparency, accountability, and civic participation in audits.

The CAAF Collaborating for Change research contains useful materials. The Tools for Collaboration workbook provides tips for collaboration between civil society organizations and audit offices during the audit stages: topic selection, planning, examination, reporting, disseminating findings, and follow-up/ monitoring. To support this, they have also made available a questionnaire and checklist.

10. Conclusion

This paper has shown that policy coherence and multi-stakeholder engagement are key to implementing Agenda 2030 and supporting the sustainable development goals. Policy coherence should systematically reduce conflicts and promote synergies between various policy areas on jointly agreed policy objectives, while multi-stakeholder engagement can serve to support policy coherence through an inclusive process. Together, these concepts support the much needed whole-of-government and, even further, whole-of-society approaches.

Due to their mandates and independence, SAIs have the opportunity to play an important role in the im-plementation of Agenda 2030 and achieving the SDGs. Through efforts to strengthen policy coherence and multi-stakeholder engagement, SAIs may support achievement of SDG 17: Partnership for the goals, and more specifically targets 17.14, 17.15, and 17.16, while also systematically supporting the achievement of the other SDGs. As noted in this paper, through audit work, SAIs are able to assess the level of adequacy of engagement the government took on a particular issue to advance stakeholder engagement, and also support the development of mutually reinforcing or non-contradictory policies, ensuring that government actions towards sustainable development are synergistic. To assist SAIs, this paper presented tools and methods to address and assess policy coherence and multi-stakeholder engagement, which can be operationalized by SAIs around the world to fit their individual contexts. Efforts in drafting this document have helped to break down silos, share information, and promote coherence. In addition, this paper demonstrated how enhancing multi-stakeholder engagement can benefits SAIs by creating partnerships and facilitating information and resource sharing with various stakeholders.

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