**Introduction**

Promoting Policy Coherence is common sense and logical. Who would disagree with the principle? It is also the stuff of everyday government: checking how different policies affect each other and seeing how they can best be drafted so that they are mutually supportive rather undermining each other. But there are obstacles, so to make progress you need a clear approach and persistence over time. Enhancing coherence between policies is not achieved overnight, but is rather a constant on-going process. This article sets out to review experience of promoting policy coherence for development (PCD), then analyse how this has been done in the EU and third how this PCD experience relates to the newer concept of PCSD, or policy coherence for sustainable development. In the process it discusses four common pitfalls that emerge from this review of practice and considers how these may be dealt with in tackling PCSD.

It is worth citing these four major pitfalls from the start as they will also lead to four lessons:

1. **Lack of a clear focus** – There is still ambiguity on what we understand by the terms;

2. **Ignore the political at your own peril** – Policy coherence is about conflicting policies and interests so you need leadership and political economy analysis;

3. **No quick fixes** – Promoting policy coherence needs a conscious effort over time, so we need to set up the systems for this and expect the work to go on;

4. **Trying to do too much at once** – No policy maker has perfect knowledge and there is no perfect state of absolute coherence, so we need to set limits and aim for what is feasible: Good Enough Coherence

The value of policy coherence emerges from any observation of policy incoherence. The starting point is an awareness that other policies often undermine development cooperation efforts. A well-known classic case is that of food dumping in the 1990s, where European producers encouraged by subsidies from the Common Agricultural Policy (CAP) then sold excess produce on African markets at low prices that undercut small scale producers that the EU was also trying to support through development cooperation support for food security. Behind such contradictions there are vested interests – in this case the interests of foreign farmers against those of their local counterparts. The political nature of the debate is thus evident at an early stage and raises the question: how best to find solutions that satisfy multiple interests?

Policy coherence issues can also give rise to issues of major importance for development –for instance the failure to regulate adequately the pricing of extractives gives rise to the problem of illicit financial flows (IFFs) that seriously undermine the ability of countries to grow their own domestic revenue\(^1\) thereby increasing their dependence on ODA. Hence the issue of policy coherence is far from negligible.

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1. Miyandazi, Luckystar and Martin Ronceray, 2018, Understanding illicit financial flows and efforts to combat them in Europe and Africa, Discussion paper 227, ECDPM Maastricht
In the 1990s in European policy development circles there was much discussion about defining the object with authors identifying different types of coherence: for instance, ‘horizontal’ coherence between policy areas or ‘vertical’ between levels of government. Equally the term is often also used to refer to differences between actors or to point to inconsistencies within a single package of policy measures. These different uses of the term do however cause confusion and hamper our ability to make progress. Arguably the core issue on which we need to focus is the coherence between different areas of policy, that is horizontal coherence. Other terms have also been identified to cover some of these other issues, such as ‘complementarity’ to refer to the need for different actors (e.g. the EU and its Member States) to work together in a manner that is mutually supportive rather than undermining.

The increasingly used term ‘Policy Coherence for Development’ or PCD (or PC4D) has also been very helpful in encouraging progress by making the objective – ‘for development’ – clear. Once both the object and the objective were clear and the principle accepted, much work focussed on the process of policy making and identifying the mechanisms to promote coherence. Promoting PCD occurs within a particular governance context that involves political forces, interest groups, governance system and knowledge institutions. So an early insight was that no one mechanism was enough on its own to promote PCD. Rather governments need to have several and so it is helpful to think in terms of a ‘PCD system’ with three elements:

1. Administrative mechanisms – internal consultation systems, inter-departmental committees, catalyst units – ‘champions’
2. Policy statement / commitment: clear objective for multiple actors
3. Knowledge inputs: both ex-ante and ex-post

**EU experience with PCD**

In the field of international development, European actors have 25 years’ experience of promoting policy coherence. The concept of PCD was first included in the Maastricht Treaty in 1992. Thereafter the debate on how to apply this principle started slowly, but it picked up in the new millennium. There were some major contradictions to resolve: between development policy and European level policies in trade, food security, fisheries, migration etc. The elements of a ‘PCD System’ are readily apparent in this experience, thus:

1. A series of policy statements of different types starting with the 1992 Maastricht Treaty where PCD was first mentioned and moving on to the Lisbon Treaty 2010 where PCD was made a legal commitment (Art. 208) provided solid foundations in the EU Treaty. This was also consolidated in development policy statements in 2005 (the first European Consensus on Development) and again in 2017 with the new Consensus. Equally there are a series of Council Conclusions (in 2005 on the 12 target areas for PCD promotion) and again in 2009 which identified 5 themes to focus on: (i) trade and finance, (ii) climate change, (iii) food security, (iv) migration, (v) security and development. These themes remain relevant 10 years later and cover some of the big PCD challenges we are still concerned with (e.g. IFFs, sustainability, migration).

2. Finally, the need for knowledge inputs was also recognised. Thus the OECD Peer Reviews have included a chapter reflecting on PCD since about 2004. Both the European Commission and the OECD run practitioner networks for PCD focal points to encourage exchange and learning. The Commission has gradually standardised the use of ex-ante impact assessments that, inter alia, assess new policies for PCD and regularly commissions studies on the topics. Equally, ex-post monitoring has been made systematic with EU wide biennial PCD Reports from 2007 through to 2015 and the TORs for Commission evaluations now systematically include policy coherence as one evaluation criteria.

Of course the challenge of PCD continues, but the question is now deeply engrained in the European system, starting from the EU Treaty which recognises the need for a balance between ‘values’ and ‘interests’ in EU external affairs (i.e. ‘fighting poverty’ as a value; trade as an interest). Yet there are also some debates where the pendulum has swung the other way, thus in the migration and development debate, European political interest in reducing migration to the EU has started to affect our development cooperation, to the extent that some are starting to talk of ‘PC4M’ rather than PC4D. Policy coherence thus remains a political issue that cannot be taken for granted.

PCD promotion has also shown results in the EU: political commitment has been built up: policy statements continue to maintain the position, over time the focus has become clearer as indicated by the term PCD and a conscious effort has been made to build up mechanisms to create and maintain a real ‘PCD system’. At the same time the Commission’s recent Evaluation of PCD from 2018 suggests that really only two elements of this system, the ex-ante impact assessments and

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3. In 2017-2018 this is being changed to a new system of reporting which will cover the whole of the SDGs.


the inter-service consultation system, are important, and that there has been some loss of momentum on PCD promotion since 2012. However, compared to 20 years ago policy coherence is much more at the forefront of policy makers’ minds in EU development circles and the recent OECD Peer Review of the EU remains positive on the EU’s leadership and continuing commitment to putting PCD into practice.

The advent of PCSD in the 2030 Agenda – a major challenge for PCD

The 2030 Agenda introduces a new chapter in the history of promoting policy coherence. In particular the Agenda recognises that development is about achieving multiple complex goals. All three pillars of sustainable development are important to achieve the desired outcomes and it is not enough to just focus on the social development agenda that dominated the MDGs. But at the same time the complexity of the SDGs is far greater than in MDGs. Indeed, it is so complex an agenda that it pushes government institutions to choose priorities among the SDGs. For policy coherence this complexity is also problematic. Rather than having a single focus, that is policy coherence for development (in effect ‘social development’), the multiple foci implied by policy coherence for sustainable development as listed in Goal 17 target 14 makes the objective much more complex.

Thus, just as the SDGs are more complex than the MDGs, PCSD is different and much more complex than PCD. We are in effect moving from a unidirectional model to a multi-directional one, in which the ‘unidirectional’ focus of PCD is essentially poverty or social development whereas the ‘multi-directional’ focus of PCSD encompasses all the three pillars of sustainable development: economic, environmental and social. Although logical, this inevitably makes the task of promoting PCSD far more complex and with that comes the danger of slower progress.

How then should we seek to tackle the complexity of PCSD and make progress on promoting policy coherence in the SDG framework? Referring back to the four pitfalls identified at the start and their associated lessons can help chart a way forward:

1. Lack of a clear focus – Can we clarify what we are talking about with PCSD?
2. Ignore the political at your own peril – Do we factor in adequately the different interests involved?
3. No quick fixes – Can we establish a policy coherence ‘system’ strong enough to deal with PCSD over time?
4. Trying to do too much at once – Are we seeking to achieve the impossible and is there a middle ground which is more achievable, in other words a state of ‘good enough coherence’ that will serve our immediate needs adequately even if not perfectly.

So first, it seems essential that more is done to clarify and build consensus on what we really mean by PCSD. If the concept is too vague the multiple actors that need to be involved in promoting PCSD will not work in unison and we can expect few results. Building this consensus will also take some time so we should not expect immediate clarity and agreement. There have already been some efforts to explain the concept and analyse how it should work. However, ultimately, given the infinite variety of nexus combinations in the 2030 Agenda, the precise focus of each PCSD exercise will need to be worked out in any given set of circumstances.

Second, we need to recognise that promoting policy coherence, whether it is PCD or PCSD, is not just a technocratic exercise but is inherently political and will provoke debate. We therefore need to build the structures and mechanisms that can manage that debate, help us identify synergies and potential trade-offs to be made. We also need to agree on the legitimacy and mandate of the institutions we expect to adjudicate on any final difficult decisions. In many cases this will imply that heads of government are involved to arbitrate between ministers on the most difficult choices, supported by dedicated staff to ensure that all points of view are considered in the preparation of these decisions.

Third, we should be clear about the ‘policy coherence system’ we put in place to prepare the ground for the policy choices that have to be made. Here there are useful lessons that can be learnt from the PCD experience. For instance, governments often worked with PCD focal points that can be seen as PCD ‘champions’ charged with identifying questions to be asked on coherence and searching for ways forward. This approach has worked well and the idea could be extended to PCSD with multiple champions for different issues working as a group to find policy synergies and coherent solutions. But that will not be enough on its own. The system required several complementary components, all of which are important to make it work effectively. In particular a PCSD System will require the following four types of interdependent parts:

- A Framework – including legal and/or policy statements and a clear locus of authority for driving the promotion of PCSD forward
- Mechanisms for coherence promotion – such as the group of sector champions discussed above, agreed inter-service consultations systems, etc.
- Knowledge systems – impact assessments, expertise and studies to provide analysis on which to base decisions and data collection to enable monitoring of progress

8. For instance, the OECD’s proposal ‘8 building blocks for PCSD’ outlined in their annual PCD volume (OECD May 2018, Policy Coherence for Sustainable Development 2018 Towards Sustainable and Resilient Societies, OECD, Paris) or in ECDPM’s Discussion paper 210 (Mackie et al. 2017. op. cit.).
PCSD and the EU?

How then has the EU fared with moving from PCD to PCSD. From the outset of the Juncker Commission they started with the right instincts, creating Commissioner Task Groups to work on policy areas that needed to be brought together and crafted into coherent packages. They also moved responsibility for PCSD to a higher level of authority and vested it in the office of the First Vice-President who was also mandated to introduce a Better Regulation package to improve policy making. This package puts considerable emphasis on policy coherence and on two mechanisms in particular: ex-ante impact assessments and the Commission’s Inter-service Consultation system. At the more specific level of external action the new European Consensus for Development from 2017, which is closely linked to the SDGs, emphasizes the Union’s continuing commitment to policy coherence and argues that PCD remains important as a contribution to PCSD.

But, beyond this, the promotion of PCSD as a policy making principle has somewhat suffered from the slow progress made overall on putting the SDGs into practice in the Commission’s work. So, while promoting PCD in external action can continue as before, it is far less clear how much of an effort is really being made to promoting coherence between external and internal policies. For instance, in practice how much of a nexus approach is really being applied in Commission decision making?

Equally, while from 2007 to 2015, the Commission published five biennial EU reports on PCD, this has since been stopped with the declared intention of integrating this in a more comprehensive report on the achievement of the SDGs. However, this wider report has not yet materialised, so at this stage it is not clear how much of an effort is being made to report on the promotion of PCSD let alone continue the reporting on PCD.

Conclusion

Policy coherence has a long history in European development circles. A lot has been learnt on how to promote policy coherence. However, because of the greater complexity it introduces, PCSD is a major challenge to the system. So far at the EU level at least, it is not yet clear how the promotion of PCSD, beyond a continuing commitment to past practice on PCD promotion and the development of the Better Regulation Toolbox, will really happen, be monitored and put under scrutiny. The reporting tool that allowed some monitoring of what progress was being made, that is the biennial EU PCD Report, has been stopped and so far we do not know what is to replace it. To some extent therefore the promotion of policy coherence in the EU has suffered a setback.

Looking to the future, there are lessons that can be learnt from the past relatively positive experience with PCD and used to promote PCSD. In particular we can seek to respond to the four pitfalls identified at the start:

1. Clear focus – the promotion of PCD became easier once the objective was clear, that is policy coherence for development. More clarity is still needed on the objective of PCSD promotion and the path to be pursued.
2. Political debate – promoting policy coherence is not simply a technical exercise. It is inevitably political and it is crucial to factor in different interests and the space and tools to debate them and reach compromises.
3. No quick fixes – there is no single mechanism to promote policy coherence. Rather it depends on a series of complementary tools, including among others authoritative leadership, statements of intent, consultation systems, impact assessments and monitoring, developed into a solid policy coherence system.
4. Don’t try to do too much at once – There is no such thing as perfect coherence, rather, in any given context, it is essential to choose the priorities for a nexus approach to PCSD and accept the principle of Good Enough Coherence if progress is to be made.

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PCSD promotion in the EU should take these lessons on board so as to overcome the lull in progress identified by the recent PCD evaluation. In particular, the Commission needs to urgently clarify how it is now tackling the third lesson above on the need for a systematic approach and then be seen to put this into practice.