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## THE CHALLENGE OF POLICY COHERENCE FOR DEVELOPMENT IN THE 2030 AGENDA

**Anna Ayuso**, CIDOB; **Javier Pérez**, CIECODE; **Iliana Olivé**, Real Instituto Elcano;  
**Natalia Millán**, Universidad Pontificia Comillas and REEDES

Incorporating policy coherence for development (PCD) into public policies has been on the international cooperation agenda for decades. But the approval of the 2030 Agenda and its inclusion among the **Sustainable Development Goals** (in SDG 17) has posed a new challenge not just for international cooperation, but for countries that are fully committed to the new global development agenda as well. To analyse the challenges this new holistic vision poses to the design of public policies, a seminar, “**Policy coherence to face the new development challenges**”, was held in CIDOB on June 28<sup>th</sup> 2018 in collaboration with the Directorate General for Development Cooperation of the Ministry for Foreign Action, Institutional Relations and Transparency of the Government of Catalonia.

The aim was to analyse the state of play of the incorporation and monitoring of PCD in public policies, comparing practical cases from countries in the European environment that have been pioneers in this initiative with experts that have worked on its theorisation and/or evaluation. In this we improved knowledge of the challenges posed was sought, as well as identification of the essential regulatory and institutional instruments and the stimulation of a public debate that includes different public and private actors. This document condenses the main issues and debates on the policies and instruments that should be addressed in the three main phases of incorporating PCD into the design of government action at different levels: 1) diagnosis and political commitment; 2) effective implementation; and 3) participation, monitoring and control. Finally, a series of proposals for the future have been distilled from the experiences, good practices and critical debates of all three thematic roundtables, which were oriented

around a set of strategic issues for effective PCD implementation previously identified by the experts.

### **Political commitment, diagnosis and legal framework of policy coherence for development**

The speakers at the roundtable moderated by Javier Pérez were asked questions on: (1) the degree of existing legal and political commitment to PCD in their respective administrations, including legislative or programmatic instruments developed, and the level of involvement of the legislative and executive powers; (2) which diagnostic exercises had made of PCD, who participated and in which fields the greatest incoherence was identified; (3) whether there has been discussion of the scope of PCD (all governmental activity or only policies with external impact, exclusion of a particular subject, etc.) and whether this debate has been changed by the adoption of the 2030 Agenda.

At this roundtable experiences were gathered from three public administrations of differing administrative orders: supra-national, in the case of the European Union, and sub-state in the cases of the Basque Country and Scotland. The EU and the Basque government have both advanced in recent years on the political commitment and legal and diagnostic framework around PCD. The Scottish case was set out by a representative of Scotland’s International Development Alliance. Though its PCD background is less extensive, its recent progress also includes experience that is of interest for comparative analysis purposes. The variety of the three cases presented, despite their belonging to a single geographical framework and political context, was one of the main incentives of the debate.

## When analysing the main political, legal and diagnostic PCD instruments, the following were identified:

- In the case of the European Commission, the legal commitment to PCD dates back to 2007, when it was included in the Treaty of Lisbon (art. 208). The political commitment has been renewed by the main EU political authorities (the European Council and Parliament, which also has a special rapporteur for PCD) and the EU's programmatic roadmap on development issues ([European Consensus on Development](#) of 2006, and its successor in 2017). Over recent decades the European Commission has introduced PCD diagnosis to a range of its administrative procedures on regulation, evaluation and accountability. First, the obligation to make ex ante assessments of the impact on developing countries of new regulations proposed has been incorporated. A specific methodology has been developed for this and a range of the Commission's services participate in the evaluation. Second, a process has been carried out to identify the European Commission initiatives and political areas that are most relevant for PCD. For this, the existence of an interdepartmental working group created for the SDGs in which high representatives of all the political departments of the Commission participate has been useful. Its results will serve as the foundation for the institution's future accountability on PCD. Third, since 2007 the Commission has reported on its advances on PCD biannually, and the EU delegations began a similar annual exercise in 2015. Lastly, the Commission has ordered the first external evaluation of its performance on PCD during the 2009–2016 period. Based on the results of the evaluation, to be published in this year, the Commission will produce its own report.
- In the Basque Country, the principle of policy coherence for development already appeared in the Basque law on development cooperation and the law creating the Basque Agency for Development Cooperation in the years 2007 and 2008, respectively. Over the next seven years, however, no substantial advance was made on the subject, and the legal obligation to produce an annual report on PCD was not fulfilled. In the 2014–2016 period, PCD began to take on a more central role in the Basque government's activity, with the inclusion of five specific initiatives on the matter in the 2014 Basque environmental programme standing out. The political commitment to PCD also grew. In 2016, the PCD reference framework was approved in the governing council and was adopted in one of the commitments made in the president of the Basque Country's government programme for the 11th legislature (2016–2020). PCD is currently enshrined in the main instruments for planning Basque foreign policy (the [External Action Plan 2018-2020](#), the [Plan de Internacionalización Empresarial 2017-2020](#) and the [Agenda Euskadi Basque Country 2030](#)). A separate mention must be given to the [IV Plan Director de la Cooperación Vasca \(2018-2021\)](#), in which PCD has substantial presence. In the framework of this plan, the architecture is established to advance the promotion of PCD in the Basque government, granting the cooperation agency the role of driving it inside the administration, pilot actions are promoted that support PCD (business and human rights, public procurement and the internationalisation of Basque com-

panies), and measures are promoted to improve intra- and interinstitutional articulation and coordination. In terms of diagnosis, in 2014 a first exercise was carried out via [research](#) studying the PCD situation in the Basque Country, along with the main potential and challenges proposed for its promotion.

- Finally, as has been mentioned, Scotland's background in PCD is relatively recent. It started in 2013 when Scotland's International Development Alliance produced and disseminated two pieces of research on Scottish foreign policy from a PCD perspective, thereby managing to introduce the issue into the political discussion and the independence referendum campaign. From that moment on, and thanks also to the synergies generated between the PCD approach and the process of implementing the 2030 Agenda in Scotland, the shows of political commitment at the highest level have continued to be reiterated and strengthened (statements made by the first minister in international forums and the "Beyond Aid" focus in the [Scottish Government's Strategy for International Engagement](#) and its [International Framework](#)). More recently, the approach to PCD has been introduced to the National Planning Framework, the Scottish government's international development team has begun to communicate regularly with other departments (above all, education) and the government has committed to informing, annually, of the progress in its Strategy for International Engagement, in which it is expected that the PCD approach will predominate.

## Challenges and debates

The three speakers all underlined the paramount importance of generating political commitment for PCD at the highest levels of their respective administrations so as to produce a formal legal and political framework. This political commitment not only had to be generated, but also maintained and renewed, which is a significant challenge. The gestation of this change could also be favoured by a range of context variables: taking advantage of political opportunities, adapting the PCD focus to the specific context of the territory in question and connecting PCD to the search for differential value in the international context. In this sense, the centrality of the nationalist movements in both Scotland and the Basque Country may partially explain their governments' strong commitment to PCD. Finally, this political commitment is considered necessary because, although the identification of relevant cases for PCD first of all requires technical capabilities, their resolution mainly depends on political decisions that weigh conflicting objectives and values.

Both in the European Commission and the Basque government the paramount nature is recognised of identifying critical policies and issues in which the potential impact on development is greatest and around which flagship pilot initiatives may be proposed. These initiatives generate PCD culture and discussion in both the departments involved and among the other stakeholders and lead the way for subsequent actions. Identifying strategic issues requires the implementation of diagnostic processes with sufficient resources, capacities and political mandates.

In relation to taking advantage of opportunities for promoting PCD, the three speakers all pointed out the positives of the synergies generated with the 2030 Agenda (in terms of political awareness, institutional architecture and new accountability obligations at both national and international scales). The 2030 Agenda can also help to counteract opposition to PCD from positions that defend prioritising the national interest over commitments to international development. Nevertheless, warnings were also given of the risk that the specific focus of PCD would be diluted by the widening of the global development agenda to social and environmental issues of a domestic nature.

Finally, the audience questions prompted an interesting debate about the role civil society organisations should play in promoting PCD. The participants highlighted the important work these organisations and movements carry out in supervising and monitoring public policies that affect development and their added value in terms of PCD research and its capacity for political influence. In relation to this last aspect, the Scottish representative was very emphatic that in Scotland, without direct, sustained contact between civil society and the government, the progress achieved in PCD would have been impossible.

### Policy coherence implementation

For this roundtable, moderated by Iliana Oliví, 16 advance questions were shared to guide the speakers' presentations. We may group these questions into two essential points: (1) What has been done to date? Meaning, which institutions, actions, objectives, monitoring and evaluation systems for PCD are in place and which mechanisms are in place for settling conflicts of interests or objectives? (2) What should be done? That is to say, how can the PCD agenda be linked to the 2030 Agenda (or more specifically the SDGs), and is it appropriate to address PCD in its entirety or should certain specific areas be chosen in which to work?

The speakers at this roundtable represent the PCD challenge in the administrations of three countries that share a series of features (Belgium, Spain, France). In all three cases, cooperation for bilateral development was concerned, and all are members of the EU and OECD, conferring on them identical supranational institutional and regulatory frameworks. These similarities act as "control variables" in an analysis comparing the three PCD systems. Nevertheless, important differences also exist such as, for example, the place of PCD in the institutional framework. In two cases (Belgium and Spain), this place is the Ministry of Foreign Affairs (which in Belgium's case combines the foreign and trade portfolios), while in France this responsibility again falls upon the French Development Agency (AFD in its French initials). Differences are also noted in the field of competence, as these are countries with very different distributions of the various policies between different levels of the administration. In this sense, the different administrations (central, regional, autonomous, municipal) questioned about the PCD agenda, particularly in the context of the 2030 Agenda, can vary substantially from one country to another.

### The main PCD implementation policies and instruments (as distinct from the legal) are the following:

- In Belgium, the PCD agenda is reflected, for example, in a joint declaration by the federal and regional governments reconfirming Belgium's commitment to PCD. The instruments for this agenda are above all institutional, and take the form of an interdepartmental commission, an advisory council and regular impact analyses. The excessive emphasis on the legal and institutional and the margin for improving the effectiveness of the mechanisms were made clear in the *inter pares* evaluation made by the OECD in 2015. Based on this evaluation, advances have been made in terms of implementation: (1) the *Comprehensive Approach* of 2017, which dictates the need for this principle to guide all the actions of the federal ministries with foreign policy competences, as well as the desirability of greater synergy and coordination between different levels of the administration; (2) the approval, in 2016, of a new division of competences in terms of multilateral financial institutions so that supervision is shared between the economic and foreign affairs ministries. This has facilitated, for example, a new mandate for Belgium's representation in the World Bank, which translates to greater emphasis on the link between migration and development and between peace and security.
- In Spain, a biannual report on PCD will be produced in which the administration reports on the status of this agenda. In the context of this report, a map was drawn up of PCD in the Public Administration (AGE in its Spanish initials), covering all the ministries with some kind of activity or competence in terms of development cooperation. This map has also contributed to creating a network of PCD focal points, which has been active since 2013. On the other hand, the so-called *Marcos de Asociación País* (MAP), which guide Spanish cooperation with each of its strategic partners, are meant to integrate the activity of the development actors in each of these partner states. The High-Level Group (GAN in its Spanish initials) for the 2030 Agenda was recently created, which seeks to unite the main AGE bodies involved in achieving the agenda. In parallel to the creation of the GAN, the *Plan de Acción para la Implementación de la Agenda 2030* was drawn up, which is, to a large extent, an agenda for sustainable PCD (PCSD). In this line, at the time of writing – after the seminar took place – the creation has been approved of a **High Commissioner for the 2030 Agenda**, to report to the prime minister's office, who will be charged with promoting and evaluating the fulfilment of the 2030 Agenda.
- In France, there is a commissioner for sustainable development who reports to the Ministry of Ecology. A monitoring report is also produced under the supervision of the prime minister's cabinet, and is presented at the United Nations High-Level Political Forum on Sustainable Development. The AFD's new **strategic plan (2018–2022)** establishes the need for coherence both with the Paris Climate Change Agreement and with the goal of social cohesion, with resilient low-carbon development in each country systematically analysed in line with the Paris Agreement. The AFD also uses the **GEMMES** system to evaluate all its development cooperation interventions in terms of growth, inequality, the environment and public and private debt.

## Challenges and debates

All three speakers indicated that one of the main challenges in PCD terms was posed by the 2030 Agenda's approval, which changed the objectives with which policies had to be aligned. In this sense, coherence should no longer be produced primarily in the social aspects of development (as understood in the Millennium Development Goals), but is now redefined in the SDGs in its social, political, environmental and economic aspects, which makes the PCD agenda richer but also more complex.

The complexity of the SDGs agenda adds, from a PCD perspective, to the eventual incongruence between some of its objectives. For example, the global macroeconomic system must be compatible with sustainable development (goals 17.14 and 17.15). But without an ecological transition of the growth model, incompatibility may arise between the economic (8) and ecological (13, 14 and 15) goals. That means there may be a *trade-off* between improvement in Human Development Index (HDI) terms and a smaller ecological footprint.

The PCD agenda has so far had a strong institutional emphasis that may have underestimated the importance of its political side. Eliminating inconsistencies between policy objectives is, by definition, a decision of a political nature. This may be what lies behind the paltry advances in this agenda in recent years and facilitates the avoidance of major questions, which many are obstinate in not facing, such as the manifest incoherence of development policies in the EU's handling of the refugee crisis.

In relation, specifically, to this last issue, the shortcomings of the implementation of the PCD agenda became clear in the debate. Such shortcomings have to do with a lack of political will, as has been pointed out, but also (and as a result) with a lack of material and human means and the problems of technical training to face this agenda in all its complexity. In parallel another debate or challenge surrounds the choice of the spectrum of the PCD agenda: Should the actions that affect global development be addressed as a group or should the focus be applied only to a few policy areas?

On the other hand, despite being characterised in recent years by institutional advances in PCD terms, this institutional framework tends to show weaknesses. In the Belgian case, for example, it was pointed out that certain key actors (such as the private sector) are excluded from PCD mechanisms, and that there are overlaps and duplications between established coordination mechanisms. In other cases, such as that of Spain, the PCD mechanisms perhaps fail to always address all the overlapping levels of the administration.

## Participation, monitoring and control of PCD

The speakers at the roundtable moderated by Natalia Millán were asked a number of questions that addressed the following subject areas: 1) mechanisms implemented to promote PCD; 2) actors related to the monitoring, control and denouncement of incoherent practices (including the

participation of civil society); 3) the relationship between the monitoring mechanisms and the 2030 Agenda for Sustainable Development; and, 4) the importance of the mechanisms of transparency and accountability in PCD-related work.

The speakers at this roundtable were actors of varied natures and institutions, which brought great diversity and a wealth of views to the debate. First, the OECD's Policy Coherence for Sustainable Development Unit presented the work it has been doing over recent years. Then there was the presentation of the work by Ireland's Inter-Departmental Committee on Development, which is formed of actors from the Irish government and, finally, CONCORD explained the supervision, monitoring and control work carried out from civil society in the European arena. These three actors have vast and interesting experience in the follow-up, monitoring and control of public policies from the sustainable development perspective.

- First, the OECD's Coherence Unit is an international institution that works directly with the governments of thirty countries, giving its work a transnational and governmental nature. They presented a general overview of the experience of governments in the monitoring and follow-up of PCSD. According to the data presented, 47% of governments employ mechanisms to monitor the impact of public policies. In the framework of the 2030 Agenda for Sustainable Development, various governments are putting into practice mechanisms for analysing the "internal" and "external" impact of their public policies.
- Secondly, Ireland's Inter-Departmental Committee on Development works inside the government, giving it national character. In 2006 the Irish government established the Inter-Departmental Committee on Development, whose aim is to promote PCSD. This committee facilitates meeting and dialogue between the various departments with the aim of analysing and evaluating the potential impacts of public policies on sustainable development. This is therefore an internal bureaucratic field of PCSD monitoring and coordination. One of the weaknesses of this approach is that the committee mentioned has no direct relationship with either parliament or civil society actors, which means this work is "self-assessment", which will always have a more limited view than an instrument of external evaluation. Finally, it should be noted that the committee has not met since 2014.
- Lastly, CONCORD is a European confederation for development and humanitarian aid with various associations, platforms and international NGOs representing more than 2,600 NGOS, which provides a view of how the actors in society (at European and national scale) understand the tasks supporting PCD. One of the organisation's fundamental tasks is the control and follow-up of PCSD, and their work on this is extremely active. They have produced various types of report on the subject of PCD. In this way, CONCORD works actively with European civil society organisations, continuously monitoring both the mechanisms put in place to promote PCSD and the impact of European policies on global poverty.

Certain general objectives are common to the work of the three actors participating in the roundtable: all three are entities that seek to mainstream work on PCD in the various governments with which they work in order to improve knowledge, ownership and awareness of sustainable development. In the framework of this work, these actors have developed various tools that aim to improve the monitoring of public policies with regard to PCD. Nevertheless, it is important to underline the meaningful differences related to the nature of each of the actors taking part in the roundtable.

### **The main mechanisms of follow-up and monitoring for improving work relating to PCSD differ somewhat depending on the body concerned.**

- According to the OECD's experience, three elements are fundamental for PCSD promotion and monitoring: i) development of institutional mechanisms; ii) promotion of interaction between diverse public policies; iii) analysis of the policies' impact.

With regard to the last factor, the OECD is analysing possible indicators that take into consideration the impact of public policies in their various dimensions (here, elsewhere, now and in the future).

Three examples of countries developing interesting activities to improve the follow-up and monitoring of PCSD should be highlighted:

- a) Finland, which presents an annual report to parliament and has developed a strategic framework containing eight objectives that must be assessed through three baskets of specific indicators.
- b) Germany, which has done significant work on developing indicators and whose Sustainable Development Strategy contains 63 indicators, while at the same time considering the cross-border consequences of national policy.
- c) The Netherlands, which writes an annual report for parliament on PCSD and the Sustainable Development Goals.

In all three cases, the work has been done with the participation of multiple actors from governments, academia and civil society.

- The case of Ireland analysed above, on the other hand, shows a degree of weakness, as the Inter-Departmental Committee seems more like an instrument for awareness-raising and dissemination of the importance of PCSD within the government than a real tool of measurement and analysis of the effect of public policies, as it does not seem to have developed specific analyses of impact on sustainable development.
- CONCORD's civil society experience provides a series of monitoring instruments:

- a) The first and most meaningful is the biannual PCSD report, *Spotlight on EU Policy Coherence for Development*; this work was begun in 2009 and in it CONCORD analyses various fields of SPCD in the European framework.
- b) From 2015 onwards, Spotlight has developed into a series of reports in which specific impacts are analysed of diverse issues relating to sustainable development such as migration, fiscal justice, trade and investment.
- c) Finally, CONCORD has also produced studies on the implementation of the institutional mechanisms developed in the European Union to promote PCD.

### **Challenges and debates**

One of the issues that prompted debate was that the monitoring and evaluation of PCSD possess two different facets: the first relates to internal mechanisms for promoting PCSD; in this framework it is necessary to evaluate these mechanisms, to analyse the actors involved and study the level of government transparency and accountability. All of this must be done with a long-term perspective that allows work on PCSD to be gradually improved.

The second has to do with the real impacts of public policies on promoting development. In this sense, the complexity of the monitoring and evaluation of PCSD was underlined. In the 2030 Agenda for Sustainable Development framework, the impacts of the policies have to be measured in three dimensions: i) here and now; ii) other generations; iii) other countries and societies. This makes the already complicated task of evaluating the impact of the public policies on development, sustainability and poverty more difficult. In the same sense, it is necessary to optimise the effort of various countries and international institutions that, in the 2030 Agenda framework, are developing different kinds of indicators that permit knowledge to be improved of the impact of public policies on the promotion of sustainable development.

Another of the fundamental elements in this field is the implementation of monitoring and follow-up mechanisms that incorporate the expert knowledge of diverse sustainable development actors. Hence, governments should develop programmes of strengthening the advocacy work of other actors such as development NGOs, academia, social movements and so on, and rely actively upon them when implementing monitoring and evaluation mechanisms. It is therefore necessary to improve the participation of civil society both in the implementation and the evaluation of public policies.

Lastly, it must be underlined that transparency and accountability are compulsory dimensions of the work on PCD. Civil society organisations must therefore be informed ex ante and transparently of the reports, the disputes between policies and departments and the decisions taken in this sense. It is also important that citizens are informed about the participation of private actors in the processes of making decisions that affect public policies.

## Recommendations

As well as sharing and discussion around PCD practices with a comparative perspective, one of the seminar's aims was to draw lessons and recommendations for their full implementation in the 2030 Agenda in the public policies of the government of Catalonia. The mandate of policy coherence was already present in the Catalan law on development cooperation 26/2001 of the 31st of December and was incorporated into successive pluriannual masterplans, the last of which expires in 2018. As part of the process of drawing up the new masterplan to incorporate the 2030 Agenda and as a contribution to the debates and the future implementation of PCD, the following proposals are presented:

### Recommendations on political commitment, diagnosis and legal framework

1. Achieve, maintain and periodically revitalise political commitment to PCD at the highest level and ensure its materialisation in both political and legal formal frameworks.
2. Deploy a long-term strategy that allows discussion and PCD culture to be generated in both the administration and society in general, and work to build strategic relationships. To do this, taking advantage of political opportunities and adapting the PCD approach to the specific features of each territory is appropriate.
3. Generate common understanding of the content and definition of PCD among all important actors.
4. In relation to the 2030 Agenda, it is important to be able to understand and convey the specificity of the PCD approach and its added value in the implementation of the external aspects of the SDGs.
5. Avoid an excessively ambitious PCD agenda that involves engaging in too many activities at one time. Identifying critical policies and putting flagship pilot initiatives into place are strategically useful.
6. A good diagnosis of possible incoherences is necessary when starting the decision-making process in order to be able to base policy responses on it.

### Recommendations for effective PCD implementation

1. Review PCD institutionalisation to make it more inclusive and adapt it to the incorporation and implementation of the 2030 Agenda, establishing flexible procedures.
2. Rationalise the institutional structure to avoid overlaps and duplications, and to guarantee that all the important actors for this agenda are included in their mechanisms.
3. Change the emphasis from institutional achievements to political achievements. In this sense, one option is to make OECD and EU best practices explicit, as well as ensuring

the identification and subsequent resolution of conflicts of interests and objectives from a PCD perspective is an achievement and not a failure.

4. As PCD requires a great deal of innovation, which involves a margin of error, it must be understood as a process of continuous learning.
5. Incorporate the existence of different population groups (with interests and values that in many cases conflict) inside and outside national borders when planning, accepting that absolute PCD is not a viable possibility.
6. Clearly set the PCD objectives in a measurable and achievable way, developing capacities and methodologies and providing the necessary resources.

### Recommendations for participation, monitoring and evaluation

1. Put in place real mechanisms for measuring the impact of public policies in relation to PCD. Considering the multi-dimensional nature of problems with development these mechanisms must be developed *ex ante* and *ex post*.
2. In the evaluation of institutional fields (instruments, mechanisms, actors, indicators, etc.) it is not enough to study whether they exist or not, it is necessary to perform a deeper analysis of how these mechanisms work and what are the main lessons that can be drawn from their operation.
3. Implement evaluations that allow insights to be developed over the long term on the impact of both public policies and the mechanisms put into place to progress towards PCD.
4. Optimise the 2030 Agenda framework to progress with multilevel mechanisms and indicators (global, national and local), taking advantage of the capacities installed in society and the institutions and harmonise them.
5. Involve all the administrations in the monitoring and control of PCD, including representative bodies such as parliaments and advisory bodies.
6. Work on control and monitoring with civil society actors (academia and development NGOs) and strengthen their role in relation to institutions and dissemination to the public.
7. Improve transparency and accountability mechanisms in which the decision-making processes, participating actors and information used for these purposes are explained.