

Policy Paper

Policy Coherence for Sustainable Development: A troubleshooting guide for reluctant EU donors

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Summary

The inclusion of the Policy Coherence for Development (PCD) in the Sustainable Development Goals as Policy Coherence for Sustainable Development (PCSD) created a conceptual and institutional confusion that overloaded implementation capacities of many EU member states. The Visegrad Group and other ‘reluctant’ aid donors should primarily pursue both PCD and PCSD separately as a recognition of their logic of action in foreign and domestic policy-making respectively. Due to the complexity of the agendas, they should also focus on the low hanging fruits.

To promote Policy Coherence for Development, the Ministries of Foreign Affairs should reclaim full ownership for the PCD agenda and keep National Focal Points for PCD with dedicated capacities. They should select one or at maximum two policy areas with the highest potential and focus on the already existing intra-ministerial procedures and inter-ministerial Regulatory Impact Assessment (RIA) to tackle transboundary effects in the related domestic policy proposals. They should ally with the civil society, academia and media to bring positive and/or negative evidence and mediate personal experience of the impact of national policies on the global South.

To enhance Policy Coherence for Sustainable Development, governments and other political actors should enhance the open space for political participation on sustainable development issues by all stakeholders and start a conversation on a reform of democratic governance that will include an institution to represent future generations. Ministries and/or central government responsible for sustainable development should focus on the active use of the existing RIA procedures to make conflicts between short- and long-term impacts, and between the three pillars of sustainable development explicit in the cabinets.

Introduction

When it comes to international development, the Visegrad Group (V4) countries, alongside with other Eastern and Southern member states, are the weakest EU performers in terms of providing Official Development Assistance (ODA).¹ While one in seven EU citizens live in a V4 country, their collective share on the Union's aid represents only 2%. This already modest share includes compulsory contributions to the EU budget and to international organisations, and it also included quasi compulsory contributions to the European Development Fund (EDF). However, the V4 countries have limited capacities to steer the EU policy and implement EU projects, making their real contribution rather symbolic.²

With aid figures far below commitments (except for Hungary recently), the V4 earned the label of 'reluctant donors'.³ At first sight, improving policy coherence by enhancing positive and mitigating negative effects of domestic policies on the global South may seem to be an inexpensive alternative to overcome the lack of political will to dedicate a fairer share of national budgets to international development cooperation. Unfortunately, providing for both aid and policy coherence requires giving due attention to global problems located in the global South in the first place. The V4 do not have cabinet ministers on international development to raise global issues at government level. The foreign ministries responsible for the development agenda also tend to see the development-related tools as a way to promote narrow national interests, such as reducing migration, recently.

The domestic dimension of the broader sustainable development agenda faces a similar problem. In spite

of the V4's low social inequalities, their economies are caught in a middle-income trap.⁴ They are also victims of an above-average dependence on industrial production and fossil fuels. Their governments fear the costs of the green transition, making them emphasize the economic pillar of sustainable development at the expense of the social and environmental ones. Yet besides these legitimate concerns, populist politics have harmed not only the policies promoted at the global and European levels, but the very idea of sustainable development.

Indeed, the fear of leaving the comfort of the assumed 'End of History' position after the end of the Cold War has led to the defensive attitudes towards the required responses to the current global, mainly geopolitical, climate and pandemic challenges. These collective responses remind many V4 politicians and citizens of central planning and totalitarian newspeak and they hold them back from coming up with a vision for the next generations that would tackle all three pillars: environmental, economic and social. This mistrust makes the task of setting sustainable development as a guiding principle for governance at national level and solve its internal conflicts extremely difficult.

Disentangling PC(S)D: Treaties and politics first

The concept of policy coherence is a difficult one.⁵ Its main problem is that it did not work too well for international development and therefore, there is limited hope it could work at a much greater scope of sustainable development. In spite of the inclusion of PCD in EU law since the Maastricht Treaty (currently as Article 208 of the Lisbon Treaty), the evaluation of its implementation is more than mixed.

¹ I am grateful to Christian Kvorning Lassen (European) and Martin Ronceray (ECDPM) for their valuable comments on the draft of this policy paper. The responsibility for the views presented here remains mine alone.

² European Commission: Publication of preliminary figures on 2020 Official Development Assistance. Annex: Tables and Graphs, 13 April 2021, ec.europa.eu/international-partnerships/system/files/annex_-_tables_and_graphs_for_oda_memo_final_d1.pdf.

³ Simon Lightfoot and Balázs Szent-Iványi: Reluctant Donors? The Europeanization of International Development Policies in the

New Member States. *Journal of Common Market Studies*, 2014, 52(6): 257–1272, doi.org/10.1111/jcms.12141.

⁴ Martin Myant: Dependent capitalism and the middle-income trap in Europe and East Central Europe. *International Journal of Management and Economics*, 2018, 54(4): 291–303, doi.org/10.2478/ijme-2018-0028.

⁵ For a simple introduction to PCSD with examples of incoherencies see CONCORD (2020): A Guide to Policy Coherence for Sustainable Development, concordeurope.org/?smd_process_download=1&download_id=19690.

In summarising an extensive external evaluation, even the European Commission recognised that, based on eight case studies, PCD incorporation changed EU policies ‘in a limited way’.⁶ Actually, academic literature still misses any single case of improved policies for the South documented as a result of intentional PCD efforts. Existing procedures, better awareness and possible spillovers by socialisation are arguably a too meagre result of three decades of action to tackle relatively simple trade-offs between rich and poor countries.

The United Nations approved the PCSD concept in 2015 as a part of the 2030 Agenda under Sustainable Development Target 17.14 ‘Enhance policy coherence for sustainable development’, yet without any common definition at that time.⁷ The OECD, a long-term champion of PCD, finally defined PCSD in 2019 as an ‘approach to integrate the dimensions of sustainable development throughout domestic and international policy-making’.⁸ This translates to the gargantuan task to mainstream sustainability in *all* decision-making at *all* governance levels, from local to global. It only included the original PCD more substantially after some pressure by members with the best track record in PCD. At global level simultaneously, UN Environment was tasked with developing the global 17.14.1 indicator to record progress at national level. It took them until 2021 to approve an 80-point scale of up to 35 (!) various governance PCSD criteria in eight areas. In another words, monitoring starts only nine years before the final evaluation of the Sustainable Development Goals (SDGs).⁹

Consequently, we arrived at a point where the EU’s legal commitment to ‘take account of the objectives of development cooperation in the policies that it implements which are likely to affect developing countries’ got almost lost at sea as a part of a new

agenda aimed at improving sustainable development.¹⁰ Yet by keeping the PCSD agenda at the Commission’s directorate for the EU’s external policy (DG INTPA, formerly DG DEVCO) and by institutionally limiting it to ‘PCD in a sustainable development context’, the European Commission has shown a conservative, yet pragmatic attitude.¹¹ On the other hand, OECD started to host meetings of ‘National Focal Points for Policy Coherence’ without adjective, thus mixing PCD and PCSD focal points, which jeopardised the overall effectiveness of the meetings. So far, the experience from an upcoming PC(S)D survey of the EU member states’ efforts by the European civil society platform CONCORD only underlined an EU-wide confusion between PCD and PCSD.

PCD: Genuine awareness raising instead of window dressing

Since PCD is a part of foreign policy-making and PCSD is primarily about domestic policy-making, their merger into PCSD ultimately diluted the responsibility for PCD in the V4 governments and consequently, their engagement. For example, the Czech Ministry of Foreign Affairs coordinates the inter-ministerial Council for Foreign Development Cooperation whose statute includes PCD promotion, but it left the policy coherence agenda to the Ministry of Environment (MoE), which is in charge of sustainable development at large. MoE officials also replaced diplomats at the OECD meetings of National Focal Points for Policy Coherence, and they even answered the last biannual PCD questionnaire for the European Commission in 2018.¹²

⁶ European Commission: Evaluation of the EU Policy Coherence for Development, SWD(2019) 88 final, p. 26, ec.europa.eu/international-partnerships/system/files/swd-pcd-evaluation-full-20190226_en.pdf.

⁷ UN Statistics Division: SDG Indicator Metadata, March 2021, unstats.un.org/sdgs/metadata/files/Metadata-17-14-01.pdf.

⁸ OECD, Recommendation of the Council on Policy Coherence for Sustainable Development, OECD/LEGAL/0381, 2019, p. 6, www.oecd.org/gov/pcsd/recommendation-on-policy-coherence-for-sustainable-development-eng.pdf.

⁹ UN Statistics Division, *ibid*.

¹⁰ Treaty of Lisbon, 2007/C 306/01, p. 93, http://publications.europa.eu/resource/ellar/688a7a98-3110-4ffe-a6b3-8972d8445325.0007.01/DOC_19.

¹¹ Personal communication, European Commission, Brussels, 15 September 2021.

¹² European Commission, Member States’ replies to 2019 EU Report on PCD, 2019, ec.europa.eu/international-partnerships/system/files/member-states-reply-pcd-report-2019_en.pdf.

Since progress on PCD is slow, there is generally a lot of window dressing in reports produced by national governments. Czechia did not make any exception by ‘selling’ evaluations of development projects and programmes as non-existing impact assessment of domestic policies. Even so, Czechia was the only V4 country to answer the questionnaire in the first place. OECD’s peer reviews and recent inquiries do not show any evidence of progress towards greater PCD neither.¹³ Poland included a question on PCD in its Guidelines on Regulatory Impact Assessment (RIA) in 2015, but it did not trickle down to the corresponding form. Czechia included a setup of PCD monitoring in its Sustainable Development Strategy in 2017, but it has not materialised yet due to the downgrade of the sustainable development agenda by the previous government.

The failure of formal PCD systems in V4 countries – and elsewhere – comes as no surprise. In spite of the growing focus on *win-wins*, or positive synergies between the global North and South, policy coherence remains too often but a zero-sum game in the short and medium terms: what benefits rich countries often harms the poor ones. Ministries of Foreign Affairs already miss sufficient political capital to increase aid budgets before other expenses on foreign policy because development cooperation departments usually struggle to advance global development agenda against other perceived interests within the foreign ministry. For example, the benefits of opening a new embassy are more visible than a couple more development projects implemented by NGOs. How would then the development departments find political capital to struggle against the interests of other ministries? Similarly, at the EU level, the difference in weight is evident between DG INTPA and DG TRADE.¹⁴ Moreover, with the large bulk of aid agenda, policy coherence has not been recently discussed in the

CODEV working group of the Council of the EU – and where else should it be?¹⁵

In spite of the long tradition of PCD promotion by the OECD, the EU and their member states, and the many formal mechanisms that were put in place, it must be acknowledged that in terms of policy cycle, the V4 remain at the policy stage of agenda setting. In spite of the many elements identified by the OECD as necessary for policy coherence to work as whole, the role of the development cooperation departments – who are the only government bodies that have the perceived legitimacy to advance global development – is to gather and present the previously unseen evidence of both positive and negative spillovers of domestic policies to the ministries that are in charge of them. This process requires naming and praising as well as naming and shaming, and therefore, it cannot do without a strong alliance with the civil society and academia that can mediate voices of those who were affected by policies in the global South.

PCSD: Political participation beyond elections is key

In the case of Policy Coherence for Sustainable Development, the gap between the goals and their implementation is simpler and more complex at the same time. The relation between international commitments and national implementation as one dimension of PCSD is simpler, because diplomats only serve as intermediaries for other officials that participate in international negotiations in their respective policy areas. One can say that global commitments that relate directly to domestic policies are better internalised because they are located in the same ministries. Therefore, when it comes to balancing the three dimensions of sustainable development: social, economic and environmental, the potential conflicts translate in usual trade-offs

¹³ OECD: Development Co-operation Peer Reviews: Czech Republic, 2016, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264264939-en>; Development Co-operation Peer Reviews: Poland, 2017, OECD Publishing, Paris, [doi.org/10.1787/9789264268869-en](http://dx.doi.org/10.1787/9789264268869-en); OECD: Development Co-

operation Peer Reviews: Slovakia, 2019, OECD Publishing, Paris, [doi.org/10.1787/23097132](http://dx.doi.org/10.1787/23097132).

¹⁴ Personal communication, CONCORD, Brussels, 16 September 2021.

¹⁵ Personal communication, a Visegrad country’s Permanent Representation, 14 September 2021.

between members of the cabinet or their deputies – this is bread and butter of liberal democracy.

On the complex side, coherence for *sustainable* development implies the need to include a *long-term* perspective on public policy-making that extends beyond the electoral cycle. The consideration of future generations¹⁶, and even Nature, can hardly be rooted in policies by bureaucrats since it requires too much political capital. Though championed by green parties, most advances in environmental politics so far got initiated by social movements, including politically engaged academics. More generally, political participation achieved exclusively through elections can never break the short-termism of the electoral cycle. Specifically, reconciling social, economic and environmental aspects of our energy transition, for example, will require not only political decisions by governments but also an intense participation of trade unions, businesses, academics, and ultimately by all citizens, women and men, young and elderly, potentially through citizen assemblies.

In addition to that, it is questionable whether sustainability is achievable without a reform of our democracies toward systems that include institutions to represent the interests of future generations. To take only examples from Europe, it can be the parliamentary Committee for the Future that Finland has had since 1993.¹⁷ Or even better, since this is an inspiration from a V4 country, an Ombudsman for Future Generations that the Hungarian parliament established in 2008 (though it got downgraded in 2012).¹⁸ This is not to deny the emphasis put by the United Nations and by the OECD on interconnected, professional and efficient bureaucracy at national level under the slogans ‘Break down the silos’ or ‘Make the silos dance’. In the V4 (and other countries) where governments have sufficient

capacities, however, we need to make sure that the technocratic focus on intra-government mechanisms does not hide the fact that the solution to sustainable development is and must be primarily political, through a wide societal participation.

Unlike in the case of PCD where the representation of global interests is indirect, the weakest link for enhancing PCSD is not as much an openness within the government as the openness of the government to the society at large. From this perspective, the erosion of academic freedoms in Hungary is a major problem.¹⁹ Moreover, the space for civil society at large may not be exactly ‘repressed’ in the V4, but it globally ranked as ‘obstructed’ in Hungary and ‘narrowed’ in Poland and Slovakia.²⁰ Finally, the role of an independent judiciary to hold governments and other entities, especially corporations, accountable for climate change, for example, has been rising, and therefore the separation of powers in a liberal democracy should not be underestimated *per se* but also for its key role in ensuring sustainable development from a rights-based perspective. In other words, both traditional and participative elements of democracy are needed to advance sustainable development.

¹⁶ James Mackie, Martin Ronceray and Eunike Spierings: Policy coherence and the 2030 Agenda: Building on the PCD experience, *ECPDM Discussion Paper* (210), March 2017, ecdp.org/wp-content/uploads/DP210-Policy-Coherence-2030-Agenda-Mackie-March-2017.pdf.

¹⁷ Vesa Koskimaa and Tapio Raunio: Encouraging a longer time horizon: the Committee for the Future in the Finnish Eduskunta, *The Journal of Legislative Studies*, 2020, 26(2): 159-179, doi.org/10.1080/13572334.2020.1738670.

¹⁸ Hungarian Office of the Commissioner for Fundamental Rights: The Role of the Ombudsman, accessed on 26. 10. 2021,

www.ajbh.hu/en/web/ajbh-en/the-role-of-the-ombudsman. See also Iñigo González-Ricoy and Axel Gosseries (eds.): *Institutions for Future Generations*. Oxford. Oxford University Press, pp. 116-133.

¹⁹ Petra Bárd: The rule of law and academic freedom or the lack of it in Hungary. *European Political Science* 19: 87–96, doi.org/10.1057/s41304-018-0171-x.

²⁰ CIVICUS Monitor: National Civic Space Ratings: 42 rated as Open, 40 rating as Narrowed, 46 rated as Obstructed, 45 rated as Repressed & 23 rated as Closed, accessed on 26. 10. 2012, monitor.civicus.org.

Conclusion and recommendations

The lack of documented ground impact after 30 years of experience of promoting Policy Coherence for Development (PCD) by the European Union and its member states has shown how slow this approach can be. With the much higher complexity of the concept of Policy Coherence for Sustainable Development (PCSD), there is a similar risk of lagging progress in a situation of multiple emergencies such as climate or pandemic emergency. Therefore, the relevance, difficulty and specificity of both PCD and PCSD require:

- Pursuing both PCD and PCSD separately by acknowledging their primary belonging to foreign and domestic policy-making respectively, in spite of the confusion produced by their recent merger.
- Strong prioritisation and special focus on the following weakest links of the Visegrad countries, with some relevance to other, mostly Eastern and Southern European states that may have modest records in promoting global/sustainable development.

To promote Policy Coherence for Development:

- Departments responsible for global development at Ministries of Foreign Affairs should reclaim full ownership of the PCD agenda and maintain or renew National Focal Points for PCD with dedicated capacities.
- They should also report on PCD efforts without embellishing reality and with domestic audience as its target group in mind.
- Through a participative process they should select one, or at maximum two areas with the highest impact and a potential of durable engagement with other ministries and other stakeholders.
- Further, rather than developing additional institutional mechanisms, they should use the current intra-ministerial procedures

and inter-ministerial Regulatory Impact Assessment (RIA) to influence domestic policy proposals with transboundary effects.

- Foreign committees of Parliaments should require annual reporting on PCD from the Ministries of Foreign Affairs.
- The civil society and media should use their ability to link personal experience of people from the global South affected by the European and/or national policies.
- The academia should use its relative liberty in choosing research topics and bring strong positive and/or negative evidence of the impact of national policies on the global South.

To enhance Policy Coherence for Sustainable Development:

- Governments and local authorities, parliaments and the judiciary should preserve and enhance the open space for political participation on sustainable development issues by all stakeholders.
- Ministry/central government departments responsible for sustainable development, parliaments, civil society and academia should start to discuss reforms of democratic governance that include an institution to represent future generations.
- Ministry/central government departments for sustainable development that are under reporting pressure from the international level should limit their focus on formal and technical changes in governance procedures.
- Instead, they should focus on the provision of content for and an active use of the existing RIA procedures to make conflicts between short- and long-term impacts, and between the three pillars of sustainable development explicit in the cabinets.

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