





*IOB Evaluation*

## **Better aligned?**

Evaluation of the action plan on policy coherence for development

**April 2023**



# Table of contents

|   |           |
|---|-----------|
| Abbreviations and acronyms                | 6         |
| Summary                                   | 7         |
| Conclusions                               | 7         |
| Recommendations                           | 8         |
| <b>1 Introduction</b>                     | <b>9</b>  |
| 1.1 Background                            | 9         |
| 1.2 Definitions                           | 9         |
| 1.3 Purpose and central research question | 10        |
| 1.4 Method                                | 10        |
| 1.5 Limitations                           | 11        |
| <b>2 The action plan as an instrument</b> | <b>12</b> |
| 2.1 Goals                                 | 12        |
| 2.2 Themes                                | 14        |
| 2.3 Coordination and alignment            | 15        |
| <b>3 Findings</b>                         | <b>18</b> |
| 3.1 Themes and goals                      | 18        |
| 3.2 Indicators                            | 21        |
| 3.3 Report                                | 22        |
| 3.4 Alignment                             | 24        |
| <b>4 Conclusions and recommendations</b>  | <b>28</b> |
| 4.1 Conclusions                           | 28        |
| 4.2 Recommendations                       | 29        |
| Annexes                                   | 31        |
| Source                                    | 33        |

# Abbreviations and acronyms

|               |  |
|---------------|--|
| <b>BHOS</b>   | Foreign Trade and Development Cooperation                        |
| <b>BIS</b>    | Bureau for International Cooperation                             |
| <b>BNC</b>    | Assessment of New Commission Proposals                           |
| <b>BZ</b>     | Ministry of Foreign Affairs                                      |
| <b>DDE</b>    | Directorate for Sustainable Economic Development                 |
| <b>DGBEB</b>  | Directorate-General for External Economic Relations              |
| <b>DGES</b>   | Directorate-General for European Cooperation                     |
| <b>DGIS</b>   | Directorate-General for International Cooperation                |
| <b>DGPZ</b>   | Directorate-General for Political Affairs                        |
| <b>DIE-EX</b> | European Integration Department – External Relations             |
| <b>DIO</b>    | International Enterprise Department                              |
| <b>EU</b>     | European Union   |
| <b>EZK</b>    | Ministry of Economic Affairs and Climate Policy                  |
| <b>FIN</b>    | Ministry of Finance  |
| <b>IenW</b>   | Ministry of Infrastructure and Water Management                  |
| <b>IGG</b>    | Inclusive Green Growth Department                                |
| <b>IMH</b>    | Department of International Trade Policy and Economic Governance |
| <b>IOB</b>    | Policy and Operations Evaluation Department                      |
| <b>JenV</b>   | Ministry of Justice and Security                                 |
| <b>LNV</b>    | Ministry of Agriculture, Nature and Food Quality                 |
| <b>NGO</b>    | non-governmental organisation                                    |
| <b>OECD</b>   | Organisation for Economic Co-operation and Development           |
| <b>PCD</b>    | Policy coherence for development                                 |
| <b>PCSD</b>   | Policy coherence for sustainable development                     |
| <b>PR</b>     | Permanent Representation   |
| <b>SDG</b>    | Sustainable Development Goal                                     |
| <b>VWS</b>    | Ministry of Health, Welfare and Sport                            |

# Summary

The action plan on policy coherence for development provides a framework and thematic focus to promote policy coherence for development. Policy coherence for development means that a country ensures that (1) the goals and results of its development cooperation policy are not undermined by other policies of the same government and that (2) these other policies support development goals, where feasible. Every year, the House of Representatives is informed about the progress on the action plan through annual reports based on a number of indicators.

Although the content of the action plan has been revised twice since 2016 (in 2018 and 2022), it has not been evaluated as an instrument, nor has it changed much, if at all. This led us to the following question: how and to what extent does the action plan help to improve policy coherence for development? Based on interviews with more than 40 stakeholders and various written sources, IOB arrives at the following conclusions and recommendations.

## Conclusions

The action plan on policy coherence for development instrument makes a modest contribution to interdepartmental policy alignment with development goals, especially at the level of policy staff, with a low level of investment (time of civil servants). The action plan contributes to this mainly by having an agenda-setting and governance effect. However, it achieves this predominantly through existing agreements and in tandem with other instruments. The action plan is clearly not the main driver of alignment. In particular, external factors such as climate change and the COVID-19 pandemic have increased political and official attention to policy coherence for development. The action plan has made little or no contribution to this, which is reflected in the low level of awareness of and political attention for the action plan.

The recently revised version of the action plan (2022) is more relevant for alignment on policy coherence for development than the two previous versions (2016 and 2018). The new plan assigns more tasks to the Netherlands and calls for more engagement beyond development cooperation. The new action plan is also more relevant for achieving policy coherence for sustainable development, as it has a stronger link to the Sustainable Development Goals (SDGs). With fewer themes (three instead of five), the action plan is more focused. The three selected themes – reducing the Netherlands' climate, land and water footprint, tackling illicit financial flows and tax avoidance, and reducing vaccine and health inequalities – are relevant to address the lack of policy coherence. These are issues on which the Netherlands has significant influence, and which are important for achieving the SDGs in developing countries. However, we cannot say with certainty that the action plan focuses on the most appropriate and urgent themes. This is because the selection of themes lacks transparency and is partly politically driven. This leaves controversial topics where there is little consensus on how to address them – such as agriculture and migration – outside the scope of the action plan.

The annual reports based on goals and indicators contribute to the governance and agenda-setting effect of the action plan. However, the study shows that the reports fall short in a number of respects. They provide little or limited insight into: 1) the Netherlands' overall performance on policy coherence for development; 2) progress on indicators compared to previous years; and 3) trade-offs and explanations as to why targets have not (yet) been achieved. This is linked to the finding that many indicators are either not concrete or limited. For example, there is often a lack of clarity on target dates or target values. Moreover, many indicators refer to the Netherlands' commitment without an explicit policy theory linking this commitment to results in developing countries.

## Recommendations

In its current form, the action plan on policy coherence for development makes a modest contribution to alignment with development goals, based on modest investments. We believe that the effectiveness of the instrument could be strengthened, and we make the following 10 recommendations to this end:

1. Establish an intervention logic for the action plan as an instrument to increase policy coherence for development.
2. Maintain the focus on policy coherence for development, but explicitly as an integral part of policy coherence for sustainable development.
3. Specify the duration of the action plan and when it will be reviewed again.
4. Make the action plan more concrete by formulating specific, measurable, achievable, realistic and time-bound goals and indicators as much as possible.
5. Ensure greater transparency and commitment in the selection of themes for the next review of the action plan.
6. Provide more insight in the annual reports in terms of:
  - a. Progress on quantitative indicators compared to previous years.
  - b. Explanations as to why goals have not (yet) been met.
  - c. How the Netherlands has performed in general on policy coherence for development.
  - d. The effectiveness of the action plan at the outcome and impact levels, from the perspective of developing countries.
7. Keep the (revised) action plan and annual reports accessible by limiting their length. Also translate these documents into English for international use.
8. Ensure sufficient alignment at more senior official levels in existing interdepartmental consultative structures.
9. Free up sufficient capacity to flesh out the action plan.
10. Seek political commitment to the action plan on policy coherence for development as an important precondition for alignment at the official level.



# 1 Introduction

## 1.1 Background

Since 2016, the action plan on policy coherence for development has provided a framework and thematic focus to promote policy coherence for development. Every year, the House of Representatives is informed about the progress on the action plan through annual reports based on a number of indicators. Although the content of the action plan was revised twice (in 2018 and 2022), it has not been evaluated as an instrument, nor did it change much, if at all, between 2016 and 2022. BIS<sup>1</sup>, the agency for international development cooperation responsible for drafting the action plan, asked the Policy and Operations Evaluation Department (IOB)<sup>2</sup> to evaluate it.

## 1.2 Definitions

### 1.2.1 Policy coherence for development

According to the Organisation for Economic Co-operation and Development OECD, policy coherence for development ‘means working to ensure that the goals and results of a government’s (or institution’s) development policies are not undermined by other policies of that government (or institution), which impact on developing countries, and that these other policies support development goals where

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<sup>1</sup> BIS falls under the Directorate-General for International Cooperation (DGIS) of the Ministry of Foreign Affairs (BZ).

<sup>2</sup> IOB is the independent evaluation service of the Ministry of Foreign Affairs.

feasible'.<sup>3</sup> Other policies include, for example, agriculture, trade, energy and tax policies. This definition encompasses both the prevention of negative impacts of other policies on development goals (often referred to as 'do no harm') and the pursuit of synergies (added value through cooperation) between development and other policies.<sup>4</sup> The principle of policy coherence for development cooperation applies to national but also to EU policies.<sup>5</sup>

### 1.2.2 Policy coherence for sustainable development

Policy coherence for development (PCD) is often associated with policy coherence for sustainable development (PCSD): alignment across all dimensions of sustainable development in national and international policies.<sup>6</sup> This form of coherence is not only about achieving development goals in developing countries, but also about achieving development goals in the Netherlands.<sup>7</sup> The action plan focuses primarily on PCD, but links it to the Sustainable Development Goals (SDGs) and thus also to PCSD. The EU's guiding principle is that PCD is part of, and contributes to PCSD.<sup>8</sup>

## 1.3 Purpose and central research question

This research aims to understand how the action plan works as an instrument for achieving policy coherence for development. The central question is:

*How and to what extent does the action plan on policy coherence for development contribute to improving policy coherence for development?*

To answer this question, we assess the effectiveness, efficiency, relevance and coherence of the instrument.<sup>9</sup> The study explicitly does *not* aim to assess the action plan in terms of achieving all the goals contained in the action plan in the various thematic areas. Indeed, this is done in the annual reports under the responsibility of BIS and is already covered by numerous evaluations.

## 1.4 Method

The evaluation uses contribution analysis to identify the contribution of the action plan to policy coherence for development. To this end, we have reconstructed an outline intervention logic that provides insight into how efforts (by civil servants) should lead to results at different levels (outputs, outcomes and impact).<sup>10</sup>

The assessment of the action plan is based on several sources: the action plans themselves, the annual reports, public reactions to them from various stakeholders, reports of debates in the House of Representatives and interviews with more than 40 stakeholders. The interviewees include civil servants

<sup>3</sup> OECD (2005). 'Policy coherence for development: Promoting institutional good practice'. Paris: OECD. This definition is also used by the EU.

<sup>4</sup> European Commission (2019). 'Evaluation of the EU Policy Coherence for Development'. Brussels, 28.1.2019 SWD(2019) 20.

<sup>5</sup> Policy coherence for development has been a guiding principle in EU policies since the Maastricht Treaty (1992).

<sup>6</sup> OECD (2015). 'Policy Coherence for Sustainable Development in the SDG Framework. Shaping Targets and Monitoring Progress'.

<sup>7</sup> For example: CONCORD (2015). 'Operationalising Policy Coherence for Development – A perspective of civil society on institutional systems for PCD in EU member states'. Spotlight report 2015.

<sup>8</sup> European Commission, Directorate-General for International Cooperation and Development (2018). 'The new European consensus on development "our World, our Dignity, our Future". Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament, and the European Commission'. Publications Office, 2018. Paragraph 109.

<sup>9</sup> See Table B.1 in the annexes for definitions of these OECD-DAC evaluation criteria and the corresponding research questions.

<sup>10</sup> The intervention logic is introduced in Chapter 2.

from different departments<sup>11</sup> and representatives of civil society organisations, knowledge institutions, companies and international organisations.<sup>12</sup>

The study was supervised by an external reference group with representatives from relevant departments, civil society organisations and knowledge institutions. We also made grateful use of an internal sounding board group.<sup>13</sup>

## 1.5 Limitations

The evaluation was carried out in a relatively short time frame: January to March 2023. This has entailed several limitations. The study is based on a limited number of interviews with various – but certainly not all – stakeholders and involved parties. For instance, we did not talk to parliamentarians (a key target group of the action plan), individual entrepreneurs or representatives of the Global South. The list of interviewees also lacks representatives of some departments that may have a role to play in the action plan.<sup>14</sup> We considered conducting a survey of civil servants and/or parliamentarians, but did not have the time.

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<sup>11</sup> Foreign Affairs (BZ), Finance (FIN), Economic Affairs and Climate Policy (EZK), Agriculture, Nature and Food Quality (LNV), Justice and Security (JenV) and Health, Welfare and Sport (VWS).

<sup>12</sup> Action Aid, Both Ends, Building Change, Center for Global Development, Statistics Netherlands (CBS), Department for International Partnerships (DG INTPA, European Commission), ECDPM (The centre for Africa-Europe relations), Organisation for Economic Co-operation and Development (OECD), Netherlands Environmental Assessment Agency (PBL), Public Strategy for Sustainable Development (PS4SD), Tax Justice, VNO-NCW (employers' organisation) and WEMOS.

<sup>13</sup> See the annex for the composition of both groups.

<sup>14</sup> We are thinking in particular of General Affairs (AZ) and Infrastructure and Water Management (IenW).



# The action plan as an instrument

## 2.1 Goals

### 2.1.1 A framework and thematic focus for strengthening policy coherence for development

The action plan on policy coherence for development is a government-wide letter to the House of Representatives, first drafted in 2016. The agenda aims to strengthen policy coherence for development and provides a ‘framework and thematic focus’ to this end.<sup>15</sup> As articulated in the first action plan, the government aims to strengthen policy coherence for development by having relevant ministries make a shared commitment across policy areas. The intention is to develop ‘goals that are as concrete as possible, with the pursuit of positive outcomes for the poorest groups at the forefront’.<sup>16</sup>

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<sup>15</sup> House of Representatives, 2017-2018 session, 33 625, no 265, p.2.

<sup>16</sup> House of Representatives, 2015-2016 session, 33 625, no 219, p.2.

The various ministries are expected to promote this shared commitment throughout the EU and with other international organisations. With the action plan, the Netherlands is implementing a recommendation from a 2011 OECD/DAC Peer Review:

'Building on the progress that the Netherlands has made in development beyond aid, it should: put in place a clearly-prioritised and time-bound programme as part of its new globalisation agenda to ensure that relevant Dutch and European Union policies support (or at least do not undermine) their development policies. This programme should translate the Netherlands' commitment to development into plans for action, and should include strategic cross-governmental goals.'<sup>17</sup>

### 2.1.2 Goals, sub-goals and indicators

The first action plan outlines 'goals to be pursued' for each theme in the annex. The corresponding annual reports (2016-2018) report on progress towards these goals. The 2018 revised version introduces an annex with 'goals, commitments and indicators'. This annex outlines an overarching goal for each theme, with a number of associated sub-goals. For each sub-goal, the agenda describes the Netherlands' commitment and a number of indicators 'against which progress will be measured'. The accompanying annual reports (2019-2022) discuss progress on each theme. The revised 2022 version also includes an annex with goals, sub-goals, commitments and indicators. The format has changed slightly compared to the previous action plan's annex. For example, indicators are now more clearly linked to commitments.<sup>18</sup>

### 2.1.3 Link to the SDGs

The goals of the action plan are linked to the SDGs. These 'Global Goals', which are an agenda for sustainable development with a time frame until 2030, should be 'an incentive to work even more ambitiously on policy coherence in the Netherlands and the EU'.<sup>19</sup> The action plan also refers to efforts to improve policy coherence for sustainable development (PCSD). The agenda states that the Netherlands will pay specific attention to the priorities of the PCSD action plan in its SDG reporting.

The revised 2018 action plan reinforces the connection to the SDGs. This is particularly reflected in the selection of themes (see section 2.2). Three of the five themes aim to strengthen developing countries' ability to generate the necessary financing to achieve the SDGs. This is to be achieved by increasing their own tax and trade revenue and by attracting foreign investment. Although the indicators were already linked to the SDGs, according to the latest version of the action plan (2022), this will be strengthened in the coming years. It is hoped that this will be achieved by linking the action plan more explicitly to the Monitor of Well-being & the SDGs<sup>20</sup> and the European Spillover Index.<sup>21</sup>

<sup>17</sup> OECD (2013). 'OECD Development Assistance Peer Reviews: Netherlands 2011'. OECD Publishing, Paris, <https://doi.org/10.1787/9789264117181-en>.

<sup>18</sup> In the previous action plan (2018), it was not always clear what commitment a particular indicator refers to. This is clear in the latest action plan.

<sup>19</sup> House of Representatives, 2015-2016 session, 33 625, no 219, p.2.

<sup>20</sup> This Monitor looks at the development of prosperity in the broad sense of the word – economic, environmental and social – in the Netherlands and the progress towards the United Nations SDGs. Source: Statistics Netherlands (CBS) (2022). 'Monitor of Well-being & the Sustainable Development Goals'. 18 May 2022. <https://www.cbs.nl/en-gb/publication/2022/20/monitor-of-well-being-the-sustainable-development-goals-2022> (accessed 17-02-23).

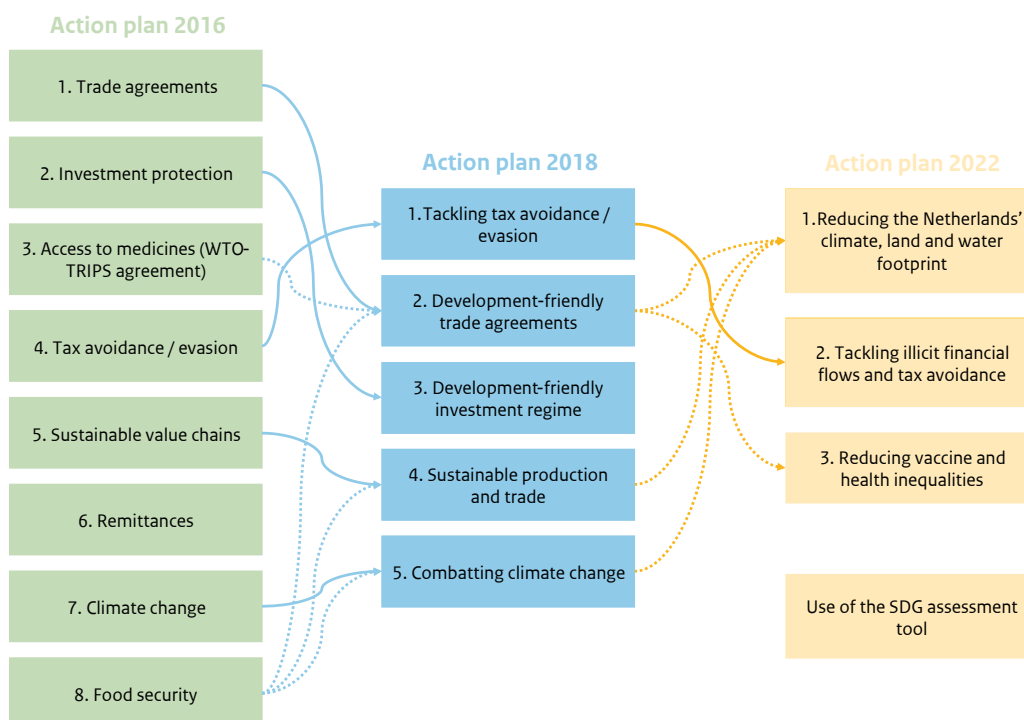
<sup>21</sup> The European Spillover Index ranks European countries based on their positive and negative impacts on the achievement of the SDGs in other countries. For more information see: <https://eu-dashboards.sdginde.org/rankings/spillovers>.

## 2.2 Themes

### 2.2.1 From eight to three themes

While the 2016 action plan had eight themes, the 2018 one had five. The most recent action plan (2022) contains only three themes. Figure 2.1 shows how the selection of themes has evolved over time.

**Figure 2.1** Themes of the action plan on policy coherence for development (2016-2022)



The second action plan (2018) reduced the number of themes to five, integrating themes such as ‘access to medicines’ and ‘food security’ into other themes.<sup>22</sup> The theme ‘migrant remittances’ was not included anymore because that theme’s goal had been achieved.<sup>23</sup> The third action plan (2022) only contains three themes: reducing the Netherlands’ climate, land and water footprints,<sup>24</sup> tackling illicit financial flows and tax evasion, and reducing vaccine and health inequalities. The goals of the previous action plan have been consolidated under these three themes.<sup>25</sup> Moreover, the latest action plan emphasises applying the SDG assessment tool<sup>26</sup> according to the Policy Compass.<sup>27</sup>

### 2.2.2 Rationale for the selection of themes

The first action plan gives no rationale for the selection of themes. It does, however, refer to European coherence policy as a guide, arguing that Dutch policy is largely aligned with EU decision-making.<sup>28</sup> The revised 2018 version states that with this action plan, the government is focusing on topics ‘that help developing countries achieve the SDGs and where the Netherlands can make a difference’.<sup>29</sup> The latest

<sup>22</sup> ‘Food security issues are considered, in particular, under trade and climate. Access to medicines remains a concern under trade treaties where provisions can be included that negatively affect access to medicines in developing countries’. House of Representatives, 2017-2018 session, 33 625, no 265, p.3.

<sup>23</sup> The intended EU regulation has been introduced in the EU and is expected to reduce the cost of transferring money’. House of Representatives, 2017-2018 session, 33 625, no 265, p.3.

<sup>24</sup> Hereafter abbreviated as ‘reducing the footprint’.

<sup>25</sup> House of Representatives, session 2022-2023, 36 180, no 29.

<sup>26</sup> In the 2022 action plan, also known as the SDG assessment ‘impact on developing countries’.

<sup>27</sup> The Policy Compass is the successor to the Integral Assessment Framework (IAK). It provides a guiding structure to help shape the policy preparation process properly, with the aim of achieving good policy quality. For more information see: [www.beleidskompas.nl](http://www.beleidskompas.nl)

<sup>28</sup> The EU identified five policy coherence priority areas for development in 2009: trade and finance, climate change, food security, migration and security.

<sup>29</sup> House of Representatives, 2017-2018 session, 33 625, no 265, p.1.

version of the action plan (2022) does not provide a rationale for the selection of themes either, but refers to the Foreign Trade and Development Cooperation (BHOS) note ‘Doing what the Netherlands does best’,<sup>30</sup> which announces a revised version of the action plan with three instead of five themes. The note makes clear why the three themes are relevant, but does not explain precisely why these themes (including the goals and sub-goals) were selected.

## 2.3 Coordination and alignment

Policy coherence for development is a government-wide responsibility. Its coordination is vested in the Ministry of Foreign Affairs, under the political responsibility of the minister for BHOS. Since 2015, there has been an interdepartmental project group of thematic experts led by a focal point at BIS within the Directorate-General for International Cooperation (DGIS). This project group replaced a separate coherence unit under DGIS.<sup>31</sup>

The project group was described in 2015 by CONCORD (the European Confederation of NGOs) as a flexible team, the composition of which would be determined by the policy agenda.<sup>32</sup> Civil servants from other departments could sit on this team, but as far as we can tell this has not happened yet in practice. The project group currently consists of representatives from DGIS and the Directorate-General for Foreign Economic Relations (DGBEB). In response to questions from the EU about mechanisms to promote policy coherence for development, BZ provided the following description in 2018:

‘Since 2015 a project group of thematic experts led by the PCD focal point for the Bureau for International Cooperation at the Directorate-General for International Cooperation co-ordinates international policy coherence work. This group sets the agenda, proposes goals and guides discussions with respective ministries. If no agreement can be reached at the level of policy makers, issues are taken up at higher levels – ultimately the level of Ministers.’<sup>33</sup>

This description shows that the project group proposes the themes and goals of the action plan, but decisions on these are taken at a higher level.

CONCORD also refers to an unpublished ECDPM note from 2014 about dissolving the coherence unit. In it, ECDPM argues that dissolving this unit and mainstreaming its functions could limit the effective promotion of policy coherence for development at the national, European and international levels.<sup>34</sup> Indeed, it suggest that this would diminish BZ’s capacity to fulfil its high ambitions in this area.

### 2.3.1 No complete insight into intervention logic: reconstruction needed

Parliamentary documents provide some insight, albeit far from complete, into the intervention logic of the ‘action plan on policy coherence for development’ instrument. We were unable to find any intervention logic internally (within BZ) for that matter, either. Therefore, for this evaluation, we reconstructed an intervention logic for based on parliamentary papers, literature<sup>35</sup> and interviews with stakeholders.

<sup>30</sup> House of Representatives, session 2021–2022, 36 180, no 1.

<sup>31</sup> See ECDPM (2009). ‘External evaluation of the policy coherence unit of the Netherlands Ministry of Foreign Affairs’. Discussion paper No. 91.

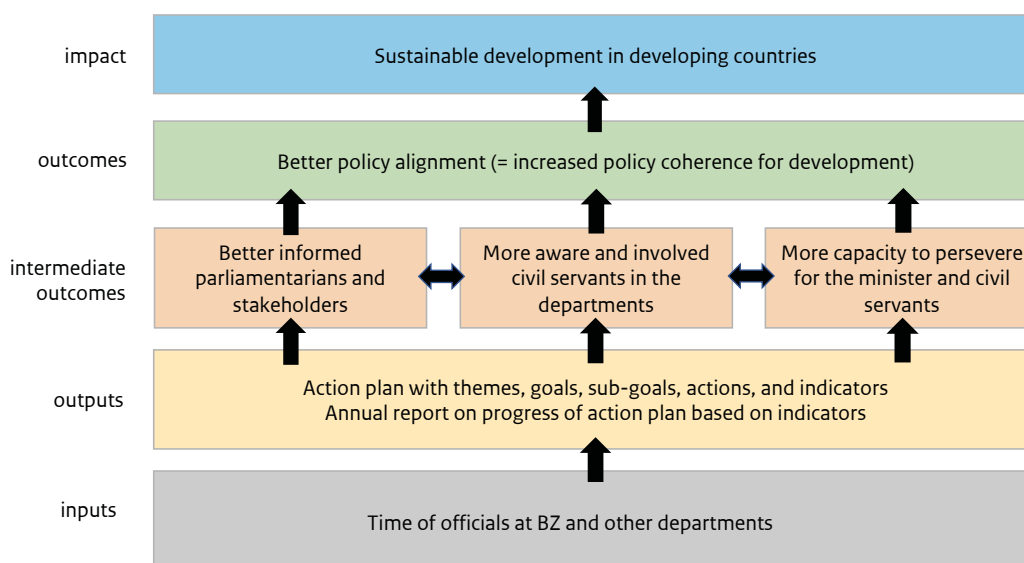
<sup>32</sup> CONCORD (2015). ‘Operationalising Policy Coherence for Development – A perspective of civil society on institutional systems for PCD in EU member states’. Spotlight report 2015. On p.6, CONCORD writes: ‘The composition of the team depends on the issues on the table. Representatives from other Ministries might be seconded to the Project Team.’

<sup>33</sup> European Commission, Directorate-General for International Cooperation and Development (2018). ‘Joint EU questionnaire to Member States Part II – Information on Policy Coherence for Development’. 17 September 2018. p.180. This survey was completed by BZ in 2018.

<sup>34</sup> CONCORD (2015). ‘Operationalising Policy Coherence for Development – A perspective of civil society on institutional systems for PCD in EU member states’. Spotlight report 2015, p.6.

<sup>35</sup> See, for example, ECDPM (2020). ‘Promoting policy coherence: Lessons learned in EU development cooperation’. CASCADES project.

**Figure 2.2** *Intervention logic of the ‘action plan on policy coherence for development’ instrument, reconstructed by IOB for this evaluation*



### 2.3.2 Three ways in which the action plan helps to better align policies

The intervention logic shows that the action plan (including the annual reports) can help to better align policies and thus enhance policy coherence for development in three interrelated ways:

1. The action plan ensures that parliamentarians, civil society organisations, knowledge institutions, the media and (other) stakeholders are better informed about policy incoherence and how the government is addressing it. This enables them to raise the issue of incoherence, resulting in better policy alignment.
2. The action plan ensures that civil servants in other departments and other directorates (outside DGIS) become aware of the lack of policy coherence and of the impact of other (non-development cooperation) policies on the achievement of the SDGs in developing countries (and thus on sustainable development). This awareness improves policy alignment.
3. The action plan helps the minister for BHOS to put policy coherence for development on the agenda of other ministers and keep it there. The action plan sets out agreements and makes them concrete. This ensures policy alignment.

### 2.3.3 Assumptions in the intervention logic

The intervention logic contains a number of assumptions that the action plan should meet in order to contribute to policy coherence for development:

1. The selected themes must be relevant: they should address opportune/urgent instances of incoherence.
2. The goals and indicators must be concrete (SMART<sup>36</sup>).
3. The annual reports must provide good insight into progress.
4. Civil servants, parliamentarians and stakeholders must be familiar with the action plan.
5. There must be political commitment to the action plan.

<sup>36</sup> Specific, measurable, achievable, realistic and time-bound.



#### 2.3.4 Other factors affecting policy alignment

The action plan is only one of the instruments that potentially contributes to policy alignment in relation to sustainable development in developing countries. The role of the action plan as an instrument should therefore be seen in relation to other instruments such as interdepartmental working groups, political alignment in committees and councils,<sup>37</sup> the SDG assessment tool, the SDG coordinator and the Monitor of Well-being and the SDGs. Alignment is also influenced by external factors. Civil society organisations can highlight policy incoherence and thus advocate for better policy alignment. Geopolitical and societal changes make civil servants aware of policy incoherence.

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<sup>37</sup> Such as the Standing Committee on BHOS and the Broad Trade Council. See Central Government (undated). 'Onderraden en ministeriële overleggen'. <https://www.rijksverheid.nl/regering/ministerraad/onderraden-en-ministeriele-overleggen> (accessed 10-12-22).

# 3 Findings

## 3.1 Themes and goals

### 3.1.1 Themes are relevant, but selection lacks transparency

Most interviewees are positive about the relevance of topics. This mainly refers to the selection as outlined in the latest version (2022) of the action plan. However, the selection of themes lacks transparency. It is not based on an analysis of (all) instances of policy incoherence.

Civil servants at BZ appreciate the selection, which is not surprising. After all, it is BZ that is taking the lead in setting the agenda. Other departments have little influence on this process and are not proposing topics themselves. Nevertheless, the relevance of the themes is hardly an issue: they are themes with a high impact on developing countries and a solid role for – and hence potentially considerable influence from – the Netherlands. However, the action plan seems to be limited to themes with a high chance of success: themes where, although the interests of the ministries diverge, there is some consensus – also politically – on how to improve coherence. This explains why topics such as migration and agriculture, which are more controversial and therefore less likely to succeed, have not yet been included in the action plan. In this sense, the selection of themes is ‘limited’.

Civil society organisations are also generally positive about the selection of themes. They cite arguments in favour of the selection that are often mentioned in the actual action plan, such as the fact that the

Netherlands scores poorly on the SDG Spillover Index<sup>38</sup> in support of the ‘reducing footprint’ theme. They do, however, call attention to themes that have not (yet) made it onto the action plan (such as ‘agriculture’, ‘migration’ and ‘digitalisation’) or themes that now seem to be given less priority because they have been subsumed by a larger theme.<sup>39</sup> Understandably, BZ, but also other departments, point out that the action plan does not have to cover all themes. Just because a theme is not on the action plan does not mean that there is no alignment on that theme. This is the case, for example, with ‘food security’ (where BZ cooperates with LNV) and ‘migration’ (aligned with JenV).

### 3.1.2 Increased relevance for interdepartmental alignment

The revised 2022 action plan is more relevant for interdepartmental alignment than the 2018 action plan. The themes of the revised 2018 action plan mainly require alignment within BZ, between DGIS and DGBEB.<sup>40</sup> Tackling tax avoidance and evasion still requires the most interdepartmental alignment, between BZ and FIN. For trade agreements and development-friendly investment regimes, DGBEB is supposed to align with DGIS, but also with EZK. The themes ‘making production and trade more sustainable’ and ‘climate change’ are mainly the domain of BZ and do not involve cooperation or alignment with EZK, LNV or IenW, for example.

The latest action plan is more ambitious in this respect. This is demonstrated, in the first place, by the aim of applying the SDG assessment tool ‘impact on developing countries’ in new laws and regulations in LNV, BZ, BHOS, FIN and EZK. In addition, the three new themes call for more interaction with other ministries. To tackle illicit financial flows and tax evasion, BZ depends not only on FIN, but also on JenV. Reducing the Dutch footprint requires cooperation with EZK, LNV and IenW, among others. And reducing vaccine and health inequality requires the involvement of VWS and EZK.

### 3.1.3 Fewer themes, sharper focus

The latest action plan has significantly fewer themes than the first one from 2016: three instead of eight. This is mainly due to the decision to include ‘reducing the footprint’ as a single, broad theme containing many sub-themes. Interviewees see this as a positive development: fewer themes means a sharper focus. After all, an action plan forces you to make choices.

However, some do question whether the ‘reducing the footprint’ theme is too broad. Its sub-themes may not have the same status as a theme. As a result, they may not carry sufficient weight. This is not only a matter of perception but also of practicality: respondents felt that a sub-theme could be less elaborated and thus less concrete than a theme, also in the reporting. Moreover, they consider the ‘reducing the footprint’ theme to be so broad that it is challenging to narrow it down anyway. On the other hand, many of the sub-goals and indicators related to ‘development-friendly trade agreements’, ‘combatting climate change’ and ‘making production and trade more sustainable’ from the 2018 action plan have found a place in the latest action plan.<sup>41</sup> This is also reflected in the limited reduction in the number of sub-goals (from 19 to 15) and indicators (from 40 to 35). The only theme from 2018 that is actually missing from the 2022 agenda is that of ‘development-friendly investment regimes’.

### 3.1.4 More actions for the Netherlands

The previous action plan (2018) outlines many commitments that relate to the policies of other countries and the EU. These commitments mainly concern diplomatic efforts by which the Netherlands intends to influence the policies of others. Only a quarter of the action plan deals with what the Netherlands itself can do to improve policy coherence for development.<sup>42</sup> This concerns, for example, modifying Dutch tax policy and revising tax treaties, but also the goal of phasing out public financial support for fossil fuel exploration abroad. The new action plan bestows considerably more tasks on the Netherlands: two out of three goals call for a change in Dutch policy, sometimes in tandem with influencing European policy

<sup>38</sup> The Netherlands is in position 160. For more information see: <https://dashboards.sdgindex.org/rankings/spillovers>.

<sup>39</sup> See section 2.2.1.

<sup>40</sup> This also applies to the themes in the 2016 action plan.

<sup>41</sup> As visualised in Figure 2.1.

<sup>42</sup> Of the 28 commitments, we count 7 in which the Netherlands imposes something on itself. The other 21 clearly have an external focus. For example, we read that ‘the Netherlands intervenes in Brussels fora’ and the European Union is mentioned (or clearly referenced) 10 times. We further learn that the Netherlands ‘encourages’, ‘advocates’, ‘engages’, ‘involves parties’ and ‘cooperates’.

or the policies of other countries. The theme of reducing the footprint, in particular, is heavily focused on the Netherlands, as is the agenda to apply the SDG assessment tool.

### 3.1.5 Less focus on development cooperation policy

Policy coherence for development mainly refers to non-development cooperation policies. The revised 2018 action plan recognises this and devotes significantly less attention to development cooperation policies than the first version from 2016.<sup>43</sup> What is striking here is that under the theme of ‘making trade and production more sustainable’, the revised action plan formulates relatively many tasks related to development cooperation: more than for any other theme on this agenda. This is despite the fact that one would expect a great deal of effort on this very theme in terms of non-development cooperation policy. The latest action plan focuses much more explicitly on influencing non-development cooperation policy. This applies to almost all goals, with the exception of supporting capacity building on the theme of ‘illicit financial flows and tax evasion’. The stronger focus on non-development cooperation policies has enhanced the relevance of the action plan for policy coherence for development.

### 3.1.6 Link made to the SDGs, but gender equality not yet integrated

The action plan aims to contribute to the SDG agenda, which is reflected in the goals and indicators. Many of the goals and indicators in the 2018 revised version place a high priority on SDG 17 (Partnerships for the goals). Here, three of the five themes aim to improve the capacity of developing countries to achieve the development goals themselves.<sup>44</sup> The other two themes focus not only on SDG 17 but also on SDG 2 (Zero hunger), SDG 8 (Decent work and economic growth), SDG 12 (Responsible consumption and production) and SDG 13 (Climate action).

The latest action plan extends the link to the SDGs. The theme of ‘reducing the footprint’ brings in seven more SDGs, including SDG 6 (Clean water and sanitation), SDG 7 (Affordable and clean energy), SDG 14 (Life below water) and SDG 15 (Life on land).<sup>45</sup> Tackling illicit financial flows and tax evasion also addresses SDG 16 (Peace, justice and strong institutions).<sup>46</sup> Reducing vaccine and health inequalities falls under SDG 3 (Good health and well-being). In line with the reduced focus on pure development cooperation activities, the new action plan no longer links actions to SDG 2 (Zero hunger).<sup>47</sup>

Attention to SDG 5 (Gender equality) is missing from the 2018 and 2022 action plans, even though it is an important cross-cutting theme for BZ. Women Engage for a Common Future raised this in 2020, after which the annual reporting of the action plan started to devote attention to the ‘gender aspects of policy coherence’.<sup>48</sup> However, this is done mainly in the Parliamentary Letter (the explanatory note to the report) and barely, if at all, in the report itself.<sup>49</sup> Attention to gender equality has therefore not been integrated into the action plan. The new action plan states that gender outcomes will be taken into account where relevant, but this is not (yet) evident from the description of the themes, goals and indicators. It is possible that the development of the Feminist Foreign Policy<sup>50</sup> will provide an opportunity to align the action plan with SDG 5.

### 3.1.7 The action plan shifts towards policy coherence for sustainable development

The name of the action plan is limited to ‘policy coherence for development’ (PCD). In practice, however, it has already shifted towards ‘policy coherence for sustainable development’ (PCSD), in line with the developments described above.<sup>51</sup> This raises the question of whether the name of the action plan should also be changed, and if so, whether it is desirable to broaden the scope in terms of content. Some at BZ

<sup>43</sup> Development cooperation policies involve activities funded from Official Development Assistance (ODA) resources, such as technical assistance (e.g. on taxation) and supporting trade unions and NGOs.

<sup>44</sup> All engagement on the themes of tax avoidance, trade agreements and investment treaties is linked to SDG 17. But it also relates to specific goals under SDG 3 and SDG 8. These are SDG 3B on increasing access to medicines and SDG8A.1 on increasing ‘aid for trade’ to developing countries.

<sup>45</sup> In addition to SDGs 8, 12 and 13 already mentioned.

<sup>46</sup> In addition to SDG 17.

<sup>47</sup> However, the action plan also looks at the SDG assessment tool where, in theory, all SDGs can play a role.

<sup>48</sup> House of Representatives, session year 2020-2021, 33 625, no 329; House of Representatives, session year 2020-2021, 33 625, no 329 - annex; House of Representatives, session year 2021-2022, 34 952, no 161.

<sup>49</sup> The 2020-2021 report states that the Netherlands funded the development of a Fair Tax Monitor, which can be used to assess tax systems for gender inequality, among other things.

<sup>50</sup> House of Representatives, session 2022-2023, 34 952, no 182.

<sup>51</sup> In particular, ‘more tasks to the Netherlands’ (3.1.4) and ‘broadening the link to the SDGs’ (3.1.6).

argue that broadening the agenda would be at the expense of the focus on developing countries. This could put pressure on the development cooperation budget. Moreover, the concept of PCSD would be (too) broad and difficult to operationalise.

Nevertheless, most interviewees, especially outside BZ, are in favour of broadening the scope. A frequently heard argument is that the PCSD concept is more useful for mobilising other departments and DGs within BZ, because it touches more directly on their own goals. Within DGIS, it has also been pointed out that the PCD concept is actually too narrow. According to interviewees, PCSD offers: 1) room for a broader perspective; 2) opportunities to involve business more in sustainable development; 3) opportunities to formulate goals in more concrete terms. Moreover, it is argued that broadening to PCSD does not necessarily mean the end of PCD.

## 3.2 Indicators

### 3.2.1 Fewer quantitative indicators in latest action plan

The revision of the action plan in 2018 was accompanied by the naming of relatively concrete indicators. More than two out of three indicators in the previous action plan (2018) can be considered quantitative.<sup>52</sup> By this we mean that progress can be expressed in terms of a number.<sup>53</sup> It is striking that most indicators on the climate change theme are not quantitative.<sup>54</sup> The new action plan (2022) contains significantly fewer quantitative indicators than the previous one: only just over one in three indicators is numerical.<sup>55</sup> This is particularly the case for the ‘taxes and illicit financial flows’ theme. The inclusion of climate change in the ‘reducing the footprint’ theme has not (yet) made it easier to measure the goals. Only 2 of the 20 indicators on this theme are quantitative.<sup>56</sup> On the other hand, the overarching indicators for this topic are numerical.<sup>57</sup> Moreover, the agenda states that some indicators still need to be specified.<sup>58</sup> Indicators on health inequalities and the SDG test are also distinctly qualitative and process-oriented.

Although quantifying goals makes them more concrete and easier to measure, interviewees pointed out that some goals simply do not lend themselves easily to quantification. This varies between themes and departments. Interviewees also noted that indicators are the outcome of a political process. While DGIS tends to aim for the most concrete indicators possible, DGBEB and other ministries often put the brakes on. They prefer indicators they already use: they prefer not to be judged on new indicators. Some argue that hard, quantitative indicators can also be paralysing: an action plan with softer indicators may be more effective.

### 3.2.2 Indicators at various levels without policy theory

The action plan formulates indicators at various result levels – input, output, outcome and impact – but without explicitly identifying or explaining these levels. One interviewee calls it ‘a patchwork’, while another uses the word ‘hodgepodge’. Some indicators are limited to the Netherlands’ commitment, while others refer to desired changes in EU policy or results in developing countries. The action plan does not clarify how the outcome levels relate to each other. A clear policy theory or intervention logic is lacking at the level of themes and goals, but also for the action plan as a whole.<sup>59</sup>

### 3.2.3 More output-level indicators in latest action plan

A comparison between the 2018 and 2022 action plans shows that the latest version formulates significantly more indicators at the output level, within the sphere of influence of the central government. Such indicators are mainly suitable for holding the government to account (did the government make

<sup>52</sup> Of the 40 indicators, 27 are quantitative (67.5%).

<sup>53</sup> Process indicators that indicate whether or not something has been done or achieved are not covered by this definition.

<sup>54</sup> The only exception is the percentage of climate finance that benefits the poorest countries or populations.

<sup>55</sup> Of the 35 indicators, 13 are quantitative (37.1%). The qualitative and process-oriented nature of indicators is reflected, among other things, in the use of terms such as ‘actions taken’, ‘measures taken’ and ‘efforts compliant’.

<sup>56</sup> The number of BHOS instruments promoting green activities and the reduction of CO<sub>2</sub> by 2030 (compared to 1990).

<sup>57</sup> The development of the Netherlands’ 1) materials footprint; 2) greenhouse gas footprint; 3) land footprint; 4) water footprint.

<sup>58</sup> Pending the National Circular Economy Programme (end 2022).

<sup>59</sup> In Chapter 2, we outline the intervention logic of the action plan. However, this was not drafted by BIS.

enough of an effort?), but offer little insight into the ultimate impact on developing countries.<sup>60</sup> We also see this in the reporting (see section 3.4.4).

### 3.2.4 No clarity on target dates or target values, no duration

Apart from the commitment to contribute to the SDGs (with 2030 as a point on the horizon), the action plan is silent on target dates for the goals. By when should a particular goal be achieved? Moreover, it is often unclear what exactly the goals are. Most quantitative indicators not only lack a target date but also a target value. In the 2018 revised version, we count only 3 indicators (out of 40) that say something about both.<sup>61</sup> The latest version shows no improvement in this respect. Only two goals are specific about what is to be achieved and by when.<sup>62</sup> They mention 2030 as a target date but say little about how to get there. This ties in with the observation that the action plan does not specify a time frame. It is not clear when the themes and goals will be revised. In practice, revising the action plan coincides with a new minister taking office (a new cabinet, a new coalition agreement). This confirms the political nature of the action plan.

## 3.3 Report

### 3.3.1 Little insight into the Netherlands' performance on policy coherence for development

The annual reports of the action plan provide little insight into the Netherlands' overall performance on coherence for development. Only the 2019 Parliamentary Letter pays some attention to this. For example, it reports that the Netherlands performed better on the Commitment to Development Index<sup>63</sup> in 2018 than in 2017: a joint fifth place, two places higher than the year before. However, the subsequent Letters to the House of Representatives do not address why the Netherlands fell back to seventh place in 2020.<sup>64</sup> Nor does the action plan clarify how efforts can help improve performance on this index.<sup>65</sup>

The 2019 Parliamentary Letter also refers to the Monitor of Well-being & the SDGs, with its integrated SDG measurement as an important objective measure. This monitor mainly shows the Netherlands' weak performance when it comes to its international footprint. It is expected that future reports on the action plan will focus more on this with the results of the Monitor of Well-being & the SDGs, as footprint reduction is one of the central themes, with overarching indicators in this area.

Interviewees acknowledge that it is not easy to capture policy coherence for development in concrete numbers, but they also see opportunities for improvement by establishing a clearer link to the SDGs, the Monitor of Well-being & the SDGs and the Commitment to Development Index. This may also help attract more attention from the House of Representatives (see section 3.4.2).

### 3.3.2 Little to no insight into progress over the years

Thus far, the reports provide little to no insight into the progress of the indicators over the years. Where concrete figures are mentioned, it is often not clear how exactly these figures should be interpreted. The

<sup>60</sup> The 2022 action plan mentions only two impact-level indicators, namely tax revenue vis-à-vis gross domestic product in developing countries and CO<sub>2</sub> reduction in 2030 compared to 1990. In the 2018 action plan, we count 10 such indicators: the ratio of tax revenue vis-à-vis gross domestic product in low-income and priority countries, real tax revenue from technical assistance programmes, stability of the tax system and tax administration expertise, number of safe factories following inspections, number of workers whose working conditions have improved, number of children removed from child labour or prevented from entering into it in the first place, hectares of sustainable land use and the number of small-scale mines exporting responsible gold. There are also three other indicators on the border between outcome and impact, such as the percentage of sustainably sourced palm oil purchased by businesses in the Netherlands and Europe, the supply and demand of sustainably certified coffee, tea and cocoa, and the percentage of climate financing that benefits the poorest countries or population groups.

<sup>61</sup> Doubling technical assistance for better tax policies in developing countries by 2020 compared to 2015, aiming for 100% sustainable sourcing of palm oil, coffee, tea and cocoa in the Netherlands and Europe, and phasing out public financial support for the exploration of new fossil fuels by 2025.

<sup>62</sup> A reduction of CO<sub>2</sub> emissions by at least 55% compared to 1990 (60% according to the coalition agreement) and halving primary abiotic resources by 2030.

<sup>63</sup> For more information see: <https://www.cgdev.org/publication/commitment-development-index-2021>.

<sup>64</sup> In 2021, the Netherlands moved up another spot to sixth position.

<sup>65</sup> The Center for Global Development indicates that their Commitment to Development Index should be used with some caution when making comparisons over time. This is because the composition of the index is adjusted annually.

annual Parliamentary Letter provides a snapshot and only in a few cases does it say anything about the change compared to the previous year. We see this, for example, in the number of non-cooperative tax jurisdictions. Every year the report mentions how many countries are on the European grey and black lists. But how have these numbers changed and why? We are in the dark. For example, the 2020-2021 report states that the number of countries on the grey list has decreased compared to 2018, but the 2021-2022 report does not discuss the increase the following year.<sup>66</sup> This type of reporting requires the reader to have previous reports at hand, but it also raises the question of what exactly this indicator says about the effectiveness of the policy and/or action plan. Furthermore, not all indicators are reported every year. For example, we read little about progress at the impact level through results on tax avoidance and evasion.<sup>67</sup> There are also indicators that are not reported for the entire duration of the 2018 action plan.<sup>68</sup> The list of sub-goals and indicators raises high expectations that are not met in practice. Or as one interviewee summed it up: ‘the reports are woolly and verbose’.

### 3.3.3 Focusing mainly on the Netherlands’ commitment and what has worked

The annual reports mainly discuss the efforts of the Netherlands without going into the results for developing countries at the level of outcomes and impacts. For example, we do not know whether anti-abuse clauses in tax treaties and technical assistance are actually having an impact. Reports tend to focus on what has been achieved (referred to by one interviewee as ‘low-hanging fruit’), with little discussion of why certain goals have not (yet) been achieved.<sup>69</sup>

There are calls from civil society organisations for more scientific underpinning and better monitoring of policies. The reports are not very analytical and show little evidence of a learning attitude. They are not evaluations that meet the IOB’s quality criteria.<sup>70</sup> However, these civil society organisations recognise that it is difficult to attribute results at the impact level to the efforts of the Netherlands, for example because results depend on negotiation processes within the EU. The civil society organisations state that they find it understandable that the annual reports focus primarily on the efforts and outputs of the policy. However, the assumed effectiveness at outcome and impact level should be sufficiently substantiated.<sup>71</sup>

One interviewee regrets that the action plan and annual reports are only published in Dutch. English-language versions have at least three advantages. First, they can support diplomatic efforts, in particular by the Permanent Representation to the OECD (PR OECD) and the Permanent Representation to the EU (PR EU), to achieve higher-level goals. Indeed, different ministries are expected to promote a common commitment to the action plan themes in the EU. Second, they can help other countries in the EU develop similar agendas to promote policy coherence for development. After all, the Netherlands is often seen as a leader within the EU in this area. Third, English-language versions make it easier for partners in the Global South to respond to them. As a matter of fact, the latest action plan has now been translated into English.<sup>72</sup>

### 3.3.4 Little focus on synergies and trade-offs

The reports devote little attention to trade-offs between development goals and other goals. However, the trade-offs between the various goals can often explain why results are lacking. Different goals can

<sup>66</sup> The reports show that the number of countries on the grey list first decreased from 36 in 2018 to 9 in 2020, but then increased again to 24 in 2021.

<sup>67</sup> By this we mean indicators such as the ratio of tax revenue to gross national product, additional tax revenue due to technical assistance and improved tax administration expertise in developing countries.

<sup>68</sup> Annual reports on the 2018 action plan, for example, do not provide information on progress on three indicators on the theme of ‘tackling tax avoidance/evasion’, namely: 1) the ratio of tax revenues to gross national product in low-income and priority countries; 2) real tax revenue as a result of technical assistance programmes; 3) the stability of the tax system and the expertise of the tax administration (in low-income and priority countries).

<sup>69</sup> We see this, for example, in the number of ratified Economic Partnership Agreements (EPAs). It only mentions which countries have ratified EPAs. It does not report which countries have not yet ratified EPAs and why.

<sup>70</sup> For more information see: <https://english.iob-evaluatie.nl/publications/guidelines/2022/04/22/evaluation-qualitycriteria>.

<sup>71</sup> Civil society organisations expect a policy theory that includes assumptions about which inputs and outputs contribute to the intended outcomes and impact. This is a theory for the policy on a particular theme, not the intervention logic of the action plan instrument.

<sup>72</sup> See <https://www.government.nl/documents/parliamentary-documents/2023/02/06/letter-to-parliament-action-agenda-on-policy-coherence-for-development>.

be mutually reinforcing (synergy), but commitment to some goals can also mean less commitment to others (trade-off). The reports sheds little light on this matter. One interviewee, from BZ, notes that the annual Parliamentary Letter ‘consists of very kind sentences’. If there is any tension at all, it is mainly in the annex. ‘The Parliamentary Letters contain little new information’ says another. The latest version of the action plan states that the new reports (from 2023 onwards) will devote more attention to synergies and trade-offs between different goals. The interviewees acknowledge that the call for more depth and analysis is at odds with the desire to keep the annual reports compact. Indeed, with an average length of eight pages, the Parliamentary Letters in recent years are a relatively quick read.

## 3.4 Alignment

### 3.4.1 Low awareness of action plan among civil servants, including interviewees

If the action plan is to improve policy alignment, it is important that the people who are supposed to work with the instrument are aware of it. In this respect, however, there is still much room for improvement. Several interviewees – selected anyway because of their involvement in the agenda or one of the themes – say they do not know the action plan in detail or even at all. Few are familiar with all the themes. Policy officers often know that their own theme is included, but not exactly with what commitment and indicators. Interviewees estimate that their management colleagues are unlikely to be familiar with the action plan. For example, one interviewee ‘has to explain every year, when it is time for the annual report, what is in the action plan’.

### 3.4.2 Increasing political attention, but awareness among parliamentarians probably still limited

Awareness of the action plan among parliamentarians appears to be limited. In recent years, parliamentarians have not responded to the action plan and annual reports in any detail. Committee reports show that in the Standing Committee on BHOS over the years, only a few parliamentarians have shown an interest in the subject. Moreover, the questions they ask in response to the annual reports are usually questions they have already asked in response to other parliamentary papers. This is striking because the action plan was also drawn up at the express request of the House of Representatives. However, political attention for the action plan seems to have increased recently. This is particularly evident in the request by the Standing Committee on the BHOS to specifically discuss the action plan in July 2023, but also in the significant turnout at a debate on policy coherence for development organised by Vice Versa,<sup>73</sup> with the participation of several ministries.

The action plan is hardly known beyond the Standing Committee on BHOS, according to one interviewee. Another wonders whether the term ‘policy coherence for development’ is not too formal to be used in the political arena, unlike the SDGs, which are more likely to capture the imagination. Unfamiliarity with the action plan is linked by some interviewees to the limited awareness of the term ‘policy coherence for development’. Better linkage with the SDGs, the Monitor of Well-being & the SDGs and the Commitment to Development Index could increase the political relevance of the action plan.

### 3.4.3 External factors in particular raise awareness of policy coherence for development

The action plan should help raise awareness about the impact of non-DC policies on achieving the SDGs in developing countries. The interviews show that although awareness has increased, the action plan is barely responsible for that, if at all. It is mainly external factors that have increased awareness: climate change, the COVID-19 pandemic and the growing focus on tax avoidance have made many people aware of the impact of the Netherlands on developing countries and vice versa. There has been a shift in societal thinking, with a greater focus on global public goods such as security and vaccination. Increased attention to policy coherence, including by the Chamber of Commerce and civil society organisations, is raising the profile of the action plan.

The level of awareness varies from department to department and from person to person. At BZ, policy coherence for development has been on the agenda for years, not only at DGIS, but also at DGBEB, especially when it comes to trade agreements and international corporate social responsibility (invested at the Department of International Trade Policy and Economic Governance). More recently, awareness is also said to have increased in the International Enterprise Department (within DGBEB) and other

<sup>73</sup> For more information see <https://viceversaonline.nl/dossierthemas/het-grote-coherentiedebat/>.



DGs within BZ (Directorate-General for Political Affairs and the Directorate-General for European Cooperation). Other departments have become more aware of the impact on developing countries and are deploying staff accordingly. However, according to interviewees, this is mainly due to external pressure, with the action plan providing at most an additional stimulus.

#### 3.4.4 Policy coherence for development not yet widely adopted outside BZ

The idea of policy coherence for development has not been widely adopted yet by other ministries (outside BZ). Although awareness of the impact on developing countries has increased among some, in general the interests and goals of departments and directorates remain paramount. Most civil servants have limited awareness of the impact of their policies on the issues occupying their colleagues at other directorates or other departments. While many departments focus primarily on the Netherlands, they are increasingly aware of how the Netherlands is intertwined with foreign countries, including developing countries.

Civil servants often do not see it as their primary responsibility to consider the impact of their policies on developing countries, nor do they always think about it. Attention to such issues is lost in the day-to-day hustle and bustle of other priorities. We see this, for example, in the assessment of new Commission proposals, where the initial Dutch position on the European Commission's proposal is stated and shared with the House by default.<sup>74</sup> When asked to describe the expected impact on developing countries, civil servants often write 'not applicable', even though there may be an impact. This illustrates the lack of commitment to policy coherence for development, but also the compartmentalisation of the government apparatus.

#### 3.4.5 Agenda-setting and governance effect, but mainly for existing agreements

Stakeholders generally see the action plan as having an agenda-setting and governance effect, but always in tandem with other alignment mechanisms. The action plan does not determine what gets onto the agenda: rather it primarily confirms existing agreements. For example, the doubling of technical assistance for taxation, in line with the Addis Tax Initiative,<sup>75</sup> was already on the agenda before 2016. The action plan stands out for its explicit reference to impacts on developing countries, which is often absent from other policy documents.

The agenda-setting and governance effect of the action plan lies mainly in its focus – the naming and concretisation of (mostly existing) priorities for a certain period of time – and in the streamlining of existing agreements. The use of sub-goals and indicators with annual reporting reinforces this effect. We see this, for example, in the global health strategy (on the theme of 'reducing vaccine and health inequalities') and in reducing the footprint. The agenda activates other ministries (outside BZ, DGIS): 'they have to provide input too and get to work'. This helps the minister for BHOS, as well as the policy officers who work on themes in the agenda. If an agreement is not in the agenda, it is harder to get anything done.

#### 3.4.6 Effort towards interdepartmental alignment, but it is not the main driver

The annual reporting requirement and the revisions to the action plan require interdepartmental alignment. Most interviewees believe that the action plan is helping to improve alignment, but do not consider it the main driver of consultation or cooperation. The latest action plan has the potential to lead to more interdepartmental alignment than previous versions, as the three themes call for it much more explicitly. From BZ – particularly DGIS – the agenda is seen as a 'useful springboard' to engage with other departments, for instance on climate change and health.

The 2016 and 2018 action plans have had relatively little impact on interdepartmental alignment. Most of the themes in them mainly called for cooperation within BZ, especially between DGBEB and DGIS, rather than between BZ and other departments. An exception was tackling tax avoidance and evasion. Stakeholders indicate that there was already a great deal of cooperation between FIN and BZ before the action plan, especially since 2013 when Lilianne Ploumen became Minister for Foreign Trade and Development Cooperation. The action plan has intensified and improved this cooperation. However,

<sup>74</sup> Using so-called Assessment of New Commission Proposals (BNC) documents.

<sup>75</sup> The Addis Tax Initiative is a multilateral partnership, of which the Netherlands is a member, whose goals include improving tax systems and promoting domestic revenue mobilisation (DRM).

other factors also play a role, such as the fact that BZ has invested in expertise (more capacity) in the area of taxation. As a result, FIN sees BZ as a serious and more fully-fledged partner on this theme. The first two action plans have also had some impact on interdepartmental alignment between DGBEB and EZK on trade and investment treaties, but the agendas have not been nor are they the primary driver of this alignment.

#### 3.4.7 Little substantive alignment at senior official/political level

The action plan is seen by interviewees as a low-threshold and efficient way to reach agreements, but mainly at the lower official level: it helps with substantive alignment between policy staff. At more senior official and political levels, it mainly concerns formal alignment.

If civil servants from different departments are unable to reach consensus, this is not usually discussed at a more senior official level, and certainly not in the Council of Ministers. This is in contrast to how the mechanism was defined by BZ in 2018 (see section 2.3). As the interests of the departments often diverge, it is not easy to reach a consensus. Incidentally, we also see this within the BZ, with the DGBEB representing trade interests. The action plan cannot force alignment. Several interviewees pointed out that political pressure and commitment have sometimes been lacking in recent years as the main drivers for alignment with development goals.

Preventing competition between ministries requires political trade-offs at a more senior level, some argue. There is no DG or SG consultation on policy coherence for development (as there is on specific themes such as climate); this was mentioned in some interviews as a possible option to strengthen alignment. Other options for improving alignment at a higher level include interdepartmental working groups (thematic or otherwise), an ambassador in general service (AMAD), a coherence task force (including, for instance, Director BIS, PR OECD and PR EU) and coordinators at the European Integration Department (especially for the purpose of alignment on European dossiers). However, this would require additional investment in capacity (see 3.4.9).

#### 3.4.8 Alignment occurs in tandem with other instruments

The action plan contributes to alignment but often in tandem with other instruments such as interdepartmental strategies, (support to) civil society organisations and political bodies such as the Standing Committee on BHOS and the Broad Trade Council. Various interviewees point to the interaction with these instruments. For example, the Dutch Global Health Strategy and the International Climate Strategy would have been developed without the action plan, but the action plan helped to make these strategies more concrete. Others point out that civil society organisations such as Building Change, Action Aid, WEMOS, Both Ends and Tax Justice are using the action plan and progress reports to bring about change.

Interviewees also believe that the action plan originates from the BHOS note and should dovetail with the coalition agreement. They therefore see the coalition agreement as a starting point for policy coherence. Decisions on policy coherence for development are often made in other papers, and lead to parliamentary questions in other committees (e.g. Finance), including when it comes to the impact on developing countries. The SDG assessment tool is also often mentioned as potentially relevant for promoting alignment. At the moment, however, this is not happening enough. The recent action plan explicitly commits to strengthening this tool.

#### 3.4.9 Little investment, but also limited capacity

As an instrument, the action plan requires hardly any investment. Civil servants spend at most a few days a year drafting a revised version and reporting on the results. Most of the time is spent on (interdepartmental) alignment, although some of this alignment would also have taken place without the action plan. This belief has been expressed at BZ but also at other departments.

On the other hand, BZ's capacity to implement policy coherence for development is very limited, especially compared to the pre-2015 coherence unit. Interviewees from BZ and elsewhere point this out. They recognise that other ministries will eventually have to act but that this will require some people within BZ to encourage this. However, the interviewees are not in favour of re-establishing the coherence unit: indeed, this would mean that BZ would (again) resume all responsibility for policy coherence.

Another point of criticism concerns meetings with the project group led by BIS. These are perceived by some interviewees as inefficient because there is little exchange between themes. Last year, the project group did not meet and BIS limited itself to bilateral contacts with other directorates. This is welcomed. Some point out that it is also important to keep the action plan efficient: it is good that the agenda sets priorities and does not take up too much time.

# 4

# Conclusions and recommendations

## 4.1 Conclusions

### 4.1.1 A modest contribution to alignment: mainly agenda-setting and governance

The 'action plan on policy coherence for development' instrument makes a modest contribution to interdepartmental policy alignment with development goals, especially at the level of policy staff, with a low level of investment (use of civil servants). The main contribution of the action plan is its agenda-setting and governance effect. However, it achieves this mainly through existing agreements and in tandem with other instruments. The action plan is clearly not the main driver of alignment. In particular, external factors such as climate change and the COVID-19 pandemic have increased political and official attention for policy coherence for development. The action plan has made little or no contribution to this, which is reflected in the low level of awareness of and political attention for the action plan.

### 4.1.2 Increased relevance for alignment on policy coherence for development

The recently revised version of the action plan (2022) is more relevant for alignment on policy coherence for development than the two previous versions (2016 and 2018). The new agenda assigns more tasks to the Netherlands and calls for more engagement beyond development cooperation. The new action plan is also more relevant for achieving policy coherence for sustainable development, as it has a stronger link to the SDGs. With fewer themes (three instead of five), the action plan is more focused. The three

selected themes – reducing the footprint, tackling illicit financial flows and tax evasion, and reducing vaccine and health inequalities – are relevant to address the lack of policy coherence. These are issues on which the Netherlands has significant influence, and which are important for achieving the SDGs in developing countries. However, we cannot say with certainty that the action plan focuses on the most appropriate and urgent themes. This is because the selection of themes lacks transparency and is partly politically driven. This leaves controversial topics where there is little consensus on how to address them – such as agriculture and migration – outside the scope of the action plan.

#### 4.1.3 Reports provide little insight, at the expense of learning

The annual reports based on goals and indicators contribute to the governance and agenda-setting effect of the action plan. However, the study shows that the reports fall short in a number of respects. They provide little or limited insight into: 1) the Netherlands' overall performance on policy coherence for development; 2) progress on indicators compared to previous years; and 3) trade-offs and explanations as to why targets have not (yet) been achieved. This is linked to the finding that many indicators are either not concrete or limited. For example, there is often a lack of clarity on target dates or target values. Moreover, many indicators refer to the Netherlands' commitment without an explicit policy theory linking this commitment to results in developing countries.

## 4.2 Recommendations

In its current form, the action plan on policy coherence for development makes a modest contribution to alignment with development goals, based on modest investments. IOB believes that the effectiveness of the instrument could be strengthened. Based on the study, we make the following 10 recommendations to DGIS:

1. Establish an **intervention logic** for the action plan as an instrument to increase policy coherence for development. Make clear what the goals of the action plan are and how it will contribute to them. In doing so, also indicate how the action plan relates to other instruments such as the SDG assessment tool, the Monitor of Well-being & the SDGs, the Assessment of New Commission Proposals (BNC), the Standing Committee on BHOS and the Broad Trade Council.
2. Maintain the **focus** on policy coherence for development (PCD), but explicitly as an integral part of policy coherence for sustainable development (PCSD).
3. Make clear the **duration** of the action plan and when it will be reviewed again. In fact, the action plan is now linked to the coalition agreement and the BHOS Memorandum, which means that its duration corresponds to the term of office of the cabinet and the minister for BHOS (a maximum of four years). In determining the duration, two things have to be considered: the need for continuity and clarity on the one hand, and the room for manoeuvre to respond to changes in the (geopolitical, social and economic) environment on the other. A good balance between long-term objectives and short-term priorities is desirable. One interviewee suggested adopting a rolling action plan, in which achieved goals give way to new ones.
4. Make the action plan **more concrete** by formulating specific, measurable, achievable, realistic and time-bound (SMART) goals and indicators as much as possible. For quantitative indicators, use target values and target dates. For each goal, specify the level to which it refers: input, output, outcome or impact. If goals are formulated mainly at the input and output levels, make it clear how these goals contribute to higher-level goals (outcome and impact), preferably by referring to an intervention logic or Theory of Change of the policy concerned.
5. Ensure **greater transparency and commitment** in the selection of themes for the next review of the action plan. Carry out an analysis of policy inconsistencies or, better still, have them researched. Involve and consult civil servants from different departments as well as stakeholders, including civil society organisations and business representatives. Justify the selection of themes. Focus on themes and (sub)goals where the Netherlands has sufficient influence and which are relevant for achieving the SDGs in developing countries.
6. Provide more insight in the **annual reports**, regarding:
  - a. Progress on quantitative indicators compared to previous years.
  - b. Explanations as to why goals have not (yet) been met, such as a possible trade-off between goals (choosing one goal at the expense of another) or why a particular commitment was not applicable that year.
  - c. How the Netherlands has performed in general (compared to previous years and other countries)

- on policy coherence for development, for example by using the Commitment to Development Index, the Monitor of Well-being & the SDGs and the European Spillover Index.
- d. The effectiveness of the action plan at the outcome and impact levels, from the perspective of developing countries. Link this to the SDGs. Draw on evidence from (recently published) evaluations and studies.
  7. Keep the (revised) action plan and annual reports **accessible** by limiting their length. Also translate these documents into English for international use.
  8. Ensure sufficient **alignment** at more senior official levels in existing interdepartmental consultative structures such as the CoRIA.<sup>76</sup> This facilitates alignment at lower official levels. This will mainly involve identifying common objectives in broad terms. The elaboration and detailing of these objectives can be left to policy staff.
  9. Free up sufficient **capacity** to flesh out the action plan. Ensure that the action plan is supported by a significant number of policy officers (in different directorates) who have sufficient knowledge of the themes identified in the action plan. This is necessary to enable BZ to enter into discussions as a more fully-fledged partner with civil servants from other departments and other DGs within BZ.
  10. Seek **political commitment** to the action plan on policy coherence for development as an important precondition for alignment at the official level. Commitment is needed not only from the minister for BHOS, but also from other ministers. Remember that policy coherence for development starts with the coalition agreement and that key decisions are ultimately taken in the Council of Ministers, with the prime minister having the final say.

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<sup>76</sup> Coordination Committee on International Affairs, an official gateway of the (sub)Council on International Relations (RIB).

# Annexes

**Table B.1** Evaluation criteria and research questions

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| <p><b>Relevance:</b> is the intervention doing what it set out to do?</p> <p>The degree to which the goals and the design of the intervention address the needs, the policy and the priorities of the recipients, the international community, the country and the partner/institutions, and continues to do so, even under changing circumstance.</p> | <ul style="list-style-type: none"> <li>• Is the action plan an appropriate instrument to promote policy coherence for development?</li> <li>• To what extent is the action plan an alignment mechanism? Does it have a governance effect?</li> <li>• How relevant is the action plan for policy alignment?</li> <li>• Does the action plan focus on the most opportune/urgent themes?</li> <li>• What is the added value of the action plan?</li> </ul>  |
| <p><b>Effectiveness:</b> is the intervention achieving its goals?</p> <p>The degree to which the goals and results of the intervention were achieved or are expected to be achieved, including the differentiated results between groups.</p>  | <ul style="list-style-type: none"> <li>• What are the key results of the action plan?</li> <li>• To what degree can the results be attributed to the action plan instrument?</li> <li>• How does the action plan help to raise awareness about the impact of non-development policy on developing countries?</li> <li>• What other factors play a role in promoting policy coherence for development?</li> <li>• To what degree is the action plan binding?</li> <li>• Does agenda-setting in the action plan improve alignment or is agenda-setting mainly the outcome of alignment?</li> </ul> |
| <p><b>Efficiency:</b> how well are the resources being used?</p> <p>De mate waarin de interventie resultaten oplevert, of vermoedelijk zal opleveren, op een kostenefficiënte en tijdige manier.</p>   | <ul style="list-style-type: none"> <li>• How do the results of the action plan relate to the efforts of the stakeholders?</li> </ul>   |
| <p><b>Coherence:</b> how appropriate is the intervention?</p> <p>The degree to which the intervention is compatible with other interventions in a country, sector or institution.</p>  | <ul style="list-style-type: none"> <li>• How does the action plan relate to other (alignment) mechanisms, such as interdepartmental consultative structures?</li> <li>• What is the added value of the action plan?</li> </ul>   |

**Table B2** Sounding board group

| Name             |
|------------------|
| Martine de Groot |
| Ferko Bodnàr     |
| Echica van Kelle |
| Rafaëla Feddes   |

**Table B3** Members of the reference group

| Name                      | Position/Organisation      | Role in reference group               |
|---------------------------|----------------------------|---------------------------------------|
| Peter van der Knaap       | Director IOB               | President                             |
| Marie Christine Siemerink | BZ, DGIS: BIS directorate  | BZ representative, DGIS               |
| Vasant Bhoendie           | BZ, DGBEB: IMH directorate | Representative BZ, DGBEB              |
| Khalid Amezoug            | FIN                        | Representative FIN                    |
| Daniëlle Hirsch           | Both Ends                  | Civil society representative          |
| Kathleen van Hove         | ECDPM                      | External expert trade and development |



# Source

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  - House of Representatives, 2016-2017 session, 33 625, no 250 - annex
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- House of Representatives, session 2022-2023, 36 180, no 29
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Authors: Alexander Otgaar, Stephanie Bouman and Koen Sizoo

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