

CAN WE RISK BEING INCOHERENCE?

THE YEAR OF ALL CHALLENGES FOR DEVELOPMENT

CONTENT

1. Introduction 2025: the year of all challenges for development	4
2. The end of USAID	7
3. Crises and budget cuts: the cases of Germany and United Kingdom	14
4. The European Union under pressure	21
5. Policy coherence for development	
in Portugal: progress and challenges	25
6. Coherence: neither a slogan, nor a cure	30
7. Conclusion A new understanding for a changing world	34
8. Recommendations	38
9. Sources and useful links	42

1. INTRODUCTION

2025: THE YEAR OF ALL CHALLENGES FOR DEVELOPMENT

This year, the "global geopolitical risk" reaches <u>its highest level in decades</u>. Military conflicts and diplomatic tensions, restrictions in trade, investment, and financial transactions, or an increase in average military spending are some of the indicators that reflect this risk, as measures by the International Monetary Fund (IMF). This situation is putting significant pressure on global financial stability and, indirectly but significantly, on the international development aid system.

The aid system has been showing signs of significant change for some time now. In 2024, Official Development Assistance (ODA) fell 7.1% in real terms, compared to 2023 — an alarming drop <u>after five years of consecutive growth</u>. Furthermore, changes in ODA funding patterns have been observed for several years. For example:

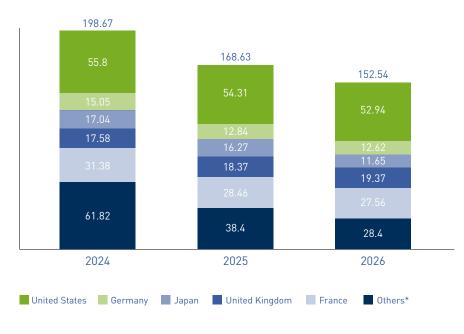
a) since 2015, the EU has channelled a significant portion of its aid to countries of origin and transit of migration flows, particularly in North Africa and the Sahel, as a strategy to contain migration to Europe in these countries; b) since 2022, international aid has been concentrated primarily in Ukraine, with a proportional reduction in regions such as Sub-Saharan Africa and Latin America; c) many donor countries have begun counting the costs of hosting internally displaced persons as ODA, which inflates the figures but does not represent effective aid to developing countries; d) there is a growing trend to prioritise bilateral funding channels over funding from multilateral agencies, such as the UN or the World Bank.

Currently, development aid is facing massive drops due to budget cuts by large traditional donors, such as the United States, the United Kingdom, Germany, or France, which have limited their ODA for reasons primarily related to domestic politics, such as economic reasons, security concerns, budgetary balance – and, in some cases, purely ideological reasons.

Estimated changes in ODA

17 largest DAC donors

Billions of US dollars, constant 2023 prices, grant equivalents.



Fonte: 2024: OECD DAC1. 2025-2026: ODA projections based on OECD, IMF and Government sources. Projected GNI is calculated using the IMF's forward-looking GDP growth rate values applied to GNI levels. GDP estimates are based on the latest update of the IMF's World Economic Outlook. A future shock to GDP and/or GNI would cause divergence in the estimates.

One of the most significant decisions in this context, due to its enormous impact, was the dismantling of USAID — the United States Agency for International Development – in the first months of the year. This decision by the US administration led by Donald Trump, followed by the <u>unprecedented rejection</u> at the UN of the 2030 Agenda and the Sustainable Development Goals (considered "harmful for the rights and interests of Americans"), is having profound global consequences – and has even been described as an "existential development crisis".

Indeed, the end of USAID threatens to weaken the entire international aid system, which highlights the key importance of the United States within it. In recent history, the Agency has played a vital role in supporting the development of the world's neediest regions and countries. Its intervention has been decisive in saving lives, strengthening essential capacities in these countries (such as public health and education systems), and also in promoting democratic values, human rights, and good governance. The United States has also been a major funder of the most important multilateral organisations and agencies, such as the <u>United Nations Development Programme</u> (UNDP) and the <u>World Health Organisation</u> (WHO).

Although for very different geopolitical reasons, namely increasing defence investment due to the war in Ukraine, the United Kingdom also announced major cuts to its development cooperation policy. And in Germany, there has been very strong pressure to reduce the federal budget deficit for domestic reasons, such as raising pensions and boosting defence spending, which has led to significant cuts in several other policies, including the German ODA budget.

^{*}Others: Australia, Belgium, Canada, Denmark, Ireland, Italy, The Netherlands, Norway, South Korea, Spain, Sweden and Switzerland.

The current situation is the culmination of an increasingly adverse context for the global development aid system. Economic instability, rising political tensions, protracted conflicts, and a growing interdependence between geopolitical risks are disruptive factors that compound climate change and the resurgence of exacerbated nationalism. In the face of the foregoing, decision-making agents are slow to promote reforms to mitigate the structural problems of the aid system, such as difficulties in coordinating aid, insufficient appropriation of results in recipient countries – and a certain resistance to change.

The current setback by major donors reflects a contagion effect toward a paradigm shift, in which immediate national interests and domestic agendas tend to prevail over long-term commitments to global solidarity and development. This shift introduces a systemic risk, as it weakens the role of Development as the guiding principle of Policy Coherence for Development (PCD). Unfortunately, the idea of PCD – as an integrative element of sectoral areas as distinct as they are interdependent, such as the economy, the environment, security and human rights – is being questioned when we need it most. Just a few years away from the UN's 2030 Agenda, there are clear delays in implementing the Sustainable Development Goals (SDGs). Without an integrated strategic vision and coherent action at the national and global levels, we will certainly miss these goals.

Can we risk being inconsistent? In a context of democratic setback and growing restrictions on civil liberties (even in countries where they seemed consolidated), it is essential to prevent policy incoherence and the flaws of the aid model from becoming additional arguments to discredit the right to development.

And while we must acknowledge that the model is not perfect, it is important to raise awareness of its value. Between 2019 and 2023, for example, Official Development Assistance (ODA) registered a real increase of 33%, driven by the global response to the pandemic and the war in Ukraine. Even with a slight decline in 2024, ODA levels remained 23% above 2019 levels, with consecutive annual growth rates that contrast with the less positive performance of global GDP in the same period (OECD, 2025). These figures are a very important sign of the resilience of the aid system in crisis contexts.

Without prejudice to this progress, given the deglobalisation movement we are witnessing, we cannot help but ask whether traditional cooperation and instruments are still capable of promoting truly sustainable development, or whether, on the contrary, they contribute to perpetuating dependence.

Thus, this study has two main objectives:

- a) to diagnose the current state of development aid policies, analysing the causes of their current retraction and fragmentation, as well as their impact on their coherence;
- b) to contribute to the formulation of more effective and realistic development strategies that, even in an adverse context such as the current one, are capable of promoting social justice, equity, and commitment to the SDGs and the 2030 Agenda.

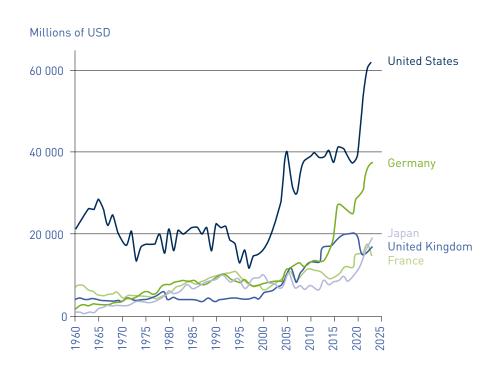
The study proposes a critical analysis that goes beyond a purely technical or operational diagnosis. It seeks to situate itself at the political level, which is where the future of Development is currently being played out. It seeks to identify ways to rethink current cooperation models and build responses guided by ideals of global solidarity but grounded in pragmatism – based on universal values and principles, but adapted to current reality.

2. THE END OF USAID

For decades, the United States da América (USA) has made a fundamental contribution to global development, especially since 1961, the year USAID was created. Over the past 65 years, the USA alone has financed <u>between 25% and 30% of global Official Development Assistance (ODA)</u>. In 2024, it remained the largest global donor, with approximately USD 63.3 billion (OECD, 2025).

Major ODA donors, 1960-2025

(since 1960, at constant prices, in millions of USD)



USAID's intervention has had vital impacts across several domains: it has helped lift millions of people out of extreme poverty and prevented millions of deaths from HIV, malaria, Ebola and other lethal viruses, which it decisively helped to halt or eradicate in several countries, massively funding American and international scientific research in the health field. A striking example of this is the PEPFAR programme (the US President's Emergency Plan for AIDS Relief), considered the largest single-country commitment to eradicate a disease (HIV), with US\$ 6.5 billion invested annually in 55 countries. By 2024, the programme had provided treatment to 20.6 million people, including 566,000 children, and enrolled 2.5 million people in pre-exposure prophylaxis programmes (PrEP). Thanks to PEPFAR, 7.8 million babies have been born HIV-free since 2003 and 26 million lives have been saved. The United States has also played a vital role in food crises in particularly vulnerable and conflict-ridden countries, such as Ethiopia, which is experiencing severe drought and prolonged civil conflict and, until the closure of USAID, was the largest recipient of US aid in Sub-Saharan Africa. The sudden suspension of this support has a huge impact on the ground.

THE TERMINATION DECISION

In January 2025, just days after taking office, President Donald Trump issued an Executive Order entitled "Reevaluating and Realigning United States Foreign Aid", ordering a 90-day pause on US aid to review its "programmatic effectiveness and consistency with the United States foreign policy". Reflecting the "America First" foreign policy agenda, the decision accused the foreign aid "industry" and national bureaucracy of not being aligned with American interests and, in many cases, of being contrary to American values, contributing to destabilising world peace and promoting ideas in foreign countries that are contrary to US foreign priorities.

According to the document, US development aid policy will now be geared toward "making the United States safer, stronger, and more prosperous", which, according to the administration's agenda, means transforming it into an instrument to support projects that clearly and directly benefit the American people and strengthen US investment institutions, through which remaining foreign aid will now be preferentially channelled.

Shortly thereafter, Elon Musk, then head of the DOGE (Office for Government Efficiency), announced the closure of USAID, citing corruption, mismanagement, and inefficiency. The agency was dismantled in just three months, by April: 83% of its programmes were cancelled, representing 92% of the Agency's budget; more than 1,600 employees were laid off; and the Washington, DC headquarters and official website were deactivated. The few remaining programmes and staff were transferred to the Department of State (equivalent to the Ministry of Foreign Affairs).

In a highly contested process, especially in the media and in the courts, and which continues to generate enormous uncertainty on the ground, numerous errors and misinformation were disseminated with the aim of discrediting USAID. In one infamous episode, Elon Musk confused a supposed USAID shipment of condoms to Gaza Province (in Mozambique) with the Gaza Strip (in Palestine), the scene of the current war between Israel and Hamas. Trump also accused USAID of being run by a bunch of "radical lunatics", and Musk called it a "criminal organisation", accusations of extreme seriousness, to this day without any validation in any judicial decision, which points to an ideological partisanship.

THE NEW ARCHITECTURE OF US AID IN THE 2026 BUDGET PROPOSAL

Although most of the lawsuits have been unfavourable to the US Administration and some vital programmes still exist, now managed by the Department of State, as of the full completion of this study, the future of US international aid remains uncertain.

However, the budget proposal presented by the US President for 2026 provides some clear signs of what that future may hold. The proposal, subject to approval by Congress, calls for an unprecedented 47.7% cut in foreign aid compared to 2025, with drastic reductions in global health, humanitarian aid, education and food programmes. Bilateral aid will be restructured through a new fund, the "America First Opportunity Fund" (A10F), which is guided by investment and strengthening criteria from the U.S. International Development Finance Corporation (DFC), the United States' development finance institution. Despite some exceptions, such as the maintenance of PEPFAR (although only for current beneficiaries) and the commitments made to the World Bank's International Development Association (IDA) (which provides subsidised loans to the poorest countries), the proposal determines the end of voluntary contributions to multilateral organisations, such as the UN and the African Development Fund, as well as significant cuts to programmes focused on climate change, LGBTQ+ rights and "DEI" ("Diversity, Equity and Inclusion") matters. which were cancelled throughout the US government for being considered discriminatory and allegedly promoting a woke ideology. This ideological concept comes from a term originating in American English that means "to be awake", "to be aware" of social injustices, especially racism and inequality. It is also a term used critically as a reaction to what some consider excessive political correctness or social activism. In this view, the term "woke" is used pejoratively.

A POLARISED DEBATE

As with other previously peaceful issues, the debate over development aid is extremely polarised in the US. The <u>President's own Republican Party is divided</u>, and some of the <u>traditionally more conservative sectors</u> of American society have openly spoken out against a decision that is, however, strongly supported by the MAGA movement loyal to Donald Trump.

Opinion polls show that citizens are concerned about the consequences of this change, and <u>62% even oppose</u> freezing humanitarian aid in lower-income countries. A Pew Research Center <u>survey</u> shows how Americans continue to support a strong role for their country in supporting development in many areas, such as health and food – but not in others, such as military or cultural. Although the elimination of USAID is polarising among Americans, they disagree more (45%) than agree (35%) with it.

The truth is that the current paradigm shift represents a historic rupture in the political consensus that existed for many decades between the two major parties of the US political spectrum. Based on this consensus, the United States, through USAID, clearly assumed leadership of the global development system.

Now, there is a serious risk that this polarisation will spread to major donor countries in Europe. One way to anticipate this risk is to understand the arguments put forward on both sides of the debate.

Those advocating for the abolition of USAID and the end of US leadership primarily use arguments related to:

- **Ideology**: rejection of a progressive and "radical left" ideology allegedly pursued by USAID, which has been <u>accused of promoting a "woke" agenda</u> obsessed with gender ideology and climate change, which harms US interests; furthermore, many in the MAGA movement view foreign aid as a form of "liberal interventionism" and "globalist" social engineering (an argument that, paradoxically, is also used by some radical left-wing sectors hated by MAGA supporters).
- **Economic nationalism**: American taxes must be used for domestic priorities, such as infrastructure, health, public safety or defence; US citizens receive no "return" for the billions of dollars invested every year in development aid to countries that, according to Donald Trump, "nobody knows".
- **Efficiency**: allegations of excessive bureaucracy, dispersion of aid, and lack of quantifiable results, which leads to a preference for management guided by investment criteria as is the case with the <u>U.S. International Development Finance Corporation (DFC)</u>.

In turn, opponents of the closure of USAID counter with the following arguments:

• **Strategic error**: the loss of global influence opens space for geopolitical rivals, such as China, to occupy it;

- **Cost-benefit miscalculation**: although foreign aid represents less than 1% of the US federal budget, it offers significant return in terms of trade relations, alliances with countries around the world, and projected global influence. Furthermore, it is a preventative instrument that is cheaper than military interventions or subsequent humanitarian crisis management to mitigate the consequences of preventable conflicts.
- **Risk to global health**: the proposed cuts could jeopardise decades-long progress in preventing and combating lethal diseases and viruses, such as HIV or Ebola. They weaken the US's rapid response capacity to future pandemics or health disasters that, as we have seen recently with COVID-19, can affect any country.
- **Greater instability** in the medium term: particularly in fragile regions, where poor governance, extreme poverty and conflicts are at the root of radicalisation and insecurity, with negative impacts on global trade, access to strategic resources, and the forced displacement of people.
- Loss of credibility and reputation: risk of non-compliance with multilateral commitments (e.g., SDGs, withdrawal from the WHO and the Paris Agreement) and a sign of ethical and diplomatic disengagement toward allies and partners.
- **Negative spillover effect**: American retraction could lead the leaders of other donor countries to do the same (as is already evident).
- Damage to the US economy: for farmers, businesses, universities, research centres, and NGOs.

The value of USAID to the US economy

USAID advocates, on both the right and the left, generally agree that US foreign aid, in addition to responding to the needs of developing countries, should also serve US national interests. Critics of Donald Trump believe that closing the agency precisely jeopardises these interests.

Reliable organisations <u>estimate</u> that:

- More than 40% of foreign food assistance provided by the US is produced by American farmers, who grow crops such as wheat and soybeans in response to demand from food aid recipient countries. Food programmes managed by USAID generate more than USD 2 billion in annual revenue for American farmers, so their closure severely affected many agricultural exporters, who were unable to sell millions of US dollars of food;
- 13 of the top 15 US export markets were previously recipients of US foreign assistance;
- More than 50% of US exports are destined for developing countries;
- The decision to close USAID affected at least 13 US universities, which closed agricultural innovation labs associated with contracts with the agency, and halted research that benefited American agriculture;
- In short, the closure of USAID <u>caused direct harm</u> to American citizens and the American economy. It is estimated that US-based organisations could lose up to USD 28.9 billion due to cuts in international assistance.

CONSEQUENCES ON THE HUMANITARIAN SITUATION AND ON DEVELOPMENT PROCESSES

It will take some time to fully understand the impact of the closure of programmes managed by USAID. However, several analysts are already estimating the consequences at various levels:

- Millions of lives were at risk with the interruption of vital health, food and emergency support programmes. In Sudan, for example, 900 of the 1,400 USAID-funded community kitchens, serving approximately 2 million people, closed completely, and vaccination services and various programmes protecting children, displaced people, the sick, and pregnant women were suspended. USAID supported programmes that provide vaccines, maternal health care, and clean water to millions of people in the global South. In the absence of these funds, and unless other donors increase support in these areas, a decline in public health is expected in several countries, reversing years of progress in eradicating infectious diseases such as malaria and tuberculosis. Projections indicate that the combined impact of projected cuts to USAID programmes in the areas of HIV (PEPFAR), malaria, acute malnutrition, tuberculosis, water, sanitation and hygiene will result in between 483,000 and 1.14 million excess deaths per year.
- The multilateral system's capacity to respond to crises has been severally diminished. Organisations such as UNHCR, the World Food Programme (WFP) and UNICEF have relied on USAID funding to sustain critical emergency operations in regions such as Sub-Saharan Africa, the Middle East, and Southeast Asia. The suspension of funding for the Al-Hawl refugee camp in Syria, for example, disrupted clean water, sanitation, and safety services for more than 40,000 refugees. In northern Thailand, along the border with Myanmar, USAID channelled funding to nine refugee camps through the International Rescue Committee to support more than 100,000 refugees from Myanmar, who have now been left with this support.

- The discontinuation of financial support to governments and local NGOs for poverty alleviation, good governance and other programmes disrupted ongoing development processes: for example, education programmes for Afghan women and girls were halted. Efforts to combat corruption, strengthen judicial systems, and support free press and pro-democracy movements in countries with fragile democratic institutions were immediately jeopardised with the end of USAID. Furthermore, in mid-March, the Trump Administration shut down Voice of America, Radio Free Asia and Radio Free Europe, alleging that they disseminated anti-American values and represented an unnecessary public expense. These radio stations are widely considered credible and independent, targeting citizens of countries where freedom of expression and the press are not guaranteed. Although a preliminary court ruling has been issued against this decision, the Government has appealed, and the legal proceedings continue.
- The discontinuation of financial support to local and international NG-DOs weakens their capacity and credibility in the field: it jeopardises their work and the partnerships they have established, which are often based on relationships of trust built over time. USAID has been an important source of funding for these types of NGDOs, which will now have to seek alternative sources of funding. Smaller ones will most likely struggle to survive.
- Increased pressure on other donors creates risks of ineffectiveness: agencies like the UNDP and the World Bank, and multilateral donors like the European Union, will likely face pressure to replace USAID funding. This could lead to an overload of existing resources, potentially leading to delays and ineffectiveness.

GEOPOLITICAL CONSEQUENCES: THE END OF AMERICAN SOFT POWER?

US international assistance has been a central instrument for projecting US power in the international system. Beyond its humanitarian and development dimensions, this assistance model has worked as a soft power instrument of US foreign policy, helping to project a more positive and attractive image of the country. Among other things, it allows the country a regular presence on the ground around the world – often in remote locations – which complements the diplomatic network and military bases abroad, expanding access to information critical to US security. This type of "all-terrain" global assistance is, therefore, decisive not only for consolidating diplomatic networks, partnerships, and strategic alliances practically worldwide, but also for protecting national security and defending US economic interests – namely, the stability and openness of markets in beneficiary countries to US products and companies. At the same time, by contributing to the stabilisation of fragile regions, this foreign aid is important for containing transnational threats such as terrorism or organised crime at their source, reducing the risk of them directly reaching the United States territory.

The weakening of American influence and soft power represents a potentially significant shift in the current geopolitical balance. Many analysts argue that it creates a vacuum that could be quickly filled by actors with distinct strategic agendas and anti-democratic values, such as China and Russia. The influence these countries already wielded in vulnerable regions critical to global security could now be further expanded.

The Belt and Road Initiative (BRI) promoted by Beijing represents the most visible expression of this ambition for broad influence. The financing provided by the Initiative to developing countries in recent years represents, by 2025, approximately USD 22 trillion in debt service that these countries must repay. 75% of China's debtors are the poorest and most vulnerable countries in the world. Chinese loans have generated debt sustainability problems in many countries, as demonstrated by the recent debt crises in Laos, Democratic Republic of Congo, the Maldives, and Zambia – a country of which China is the largest bilateral creditor.

At a time when the US President's decision to impose tariffs on many of these countries further worsens their financial and economic situation, it becomes clear that this model of financial influence contributes to perpetuating forms of dependency that hinder sustainable development rather than promote it.

Examples of programme cuts with geopolitical impacts:

Source - USGLC: https://www.usglc.org/media/2025/06/BRAND-US-GLC_Critical-Gaps_06-03.pdf and https://www.usglc.org/media/2025/06/BRAND-US-GLC_Critical-Gaps_06-03.pdf and https://www.usglc.org/media/2025/03/USGLC_USInternationalAssistanceDrawdown.pdf

In Somalia and Kenya, programmes that prevented youth recruitment by Al Shabaab and limited the threat from this terrorist group were terminated.

95% of US assistance programmes to Senegal and Liberia – which are buffer countries against extremism in Africa – were terminated.

The cuts to Voice of America, Radio Free Europe and Radio Free Asia were applauded by Russian and Chinese nationalists.

Since the end of USAID support for NGDOs in Cambodia, the Chinese government has filled the gap left by the US in funding for demining programmes.

In the Democratic Republic of the Congo, Russia is filling the gap left by USAID with mobile laboratories to contain disease outbreaks.

In the Caribbean, Chinese investment has grown 525% in 15 years, while American influence has waned.

The Chinese-style model has the alleged advantage of not imposing conditions on aid, although, as we have just seen, this is not quite the case. The truth is that several developing countries have preferred to partner with donors who are either no stringent or less stringent than, for example, the European Union, especially regarding conditions linked to political and economic reforms, or the promotion of democratic principles.

Some governments in these countries do not hesitate to publicly condemn the "hypocrisy" of the discourse on the values of the EU, the US and other democratic countries. Recent examples include the governments emerging from military coups in Mali, Burkina Faso, and Niger. While forcing France's withdrawal from the Sahel and ending French military support for the fight against terrorism in the region, they also granted this task to mercenaries financed by the Russian Federation and sought support from North Korea and Iran. The discourse of rejection of the colonial legacy has also been instrumentalised by corrupt regimes to promote their own economic interests, as well as to legitimise a power based on force and alliances with countries that deny the most basic rights to their own citizens.

This global trend of erosion of basic values and rights now coincides with the decline of American soft power, of which USAID was a key player, not only for its role in directly supporting populations, but also for creating networks of trust, elite development, student exchanges (now at risk due to the Administration's decision to end these programmes), and trade relations (now at risk due to Donald Trump's current tariff policy).

Furthermore, the US's withdrawal from some multilateral organisations and the cancellation of funding to others is indicative of the decline of cooperation model based on multilateralism and shared values. This is worrying, as it calls into question the extent to which the US truly continues to value and defend the globalised and liberal international order that it largely built – and has unquestionably led in recent decades.

The reaction to this setback may be uneven. While some countries will likely choose to diversify their donor base, others may shift to models of greater autonomy, and others may fall into new forms of dependence. Others, in situation of extreme dependence, may collapse with even more significant humanitarian costs.

In a more optimistic scenario, this crisis could serve as a stimulus to rethink a model of international cooperation based on more equal relations between states and a greater diversification of donors and funding sources. In a more pessimistic scenario, the idea that foreign aid is a burden without return could gain increasingly strong traction among populist sectors in Europe, with destabilising effects on European citizens' support for the Sustainable Development Goals.

We must be prepared to face this scenario.

3. CRISES AND BUDGET CUTS: THE CASES OF GERMANY AND THE UNITED KINGDOM

Although budget cuts and shifting priorities are not unprecedented in development aid policies, this trend gained significant momentum in 2024-2025. This is largely due to the intensification of political crises in DAC (OECD Development Assistance Committee) donor countries, amplified by nationalist and extremist forces and a geopolitical context of growing uncertainty and insecurity.

According to the <u>Donor Tracker</u> index, several donor countries faced political instability and internal crises in 2024, such as the budget impasse in France (whose 2025 austerity budget <u>includes a 40% cut in ODA</u>), the government crisis in Germany, or the impeachment of the South Korean President. These crises refocused these countries on budgetary issues and immediate domestic priorities, compromising the continuity and, often, the coherence of their development policies.

Other European countries with a strong tradition of solidarity, such as Norway, have redirected part of their aid to cover rising costs of hosting refugees, leading to proportional cuts in foreign aid. The Norwegian Development Agency (NORAD) has reorganised its operating model, transitioning from project-oriented financing to a strategic portfolio investment management model, which will increasingly focus on financial transfers,

partnerships with education systems and flexible hiring, which, according to its Director General, positions NORAD <u>more as a "financial manager" than a traditional donor.</u> Other major donors, such as Sweden and the Netherlands, have made significant budget cuts. Countries like Spain are also <u>transforming their cooperation model</u>, with AECID (the Spanish development cooperation agency) transitioning from a traditional project-based model to a "facilitator" role for partnerships between countries, multilateral organisations, private investors, and civil society. Approximately 50% of the Spanish agency funds are now channelled through private investors.

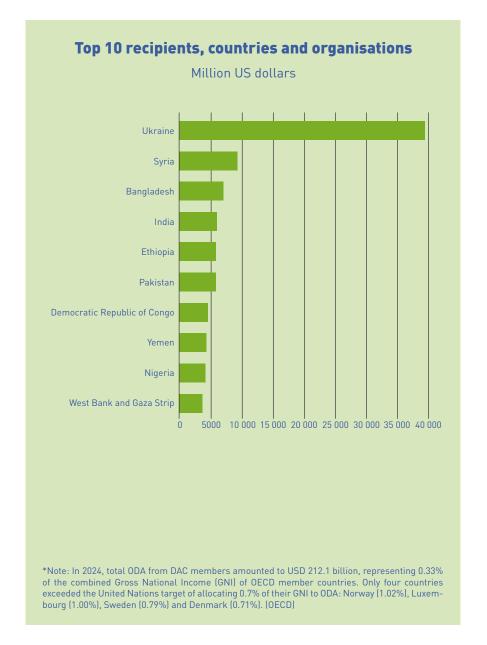
There is no doubt that the war in Ukraine has had a significant collateral impact on changing development aid patterns in many EU countries. Not only have the costs of hosting Ukrainian refugees in Europe increased, which are now accounted for as ODA, but, faced with the persistent threat from Russia to the continent's security, several countries have accelerated their defence investment, some doubling it. This has led to a redirection of funds traditionally allocated to other external action practices, such as development aid, toward the military sector.

Recently, several NATO (North Atlantic Treaty Organisation) countries committed to increasing military spending to 5% of their GDP, while the commitment made by developed countries in a 1970 United Nations General Assembly resolution to contribute at least 0.7% of their Gross National Income (GNI) to Official Development Assistance has not been consistently met by most countries.

This commitment of only 0.7% of GNI has been reaffirmed in several international forums:

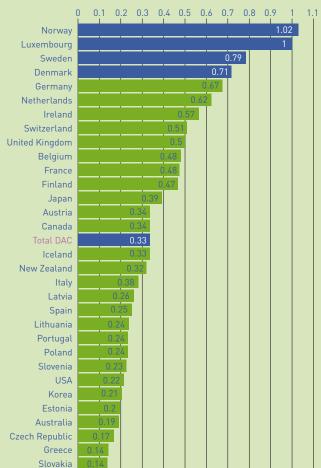
- International Conference on Financing for Development (Monterrey, 2002);
- United Nations Millennium Summit (2000), which launched the Millennium Development Goals (MDGs);
- 2030 Agenda for Sustainable Development, with Sustainable Development Goals (SDG), adopted in 2015.

According to preliminary date from the Organisation for Economic Cooperation and Development (OECD), Portugal's Official Development Assistance in 2024 was 0.24% of GNI and in 2023 was 0.19% of GNI. Recent ODA reductions in Germany and the United Kingdom are particularly relevant, given their leading positions in the list of global donors.

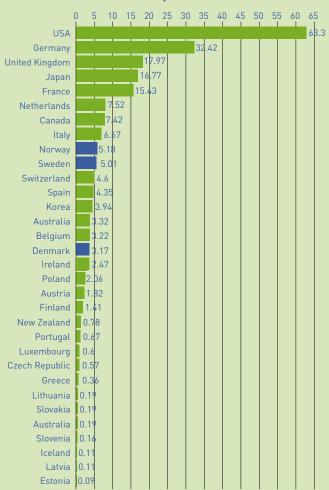


Official Development Assistance (ODA) in 2024, per member of the Development Assistance Committee members (preliminary data)





ODA, billions of US dollars



Sources: OECD (2025), Flows by donor (ODA+OOF+Private) (DAC1)

Hungary

Note: Green bars represent donors that met or exceeded the UN target of 0.7% of ODA/GNI in 2024. [Left chart]: ODA by DAC members as a percentage of GNI. [Right chart]: grant-equivalent ODA by DAC members.

THE CASE OF GERMANY: "NEITHER AID NOR CHARITY – BUT AN INVESTMENT IN OUR COMMON FUTURE"

Germany, the world's second largest donor, experienced <u>one of the most significant ODA cuts</u> in 2025, due to a combination of factors:

- **Budget crisis and political instability**: a ruling by the Constitutional Court in November 2023 created a budget deficit that led to the fall of Olaf Scholz's government and elections that culminated in the formation of a new coalition led by CDU in April 2025. The Court's decision entailed drastic cuts to the 2024 federal budget and additional cuts in the following years, forcing significant reductions in several policy areas, including ODA, to offset other priorities assumed by the Government, such as pension increases.
- **Coalition commitment**: in the coalition agreement text that serves as the new German government's blueprint, the commitment to the OECD target of 0.7% of GDP for development investment was eliminated for the first time in three decades. Although German officials publicly reaffirmed their commitment to this target, the lack of an express reference reflects a less committed approach to potentially facilitating a rescaling of aid based on other priorities, most notably fiscal consolidation. Voluntary contributions to multilateral organizations will also decrease. Aid will, whenever possible, be channelled through contracts with German or EU companies.
- **Reform of the Federal Ministry for Cooperation (BMZ)**: the BMZ maintained its autonomy as a separate ministry from the Ministry of Foreign Affairs, but suffered significant cuts. In May 2025, the then German Minister for Development <u>announced</u> that Germany was reforming its traditional model of humanitarian assistance to a model of "partnerships for long-term development".

This change would involve reducing the allocation of officials and consultants on the ground and a new focus on direct funding for local actors and state entities;

- War in Ukraine and rearmament: the new German Chancellor's commitment to exceed the 2% target defined by NATO and aim for a total of 5% of GDP in defence spending will lead to a significant increase in the military defence budget, which will further pressure the budgets of other areas, such as ODA.
- **Rise of the far-right**: the rise of the far-rise populist party Alternative for Germany (AfD), which opposes foreign aid and advocates redirecting it to domestic needs, has influenced and may continue to influence the German political debate and public opinion on this issue.

The new government's coalition agreement therefore marks a shift in Germany's development policy, but the consequences are not yet completely clear. Some <u>analyses</u> suggest that Germans' typically high support for this policy may be waning in the face of other priorities. Many advocates for the continuation of German ODA are beginning to use a new line of argument where development aid is a necessary pillar for a comprehensive understanding of long-term national security.

On a more optimistic note, some <u>officials</u> in the new German government recently expressed their strong commitment to multilateralism and the <u>SDGs</u> at the Hamburg Conference on <u>Sustainability</u>. Pointing to the "end of Western hegemony" and the need for more equal cooperation between North and South, they assumed that with the end of USAID Germany had become the largest individual bilateral donor, implying a new leadership role on its part. The announcement of the creation of a new North-South Commission to develop "new North-South policies adapted to a multipolar world" may be a sign that Germany intends to use this new position to reenergise multilateral institutions rather than a purely national and utilitarian approach.

Regardless of political rhetoric, some <u>analysts</u> note that while national interests have always played a role in German development policy, the 2025 coalition agreement introduces a new approach to those interests, emphasising geopolitical reasons to support strengthening relations with the global South, such as addressing growing rivalry with China and Russia. While significant contributions to international funding for climate change and biodiversity protection, the focus on awarding contracts to German and EU companies is criticised, as is the use of development aid to manage migration. The new government's logic appears, in short, to be much more pragmatic than before.

At the aforementioned <u>Conference for Sustainability</u>, the director of GIZ (the <u>German Development Agency</u>) embraced this pragmatism, stating that the pursuit of national interests is not incompatible with a commitment to value such as sustainability and social justice; and that embracing this shift in narrative is inevitable and healthy. The new German motto seems to be: "This is not aid or charity. This is an investment in our common future".

THE CASE OF THE UNITED KINGDOM: "PARTNERSHIP AND NOT PATERNALISM"

The Government of the United Kingdom, the world's third-largest donor, announced in February 2025 a gradual reduction in its ODA from 0.5% to 0.3% of GDP by 2027. The measure is justified by the need to strengthen defence investment in the face of the Russian threat to European security. In financial terms, this means an <u>annual decrease of approximately £6.1 billion</u>, a drastic cut corresponding to about 40% of the current ODA <u>budget</u>. Although the Prime Minister stated that the country would return to the 0.7% of GDP target as soon as possible, reliable projections indicate that this is unlikely before 2029, especially if the British economy continues to perform poorly.

Keir Starmer <u>believes</u> the <u>United Kingdom</u> is entering an era in which <u>hard power must take precedence</u> – and, for this reason, he has decided to spend on defence and reduce development aid because "the security of our country must always come first".

The cuts in British aid will have significant impacts:

- Lives at risk and disruption to development processes: Save the Children UK <a href="https://nexus.org/nature-na
- *Regional impact*: Sub-Saharan Africa, the Balkans and the Caribbean are regions particularly affected by the suspension of British programmes. The exceptions are priority countries and territories such as Ukraine, Palestine, Sudan, and the British Overseas Territories.
- Cost of refugees as part of ODA: a significant portion of aid continues to be used domestically to finance refugee reception, which has been criticised for distorting the original objective of ODA.

Top United Kingdom aid recipients in 2023

Ukraine	£250M
Ethiopia	£164M
Afghanistan	£115M
Syria	£109M
Yemen	£101M
Nigeria	£100M
Somalia	£98M
Pakistan	£69M
Brazil	£62M
Bangladesh	£58M
South Sudan	£58M
Sudan	£51M
Kenya	£48M
Mozambique	£46M
Saint Helena	£46M
West Bank and Gaza Strip	£42M
Democratic Republic of Congo	£40M
Nepal	£38M
Zimbabwe	£38M
Turkey	£37M

Graph: Alicja Hagopian Source: FCDO

The British decision culminates a trend that has been growing since 2020, when DFID (the British Agency for International Development) merged with the Foreign Office (equivalent to the Ministry of Foreign Affairs), forming the *Foreign, Commonwealth and Development Office* (FCDO). The following year, ODA was reduced from 0.7% to 0.5% of GDP. In recent years, a growing realignment of British aid with national strategic interests has been evident. Countries like <u>China</u> and <u>India</u>, for example, where aid programmes had been eliminated or significantly reduced, were once again considered beneficiaries, while other low-income countries suffered cuts.

Critics of the current decision, including members of the Prime Minister's own Labour Party, warned that the cuts will drastically reduce the United Kingdom's global influence, weakening its presence in international forums and favouring the advancement of rival powers like China and Russia.

The new Development Minister, Jenny Chapman, while acknowledging that the cuts will have a "huge impact" and that public support for international aid is in "absolute crisis", stated that many of the United Kingdom's partners in developing countries also wanted to move beyond this model. The new message is that the country can no longer be seen as a "global charity" and that its action must be refocused on priority areas such as health, the climate crisis, food security and support for Gaza, Ukraine and Sudan, where, according to the Minister, British citizens expect the Government to lead aid efforts. Arguing that the United Kingdom needs to focus more on sharing expertise than providing money, the Minister stated that the country should be an investor in developing countries, not just a donor. This is a "partnership, not paternalism."

Unfortunately, there are signs that this refocusing may involve abandoning or reducing support for other regions and British aid programmes aimed at women and girls' education, which could be a negative influence of American rhetoric against "gender ideology".

4. THE EUROPEAN UNION UNDER PRESSURE

Given the US's withdrawal, <u>some argue</u> that the EU should step into this void. But can it – and, above all, should it – do so?

On the one hand, it is true that if we add the European institutions and their Member States, the European Union is the world's largest donor of development aid, accounting for around 43% of global ODA (OECD, 2025). On its own, it also ranks among the world's largest donors.

But, on the other hand, EU development aid is also under pressure. The approach of negotiations for the new Multiannual Financial Framework (MFF) for 2028–2034 raises questions about the stability and level of ambition of European ODA. With other priorities high on the agenda – such as aid to Ukraine, building a European defence, and increasing competitiveness – aggravated by the threat of a trade war from the USA, the risk of cuts to European development policy is considerable.

Faced with this possibility, European NGDO networks such as <u>CONCORD</u>, <u>VOICE</u> and <u>EPLO</u> are making several appeals to the EU and its member states to maintain the integrity of the policy.

The main recommendations are that the EU strengthen support for Least Developed Countries (LDCs) and fragile and conflict-affected states, and focus on human development, gender equality, climate action, and encouraging civil society participation. They call for a reorientation of the EU's focus to poverty reduction, as established in the Treaties, and for ODA to no longer be used for purposes other than development, such as deterrence and immigration control. They also advocate for the preservation of separate budget lines for development, humanitarian aid, and peacebuilding, avoiding confusion with other budget lines linked to migration, border control, or military expenditure – which could compromise support for the communities most in need.

COHERENCE IN DIFFICULT TIMES

The lack of coherence between the European Union's financial instruments and its various external agendas and priorities is a problem frequently identified by civil society organisations. Currently, one of the <u>main</u> criticisms levelled at European ODA is that it fails to meet the criteria defined by the OECD and, therefore, is inflated and lacks transparency.

In fact, criticism of the EU's lack of policy coherence for development (PCD) is as old as its enshrinement in the founding Treaties. Yet, the European Union is one of the most consistent promoters – if not the main one – of this principle, to the point of giving it a strong dignity and binding nature by enshrining it in Article 208 of the Treaty on the Functioning of the da European Union (TFUE). This commitment to coherence has become even more relevant with the adoption of the 2030 Agenda and the Sustainable Development Goals (SDGs), as PCD is the primary instrument for integrating these objectives into the EU's internal and external policies.

The concepts of Policy Coherence for Development (PCD) and Policy Coherence for Sustainable Development (PCDS), as well as the various challenges to their implementation in the EU and Portugal, are well illustrated in the <u>study</u> presented by FEC and IMVF, as part of the <u>project Coherence – The Axis of Development</u>.

Despite its symbolic and normative value, the effective implementation of PCD is still insufficient. A relevant ex-post <u>assessment study</u>, presented by the European Parliament's evaluation services at the end of 2024 identifies persistent challenges, although it also outlines positive progress in the implementation of the concept of EU policy coherence for development.

The study recognizes progress in the integration of the SDGs into EU policies, as well as a clear political will from all European institutions to promote PCD. However, it notes that this remains poorly operationalised and often ignored in decision-making processes. The study concludes that the EU has the tools and is politically committed to ensuring policy coherence, but that it simultaneously lacks a more coordinated, systematic, and ambitious approach to making PCD a consistent practice. The logic of PCD, which is to ensure that sectoral policies such as trade, migration, and the environment do not undermine development objectives, remains fully valid.

PCD in the EU: critical challenges in the European Parliament's assessment study

Unclear PCD concept – creates difficulties in interpretation and implementation:

Lack of clear indicators to measure the impact of EU action on developing countries;

Poor interinstitutional coordination in the EU and reduced political ownership of the PCD concept in Member States;

Predominance of geopolitical interests in development aid decisions;

Slow, uneven implementation, and focused more on processes than outcomes;

Impact assessments rarely taken into account in political processes; interinstitutional consultation mechanisms without consistent results;

PCD remains necessary as a complement to ODA, as most EU countries still do not reach the 0.7% of GDP target set by the OECD;

Source: European Parliament

CONCEPTUAL INDEFINITION

One of the most important conclusions of this study is that the concept of PCD remains ambiguous and poorly understood, which has led to a dilution of the attention it deserves. There is confusion regarding its characterisation as an objective, a method, or an instrument, and this ambiguity hinders the effective integration of the concept into the policymaking and implementation cycle. Despite being enshrined in the EU Treaties, PCD is often treated merely as a political slogan and is not implemented consistently. Furthermore, frequent contradictions between the EU's declared values and the strategic interests it pursues in practice can undermine its credibility – if the EU wants to be a global leader in sustainable development.

An example of how the lack of definition of the concept of PCD can generate very different interpretations of what constitutes a(n) (in)coherent policy is the European Union's *Global Gateway* strategy. Launched in 2021, it is an instrument that straddles economic diplomacy, development aid, and the projection of geopolitical influence. Its stated objectives are "smart, clean, and secure connections in the digital, energy, and transport sectors, as well as strengthening health, education, and research systems worldwide". Promoting European energy competitiveness and diversification is in line with the EU's intention to establish itself as a reliable partner in financing infrastructure development in countries, especially in the Global South, and ensuring that these are sustainable and of high quality, and "implemented transparently, do not produce unsustainable debt levels, and provide lasting social and economic benefits to local communities". Implicitly, this also aims to curb the influence of Europe's rival powers, namely China and its Belt and Road Initiative.

Presented as being aligned – and therefore consistent with the United Nations 2030 Agenda and its Sustainable Development Goals – the Strategy's financing is a combination of public funds, guarantees and private investment, and projects are structured to attract European private capital and benefit EU companies. Although it uses financial resources from instruments such as NDICI-Global Europe, which is part of EU's external budget and is accounted for as ODA, it does not constitute development aid in the traditional sense, since its focus is on creating investment partnerships.

Ultimately, it reflects the idea that European aid is simultaneously "self-serving" and "generous", as <u>stated by the Director-General for EU Development Policy (DG INTPA)</u> himself – who considers it a false dichotomy to contrast the altruistic dimension of Official Development Assistance with the pursuit of donors' own interests.

Although it has been praised by many and presented by the European Union as a coherent initiative, several <u>NGDOs</u> have criticised it. <u>They denounce</u> the alleged inconsistency between the development objectives outlined in the Strategy and the EU's priority given to business interests and economic objectives, as well as its lack of transparency and limited participation of civil society.

COHERENCE FOR WHOM?

The Global Gateway raises the essential question of what, ultimately, the term "coherence" truly means in European policies. There seems to be no doubt that affirming the coherence of a given initiative with the EU's values and interests also refers to its relevance to other specifically European priorities — such as competitiveness, energy security, and global influence. But how can this be reconciled with the commitments made in the 2030 Agenda and the needs of partner developing countries? Faced with such a contested concept, this reconciliation is as complex as it is necessary.

Today, resolving this dilemma also hinges on answering the question: given the uncertainty surrounding the concept of PCD, should the European Union step into the American void and assume leadership of the global development system?

This is an <u>ongoing debate</u>. <u>Supporters</u> argue that this would strengthen European leadership in strategic regions, allow continued support for millions of people in vulnerable situations, reaffirm European values of human rights, equality, and solidarity, and create a cohesive European front to highlight the impact of EU action in the world and its commitment to its partners in least developed countries. Those <u>who oppose</u> or <u>hesitate</u> point to the limited budgetary capacity of the EU and its Member States, institutional fragmentation and difficulties in internal coordination, the risk of dispersion and resource overload if action is not strategically focused, and the differences between the two cooperation models – American and European – that make direct replacement difficult.

So far, the <u>European Union's message</u> has been that it "cannot fill the gap left by the US, but it will not abandon its commitments."

This seems a sensible position, as before increasing its level of ambition and assuming additional responsibilities, it is important to reflect internally on the current state of its aid mechanisms. The inconsistencies between European trade, migration, and development policies, as well as the unfulfilled promises regarding the goals of the 2030 Agenda for Sustainable Development, are challenges that must first be addressed internally before the EU can credibly make new commitments.

In short, without jeopardising the legitimacy of the EU assuming a leader-ship role in global development assistance, perhaps it is important, rather than seeking to replace USAID, to first reflect on what kind of leadership it intends to exercise and what kind of agenda it intends to promote. Rather than switching places, learn from USAID's lessons on the ground; rather than follow the same steps, rethink priorities, improve the model, and be realistic about the level of funding required.

5. POLICY COHERENCE FOR DEVELOPMENT IN PORTUGAL: PROGRESS AND CHALLENGES

Portugal has made progress in integrating policy coherence for development (PCD) into its strategies and policies, although it continues to allocate only a small portion of the state budget to ODA¹.

The new model for coordinating and monitoring the implementation of the Sustainable Development Goals (SDG), created in 2023, followed in 2024 by the reform of the General Secretariat of the Presidency of the Council of Ministers, and the assignment of coordination duties for the 2030 Agenda to PlanAPP (Center for Planning and Evaluation of Public Policies), are reforms that, from an institutional perspective, allow us to anticipate a more coherent approach to development in the definition and implementation of public policies in Portugal.

According to the Government's institutional information, this new governance model aims to strengthen, on the one hand, the internal coordination structure for the implementation of the 2030 Agenda, and, on the other hand, promote greater involvement and coordination among different actors and sectors, without prejudice to the specific responsibilities of each government department. Thus, although coordination and monitoring of the 2030 Agenda will now be internally centred on the member of the Government responsible for the Presidency of the Council of Ministers, the Ministry of Foreign Affairs' responsibilities in the external and cooperation areas, as well as those of the other government departments within their sectoral scope, remain.

Given the very recent nature of these changes, and the succession of elections and governments in a short period of time, it is still too early to make a rigorous assessment of their implementation and, therefore, their effectiveness. A worrying sign is the virtually complete absence of reference to the SDGs in the new Government's programme.

Notwithstanding this, there are some positive signs that the PCD component is beginning to be more adequately taken into account in public policy formulation:

a) Integration of the SDGs into the State Budget: a chapter dedicated to the SDGs was included for the first time in the 2024 and 2025 State Budgets. According to information from PlANAPP, which played a central role in structuring this assessment instrument, total expenditure impacting the SDGs increased by 8.1% compared to the 2024 State Budget. The 2025 State Budget's expenditure allocation structure regarding the SDGs is similar to the previous year. The largest financial effort continues to be concentrated on SDG 3 (Quality Health) and SDG 4 (Quality Education), both representing 43% of total budget expenditure (Đ65 MM) – which signals a certain imbalance compared to the SDGs that Portugal has indicated as priority implementation for the country²;

¹ Portugal significantly increased its ODA in 2024, growing 21.3% compared to the previous year. ODA still represents only 0.24% of its GDP, far from the target set by the OECD (OECD, 2025).

 $^{^2}$ For an analysis of the SDGs' progress in Portugal, see: https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine_publicacoes&PUBLICACOESpub_boui=66324353&PUBLICACOESmodo=2&xlang=pt.

- b) Coordination of policy measures in the Main Plan Options (GO 2024-2028) with the Sustainable Development Goals: although there is room for improvement, this approach introduces positive systemic coherence, extending beyond the cooperation sector and involving other ministries in the articulation of strategic goals, progress indicators and planning instruments in sectors such as research and development, climate strategies and social inclusion.
- c) The Roadmap for Sustainable Development 2030 (RNDS2030), currently being prepared by the Government, provides for improved monitoring and evaluation of the SDGs to adapt them to the national context: drawing lessons learned from the previous Roadmap, it sets the following objectives: promoting the creation of a "political ecosystem for Sustainable Development" to be implemented by 2026 (with a view to a review in 2027); institutionalising the 2030 Agenda in the actions of public authorities; implementing mechanisms and tools that promote coherence and convergence with the sustainable development objectives throughout the public policy cycle; and increasing public ownership and knowledge of the 2030 Agenda. Despite these positive intentions, the definition of common objectives remain very general, running the risk of not translating into tangible changes. Furthermore, the involvement of national NGDOs is limited, which reduces the legitimacy and implementation potential of the Roadmap. In addition, the Roadmap's setting of objectives does not sufficiently express the eternal dimension of the impact of implementing the 2030 Agenda at the national level, which limits the coherence of its outcomes.

Despite these advances, Portugal continues to face several challenges in implementing PCD. The most persistent are the limited resources allocated to Portuguese Cooperation and the traditional institutional fragmentation (common to the entire Public Administration), which hinders its coordination³. Another difficulty is the lack of a unified budget for national development aid. Cooperation programmes are scattered across several ministries and public entities, which hinders a coherent articulation between the strategic priorities of Portuguese cooperation and the action of sectoral ministries, sometimes leading to overlap and duplication of efforts. Another obstacle to policy coherence in Portugal is the lack or scarcity of effective mechanisms for monitoring and evaluating the external impacts of national policies on the development of third countries potentially affected by these policies. Finally, although Portuguese external action gives significant prominence to Portuguese cooperation in its strategic documents and political and diplomatic discourse, successive State Budgets have not reflected this importance. The pillar of cooperation has been relegated to a subordinate position in Portugal's foreign policy, which undermines the coherence of development policies.

PERSISTENT CHALLENGES

³ For a detailed analysis of PCD in Portugal, see "<u>Policy Coherence for Development – Roadmap</u> for Action", pages 20-28.

THE KNOWLEDGE CHALLENGE

These challenges are compounded by the relative lack of awareness of the concept of PCD among citizens – and even among those implementing public policies – as identified in the aforementioned assessment study.

Portugal is no exception. A <u>survey presented by FEC and IMVF</u> in May revealed that 55% of Portuguese citizens had never heard of PCD. This is problematic because the less public scrutiny there is, the less demand policymakers will feel to align public policies with the objectives of Portuguese Cooperation and sustainable development. The lack of citizen voice on this issue not only reduces political accountability but also facilitates sectoral and corporative interests to override the collective interest that underpins development cooperation.

Ignorance of the concept of PCD does not mean that the Portuguese do not support a strong Portuguese cooperation policy. On the contrary, 54% consider it important for Portugal to provide financial and technological support to developing countries, and this support is even greater for countries experiencing humanitarian emergencies (55%), Portuguese-speaking countries facing or at risk of military conflict (61%), and countries experiencing extreme poverty (66%). A significant majority (83%) believes that the world will need more international cooperation, particularly to promote peace, combat poverty and hunger, and promote public health.

In the campaign for the recent legislative elections of 18 May 2025, this widespread support from the Portuguese people for a development cooperation policy was echoed in most of the candidate political parties' electoral programmes. Virtually all parties elected to Parliament included concrete proposals to strengthen Portuguese cooperation in their programmes (with the exception of CHEGA and Iniciativa Liberal, which did not propose clear measures in this area). Almost all advocate increasing the budget allocation for ODA to meet the OECD target of 0.7% of GDP.

PORTUGUESE CONCERNS

However, a closer look at the survey data also reveals that, in some areas considered essential to their lives, the Portuguese understand that the national interest should prevail over support for other countries. For example, in crisis scenarios, the majority of those who expressed an opinion (31% did not) accept that defence should be prioritised: 40% argue that, if necessary, national security interests should prevail over development cooperation, and only 23% disagree with the idea that, in this scenario, Portugal should stop meeting international goals and commitments on poverty eradication and invest more in defence. Regarding trade, although 58% agree that Portugal should take measures to prevent agricultural exports from harming the economies of developing countries, they also argue that these measures should not harm national agriculture, and only 23% unconditionally support this priority.

In other areas, respondents express support for increased aid, but with conditions linked to domestic interests. For example, 61% support increased aid to Portuguese-speaking countries in conflict, but preferably on a humanitarian level rather than through a Portuguese military presence in those countries (only 14% favour this option). Although the majority of Portuguese people value financial and technological support for developing countries (54%), 35% argue that such support should depend on the country's internal economic and social conditions and the expected return for Portugal, while 10% believe that the country should resolve its own problems before helping others.

Concern about monitoring and effective use of aid is notable among respondents. 68% of Portuguese people support debt forgiveness for poor countries, but only if there are clear commitments to allocate resources to education, health, and infrastructure. Similarly, 51% support increased support for countries most affected by climate change, but only if there are clear goals, verified results, and a guarantee of effectiveness.

In a statement that underscores the solidarity of the Portuguese people and the importance they place on fighting hunger and poverty, 51% of respondents support agricultural policies that protect the nutrition of people in the poorest countries, **even if this implies an increase in food prices in Portugal**.

IMPLICATIONS FOR PCD

The clear support of Portuguese citizens for a development aid policy, coupled with their relative lack of knowledge about the concept of PCD, may mean that their voices are not being adequately considered in the ongoing debate about the future of the global cooperation system.

This is a critical point, as it not only reduces the diversity of perspectives in this debate but also weakens civil society's ability to influence political decisions that affect that system. If politicians do not feel and hear the support of ordinary people for this policy, they may assume it does not exist, making development cooperation an easy target for budget cuts. In the absence of a clear mobilisation of the public in support of foreign aid, there is a risk that the ideological instrumentalization of development that is occurring in other countries will also occur in Portugal – and that policies that contradict the Sustainable Development Goals may be implemented unchallenged.

The data revealed in the survey must therefore be taken into account in the process of formulating coherent policies across all sectoral areas. The new Government and political parties must ensure high levels of ODA to support programs that, without deviating from the needs of partner countries and the principles of solidarity and global justice, also respond to the concerns of Portuguese citizens.

Support for outreach and awareness campaigns is also necessary to fill a gap in Portuguese society's knowledge of this topic at this vital time for the future of global development.

A coherent national policy for ocean sustainability

Although the oceans cover two-thirds of our planet's surface and their protection is a global public good – with more than 3 billion people depending on them for their livelihoods - ODA to support a sustainable ocean economy represents only a fraction of global ODA (1.6%). This is an inconsistency that Portugal can help combat. According to an OECD study, Portugal can strengthen the coherence of its policies to strategically contribute to promoting SDG 14 "Life Below Water" with measures to unlock synergies between sustainable blue growth, decarbonisation, and the digitalisation of the oceans. The study offers a roadmap for transforming the maritime sector in Portugal, analysing how our country can strengthen policy coherence, governance, and resource allocation to promote a resilient blue economy. Considering that one of the most relevant findings of the FEC/IMVF survey is the strong environmental awareness of the Portuguese, combined with security concerns, this dynamic can be leveraged by policymakers to further integrate sectoral policies, combining the fight against climate change in the oceans, the promotion of the blue economy, and maritime security into an ambitious and coherent maritime policy. In this latter dimension, Portugal can lead maritime security cooperation initiatives in the South Atlantic that simultaneously protect European trade routes and combat threats that hinder the development of coastal African countries. Combating piracy, drug trafficking, and illegal fishing in the seas off West Africa serves Portuguese and European security interests but also protects economic resources in the affected African countries that are vital to the lives of people and local communities.

One challenge is ensuring that the development and security components are balanced, maintaining a focus on protecting and improving the living conditions of local populations, in line with SDG 16 "Peace, Justice and Strong Institutions", which has as its targets, *inter alia*, combating organised crime and protecting people's security.

The coherence of <u>Portuguese Cooperation in the Defence Field</u> (CDF)

Considering that the survey conducted by the FEC/IMVF highlighted not only the importance the Portuguese attach to their security and defence, but also specifically to military cooperation with Portuguese-speaking countries, it is worth highlighting the CDF with the PALOP and East Timor as an interesting example – although traditionally undervalued by NGDO's - of how security policies can be coherently aligned with sustainable development goals. The main general objective of this type of technical-military cooperation is to contribute to international peace and security, while also highlighting Portugal's role as a security producer and strengthening relations with CPLP partner countries. The various framework programmes cover training activities in Portugal and partner countries, aspects related to maritime security, the creation of conditions for the joint participation of the Portuguese Armed Forces and partners in United Nations peacekeeping and humanitarian missions, and the implementation of the Sustainable Development Goals, namely SDG 16 "Peace, Justice and Strong Institutions", and United Nations Security Resolution 1325 on Women, Peace and Security. The programmes are flexible and often designed to strengthened defence capabilities that also serve civilian objectives, such as emergency military support in natural disasters, strengthening maritime surveillance capabilities to combat illegal fishing or international drug trafficking, or military engineering programmes focused on infrastructure that meets the needs of the population.

In the case of Cape Verde, for example, the cooperation on maritime surveillance and security provided for in the <u>Framework Programme</u> ensures several objectives that are consistent with the SDGs and simultaneously pursue strategic interests in both countries: by protecting citizens against illegal fishing and organised crime at sea, it meets the security objectives of the population, but also regional security in the broader maritime space; it allows for the safeguarding of fishing resources that are vital for families and the sustainable economic development of the country; and it allows Cape Verde to present itself as a credible strategic partner and producer of security in the Atlantic and, therefore, affirms its strategic and geopolitical relevance not only in Africa, but also as a partner of Portugal and the European Union.

6. COHERENCE: NEITHER A SLOGAN, NOR A CURE

For several years now, the emergence of new global donors that allegedly do not impose conditionalities on their aid, such as China and India, has sparked intense debate about the exhaustion of the so-called "Western" model of development cooperation.

According to critics of this model, the words commonly used in cooperation discourse, such as "partnership," "local ownership," and "solidarity," have become empty formulas, disconnected from realities on the ground.

Criticism exists on both the left and right of the ideological spectrum. Further to the left, criticism is levelled at the model's hostage to migration control objectives or corporate interests; further to the right, criticism is levelled at the excessive focus on gender issues and so-called "woke" agendas, or at the persistent support for governments repeatedly critical of European or North American countries and values, yet comfortably relying on their aid, which they take for granted. The arguments range from accusations of colonialism and racism (usually directed at large Western donors), concerns about the level of competition and lack of regulatory commitment among new donors from the global South, allegations that the current system perpetuates cycles of dependency, or concerns about the alleged inability of some donors to derive geostrategic benefits from their aid. Other criticisms target the limited democratic debate surrounding the amount and rationale behind national development budgets, especially in the countries where they are most significant.

One of the most repeated criticisms of the system is its alleged ineffectiveness – among other reasons, due to the proliferation of often duplicated and redundant programmes and projects on the ground, with little evident results and impact. In a case that drew international attention, in September 2024, Papua New Guinea's Minister of National Planning publicly called for greater coherence and value-added benefits from Australia's assistance programme (over US\$ 433 million). Ironically calling it "boomerang aid", the Minister criticised the dispersion of Australian ODA and the large amount allocated to consultants and service providers, to the detriment of supporting the neediest populations in its country.

Recently, the OECD considered reforming the system essential and has presented <u>several proposals</u> to make it more rational and effective. A similar reflection is also taking place in developing countries, even more intensively since the end of USAID. In Africa, for example, <u>it is argued</u> that the current crisis should be seen as an opportunity to make profound changes and overcome an aid model that, without prejudice to the progress and benefits it has brought to millions of people, by perpetuating the continent's dependence on foreign aid, ends up delaying its sustainable development.

COHERENCE IS THE BEGINNING, NOT THE END

With just a few years to go before the deadline for implementing the 2030 Agenda, there are signs that progress toward achieving the SDGs has been limited, particularly regarding SDG 10 "Reduce inequalities within and among countries". Some analysts are beginning to question the usefulness of the very concept of "coherence" in achieving this fundamental objective. The truth is that the introduction of the SDGs led PCD to evolve over time toward a broader focus on Policy Coherence for Sustainable Development (PCSD), and while this has broadened the scope of the concept to include domestic policies, it has also negatively reduced attention to the external impact of policies. Those who do not doubt that coherence is an appropriate method nevertheless argue for the urgent need to improve the implementation of coherent policies. The OECD, for its part, is clear in stating that, at this crucial stage, scattered and merely gradual changes will not be sufficient to accelerate SDG achievement.

<u>In a major assessment conducted in 2024</u>, the OECD highlighted the following challenges to the implementation of its Recommendations on PCSD:

- 1. Lack of tools, reliable data, and concrete information to assess the external or global impacts of national policies;
- 2. Insufficient technical capacity on the topic in public administration;
- 3. Poor viability of PCSD measures;
- 4. Insufficient political commitment to PCSD at the highest levels of government;
- 5. Unclear assignment of roles and responsibilities to promote, oversee, and implement PCSD in public administration;
- 6. Other challenges identified, although by fewer countries: funding shortages; lack of a clear definition of priority areas, time-bound actions,

or key performance indicators to assess progress made on PCSD; difficulty in clearly communicating the benefits of PCSD within government; lack of long-term measures to ensure sustained commitment to PCSD beyond electoral cycles; and unfavourable legal and political frameworks.

PCD IS NOT A CURE FOR ALL ILLNESSES

In addition to these challenges, some <u>academic studies</u> have shown that PCSD is not a panacea for achieving all the targets of all the SDGs. While not disputing that coherent policymaking can help governments achieve some of the SDGs, the findings of some research challenge the narrative that coherence is a necessary precondition for SDG progress for everyone, and that it is a tool capable – on its own – of ensuring that the goal of "leaving no one behind" is achieved. While it is true, as this line of research argues, that coherence can help decision-makers minimise the negative consequences of trade-offs inherent in policy choices, the technical approaches recommended for implementing PCD to align content or improve coordination between policies do not necessarily address – or resolve – the policy challenges that underlie inequalities within and between countries. A key challenge rarely addressed is that there may be tensions and even contradictions between some of these different SDGs in a given political context.

Ultimately, reducing inequality is a political act requiring – more than technocratic solutions – political will, political risk-taking, and often difficult options.

So, given these challenges, does it still make sense to insist on coherence? Is achieving policy coherence for development still possible – and desirable? Can we risk having inconsistent policies?

PCD AS AN INSTRUMENT FOR EFFECTIVE INFLUENCE

Our argument is that yes, coherence makes sense. Not as an end in itself, but as a principle or flexible guidance for action, as long as it is not taken to ideal extremes impossible to achieve in real politics.

Policy coherence for development must be an instrument for asserting the importance of value-based soft power in external action. By requiring that all policies — trade, migration, climate, security, and food sovereignty — be aligned with sustainable development goals and not contradict development efforts, PCD can, if used well, contribute to strengthening the international credibility of a country, such as Portugal, or an organisation, such as the European Union. A country that projects an image of responsibility, solidarity, and consistency strengthens the perception that it is a reliable and principled partner – which fuels its influence, its soft power. To use Joseph S. Nye's definition (2004), it allows the EU to "influence others through attraction rather than coertion".

This role is particularly suited to the European Union, which has an opportunity in this crisis to lead differently – by building influence through equitable cooperation networks with countries and regional organisations in the regions where it provides aid.

Furthermore, in a context of global competition in which the EU's hard power – its coercive power – is limited, adopting coherent European policies does not exclude dialogue with opponents, within certain limits and when necessary to achieve sustainable development commitments.

A NEW NARRATIVE FOR EUROPEAN NDGOs

The ongoing changes are not solely the result of the current political climate, although this has accelerated and accentuated them. The perception of foreign aid as the "poor relation" of public policies is not new.

However, the crisis is not existential. If development sector organisations to remain relevant in this new conversation, NGDOs need to reformulate their arguments and narratives to engage with decision-makers and communicate with the public. Recognising, for example, that diverting ODA resources to defence may be rational in the short term, given immediate geopolitical threats, but that it would make no sense for this to compromise the conflict prevention dimension, which is at the core of the PCD's understanding of security. In the specific case of Europe, if Russia is a threat to European security, then European donors cannot fail to continue investing – and increasingly so – in the development of neighbouring countries, particularly in Africa, vulnerable to Russian influence that has visibly intensified on this continent. Divesting from these countries would jeopardise Europe's own security and neglect the structural causes of insecurity.

In the increasingly security-conscious context in which we live, the core ideas of PCD – such as that global stability begins with human development in vulnerable countries – remain absolutely relevant.

In conclusion, given the withdrawal of major donors, we must not give up on coherence. On the contrary, this becomes all the more important the lower the funding available, understood as ensuring that the results of scarcer aid are not offset by contradictory policies. Greater coherence should mean maximising resources and reducing duplication; fostering synergies between different policy areas increases efficiency.

We cannot risk inconsistency when Development is at risk. The US leadership has clearly chosen to destroy the existing model without a clear alternative, rather than improve it. Is this option a global consensus? Is the concept of *development aid* still valid or outdated? What should be the realistic objectives of future cooperation at the global level?

7. CONCLUSION A NEW UNDERSTANDING FOR A CHANGING WORLD

Recognising that the current model is in crisis and in need of reform does not mean abruptly destroying it or questioning its founding values but rather rethinking it with lucidity and pragmatism. The decision to dismantle US foreign aid generated a very negative international reaction, a clear sign that there is no consensus among donors to simply destroy the system or replace it with a purely utilitarian logic.

The reason for this is easy to understand: for all its limitations, the so-called Western development aid model saved millions of lives over decades, reduced poverty and disease, expanded access to education, and created opportunities for a more dignified life for countless people.

In 2024 alone, several donors raised, for example, <u>US\$800 million in humanitarian aid to Lebanon at the Paris Conference</u>, notably the contributions from Germany and France. Last year, Europeans and North Americans continued to donate several billion dollars in aid to Ukraine, and sent large volumes of humanitarian aid to civilians in Gaza, which, unfortunately, did not always reach its destination. Also in 2024, with the help of the World Health Organisation, seven countries managed to eliminate several tropical diseases, and Gavi (the Vaccine Alliance) received US\$ 8.8 billion to immunise 300 million children.

REFORM IS NECESSARY

Despite this progress, there is a consensus on the need to reform the model. Analysts and development stakeholders <u>are divided</u> between gradual reforms – modernising the system within existing structures –, or more radical and transformative reforms, which imply a paradigm shift to a model of "partnership" or "results-oriented investments". As we have seen, the latter appears to be the preferred option for more and more European governments. Within this new rationale, an interesting proposal is, for example, the creation of a DAC+ (a new hybrid committee composed of states, civil society, private sector and emerging countries, reflecting the transition from a North-South axis to truly multilateral cooperation) (Cattaneo, 2025).

What also seems to be consensual is the need to clarify and, perhaps, refine the objectives that govern ODA, rebalancing its <u>original mission of poverty reduction</u> with other global challenges, such as climate change. When it comes to financing global public goods, however, opinions are divided. On one side, those who argue that ODA should focus primarily on supporting the poorest and relegate contributions to these types of public goods to the background; on the other side, those who see public health and combating climate change as essential goals of ODA, and propose a unified institutional and financial framework that combines these different types of financing and development aid.

LESSONS FROM THE END OF USAID: TURNING CRISIS INTO OPPORTUNITY

Beyond this debate, the dismantling of USAID has forced a necessary discussion about how to build <u>transition strategies</u> led locally by aid recipients. It is crucial to plan strategies to deal with the potential abrupt withdrawal of other major donors and ensure sustainable ownership of aid outcomes. Despite the immediate effects, which are disastrous in some regions of the world, from a more optimistic perspective, the collapse of US aid could encourage new ideas and the reform of traditional models.

Some suggest that this crisis is an opportunity to reduce developing countries' dependence on external financing. This may involve reducing the costs of capital for these countries, but above all, by ensuring that aid complements, and does not replace, public health, justice or education systems. Often, the provision of public services is outsourced to NGOs instead of truly strengthening the capacity of these services, which perpetuates dependence. Nigeria, for example, announced that it will absorb 28,000 health professionals previously paid by USAID into its national health system, using internal resources, demonstrating that self-sufficiency is possible with planning and a focus on internal capacities. Although the transition to autonomy varies depending on country conditions, the Nigerian case teaches that successful development aid transition strategies require advance preparation, mobilisation of internal resources, diversification of funding sources by recipient countries, and stronger international partnerships to mitigate the negative effects of sudden funding losses.

CONSENSUAL TRENDS AND CRITICAL AREAS

Whatever the path forward, it is important to begin by recognising lessons learned and identifying consensus, and from this basis, devise a constructive response:

- 1. It seems to be consensual that **development policy does not exist in a vacuum**, as the OECD points out (<u>OECD</u>, <u>2023</u>). Policymakers must manage and balance **domestic interests that often compete with duties and commitments made at the international level**. Recognising this means accepting as ethically defensible that the foreign aid model can also generate benefits for societies in donor countries. In times of economic uncertainty, this is even crucial to ensure national citizens' support for strengthening Official Development Assistance.
- 2. ODA's **original core mission of fighting poverty is being diluted by new global needs**, such as the climate crisis, humanitarian crises and global health crises. A consensus must be reached on **what ODA's core mission truly is** and its focus must be on that mission. The current coexistenceoffourmajorrationalesforimplementingODA-povertyreduction, humanitarian aid, refugee support, and global public goods is pulling it in different directions that are sometimes contradictory and, almost always, generate some dispersion and competition for resources (it is also possible to argue that these four objectives will have to coexist).
- 3. The **fragmentation and reduction of development financing are undermining its effectiveness**. The donors remaining after the US withdrawal, including multilateral organisations, must find new ways to maximise the impact of existing resources, which are now much smaller.

- 4. The current **development governance architecture is inconsistent**, combining institutions with variable representation and mandates, not always with the power to make changes, and which address closely interconnected realities, such as trade, investment, aid, taxes and public debt, in a fragmented manner (Moreira da Silva, 2025).
- 5. Many developing countries face **unsustainable debt levels** that prevent their development and, therefore, require a review of global financing rules.
- 6. **Very important sources of development**, such as **remittances** sent by immigrants to their families, have **high transaction costs**, which reduce their potential. In 2024, <u>remittances are estimated to have increased to US\$ 905 trillion and continued to exceed Foreign Direct Investment</u> (FDI), but still have an average global cost of 6.4%.
- 7. Experience on the ground teaches that **there are no universal solutions or definitive formulas** for solving development problems, which vary from country to country, and that we should be sceptical about the ability to **transform societies from the outside** and impose "ideal" institutional or cultural models. Priorities must be refocused and concentrate on what is **feasible and a priority**.

- 8. The diversion of ODA resources to defence investment is a fact in an increasing number of countries and it must be addressed lucidly. While it is true that this shift reflects a more security-oriented and, therefore, less transformative vision of international cooperation, it is also true that it is supported by the majority of citizens. If well applied, policy coherence for development can contribute to shaping this vision, ensuring that the various relevant foreign policy– such as diplomacy, trade, cooperation and defence and domestic policy instruments are seen as complementary in promoting security understood in a broad and holistic sense, and maintain the space open for preventive approaches and support for civilian populations.
- 9. **ODA** is politically fragile, as despite the silent support of most citizens, there is no organised public pressure to defend it. Its main beneficiaries are citizens of other countries, who have no voice in donor countries. This was particularly evident in the USAID closure process.

TOWARDS A PRAGMATIC IDEALISM

Taking into account the foregoing conclusions, the proposal for a new, coherent paradigm for the pursuit of sustainable development implies:

- A more political and less technical PCD: to be effective, PCD must cease to be a bureaucratic slogan and become a political, ethical, and operational instrument for responsible global governance, at a time when the world's largest donors are reducing their investment.
- A more pragmatic idealism: the withdrawal of major donors challenges us to act immediately to at least seek to safeguard the current level of ODA in Europe. The supposed dilemma between national interests and global values is artificial and futile - countries can choose both. It is necessary to reconcile the narrative of interests and values, which are not necessarily opposed, and find a balance. Donors' own interests are legitimate, as long as they reflect collective national interests and do not contradict fundamental values related to the rule of law and human rights, which should always guide the external actions of democratic countries. While there may be concessions and trade-offs in international relations, the risk of a purely transactional approach to foreign policy, such as that of the current US administration, makes it urgent to formulate an alternative narrative: a) the narrative of the strategic relevance of global solidarity, as an expression of values and as a rational and effective investment in global stability, peach and prosperity; b) the narrative that ODA represents a tiny fraction of national budgets but has a real impact on the daily lives of millions of people, with unequivocal potential to achieve global peace and stability; c) the narrative that the national interests of donors and developing countries are not incompatible, and that there is room for reconciliation, which must be sought.

• **Combat apathy**: the challenge lies not only in the opposition of certain political forces to development cooperation, <u>but also in the public invisibility of its benefits</u>, and the apathy of its supporters. It is urgent that civil society organisations mobilise this latent support, making it visible and politically relevant, to ensure continuity and strengthening of ODA in the current context of uncertainty.

8. RECOMMENDATIONS

To the Portuguese government:

- 1. In the 2026 State Budget, increase the budget allocation for Official Development Assistance with the aim of meeting the 0.7% target, in line with Portugal's international commitment; reinforce, within this allocation, the amount allocated to Portuguese NGDOs; and, as provided for in the Portuguese Cooperation Strategy 2030, use ODA as a catalyst to raise additional financial flows which complement, not replace the necessary reinforcement of Portuguese ODA.
- 2. Clearly align the ten priority policy axes of the new government's programme with the 2030 Agenda and the SDGs: this alignment is not clear in the programme, which contains only one and occasional reference to the SDGs. Coherence must be ensured not only in the formulation of all the new government's policies, but also in the assessment of their impact on developing countries, where applicable, ensuring that they do not jeopardise the sustainable development and Portuguese cooperation objectives. The "coherence for development" component must be clearly identified in each national policy and guide their formulation and implementation.
- 3. Ensure compliance with the objective "Implement a culture of systematic assessment of public policies, based on data and evidence", contained in the government programme, systematically assessing the external impacts of national policies in developing countries, based on sustainable development objectives and indicators, in line with the recommendations of the OECD and the European Union; publicly disseminate these impact assessment reports, which must be presented by sectoral ministers at parliamentary hearings at the Portuguese Parliament, and discussed with civil society organisations in consultative and follow-up meetings.

- 4. Ensure that **PCD** is taken into account in policymaking in areas relevant to the Portuguese people and with potential impact on the development of other countries, namely:
 - **a) Migration:** commit to genuine cooperation with countries of origin, developing migration and development agreements that encourage circular migration, reduce the cost of remittances sent by immigrants to their families, and promote job creation and the flow of investment between Portugal and their countries of origin; avoid purely restrictive policies, instead strengthening integration and training opportunities for migrants in Portugal;
- **b) Trade and finance**: define national policies and contribute to European policies that promote the economic autonomy of lower-income countries, namely by providing alternatives to the Chineses credit model, such as <u>financial support</u> with favourable and fair conditions to leverage national investments in essential infrastructure, and support for reforms that promote macroeconomic stability, budgetary balance, and the efficiency of tax systems; ensure that national and European rules protecting human, social, and environmental rights are upheld throughout the value chain of products and services imported/produced in Portugal and exported to developing countries;

- c) Environment and climate change: promote ambitious but sustainable energy transition policies, with increasing investment in renewable energy and a more coherent focus on the sea; ensure that public policies for the sea, in their various dimensions economic, environmental, scientific research and security (among others) are mutually consistent and duly aligned with sustainable development objectives, so that they can benefit the economic development of our Cooperation partners and mitigate the impact of climate change on their territories, particularly those located in the Atlantic; participate in global efforts to eliminate public financial support for national or international projects that jeopardise the environmental goals established in the multilateral instruments to which Portugal has signed;
- **d) Food security**: continue to promote the goal of adequate food globally and pay particular attention to the nutritional needs of the poorest countries, with policies aimed at empowering Portuguese Cooperation partners to stimulate their agricultural productivity within the framework of sustainable practices and in compliance with the planet's production limits and biodiversity conservation;
- e) Security-Development: promote better coordination between national defence policy and development cooperation policy, not only to align the two with the CDF (cooperation in the domain of defence with Portuguese Cooperation partner countries, namely the African countries of the CPLP and East Timor), but also to ensure that the increased defence investment announced by the Prime Minister for this year to meet the 2% of GDP target: a) respects the principles of PCD; b) emphasises the objective of conflict prevention, protection of the rule of law, and protection of the populations in other CDF partner countries; c) clearly contributes to the targets of SDG 16 for sustainable peace, and to United Nations Resolution 1325 on Women, Peace and Security.
- 5. Respond with concrete measures to the challenge, persistent for decade in Portugal, of improving coordination of development cooperation policy among sectoral ministries, public bodies and agencies, and between the national and local levels; continue strengthening, at the level of the new General Secretariat of the Government, the role and capacity of PLANAPP in monitoring the implementation of the SDGs in public policies; at the level of the Presidency of the Council of Ministers, promote regular discussions with ministerial officials and their offices on how to legislate more coherently within the Government; improve the role of the Presidency of the Council of Ministers in verifying, during the legislative process, the integration of PCD into different sectoral policies and their potential impact on developing countries; review the Regulation of the Interministerial Commission for Cooperation, as provided for in the government programme, integrating PCD methods and tools into its operations, and including the topic of coherence as a permanent item on the meeting agenda; prioritise multi-stakeholder coordination, starting with NGDOs, improving the governance and operating model of the Development Cooperation Forum where they are represented, as provided for in the Portuguese Cooperation Strategy 2030;
- 6. Coherently implement the national development cooperation architecture with the aim of increasing its effectiveness and improving the results of Portuguese Cooperation, generating mutual benefits for the Portuguese people and the citizens of partner countries. Regarding private sector involvement which cannot replace ODA frame its intervention, as provided for in the 2030 Cooperation Strategy, within the principles of responsible business conduct and in accordance with international guidelines for environmental and social responsibility, and respect for human rights (including EU legal provisions on due diligence), as well as the Kampala Principles on effective private sector involvement in development cooperation with regard to cooperation partnerships;

- 7. Learning lessons from the closure of USAID, define **planned transition strategies** with Portuguese cooperation partners, with phased timeframes and instruments to assess the country's preparedness for the transition, which should be included in framework programmes and bilateral cooperation agreements;
- 8. Strengthen Portugal's leading role in the CPLP multilateral space, particularly with African subregional organisations of which the CPLP African countries are members, such as SADC and ECOWAS, or ASEAN, which East Timor may soon join, with the aim of leveraging national ODA through partnerships and projects with these organisations; adopt proactive action in bilateral and EU donor coordination mechanisms and platforms in CPLP countries, and strengthen ties with EU delegations in these countries. Strengthen cooperation with CPLP countries in strategic areas where Portugal has a comparative advantage, such as education, health, public sector institutional capacity building, and security (in terms of conflict prevention and peacekeeping); use trilateral cooperation with other EU countries to maximise cooperation with CPLP countries;
- 9. Strengthen the **national and international visibility of Portuguese co- ordination** in national and multilateral forums, through public communication and success stories: base these stories on an appealing combination of coherence and outcomes, both for partner countries and national citizens; in public discussion of government policies, promote the idea of their coherence for development by explaining in simple terms how national decisions and policies on trade and finance, food security, migration, climate change and security positively impact developing countries, particularly the Portuguese Cooperation partner countries. Strengthen public funding for Development Education projects and campaigns as an essential tool for implementing this objective;

To civil society development organisations (NGDOs):

- 10. **Make Development more visible and politically relevant**: mobilise citizens to pressure policymakers to make coherent development decisions, including by explaining how they can petition the Government and the Parliament; make the positive impacts of Portuguese ODA more visible by regularly providing facts and figures and sharing real stories; create narratives that highlight the costs of incoherent policies, both for Portugal and its cooperation partners; continue developing Development Education campaigns on priority issues of PCD and their importance in the current context of uncertainty;
- 11. **Recognise that policy coherence is a political, not a technical, decision**: recognise the influence of sectoral interests and power dynamics in defining public policies and aligning priorities; participate in the political debate on the topic, arguing in favour of prioritising Development as a policy that also pursues national interests; participate in monitoring coherence in the development of public policies, particularly by conducting independent assessments of policies with potentially greater external impact, in partnership with universities and evaluation entities; promote dialogue between citizens and political actors at the level of the national Parliament, central government, local authorities and public bodies –, civil society organisations, academia, the private sector and other stakeholders interested in promoting Global Development;
- 12. **Prepare for possible cuts in ODA in the coming years**: anticipate and plan alternatives, diversifying funding sources, and creating alternatives to public funding for their projects;
- 13. Propose projects for funding to public funders that **demonstrate mutual benefits and impact** in partner countries, Portugal and the EU;

To Portuguese political representatives in the EU:

- 14. **Clarify the concept of PCD in EU documents and strategies** to facilitate its understanding and implementation in the public policies of Member States;
- 15. **More systematically use "Tool #35"** from the <u>European Commission ToolBox</u>, which specifically assesses policy impacts in developing countries, to assess the impact of European policies;
- 16. Integrate the concerns of NGDOs into the future review of EU development policy instruments, such as the <u>Global Gateway strategy</u>, and the <u>Team Europe</u> model [which brings together the European Commission, EU Member States and their agencies and development banks, the European Investment Bank (EIB), and the European Bank for Reconstruction and Development (EBRD)];
- 17. **Strengthen the role of EU delegations in third countries**, involving them in impact assessments and information sharing for a more complete and realistic understanding of results on the ground;

18. Given the emergence of new donors that do not impose conditions in their aid agreements, develop diplomatic efforts to ensure that, like the EU, they include conditions related to international law and human rights as provided for in the United Nations documents they have signed and ratified. Recognising that democracy cannot be imposed from the outside, ceasing to uphold human rights and international law criteria in EU development aid would compromise tis credibility, values and coherence.

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The White House: https://www.whitehouse.gov/

The America First Agenda: https://agenda.americafirstpolicy.com/

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OTHER USEFUL LINKS

CONCORD: https://concordeurope.org/core-priorities/policy-coherence-

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OCDE: https://www.oecd.org/governance/pcsd/

PCD Portal: www.corencia.pt

Portugal: https://ptsustentavel.gov.pt/

European Union: https://international-partnerships.ec.europa.eu/policies/european-development-policy/policy-coherence-development_en

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