

# *Policy Management Brief*

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## ***Improving Coherence: Challenges for European Development Cooperation***

Since the conclusion of the Maastricht Treaty, coherence of EU action has become a fundamental principle which is expected to guide all European policies that affect developing countries. Coherence has become a priority for development-minded actors such as the NGOs who are scrutinising policies, like the Common Agricultural Policy (CAP) or fisheries policy, to make sure that development priorities are not compromised.

This quest for coherence is not easy. The EU has to accommodate many diverse and legitimate sectoral and national interests. Its decision-making system is moreover complex and involves the various institutions of the EU through a variety of ways. This diversity in decision-making filters through to the level of implementation so that existing information and machinery for concerted action, vital to achieve a degree of coherence, are frequently inadequate. Finally, as in the Member States, development cooperation is a "soft" policy with a relatively weak constituency and little bargaining power. Thus, after five years, the coherence "balance sheet" shows generally poor results and occasional successes.

Despite the difficulties, coherence is still a major concern for the EU, its Member States, NGOs, public opinion, and also the beneficiaries of aid. The 1997 Dutch presidency of the EU acknowledged this by including it on the agenda next to the debate on the future of the Lomé Convention. The two themes are intertwined: At a time when the EU is redefining the very notion of partnership with developing countries, it is necessary and fair that it also takes its share of the responsibility for more effective development cooperation. It can do this by making all of its relations with the developing world much more consistent.

This paper reports on an ECDPM seminar that examined the "processes" that give rise to inconsistent policies and those capable of preventing them. An attempt is made to draw some lessons from specific cases studies -- the CAP (the example of European beef exports), the directive on chocolate, fisheries agreements, and the environment.

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### ***What is Coherence?***

The desire for coherence, defined as the absence of, or a reduction in contradictions between various aspects of public policy, is shared by all donors, who would like to see more effective development policies. The European Union, however, is the only one to have bound itself to coherence by enshrining it in its founding charter, the treaty of Maastricht.

Five aspects of coherence can be distinguished.

- between the various instruments of development policy;
- between EU and Member States development policies;
- between various European policies;
- between the EU and other international bodies;
- between policies of the EU and of recipients.

In Community jargon, this wider agenda for a consistent EU action is referred to as the three Cs: coherence, complementarity and coordination. Coherence applies specifically to the relationship between various EU policies. Article C of the Maastricht Treaty states that "the Union shall in particular ensure the consistency of its external activities as a whole in the context of its external relations, security, economic and development

policies". This overall consistency does not require that the Common Foreign and Security Policy (CFSP) conforms with development cooperation. However, article 130v requires that the European Community takes into account the objectives of development in the other policies which it implements. The coherence of European policies towards developing countries is therefore limited to Community policies, i.e. excluding the Member States and CFSP. The present brief, and the seminar which gave rise to it, deal solely with the coherence requirement of article 130v.

### ***An Impossible Task?***

In practice, the "articulation between different policies or actions of the Community which aim to minimise or suppress contradictory or negative effect of these policies on developing countries" (Hoebink, 1996) is far from harmonious. Several factors causing inconsistency are worth mentioning:

#### *Conflicts of Interest*

Incoherence is a natural feature of pluralist systems of governance. When they take decisions, governments have to find a compromise between the various policies they wish to adopt and a wide range of individual, collective or institutional interests, within both the public and the private domains. Each decision calls for a weighing up of demands and choices, so it is virtually impossible to reconcile the objectives of all government policy and the interests of all lobbies,

### ***Box 1: Beef dumping on African markets***

The debate on EU coherence was launched in 1993 when the EU's Common Agricultural Policy (CAP), which subsidised the export of beef surpluses to coastal West Africa, was seen to create unfair competition for Sahelian farmers, and to clash with EU development programmes providing financial and technical assistance to livestock and meat processing industries in the region.

In Europe, the NGOs supported the meat producers in Burkina Faso, Niger and Mali through a campaign in six European countries. The campaign was based on thorough research and credible information provided by the producers, media mobilisation and visits by Sahelian producers, and resulted in an acknowledgement of the problem by national parliaments and the European Parliament, which pushed the Commission to make substantial cuts in the export subsidies.

Following this, a report by the European Commission in May 1994 proposed setting up a contact group involving DG VI (Agriculture) and DG VIII (Development) to monitor the effect of beef export subsidies. The proposal remained a dead letter, and a few years later, similar inconsistencies have resurfaced, this time in Southern Africa.

however legitimate they may be. The final aim is to reduce inconsistencies to an acceptable level, rather than trying to eliminate them entirely.

***Box 2: Do European fishing agreements conflict with ACP artisanal fisheries?***

The conclusion of a fisheries agreement between the EU and Senegal (1997) was the origin of a campaign for fair fisheries agreements. The European fishing sector suffers from over-capacity in its fleet and a lack of local marine resources. Hence, pressure has been brought to bear on the EU to sign fisheries agreements with third countries, many of whom are from the ACP.

These fisheries agreements have been criticised because they amount to a mercantile exchange. European fishing boats gain rights of access to marine resources in return for blank cheques to the governments of these third countries. Due to the lack of information on fish stocks, the social pressure exerted in Europe by the fisheries sector, and the considerable need of the governments of third countries for unconditional financing, these fishing rights are sometimes excessive and pose a threat to the sustainability of fishing stocks. In addition, such agreements have tended to ignore the interests of traditional artisanal fisher-

### ***Box 3: The chocolate directive***

In addition to policies which are intrinsically (the CAP) or structurally inconsistent (fisheries) with the objectives of development, incoherence can result from internal European regulations, like the chocolate directive.

European legislation on the production and marketing of chocolate dates from 1973 and bans the use of vegetable fats other than cocoa butter (Cocoa Butter Alternatives or CBAs) in the production of chocolate. Owing to the gradual enlargement of the EU (in particular the entry of the United Kingdom), this legislation currently only applies to eight of the 15 members. The others allow the use of CBAs. The EU has an obligation to enact a chocolate directive that applies to all of its members. Hence a proposal from the Commission which has provoked a strong reaction from traditional chocolate producers, from NGOs which attempt to promote fair trade and from the governments of cocoa-producing countries, especially Côte d'Ivoire.

The Commission's proposal favours the big chocolate industry, and would allow up to 5% of CBAs to be used in the composition of the product. This is in straight contradiction to EIU commitments in the International Cocoa Agreement which aims to promote the

*Imbalance between development cooperation and other public policies* statistics.

Relations between European development cooperation and the interests of the CAP, fisheries and trade policy, are very uneven, to the detriment of development objectives. This imbalance is reflected in the relative power of the various ministerial departments or Commission directorates, as well as of the pressure groups that are involved. In other words, articulate agricultural or industrial lobbies with privileged access to decision-makers, which are seen by public opinion and the political class as having a legitimate case, will generally overwhelm the interests of developing countries. This is especially so when their main support group is NGO groups whose extreme dedication does not make up for their lack of means and of representativeness.

*Lack of Knowledge on the Impact of European Policies*

Incoherence also stems from a lack of information on the potential effect of policies on Southern countries, resulting in situations where the "left hand does not know what the right hand is doing". This makes incoherence difficult to detect and hard to quantify. As an example, the banana regime introduced under the CAP has a negative effect on Latin American countries. Yet it is extremely difficult to quantify its impact on both producers and marketing firms. A similar difficulty was encountered in the case of beef dumping where it was very difficult to assess the impact on regional trade, in the absence of reliable

### *Complex Decision-making Systems*

The way in which the European Union reaches its decisions also gives rise to incoherence. Three bodies are involved: The Commission, which makes policy proposals and ensures their implementation, the European Parliament (generally favourable to development policy), and the Council, which represents the interests of the Member States. The relative weight of the three institutions varies from one policy to the other as different procedures regulate decision-making in each policy areas. This directly affects the contents of policies and their (in)coherence.

For instance, the EU has often been criticised for not paying sufficient attention to human rights in its trade policy, despite their being a cornerstone of its development policy. This might be due to the important role played by the Parliament in development issues but not in trade. This procedural complexity obviously affects the overall coherence of European policy. It makes policy adjustments difficult when inconsistencies are uncovered (see box 1). On the other hand, it facilitates the integration of development objectives in the policies where the EP does have a say (see box 3).

Given the political obstacles (conflicts of interest) and the technical hurdles (difficulties of coordination and lack of information), the task of promoting more development-friendly European policies is very daunting. But there are some openings, facilitated by the introduction of Article 130v, that could be exploited by the NGO community, the countries concerned and the aid administrations. This requires

constant attention to detect and point out present or potential inconsistencies and then to convince the decision-makers to eliminate or correct them.

### ***Incoherence: The State of Affairs***

Experience suggests that policy incoherence can be classified on the basis of three criteria.

#### *Structural or Unforeseen Inconsistencies*

The first question relates to the scope of the incoherence. Is the measure an isolated or even accidental one, or is a structural problem affecting an entire policy? The answer will affect the measures and attitudes required.

First of all, unintended policy can, once detected, easily be corrected, provided there is no political cost arising from a conflict of interest. In this first category, it is essential that inconsistencies be spotted easily. Having the right machinery for consultations between the various official sections, and between them and non-governmental actors with the necessary information will be a distinct advantage.

Sometimes, isolated Community measures which are fundamentally incompatible with the interests of developing countries also arise. The proposed EU chocolate directive is a case in point. Internal market regulations in the field of agro-industry are not, as such, incoherent with development policy, but the proposal on chocolate is clearly in conflict with the interests of developing countries. In this type of situation, good internal information and coordination by the Commission is vital so that development

### ***Box 4: Lessons from the environment***

EU environmental policy, particularly in its relations to other EU policies, bears some resemblance to development policy. It is the other soft policy which "must be taken into account" in the implementation of Community actions. This obligation that environmental concerns be integrated into other Community policies may be seen as a forerunner of the principle of coherence enshrined in the texts on development policy. The practice of this environmentally-friendly integration, stricter in its formulation than development-friendly coherence, provides some lessons on how consistency in development matters can be promoted.

1. *Instruments are needed to give 'soft' policies a proper hearing.* Where environmental policy is concerned, several instruments have been put in place: Systematic scrutiny of new actions or legislation from the environmental viewpoint; an "environmental correspondent" in each directorate-general; reports by other directorates-general on environmental protection; an 'environmental protection review group' drawn from the Commission and the Member States, to ensure consistency with national policies; a

officials can be involved in policy preparation.

At the end of the day, however, a decision has to be taken. This may turn out to be a compromise, but may come down to arbitration, which does not always favour development policy. This is the stage at which the power game between the various actors - official policy-makers and interest groups - intervenes. NGOs and affected countries which are outside the decision-making process must then lobby to ensure that the aid administration secures a favourable result.

Finally, some policies of the EC are historically inconsistent with development policy. The most flagrant case, and the best-documented, is that of the CAP. It is intrinsically contrary to the aims of development in two fundamental areas - its import and export regulations. First, the rules governing the importation of agricultural products covered by the CAP are highly protectionist in that they fix prices inside the European market, usually at levels above those on the international market, and they include quantitative restrictions on imports. This protectionism prevents third country exporters from using their comparative advantage on the European market.

Second, the CAP is flagrantly inconsistent with development aims in its system of export refunds - a euphemism for dumping heavily-subsidised agricultural surpluses on foreign markets, some in developing countries. In both cases, the inconsistency is structural, calling for serious rethinking of the policy rather than knee-jerk reactions to particular cases. The experience of beef dumping in Africa is a good illustration: It took nearly two years from the

time when the case was raised, in 1994, for a correction to be made. The NGOs and the Directorate General for Development pleaded at the time for a more systematic solution to the problem, but this was rejected. And now, what is observed again, three years later? The same inconsistency, this time in Southern African markets!

#### *Incoherence - According to Whom?*

The appreciation of incoherence depends on the people at the receiving end of such policies. What appears inconsistent to one, because it is contrary to their interests, will not be for others. The example of trade preferences is revealing in this sense. The discrimination underlying the EU's "pyramid of privileges" by which some developing countries are treated better than others, is viewed as 'inconsistent' by the disadvantaged. A fortiori, the agricultural protocols that benefit ACP countries are inconsistent in as much as they extend, by various methods, certain CAP benefits to ACP producers. This "relativity" of the coherence debate is a thorny problem especially for the development-minded who wish to promote favourable and coherent development policy. Should they plead for the removal of this incoherence, thereby removing the benefit from certain ACP countries (with an intermediate income)? Or should they accept it, on the grounds that its elimination will seriously affect the economy and employment situation in these countries, thus introducing a new inconsistency with regard to the campaign against poverty mentioned in Article 130u?

#### ***Box 5: Suggested institutional provisions***

*Focal Points:* In each Directorate General and delegation of the Commission a focal point would monitor the policies and decisions that may affect developing countries interests. The directorates dealing with developing countries (DG VIII and DG I-B) could have a 'Champion Unit' to deal with issues where development objectives need to be 'taken into account'.

*Inter-Service Working Group:* Consisting of high officials from the different DGs where policy inconsistency can occur would complement and strengthen the focal points.

*Expert Panels* could be established by the Commission to monitor (information, analysis, advice) agenda setting, decision-making and other developments in a certain sector. The panels would consist of external independent experts including expertise from developing countries. Other actors in the field of international cooperation, in particular the NGOs, could equally rely on independent Expert Panels to monitor the coherence of their policies and programmes. This would enhance their credibility.

### *Incoherence - Whose Responsibility?*

A third angle from which to evaluate inconsistencies is that of the actors involved. Two points are worth raising. First, there are the actors involved in the decision-making itself. If we are looking at the CAP, incoherence arises in a policy where the European Commission and Council are the masters in the game. In the chocolate case, decision-making largely involves the European Parliament. The strategies used in bringing pressure to bear and the chances of success vary from one case to another because of the identity and the relative strengths of the various actors.

The second question of importance is whether or not the countries concerned play a role in the drafting of policy. The fisheries agreements are of quite a different nature from agricultural or industrial regulations. In the latter, the countries affected are not asked their opinion. The best they can do is to request the EU to take their interests into account. On the contrary, as far as the fisheries agreements are concerned, incoherence with development aims is a shared responsibility of the EU and the government of the country concerned. This is a difficult situation for the NGOs and aid officials. Should they try to persuade the European Community to defend fishing interests in the countries of the South on the pretext that the governments of the latter are tempted to accept "easy money" without considering the long-term interests of a sector? Or should they accept that the government of a sovereign country is able to defend its national interests? The case of Senegalese fisheries indicates that inconsistency must be weeded out by the

EU and by its partners, and around a negotiating table.

### ***Promoting Development-friendly Policies***

Experience tends to demonstrate that, in spite of a legal entitlement to development-friendly coherence, soft policies can't bite. Whenever development policy is confronted by the hard policies of the EU, it loses out. How can head-on collisions, which are liable to damage soft (development) policy, be avoided? Experience with the environment (the other soft policy of the EU) as well as with development (see boxes 1 to 4) point to a number of complementary options.

#### *Encourage Open Decision-making*

Open and transparent decision making is a prerequisite for European policy coherence. Six factors can contribute to that:

- ***Information.*** Reliable information is a prerequisite for transparent decision-making. Manipulating information, either by withholding it or misinterpreting it, is a major element of politicised decision-making. Information is one way of making up for the democratic deficit of the EU, by enabling a large number of stakeholders to express their views, in full knowledge of the facts. Information is also the best way to spot the origins of incoherence on time.

### ***Box 6: Preparing the World Food Summit***

The preparation of the summit by the EU is an interesting example of an attempt to conduct coherent (and open) policy making. Indeed, as it dealt with a wide range of topics (agriculture, development, technology transfer, trade, relations with the UN, etc.), the composition of the EU delegation had to reflect this plurality of objectives.

At the Council level, preparations were entrusted to a Council Group on commodities (PROBA Group). National and Commission delegations to that Council had to encompass all of the sectors concerned. Agricultural ministries, responsible for relations with FAO were indeed not competent on the full range of topics. Thus, three networks of the Member States and the Commission joined forces: Agriculture, Development Cooperation and External Relations/UN relations. Parallel to this official preparation, national and EU platforms of NGOs prepared positions which were discussed at the national level with Governments and, at the level of the EU, with the PROBA-Group, the EP and the European Commission. Some of these views were incorporated into the EU statements at the summit.

The exercise can be considered a success in terms of coherence. Creating common inter-

- *Analysis.* Independent analysis is crucial to find alternatives to policy incoherence and to monitor EU policy implementation and decision-making.
- *Capacity.* The European Commission and development-minded actors need the capacity to collect data, provide information and conduct analyses. Civil society actors involved in the coherence debate need, in addition to this technical capability, a good understanding of how the European system's wheels go round and a highly professional approach in lobbying.
- *Procedures.* Information, analysis and lobbying will be of no use if the receptiveness of other European policies is not ensured. Procedures and institutional mechanisms are necessary to link development cooperation officials to decision-making in other policy areas. Some lessons from experience and proposals for institutional mechanisms might be considered in this context (see boxes 4 and 5).
- *Linkages.* The "Brussels world" and the

### ***This Report***

Policy Management Briefs are intended for policy-makers concerned with aspects of development. Drawing from work of ECDPM, its partners, and its associates, the aim is to provide succinct and readable summaries of current issues in the management of development policy. This paper draws on discussions at an ECDPM Anniversary Seminar on "Cooperation and Coherence", held in Maastricht on 20 and 21 February 1997. Our thanks to participants at this meeting and their invaluable contributions: A. Acheampong (Consultant, Brussels), J. Bossuyt (ECDPM), B. Bowen (European Fair Trade Association, Brussels), B. Gueye (Cheikh Anta Diop University, Senegal), F. Hamburger (European Commission, Brussels), P. Hoebink (Third World Centre, Nijmegen), Y. Yadot (Sologral, Paris), A. Kooijmans and P. Litjens (Ministry of Foreign Affairs, The Hague), P. Mbog (Syndicat National des Producteurs de Cacao, Cameroon), C. Robinson (Christian Aid, London), N. Robins (International Institute for Environment and Development, London).

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links it maintains with the Member States and the developing countries - cause and subject of inconsistencies - is made up of a myriad of networks. The art of lobbying lies in identifying the right partners and forming effective networks representing the interests that are at stake.

- *Dialogue.* Establishing networks, setting up procedures, or ensuring that information is flowing are insufficient. A genuine dialogue needs to take place in order to resolve contradictions and achieve compromises between the various interests.

#### *Mobilise Opinion and Seek Alliances*

Given the structural weakness of development policy, public opinion and alliances with other interest groups are useful ways to promote coherence. The various coherence-related campaigns conducted by NGOs point at certain factors for success:

- clear messages which can be understood and supported by public opinion, and channelled by the media;
- accurate facts and precise field research on which to base campaigns;
- support from the NGOs for development cooperation administrations;
- alliance-building with other actors. These alliances can be 'holy' (i.e. with other groups of development NGOs, research centres, environmental groups, and, of course, with the affected country representatives) or 'unholy'. The campaign waged in the context of the chocolate directive, where alliances were formed with consumers' associations, unions, and businesses defending quality chocolate is a good illustration.

#### *Convince Rather than Confront*

To clear up inconsistencies, the art of persuasion is preferable to confrontation. When two legitimate interests, the one domestic and the other external, are opposed, the domestic view will most likely triumph.

Convincing arguments must therefore be deployed, which means that aid officials should not act as watchdogs but rather as facilitators for other departments, making them aware, with facts to support their case, of the potential impact of their policy on developing countries.

The preparation of the World Food Summit (box 6) shows how this collaboration can take place. In this case, joint policy making between development, agricultural and foreign affairs administrations resulted in a win-win outcome.

In the longer run, lasting solutions must be sought to structural incoherence, as in the CAP or fisheries policy, and a more global approach inclusive of long-term interests of European agriculture or fisheries sector and those of the developing countries need to be found. Opposing poor fishermen from the South (Senegal) against those from the North (Spain), as happened in the fisheries case, inevitably leads to arbitration (win-lose). Intelligent dialogue could result in the articulation of common interests in the medium term, such as possibilities for joint enterprises or transfers of technology (win-win situation). In the longer term, the challenge is to overhaul these policies so that their vision integrates the objectives of sustainable development both in Europe and in the South.

#### *Put Coherence on the Partnership Agenda*

A search for improved coherence of EU policies with development objectives cannot and should not take place solely within or around European institutions. First, for reasons of efficiency. Countries affected by contradictory policies are best placed to discern their negative effects and to provide the relevant data. But to play this role, they need to be informed of the various Community measures likely to affect them.

Second, for reasons of legitimacy: For instance, the well articulated protests by cocoa-producing countries increased the legitimacy and credibility of the campaign by European NGOs. The fact that Côte d'Ivoire addressed a White Paper to the EU, particularly to the Parliament, undoubtedly contributed to the latter's stance in favour of cocoa interest groups.

Finally, the credibility of a two-way partnership will be tested against its ability to integrate coherence questions. In the post-Lomé IV debate, much is made of the need to strengthen policy dialogue. To prevent dialogue degenerating into a monologue, in which Europe controls and scrutinises, it is fair that European policies should also become the subject of real dialogue, which is to say dialogue aimed at solving incoherence.

### ***Further Reading***

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