



The Treaty of Maastricht and Europe's Development Co-operation

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Edited by Paul Hoebink

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Contents

Preface	V
Paul Hoebink: Evaluating Maastricht's Triple C: An introduction to the development paragraphs of the Treaty on the European Union and suggestions for its evaluation	1
Paul Hoebink: From 'particularity' to 'globality': European development cooperation in a changing world	25
Nico Schrijver: 'Triple C' from the perspective of international law and organisation: Comparing the League of Nations, United Nations system and the European Union experiences	63
Lisa Dacosta, Yannick Jadot, Alice Sindzingre: Complementarity of European Union Policies on Development Co-operation: First elements of analysis and recommendations for an evaluation	97
Gerard Gill and Simon Maxwell: The co-ordination of development co-operation in the European union	135
Paul Hoebink: Evaluating Maastricht's Triple C: The 'C' of Coherence	183

Preface

The 1992 *Treaty on European Union*, popularly known as the Maastricht treaty, established the legal basis for the formation of a European Union. Among articles relating to citizenship, monetary policy, and the common foreign and security policy; general principles for the member states' and the union's development co-operation were laid down. These were summed up in the so-called 'three Cs'; complementarity, co-ordination, and coherence.

In October 2000, the heads of the evaluation services of developmental co-operation from the member states and the European Commission decided to assess the extent to which these principles were being upheld, and what their effect had been on the quality of development co-ordination. Had the 'three Cs' managed to take the step from treaty text to actual practice?

Due to the complexity of the subject, this evaluative process has involved a number of stations: The first task was thus an attempt to define the key concepts of complementarity, coherence, and co-ordination, as well as to assess the international legal environment in which they were supposed to function. These four studies were expertly performed by a team under the leadership of Paul Hoebink of Nijmegen University, and were separately published as working documents by the Netherlands' Policy and Operations Evaluation Department (IOB).

The subsequent process has proven the usefulness and importance of these preparatory studies. Today, as the first evaluations from this joint initiative are about to be launched, we are drawing on insights gained from these early steps. Furthermore, interest in the 'three Cs' initiative appears to have grown beyond the original group of participants, and development co-operation practitioners are showing an increasing interest in these three concepts and the principles that they entail. For that reason, the Task Force of the 'three Cs' evaluation has decided to publish undated versions of these four background studies, along with an additional chapter by Paul Hoebink on the background to the 'three Cs' initiative itself.

While the authors of the following chapters alone should be credited with their content, it is a pleasure for me to present this collection of papers, and to hope that it will continue to contribute to the discussion concerning these principles.

Stockholm, December 2004

Eva Lithman,

Chair of the Task Force for the evaluation of the Three Cs.

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Evaluating Maastricht's Triple C:

An introduction to the development paragraphs of the Treaty on the European Union and suggestions for its evaluation

Paul Hoebink*

And then, all of a sudden, they were at the negotiating table, discussed just twice and accepted as the final text in the Treaty on European Union. The three C's, Triple C, of the Treaty of Maastricht did not incite the fierce debates as, for example, the foreign and security policy or the tasks and responsibilities of the European Parliament raised. They were just tabled, shortly discussed, minimally amended and accepted. This raises the question, if every actor in the negotiations did understand the significance and range of the three C's. Or, as it is often the case with legal documents, that the significance of this three articles of this multi-interpretable texts became only manifest to all or most of the actors gradually, after some years.

The Treaty of Maastricht has been described as an 'opaque and complicated text', 'a document which finally emerged from frantic late-night compromises amongst heads of governments in a relatively obscure Dutch provincial town'.¹ Its readability has been described as being similar to a 'railway timetable', but most probably all legal texts would by outsiders and by non-legal experts be considered that dull. It might thus not be fair to judge legal texts on their readability, but on the discussions they promote not only among law scholars but also among politicians and an interested audience. In this sense there is little to complain about the Treaty of Maastricht. Many articles have already been written on the treaty and discussion have prolonged into the recent debates on the European Convention. There is no difference here with the development paragraphs of the

1 C.H.Church/D.Phinmore, *European Union and European Community: A Handbook and Commentary on the 1992 Maastricht Treaties*. London, Prentice Hall/Harvester Wheatsheaf, 1994.

treaty. Commission documents, Council discussions and texts from advisory councils of the Member States, all bear proof of the debates anchored on the Triple C of the Treaty of Maastricht.

More than ten years after the signature of the Treaty time has come to evaluate it and to see what effects it had on European development cooperation. But this evaluation is very complicated and most probably should be split into a series of evaluation studies. It then again is difficult to prioritise the topics and to try to embed the evaluation in a series of changes that are taking place in the organisation of European development cooperation as well as in international processes of change, change in international governance. The evaluation in particular is very complex, because a absolute endless series of actors and stakeholders is involved, in particular in the coherence evaluation. This introduction is meant to summarise backgrounds and options.

Presenting the background

The production of legal texts is often seen as a logical process in which different actors with full commitment and with all the available rationality in a deliberate negotiating process come to the most precise articles in which the goals and objectives are brought down in clear and transparent yet readable sentences. Reality is often far away from this ideal or model situation. Negotiating processes are most of the time complex, particularly international ones. Actors differ in views and analytical capacities, in attitudes and temperament, in the appreciation of the situation and in negotiating power and capabilities. It is most of the times very difficult to boil down (political) ideas into legal texts. Furthermore there are issues of great interest to everybody and issues that raise the expectations of a single actor only. This all means that legal texts often only get their real meaning and significance when they are used or referred to in daily practice. All this is also the case with the Treaty of Maastricht.

Development co-operation was present in the first European ‘Constitution’, the Treaty of Rome, but only in the form of ‘associationism’, an effort to associate former colonies and dependencies to the European market, instigated at that time by France, and to a lesser extent, by Belgium. It was seen mainly as a French undertaking to sustain the trade arrangements that it had with its former colonies and to have Europe pay part of its support to its (former) colonies and overseas departments. It was only with the negotiations of the Single European Act in the mid 1980s, when the subject came back in European legal negotiations. At that time the Dutch delegation tried to enter a paragraph on development co-operation into the Act, but they failed and were not able to raise any interest with other Member States.

Sometimes during (European) negotiations the negotiators are tempted to give ‘things’ away that do not raise particular annoyances with them or are not of real importance to them, but seems to be of particular interest to one of them. This seems to be what has happened with the development section of the Treaty of Maastricht. As a diplomat stated: ‘Member States are willing to come to each other’s help in cases that certain subjects are important for a single Member State, as long as you don’t use a warning finger’.² The Luxembourg presidency knowing or remembering the Dutch position on this point, had earlier invited the Ministry of Foreign Affairs of the Netherlands to come up with a textproposal. The Dutch tabled this in February 1992. It was taken over by the Luxembourg presidency, discussed just twice, resulting in only slight changes to the proposal of the Netherlands presidency of September 1992. Because there were much more important issues at stake, because the negotiating process was long and hard on most of these issues, the three C’s slipped more or less unattended into the final text of the Treaty of Maastricht.

TREATY OF AMSTERDAM TITLE XX (ex Title XVII) Development cooperation
<i>Article 177 (ex Article 130u)</i> 1. Community policy in the sphere of development cooperation, which shall be complementary to the policies pursued by the Member States, shall foster: • the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them; • the smooth and gradual integration of the developing countries into the world economy; • the campaign against poverty in the developing countries. 2. Community policy in this area shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms.

2 Interview with a Luxembourg diplomat, March 2001.

3. The Community and the Member States shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations.

Article 178 (ex Article 130v)

The Community shall take account of the objectives referred to in Article 177 in the policies that it implements which are likely to affect developing countries.

Article 179 (ex Article 130w)

1. Without prejudice to the other provisions of this Treaty, the Council, acting in accordance with the procedure referred to in Article 251, shall adopt the measures necessary to further the objectives referred to in Article 177. Such measures may take the form of multi-annual programmes.
2. The European Investment Bank shall contribute, under the terms laid down in its Statute, to the implementation of the measures referred to in paragraph 1.
3. The provisions of this Article shall not affect cooperation with the African, Caribbean and Pacific countries in the framework of the ACP-EC Convention.

Article 180 (ex Article 130x)

1. The Community and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member States shall contribute if necessary to the implementation of Community aid programmes.
2. The Commission may take any useful initiative to promote the coordination referred to in paragraph 1.

Article 181 (ex Article 130y)

Within their respective spheres of competence, the Community and the Member States shall cooperate with third countries and with the competent international organisations. The arrangements for Community cooperation may be the subject of agreements between the Community and the third parties concerned, which shall be negotiated and concluded in accordance with Article 300.

The previous paragraph shall be without prejudice to Member States' competence to negotiate in international bodies and to conclude international agreements.

Looking back it seems quite obvious, that none of the actors, including the Dutch, were able to understand how far reaching these articles 130 U to 130 X of Title XVII (177-180 of Title XX in the Treaty of Amsterdam) would be. Only gradually have the different actors, Commission, Member States and European Civil Society, one by one grasped the real meaning or real power of these four articles, brought together under the overarching concept of Triple C.

This also seems to have led to the situation that different European actors have picked up different aspects of the development paragraph. The Commission, and also Member States and European NGOs all seem to have ‘their own C’, reading the articles along certain lines, explaining them within a distinct phraseology and emphasising those articles or parts of them that, consciously or unconsciously, fits best in their own views and perspectives.

Summarizing the background articles

Notwithstanding its history, Title XVII of the Treaty of Maastricht (Title XX of the Treaty of Amsterdam) has created ‘a rather strong and constitutional basis for development co-operation policies’, concludes Schrijver in the ‘legal paper’ of this book. He sees this as a positive development, but at the same time emphasises that ‘the articles are not very clear and are not free from ambiguities’. He argues: ‘Moreover several provisions are more of a somewhat programmatic rather than legally binding nature or are simply a summary of existing procedures’.

Co-ordination is the C with the longest standing within development co-operation. A call for more co-ordination can be found already in the Pearson report of 1969. The first efforts to co-ordinate aid efforts date back from the formation of the India-consortium in the early 1960s. Yet the text of the Treaty of Maastricht on co-ordination (Article 180) is cast in rather general terms, as Schrijver writes, even though the formulation is mandatory and the Commission is vested with a right of initiative.

Co-ordination has been defined as ‘activities of two or more development partners that are intended to mobilise aid resources or to harmonise their policies, programmes, procedures and practices so as to maximise the development effectiveness of aid resources’. With regard to co-ordination several levels (international, regional, national, sub-national, sectoral) can be distinguished, as well as differences in content (policies/principles/priorities, procedures, practices) as in intensity (consultation, co-operation, collaboration). Co-ordination is seen as necessary, because a lack of co-ordination could lead to: a donor driven agenda, excessive demands on scarce management capacities, and inconsistencies of approach, etcetera.

Existing experiments with co-ordination still do not go very deep. Most of them do not go further than sharing and exchanging information. Real operational co-ordination is still at the beginning. The new instruments, such as the Comprehensive Development Framework, the Poverty Reduction Strategy Papers and Sector Wide Approaches, may offer also a better framework for co-ordination but are still at an initial stage. Evaluations of donor co-ordination are few and shallow; they don't touch upon in-field co-ordination. Gill and Maxwell conclude that the costs and benefits of co-ordination or the costs of non-co-ordination are not brought into the picture yet.

Just a year after the Treaty of Maastricht the European Parliament called in a resolution on the Commission and the Member States to seek new forms of multilateral co-ordination. The Commission answered by selecting six countries for an experiment in operational co-ordination. The evaluation of these experiments led to new Guidelines on co-ordination adopted by the Council recently.

Summing up, the C of Co-ordination seems to be the one most promoted by the Commission joined, in this respect, by France. France sees the need for a European co-ordination in trying to elaborate a particular European vision on development issues in opposition with some of the existing Bretton Woods policies, particularly in the field. Some of the northern Member States fear that this European co-ordination might in reality become French dominated, but more important is that they emphasise aid receiver's led co-ordination and the non-exclusion of important non-European donors. This leads to the conclusion that there is a substantial agenda for the evaluation of co-ordination, which particularly also should include the different levels of co-ordination. There are several methodological problems attached to this evaluation (e.g. how effects of co-ordination can be measured, how to collect quantitative data on cost-effectiveness of co-ordination). These problems should be dealt with before starting the real evaluation.

The C of Complementarity can be found in a subordinate clause in Article 177, in which it states that Community development policy 'shall be complementary to the policies pursued by the Member States'. As was already clear in earlier texts (from the Treaty of Rome to the Pisani Memorandum), this indicates that development co-operation is a shared competence between the Community and the Member States. It is part of the first pillar and a correct interpretation of the Article is, according to Schrijver, that 'the Member States and the Community share competences in this field which can be exercised alongside each other'. This reflects views of the European Court of Justice as well as views aired by the Commission on complementarity with regard to development co-

operation. It is confirmed that the Community has a specific, but not exclusive competence in this field. This is probably most visible in the field of trade where the competence of the Commission not only is a fact because of the existence of the Common Market, but is also generally acknowledged by the Member States. In this sense complementarity differs from the concept of 'subsidiarity', which refers to a distribution of competence and decision-making at the most appropriate level. In the case of complementarity both the Commission and the Member States can have competences and tasks at the same level.

This article could however, also be read as an additional co-ordination and coherence instruction, since it refers quite clearly to the central goals of European development co-operation. In this sense the C of complementarity comes very close to the C of co-ordination. Shared competences are very few in the international field, since the EC has no formal powers with regard to many international development agencies. The new Convention of Cotonou though, gives clear instructions for more co-ordination and a better complementarity on the field level in the ACP countries.

Since the Treaty of Maastricht, Dacosta/Jadot/Sindzingre conclude, the definitions of complementarity have shifted towards a distribution of tasks between the Union and Member States, a search for comparative advantages and a re-focusing of co-operation policies. Complementarity is in their eyes 'an eminently political question', linked to 'the visibility they (the Member States) wish to give to their policies'. Still, they argue, 'the distribution of tasks (on a geographic, sectoral, instrumental, thematic, functional, or even financial basis) is frequently considered to be the most appropriate means for implementing the principle of complementarity'. It is, as such, centred around the notions of comparative advantages, added value and leadership.

Complementarity has been the subject of two communications by the Commission. The one of 1995 was probably more a communication on co-ordination than on complementarity. It stressed that complementarity could only be achieved if the Community and the Member States were guided by common goals, reflected at the sectoral and operational level. The communication of May 1999 goes further. In it the Commission emphasised the importance of optimising the resources and the added value of European Community aid. In the Council and later documents it was worked out further by stressing co-ordination, country assistance strategies, comparative advantages and the sectoral programmes as important instruments or criteria to foster. In the declaration on the development policy of the European Union of November 2000 it is stated that the Commission should refocus its aid on a limited number of sectors and that complementarity should be sought for in the context of country strategies.

Looking back, the C of complementarity has raised quite different views from the relevant European actors. Some Member States, looking with distrust at the operational capacities of the Commission, have seen it as a lever to 're-nationalise' parts of European aid or to open up possibilities for national agencies to act in certain instances as an executing agency for the Commission. Others have seen this C mainly as a C that could foster further co-ordination. Most actors, and among them the Commission, have up till recently been very reluctant in dealing with the C of complementarity, probably in the fear that nobody really knows what a deep discussion on this would bring to each of the actors.

It is suggested that the evaluation study should try to assess the objective and subjective aspects linked to the criteria for putting complementarity into operation. An in-depth study of the different policies and positions of Member States and Commission is needed. The evaluation should thus contain several levels or angles: political, operational, instrumental. It is clear that certain parts of this evaluation, particularly on the operational and with regard to the instruments, overlap with the evaluation of the C of co-ordination.

Coherence is probably the most debated concept of the three C's. It is defined here as: 'The non-occurrence of effects of policy that are contrary to the intended results or aims of policy'. For this purpose coherence can be defined either narrowly or broadly. A narrow definition would be that objectives of policy in a particular field may not be undermined or obstructed by actions or activities in this same field. And a wide definition would be that objectives of policy in a particular field may not be undermined or obstructed by actions or activities of government in that field or in other policy fields. In the paper several possible typologies are given of (in)coherence; the most important one stems from the perspective of the viewer. It can have a narrow or restricted angle, or a broad one. With regard to policy coherence this means that it can focus on one terrain or field of policy only, or try to make links with other fields, domains or policies. This leads to three types of coherence/incoherence: the *restricted* (1) or *internal* (1) type is incoherence in European development policy itself; the *restricted* (2) or *internal* (2) type is incoherence between different sets or parts of foreign policy and development co-operation policy; the third type is the *broad* or *external* one, including incoherence between development co-operation policies and policies in other fields, which can in theory be all parts of European policy making. In principle it will be those policies most likely to affect also developing countries. A second important typology is that that distinguishes between intended and unintended incoherence. This stresses that there is no hierarchy in policies and that given a certain set of goals and weighing them against a set of

goals in another policy field, incoherence can also be deliberate.

It is particularly the wording of this article that is very weak. Article 178 phrases coherence as 'take into account' and the policies concerning as 'likely to affect developing countries'. Schrijver concludes that this leaves 'considerable discretion to the addressees'. He points to the fact that the 'coherence' article with regard to environmental policies, Article 6 in the opening part of the EC Treaty has much stronger wording. Here one can find formulations as 'must' and 'requirement', while at the same time a reference is made to nearly 20 fields of activities and policies of the Community. Additional to Article 178 there is Article C of the Common Provisions in which it states that '(t)he Union shall in particular ensure the consistency of its external activities as a whole in the context of its international relations, security, economic and development policies'. In this article as well the Commission as the Council are made responsible for this consistency. The 'coherence' article acquired further legal basis when the Commission, in its decision on the beef export subsidies of May 1994, made an explicit reference to article 130 V.

By November 1992 the Council urged the Commission to come with a study of the practical consequences of Article 130 V. One and a half year later the Commission had done no more than holding some consultations with external experts. According to Officials of the DG VIII the delay was attributable to the dismissive attitude of some Member States. In the mean time European NGOs started their campaign against beef export subsidies (April 1993) aided by both the French and German development ministries which commissioned studies of the meat exports and the coherence problem. It led finally to a report of the Commission to be discussed in the Council meeting of June 1995. The Commission's report contained no clear proposals on how to address coherence problems. Proposals in the Council by the Netherlands (identification mechanism), Belgium (joint session of Agriculture and Development Councils) and six months later Denmark (design system of indicators) were not acted upon.

The discussion gained more importance by a new campaign against the fisheries agreements (May 1996), again supported by the German development ministry with a study. In the first half of 1997 the Dutch presidency put coherence high on its priority list and organised a discussion on coherence with regard to four concrete issues in a special Council meeting in Amsterdam. Again the Commission was urged to present a report on coherence issues in 1998. It is said that the Dutch lacked a clear strategy during its presidency, while Member States who supported coherence issues stood aside. The Non-Paper that the Commission tabled in May 1999 only discussed the four topics discussed in Amsterdam, not addressing general coherence problems or mechanisms to iden-

tify or combat incoherences. This Non-Paper was clearly insufficient for the Council. So the new Commissioner, Poul Nielsen, had to come with new proposals. A set of proposals very close to those made by the network of European NGOs did not survive the final meeting of the Commission and so a watered down version of only Nielsen's arrived at the Council meeting of May 2000. A focal point for coherence-issues was proposed to be instituted in DG-Dev, but it never came as far as that. Also the joint statement of the Commission and the Council on development policy of November 2000, although asking for greater coherence between various Community policies, remains vague on concrete measures to be taken.

The conclusion can be that the C of coherence has very much been a 'Dutch C'. On concrete issues (CAP, CFP) some Member States (like France, Germany and Denmark) have joined the action, and recently more and more Member States (like the United Kingdom) are stressing the importance of this article with regard to overall Community policies. It has gained much importance in the international trade negotiations in the realm of the WTO, but that is restricted mainly to the CAP. The Commission though has always been and still seems to be very reluctant to undertake concrete steps and to go into difficult detail on European policies that are in itself already very controversial.

Although the paper clarifies a set of conceptual issues on coherence, the evaluation of the C of Coherence seems particularly complex. This is mainly due to the large number of actors involved and the overlap between several policy fields and levels. Evaluations on this C would thus demand studies not only on the positions of (different actors in the) Member States, or studies on the policies at a European level and but also evaluations of the effects of these policies in relevant developing countries.

Goals and central research questions of an evaluation of Triple C

The political yardstick for every evaluation in development co-operation is to be found in the donor's (and aid receiver's) policies and its main goals and strategies. It should therefore be stipulated that the general background of an evaluation study of Triple C is that it *should contribute to the development effectiveness of European development co-operation*. This means that this evaluation should be executed under the angle of the central goals of European development co-operation formulated in Article 130 U of the Maastricht Treaty (integration in the world economy, poverty reduction, state of law). Not only all proposals for evaluation studies should accordingly be weighed against this background, but also the content and the direction of these studies will be steered as much as possible by this. It is thus not so much the goal of these studies to contribute to a

better functioning of European policies and institutions in general, but explicitly the objective is to raise the effectiveness, efficiency and impact of European development co-operation.

This would lead to a central research question of an evaluation of Triple C as follows: *To what extent did the development section (Title XX) in the Maastricht and Amsterdam Treaties contribute to enhancing the development effectiveness of European development co-operation?*

But this is not enough in this case and would probably hinder an evaluation of every C individually. The three Cs themselves offer additional research questions for this evaluation:

- To what extent did the Maastricht Treaty lead to a better co-ordination of foreign aid, and development co-operation in a broader sense, between the Member States and the Commission and between (European) donors and aid-receivers on the different conceivable levels?
- To what extent did the Maastricht Treaty lead to a better task division between the European Commission and the Member States, based on mutual understanding of goals and competences and on an (implicit or explicit) assessment of different comparative advantages?
- To what extent did the Maastricht Treaty lead to a better coherence between European development policy and other parts of European foreign policy and between European development policy and internal European policies?

It is clear that these three sub-questions should be further elaborated after topics for the evaluation have been chosen.

Figure 1
Decision-making in the European Union

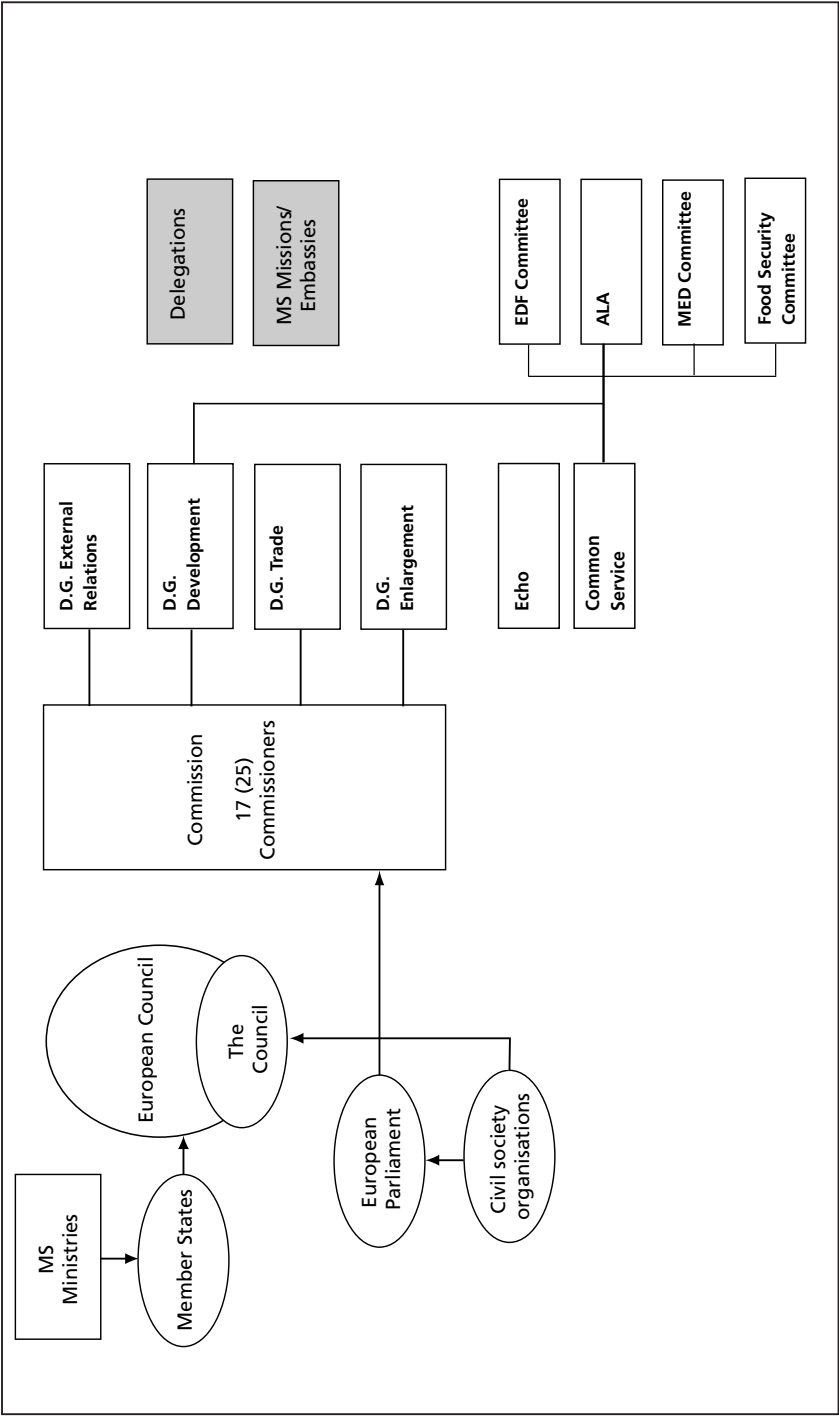
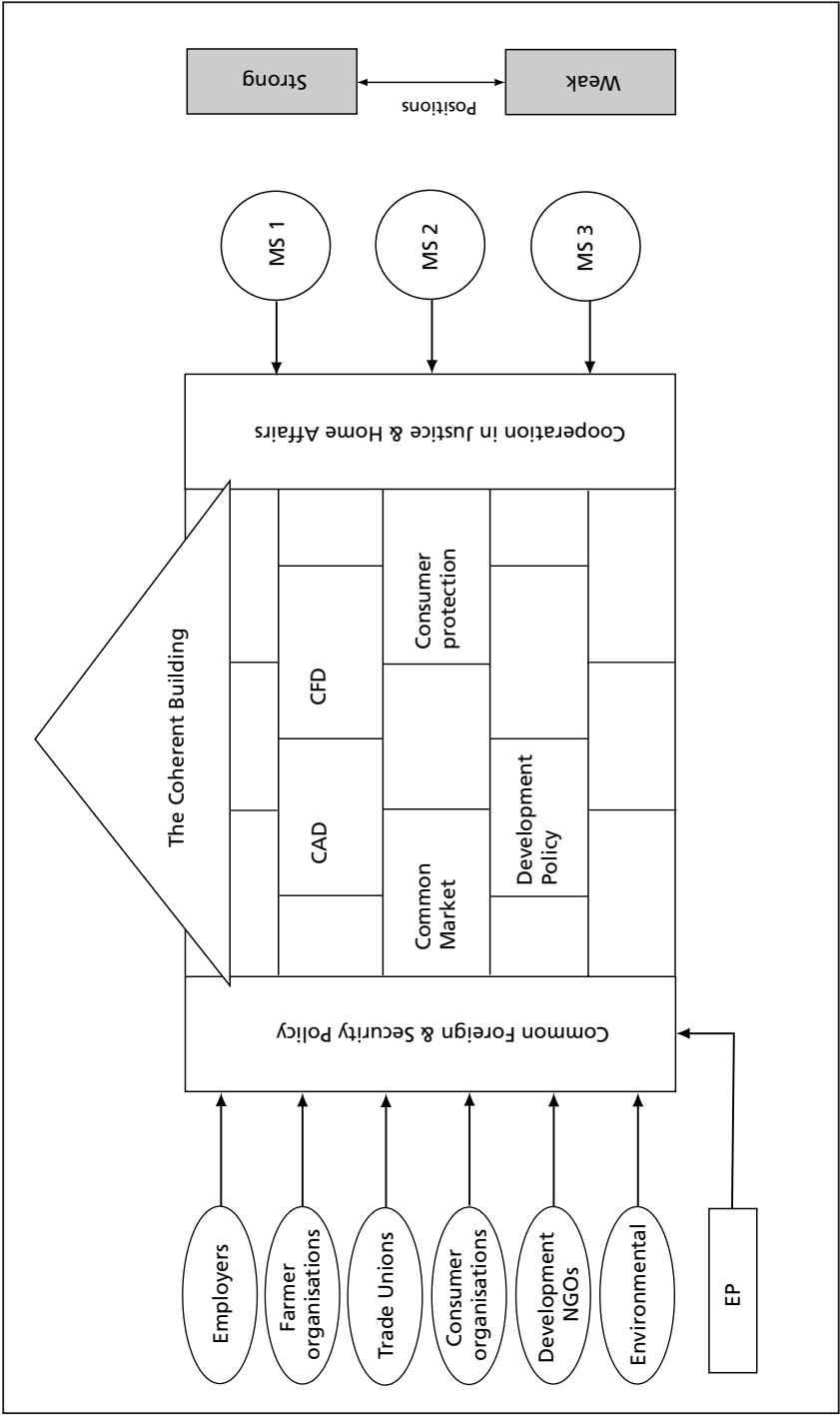


Figure 2
European Policies and Coherence: A Commission's view



European policy making: naming the actors and selecting the topics

As stated European policy making is very complex. It has been described as 'patchy' and 'somewhat uncoordinated' [Nugent, 1994:291].³ And we could quote Hellen Wallace [1996:28] stating:

'... it is rarely certain that the outcome of the policy dialogue will produce a clear and consistent line of policy amenable to a sustained collective regime'.⁴

We then wrote that this is probably particularly true of European development co-operation. Nugent argues that the Member States think of their own interests first. Whether the relevant policy is politically acceptable is a matter that is considered later [Nugent, 1994:295]. At the same time it is necessary to reconcile the differing interests of various national industries or groups, often much more influential and much more important in electoral terms than development NGOs, charities or even churches. Not surprisingly, development objectives often have to take a back seat. There is no hierarchical order of policies, but there surely are more powerful groups and individuals who can make themselves be heard or can demonstrate the effects of a certain proposed policy with much more voice than others. And, as said the cacophony generated by the Member States and pressure groups tends to drown out the arguments of those advocating development objectives, whose voice may therefore be heard only indistinctly or indirectly.

But there is more. If one simplifies the European political process one could state there is policy-producing or resolution-producing machinery at one side (in the Council, in the European Parliament), and an implementation machinery (in the DGs, in the Member States) at the other side. Particularly in development co-operation there seems to be (to have been) a large gap between the two.

The point here is that this highly complicated scenery of political processes, policy-formulation and implementation, also make the evaluation of Triple C very complex. It always makes it necessary to do several studies at several levels, as well as on policy-making and implementation.

This is probably easier with the C of co-ordination. As the paper states, here of course different attitudes of the main actors should be analysed, but the actors are few, and the levels can be clearly described, even in geographical terms, going from global, via aid group, national, sectoral to regional or communal level.

3 Nugent, N., 1994, *The government and politics of the European Union*, London: MacMillan, third edition.

4 Wallace, H., 1996, 'Politics and policy in the EU: the challenge of governance'. In: H.Wallace and W. Wallace, eds., 1996, *Policy making in the European Union*, Oxford: Oxford University Press.

It is already more complicated with the evaluation of the C of complementarity, which eventually leads to a comparison of Commission's and Member States' activities, on a global level but also in the field, and an analysis of each actor's comparative advantages. If so, it would lead, after an assessment of these strategies and advantages of Commission and Member States, to an evaluation in the aid-receiving countries which comes close to an analysis of co-ordination.

The most complex thus are the coherence evaluations. Here the number of topics is numerous, the set of policies and strategies is endless, the number of actors very difficult to count. It is here where the real choices are to be made, not only with regard to the goals of the evaluation, but also by bringing back the evaluation to a level where it can be handled.

Since the recent European evaluations on ALA, MED and ACP co-operation and the recent negotiations on the Lomé Convention did lead to an extensive restructuring of the whole institutional set-up of European development co-operation, it is seen as too early to come with an evaluation of European development aid. This means that this Plan of Action is aiming at evaluating the broader parts or fields of European development co-operation, as well as the effects of other European policies on it.

The first two topics deal with the first two C's Co-ordination and Complementarity. Their choice seems unavoidable. Furthermore, there is a certain overlap when evaluating them on a field level. The pre-field studies of the co-ordination and complementarity evaluations though will have different emphasis. They should deal respectively with policies, attitudes and strategies with regard to co-ordination and with 'comparative advantages' in development co-operation as seen and documented by Member States and Commission. Complementarity has thus to do also with mutual images and understanding of policies and organisational capacities, amongst others visions on Europe and European policies. Furthermore, there are differences in 'field' also between co-ordination and complementarity, because co-ordination also has international levels that go beyond operational co-ordination/task division.

A real selection should be made with regard to Coherence-issues. First, on what level, *restricted* (1) or (2) or *broad*, one wants to pick the topics to be evaluated. Second, on the number of topics to be selected, to make the evaluation still feasible. Thirdly, on the criteria to select the different topics. Lastly, the topics themselves.

It is suggested to take as criteria for the choice of topics:

1. *Development effectiveness*: the level to which a certain policy, set of policies or activities could contribute negatively or positively to the social and eco-

conomic progress of developing countries. Indicators for this criterion are the presumed effects on economic growth and a set of social indicators (poverty, literacy, health). This might need some models, but the most obvious solution would be to use some 'guesstimates'.

2. *Legitimacy*: the level to which an evaluation of a certain topic will be understood and supported by a group of European actors. An indicator here might be 'debate intensity' and would lead to topics which have been raised regularly in the Council meetings, European Parliament, that were in discussion in international institutions or were brought forward by European NGOs or public opinion. But only recently some new topics which also seem to raise concern could be selected or topics for which a real thorough assessment seems to have been difficult and on which evaluation studies can contribute to a deeper understanding.
3. *Changeability*: the level to which a certain European policy has been prone to change in the direction of a higher development effectiveness due to studies, public debate or pressure from several European actors. This criterion is introduced to evaluate how European actors interact around the three C's and how different sets of interests that are present in all European policies, still can lead to changes that are acceptable as a realistic compromise also from the perspective of development co-operation. Also here 'debate intensity' might serve as an indicator, but also perceived changes in policies.

In the end all choices of topics to be evaluated will be political, because a. can be based on guesstimates only, b. are part of a negotiating process. But for the legitimacy of the evaluations it is important to 'objectivise' the choices as far as possible. A series of topics that could be evaluated under a Triple C evaluation are presented in Table 1.

Presenting proposed evaluation studies and models

In the four articles several proposals are made for the evaluation of Maastricht's Three C's. In this section we will try to bring them together in one set of studies and models. Three sets of studies are suggested and four models to handle the evaluation are presented. It is furthermore proposed to cut this second phase of the evaluation of Maastricht's Triple C in two sub-phases. The studies of the first sub-phase are seen as a necessary input for the second phase. They are meant to clarify the ground for the second phase.

In the first phase two sets of evaluation studies are to be produced. First, what we call *Member States Profiles* (see Table 1). These studies should critically describe, analyse and evaluate the Member States' policies and attitudes with regard to the topics selected in the foregoing section, starting with the Member

Table 1: Selection of Topics

Topic	C's involved	Development Effectiveness	Legitimacy/ Intensity debate	Changeability	Pro's	Cons
Co-ordination on different levels	Co-ordination Complementarity	****	***	***	• One of the three C's • Important in raising effectiveness at field level	• More global than European issue
Comparative advantages/ task division	Complementarity Co-ordination	****	**	***	• One of the three C's • Could lead to real European policies • Could be important in raising effectiveness at field level	• Subjective impressions important • Difficult to assess comparative advantages
CFSP: Complex emergencies Human Rights Arms trade	Coherence Co-ordination	*****	****	***	• Highly debated • Could enhance coherence between different aspects of foreign policy	• On some issues limited number of dev countries involved • Difficult to assess because of confidentiality aspects

Topic	C's involved	Development Effectiveness	Legitimacy/ Intensity debate	Changeability	Pro's	Cons
European Trade Policies: Access to Common market WTO/International trade Subsidies Consumer Protection/trade Trade capacity dev. countries	Coherence Co-ordination Complementarity	*****	****	****	• Development Effectiveness high • Main issue in international debates	• None
CAP	Coherence	****	*****	***	• Point of debate for long time, also on international level • Main focus of European development organisations attacks	• Difficult to weigh all different aspects • Involves large series of studies
CFP	Coherence	***	****	****	• Main point of action of development NGOs • Important changes in policy have been made	• Small number of dev. countries involved
Global Environment	Coherence	***	****	***	• In the midst of international debate to assess	• Development effectiveness difficult to assess
European Industrial Policies	Coherence	***	*	**	• Development effectiveness could be high	• Did not raise much debate

States' attitudes and policies vis-à-vis the three C's. They could probably be compared with the DAC 'Aid Reviews', although not concentrated on aid policies but on some parts of development policies and their relation with other policy fields. Of course, depending from the model chosen, it could be that only a selection of Member States profiles is made. Since all Member States are, in one way or another involved in European development co-operation, it is, in the overall programmed model, difficult to leave Member States out. This means, in that case, there will be 15 of these studies. Each Member States Profile should have a length of app. 30 pages. For each of these studies (also to avoid travel costs) a researcher of the Member State itself should be selected with a senior reputation in research on development co-operation. Only in a single case it might be deemed necessary to hire an external consultant. A tentative outline of a Member States Profile is presented in Annexe 1. It should be emphasised that the number of topics dealt with in such a profile will depend not only on the selection of topics, but sometimes also on the relevance of a certain topic with regard to the Member States' policies.

The second set of studies are *European Policy Studies*. They should describe the European and international state of affairs in the policy field or arena chosen. This meaning that they should present a picture of the general context of the theme or issue, analyse the evolution of European policies in the field as well as the different actors and interests involved. To give an example: if the CAP would be chosen as an issue for evaluation in the second Phase, a Policy Study on the CAP should describe: a. the world market for agricultural products and the policies of the main non-European actors with regard to their agriculture; b. analyse the evolution of European policy with regard to the agricultural sector; c. describe the role of developing countries on the world market and the effects they feel from the CAP. Furthermore it should end by indicating the main research questions for the *Developing Countries Studies* of sub-phase II.2. The choice of topics as well as the choice of evaluation model will be decisive for the number of Policy Studies to be executed. Length of these studies will depend on the topics. For more complex policies a larger number of pages might be needed, but in general they should stick to around 50 pages.

In the more overall evaluation model (see later) both sets of studies should be discussed in two team meetings and the studies themselves and the meetings should come with a set of research questions for the second sub-phase.

In the second sub-phase the evaluation replaces itself to the South, when Developing Country Studies should be made. The number of developing countries in which those studies will be done, will depend on topics to be chosen. It

is, though, important to get a good mix of countries with regard to:

1. regional, developmental and political/cultural backgrounds,
2. importance or relevance of the different topics to the countries in terms of development effectiveness.

It is suggested to take countries of every continent, but to take more in Africa and in Asia to have a better mix of not only LLDCs, but also of economic, political and cultural systems. With regard to the topics it is thought to be clear that co-ordination and complementarity could be evaluated in nearly all the developing countries, although in some only a small sub-set of European donor might be present. To evaluate the effects of different European policies though the selection process might be more complex. The first sub-phase should produce also a list of developing countries in which certain European policies are of importance or relevance, e.g. in arms trade, in trade of tropical and industrial products, in environmental support or endangerment, in terms of side-effects of CAP, and of Fisheries Agreements. This should lead to a list of countries in which most probably not all, but hopefully a major part of the topics are of interest and could be evaluated.

In these *Developing Country Studies* an analysis of trade and stumbling blocks to exports should be made, as well as, if identified, an analysis of (European) imports on local production. Furthermore donor co-ordination and task divisions between donors should be evaluated. Lastly, in a selected number of countries effects of European foreign and security policies (human rights, arms trade) should be measured. Since an emphasis has to be placed at these studies, because the real results in terms of development effectiveness will be dealt with here, the length of these reports will be a bit larger, in the mean between 60 and 75 pages.

Lastly a *synthesising study* should summarise all the three sets of studies. This synthesising study would have two goals:

1. to bring the results of the evaluation to a wider European audience
2. to come with a series of recommendations for a better co-ordination, more concise task division and a larger and deeper coherence of European (development and foreign) policies.

This study thus should present a general overview of all the evaluations made, most probably topic or policy wise. It should furthermore present the main conclusions of those evaluations. The audience should be the interested audience in the European Union, including politicians in the European Parliament, and of the Member States, civil servants and staff of universities and Civil Society organisations.

Evaluation models

Four models of implementing these evaluations are presented here. The experiences with the ALA-, Med- and Lomé-evaluations learned: 1. That it is very difficult to handle such a complex set of evaluation studies; 2. That it is difficult to handle such a set of evaluation studies efficiently; 3. That it is difficult to come to a final clustered set of general conclusions and recommendations. This could lead to two different conclusions: Either one organises this new evaluation in a less ambitious manner; or one organises it better and more precisely. The four models presented here are two of the 'less-ambitious-type' and two of the 'better organised types'.

The first model is the *Participatory Model*. It is meant to organise the evaluation over the Internet. It has as a second goal to involve European and Third World citizens in the evaluation. It consists of opening a web-site and organising all kinds of inputs via Member States contributions in the form of the three type of studies as described above. It would start with a pledging conference in which the MS and the Commission indicate their contributions to the studies, which are then contracted out.

The second is the *Menu Model*. In this model some of the aforementioned studies will be picked up and spread over the years producing a programme of studies, following the urgency as felt by the selectors. At the moment that a certain topic is selected, it will be decided what will be the methodological ways to follow up the evaluations. For each of the topics chosen it can be assessed if all or only a few of the three studies will be executed.

The third is the *Project/Process Model*. This is a step-by-step approach in which the topics and studies to be done are brought down in a logical framework and schedule. In which first some pre-field studies and expert meetings are organised and in which also the different topical studies are more combined to avoid overlaps. Then a selection of member states interviews (short profiles) and a policy study will be made, both followed by a select set of developing country studies (two or three), in which the countries will be selected on basis of the relevance they have for the topic.

The fourth is the *Overall Programmed Model*. In this case the evaluation of Triple C, after that the topics are chosen by the Heads of the Evaluation Units, is given to a network on European development research institutes with one lead-institute responsible for the organisation. All the profiles and evaluation studies are organised in a two-year schedule and a final, summarising report will be written by the lead-institute.

Pros and Cons of the four models are presented in Table 2. The choice of the model is in hands of the Heads of the European Evaluation Units.

Table 2 Evaluation Models

Model	Content	Needs	Pros/Cons
Participatory	Contributions via Internet and commissioned studies, access free	• institute to manage webpage • contributions from individual MS	• little costs • free access • large differences in studies and papers • results unclear
Menu	several propositions for evaluations on choice to evaluations units	• co-ordination at EU-level • agreements at EU-level at every selection • budget	• easy to manage • can be adapted according to budget • no overall views • large differences between studies
Project/Process	Step-by-step series of evaluations of a set of selected topics	• strong co-ordination at EU-level • agreement on a set of topics and studies • budget • series of lead institutes	• deep studies on certain topics • easier to be digested by policy makers • complex to manage • differences between studies • C - C - C studies
Overall Programmed	Large Triple C evaluation on a series of topics	• agreement at European level on topics and method • budget • network of research institutes • lead institute	• quality control by research community • real Triple C study • larger audience • costly

Conclusion

Time has come to evaluate the effects of the Treaty of Maastricht and its Triple C on European development cooperation. Looking back it is clear, as with more legal texts, that the full meaning and significance of the Treaty of Maastricht for European development cooperation only gradually became visible and that some of its implications are not yet known. This is the more important because in the new text of the European Convention Triple C reappears and, in the case of the C of coherence, with even stronger wording.

An evaluation of Triple C is not easy, it is complex because many stakeholders are involved. Such an evaluation takes place on a series of levels, from the international negotiation tables of Doha and Cancún to the cotton production of a Malian farmer. This suggests that topics should be chosen carefully, that the evaluations should be well planned and well coordinated and that methodologies should be discussed beforehand with participating institutions or consultants, otherwise synthesising and drawing conclusions and policy recommendations might be extremely difficult. Since the coherence evaluations are most probably the most difficult, it might be wise to set these apart from the coordination and complementarity evaluations, which by nature would be smaller in extent.

In particular the Doha trade round and its discussions in the WTO have brought some 'coherence issues' in the centre of the international debate. The advantage of this clearly is that some of the old incoherences in European policies are anew being debated and that new rulings might be expected on some of the ardent issues.⁵ What might be a disadvantage is that some other important incoherences might stay in the shadow. In all discussions on the enlargement of the European Union (and its effects on European development cooperation), on the European Convention (and the subordination of Europe and development cooperation under a Union Minister of Foreign Affairs) evaluations as those proposed could shed new lights on these 'forgotten issues' and thus enhance the effectiveness of European development cooperation. It is with this in mind that the articles in this book have been written.

5 As the recent ruling of the WTO on the complaint of Brazil about American and European cotton subsidies illustrates.

From 'particularity' to 'globality':

European development cooperation in a changing world

Paul Hoebink

The Treaty of Rome which laid the foundation of the European Community, also was the starting point for European development cooperation. It meant that in this start European development cooperation was characterised by three specific elements: it was part of the price that Germany had to pay for its reintegration in the community of European states; it was directed at the colonies and overseas territories of a small number of member states (France, Belgium, the Netherlands and Italy); and trade issues were part and parcel of the programme from the beginning to associate the former colonies to the Common Market. It thus started as a programme for a small number of developing countries and territories which could also benefit from a rather large portion of foreign aid as from favoured access to the European market. The Convention of Yaoundé and its successor the Convention of Lomé could in this specific form and context stay for a long time the cornerstone of European development cooperation.

Through the years however development cooperation by the European Union underwent considerable changes. This article will deal with these changes which made the EU one of the most important donors and the most important trading partner for developing countries. Only since the Treaty of Maastricht some common guidelines have been given to it, but this European development cooperation system still is fragmented and not very coherent. At the same time the European Commission has been criticized regularly and vehemently for the inefficient way it dealt with the aid programmes which it had under its responsibility. This led to a series of evaluations and some considerable organisational changes in the last years. They will be analysed in the last part of this article.

1. Historical background of the development cooperation of the European Union: from Yaoundé to Cotonou

From its beginning the European Community (later European Union) had to formulate its relation with developing countries. A series of colonies and overseas territories had to be associated and connected to the new Common Market. France was the stubborn supporter of this association, since most of these colonies and dependencies were part of her empire. Normally such an association had to be concluded in an agreement between the states concerned, but since the associated territories were still in a dependent position the association was simply imposed upon them, as it was imposed by France on other Member States.¹ This situation changed rather quickly as more and more European colonies became independent. The internal drive for a European development cooperation (in the 1970s with a new impulse with the integration of nine new member states), later got an external drive (universality of development, geopolitical considerations) which did change the programme considerably in the last decades. The accession of the United Kingdom and 'universalist' Member States as Sweden and Denmark stimulated more global and universalistic policies.

Part Four of the EEC Treaty, the Treaty of Rome, created 'the association of the overseas countries and territories', meaning that the association of third countries in the development world dates back to 1957. The objectives of this association were laid down in Part IV, in Articles 131 - 135 of the Treaty of Rome, now Articles 182 - 188 of the Treaty establishing the European Community. The purpose of this association, according to Article 131 (182) was 'to promote the economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole'. Looking at it of a legal perspective one could say that the paragraphs on 'associationism' of the French Constitution of 1946 found their way in the Treaty. France and Belgium were the main proponents of this proposition, while Germany opposed (originally also the Netherlands), but later had to bow for a French ultimatum.² The association system would lead to a gradual abolition of tariffs, to the supply of financial aid to the associates via the European Development Fund (EDF), in principle a free circulation of labour and the right of European citizens and

1 Faber (1982: 7)

2 Recently published cabinet documents indicate that the Netherlands and Germany were really surprised by a Belgian and French memorandum of October 1956 to associate their colonies to the common market and to create a European Development Fund. Dutch resistance weakened when the Dutch government observed that also Dutch overseas territories could profit from trade preferences and the EDF.

enterprises to invest in the associated territories. The two main elements from the beginning were thus trade and aid. The EDF was filled with 580 million EUA for the years 1958-1963, which meant an extra amount of 15 per cent of aid above bilateral aid of the member states.³ The money for the EDF came directly from the member states' budget and is still financed outside the general European Budget.

Looking at the regional perspective the group of Associated African and Malagasy States (AAMS) consisted mainly out of French and Belgian colonies in Africa (in total 18 states in 1963). Next to these there are a number of Overseas Countries and Territories (OCTs) that still have a special relation with the EU.⁴ The independence of several of the associated territories at the end of the 1950s and the beginning of the 1960s led to negotiations between the Community the newly independent states, who wanted to keep their preferential access to the community as well as the aid flow. It resulted in the Convention of Yaoundé of July 1963 (with 18 African states) and six years later to Yaoundé II, which was mainly a copy of Yaoundé I. Mauritius was the only new country to join the Convention. The EDF II was endowed EUA 800 million and EDF III 918 million. In the mean time the European Community also concluded in 1969 its first trade agreements with Mediterranean countries (Morocco and Tunisia). And in 1971 the Community enacted its General System of Preferences, which gave some, but small preferences to Asian and Latin American countries.

The geographical scope of the Convention changed dramatically in 1975 with the continuation of Yaoundé in Lomé I, when 21 Commonwealth countries plus

3 Grilli (1994: 13). EUA = European Union of Account (since 1980 ECU, since 2001 Euro).

4 There are 20 OCTs scattered around the globe most of them island states. Twelve British overseas countries and territories: five are in the Caribbean, three of which are in the West Indies (Anguilla, Montserrat and the British Virgin Islands) and two of which are near Florida and Cuba (the Cayman Islands and the Turks and Caicos Islands). Another group are in the Atlantic Ocean, close to South America (the Falkland and Sandwich Islands) or closer to Africa on the latitude of Angola (Saint Helena). There is one British territory in the Antarctic; further there are the Bermudas are off the East Coast of the United States, while Pitcairn is isolated in the Pacific Ocean. Six French overseas territories and territorial communities (collectivités territoriales): most are in the Pacific Ocean (French Polynesia, New Caledonia and its dependencies, Wallis and Futuna) and the Caribbean (Guyane, Martinique, Guadeloupe), except for the Southern and Antarctic Territories, which are in the Indian Ocean (Crozet and Kerguelen Islands) and the Antarctic continent. The territorial communities consist of an island in the Indian Ocean (Mayotte) and two islands off Newfoundland, St Pierre and Miquelon. Two Dutch overseas countries: Aruba and the Netherlands Antilles, which are both in the Caribbean. Finally, under the Danish Crown, the vast autonomous territory of Greenland.

five other countries were added to the list. 17 of these countries were in Africa, the remaining nine from the Caribbean and the Pacific. French resistance was the reason that no Asian Commonwealth countries could join Lomé with the accession of the UK in the EC. Another important addition in Lomé I was the introduction of Stabex, a fund for compensation for shortfalls in export earnings of some tropical products (mainly cocoa and coffee). In total 46 ACP-countries signed Lomé I, for which an EDF (IV) was available of EUA 3.4 billion. Goals, basic principles and main instruments of Lomé II (1980-1985) and Lomé III (1985-1990) were more or less the same as Lomé I. Only Sysmin was added as a new instrument, to stimulate mining production. The number of ACP-countries now grew more slowly via 57⁵ to 66⁶, undersigning Lomé III. The EDF grew from ECU 5 billion (EDF 5) to ECU 8,5 (EDF 6). Lomé IV finally had two financial protocols with a volume of ECU 12 billion for EDF 7 and ECU 14.6 billion in EDF 8. This looks as if the aid via the EDF showed a real growth over the years, but if we look at it from a per capita perspective we see that the aid flow to the ACP countries decreased clearly over the years (see Table 1).

5 Some island states and Suriname and Zimbabwe added to the list.

6 Again some more Caribbean and Pacific islands plus Mozambique and Angola new on the list.

Table 1: EDF and EIB Budgets for financial cooperation with ACP countries 1957-2000

(in millions of current and constant EUA/ECU/€)

	1957 Rome Treaty EDF 1	1963 Yaoundé 1 EDF 2	1969 Yaoundé 2 EDF 3	1975-80 Lomé I EDF 4	1980-85 Lomé II EDF 5	1985-90 Lomé III EDF 6	1990-95 Lomé IV EDF 7	1995-2000 Lomé IV-bis EDF 8
EDF Total	581	666	828	3,072	4,724	7,400	10,800	12,967
Grants ¹	581	620	748	2,150	2,999	4,860	7,995	9,592
Special Loans	-	-	-	446	525	600	-	-
Stabex	-	-	-	377	634	925	1,500	1,800
Sysmin	-	-	-	-	282	415	480	575
Risk Capital	-	46	80	99	284	660	825	1,000
EIB2	-	64	90	390	685	1,100	1,200	1,658
Total EDF and EIB	581	730	918	3,462	5,409	8,500	12,000	14,625
Per Capita								
EDF 1 ³	10.7	9.7	10.5	12.3	13.5	17.9	21.9	23.6
Per Capita								
EDF 2 ⁴	62.9	50.3	41.2	31.5	22.6	24.2	24.3	23.6

1 Interest rate subsidies, regional cooperation assistance, structural adjustment support out of Lomé IV included; also humanitarian assistance (emergency and refugees) from Lomé IV-bis

2 Ceiling set by the EIB Board; total ceiling amount never disbursed

3 In current €

4 In constant €

Source: Grilli (1993:99); *The ACP-EC Courier*, Special Issue, January-February 1996.

Table 2: Some advantages and disadvantages of the Lomé and Cotonou Conventions

Advantages	Disadvantages
• Convention: rights and duties at both sides	• Entitlement based, not results based
• Partnership in forefront	• Former colonies; Geographically limited • Partnership ritualistic, little efficiency in information exchange
• Mix of instruments	• Not all instruments fit for the range of countries
• Trade preferences included	• Trade preferences little used due to limited capacities • Trade preferences limited in some sectors • Trade preferences eroded by other EU treaties and WTO regulations
• Stabilization of raw material prices	• Little money available • For a major part to cocoa producing countries • To countries not to producers • Discontinued in Cotonou Convention
• Aid objectively determined • Aid additional	• A 16th European donor; complementarity and coordination problems • Difficulties with conditionalities • Efficiency/effectiveness in discussion
• Human rights included	• Show-piece only? • Different views of EU members doesn't seem to lead to real implementation

Based upon: Ravenhill (1985); Grilli (1993) and Cosgrove-Sacks (1999) and Commission documents.

Over the years the position of ACP countries in the total aid flow from the European Community weakened. The aid flow of € 30 billion between 1986 and 1999 accounted for 40 per cent of all aid committed by the EC and 45 per cent of all disbursements. The ACP countries were still the predominant aid receivers in the sixties and seventies. But in the eighties and nineties they have been replaced by in particular Mediterranean and Eastern European countries. At the end of the seventies 10 of the 15 top-receivers of European Aid were still ACPs. Twenty years later only five of them were on this list; seven top-receivers could be found in the Mediterranean and the Middle East.⁷

If we look at the distribution of Lomé-aid over countries and regions we can see that Sub-Saharan Africa is by far the biggest region in the group, both in terms of aid received and in terms of population. € 18.5 billion was allocated to Sub-Saharan Africa what represented 78 per cent of commitments made between 1986 and 1998. The Caribbean and Pacific ACP countries received 6.2 per cent (€ 1.5 billion) and 3.7 per cent (€ 876 million) of all aid respectively.⁸ € 1.6 billion or 6.7 per cent of the ACP aid represented regional assistance (to West Africa, Southern Africa, Indian Ocean, etcetra) and the remaining € 1.3 billion or 5.4 per cent was unallocable by country or sub-region.⁹

Commitments to Africa showed quite some variation during the nineties. It started at € 491 in 1986, to increase steeply to € 2.3 billion in 1988, falling back to € 1.0 in 1990 and to increase again to € 2.7 in 1994. These fluctuations partly reflect a lack of agreement on Stabex disbursements, which made aid rise again in 1994 when Stabex funds for both 1993 and 1994 were committed. In general they reflect the availability of financable projects. Commitments to Sub Saharan Africa in 1998 stood at nearly € 2.5 billion and were quite close to their 1994 high.

In the Caribbean and the Pacific we can observe the same kind of fluctuations, but the reasons were partly different. In the Caribbean commitments went up from € 49 million to € 137 in 1989 to fall back to € 74 and to rise again to € 292 million in 1993. After that flows rose significantly, up to € 403 million in 1996 before dropping to € 150 million in 1998. The steep increase can be explained by the inclusion of Haiti and the Dominican Republic in the ACP group during

7 OECD (several years).

8 This is with inclusion of the Caribbean and Pacific OCTs which did receive respectively around 8 per cent and 11 per cent of all Lomé aid to those regions.

9 Figures in this part are coming from Cox/Chapman (1999:46-47). The unallocable figure is largely due to the fact that for EDF 5 there is no country or regional break down available. Over the years this figure goes down to □ 2 million in 1995.

Lome IV. The Dominican Republic accounted for 35 per cent and 26 per cent of all aid to the Caribbean in 1992 and 1993 respectively, while commitments to Haiti represented around 26 per cent and 32 per cent in 1994 and 1995 respectively. In the Pacific we saw a start at € 27 million in 1986, a rise to € 127 in 1988, a drop in the consecutive year to € 54 million in 1989 and even € 35 in 1992 and an increase again in between and to € 128 in 1994.

Yaoundé and its successor the Lomé Convention has been praised in the past for its acquis, its unique characteristics.¹⁰ This uniqueness could be found in the combination of aid and trade, the additionality of its aid funds, its supposed political and economic neutrality and the joint management of its aid funds (see also Table 2). Again and again Commission officials did emphasize these unique features. To a certain extent they were right: European aid funds were distributed on a more objective basis than it is the case with bilateral donors. But this meant also that it was very difficult to come to a results based allocation of aid funds or to adhere to conditionality in severe cases of the violation of 'good governance' rules. Aid indeed could be seen as additional in the case of new EU member or EU members with low budgets (like Belgium or the UK). At the same time though it came in the place of diminishing French (and UK) funds, so it could be seen also as a replacement for aid flows to former French and British colonies.

Looking at decision making in Brussels (see later in this article) the concepts of 'joint management' and 'partnership' are probably the most overvalued. Times and again, like in the rather critical Pisani Memorandum of 1982, it was stressed with pride that the governments of the aid-receiving countries set the priorities and that it were they to decide how aid money was spent. The urban bias, the bias towards large projects and poor administration led to the situation that the Commission already in early stage wanted to exert more control over project selection and country programming. This tendency to centralize decision-making in Brussels only became stronger over the years.¹¹

This could probably most dramatically been shown in the negotiations on the extension of the Convention of Lomé, finally to become the Convention of Cotonou (2000). If one looks at the original Green Paper, the basis for the negotiations with the AC-countries, and compares it with the critique on it and the wishes of the ACP-countries, and then with the final result, the Convention of Cotonou, one can not escape from the conclusion that the European Commission, supported by the member states, did have the final say in all the important aspects and imposed the Convention on the ACP-countries. This was

10 Grilli (1993: ch.3).

11 See also: Grilli (1993:107-113)

true for: the abolishment of Stabex and Sysmin, the implementation of a more results based aid allocation (based on country strategy papers, policy performance and spending targets), the change in trade preferences (see below) and the introduction of 'good governance' paragraphs in the Convention. The only thing the 71 ACP-countries could hope for was that the promised decentralisation of power to the European Delegations in their countries might make negotiations on projects and programmes easier.

2. Towards a global programme: the Mediterranean and ALA programmes

As the position of the former associated countries and the ACP-countries weakened over the years. This was in particular due to the fact that the European Community/European Union enlarged its cooperation programmes gradually. It started most logically in Europe's southern Periphery, with the countries of the Mediterranean which not only had special relations with France and Italy, but also are heavily dependent on Europe with regard to their trade as well as migrant labour. The enlargement of the Community in the eighties towards the Mediterranean gave a particular stimulus to this process, but at the same time weakened it.¹²

Cooperation with the Mediterranean countries started with a case by case approach, allowing for full association with Greece and Turkey at the beginning of the sixties and limited association with Tunisia, Morocco (end of the sixties), Malta and Cyprus (beginning of the seventies). Other countries (Yugoslavia, Israel, Lebanon) however got non-preferential agreements. Furthermore negotiations were often difficult, in particular with citrus producers, from which Italy feared competition. The Community was thus not able to 'follow a coherent policy vis-à-vis this important neighbouring area'.¹³ The general line was that industrial products could freely enter into the Common Market, which was also in line with the reallocation of European textiles, clothing and shoe production to for example Spain, Tunisia and Morocco, but that agricultural products faced high tariffs or quota limitations. This has more or less been the line since then. Political elements weighed heavily in the relations what in particular can be read from European relations with authoritarian regimes in Greece, Spain and Turkey. Aid was very limited in this period up to 1979, consisting mainly of loans.

12 Agricultural products from these countries have to compete with those of Greece, Portugal and Spain (and Italy and France), which gave the agreements with the Med-countries and the negotiations on them always some duality: a wish to connect and integrate versus a wish to protect and stay apart.

13 Grilli (1993: 181).

A second phase in this relationship with the Mediterranean began, when in Paris in 1972 the European Council adopted the so-called 'Global Mediterranean Policy'. 'Global' only meant in this case that the treatment of the Mediterranean countries should become more systematic, but this new policy also included cooperation agreements that had a bit broader scope, including next to trade issues also aid. Due to the economic crisis of the seventies, it meant modest amounts of aid.¹⁴ Also the trade preferences stayed far from the French proposal at that time of establishing a free trade area in the Mediterranean. In the so-called 'pyramid of privileges' the southern Mediterranean countries were clearly lower than the ACP countries. A series of Cooperation Agreements though and financial protocols attached to them allowed for a modest increase in technical and financial grants and loans.

This situation only changed in 1989. After the second enlargement which brought the 'Mediterraneans' Spain, Portugal and Greece into the Community the focus was clearly more southward. Added to this was that the economic crisis of the 1980s did hit countries as Morocco, Tunisia and Egypt heavily. The so-called 'New Mediterranean Policy' initiated in 1989 should address the problems of youth unemployment, growing poverty and immigration. The new policy aimed at introducing market reform (and in this following at a distance IMF policies), stimulating private investment and giving better market access. At the same time when European institutions came with quite substantial criticism on European protectionism vis-à-vis the Mediterranean countries (in particular with regard to agricultural products and textiles) however, very little changed in this respect. Also aid flows grew only slowly.

This all is said to have changed in 1995. The European summit in Cannes in June 1995 and the following Barcelona Summit with the Mediterranean countries in December in the same year are in the European Union's documents described as a 'watershed', a major change in which issues as: common security, peace and stability, an 'area of shared prosperity', the development of human resources and relations between civil societies are said to be integrated into a broad cooperation. What is clear is that the fear for the upcoming Muslim fundamentalism in particular in Algeria, forced the European Union to take a new position vis-à-vis the southern Mediterranean countries. In the follow-up of the Barcelona Summit negotiations again appeared very difficult. Only small steps

14 Under the first financial protocol for four years (1978-1981) it was ECU 659 million for eight countries, for a major part EIB loans. Egypt was the main receiver with about ECU 43 million a year; Jordan received ECU 10 million a year. Under the third financial protocol (1987-1991) the total amount grew to ECU 1,5 billion. (Cox/Chapman, 1999: ch.4).

were taking into the direction of a free trade area that should be created in 2010. A series of Euro-Mediterranean Association Agreements are replacing the old cooperation agreements. Each of these agreements contains articles on a gradual elimination of custom duties, but for agricultural products special provisions are made. The agreements are thus more comprehensive and covering all areas of the Barcelona Declaration, but are not going very far or deep.

After a Euro-Mediterranean Summit in 1991 and the Barcelona Summit aid commitments and disbursements did gradually grow again in the second half of the 1990s, since the Council in 1995 devoted € 3.4 billion up to 2000 for the special MEDA budget line, created in October 1996 as a follow up of the 4th financial protocol. Egypt remained the main aid receiver, with, in a second echelon, Morocco, Algeria, Tunisia, Turkey and the West Bank/Gaza. Water supply was the main sector for European aid, where it was agriculture in earlier years.¹⁵

The European Union has long standing relationships with Latin America, but Latin America is said to lie 'at the outer limits of the Community's development reach'.¹⁶ The Community's relations with Latin America started slowly at the end of the 1960s, urged by Italy, but it took twenty more years, strengthened by the accession of Spain and Portugal to the EU in 1986, till they really did grow. EU relations with Latin American countries have since then developed simultaneously at the national, regional and sub-continental levels. A full range of political and trade relations as well as co-operation agreements have been concluded at every level. There are regular meetings with the Rio Group since 1987, with a first Summit between the Heads of State and Government of Latin America, the Caribbean and the European Union in Rio de Janeiro in June 1999 and a second EU-LAC Summit in Madrid in May 2002. At a sub-regional level there is since 1984 the San José Dialogue between the EU and Central America, essentially a forum for political discussion. With the Andean Community (established in 1969) the EU has the longest relations (allowing them to make use of the General System of Preferences), which were institutionalised in the Rome declaration of 1996. At the Bilateral Level the EU has a full association agreement with Mexico, establishing a free trade area.¹⁷ The EU signed a second association agreement

15 Also this is seen as an example that the EU is not willing to allow competition in this sector with its southern Member States.

16 Grilli (1993: 225).

17 Signed in December 1997, entered into force October 2000, published in: Official Journal of the European Communities, L276, Vol. 43, 28 October 2000

with Chile in November 2000,¹⁸ accompanied in March 2000 with a cooperation agreement with an indicative financial envelope of € 34.4 million. The definite Association Agreement with Chile was undersigned in November 2002, establishing by gradual and reciprocal liberalisation a free trade area in 2010.¹⁹

With regard to trade relations the EU is more important for Latin America, than Latin America for the EU. The EU is Latin America's second trading partner, being the first partner for MERCOSUR and Chile. Between 1990 and 2000 EU-LA trade doubled. EU exports of goods to Latin America in 2000 totalled EUR 54.5 million, mostly in machinery and equipment and chemicals. During the same period EU imports from Latin America amounted to EUR 48.8 million, over 20 per cent of which was accounted for by agricultural products. Overall the trade relations are thus not very significant and were even decreasing. Between 1980 and 2000 the EU's share of Latin America's trade went from 20 per cent to 15 per cent.

The agreements the EU has concluded with Latin American countries and regional partners have evolved from being purely concerned with economics, to much more wide-ranging agreements. Each one now includes a democracy clause, enshrining respect for democratic principles and human rights. The agreements now provide also new perspectives for economic, industrial, scientific, technical and environmental co-operation, as well as the fight against drugs. Decentralised co-operation was included in all of the agreements. Cooperation has taken the following forms: AL-Invest tries to provide help to small and medium-sized companies, by encouraging European firms to invest in Latin American enterprises; ALFA focuses on the promotion of co-operation between institutions of higher education out of the two regions; with URB-AL the EU hopes to establish direct links between European and Latin American cities; ALURE encourages the optimal and most rational use of energy; and @LIS should promote the benefits of using information technologies and tries to bridge the so-called digital divide. The total budget for these cooperation programmes is since 1996 around € 500 million. Furthermore some € 80 million per year goes to the ACP countries in the region.

18 This after earlier cooperation agreements had been concluded in 1990 and 1996. It took ten negotiation rounds and six years to come to a final agreement, undersigned finally in November 2002.

19 One has to acknowledge that this free trade is nearly full for industrial trade, but only up to 80 per cent free for agricultural and 90 per cent for fisheries products (Official Journal of the European Communities, L 352, Volume 45, 30 December 2002)..

The official relations of the EU with Asia started late but evolved considerably in the 1990s. Great Britain tried to bring some of the Commonwealth nations under Lomé, but this was blocked by France and for a decade or more relations stayed at a low level. After a first Summit-level dialogue in 1991 with Japan, comparable summits with India, China and soon with South Korea had been established. In March 1996 the inaugural ASEM Summit was held in Bangkok. ASEM (the Asia-Europe Meeting) is an informal process of dialogue and cooperation bringing together the fifteen EU Member States and the European Commission, with ten Asian countries (Brunei, China, Indonesia, Japan, South Korea, Malaysia, the Philippines, Singapore, Thailand, and Vietnam). The first Summit proposed the creation of a new partnership between Asia and Europe, strengthening the relationship between our two regions by means of an enhanced political dialogue, reinforced economic cooperation, as well as cooperation in other areas (social, cultural and intellectual). The second ASEM was held in London in April 1998, the third ASEM in Seoul in October 2000, the fourth ASEM was held in Copenhagen in November 2002. These Summit meetings are accompanied by other high-level and ministerial meetings, but are for a debate and exchange of ideas more than for negotiations and decision making.

Asia is a very important partner for the EU. Asia as a whole accounts for 21 per cent of the EU's exports, and is Europe's third-largest regional trading partner, after Europe outside the EU (31 per cent) and NAFTA (28 per cent). Asia has a large trade surplus with the EU, which grew recently from € 13 billion in 1996 to over € 120 billion in 2000. Asia also accounts for a significant share of the EU's foreign investment flows (it is the fourth-largest regional destination for outward investment from the EU, accounting for 6.8 per cent of total EU outward FDI in 1999), while certain Asian countries are important investors in the EU. In September 2001 the European Commission adopted a Communication setting out a new strategic framework for the European Union's relations with Asia in the coming decade. The strategy's core objective is to strengthen the EU's presence in Asia, focussing on six key dimensions: the political and security fields, two-way trade and investment relations, the reduction of poverty, the promotion of democracy, good governance and the rule of law, building global partnerships with key Asian partners, and promoting further the awareness between the two regions. This strategic framework was an update of the first Asia strategy of the EU of 1994. Private sector development and the support for small and medium enterprises is seen as a cornerstone of this framework. The central focus of the aid programmes will be on education and health. New delegations will be opened in a series of Asian countries like Malaysia, Singapore, Cambodia, Laos and Nepal.

EC cooperation programmes with the developing countries of Asia have grown moderately in recent years, averaging some € 410 million per year in the period 1996-2000, as against € 360 million per year in 1991-95. Some 80 per cent of these aid flows goes to the lowest-income countries in Asia (32 per cent for the least-developed countries, 48 per cent for other low-income countries).²⁰ In addition, new programmes in mutually-beneficial economic cooperation have been introduced since 1992, with a view to strengthening economic relations between Europe and Asia. Overall, the EU and its Member States account for some 30 per cent of global ODA flows going to Asia - after Japan (50 per cent) but well ahead of the USA (9 per cent).

The EC also provides substantial humanitarian assistance to Asia. Over the three years from 1998 to 2000, an average of € 77 million per year was provided in humanitarian assistance following on natural or man-made disasters in Asia. This accounted for 12.8 per cent of EU humanitarian aid efforts worldwide. In the year 2000, substantial humanitarian aid went to Afghanistan, Timor, North Korea and Indonesia, and at the beginning of 2001 the victims of the earthquake in Gujarat received European emergency assistance.

Apart from this two regional programmes there are three other regional programmes with development components. PHARE (the Poland and Hungary Aid for the Restructuring of Economies) was originally created to assist Poland and Hungary in 1989. It was later expanded to the ten candidate countries and also the Balkan countries received then aid out of this programme annex budget line. As of 2001 the CARDS programme (Community Assistance to Reconstruction, Development and Stability in the Balkans) provides financial assistance to the Western Balkans. Since 1993, since in Copenhagen the European Council invited the central European countries to apply for membership, PHARE support was reoriented into accession support, including a marked expansion in support to infrastructure investment. The TACIS (Technical Assistance to the Commonwealth of Independent States) provides assistance to the republics of the former Soviet Union. The European Court of Auditors also criticized PHARE as TACIS severely for lack of financial management. The PHARE programme was restructured in 1997 to become a pre-accession programme. The PHARE programme was worth about € 1 billion in the mid-1990s. It could have grown considerably in the second half of the 1990s, but since disbursements are slow, actual spending stayed at € 730 million per year on average.²¹ Between 2000 and 2006,

20 Cox/Chapman (1999) and European Commission (2001).

21 Figures from the European Commission's web-site.

PHARE doubled its budget and could provide some € 11 billion of co-financing for institution building through ‘twinning’ and technical assistance and for investment support to help applicant countries in their efforts. The TACIS programme has more or less half this size: € 4.2 billion were committed between 1991 and 1999, an additional € 3.1 billion are reserved for the period 2000-2006.

Apart from these regional programmes there is also European aid from thematic budget-lines. The most important of these is humanitarian aid through its Humanitarian Aid Office (ECHO), amounting in the last eight years to on average nearly € 600 million. The major part of this was going to Africa and Asia recently, but also to the Balkans in the second half of the 1990s. A second important budget-line is that for Food Aid and Food Security. Since the European Community gave its first food aid in 1967 and it appeared sometimes to be a channel to export surplus production, this programme has changed dramatically with a clear emphasis on food security now. The budget for food aid and food security was € 454 million in 2001, down from € 646 million in 1995. Of this € 454 million € 138 million were spent through NGOs and € 98 million through the WFP. Other budget-lines are for human rights and democratisation (€ 110 million in 2001), for the environment (€ 54 million), for Health, Population and AIDS (€ 21 million), for co-financing with NGOs (€ 176 million).²²

3. The new European development policy: Maastricht, Horizon 2000 and beyond

The European Union is probably the only state or inter-state entity in which Constitution development cooperation has its own paragraph. This paragraph in the Treaties of Maastricht and Amsterdam stands under the sign of the three C’s: complementarity, coordination and coherence. This so-called Triple C is part of Title XVII of the Treaty of Maastricht and now of Title XX of the Treaty of Amsterdam (see Introduction).

In the Title the main goals of the European Union’s development cooperation are given. Of course a contribution to the sustainable economic and social development as well as to the war against poverty is pursued here, but also the consolidation of democracy and the rule of law get a specific line. In the first sentence of Article 177 also complementarity is stressed. And in Article 180 the Community and the Member States promise to coordinate their efforts.

Shortly after the signing of the Treaty of Maastricht the European Commission

²² Rapport Annuel 2001 de la Commission au Conseil et au Parlement Européen sur la Politique du Développement de la CE et la Mise en Œuvre de l’Aide Extérieure. Bruxelles : Commission des Communautés Européennes, COM (2002) 490, 12 Septembre 2002.

came with an important declaration to the Council and the European Parliament, commonly known as the Horizon 2000 declaration (Commission 1992). In it the Commission underlined the basic principles of the Maastricht Treaty as formulated in Article 130U and it placed its development cooperation policy in the midst of its external policies. It then worked out the central goals emphasising with regard to its 'good governance goals' that the 'revision of the political structures must go hand in hand with far-reaching reform of the state's administrative structures and resources, to which many different operations can contribute (review of the state's tasks, so that it concentrates on its essential functions, decentralization of the decision making and administrative machinery, and an ongoing effort to train and motivate civil servants, etc.)'. With regard to the goal of fostering economic and social development the Commission stated that a main component of this might be economic liberalization but that the state 'must not neglect its role in creating the physical and regulatory environment which business needs in order to invest' and that constant attention should be given to 'the development of human resources'. Commenting on the goal of integrating developing countries in the world economy the Commission gave itself the task to 'give thought to how it should itself reorganize in order to open up more to products from the developing countries' and that 'account should be taken of the fact that the developing countries will benefit very unevenly from the opening-up of the markets'. The statement with regard to poverty reduction was rather loose: 'Development cooperation policy must support targeted operations to relieve certain forms of poverty and to offset the social costs resulting from reform and economic restructuring policies'.

In this 'Horizon 2000' document the Commission listed a series of shortcomings in this policy field. First of all was the dispersion of activities of the Member States and the Commission, what it called the 'coordination shortfall'. Secondly it stressed the 'linkage or cohesion shortfall' between cooperation policies and other Community policies. And lastly it indicated 'that the Community does not speak with a single voice and does not provide the necessary impetus in international forums or vis-à-vis other suppliers of funds'. The Commission concluded that 'this situation is prejudicial first of all to the developing countries' which were 'often tempted to play on internal rivalries in order to derive immediate benefit', but also to the Member States, because it weakened their positions vis-à-vis their immediate competitors.

The Commission then elaborated on the comparative advantages that the Community development cooperation policy has. New forms of North-South interdependence could, in the eyes of the Commission, not be dealt with by Member States individually on a bilateral level. The Community has compe-

tences on several levels that could be interlinked better with a Community development policy. By 'dovetailing' the policies and the resources of the Community and the Member States a greater impact and effectiveness could be reached. It is not the question of simply concentrating at Community level all the means currently deployed by the Community and its Member States, but on the contrary, 'the principle of subsidiarity must govern the analysis undertaken to formulate Community policy and the choice of the degree to which Member States' bilateral policies are integrated into the coordinated policy'. The Commission then promised to 'carry out a systematic review' of themes to identify those which best lend themselves to a synergetic approach.

The Commission summed up its priorities for each region. For Sub-Saharan Africa economic restructuring, administrative overhaul and democratic reforms should be a priority for Community aid. Integration into the international economy is seen for this region as a much longer term objective. A development priority for the immediate future is seen to be the stable working of commodity markets and aid for bringing about greater regional cooperation. In the Mediterranean the major problems are seen as political, environmental and social (emigration). Development assistance from the Community is said to be increased and refocused on family planning programmes, technical assistance for institutions with the aim of supporting reform, regional cooperation and economic cooperation. With regard to Latin America the emphasis is on policy dialogue and the promotion of private investment, and increased ODA for the poorest countries. In Asia the Commission sees 'widely contrasting situations'. The overall objective should be to boost 'economic presence (exports and investment) in the most dynamic region of the world, while ensuring that the region's economic dynamism does not result in greater environmental damage'. Asia's least developed countries though should receive 'development aid of the traditional type'.

Eight years later, in November 2000 the European Council and the European Commission came with another important combined statement on Europe's development policy (European Commission 2000), outlining its general policy, instruments and organisation. In this statement it was emphasized that European Union provides approximately half of all public aid to the developing countries and is their main trading partner in many cases. The Commission stressed that its efforts cover all regions of the world now. It underlined that the international development goals are well 'enshrined in the Treaty establishing the Community'. It defined now as the main objective of Community development policy 'to reduce and, eventually, to eradicate poverty'. Since poverty is not only a lack of income and also encompasses vulnerability it is concluded that: 'Community

development policy must, therefore, support poverty reduction strategies which embrace these various dimensions and are aimed at consolidating the democratic process, peace and the prevention of conflict, the development of social policies, the integration of social and environmental aims in macro-economic reform programmes, respect for equality between men and women, the reform or introduction of an appropriate institutional framework, the strengthening of public and private sector capabilities and natural disaster preparedness'. The development policy of the European Union must therefore 'a breakdown of resources which takes account of the effect of such resources on poverty reduction'. At least in words the Commission thus placed itself in the midst of the new poverty focus of international development cooperation.

Recognizing the importance of 'ownership' the Commission and the Council then go on to conclude that given the limited human resources available to the Commission there is a need to concentrate the activities in a limited number of sectors and in a limited number of areas 'selected on the basis of their contribution towards reducing poverty and for which Community action provides added value'. These areas then are: the link between trade and development; support for regional integration and cooperation; support for macro-economic policies; transport; food security and sustainable rural development; institutional capacity-building, particularly in the area of good governance and the rule of law. Activities in all these sectors should of course be governed by horizontal aspects, by mainstreaming cross-cutting concerns, like human rights, equality between men and women, environmental aspects. This concentration on a limited set of sectors is then followed by a set of decisions on organizational reforms (see below).

It is clear that the difference between the 'Horizon 2000' declaration and this Statement of 2000 is the emphasis on poverty reduction and its much wider concept of poverty. It is in line with the critique of the DAC, although the DAC saw as a major challenge still for the Community to translate this poverty focus into country allocations and concrete sector policies. The choice of six priority sectors was also applauded by the DAC, but here it is to be seen how the Commission is able to counter pressure from the Council but even more from the European Parliament to invest more in the social sectors, e.g. in education. One could agree with the DAC that the European Community's regional, sectoral and horizontal strategies 'now more clearly display an overall sense of vision, though still requiring attention to implementation issues' (DAC 2002).

4. The trade element: European trade preferences to developing countries

An important element of European development cooperation always has been its stated objective to give developing countries a preferential access to the European Market and to stimulate their growth and development through exports. And indeed the European Community is for most developing countries the most important trading partner. One should keep in mind here that the European countries, member states of the European Community or Union, have no trade element in their development policies on its own, since all access is regulated through 'Brussels', through the Common Market mechanisms.

As stated already in the first paragraph in the course of the years since 1957 a hierarchy or a pyramid of trade preference came into existence in the relations between the European Community and the developing countries. At the top of this pyramid, at least for developing countries,²³ should be the Yaoundé and Lomé Conventions, but their position at this top of preference systems has been continuously eroded by other trade agreements that the Community concluded with other countries or groups of countries (Faber, 1990). The erosion deepened because the trade preferences were bound to the Common Agricultural Policy and because of the fact that also other international agreements on trade, like the Multi Fibre Arrangement and its predecessors, became progressively directed against the exemption of trade restrictions.²⁴ Gradually, from the 1970s onwards also the Mediterranean countries arrived at the top. At the bottom of the hierarchy is the General System of Preferences which gives a preferential access to the Common Market for all those developing countries that are no part of other trade arrangements. This is the largest group and Asian and Latin American countries form the major part of this group, for which the preferences didn't and don't add much to what they were already receiving via GATT and WTO agreements. About 40 per cent of European foreign trade with developing countries was given preferential treatment at the beginning of the 1990s.

In the 1990s we saw a gradual shift in the European Union's trade policy away from nonreciprocal and non-discriminatory to a reciprocity approach, in which trade preferences are exchanged via bilateral agreements. The liberalization of foreign trade by Poland, Hungary and Czechoslovakia forced the EU to

23 At the top of the total pyramid were other European but non-European-Union-member countries, like the members of the European Free Trade Association who were part of the European Economic Area (like originally Sweden, Finland and Austria, and still now Norway, Switzerland, Liechtenstein and Iceland). In the 1990s via the 'Europe Agreements' most 'Central European Countries' (from Estonia to Turkey) came from the bottom to the top of the pyramid. 'Central European' obviously has a very wide definition here.

24 See amongst others: Grilli (1994: 24-25, and ch.4).

alter its policies and to dismantle its barriers to the Central European Countries (Messerlin, 2001:210). More than hundred bilateral agreements in Europe alone are the basis of this new trade system. In 1994 after the conclusion of the Uruguay Round also the General System of Preferences was changed with regard to industrial products with an eye in particular to simplify the system. Tariffs were reduced, tariff quotas and ceilings were abolished. Lists of very sensitive products with high tariffs (mainly textile products), sensitive and semi-sensitive products continued to exist. Furthermore a graduation system was introduced, by which countries that developed their industrial capacity would loose finally their GSP status.

The results of the European trade regimes are thus not seen as very favourable to developing countries. Even the Yaounde and Lomé Conventions, which are suggested to be at the top of the pyramid for developing countries are not evaluated as very effective. This regards in particular the relative loss in position of the ACP-countries. There are some twenty studies which tried to assess the results of the trade preferences given under Lomé. Of them only the early ones show positive results. All the more recent ones show negative results for the majority of ACP-countries. There are though some remarks to be made upon these studies. Firstly some countries do better than the big majority. The famous example here is Mauritius that has really profited of the loopholes, amongst others Lomé, in the international trading system (Page 1994: ch.12). The second remark could be that the studies are not able to assess what would have happened to the trade of the ACP-countries without the Convention. It is highly imaginable that their position would have weakened even more vis-à-vis in particular the (East-)Asian countries. The last remark to be made is that the trade preferences of the European Community are not such that the majority of these countries could profit of them in particular in those fields that are or could be their strongholds. In particular with regard to labour intensive products (agriculture, clothing and textiles) the European market is also for these countries still a 'Fort'.

A further step to bring EU trade policy more in line with its development goals was presented on 26 February 2001. The General Affairs Council adopted then the Everything But Arms (EBA) amendment to the EU's Generalised Scheme of Preferences (GSP) proposed by Pascal Lamy, the Trade Commissioner.²⁵ The European Union approved this, what was called 'groundbreaking', proposal to eliminate quotas and duties on all products except arms from the 48 Least

Developed Countries. Duty and quota elimination for essentially all products took effect on 5 March 2001, four days after the official publication.

The full liberalisation of sugar, rice and bananas though, after opposition of France Italy and Spain, was to be phased in during a transition period only. Duties on fresh bananas will be reduced by 20 per cent annually starting on 1 January 2002 and be eliminated at the latest on 1 January 2006. Duties on rice will be reduced by 20 per cent on 1 September 2006, by 50 per cent on 1 September 2007 and by 80 per cent on 1 September 2008 and eliminated at the latest by 1 September 2009. Duties on sugar will be reduced by 20 per cent on 1 July 2006, by 50 per cent on 1 July 2007 and by 80 per cent on 1 July 2008 and eliminated at the last by 1 July 2009. However, to compensate for the delay in liberalisation for these products, the EU offered immediate and real market access to the 48 LDCs, through the creation of duty-free quotas for sugar and rice, based initially on the best figures for LDC exports during the 1990s, plus 15 per cent. These will increase by 15 per cent each year during the interim period .

The EU boosts its successes in trade with developing countries. The preliminary conclusion of the EBA initiative is said to be that total imports from the beneficiaries have risen by just under 10 per cent since the measure entered into force (up from \$12 900 million to \$14 100 million in 2001). In 2001 exports from the ACP countries to the EU increased by 12 per cent, in contrast with the stagnation in total imports into the EU and the sudden drop in international prices for certain basic products that are a staple of exports. The total volume of trade created by the Everything But Arms initiative (except sugar) should be worth \$6 000 million.²⁶

Furthermore: between 1996 and 2000 the value of imports from developing countries almost doubled (from € 250 000 million to € 450 000 million). Their trade balance with the EU went into surplus in 1999. The annual growth rate for exports from developing countries to the EU has risen by two-thirds between 1996 and 2001 as compared with 3 per cent between 1990 and 1995. The EU accounts for 70 per cent of all agricultural exports from the LDCs. The EU is also said to be the biggest importer of goods from the LDCs.²⁷ Developing countries as

25 Council Regulation (EC) No 416/2001 of 28 February 2001, Official Journal of the European Community, L 60/43, 1 March 2001; later brought into the GSP itself by: Council Regulation (EC) No 250/2001, Official Journal of the European Community, L 346/1, 31 December 2001.

26 'Trade and development, results and prospects', Speech by Pascal Lamy, Trade Commissioner, for the European Parliament's Development Committee, 18 February 2003.

27 This should be illustrated by the fact that in 2000, 52 per cent of all exports from the LDCs to the 'Quad' group (the United States, the European Union, Japan and Canada) went to the EU.

a whole accounted for 42 percent of total EU imports, representing € 432 billion of trade in 2000.

In September 2002, in preparing the Doha trade round, the Commission adopted an action plan to boost developing countries efforts to capture the benefits of trade.²⁸ The document sets out the importance of the relationship between development, trade and the integration of developing countries into the world economy. It concluded with a series of practical ways in which the European Union would support the developing world in its efforts to gain more from the world trading system.

Based on a Council resolution of June 2001, the European Union and the ACP-countries in September 2002 opened negotiations on a new trade partnership as foreseen in the Convention of Cotonou. These Economic Partnership Agreements (EPAs) should be the joint response of the ACP countries and the Community to the lessons from the Lomé Convention which could not prevent the marginalisation of most ACP countries in the world economy and their diminishing status as trading partner of the EU. The special trade relations the ACP and the EU since 1975 were based on non-reciprocal trade preferences that granted duty free access to the Community market for about 93 percent of the products originating in ACP countries. Trade though of the ACP countries, even with the Community decreased gradually.

A key element of this new partnership should be regional integration among the ACP countries. Creating larger markets is a target which could contribute to attracting both local and foreign investors. At the same time, a harmonisation of policies and rules at regional level should offer a more transparent and stable economic environment. But according to the EU, the EPAs should above all be partnership agreements. The EU promised to further open up its markets and to address remaining barriers to trade, while the ACP States should be prepared to implement appropriate domestic policies setting the framework for regional integration and sustainable development.²⁹ The EPAs are not planned to be implemented in a dogmatic way in a one-size-fits-all approach. They are seen above all as an instrument for development, what implies that they must be designed in a way, which takes into account the specific economic, social and environmental

28 Trade and Development: assisting developing countries to benefit from trade. (CEC, Brussels 2002).

29 'Economic Partnership Agreements - Laying the foundations for new ACP - EU Trade Relations', speech by Pascal Lamy and Poul Nielson, respectively Commissioner for Trade and for Development, 27 September 2002.

constraints of each ACP country and region, as well as of their capacity to adapt and to adjust their economies to the new trading environment.

5. Decision making on European development cooperation

The decision making process inside the European Union is very complex. This is all the more true for development cooperation. There is a large gap between policy making at the one side and policy implementation at the other side.³⁰ The European Commission is responsible for initiating legislation and executing the development policy of the European Union. The conduct of external relations is shared between three Directorates General: External Relations (Patten), Development (Nielson) and Trade (Lamy), which is down from five in the previous Commission. Relations with the ACP countries are the primary responsibility of DG Dev, although other Directorate Generals implement policies which affect ACP countries directly, like DG Trade who is responsible for trade and the WTO, ECHO who ensures emergency aid to the ACP, as well as other sectoral DGs like DG Fisheries which negotiates fishing agreements with the ACP, or DG Agriculture who holds the Food aid and the banana portfolio. DG Dev itself is responsible for general development issues and for cooperation with the ACP countries. In the first task, its role is to generate horizontal development policy guidelines (such as gender or poverty) that will be adopted by the Development Council of the EU. DG External Relations is responsible for the ALA and Med Programmes as well as for that part of aid to the Balkans that is taken from the development budget.

From a financial perspective, the EC regular system and the EDF differ in the principles governing the preparation of projects and financing decisions. The determination of the volume of aid granted under the EDF is separate from the regular EC budget. This means that the European Parliament is excluded from the process and that the EDF does not obey the EC budget regulation. From the EC side decisions on the aid program are the responsibility of the European Commission (subject to approval by a thematic committee or by the EDF committee, in certain circumstances related to levels of expenditure). The ALA and Med Programmes as well as the budget for the Balkans are taken from the general budget of the EC and are thus controlled also by the Parliament. At the other hand, the principles governing the Maastricht treaty also govern the Lomé and Cotonou framework. Although these principles were integrated in the revision of Lomé IV in 1995, they remain of the EU and are not of joint ACP-EU inspiration. The content of resolutions on cross-cutting themes such as poverty, gender, or environ-

30 For an elaboration on this see: Hoebink/Koulaimah (1998).

ment is supposedly applying also to cooperation with the ACP countries although the ACP side did not participate to their formulation. This causes a sort of pre-emption of joint formulation processes.

The Council of Ministers is the decision-making body of the EU. The work of the Council is prepared by the Presidency of the EU (which rotates on a six-months basis) and the General Secretariat of the Council. Each presidency wants to put forward some priorities and achieve results before the end of its mandate. There is some change in priorities from presidency to presidency. This holds also for the Development Council, in which we can see that in particular the northern Member States take great interest. It is seen as much easier to change priorities, than to change actual implementation which takes time (situation in the country, policy dialogue etc.).

Various Council working groups deal with developing countries. They work on the basis of proposals by the Commission (that need discussing), and report to the COREPER. In the Council Groups the Member States are represented by staff of their delegations in Brussels. In general these are middle-level diplomats who cover several groups: the Development Cooperation Group, ACP Group, ACP-Fin Group and partly (within the CFSP-framework) the Africa Group and South Africa Group. ACP-fin mostly has representatives of delegates of the ministries of Finance and, on special occasions from ministries of Trade. The Scandinavian countries use to send here also development cooperation people. The Northern European Member States are seen to have a development lead, the Mediterranean to have a trade emphasis.

Two geographical groups are responsible for the ACP-EU relation. The ACP group prepares the agenda and the EU positions for the joint ACP-EU meetings. The ACP-Fin group deals with financial issues: such as the annual report of the Court of Auditors, the Statement of Assurance, the EDF calls for contributions, the preparation of the Joint Development Finance Committee, issues such as debt/HIPC; as well as the reporting of the Commission on contracts, and their allocation between the Member States. Apparently, the Member States are quite curious about knowing their rate of return. Those who put forward most questions or complaints are Spain (often), and Italy (sometimes) whereas France and Belgium seem quite satisfied. In recent times Germany has put a lot of emphasis on its rate of return.³¹ Some Member States are said not to favour sectoral or

31 In the case of Germany this is quite predictable, since this country scores largely below its contribution in EDF in percentage in terms of trade it gets out of EDF. France and particularly Belgium score well above their contribution, but Italy does as well (with e.g. a score of 23 per cent of Member States orders under EDF-VII and a contribution of 13 per cent). Spain only slightly underscores its contribution.

structural adjustment, because it could hurt their back flow.

At the level of execution of the policies that have been entrusted to it, the services of DG Dev, both instrumental and geographical, and the delegations of the Commission in the field implement the policies under the scrutiny of committees composed by member states representatives and chaired by a Commission representative. For aid under the Lomé Convention, the responsible committee is the *EDF Committee*. It meets formally once a month, and it scrutinized EDF projects above a certain level of expenditure (2 million ECUs under Lomé IV-bis).³² But that is on the reverse with the budget lines (Human Rights etc.). Recently after Cotonou, also to get rid of micro-management by the Member States, some more strategic discussions were added. With Lomé IV-bis the first discussions took place about the mandate for the negotiations on the NIPs. In the programming phase, the EDF Committee now discusses the various national programmes, the Country Strategic Papers and the NIPs. Furthermore it was agreed that also mid-term reviews of CSPs and NIPs would be discussed; in exchange the ceiling for projects would be lifted.³³ For ALA there is the ALA Committee and for Med the Med Committee, having more or less the same responsibilities as the EDF Committee.

A criticism has been made that the link between Committees and Council Groups is very weak. This is partly because the Committees are there to assist the Commission in its execution function, which includes programming but not to be a translator of the resolutions in concrete guidelines. The Member States themselves should secure this link. Council resolutions are not seen as being important. This is due to, at first, a bureaucratic reason: people at the council working groups don't relate or speak with people in the EDF or Food Aid Committee. It is said though that in the recent strategic discussions more bridges are laid. There is also a problem of follow up. The rate of compliance of follow up of resolutions by the Commission, translating them into policy guidelines and implementation, is said to be very low.

The Commission is seen to have problems with its actual capacity to follow up things, to translate resolutions or conclusions into real action. It is a problem of staffing and capacity: less staff per unit of budget than most donors and ma-

32 95 per cent of EDF projects was above this ceiling.

33 The ceiling was lifted to $\approx$ 15 mln or 25 per cent of the NIP, but between $\approx$ 8 and 15 mln. The written procedure would be followed which gives member states the possibility to ask for an oral procedure within the EDF Committee. Some people within DG Dev are of the opinion that through this new regulation the member states gained more influence while nothing was won in a procedural sense. See also: European Commission, COM (2001) 799 final, 9 January 2002.

management problems; a lack of technical advisors (understaffing in cross-cutting issues as social development, gender, particularly for those two) and a staff that is described as being too grey, not in an ageist sense but in vision and leadership. Secondly most resolutions are not internalised by the national level, even if they are supposed to apply to the EU and bilateral levels. This relates probably to a lack of coordination in the Member States. Thirdly some people think the Member States are not processing on the right level and that they should go more upstream. Member States should in this view give a sensible input to policies, management, procedures, approaches, and not be involved too much micro-managing of projects. This should mean rebuilding confidence and improving the relations between the Council and the Member States. Fourthly some see Council resolutions as unimportant because of the division of power. It is stated that if you look at the development policies of the Northern European countries - the Germans, Danish and Dutch - you will not find any of it reflected in the EU-development policy.

Within the European Parliament, one committee is responsible for development policy and the relations with the ACP (the Development committee). It prepares reports on the various aspects of EU development policies: this report is discussed and adopted by the Development committee before going to the plenary session which then adopts a final resolution. Though formally not in a position to exert much control on the Lomé Convention, the European Parliament is seen as an institution that can influence the different institutions involved in policy formulation. This influence is limited. It can play this role by pushing the Commission, through its direct and informal links with ACP-countries and through working with NGOs in this field. The European Parliament was seen by staff of the Commission as an ally and an opinion former. The influence is seen as depending on the individual MPs ability, interests, charisma, but through informal contacts the Commission is strengthening these links. More recently the Parliament has been pushing the Commission through resolutions on the aid spending on the social sectors, in particular education. In earlier times this, and also Council resolutions, led to the creation of specific budget lines. Now the Commission is bound to specific ceilings and targets. Mostly through the European Parliament also European NGOs exert influence. The resolutions to spend more on the social sectors could be seen as a result of that. European NGOs are organised more or less along religious lines in Brussels. There is a non-religious Eurostep (with 15 members), a Christian Aprove (17 members), the Catholic Cidse (36 members), the food security network EuronAid (35 members) and the network on debt Eurodad (48 members).

6. Recent evaluations and organizational changes

In June 1995 the Council invited the Commission to undertake a series of evaluations of its external assistance programmes. All the major European development programmes were evaluated: ACP-countries, the MEDA programme, the ALA programme and the Commission-managed humanitarian assistance. In the follow up of these evaluations some major changes in the organizational set up were introduced.

The evaluation of European aid to ACP countries (1996-1998) which was later amply used in the negotiations on the new convention, showed a series of criticisms. So it was stated that the two main principles which were said to dominate the Lomé Conventions, partnership and predictability, were gradually eroded by a tightening of conditions, priorities and financial controls: The history of Lomé is one of a slow retreat from these principles.³⁴ Also the escalation of objectives contributed to this erosion. The focus of aid policy was further shifted away by new instruments, Council resolutions and special budget lines. Transparency and accountability was said to be limited. Donor coordination, even between European donors, was stated to be weak.³⁵

From the existing documentation it turned out to be very difficult to say anything on relevance, efficiency, effectiveness and impact of the aid to ACP countries. It led to the conclusion that the Commission as well as the ACP governments were more driven by inputs, by making use of given resources than by objectives or results.³⁶ The impact on the priority objectives of poverty reduction, good governance and the protection of human rights was called limited. Only some targeted programmes did have some effects on a localised level, but often with high administrative costs. Physical outputs turned out much easier to obtain than policy-based returns. It led to the main conclusion, in the second phase of the evaluation, that:

‘If the European Community is to help meet the OECD development targets - especially that of reducing by half the proportion of people living in extreme poverty by the year 2015 - and if it is to build a new partnership with ACP countries, EC aid programmes must be result- oriented.’³⁷

The reasons for this performance could, according to the evaluation, be found in the capacity and commitment of ACP governments, weak coordination and weak management by the Commission. In the approach to aid provision entitle-

34 ADE (1997).

35 C.Montes a.o. (1998 : ii and 28-30).

36 ADE (1997: iii and 54-56).

37 C.Montes a.o. (1998:i)

ment was still pre-eminent: all ACP countries did have, to a certain set of standards, a right to aid. In a co-management enterprise weak government institutions have a heavier influence on aid outcomes than in a situation in which donors have the ability to look for other channels. Secondly, donors, and thus also the EU, have a tendency to do it alone, have limited joint actions or co-financing, put emphasis on their own procedures and less on coordination and harmonisation.

Weaknesses in the Commission management was found to be in staffing problems and administrative and policy constraints imposed on the Commission.³⁸ Staffing problems are partly caused by the low numbers of staff that the Commission can employ.³⁹ There is a clear shortage of in-house specialists. Policy formulation expanded the agenda and thus the administrative burden. Enhanced administrative and financial controls extended this. A fragmented bureaucracy and unclear procedures added to these problems. In sum, the Brussels administration was overstretched which led to insufficient project preparation, large time-delays, insufficient monitoring of performance, low flexibility.⁴⁰

The assessment of projects, programme aid and aid to sector programmes show more mixed results. With regard to sectoral spending it was concluded already in the first evaluation of existing documents that spending for infrastructure was a basic constant, but that it gradually changed from financing individual projects to the support of overall infrastructure programmes. Rural development acquired a first place in Lomé III, but was relegated to lower position after general failure of integrated rural development programmes. It meant a shift to social sector programmes. Also in the social sectors changes were observed, from financing higher education to primary education, from financing of projects via support for programmes to a focus on policies.

Most successful were clearly the physical outcomes of transport projects. The Commission is said to have a strong engineering and technical presence and there is a general agreement that infrastructure projects have been one of the strongest areas of European aid. However road maintenance and the financial sustainability of these projects appear to be rather weak, because attention for

38 *Idem*, ch.3.

39 Member States already for a long time have laid a ceiling on new recruitments of Commission staff. The Commission had 2.9 staff members per \$ 10 million of ODA in 2000. Only the Netherlands were lower among the member states with 2.4 staff. To compare: the Netherlands have 800 staff members for a budget that is not that much smaller of that of the United Kingdom that has 3.200 staff members.

40 C.Montes a.o. (1998 :40-52).

institutional weaknesses in this respect in ACP countries appeared only recently. Projects in rural development and agriculture in general produced uneven results, due to the constraints in this sector and to a large dispersion of funds over too many activities. In health the EU has been involved in a series of innovative programmes recently, when it shifted away from curative services and specialised activities. Support to industry was limited and generally not very successful.⁴¹ Food aid and Stabex support in general led to negative comments.

In the MEDA evaluation more or less the same shortcomings were found. The MEDA programming system was evaluated as efficient in one evaluation, although the first one found that there was a proliferation of budget lines and that disbursement rates were less than optimal.⁴² It concluded that at present strategic planning and monitoring capacity in the Commission were weak. Administrative and procedural questions were seen to overburden the staff of the Commission at detriment of concentration of the substance of project proposals. The involvement of the MED Committee in every project or programme approval was seen as to increase the workload of the Commission considerably. The evaluation did not find that the discussions in the MED-Committee had much added value in terms of complementarity, coordination and coherence. Furthermore the project pipeline was found to be large, disbursements very slow as well as implementation. The report concluded also that the institutional complexity of the EU system increased the scope of goals which made it difficult to evaluate. Only a limited number of evaluations were located and the synthesis of these evaluations showed that aid achievements were not encouraging.

The same focus on administrative and procedural issues could be seen in the ALA programme, according to the ALA evaluation.⁴³ Also here the preparation of all projects for the ALA-Committee and the answers to the written comments of the Member States Committee members absorbs a lot of time. In this case it was at the detriment of country and sector strategy papers. Delays were large. It could cost between one and three years to approve a project, to tender it and to start with implementation. Although the consultants were not able to produce a general overview of the impact of European aid in the ALA-countries they found several European aid initiatives that had a substantial impact on a sector or on a national policy. In general however aid interventions were seen as too scattered to have an impact on the national level. Furthermore the EC was found to finance isolated projects (in absence of country strategies) with little, weak or none

41 Although no recent evaluations of CDI and EIB were available (*idem*, p.22).

42 W.Eucher a.o. (1999)

43 COWI/NEI/Andante 1998 and Società Italiana di Monitoraggio 1999.

technical and financial preparation and with a low emphasis on institution building.

On the 16th of May, 2000, the Commission adopted the *Communication on the Reform of the Management of External Assistance*. The Communication identified a rather ambitious programme of measures to make significant improvements in the quality and timely delivery of projects, while, as the Commission stated, ensuring robust financial management and increased impact of EU external assistance. Main goals of the reform was thus to improve the management of the EU's external assistance programmes and this building on the general principles of the reform of the Commission as a whole.⁴⁴ The reform had four elements: 1. a radical overhaul of the programming of assistance; 2. a revised management of the project cycle; 3. the institution of the EuropeAid Co-operation Office; 4. the devolution of a large set of responsibilities to the delegations.

The first component contained in particular a strengthening of the programming process and the establishing a quality support group to ensure the consistency of strategies defined for all the developing countries. It involved the introduction of rolling programming to be more conducive to the coverage of the needs and performance of the beneficiary countries and increased recourse to sectoral support and to direct budgetary aid where the conditions would allow that and where subsequent monitoring may be introduced. It was established that the Community needed to learn more from the lessons of the past and to develop an approach based on results.

The second component would mean in particular a refocusing of all the Committee's tasks in the direction of the strategic aspects of cooperation and a streamlining of procedures. The focus would be more on policies, country-by-country programming, sectoral strategies and topics requiring European coordination upstream of international discussions.

The creation of a new implementation agency, EuropeAid Co-operation Office, is the third component, meant to strengthen the implementation of projects and programmes, but also bringing in separation between project and programme preparation and implementation. Devolution of a large number of tasks to the European Delegations in the developing countries is the last component of the reform. It not only involves a transfer of staff to the field, but also a set of new tasks to these delegations that formerly were highly dependent on the decisions made in Brussels.

44 To be found in the White Paper on Reforming the Commission, Brussels: European Commission, COM (2000, 200).

7. Conclusions

The European Union is a major donor, in terms of volume one of the largest, distributing about one tenth of total ODA. For many Member States with a relatively small budget for development cooperation (like the UK, Belgium, Portugal, Spain, Italy and Greece) the EU takes the largest slice of their ODA. The EU has become also in terms of the distribution of its aid a global player. In many countries, in particular in several African countries and in small island states, it is the most important donor. Let us be clear: this was not at the origin of the European Community, France (and in its slipstream also Belgium) wanted European development cooperation to be limited to a small number of associated former colonies alone. Subsequent enlargements of the Community changed this, but, in the complex and double or triple faced combinations of Member States' interests this always ended in a quite special European 'mélange'.

The accession of the United Kingdom finally led to the inclusion of a series of African and Caribbean Commonwealth members in Lomé, but Asian Commonwealth members were left out. At the same time this enlargement (with Sweden and Denmark also) enforced the group of Member States (the Netherlands and Germany in particular) which strived for a more 'global' European development policy against the 'particularist' vision of France. The 'South-enlargement' with Spain, Portugal and Greece not only brought southern Mediterranean countries in the European spectrum, but also Latin America. In particular Spain is seen as a long time proponent of the (A)LA cooperation. At the same time this enlargement made European development cooperation more complex: export products of these countries are more competitive with the same Member States which are proponents of this cooperation. Negotiations on trade agreements thus have become more complicated than ever before. This has been in particular found by some of the southern Mediterranean countries (Tunisia, Morocco) who clearly lost out with this second enlargement.

A combination of the Eastward extension of the European Union (Finland, Austria and the new accession countries) as well as the fall of the Berlin Wall did make the European Union in the last ten years more 'European' in its cooperation with third partners. Again the close neighbours in the South, but also developing countries in general seem to have been losing out. So although the European Union might appear to more a global player these days, it, from the other hand, also looks more inward looking, clearly attaching more interest to its eastwards enlargements than to the South.

The European Union has thus, most probably against its own capacities, become a global player or amore global player, but can it live up to this role? Until now the Commission does not seem to have the organisational and intellec-

tual capacity to play an important global role in this field. This is partly due to the lack of staff and limitation the member states lay on the Commission; it is caused partly by the complex decision making process in Brussels. In terms of staff the Commission can point justifiably to the fact that the aid budget increased by a factor of 2.8 in the 1990s and the staff only 1.8. It meant according to the Commission a shortfall of 1,300 posts. It meant that the Commission has only 2.9 officials per € 10 million spent, whereas other donors have between 4 and 9. This together with the proliferation of projects and budget lines made European aid difficult to manage.⁴⁵ But also other influences seem to play a role here. It does cost the Commissions staff quite some difficulty to take a distance from Member States. Mercantilist interests of Member States still put pressure on nominations in the directorates and delegations, and decisions on certain projects and programmes. A more meritocratic recruitment and promotion of staff should further a certain independency of European institutions of the Member States.

Adding to this is the complex decision making system of the European Union. It is very clear that a 'Union policy' towards does not exist, there for the policy documents are too weak, too general and the interests of its member states too different. This is exacerbated by the fact that there is a disconnect between policy making and policy implementation. At the one side there are the resolution producing bodies, like the European Council and the European Parliament, at the other side the implementing institutions and Committees. Between the two of them all links seem to have disappeared. There is a continuous pressure on the Commission to create new budget lines or to spend a certain percentage in specific countries, where nobody seems to bother if the Commission has the capacity to implement all these wishes and desires.

The reform of the Commission's external assistance came timely, but it is questionable if it can take away the weaknesses European aid has. The split between the policy developing and project approval institutions and the implementation agency is not welcomed by all staff members, and some high ranking officials see it as a reorganisation that can jeopardise European aid even more. The deconcentration and devolution of tasks could be an important change, but is highly dependable on the quality of staff that the Commission is able to place in these delegations. In short: the European Union has become the most important donor, but in an organisational sense it still has to do to reach the status it has money-wise.

45 The Commission counted 80 regulations, 14,500 committed projects and 30,000 contracted projects in 1999 (European Commission 2000).

The EU has also become one of the few donors that really has a global programme. EU aid and cooperation programmes now cover the whole world and they have gone a far way from the 'associationist' policies of the beginning. Some complain that this has gone at cost of the poorest countries.⁴⁶ More and more middle income countries have become major aid receivers, while at the other end aid to the ACPs decreased in relative terms. There is thus with a 'globalisation' of the EU development cooperation also a shift away from the poorest countries.

What is probably more important is that it is much more difficult for the EU to play its global role in the field of trade. Indeed, the EU accounts for 70 per cent of all agricultural exports from the LDCs and it also is the biggest importer of goods from developing countries with 42 percent of total EU imports, representing € 432 billion of trade in 2000. But trade concessions to developing countries still are very difficult to make because always one or two or a few Member States would oppose to such concessions. The most important importer of goods and services from developing countries also most of the times is a 'Fort' for these countries. Protectionist attitudes still rule the European trade policy vis-à-vis developing countries, mostly due to the fact that all Member States try to defend their particular commercial interests. The EU is also 'spoiling' markets through subsidised exports. Coherence, that is a consistent policy which takes in account the Treaty of Maastricht goals on development cooperation, is still difficult to find in trade, agricultural, industrial and fisheries policies. More than 35 years ago Third World solidarity groups started their first actions against beet sugar, as a symbol of the Common Agricultural Policy hurting developing countries' interests. This policy is still in place, as a symbol that can't disappear.

46 International Development Committee (2000).

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‘Triple C’ from the perspective of international law and organisation:

Comparing League of Nations, United Nations System and European Union experiences

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Introduction

This chapter deals with ‘Triple C’, i.e. co-ordination, coherence and complementarity in the law and practice of EC development co-operation, from the perspective of international law and international organisation. The first section explores the meaning of these concepts, while the second reviews early co-ordination and coherence efforts in international organisation. Section 3 discusses the UN system and the evolution of Triple C within the UN system. Section 4 addresses the evolution of the community legal order of the European Union, while section 5 elaborates on the triple C-aspects of development co-operation arrangements between the European Union and developing countries. Lastly, section 6 summarises the main findings of this paper and assesses the status of each of the C’s in international law and organisation.

1. Exploring the concepts

In international organisation all three concepts under review are terms of art of a rather general character, lacking a precise legal meaning.¹ This is not to say that they are thus deprived of any legally relevant connotations. Co-ordination is a rather wide concept, which can range from mere consultation and exchanging documents, through mainstreaming certain international public goals (such as sustainable development, gender equality, social progress and promoting respect for human rights), to actual co-operation (‘concerted action’) as an instrument

¹ It may be symbolic that none of these terms are included in *Black’s Law Dictionary*, *A Dictionary of International Law*, *Oxford Dictionary of Law*, *Wörterbuch des Völkerrechts*, *The International Law Dictionary* or the 12-volume *Encyclopedia of Public International Law* (Max Planck Institute, Heidelberg). Yet, they do feature in more general dictionaries such as the *Oxford Illustrated Dictionary* and the *Oxford Encyclopedic English Dictionary*.

aimed at achieving commonly agreed goals. Primary motives of co-ordination appear to be avoidance of overlap and duplication of efforts as well as the pursuit of efficiency and effectiveness. The former can be called ‘negative co-ordination’, since it tries to delimit the work of one or more actors. The latter is ‘positive co-ordination’ and entails the harmonisation of the policies of various international organisations, in order to achieve maximum results.²

Coherence appears to be first and foremost a substantive concept, equalling consistency between various objectives and policies, logic and rationality. Secondly, it has some organisational connotations in terms of orderliness and transparency. By contrast, *complementarity* is much more a concept of an organisational nature, in terms of acting as or forming a complement and establishing a satisfactory or a balanced whole rather than being merely additional, let alone contradictory. Hence, complementarity goes further than coordination and calls for an optimal division of labour between various actors in order to achieve optimum use of human and financial resources.³ In recent years complementarity is often interpreted as to denote decentralisation and subsidiarity in international organisation. Apart from European Union law, a recent application can be noted in the Rome Statute for an International Criminal Court demarcating the competence between national criminal jurisdictions and the future international criminal court. The latter can only deal with cases in which national courts have proved to be ‘unwilling or unable’ genuinely to carry out the investigation or prosecution.⁴

2. Early efforts for co-ordination and coherence in international organisation

Evolution of organisation

The 20th century was marked by a proliferation of international organisations.⁵ Only a few existed in the year 1900, including the International Telegraphic Union (1865), the Universal Postal Union (1874) and the Rhine (1815) and

2 Cf. H.G. Schermers and N.M. Blokker, *International Institutional Law*, The Hague: Kluwer Law International, 4th ed., 2003, p. 1086.

3 See also M.C. de Fleurieu, ‘Towards more effective development co-operation: the EU’s coordination and harmonisation initiative’, in *The Courier*, no. 196, January-February 2003, pp. 18-20.

4 See Art. 17, para. 1 sub (a) of the Rome Statute of the International Criminal Court as adopted in 1998. In force since 1 July 2002. All EU member States have ratified this Statute.

5 For a classic book on this I. Claude, *Swords into Plowshares. The problems and progress of international organisation*, New York, 1971.

Danube (1856) Commissions. By contrast, in the year 2000 approximately 250 public international organisations existed, in the sense of “an association of States established by and based upon a treaty, which pursues common aims and which has its own special organs to fulfil particular functions within the organisations”.⁶

This proliferation of international organisations is the result from the need for national States to co-operate at an international level. A large number of State functions can no longer be pursued by individual States on their own. Indeed, fostering liberalisation of world trade, pursuing sustainable development, maintaining or restoring peace and security, combating aids, promoting respect for human rights, they all require international co-operation. However, the work of all these international institutions frequently overlaps and duplicates each other, both in terms of functions and powers and operational activities.⁷ Of course, apart from overlap and duplication there can also be a conflict of competencies and interests. Nearly all international institutions operate on a horizontal level, in the sense that no one is really vested with central authority to allocate tasks and settle conflicts. All this emphasises the need for co-ordination and coherence in international organisation.

So far, this international organisation is mainly understood to relate to forms of inter-State co-operation at global and regional levels. Yet, it will not be before long when other relevant actors in international relations, including business, civil society and science, will also have to be included in analyses of the evolution of international organisation, including triple C-exercises.

League of Nations experience

With the increase of international organisations, the need for co-ordination arose. It is interesting to recall the early experience of the League of Nations in this regard. Created in 1919, the League was vested with the responsibility to serve as the umbrella organisation of the then existing or newly-established international institutions.⁸ Thus, the League’s Covenant provided:

6 “International Organizations, General Aspects”, in R. Bernhardt (ed.), *Encyclopedia of Public International Law*, vol. II, 1995, p. 1289. Cf. D.W. Bowett, *The Law of International Institutions*, London: Stevens, 4th ed., 1982, p. 6 and Schermers and Blokker, op. cit., p. 21.

7 See on this N.M. Blokker and H.G. Schermers (eds), *Proliferation of International Organizations. Legal Issues*, The Hague, 2001.

8 See F.P. Walters, *A History of the League of Nations*, London, 1952, p. 175. Cf. also C.W. Jenks, ‘Coordination in International Organization: an Introductory Survey’, in *British Year Book of International Law*, vol. 28 (1951).

Art. 24.

1. There shall be placed under the direction of the League all international bureaus already established by general treaties if the parties to such treaties consent. All such international bureaus and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

2. In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaus or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

Yet, in practice only few international organisations became linked to the League pursuant to this provision. Most of the already existing organisations preferred to remain independent. The facility to do so was explicitly recognised in the League's Covenant, as the linkage to the League was made subject to the consent of the members of these organisations. Moreover, membership of these institutions was often not exactly the same one as that of the League. Around the same time as the League, the International Labour Organisation (ILO) was established. Formally, this organisation had to operate under the direction of the League. In practice, it could operate rather independently.⁹

The popular view is that the League of Nations was very much a political, peace and security-oriented organisation and that in this field the organisation proved in many ways a failure. However, in reality the Assembly and the Council League also developed a strong interest in world financial and monetary issues, economics, communications and traffic in women and children.¹⁰ Various committees were created for these purposes and their functioning is widely assessed as relatively successful. These committees operated directly under the League and their activities were co-ordinated within this framework.

Bruce Committee report 1939

With a view to evaluate and to strengthen its capacity in the social and economic field, the League established an expert committee. This Bruce Committee advised in 1939 to establish a 'Central Committee for Economic and Social Questions' and even prepared a 'draft constitution' for such an organ.¹¹ This

9 V.-Y. Ghebali, *The International Labour Organisation: a case study on the evolution of UN specialized agencies*, Geneva, 1988.

10 See Art. 23 of the Covenant of the League of Nations, 1919.

11 See League of Nations Document A.23.1939, p. 11. On this report V.-Y. Ghebali, *La Société des Nations et la Réforme Bruce, 1939-1940*, Geneva, 1970.

Central Committee was meant to direct and supervise the work of committees dealing with economic and social questions. It were to consist of 24 governmental representatives and - most notably! - eight experts. The outbreak of the Second World War and the demise of the League of Nations prevented discussion and implementation of the recommendations of the Bruce report. Yet, it served as an important source of inspiration in preparing for the establishment of the League's successor international organisation, the United Nations. During this interbellum period there was hence a clear attempt to establish a central co-ordinating authority, aimed at promoting coherence.

3. The United Nations system

The Charter and the role of ECOSOC

International economic and social co-operation features much more prominently in the Charter of the United Nations than it did in the League's Covenant. Reference may be made to the Preamble and Article 1, listing the achievement of economic and social progress and promoting respect for human rights among the purposes of the United Nations, as well as to the elaborate Chapter IX on international economic and social co-operation. The latter is a direct objective of the new organisation as well as an intermediary objective to serve the ultimate objective of 'the creation of conditions of stability and well-being which are necessary for peaceful and friendly relations among nations' (Art. 55). Member States are required 'to take joint and separate action in co-operation with the Organisation for the achievement of the purposes set forth in Article 55' (Art. 56). From this perspective the Charter could be viewed as an early example of an institutionalised effort towards comprehensive and coherent peace and development policies.

Institutionally, the major innovation in 1945 was the establishment of an Economic and Social Council (ECOSOC), one of the six principal organs of the United Nations mentioned in Article 7 of the Charter.¹² Initially, the Council consisted of 18 member States. Through amendments to the Charter the membership was expanded to 27 and 54, respectively in 1965 and 1973. Undoubtedly inspired by the Bruce report, the founding fathers aimed to allocate a major co-

12 See W. Sharp, *The United Nations Economic and Social Council*, New York, 1969. J. Kaufmann, 'The ECOSOC and the New International Economic Order', in D.P. Forsythe (ed.), *The United Nations in the World Political Economy*, Basingstoke: Macmillan, 1989, pp. 54-66; F.L. Kirgis, 'United Nations Economic and Social Council', in R. Bernhardt (ed.), *Encyclopedia of Public International Law*, vol. IV, 2000, pp. 1089-1092.

ordinating role to ECOSOC, both within and beyond the United Nations proper. Consequently, the UN made a clear attempt to reach out to the pre-existing and envisaged international institutions with a specific mandate in the field of international economic, social, health, cultural and educational affairs, referred to in the 1945 Charter as 'specialised agencies'. These are established by 'intergovernmental agreement and having wide responsibilities, as defined in their basic instruments' and are brought into 'relationship with the United Nations' (Art. 57 UN Charter). In concise terms, the next Article 58 provides: 'The Organisation shall make recommendations for the co-ordination of the policies and operations of the specialised agencies'.

Currently, 16 international organisations are brought into a relationship with the UN. Membership of these organisations is in principle limited to UN member States, a fact which also allows for some co-ordination. These 16 specialised agencies include:

- (i) international financial institutions (IMF, World Bank Group);
- (ii) social welfare institutions (ILO, UNESCO, WHO);
- (iii) food agencies (FAO, IFAD); and
- (iv) technical organisations such as UPU, ITU, WMO and WIPO.

A notable absentee is the recently established World Trade Organisation (WTO), which for mainly ideological reasons has not been brought into a relationship with the United Nations.¹³

The relationship agreements between the UN and specialised agencies

Through ECOSOC the United Nations has concluded so-called relationship agreements with its specialised agencies. Most of them are quite similar. They include provisions on the co-ordination of their activities to prevent duplication of administrative and technical services. They also provide for the full and prompt exchange of information and documents and mutual representation at each other's meetings. Formally, the UN General Assembly has the power to 'examine the administrative budgets of such specialised agencies with a view to making recommendations to the agencies concerned' (art. 17, para. 3 UN Charter). Yet, apart from agreeing to conform to standard practices on budgeting as recommended by the UN, such review of budgets hardly occurred in practice. Specialised agencies simply do not want to operate under any control of the political United Nations. These relationship agreements also oblige the specialised agencies to submit annual reports to the ECOSOC, but since 1973

¹³ See J.H. Jackson et al., *Legal problems of International Economic Relations*, St. Paul, Minn.: WestGroup, 3rd ed., 1995.

ECOSOC discontinued its practice of submitting ‘analytical summaries’ of these reports.¹⁴

It is notable that not all relationship agreements are the same. They diverge to the extent that the organisations concerned are closer to or are more at a distance of the United Nations. For example, UNESCO and UNIDO have a rather intimate relationship with the United Nations, whereas the two Bretton Woods institutions are less closely related. Article 1 of the relationship agreements of the latter stipulates that they shall be independent international organisations.¹⁵ All relationship agreements provide that the specialised agencies, upon authorisation by the UN General Assembly, may request advisory opinions of the International Court of Justice on ‘legal questions arising within the scope of their activities’. An important such Opinion was rendered by the Court in 1996 upon request of the World Health Organisation. Its Assembly raised a question on the legality of the threat or use of nuclear weapons in armed conflict. However, the Court took the view that the responsibilities of the WHO ‘are necessarily restricted to the sphere of public “health” and cannot encroach on the responsibilities of other parts of the United Nations system. And there is no doubt that questions concerning the use of force, the regulation of armaments and disarmament are within the competence of the United Nations and lie outside that of the specialised agencies’.¹⁶ The Court based its views on both ‘the principle of speciality’ and the rather intriguing concept of ‘sectorial powers’.¹⁷

All relationship agreements provide for the submission of resolutions of the UN General Assembly or the Security Council when they come within the purview of the activities of the specialised agencies. In the case of decisions of the UN Security Council concerning the maintenance of peace and security, the agencies are obliged to render such assistance as the Security Council might

14 Schermers and Blokker, op. cit., p. 1100.

15 Both agreements were concluded in 1946. See the texts in *UN Docs ST/SG/14*, pp. 54-58 and pp. 60-64.

These agreements are almost identical, but with one notable exception. The relationship agreement between the UN and the IBRD includes one provision which is not included in the agreement with the IMF. This provides that it would for the United Nations be ‘sound policy to refrain from making recommendations to the Bank with respect to particular loans or with respect to terms of conditions of financing by the Bank’ (Art. IV, para. 3). A contrario, one could argue that in the case of the IMF the United Nations is free to do so.

16 *ICJ Reports 1996*, 8 July 1996, para. 26.

17 For a critical review see N.D. White, ‘The World Court, the WHO, and the UN System’, in N.M. Blokker and H.G. Schermers (eds), *Proliferation of International Organizations*. Legal Issues, The Hague, 2000, pp. 85-110.

request. Nevertheless, on several occasions conflicts emerged between the United Nations and specialised agencies such as the IMF, the World Bank and ICAO on the question of financial and technical assistance to Portugal as colonial power and to South Africa under the apartheid regime. It should be noted that no binding resolutions on these issues had been adopted under Chapter VII of the UN Charter. The specialised agencies claimed to pursue policies of non-interference in the political affairs of any member and neutrality and to operate solely on economic and technical considerations. Their policies were strongly disapproved by the political organs of the United Nations.¹⁸

In the 1990s a host of collective sanctions regimes has been imposed by the UN Security Council on States which according to a determination by the Security Council caused a breach of or threat to peace. These include comprehensive economic and financial sanctions against Iraq, former Yugoslavia and Libya. Most of these resolutions are adopted under Chapter VII and contain explicit provisions that also specialised agencies are bound to implement the sanctions.¹⁹ One could argue that in many respects the UN system amounts to functional decentralisation, with institutionalised but not very effective mechanisms for co-ordination between the United Nations and the specialised agencies. However, the Security Council is vested with wide-ranging powers and hence in the specific field of peace and security the Council acts obviously as *primus inter pares*.

More specific UN co-ordination machinery

It is interesting to note that as early as 1946 the UN established the Administrative Committee on Co-ordination (ACC), which is composed of the UN Secretary-General and the executive heads of the specialised agencies, the IAEA as well as nowadays the WTO, and those of UN organs such as UNCTAD, UNDP, UNICEF and UNHCR. The mandate of the ACC included items of common concern relating to the activities of the organisations as well as to their staff, administration and finance. In view of the uneasy relationship between the UN and the specialised agencies, it never performed the major co-ordinating role as

18 See D. Williams, *The Specialized Agencies and the United Nations: the system in crisis*, London: Hurst, 1987; Mac Alistair Ian Darrow, *Between Light and Shadow: the World Bank, the IMF and International Human Rights Law*, Oxford: Hart, 2003.

19 An example in case is paragraph 11 of *Security Council Resolution 670* (1990) on the sanctions regime against Iraq as contained in Resolution 661. The Council 'Affirms that the United Nations Organization, the specialized agencies and other international organizations in the United Nations system are required to take such measures as may be necessary to give effect to the terms of resolution 661 (1990) and this resolution'.

originally envisaged. Yet, it certainly provided a convenient opportunity for the heads of the agencies to meet and as a platform for dialogue. Reportedly, Secretary-General Kofi Annan succeeded in making its meeting somewhat more substantively. As part of his efforts to upgrade the role of the ACC and to achieve greater focus on strategic policy issues (e.g., the implementation of the Millennium Development Goals), the ACC's name was changed into the United Nations System's Chief Executives Board for Co-ordination (CEB) in 2001.²⁰

In addition, as a subsidiary organ of the ECOSOC and the General Assembly, the Committee for Programming and Co-ordination (CPC) operates with responsibilities for planning, programming and co-ordination. Meanwhile, within the UN proper an enormous proliferation took place of new organs, funds, programmes and alike, especially in the field of development. They often operate in an uncoordinated fashion. Hence, little has been achieved within the UN as regards co-ordination and coherence. At several moments studies have been published on the need for reform. An early, authoritative study was the so-called Jackson report.²¹ The latest was UN Secretary-General's report on 'Strengthening the United Nations: an agenda for further change'.²² In follow-up of these reports some adaptations and improvements have been made, but in general terms little has been achieved. This may be a direct result of the UN Charter's provisions introducing a decentralised structure of co-operation between the specialised agencies and the United Nations, the politicisation of the United Nations and the fragmentation of efforts and institutions in especially the field of development co-operation.

Evaluation

The work of ECOSOC in organising co-operation between the UN and specialised agencies and of co-ordinating their activities has not been very successful in practice. ECOSOC has functioned rather minimally. The Council did not become the envisaged primary policy-making body for international economic and social co-operation. As Western nations were initially overrepresented, ECOSOC quickly acquired a colonial image, leading newly independent countries to prefer the plenary General Assembly for discussion of economic ques-

20 See ECOSOC Decision 2001/321 and web site <http://ceb.unsystem.org>

21 R. Jackson, *A Study on the Capacity of the United Nations Development System*, New York: United Nations, 1970, no. E.70.I.10.

22 Report of the Secretary-General, 'Strengthening of the United Nations: an agenda for further change', in UN Doc. A/57/387, 9 September 2002. Further progress report in Report of the Secretary-general, 'Implementation of the United Nations Millennium Declaration', in UN Doc. A/58/323, 2 September 2003.

tions. Moreover, the powers of ECOSOC were shown to be insufficient, thereby allowing the specialised agencies more or less to ignore the discussions and recommendations of the ECOSOC and new UN organs to be established, including UNCTAD.²³

4. The Community Legal Order of the European Union²⁴

Institutional development of European integration

Currently, the European Union forms an integrated union of three international organisations. The European Coal and Steel Community was created as the first one in 1951. The European Economic Community and Euratom were established in 1958.

When the EEC and Euratom were established in 1958, one single Assembly and one single Court were set up for the three European Communities.²⁵ Within their staffs they also had some common organs, such as the legal service. In 1967, a so-called Merger Treaty entered into force, which provided for a single Council and a single Commission of all three communities.²⁶ As a matter of course, having common organs is a very important element in ensuring co-ordination and coherence.

The Single European Act in 1986, the next step in the integration process, introduced substantial amendments to the Community Treaties. These included the replacement of the unanimity rule by majority voting in certain areas, co-decision making power for the European Parliament and the completion of the 'internal market', i.e. an area without national frontiers in which the free movement of goods, persons, services and capital is ensured since 21 December 1992.

A further far-reaching reform became effected by the Conference on Political

23 Further on this N.J. Schrijver, 'International Organization for the Management of Interdependence.

Alternative Ideas in Pursuit of Global Decision Making', in *Bulletin of Peace Proposals*, vol. 19, 1988, pp.

175-185. 24 See on this P.J.G. Kapteyn and P. VerLoren van Themaat, *Introduction to the Law of the European Communities*, London/The Hague/Boston: Kluwer Law International, 3rd ed., 1998; P. Craig and G. de Burca, *Text, Cases and Materials*, 2nd ed., Oxford: OUP, 1998.

24 See on this P.J.G. Kapteyn and P. VerLoren van Themaat, *Introduction to the Law of the European Communities*, London/The Hague/Boston: Kluwer Law International, 3rd ed., 1998; P. Craig and G. de Burca, *Text, Cases and Materials*, 2nd ed., Oxford: OUP, 1998.

25 Convention Relating to Certain Institutions Common to the European Communities, annexed to the EEC and Euratom treaties.

26 Treaty Establishing a Single Council and a Single Commission of the European Communities, signed 8 April 1965 and entered into force 1 July 1967.

Union and the Conference on Economic and Monetary Union, held in Maastricht in December 1991. It led to a substantially revised and renamed treaty, the Treaty on European Union. The resulting Treaty of Maastricht captured the *acquis communautaire*, but also embarked on the adoption as the Euro as one single currency and built two supplementary pillars providing for a common and security policy and co-operation in the spheres of justice and home affairs.

The single institutional structure of the Union is now cast in Article 3 of the 1997 Treaty of Amsterdam: ‘The Union shall be served by a single institutional framework which shall ensure the consistency and the continuity of the activities carried out in order to attain its objectives while respecting and building upon the *acquis communautaire*.’

The Draft Treaty Establishing a Constitution for Europe, commonly known as the Draft Constitution, would give the European integration process a major further push by merging the various treaties into one single instrument with one single institutional framework as well as attributing full legal personality to the European Union.²⁷

Substantive development of European integration

The historical context of its establishment has vested the European Coal and Steel Community (ECSC) with broad aims to serve the peace and security in Europe and the realisation of the idea of European integration. Few constitutions of international organisations advocate so explicitly and *avant la lettre* co-ordination and coherent policies. Thus, Article 2 provides that the aim of the ECSC, “in harmony with the general economy of Member States”, is to contribute to “economic expansion, growth of employment, and a rising standard of living in Member States” (Art.2). As an ancillary aim, this includes the creation of conditions in order to ensure “the most rational distribution of production at the highest possible level of productivity, while safeguarding continuity of employment and avoiding the provoking of fundamental and persistent disturbances in the economies of the Member States” (Art. 2.2). Furthermore, the Community’s institutions were also charged with the duty “to promote a policy of rational exploitation of natural resources so as to avoid their unconsidered exhaustion”, “to promote better conditions of living and of work and employment” and “to promote the development of international trade and ensure that equitable limits are observed in prices charged when selling outside the Community” (Art. 3). In practice, the ECSC has functioned as an efficient organisation but within its spe-

27 Draft Constitution for Europe, as adopted by consensus by the European Convention on 13 June and 10 July 2003. See CONV 850/03, 18 July 2003.

cific area of work only. This is due to the major changes in the energy sector as well as the dynamic and successful development of the European Economic Community.

The Treaty of Rome establishing the EEC, pursues the integration of the entire economies of the member States, in contrast to the more limited objectives of the ECSC and Euratom treaties. Article 2 EC, as revised through the Treaty of Amsterdam, vests the Community with the task of promoting ‘throughout the Community a harmonious, balanced and sustainable development of economic activities’. Instead of the 1958 objectives of, inter alia, ‘promoting a continuous and balanced expansion’ and ‘an accelerated raising of the standard of living’, the specific objectives of the European Community now include: ‘a high level of employment and of social protection, equality between men and women, sustainable and non-inflationary growth, a high degree of convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States’.

The Treaty on European Union lists similar objectives, including ‘economic and social progress and a high level of employment and...balanced and sustainable development’. These new objectives are a clear policy response to the call for ‘sustainable development’ as adopted during the UN Conference on Environment and Development, held in Rio de Janeiro in 1992. Obviously, the Community aims to foster a type and pace of economic growth which does not lead to exhaustion of non-renewable natural resources and to irreparable damage to the physical and natural environment. This goal should be viewed in conjunction with the social objectives of the Community such as promoting a high level of employment and social cohesion. This includes the reduction of disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, including rural areas (see Art. 158). Apart from solidarity among the member states, it also includes solidarity with Central and Eastern European countries and with developing countries, as we will discuss in the next section.

A most interesting cohesion and integration article is Article 6 of the revised EC Treaty, reading: “Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable devel-

28 See on this N. Dhondt, *Integration of Environmental Protection into other EC Policies*. Legal Theory and Practice, Groningen: Europa Law Publishing, 2003.

opment.” Hence, it obliges the Community to integrate sustainable development concerns in all policy areas of the Community, which are referred to in Article 3.²⁸

A further development of EU law has been proposed through the 2003 Draft Constitution for Europe. The general Union’s objectives include that:²⁹

‘In its relations with the wider world, the Union shall uphold and promote its values and interests. It shall contribute to peace, security, the sustainable development of the earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and protection of human rights and in particular children’s rights, as well as to strict observance and development of international law, including respect for the principles of the United Nations Charter.’

Current Article 177 EC Treaty has been revised and incorporated in the article on the Union’s external action:³⁰

- (d) foster the sustainable economic, social and environmental development of developing countries, with the primary aim for eradicating poverty;
- (e) encourage the integration of all countries into the world economy, including through the progressive abolition of restrictions in international trade;
- (f) help develop international measures to preserve and improve the quality of the environment and the sustainable management of global natural resources, in order to ensure sustainable development;
- (g) assist population, countries and regions confronting natural or man-made disasters;
- (h) promote an international system based on stronger multilateral cooperation and good global governance.’

Obviously, these are modern formulations of the key norms of international development co-operation, reflecting the evolution of the development ideology in response to the sustainable development concerns, the emphasis on poverty eradication and the Doha development Agenda of the World Trade Organisation. In addition, the triple C-concerns are reflected in Articles III-218 and III-220 which add little to what is currently stated in Title XX of the revised EC Treaty.

Pronouncements of the European Court of Justice

In a recent case on state aids policies to promote the use of renewable sources for producing electricity, the European Court of Justice addressed for the first time this integration principle relating to sustainable development.³¹ The Court recalled that the objective of growth in the use of renewable energy resources

²⁹ Art. 3, paragraph 4 of the Draft Constitution for Europe.

³⁰ Art. III-193, paragraph 2.

³¹ Case C-379/98. European Court of Justice, Judgment, 13 March 2001.

flows from the obligations incumbent on the European Community and its Member States as a result of the Climate Change Convention and the Kyoto Protocol thereto. Moreover, the Court noted that that policy is also designed to protect the health and life of humans, animals and plants. Finally, while referring to Article 6 of the Treaty of Amsterdam the Court affirmed that ‘environmental protection requirements must be integrated into the definition and implementation of other Community policies’. Consequently, the Court ruled on 13 March 2001 that policies of a Member State which, first, require private electricity supply companies to purchase electricity produced from renewable energy sources at a minimum price higher than the real economic value of that type of electricity and, second, distribute the financial burden resulting from that obligation between various parties, do not constitute State aid incompatible with the common market (Art. 87, para. 1 EC Treaty). This particular case related to state aids policies and energy policies. There is reason to assume that the Court would reach similar conclusions as to the binding nature of the integration principle when proceedings are instituted in other relevant policy areas, such as agriculture, transport and external trade. For, as the Advocate General Jacobs stated in his Opinion in this case, dated 26 October 2000: ‘As its wording shows, Article 6 is not merely programmatic; it imposes legal obligations.’³²

Based on the solid and progressive body of case-law by the European Court of Justice, often called the most community-oriented of the community organs, it is widely accepted that the European Communities treaties and the implementing legislation can be regarded as constituting one single legal order. Moreover, it is a system of law separate from the national laws of member States and separately also from international law. Hence, European Union law is often identified as “an own community legal order” having the character of a common internal law. Its enforceability is greatly advanced by the twin doctrines of direct legal effect and primacy, being directly enforceable in the courts of the member States and prevailing over any conflicting municipal law.

³² *Ibid.*, para. 231

5. Triple C as reflected in development co-operation-related treaties of the European Community

Part Four of the Treaty of Rome

It is a well-known fact that the issue of the relations between the future European Economic Community on the one hand and the colonies of their member States was addressed at the very last stage only of the negotiations on the draft EEC Treaty.³³ All attention focused on the internal dimensions of the envisaged EEC. Furthermore, development problems enjoyed little attention at the time. Upon strong pressure by France, supported by Belgium, an association arrangement was included for colonies of EEC member States with the future EEC. This was laid down in Part Four of the Treaty of Rome (Articles 131-136). Moreover, cursory references were made to the overseas countries in the Preamble of the EEC Treaty and its Article 3 (k), confirming the solidarity which binds Europe and overseas countries and expressing the intention to promote jointly economic and social development.

Part IV of the Treaty of Rome, which still appears in the EC Treaty in an unmodified form in Articles 182-188, is clearly rooted in colonial relations. Association of the overseas countries and territories only related to the non-European (and predominantly African) countries and territories, which had colonial relationships with Belgium, France, Italy and The Netherlands. Association was imposed upon them without consultation, let alone their consent. The purpose of association was to promote the economic and social development of the overseas countries and territories and to establish close economic relations between them and the Community as a whole. It was primarily supposed to further the interests and prosperity of the inhabitants of the associated countries 'in order to lead them to the economic, social and cultural development to which they aspire'. Part IV is nearly exclusively economically oriented. It provides for most favoured nation treatment, abolishment of customs duties, right of establishment of enterprises, freedom of movement for workers and development assistance. From the early days the association regime was supported by the establishment of the European Development Fund. EDF I, amounting to 581 million European Units of Accounts, was mostly spent on economic and social infrastructure projects. There can be little doubt that the entire association

³³ See, e.g., E. Grilli, *The European Community and the Developing Countries*, Cambridge, 1993, pp. 1-14;

J.A. McMahon, *The Development Co-operation Policy of the EC*, London, 1998, Chapter 1; K. Arts,

Integrating Human Rights into Development Cooperation: The Case of the Lomé Conventions, Kluwer Law International, The Hague/London/Boston, 2000, pp. 97-114.

regime was meant to be instrumental in maintaining the colonial linkages and the economic advantages therefrom. Part IV had hardly any relationship with the other parts of the Treaty of Rome.³⁴

The fast decolonization process and the start of the international development debate made Part IV largely outdated nearly from the outset. Obviously, the association regime could not apply to newly independent States. New multilateral development agencies, funds and programmes were established, including the World Bank's International Finance Corporation (IFC, 1956) and International Development Association (IDA, 1960), the First UN Development Decade (1961-1970) and the UN Conference on Trade and Development (1964). Obviously, this did not leave European policies towards overseas countries unaffected.

Yaoundé, coherence avant la lettre?

An early response was the conclusion of the Yaoundé Agreement between the EEC and 18 independent African States, nearly all former associates. 'Wishing to demonstrate their common desire for co-operation on the basis of complete equality and friendly relations, observing the principles of the United Nations Charter' (Preamble), the 18 African and six EEC contracting parties concluded an agreement. Its contents was much more elaborate than Part IV, but still mainly of an economic nature.³⁵ Its titles address: (i) trade, (ii) financial and technical co-operation, (iii) right of establishment, services, payments and capital, (iv) institutions of the association, and (v) general and final provisions. From a triple C-point of view Yaoundé is an interesting agreement. For example, it instructed the Community to take into consideration the interests of the Associated States when drawing up its common agricultural policy and required consultation for this purpose (Art. 11). This could well be viewed as an early example of a coherence article. Low-key co-ordination can be identified in the provisions concerning commercial policy, where the Parties agree to keep each other informed and to consult upon request by one party. In 1969 a similar Yaoundé II Agreement was concluded, while also the Arusha Convention came into being with the three member States of the then East African Community, namely Kenya, Tanzania and Uganda.³⁶

34 Further on this J. Ravenhill, *Collective Clientelism: The Lomé Convention and North-South Relations*, New York: Columbia University Press, 1985.

35 Text in *Official Journal of the European Communities*, 11 June 1964, 1431/64.

36 See E. Grilli, *The European Community and the Developing Countries*, Cambridge, 1993.

The Lomé era

In 1975, the nine member States of the enlarged EEC and as many as 46 developing States in Africa, the Caribbean and the Pacific (the ACP States) concluded the first Lomé Convention which replaced both the Yaoundé Convention and the Arusha Convention. The Convention differed considerably from the previous association-type conventions and reflected new trends in international development co-operation, such as the non-reciprocity principle contained in new Part IV of the GATT and the UNCTAD/GATT scheme for a Generalised System of Trade Preferences. Furthermore, the Lomé Convention introduced a system for the Stabilisation of Export Earnings (STABEX) which guaranteed ACP States a certain level of income arising from the production and export of originally 12 (mainly agricultural) primary commodities by protecting them from severe price fluctuations or interruptions in production due to natural disasters and the like. The Convention included further preferential treatment for certain sub-categories of ACP States, including the least-developed, land-locked or island ACP States. The Convention also stressed the need to strengthen the economies of the ACP States by diversification of their economies, including industrialisation, strengthening economic and social infrastructures, rural development and (inter)regional co-operation with other ACP States.

There can be little doubt that the 1975 Lomé Convention has been an offspring of the particular period of the 1970s during which developing countries, associated in the Group of 77, campaigned for a New International Economic Order. The NIEO debate was one of the important political issues. Europe and the West in general were confronted with high inflation, rising unemployment and international monetary instability. The oil crisis, partly due to OPEC's assertive cartel policy, the Yom Kippur War and the publication of the Club of Rome report *Limits to Growth*,³⁷ highlighted the need for consultations at an international level and co-ordination of policies. The NIEO resolutions as adopted by the UN General Assembly in 1974 addressed a wide variety of structural issues, including commodity prices, industrialisation, preferential treatment in trade, debt rescheduling and participation of developing countries in international economic consultation and decision-making.³⁸ In certain respects these resolutions formed a call for a co-ordinated and coherent international development policies. The Lomé Convention was a unique, elaborate response to that. Its

37 D.H. Meadows et als., *The Limits to Growth: A report for the Club of Rome's project on the predicament of mankind*, New York: Universe Books, 1972.

38 See, among many publications, R.F. Meagher, *An International Redistribution of Wealth and Power: A Study of the Charter of Economic Rights and Duties of States*, New York: Pergamon, 1979.

unique character lies especially in its form, i.e. binding treaty, comprehensive scope and the financial commitments made by the EC to the ACP States.

Successive Lomé conventions were adapted to changed circumstances and came to incorporate on each renewal new elements. The last Lomé Convention, Lomé IV bis as concluded in Mauritius on 4 November 1995, counted 370 articles and 10 Protocols and included 12 main areas of ACP-EC co-operation, ranging from environment through industrial and enterprise development to cultural and social co-operation.³⁹ It is rather striking that, apart from one article on complementarity limited to ACP' States own development efforts (Art. 26 Lomé IVbis), the Lomé conventions themselves do not include much of triple-C type of articles. Article 356 merely provides in negative terms that no treaty or arrangement between member States of the Community and ACP States may impede the implementation of the Convention. Some co-ordination and coherence may have been sought through the National Indicative Plans and the policy dialogue between the Commission and the country concerned. However, in general terms one gets the impression that all these areas of co-operation are fragmented and form somewhat of a mosaic rather than a coherent structure.

It is notable that the evolution of 'Lomé law' and other forms of co-operation with non-ACP developing countries took place without a clear embedding in, let alone interaction with European Community law. After the independence of the overseas countries and territories Article 131 could no longer serve as the legal basis for development association. For it does not envisage a relationship between (equally) sovereign States. Since the Rome Treaty did not specify any other competence or instruments in the field of development co-operation, this was to be found in the section on General and Final Provisions. Article 238 EC Treaty allowed the conclusion of agreements between the Community and third States or international organisations '...establishing an association involving reciprocal rights and obligations, common action and special procedures' (currently Art. 310). This did not occur without (legal) argument, since among other things the reciprocity element was lacking to a considerable extent. Partly for this reason, the successive Lomé conventions have always been concluded as 'mixed agreements'. This means that on the European side these conventions were to be signed and ratified by both the Community (since Lomé III represented by the Council and the Commission, earlier by the Council only) and all individual EC member States.

39 On Lomé IVbis see K. Arts and J. Byron, 'The mid-term review of the Lomé IV convention: heralding the future?', in *Third World Quarterly*, vol. 18 (1997), no. 1, pp. 73-91.

In addition to Article 238, Article 113 (currently Art. 133) of the Title on Common Commercial Policy was interpreted to grant the competence to the EC to pursue common commercial and agricultural policies with development policy aspects at the international level, even though the words ‘development’ or ‘developing countries’ do not feature in this Article. Such policies included generalised preferences, participation in international commodity agreements and food aid.

Filling the constitutional gap

On various occasions the competence of the Community in the field of development co-operation was underscored in declarations, resolutions and memoranda. Highlights included the Paris Summit Declaration (1972), the Hunger Resolution adopted by the European Parliament (1979), the Pisani Memorandum (1982) and the Communication on development policy in the run-up to 2000 (1982).⁴⁰ Yet, they all fell squarely short of providing a firm legal basis for coherent EC development policies. The momentum of the drafting of the Single European Act, adopted in February 1986, could also not be used for this purpose.⁴¹ This Act only introduced some procedural changes in the process of concluding association agreements, including requiring the consent of the European Parliament acting by absolute majority. However, one failed to fill the legal gap as regards the substantive basis for development co-operation. This occurred, at last, through the Maastricht Treaty of 1992.

The Maastricht and Amsterdam treaties have amended the EEC Treaty of Rome in a number of ways as regards development co-operation. Article 3, listing the activities of the Community, now includes ‘a policy in the sphere of development co-operation’ (Art. 3, sub (r)). As discussed above, Article 6 refers to the aim of ‘sustainable development’ in stipulating the integration of environmental protection requirements in all Community policies and activities ‘with a view to promoting sustainable development’. The latter is also elevated as a gen-

40 For a review see K. Arts, *Integrating Human Rights into Development Co-operation:*

The Case of the Lomé Convention, The Hague: Kluwer Law International, 2000, pp. 97-114.

41 Dutch proposals to insert a development co-operation paragraph into the Single European Act were not adopted. Cf. report Dutch government to parliament, Tweede Kamerstuk 22678, vergaderjaar 1991-1992.

eral objective of the European Union in both Articles 2 of the EU Treaty and EC Treaty, albeit in not entirely identical terms.⁴²

The most important innovation is the insertion of a complete new Title XVII on Development Co-operation (currently Title XX), just preceding the old Part Four on Association of the Overseas Countries and Territories. The new title first sets out the objectives of Community development co-operation. These include promoting sustainable development, integration of the developing countries into the world economy, poverty eradication, democracy and the rule of law and respect for human rights. This appears a relevant list, reflecting the main trends in contemporary international development co-operation. Currently, no other treaty in the entire world does so. In the context of the United Nations one can only refer to UN General Assembly declarations,⁴³ the final documents of the world summits,⁴⁴ the Millennium Development Goals and reports of the UN Secretary-General, such as Boutros Boutros-Ghali's *Agenda for Development* (1995) and *Agenda for Democratization* (1996). But these are all not legally binding texts.

Interpreting Title XX on development co-operation

The objectives article 177 of Title XX of the EC Treaty also expresses the principle of 'complementarity' by providing that Community development co-operation policy '*shall* be complementary to the policies pursued by the Member

42 It is notable that the Title on Environment in the Maastricht and Amsterdam Treaties (currently Title XX) did not refer explicitly to the objective of 'sustainable development'. However, the EU Nice Conference held in December 2000 adopted an interesting Declaration on Article 175 EC Treaty: 'The High Contracting Parties are determined to see the European Union play a leading role in promoting environmental protection in the Union and in international efforts pursuing the same objective at global level. Full use should be made of all possibilities offered by the Treaty with a view to pursuing this objective, including the use of incentives and instruments which are market-oriented and intended to promote sustainable development'. (emphasis added)

43 For example the Declaration on International Economic Co-operation, in particular the Revitalization of Economic Growth and Development of the developing Countries, *UN Doc. A/RES/45/99*, 21 December 1990.

44 These include the Children Summit (1990), the Earth Summit (1992), the World Conference on Human Rights (1993), the Population and Development Conference (1994), the Beijing Conference on Women (1995), the Social Summit (1995), the Millennium Summit (2000), the Monterrey UN Conference on Financing for Development (2002) and the World Summit on Sustainable Development (2002).

States'.⁴⁵ This indicates that development co-operation still is a shared competence between the Community and the member States. If one would interpret the wording of this phrase in Article 177 EC treaty literally, one could argue that Community policy is subordinate to member States' policies. While this would be in line with the principle of subsidiarity as endorsed by Article 5 EC Treaty, perhaps a more correct interpretation is that member States and the Community share competencies in this field which can be exercised alongside each other.⁴⁶ This was also the finding of the European Court of Justice in the Case C-268/94 *Portuguese Republic v. Council of the European Union* concerning the admittedly somewhat specific context of co-operation agreement between the EC and India, in which the Court concluded that it is apparent from Title XVII (now Title XX) that:⁴⁷

'on the one hand, the Community has specific competence to conclude agreements with non-member countries in the sphere of development co-operation and, on the other hand, that competence is not exclusive but complementary between the Community's development co-operation policy and the policies of the member states'.

This view is confirmed in several Commission communications on the issue of complementarity.⁴⁸

Article 177 EC Treaty also stipulates that the Community and the member States comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations. This article also calls for some comments. It could be understood as an additional co-ordination and coherence instruction. However, there are only a few areas where the Community and the member States share competencies in the sphere of international development co-operation in the context of the United Nations and its specialised agencies. Reference can be made to international commodity agreements in the context of UNCTAD, international environmental agreements concluded under UN auspices such as the Climate Change Convention and the Kyoto Protocol and the development-related policies of specialised agencies of which the EC is a member as well, such as the Food and

45 Art. 177, para. 1 of EC Treaty. Emphasis added.

46 Article 31, para. 1 of the Vienna Convention on the Law of Treaties confirms the rule: 'A treaty shall be interpreted in good faith in accordance with the ordinary meaning to be given to the terms of the treaty in their context and in the light of its object and purpose'.

47 ECJ Judgment of 3 December 1996, Case C-268/94.

48 See e.g. 'Communication on complementarity between Community and member state policies on development cooperation', COM(1999), 6 May 1999.

Agriculture Organisation of the UN. However, in most areas of activities of the United Nations and its specialised agencies the EC has no formal powers and performs merely a co-ordinating role. Lastly, in terms of coherence it is rather striking that objectives 'approved in the context of the United Nations and other competent international organisations' are merely to be taken into account by the Community and the member States (Art. 177, para. 3).

A similar weak wording is employed in the only real 'coherence' article in the field of development co-operation, namely Article 178, reading: 'The Community shall take into account of the objectives referred to in Article 177 in the policies that it implements which are likely to affect developing countries'. The soft nature of the coherence obligation is only partly compensated by the preceding mandatory word 'shall'. Nevertheless, comparing this Article 178 with Article 6 on integration of environmental protection ('Environmental protection requirements must be integrated into...') must lead to the conclusion that coherence of development policies is not of equal weight as integration of environmental protection for two reasons. First, the positioning of Article 6 in the opening part of the EC Treaty on Principles, thus embracing all activities and policies of the Community; by contrast, Article 178 is placed in Title XX on development co-operation. Secondly, the different wording of the two articles. Whereas Article 6 contains formulations such as 'requirements', 'must' and a reference to the nearly 20 fields of activities and policies of the Community, Article 178 uses the phrases 'take into account', 'objectives' and 'likely to affect developing countries', thus leaving considerable discretion to the addressees.

Next to the 'complementarity' and 'coherence' articles in the development title, there is also a separate 'co-ordination' article. Notwithstanding its mandatory wording, the duty to co-ordinate is cast in rather general terms in Article 180. Consultation is specifically required for aid programmes, including in international organizations and during international conferences. Most likely the term international organizations should be interpreted as to mean UN organs such as UNDP as well as specialised agencies such as the World Bank group.⁴⁹ With 'international conferences' one had probably in mind pledging conferences. The last sentence of Article 180, para. 1 relates in fact more to the principle of complementarity than to that of co-ordination: "Member States shall contribute if necessary to the implementation of Community aid programmes". Lastly, Article 180 vests the Commission with a right of initiative as regards the promotion of

⁴⁹ This raises the question whether it is synonymous to the phrase 'United Nations and other competent international organizations' in Article 177.

co-ordination. Obviously, this is merely meant to give some emphasis to and perhaps even expressly welcome such initiative, which could also well be taken without this provision of Article 180, paragraph 2. The last article of Title XX, Article 181, recalls that the Community and the member States shall co-operate with third countries and with the competent international organisations within their respective spheres of influence. It is also provided that development co-operation arrangements between the Community and third countries may be 'the subject of agreements...negotiated and concluded in accordance with Article 300'. The latter Article relates to the duty incumbent on the Commission to consult the Council of Ministers. Finally, Article 181 states that the activities of the Community in this field do not prejudice the member States' competence to participate in international bodies and to conclude international agreements. This can be seen as an additional expression of the complementarity principle.

In sum, at last the Maastricht Treaty has created a rather strong and constitutional basis for development co-operation policies. This is a positive development. However, as discussed above the articles are not always very clear and are not free from ambiguities. Moreover, several provisions are more of a programmatic rather than legally binding nature or are simply a summary of existing procedures. Furthermore, there is bound to be some overlap with the Common Foreign and Security Policy, which is within the competence of the European Union rather than the Community. According to Article 11 EU this policy entails the objective 'to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms' and 'to promote international co-operation' [sic!], matters which are also within the purview of the Community's competence under Article 177. In practice this may well give rise to overlap, duplication and controversy. Hence, it is equally relevant to apply triple C to this two-fold system of the Community and Union as well as to representation in international organisations by the EU and/or the member States individually.

Cotonou, the new ACP-EC Partnership Agreement for the period 2000-20

The next main development in the evolution of EU law in the field development co-operation was the conclusion of the new ACP-EU Partnership Agreement, signed on 23 June 2000 in Cotonou, Benin.⁵⁰ It is the successor to the Lomé IV Convention. In a number of respects, the new Agreement represents a signifi-

⁵⁰ For its complete text, see the Special Issue of *The Courier*, September 2000. Also available through <http://europa.eu.int/comm/development/Cotonou>.

cant break with the past.⁵¹ The objectives of the Cotonou Agreement have been formulated more specifically and in more detail than previous Lomé Conventions. The most important novelty compared to the Lomé Convention is the explicit central objective of the ACP-EC Partnership ‘of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy’ (Art. 1). This is fully in line with Article 177 of the EC Treaty. In addition, development of the ACP States shall be pursued ‘with a view to contributing to peace and security and to promoting a stable and democratic political environment’.⁵² This is new if compared to the 1992 Treaty of Maastricht. Its insertion reflects the increased realisation during the 1990s with regard to the close relationship between development and peace. A further major change is the second fundamental principle spelled out in Article 2 of the Cotonou Agreement, that of participation. This includes opening up the partnership to non-central government actors, such as civil society organisations.

In addition to the previously known ‘essential elements’ of ACP-EC co-operation, i.e. ‘respect for human rights, democratic principles and the rule of law’,⁵³ the Cotonou Agreement introduces another new legal category of significant principles underlying the Partnership. It is the so-called ‘fundamental element’ of good governance, defined as ‘the transparent and accountable management of human, natural, economic and financial resources for the purposes of equitable and sustainable development’ (Art. 9, para. 3). It is further provided that good governance entails clear decision-making procedures at the level of public authorities, transparent and accountable institutions, the primacy of law in the management and distribution of resources and capacity building for elaborating and implementing measures aiming in particular at preventing and combating corruption. Serious cases of corruption, including acts of bribery leading to corruption may give rise to ‘appropriate measures’ such as punitive measures, which may - depending on the seriousness of the situation - amount to partial or full suspension of the Partnership Agreement.⁵⁴

51 For a review see K. Arts, ‘ACP-EU Relations in a New Era: The Cotonou Agreement’, in *40 Common Market Law Review* (2003), pp. 95-116.

52 Ibid., Article 1. See also Article 11 on Peace-building policies, conflict prevention and resolution.

53 Articles 2 and 9(2). On the human rights related provisions and concrete supportive and punitive human rights policies within the Lomé framework during the period 1975-1999, see the detailed analysis of K. Arts, *Integrating Human Rights into Development Cooperation: The Case of the Lomé Conventions*, Kluwer Law International, The Hague/London/Boston, 2000.

54 Ibid., Articles 9(3) and 97.

The Cotonou Agreement includes a special article on coherence of Community policies and their impact on the implementation of this Agreement. It is a follow-up of Article 178 EC Treaty and amounts to a duty incumbent on the Community to inform ACP-States of any proposal which might affect the interests of ACP-States as far as the implementation of the Cotonou Agreement is concerned. A request for information may also be submitted by the ACP States themselves. At their request consultations shall be held and ACP States can, in addition, also transmit their concerns in writing to the Community. In case the Community does not accede to the ACP States' concerns, they will be advised of the reasons. While obviously this Article is merely of a procedural nature, it reflects the increased status of the duty of prior information and the duty to consult arising from the concept of partnership between the EC and ACP-group.

Besides its strong focus on poverty alleviation, from a triple C-point of view the major novelty of the Cotonou Agreement is the identification of gender issues, environmental protection, sustainable utilisation and management of natural resources, and institutional development and capacity building as cross-cutting issues for all development co-operation strategies elaborated within the ACP-EU Partnership Agreement.⁵⁵ Yet, the modes of implementing these articles remain alarmingly vague.

6. Conclusions and final observations

- (i) The three concepts under review, i.e. co-ordination, coherence and complementarity, all lack a precise legal meaning. However, this is not to say that they are deprived of legal connotations. Especially co-ordination is a well-known concept as well as a key concern in international organisation. Coherence and complementarity are to be associated with a somewhat more advanced level of international organisation and are still to a large extent *Fremdkörper* in most fields of international law and organisation.
- (ii) The League of Nations was the first international organisation which sought to establish a co-ordinated and coherent structure for international economic policies, through a centralised structure. The League's experiences and reform proposals are well-documented and deserve further attention.
- (iii) In contrast to the League and the 1939 Bruce reform proposals, the United Nations established functional decentralisation and a decentralised structure. On a rather horizontal level the Economic and Social Council of the United Nations was supposed to act as the main co-ordinating organ. Yet, it largely failed to perform that role. Should it have been vested with less

⁵⁵ Ibid., Articles 31-33.

functions and more powers? Can coherence never be brought about without a central authority mandated to supervise and direct? These are questions which call for further analysis.

- (iv) From the early days co-ordination and coherence between the activities and policies of the three European Communities has been advanced by some common organs, including a Court. The relevance and impact of some advisory opinions of the International Court of Justice on 'triple-C' within the system of the United Nations and its specialised agencies point into the same direction. Hence, a system of monitoring, supervising and even settling disputes may well be instrumental in advancing the cause of triple-C in European development co-operation. (cf. the experiences of the World Bank Inspection Panel and the recently established Ombudsman/Compliance Advisor of the World Bank's IFC).
- (v) The progressive development of the concept of 'good governance' in international development co-operation cannot and should remain without consequences, in both organisational and substantive terms, for efficiency, transparency, effectiveness, co-ordination, coherence and complementarity in international organisation itself. Also international institutions themselves should practice what they preach.
- (vi) A further major challenge arises from the trend in international development strategies towards 'WTO conformity'. This trend is well reflected in the substantially revised trade chapter of the EU-ACP co-operation as laid down in the Convention of Cotonou.⁵⁶ This fourth 'C' may well evolve into a rather dominant movement to mainstream trade policies into development co-operation. Its impact on European Union- and member States-development co-operation policies deserves further analysis as well as the relationship of 'Triple C' to this emerging fourth 'C'.

⁵⁶ See Articles 34-40 of the Convention of Cotonou, 23 June 2000.

Annex I

Excerpts from treaty texts

Covenant of the League of Nations, 1919

Article 23

Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:

- (a) will endeavour to secure and maintain fair and human conditions of labour for men, woman and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;
- (b) undertake to secure just treatment of the native inhabitants of territories under their control;
- (c) will entrust the League with the general supervision over the execution of agreements with regard to traffic in woman and children, and the traffic in opium and other dangerous drugs;
- (d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;
- (e) will make provisions to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914-1918 shall be borne in mind;
- (f) will endeavour to take steps in matters of international concern for the prevention and control of disease.

Covenant of the League of Nations, 1919

Article 24

1. There shall be placed under the direction of the League all international bureaus already established by general treaties if the parties to such treaties consent. All such international bureaus and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.
2. In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaus or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant infor-

mation and shall render any other assistance which may be necessary or desirable.

Charter of the United Nations, 1945

Article 55

With a view to the creation of condition of stability and well-being necessary for peaceful and friendly relations among nations based on respect for the principle of equal rights and self-determination of peoples, the United Nations shall promote:

- a. higher standards of living, full employment, and conditions of economic and social progress and development;
- b. solutions of international economic, social, health, and related problems; and international cultural and educational co-operation; and
- c. universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion.

Article 56

All Members pledge themselves to take joint and separate action in co-operation with the Organization for the achievement of the purposes set forth in Article 55.

Article 57

1. The various specialised agencies, established by intergovernmental agreement and having wide responsibilities, as defined in their basic instruments, in economic, social, cultural health, and related fields, shall be brought into relationship with the United Nations in accordance with the provisions of Article 63.
2. Such agencies thus brought into relationship with the United Nations are hereinafter referred to as specialized agencies.

Article 63

1. The Economic and Social Council may enter into agreements with any of the agencies referred to in Article 57, defining the terms on which the agency concerned shall be brought into relationship with the United Nations. Such agreements shall be subject to approval by the general Assembly.
2. It may co-ordinate the activities of the specialized agencies through consultation with and recommendation to such agencies and through recommendations to the General Assembly and to the members of the United Nations.

Article 2

The community shall have as its task, by establishing a common market and an economic and monetary union and by implementing common policies or activities referred to in Articles 3 and 4, to promote throughout the Community a harmonious, balanced and sustainable development of economic activities, a high level of employment and of social protection, equality between men and women, sustainable and non-inflationary growth, a high degree of competitiveness and convergence of economic performance, a high level of protection and improvement of the quality of the environment, the raising of the standard of living and quality of life, and economic and social cohesion and solidarity among Member States.

Article 3

1. For the purposes set out in Article 2, the activities of the Community shall include, as provided in this Treaty and in accordance with the timetable set out therein: ...
 - (r) a policy in the sphere of development cooperation;
 - (s) the association of the overseas countries and territories in order to increase trade and promote jointly economic and social development; ...

Article 6

Environmental protection requirements must be integrated into the definition and implementation of the Community policies and activities referred to in Article 3, in particular with a view to promoting sustainable development.

Article 177

1. Community policy in the sphere of development cooperation, which shall be complementary to the policies pursued by the Member States, shall foster:
 - the sustainable economic and social development of the developing countries, and more particularly the most disadvantaged among them;
 - the smooth and gradual integration of the developing countries into the world economy;
 - the campaign against poverty in the developing countries.
2. Community policy in this area shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respecting human rights and fundamental freedoms.

3. The Community and the Member States shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations.

Article 178

The Community shall take account of the objectives referred to in Article 177 in the policies that it implements which are likely to affect developing countries.

Article 179

1. Without prejudice to the other provisions of this Treaty, the Council, acting in accordance with the procedure referred to in Article 251, shall adopt the measures necessary to further the objectives referred to in Article 177. Such measures may take the form of multi-annual programmes.
2. The European Investment Bank shall contribute, under the terms laid down in its Statute, to the implementation of the measures referred to in paragraph 1.
3. The provisions of this Article shall not affect cooperation with the African, Caribbean and Pacific countries in the framework of the ACP-EC Convention.

Article 180

1. The Community and the Member States shall coordinate their policies on development cooperation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member States shall contribute if necessary to the implementation of Community aid programmes.
2. The Commission may take any useful initiative to promote the coordination referred to in paragraph 1.

Article 181

Within their respective spheres of competence, the Community and the Member States shall cooperate with third countries and with the competent international organisations. The arrangements for Community cooperation may be the subject of agreements between the Community and the third parties concerned, which shall be negotiated and concluded in accordance with Article 300.

The previous paragraph shall be without prejudice to Member States' competence to negotiate in international bodies and to conclude international agreements.

Article 2 (ex Article A)

The Union shall set itself the following objectives:

- to promote economic and social progress and a high level of employment and to achieve balanced and sustainable development, in particular through the creation of an area without internal frontiers, through the strengthening of economic and social cohesion and through the establishment of economic and monetary union, ultimately including a single currency in accordance with the provisions of this Treaty;

Article 3 (ex Article C)

The Union shall be served by a single institutional framework which shall ensure the consistency and the continuity of the activities carried out in order to attain its objectives while respecting and building upon the *acquis communautaire*.

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. The Council and the Commission shall be responsible for ensuring such consistency and shall cooperate to this end. They shall ensure the implementation of these policies, each in accordance with its respective powers.

Article 11 (ex Article C)

1. The Union shall define and implement a common foreign and security policy covering all areas of foreign and security policy, the objectives of which shall be:
 - to safeguard the common values, fundamental interests, independence and integrity of the Union in conformity with the principles of the United Nations Charter;
 - to strengthen the security of the Union in all ways;
 - to preserve peace and strengthen international security, in accordance with the principles of the United Nations Charter, as well as the principles of the Helsinki Final Act and the objectives of the Paris Charter, including those on external borders;
 - to promote international cooperation;
 - to develop and consolidate democracy and the rule of law, and respect for human rights and fundamental freedoms.
- 2) The Member States shall support the Union's external and security policy actively and unreservedly in a spirit of loyalty and mutual solidarity.

The Member States shall work together to enhance and develop their mutual political solidarity. They shall refrain from any action which is contrary to the interests of the Union or likely to impair its effectiveness as a cohesive force in international relations.

The Council shall ensure that these principles are complied with.

ACP-EU Partnership Agreement, Cotonou, 2000

Article 12

Coherence of Community policies and their impact on the implementation of this Agreement

Without prejudice to Article 96, where the Community intends, in the exercise of its powers, to take a measure which might affect the interests of the ACP States, as far as this Agreement's objectives are concerned, it shall inform in good time the said States of its intentions. Towards this end, the Commission shall communicate simultaneously to the Secretariat of the ACP States its proposal for such measures. Where necessary, a request for information may also take place on the initiative of the ACP States.

At their request, consultations shall be held promptly so that account may be taken of their concerns as to the impact of those measures before any final decision is made.

After such consultations have taken place, the ACP States may, in addition, transmit their concerns in writing to the Community as soon as possible and submit suggestions for amendments indicating the way their concerns should be met.

If the Community does not accede to the ACP States' submissions, it shall advise them as soon as possible giving its reasons.

The ACP States shall also be provided with adequate information on the entry into force of such decisions, in advance whenever possible.

Draft Constitution for Europe, 2003

Articles 2, 3.4, III-193, III-218, III-219 and III-220

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Complementarity of European Union Policies on Development Co-operation: First elements of analysis and recommendations for an evaluation¹

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Introduction

The Treaty of Maastricht has highlighted the three notions of co-ordination, coherence and complementarity in the field of development co-operation. Since the Treaty, these notions have been reiterated many times by the Commission and Member States, but their implementation has been hampered by a series of constraints, and as a result not much progress has been made. This study is an initial evaluation of the notion of complementarity, taking into account the viewpoints expressed in studies on development and political science, various texts from the Community, research, and discussions with representatives of Member States. The first part introduces the definitions of complementarity, as presented in the numerous documents, as well as its instruments and their evolution. The second part describes the limitations of the notion of complementarity. It deals with the political, operational and instrumental aspects. The third and last part submits recommendations for the planned evaluation.

1 This article was a contribution to a study of the European Union's 'Three Cs' - complementarity, co-ordination, and coherence - being prepared for the combined Evaluation Units of the European Commission and the Member States, and being led by Paul Hoebink, of the Centre for International Development Issues, at the Catholic University of Nijmegen. Thanks to the participants at an expert meeting held at Nijmegen on 27 April 2001, especially Louk de la Rive Box, for their comments on an earlier draft. Responsibility is the authors'.

1. THE DEFINITIONS OF COMPLEMENTARITY AND THEIR EVOLUTION

1. 1. The definitions of complementarity

The respective competencies of the Union and the Member States. The European Union is an original model of integration compared to other multilateral institutions, going beyond co-operation between Member States that delegate part of their competence at community level. The Maastricht Treaty setting up the European Community, which was signed in 1992 and came into force in 1993, is the key text governing the levels of transfer of competence delegated by member States to the European Union. It should briefly be recalled that since the Treaty, the three pillars of the European Communities, Foreign and Common Security Policy, the Police and Legal Co-operation in Criminal Affairs support the European Union. The first pillar serves as the foundation for Community procedures while the two others support intergovernmental procedures, in which Member States retain their sovereignty.

The first pillar of the European Communities enables European institutions to manage jointly all common policies in the field of agriculture and fishing, trade and transport, and to contribute to a series of other fields, including the social sector, the environment, and competition, among others, and also development. Article 3(q) of the Treaty of Maastricht lays down the principle of the inclusion of a policy on development co-operation in all the activities of the Community. The action taken by the European Union, for non-exclusive fields of competence, is based on the principle of subsidiarity.

This principle is a major contribution of the Treaty of Maastricht (defined in article 3b), even though it has been incorporated since 1984 in European texts². It regulates the distribution of Community and national competence, as well as the relations between the European Union and Member States in the areas of shared competence. The modalities for controlling this principle differ, depending on the pillars of the Treaty³. In areas included in the first pillar that do not come under the exclusive competence of the Community (agriculture and fishing, trade, and transport), subsidiarity means that the Community does not intervene unless it is clear that its action would be more effective than measures taken separately by one or several Member States, and that for reasons of scale or the impact of such action, it would be better handled by the Community. The principle of subsidiarity is accompanied by the principle of proportionality, which indicates the methods for taking measures by the Community when it is required to act. They must be linked to the objectives, include profit and be less expen-

² Sauron (1998).

³ Feral (1998).

sive, especially in terms of intrusion in the affairs of Member States and the burden on their private sectors.

The level of transfer of competence from Member States to the Communities, from the national to the Community level, varies according to the fields. In some cases, the Union is fully competent and the policies strongly integrated, for example, agricultural, trade and monetary policies. For other policies, the States retain part of their prerogatives, for example in the fields of education, social welfare and culture.

There are certain ambiguities in the transfer of competence in some of the fields that can be considered to overlap two pillars of the Union. The growing links between the economy and security, the increasingly political nature of economic matters and trade negotiations blur the clear distinctions between the pillars and between the fields of exclusive competence and the joint responsibility of the Community and Member States⁴. Globalisation complicates the links between trade policies, environmental problems and labour laws⁵.

Policies on co-operation are a complex example of shared competence. While aid for development comes under the Community⁶ and is also given by Member States, promotion of international co-operation is the responsibility of the Foreign and Common Security Policy. This also has the task of protecting the common values and fundamental interests of the Union, strengthening its security, maintaining international peace and security, as well as reinforcing democracy, the Rule of Law, and Human Rights all over the world. Within the framework of the Foreign and Common Security Policy, the decision-making process is undertaken not at Community but at intergovernmental level⁷. A Member State can block a decision or its implementation. The Council is aware of the need to ensure total coherence between development co-operation and the Foreign and Common Security Policy⁸.

1.1.1 The principal texts referring to complementarity

The notion of complementarity in the field of development has been defined in a series of texts that have evolved over time in terms of definition and instruments.

4 Smith (1996) on « mixed agreements » relating to trade negotiations, placed under the joint responsibility of the Commission and Member States.

5 Rollo and Winters (2000).

6 Historically, the Community's policy on aid for development was generated by its external trade policy, leading to the Yaoundé Agreement, and then that of Lomé

7 Borchardt (2000).

8 Council of the European Union (1999).

The term complementarity appeared for the first time in the Resolutions of the Council on development, adopted in the seventies and eighties, but it is with the Treaty of Maastricht that it became a major concept in co-operation policies⁹.

The Maastricht Treaty incited a number of Member States to provide a clearer definition in the areas of bilateral co-operation and the Union. The notion of complementarity is explicitly mentioned in article 130u of the Maastricht Treaty in Part Three, which is devoted to relations between the Community and developing countries¹⁰. The Treaty formalises the existence of a European development policy functioning in liaison with those of Member States, and it recognises their interdependence. In articles 130u to 130y, the Treaty lays down the objectives, subsequently known as the 3 “Cs”¹¹, co-ordination, coherence and complementarity, that should guide the development co-operation of the European Union and Member States. In the consolidated version of the Treaty, signed in Amsterdam in 1997, articles 130u to 130y become 177 to 181 respectively.

According to article 130u, the development policy of the Union, which should complement the policies pursued by Member States, should have as its objectives the economic and social development of developing countries, especially those that are particularly disadvantaged, their integration in the world economy and the fight against poverty. It should contribute to the general aim of establishing democracy and respect for human rights. The Community and Member States should take into consideration the objectives approved by the United Nations and other multilateral organisations.

Complementarity has been the subject of two specific Communications and Resolutions. A Communication released by the Commission on 3 May 1995 focused on complementarity between development policies and action taken by the Community and Member States, followed by a Resolution of the Council of 1 June 1995 affirming its support of structural adjustment, under the aegis of the Bretton Woods institutions¹². The Commission is of the opinion that complementarity can only be achieved if the Community and Member States are guided by common objectives, reflected in joint approaches at the sectoral and operational levels, the efficiency of which is evaluated by both the Commission and Member States. It stresses that increased complementarity can be attained at all levels, both within the Council and the Committees, as well as the recipient

9 Jorna (1995).

10 Church and Finnemore (1994).

11 Pinheiro (1996).

12 Council of the European Union (1995).

countries and expert groups¹³. At this stage, it identifies strategic planning, programming and co-ordination as valuable instruments of complementarity

Complementarity was also the topic of a Communication issued by the Commission on 6 May 1999 on the complementary nature of the policies of the Union and Member States in the field of development co-operation, followed by a Resolution passed by the Council on 21 May 1999. The Commission insisted on the importance of optimising the resources of the Union and on the “value added” that Community aid should incorporate compared to aid given by Member States. Furthermore, it underlined the conditions: political determination, operational co-ordination and a development strategy for the recipient country¹⁴. In the course of its debates in May 1999, the Council insisted on co-ordination based on country strategy papers, carried out at local level, and aimed at achieving complementarity through the comparative advantages of each one¹⁵.

Complementarity is also mentioned in the Communication of the Commission addressed to the Council and the European Parliament of 26 April 2000¹⁶. It recommends that the Community should concentrate on its added value, the reduction of poverty as a new priority, a higher degree of complementarity through a “sectoral programme” approach replacing the « project » approach, as well as on policies. This document recognises the Comprehensive Development Framework (CDF) and the Poverty Reduction Strategy Papers (PRSP) of the World Bank as appropriate structures for complementarity and an efficient distribution of tasks. This Communication was followed by the Declaration of the Council and the Commission on the development policy of the European Community of 10 November 2000. It recommended that the Community should refocus on a restricted number of fields, including six established by the Commission in its Communication. The Declaration pointed out the need for co-ordination, complementarity and coherence between the policies and programmes of the Community and Member States in order to maximise their impact. Better complementarity should be sought both within the Union and with other donors, especially in the context of country strategies¹⁷.

¹³ European Commission (1995).

¹⁴ European Commission (1999).

¹⁵ Council of the European Union (1999).

¹⁶ European Commission (2000a).

¹⁷ European Commission (2000b).

1.1.2 The meanings of complementarity

Article 130u of the Treaty of Maastricht stipulates that the action of the Community should complete and not replace the policies pursued by Member States. Article 130x in fact lays stress on the co-ordination of their respective policies, while Article 130y demands the co-operation of each side with third countries and international organisations, but explicitly mentions the right of Member States to act unilaterally¹⁸. Article 130x on co-ordination applies to the Community and Member States, while Article 130u relates to the Community alone. This article fixes the objectives of Community policy on co-operation. It does not, however, define the objectives for the national policies of States, nor does it impose any obligations on them¹⁹.

The notion of complementarity, therefore, poses the question of its direction, in other words, is it up to the Community to complement the activities of Member States, or the other way around? Another issue is the equal partnership between the Commission and Member States, and reciprocal participation in the elaboration of their respective policies.

The notion of complementarity is the result of pressure on budgets earmarked for development, criticism aimed at aid policies implemented so far, the “aid fatigue” of public opinion, and the lower sums of money allocated (in sub-Saharan Africa, for instance, it dropped from \$32 per capita in 1990 to \$19 in 1998). Another aspect in the context of its emergence is that the European Union is the leading funding organisation at world scale, even though its identity in international debates does not reflect this position²⁰. Complementarity, therefore, seeks to respond to this objective for more effective aid from the European Union, associated with the obligation to achieve visible results²¹. It should be pointed out that concerns for better co-ordination, complementarity and efficiency are not specific to the field of development but affect other European institutions, such as the Council of the European Union²².

Complementarity is a difficult concept to put into practice in a concrete way. An extreme illustration is that sixteen policies cannot easily complement each other, especially if their nature is heterogeneous and if one of them is multilateral and the others bilateral²³. The notion of complementarity can be interpreted

18 Church and Finnemore (1994).

19 Legal Service (1995).

20 European Commission (2000) on the world context of European co-operation.

21 European Commission (1999).

22 Edwards (1996).

23 Bossuyt et al. (1999).

from different angles and it has provoked a series of debates. The Treaty of Maastricht gives the Community explicit competence to formulate and implement policies capable of completing those of Member States. At best, complementarity can back up the idea of increased control by the Commission of national programmes and accepted as a path towards the « Europeanisation » of aid²⁴ or, on the contrary, it can support the idea of a “renationalisation” of European development co-operation²⁵.

Complementarity is an organisational principle entailing the sharing of competence and the specialisation of tasks among Member States and the European Union but it does not cover the idea of replacing the competence of Member States. Competence is shared, only the tasks are redistributed. It introduces the notion of the eventual comparative advantages of the Community both in relation to other multilateral entities and bilateral donors, as well as to the comparative advantages of Member States in certain sectors of activity, for example, geographic, sectoral, instrumental, thematic or functional²⁶.

Another point of debate is whether the relation of complementarity should be considered in the light of the principle of subsidiarity established in Article 3b of the Treaty²⁷.

1.1.3 The links between complementarity, co-ordination and coherence

Article 130u of the Treaty of Maastricht defines the “3 Cs” of development co-operation: co-ordination, coherence and complementarity. These three notions have the same aims, i.e. to improve the effectiveness of Community aid, rationalise the allocation of resources, avoid duplication or contradictions between activities, and reduce transaction costs and expenses for the governments of recipient countries arising out of their relations with numerous donors. A certain degree of confusion in the relevant literature can sometimes be encountered as to the meanings of these three notions, as well as their respective relations and their order of importance.

In reality, the coherence of different Community policies is a condition of their efficiency. Likewise, complementarity involves convergent objectives and common policies, in other words, co-ordinated activities and participation in their conception and formulation. Co-ordination and harmonisation of the co-operation policies of the Community and Member States can be considered as a

²⁴ Loquai (1996).

²⁵ Jorna (1995), ECDPM (1999).

²⁶ Koning and Laporte (1995) ; Bossuyt et al. (1993).

²⁷ Jorna (1995).

means and, therefore as a prior condition, to achieve their complementarity²⁸. Co-ordination is even looked upon as the main instrument of complementarity in a Declaration by the Council of November 1992²⁹. Complementarity should be introduced in the field. One condition is co-ordination with other non-European donors, as well as with other multilateral organisations.

Thus, according to the principles covering partnerships laid down by the Council of the Union and the Aid for Development Committee, one of the main objectives of Community co-ordination is to reinforce the capacity of the beneficiary country and its co-ordinating role. The objectives should also aim to improve the effectiveness of co-operation between the Community, Member States and other donors, and to ensure coherence with the guidelines of the Council and complementarity of the action taken. Complementarity should be placed within the framework of one single strategy developed by the beneficiary country itself. Co-ordination also encompasses the idea of maximising the added value of aid for beneficiary countries³⁰. Complementarity is therefore the result of co-ordination. There are different ways to ensure better co-ordination: exchanges of information, a joint examination of strategy documents, standardised procedures, adoption of common sectoral approaches (for example, in the case of sub-Saharan Africa, through the Special Programme for Africa and Sector Wide Assistance Projects³¹).

In practice, it is now been well documented that co-operation policies have not been co-ordinated, coherent or complementary. Beneficiary countries have often had to face sixteen different types of co-operation policies. The three notions of coherence, co-ordination and complementarity involve the question of the leadership, sought or established by historic trajectories, of certain donors. In some countries, leadership already exists owing to certain bilateral arrangements (ensuing from colonisation, for example).

1.1.4 The notion of subsidiarity

The notion of complementarity covers a number of elements that are common with subsidiarity. The latter notion refers to the fact that action must be taken at the lowest government level at which specific objectives can be achieved. The supranational level is only pertinent when the lower decision-making levels are less efficient.

28 Loquai (1996).

29 Quoted in the European Commission (1995).

30 Director Generals of Development(1998).

31 Brown et al. (2001).

These two notions are nevertheless different because subsidiarity refers to a distribution of competence and to decisions taken at the most appropriate level. Complementarity refers to the use of competence and implies that the decisions taken by Member States, within their own prerogatives, should all be consistent and have common objectives reflected in joint sectoral policies³². Article 130u does not imply that Community policies are subsidiary to those of Member States. They are complementary in that they complete and add to those of Member States without, in principle, determining the importance in volume of Community policies compared to those of Member States³³. According to certain views, the Union only completes the action of Member States and it should not consider co-ordination as a possibility for taking the place of Member States, as this would go against the principle of subsidiarity³⁴.

The notion of subsidiarity is not used in the area of development co-operation, nor is it mentioned in the Council Resolutions. Its possible connotation of management by a Member State of Community funds may perhaps explain this reticence. Furthermore, subsidiarity is rarely cited because it implies a risk that development could be better implemented by Member States. There are two possible scenarios: either Member States propose themselves as the leaders, in a context where bilateral donors have objectives that differ between themselves and with those of the Commission, or they have adopted positions that match the conceptual frameworks drawn up by other multilateral organisations.

Yet for some, the concepts of complementarity and subsidiarity are tied together, the first being subsidiarity in the field of development³⁵. Subsidiarity can therefore be a useful principle for organising and prioritising the consensual objectives of development: the international community or part of it can adopt simple general objectives and entrust their evaluation and implementation at national and sub-national levels³⁶. The two principles can also be combined with a view to involving regional or sub-national bodies in the conceptualisation and implementation of co-operation³⁷. One of the differences is that subsidiarity only operates in one direction, that is to say, from the Community towards Member States, while complementary functions in both directions. A second difference is due to the fact that Community co-operation is the counterpart of that

32 Jorna (1995).

33 Legal Service (1995).

34 For example, the position of the Netherlands in 1994, Owoye (1995).

35 Koning and Laporte (1995).

36 Maxwell (1999).

37 Loquai (1996).

provided by Member States, for they are all applied at the same level. There is no transfer of competence from the Commission to Member States, except to talk about delegations of Community funds, and this is not an operational function. Quite the contrary, there is a transfer of competence from Member States to the Commission, but it is for establishing a 16th donor, with characteristics approximately similar to those of the 15 principals. The specific investment of a donor in a given sector, in accordance with an approved distribution of tasks, is not so much a matter of subsidiarity since the Commission can play a role as a donor that delegates or assumes a task.

Subsidiarity nevertheless comprises a series of characteristics that can also apply to complementarity. In the opinion of many legal experts, subsidiarity is an ambiguous and complex concept to manipulate, and it does not have a clear demarcation line between competencies³⁸. The debates it provokes have, in fact, brought to light a number of democratic defects of the Community. For some authors, both European institutions and States accepted the concept with the ulterior motive of being able to use it to serve their respective interests³⁹. For others, it could be a useful tool to reassure public opinion in Member States, where there is a fear that the integration and extension of the legal and political powers of the Community might threaten the mechanisms of democracy and cultural diversity. This concept is characterised by great ambitions and rhetoric in proportion to the political limitations in reality⁴⁰. Subsidiarity appears as a principle that is, above all, political, especially in terms of controlling its application.⁴¹

The principle could have been interpreted in a maximalist way - the maximum of functions kept at a national scale - or minimalist - the Community only carrying out those tasks that the States cannot undertake independently or efficiently⁴². It has been interpreted as having opposite meanings, such as support for the idea of a centralised Europe (a "centralised federalism"⁴³) or, on the contrary, a non-centralised one; compensation for the broadening of community competences or, on the contrary, a curb to extending the powers of the Commission and a « subsidiary » role for the Community⁴⁴; protection of the national sovereignty and role of Member States, as well as a defence of inter-go-

38 Neunreither (1993).

39 Green (1994).

40 Bermann (1994).

41 Strozzi (1994).

42 Teasdale (1993).

43 Church and Finnemore (1994).

44 Toth (1992).

vernability or, quite the opposite, a plea in favour of strengthening supranational powers and a federalist concept of the Union - a more suitable response or a substitute for federalism⁴⁵.

The way the meaning of subsidiarity has been interpreted has also varied over time and has followed the changes and differences in the concept of Europe and the political divergences that have marked the construction and cohesion of the Union since 1992. When subsidiarity was first mentioned in the European Parliament at the end of the seventies, it aimed at justifying a broadening of the competence of the Commission. In the nineties, however, it was interpreted more in the sense of limiting the powers of the Commission, of inter-governmentability and the sovereignty of nations⁴⁶.

Just as the objectives and instruments of aid for development are influenced by national traditions, the notion of subsidiarity is understood in diverse ways according to the political traditions of Member States, and of the power they wish to grant to the Community authorities. The points of view differ. For example, in Great Britain, which has a more centralised tradition⁴⁷, subsidiarity is believed to restrict the Community's competence and to give back power to Member States. In Federal Germany, subsidiarity is perceived as a guiding principle of federalism and a support for infra-national authorities. In France, on the other hand, it is seen as the recognition of the role of the State⁴⁸. Subsidiarity is a concept derived from medieval political philosophy⁴⁹, then Catholic beliefs, implying the protection of vulnerable groups against the abuses of governments. This notion also exists in certain sections of German law, especially federalism and communal autonomy⁵⁰. The decentralisation of the decision-making process is also more or less part of the political customs of European countries. The complementarity of aid policies is thus equally influenced by national traditions, both in terms of content and in the decision-making method. These aid policies have different styles and contents, depending on the Member States. They place more or less emphasis, for instance, on poverty, gender, and the environment. Member States apply different norms for delegation and collaboration in their decisions.

Finally, the principle of subsidiarity is not completely clear with respect to

45 Bermann (1994).

46 Kersbergen et Verbeek (1994).

47 Scott et al. (1994).

48 Teasdale (1993) ; Pakkala (1997).

49 After Aristotle, Thomas Aquinas in particular.

50 Schwarze (1993).

the modalities for putting it into operation. Which body can apply it, and with what kind of coercive capacity? The Commission has a leading role in its implementation, which is subject to examination by the Council. In the same way, the questions of needs, comparative efficiency, and respective added values, remain open. What is more, subsidiarity makes no contribution to the co-ordination and integration of policies, for example, the establishment of uniform standards at European scale⁵¹.

To conclude, it can be stressed that both subsidiarity and complementary are highly political questions that cannot be treated from one single legal viewpoint. Furthermore, although it is quite simple to define and achieve complementarity in the field of development, putting it into practice is much more difficult in the case of subsidiarity because of the ambivalence surrounding the meaning of the term and the identity of the status between the co-operative activities of the Community and those of Member States.

1. 2. Trends since the Treaty of Maastricht: a more accurately defined implementation of complementarity

Complementarity can be analysed in terms of the objectives, fields and instruments of development co-operation.

1.2.1 The general objectives

During the decade following the Treaty of Maastricht, the management of European aid has been the target of explicit criticism, both from Member States and observers, pointing to the complexity of the organisation and procedures of the Commission, as well as the constraints imposed on the latter by Member States⁵³. This decade has also been marked by changes in the thinking of all donors on development co-operation, in particular, the debate on the effectiveness of aid, recognition of excessive dependence on aid by some countries, the emergence of concepts of participation and ownership by recipient countries, and poverty reduction as a primary objective and justification for aid. The fight against poverty is actually the main point Article 130 of the Treaty of Maastricht.

This context explains the change of direction in the debates on the notion of complementarity. Most of the objectives are common to the three principles of co-ordination, coherence and complementarity. All the proposed reforms for Community co-operation are, in fact, designed to meet the need for a genuine partnership with beneficiary governments, to strengthen their responsibility and

⁵¹ Church and Finnemore (1994).

⁵² Lister (1999) ; for a member State like Great Britain, for example DFID (1998).

autonomy in the elaboration of their own development strategies and leadership in the co-ordination of action taken by donors, support local capacities, to alleviate the negative effects of bilateral interests and to make arrangements for permanent dialogue. The Commission and Member States must help countries to reinforce their involvement in the co-operation process, policies and sectoral programmes, but also within the framework provided by the Bretton Woods institutions (such as the Comprehensive Development Framework and the Poverty Reduction Strategy Papers) as well as by the United Nations.

1.2.2 The distribution of tasks and refocusing of fields

The implementation of complementarity has developed towards a more precise definition of relations between the Union and Member States, a distribution of tasks, an elimination of duplication, economies of scale for the donors arising from a concentration of their expertise in specific fields and a maximisation of the added value of each donor for the recipient country. In order to be effective, complementarity requires a distribution of tasks between the Commission and Member States, the guiding principle being that the partner country should play a pre-eminent role. It means that donors develop and operate according to their comparative advantages and expertise, giving them a potential co-ordination capacity in the specific sectors they decide to invest in. These comparative advantages are dynamic and have developed over time with the emergence of new fields and themes for co-operation. Member States display a great diversity of savoir-faire, as well as specialisation in certain sectors (health, education or environment, for example). Many sectors do not overlap.

The Commission has added value and comparative advantages in a series of fields in which it has been asked to refocus. The objective of efficiency and budgetary constraints should lead to the comparative advantages of both the Commission and Member States being exercised in a restricted number of countries and sectors. A distinction can, in fact, be made between sectoral specialisation (health, transport, etc) and instrumental specialisation (for example, support for structural adjustment)⁵³. The Communication of the Commission released in May 1999 identified as forms of complementarity those that exist at country level. These include support for structural adjustment, complementarity (especially financial) and backing for sectoral policies and projects, in which complementarity can be reflected through a better distribution of support in different sectors or at different levels of the latter, or else in a concentration in the same given sector or programme. This Communication also stressed that complemen-

⁵³ Cox et al. (1997, chap. 8).

tarity can be exercised in the management of human resources of the Commission and Member States⁵⁴.

Six fields in which the Community should refocus its activities have been pinpointed in the Declaration of the Council and the Commission of 10 November 2000. These are the link between trade and development, support for regional integration and co-operation, support for macro-economic policies, transport, food security and sustainable rural development, reinforcement of the Rule of Law and institutional capacities, especially in the area of good public affairs management. “Horizontal” preoccupations are added, such as the promotion of the rights of the human beings, particularly children, equality between men and women, the environment, transmittable diseases and information technologies. The Commission has a clear comparative advantage in the linkage between trade policies and development policies, particularly for the least developed countries, since trade is a competence of the Community, this being an essential component in the regional integration process. Large-scale infrastructures and road networks, frequently of a regional dimension, are also a field in which the Commission can be more effective than separate bilateral arrangements. However, the criteria that make it possible to pinpoint the comparative advantages can turn out to be difficult to establish in other fields.

1.2.3 More effective instruments

The critical context of European aid and trends in thinking on complementarity have become a reason for now placing emphasis on a more precise definition of the methods and instruments required for effective complementarity. These should be more concrete, adapted on a case by case basis, and be the result of abstract criteria; they should also be more realistic, transparent and participative, based on comparative advantages, and they should have a better cost/advantage ratio and lower administrative transaction costs. Countries should be partners and the principal players in the elaboration of country strategy papers, in which all donors participate. Complementarity is easier to implement if it is boosted by a demand from the beneficiary country itself. An instrument like the devolution of responsibilities in the countries involved encourages partnership⁵⁵.

In operational matters between the European Union (Commission and Member States), the partner country and the other donors, complementarity means the distribution of tasks but aims at placing the beneficiary country and its own development policies at the centre of the process. Donors should, accord-

⁵⁴ European Commission (1999).

⁵⁵ Council of the European Union (1999).

ing to the Community's recommendations, be aware of the political tendencies and policies of governments, and take them into account. Governments should also participate in the sectoral co-ordination groups of donors. Aid should be part of a strategic, national or sectoral approach, in which the government has leadership. It should centre more on an aid programme rather than an aid project. Co-funding activities of the Community and Member States should be encouraged⁵⁶. Donors should also accept to submit to local administrative and financial procedures. Financial regulations continue to be a problem because there are sixteen types of financial regulations.

The effective directions of complementarity, from the Commission towards Member States, or the reverse, depend in particular on the individuals involved on the spot. Complementarity requires some flexibility on the part of donors. The Distribution of tasks, concentration or specialisation cannot be carried out *ex ante*, but depend on the situation and the concrete capacities of the countries in question⁵⁷. Pragmatism and solutions on a case by case basis should be the guiding principles.

One of the preferred instruments is budgetary support. Partner countries should be able to integrate external financing in their budgetary procedures. This instrument is linked to the other favoured instrument: a sectoral approach combining several donors. The latter should concentrate their activities in a limited number of sectors in order to avoid the inefficient and expensive dispersal that has previously prevailed. Donors rarely have the human and financial resources in the countries involved to be able to intervene effectively in all the sectors. Governments are unable to maintain a dialogue with all donors because there are too many of them. Among the six sectors mentioned in the Declaration of November 2000, each Member State can choose a restricted number of sectors, according to its own priorities. Concentration on certain sectors does not mean that a donor needs to confine itself to one single sector or that the beneficiary country will depend only on one single donor in this sector. It is merely a question of preventing all donors from focusing on the same sectors. A higher degree of complementarity also implies overcoming the problem of fragmentation and adding value to the various competences existing within the Member States of the Commission and their public services. In addition to being sectoral, approaches can also be thematic, and the Commission can in this case play a useful role to facilitate the elaboration of priority themes and sectoral guidelines⁵⁸.

⁵⁶ Council of the European Union (1999).

⁵⁷ Bossuyt et al. (1993).

⁵⁸ Director Generals of Development (1998).

Complementarity implies transparency and an exchange of information between the different players, hence the proposal for a joint examination of existing documents on strategy support for beneficiary countries⁵⁹. It entails a concern for a minimum harmonisation and standardisation of documents, and is reflected in the objective to establish a standard framework⁶⁰. In May 1999 and again in November 2000, the Council recommended a better use and harmonisation of the framework represented by Country Strategy Papers (CSP). Such papers should be drawn up, to the greatest extent possible at local level, by the Commission, with the assistance of the missions of Member States and in close collaboration with the partner country⁶¹. It stressed that programming by country is a vital management tool to improve the effectiveness of Community aid. The co-ordination, coherence and complementarity of policies implemented at operational level should be planned as far in advance as possible, even at the stage of conception, and based on a dialogue between the partner country and Community, Member States and other donors. The procedures for drawing up country strategy papers - instruments for political dialogue between the Community and the partner country - are therefore an important stage of complementarity. These papers should also fit into the widest frameworks provided, in particular the Poverty Reduction Strategy Papers and the Comprehensive Development Framework drawn up by the Bretton Woods institutions, the other multilateral donors obviously having to be taken into account too.

The backed policies should preferably be sectoral policies. Country Strategy Papers meet the objectives of two or the « 3 Cs » (complementarity and co-ordination). They provide a unique strategic framework for all donors and make it possible to identify complementarities between Community programmes and those of Member States in a given country. Country strategy papers have a time span of five years, permitting a medium-term view. Complementarity entails an exchange of information between all the players at every stage of the programme cycle, as well as consultations on the financing of the Commission during preparations for the budget or, in complex sectors, on the instruments. Concentration of activities in a limited number of sectors, and for purposes of complementarity, can be improved by the possibility (provided for by the agreement on the 9th European Development Fund) of delegating the management of Community funds to Member States or their executive agencies in the case of co-funding.

59 European Commission (1999).

60 Also adopted in the Conclusions of the Council of 10 November 2000.

61 Council of the European Union (1999).

This delegation continues to be a point of debate as it is sometimes described as being a trend towards “re-nationalising” aid.

The participation of civil society, especially the non-state players, the private sector and NGOs, in co-operation policies is now the object of consensus by all donors, even though it is achieved on a case by case basis, depending on the capacities of the partner countries. It is nevertheless one of the five pillars of the Cotonou agreement⁶².

In conclusion, the notion of complementarity falls under definitions of co-operation that are now more precise, as well as the respective roles of the various players. Implementation modalities are becoming more realistic and feasible. This trend is the result of a change of context since the Treaty of Maastricht, relating to the economic, political and social situation of developing countries, the ideas and modes of action of the international community of donors, and the development policy of the Commission. Despite lingering problems, as well as identified causes and solutions, reflections on development co-operation have changed radically since the Treaty of Maastricht was signed in 1992. These can be noted in the more recent interpretations of complementarity, particularly in the Declaration of the Council and the Commission on the development policy of the European Community of 10 November 2000, relating to the pre-eminent role of the recipient country in the organisation of co-ordination, the reduction of the known causes of inefficiency and administrative costs, the distribution of tasks and dialogue between donors.

2 THE LIMITATIONS OF COMPLEMENTARITY

The first part of this study dealt with complementarity from the legal and institutional points of view. The second part looks at the three aspects - political, operational and instrumental - of complementarity in order to highlight the assets and limitations of this concept, as well as the bottlenecks that slow down its implementation. Much of the information in this section comes from interviews with representatives of Member States of the Commission, resource people, and existing literature (especially the ECDPM).

2.1. The political aspect: what kind of European identity?

Complementarity is an eminently political question, before being operational and instrumental. It refers directly to:

- the view Member States have of European construction and the position of the supranational dimension,

⁶² Moreau (2000).

- the objectives of bilateral co-operation policies and, through construction, the Community policies,
- and finally, the changes in bilateral co-operation policies (concentration, reduced aid, reform, revival, etc).

2.1.1 Communitarisation is not for tomorrow!

Working on complementarity is tantamount to trying to define the position and role of Community policies vis-à-vis the policies of Member States. “Federalist” countries will fiercely defend the increasing transfers of sovereignty and financial resources towards Europe, eventually turning the policy on co-operation into a common policy. In such a context, the question of complementarity will therefore be resolved. At the other extreme, emphasis will be placed on bilateral co-operation, with European co-operation intervening either in support of bilateral action or in a restricted sphere in which it would have to constantly justify itself. Most of the Commission and Member States situate themselves between these two extremes but with divergent points of view, most of them focusing on efficiency: the efficiency of joint efforts and consistent means for some, the circumvention of European bureaucracy for others. Once again, even though it can be accepted that arguments of a technical nature are valid, the political aspect takes precedence. Is a strong European identity needed in the field of development co-operation?

It is interesting to note that there was a consensus on this issue in our interviews. The officials we met were all in favour of a strong identity for the Union but were opposed to a higher degree of the communitarisation of aid, the main reasons put forward being the lack of visibility and efficiency of the Commission in the management of funds. According to some of the officials interviewed, the new EuropeAid agency could improve matters from this point of view and renew the confidence of Member States. If the Community policy on development becomes efficient and coherent, if its impact and results are visible both during the programming and the implementation phases, and if the Union takes one stand in the international debates, then the communitarisation of aid can be envisaged. But beyond speeches, no country raises the possibility of the disappearance of its bilateral aid in favour of European aid.

2.1.2 Bilateral vs. Community aid: a conflict of objectives

“Bilateral aid is generally seen by donor governments as an instrument capable of supporting the political and commercial needs of the donor. Until the basic objectives of bilateral aid are changed, or subsumed into Community aid in the framework of a more complete political union among the EC members, it can be

argued that the existing preference for bilateral aid will continue. (...) The critical difference must lie in the nature of development aid, which is still viewed by most Member States as a direct instrument of national policy.”⁶³

As Grilli stresses, development aid can be perceived, from the bilateral angle, as a direct instrument of national policy. This aspect of aid can be a major obstacle to the implementation of complementarity since, for certain Member States, Community aid can represent a threat to their own interests, or even a loss of power in favour of an entity that has not yet proved itself. Thus, a clarification of the objectives of the different national policies pursued by Member States and the European policy on co-operation is necessary if complementarity is to be achieved.

In addition, complementarity depends on the relative choice of each country between bilateral and multilateral aid. A Member State may decide to focus on its bilateral policy, implying that it retains its national priorities and delegates multilateral action in fields in which it accepts not to intervene. Or it can concentrate on multilateral policy, and in this case a synergy or complementarity is sought with other donors. A number of countries are afraid of losing part of their identity if they invest more massively in multilateral aid and they therefore prefer to keep their national competence⁶⁴. In reality, many countries belong to this category because it includes the “small countries”, former colonial powers (France and the United Kingdom) and a country like Germany with a very high level of public aid for development. This resistance to “multilateral action” is all the more significant in that a reduction in bilateral aid has not been noted at present.

2.1.3 Divergent European approaches

An evaluation should establish a typology to clarify the political aspect of complementarity through the different positions taken by member States and the Commission in the field of development co-operation. This typology could be organised around:

- The question of interaction, for each Member State, between its bilateral, multilateral and Community aid. The argument about the inefficiency of Community aid is, for example, frequently put forward to justify a preference for bilateral or multilateral channels. For others, this interaction is based more on the place of development aid in foreign and/or trade policies.

63 Grilli (1993, p. 79).

64 Loquai (1996)

- European identity: some countries, for instance, fear that the emergence of a European identity would be more in keeping with the ideas advocated by the biggest contributors.
- The visibility of aid: this issue is tied to the two preceding questions as Member States have different opinions on the need to make their own and Community aid visible.
- “External” complementarity: some Member States, for instance, feel that their relative weight in the United Nations and Bretton Woods institutions is at present greater than it would be in a unified European framework.
- The volume aid: the volume of aid and its development for each Member State often contribute to determining certain types of arbitration between bilateral and Community co-operation. The relative shares of Member States and the Commission in the overall aid of the Union can also give rise to fears about a loss of identity linked to positions considered to be hegemonic.
- The reform of national policies: the reforms undertaken by Member States, and within the Commission, can change the way the various players perceive the concept of complementarity.

The evaluation should, therefore, develop this approximate typology and define the criteria for a more objective analysis of the political aspect of complementarity

2.1.4 The Declaration of November 2000: an affirmation of the identity of the Community in the field of development

In order to avoid political constraints and make progress on the issue of complementarity, efforts concentrate mainly on a better co-ordination of the sixteen and on a clearer definition of the field of Community co-operation.

The Declaration of the Council and Commission of November 2000 on the development policy of the European Community is an initial step towards the establishment of a European identity in the sphere of development because it defines for the first time the common objectives of the Commission and Member States. The Declaration has turned the fight against poverty into a priority for European co-operation, and activities have been re-focused on certain fields already mentioned in the first part of this study. Furthermore, the Declaration determines the methods used to implement this policy, of which complementarity is a component. However, two positions emerged in the course of our interviews. The first consists in subscribing to this Declaration, which in fact has a constraining value since it was signed by all Member States, and to seek to develop these trends even further. The second position is to underline the rhetorical character of this Declaration, which according to this view, lacks political impe-

tus in the field of development and reflects the differences of opinion expressed by Member States, as well as the diversity of their political agendas.

Nevertheless, there is reason to believe that this Declaration is an important turning point in the implementation of complementarity as it enables the Union to display a clear policy not only at headquarters in Brussels but also among the European delegations (Commission and Member States) in the field. These delegations should, in fact, be able to handle their own programmes more effectively and to position themselves clearly in relation to other delegations (European or not) in the field. Moreover, it is easier to apply complementarity when the policies of the various partners are explicit. It is therefore vital to study the general guidelines laid down in the Declaration. This may create problems because the Community has lost much of its capacity to elaborate co-operation policies. France, which was once a driving force in this area, no longer takes the initiative because it is handicapped by the confused image - even in its own view - of its co-operation and the institutional duality of its development aid, caught between the two responsible ministries (Finance and Foreign Affairs). The opposite situation can be found in the United Kingdom, where policies towards developing countries are centred more on trade and bilateral aid is small, which was able to elaborate a dynamic co-operation policy thanks to the Department for International Development and increase its influence at multilateral level.

2.1.5 The added value of the European Commission as a multilateral development institution

For the European Commission to be able to play a role as a multilateral development institution, it is necessary to clarify its added value in the field of co-operation. In actual fact, the implementation of complementarity suffers from the "15+1" formula, in that the Commission is the 16th donor, on an equal footing with Member States, and it therefore takes action similar to the latter. Nevertheless, if the Commission really functioned as a multilateral development agency, the problem of competition between the action taken by the various donors would be much simpler⁶⁵. Thus, the debate on complementarity could benefit from a clearer dialogue and serious negotiations within the Union on the added value of the Commission as a multilateral development institution. To achieve complementarity, it is necessary to clearly define the comparative advantages of Community aid (economic and political neutrality, a capacity to rapidly mobilise significant financial assistance, etc) as well as those of Member States.

⁶⁵ Bossuyt et al (1999).

However, it emerged from some of our interviews that the development pole had disintegrated in the evolution of European affairs. A policy on development aid, with sections relating to trade, agriculture, human rights, etc., has been transformed into policies relating to trade, external relations, agriculture, etc., with a section on development. Priorities have therefore been reversed. Thus, a greater degree of multilateralism would make it possible to crystallise the development policy of the Community provided it is restructured. In order to achieve this, it would be necessary, among other things, for the Community to invest in research capacities and to make efforts to improve its performance in the field. This process would, naturally, require time to “mature”.

The creation of the new EuropeAid agency may make it possible to rectify a number of the weaknesses of co-operation (aid disbursements, cumbersome bureaucracy, etc) as to well as to handle more efficiently the funds of the Commission, as evoked in the framework of the communitarisation of aid. However, a restructuring of the external relations of the European Union has had negative effects on DG Development, which has lost a sizeable share of its political weight compared to the DG RELEX and Trade. Furthermore, the setting up of EuropeAid may transform development policies into the mere « technical » management of aid. It is not certain whether these institutional reforms encourage the formulation of genuine European development policies that are consistent in their different aspects (aid, trade, foreign policy, etc) and persuade Member States to make balanced progress on the issue of complementarity.

2.2. The operational aspect: the partner country at the heart of the process

“To achieve complementarity at country level, the individual approaches need to be coherent, something which implies coordination.”⁶⁶ Co-ordination is one of the principal mechanisms for implementing complementarity. These two concepts are in fact indissociable since complementarity of the policies and actions of Member States and the Community cannot exist if there is no prior co-ordination at political and operational levels and within international circles. “If co-ordination is part of a coherent and global framework, it is the best instrument to achieve complementarity”⁶⁷. Since a specific study has been devoted to this third “C” of the Treaty of Maastricht, we will not deal with it here. This second part on the operational aspect enables us to move from a political approach to the more local one of complementarity. The object of complementarity is often undermined by the reality of local approaches that are not always coherent

66 Jorna (1995).

67 Council of the European Union (1995)

between the different donors or between the different Community policies. It is therefore important to try to clarify the relationship and define a possible boundary between Community aid and the bilateral aid of Member States both at the political as well as the operational levels. Would the decentralisation of long-term programming and management by local delegations of the Commission and Member States help in this case? In any event, as far as the implementation of complementarity is concerned, a better distribution of tasks, adapted to realities in the field would, according to some views, be a way to remedy these differences and achieve complementarity between Member States and the Commission⁶⁸.

2.2.1 Comparative advantages: criteria for the distribution of tasks

The distribution of tasks consists in spreading the work among the various Member States, the Commission, and within a broader framework, other donors, on the basis of comparative advantages. It is perceived as an appropriate means to ensure that the action taken by the different donors are complementary and that there is no duplication or overlapping. According to the Declaration of November 2000, "The strengthening of complementarity meets the need for a better division of work between the Community and Member States (...). It is therefore important to take advantage of the experience acquired by the Community and Member States, and succeed, on a case by case basis, in distributing the tasks in a way that respects the role allotted to the partner country, while taking the comparative advantages of each party into consideration."⁶⁹ The stakes of this distribution are high since they underpin the existence of a reinforced political dialogue, and imply that an agreement should be reached on how to go about this distribution, and according to what criteria.

The distribution of tasks can be made on a geographic, sectoral, instrumental, thematic or functional basis or it can be made according to the comparative advantages and competence of Member States, the Community and other donors. Yet there is the problem of the criteria selected for this division of work. The distribution of tasks is a dynamic process based on structural and durable advantages that are neither final nor exclusive⁷⁰. They can be determined by the different processes set in motion within the framework of operational co-ordination (regular meetings, exchange of documents, informal contacts, etc) as well by the influence of the donor in the field, its experience in the development activities of

68 ECDPM (2000).

69 European Commission (2000b).

70 Koning (1995).

the country, and its political and cultural relationship, both past and present. However, the distribution of tasks based on comparative advantages raises deeper problems in that this process involves numerous local circumstances, a past history of co-operation and inter-institutional relations. Owing to these factors, a technocratic decision does not suffice to define an effective distribution of tasks, and even less, a higher degree of complementarity. Past experience, such as that of Co-ordination for Development in Africa (CDA) in the eighties show that such decisions can in fact be in untimely and even counter-productive, and in any event, difficult to apply. Donors are often specialised in spheres that, depending on a specific area and the excellence they have acquired, becomes their method of co-operation. But such methods are frequently restricted to a given country or to a specific experience. The new directions taken by the Commission in the field of development respond to this trend since the texts stipulate that the co-ordination of activities will be adjusted according to the situation of each country, sector or field of development, and that it will be undertaken in close co-operation with the country concerned.

Despite the difficulties described on the subjective and uncertain nature of the criteria used to select comparative advantages, they can nevertheless be defined, as in the case of the Commission and the Council within the framework of the Declaration on general policy of November 2000. In this document, the fields of concentration of the Commission are identified as the link between trade and development, regional integration and co-operation, support for macro-economic policies and the promotion of fair rights to social services, transport, food safety and sustainable development, the strengthening of institutional capacities and horizontal aspects, such as the promotion of human rights, equality between men and women, the environmental aspect, etc. This concentration of activities in a limited number of fields in which the Community believes it has an added value should make it possible to define its interventions more accurately at local level, and therefore attain a higher degree of complementarity with the action taken by other Member States. It should nevertheless be remembered that these fields of intervention are broad enough to encompass a maximum number of “sub-fields” and thus satisfy all signatory countries.

Some of the officials we talked to also described the comparative advantages of their own countries, as well as those of the Commission. It is interesting to note that no cross checking necessarily takes place. For example, the comparative advantages of the Community are mainly the promotion of regional integration and trade policies. The European Investment Bank is recognised as being a centre of competence, expertise and mobilisation of resources. The Netherlands identifies its sectors of excellence as being water, drainage, gender issues and the

social sectors (health, primary education), while Italy has specialised in water resources in the Middle East, health in the Horn of Africa and assistance to small-scale enterprises in Latin America. Denmark focuses on education, agriculture, health, transport, governance and democracy.

However, this allocation of comparative advantages is still “virtual”. Once in the field, it becomes more complex and is hampered by a number of bottlenecks. It should be noted that to achieve a distribution of tasks, the partners involved must accept to exchange as much information as possible about their projects, and clearly state their priorities, weaknesses, etc. It is therefore important to ensure greater transparency with respect to the action taken. But since aid is an integral part of the foreign policy of States, and is usually based on national strategic interests, this process, which is part of operational co-ordination, seems far from having been acquired. Studies on operational co-ordination (in six pilot countries in 1993 and more recently covering 98 countries⁷¹) inevitably draw the same conclusions. These are the need for greater reciprocity in the exchange of information, a deeper involvement of the delegations in the field and a strengthening of the partner’s role in the definition of the orientations of the Community. It does not seem as if complementarity can be achieved except in fields in which operational and policy co-ordination is already effective. This situation still seems to be rare for the moment (especially in view of the fact that the greater the number of Member States in the field, the greater the degree of overlapping and co-ordination difficulties. “If the current ‘patchwork’ of objectives and means is not replaced by a coherent set of clearly defined priorities, complementarity will continue to be just a pious wish.”⁷² It should be pointed out that even ad hoc complementarity, obtained at local level, which is after all proof of efficiency, is not sufficient given the political aspect of aid. Every Member State would be anxious about regional and global equilibrium in the redistribution of responsibilities and resources within the Union.

2.2.2 The role of the partner country

Placing the partner country at the heart of the development process is one of the objectives of the development policy pursued by the Community, as stated in the Declaration on general policy of November 2000. According to some opinions, this is a means of anchoring the implementation of development policies locally to ensure a better appropriation of the latter by the partner country, and to facilitate the distribution of tasks intended to lead to increased complementarity. This

⁷¹ European Commission (2000c).

⁷² Bossuyt et al (2000).

« (...) should be in strict compliance with the principles of sovereignty, partnership and appropriation within the context of a broader dialogue carried out by the beneficiary country with representatives of civil society and all donors”⁷³. However, this approach, legitimate and necessary though it may be, is not necessarily realistic, and it causes problems of capacity for the partner country and for the feasibility of such a process.

Scandinavian countries actively defend this approach. According to them, the recipient country, as a « master operator », should define its own development strategies, making it responsible for co-ordinating aid (programming, budgetary assistance, sectoral approach, decentralised management, quality control) in close partnership with representatives of the Community and Member States in the field. This evolution goes hand in hand with a determination to devolve and decentralise the actions of the Community. Furthermore, according to some of the officials we interviewed, since the partner country is at the heart of the process, it should be able to propose a more suitable and coherent distribution of the tasks, depending on the comparative advantages of the different donors. It would, in fact, be better placed to handle the distribution of work, which should lead to an effective complementarity of the policies and action of Member States and the Community.

This determination to increase the role of the partner country is genuine and effective at present, but for the moment it is still an ideal vision because, as other officials have stressed, partner countries are not always in a position to put forward their own view of the comparative advantages of the various donors. In addition, they do not always have the technical and human capacities required to manage external aid efficiently. It is therefore necessary for the donors to provide more technical assistance and to build up their capacities. What is more, even if the partner country can propose a distribution of tasks among the various donors, it cannot always solve the internal problems of the Community. The question can also be asked as to whether this “bottom-up” approach would permit the Community, through the partner country, to assert its identity on the international scene. There is also the question of the nature of the partnership and whether it encourages the emergence of an effective political dialogue between partner countries and the Union.

2.2.3 The question of leadership

The question of leadership is related to the distribution of tasks and attempts to apply the principle of complementarity in accordance with the comparative

⁷³ European Commission (1999).

advantages of Member States and the Commission. In principle, designating a leader would be an efficient way of avoiding duplication and an overlapping of the action taken by different donors, thus increasing their complementarity.

A leader should be selected in the field to work on a precise theme or sector. It should therefore be done on a case by case basis, according to the competence of the donors and operators in a given field or country. The distribution of tasks through the nomination of a leader can be perceived as a good way of achieving complementarity among Member States, as well as between the latter and the Commission. This is because the selection would be the result of a strengthened dialogue between the different donors and, therefore, of an efficient operational co-ordination. This distribution could, in fact, be a way of ensuring a European presence in many sectors while preventing resources from being spread too thinly on the ground. However, this approach raises the question of the legitimacy and selection of a leader as a number of donors would have to give up their place in certain sectors. Will they do so if some of their interests in trade or foreign policy are to be at stake?

In fact, as stressed during the interviews, countries with an Official Development Assistance that is high in absolute value (France, Germany, Great Britain) may have ambitions to preserve or extend their action in a large number of sectors in their preferred area of co-operation. They might, therefore, take it badly if a sector in which they have invested for a long time is managed by a third party. Consequently, the “No poaching!” aspect should not be neglected (the French in the Côte d’Ivoire, the Danish in Tanzania, etc), as it could hinder the objective of complementarity and even generate a strong dependence of the partner country on this donor. The idea of a leader can lead to negative conflicts. Some parties are in favour of the idea of communitarisation as the best path towards complementarity.

Yet it can also be argued that cuts in bilateral aid automatically lead to specialisation on the part of donors. A selection is therefore made almost naturally and complementarity becomes a *de facto* reality.

The distribution of tasks through the selection of a leader can be financial and reflected by the delegation of funds to a national development agency (the AFD in France, the GTZ in Germany, etc). If the Community has a weak presence in a given country, it can decide to delegate the management of Community funds to a Member State or its executive agency, especially when it is a programme co-financed by this State and the Commission. This can be perceived by the small countries of the European Union as a re-nationalisation of aid by the bigger countries, seeking in this way to seize part of the Community funds for use as their bilateral aid. The small countries have neither the means nor the human

resources needed to play this role. Concentration in the same programme or sector can nevertheless make it possible to obtain significant financing more rapidly by mobilising a higher volume of funds while offering a diversity of partnerships to the beneficiary country⁷⁴.

These co-financing mechanisms also create a problem of visibility. Direct financing is obviously perceived as the best way to ensure the visibility of donors in the field, and there are some fears that the Community might take over control of their national programmes through co-financing. In this regard, it should be noted that during an interview, it was stated that the distribution of tasks through co-financing was, on the contrary, positive since it was a good way of enabling the institutions of Member States to learn about the European instruments and to belong to them. This brings us to the third dimension of complementarity, expressed according to the types of support and instruments.

2.3. The instrumental aspect: Country Strategy Papers

“The Council considers that programming by country is a vital management instrument for increasing the efficiency of Community aid, encouraging its strategic orientation, defining a coherent approach and reinforcing co-ordination and complementarity inside the European Union and with all other donors and partner countries.”⁷⁵

2.3.1 The added value of a new programming instrument

Country Strategy Papers, the importance of which was underlined in the Cotonou Agreement and the Declaration on general policy of November 2000, are a means to define an appropriate strategy for co-operation. In this respect, they should help the distribution of tasks among the donors present in the country. Country Strategy Papers are a first step towards closer dialogue with the partner country. They often raise the question of the number of existing instruments and their relevance for Member States.

Country Strategy Papers are an instrument for policy dialogue between the Community and partner countries which, as previously seen, become the driving force behind the search for complementarity based on a development strategy, which they themselves have defined and which serve as a starting point for these papers. According to recommendations made by the Commission, Country Strategy Papers should be a component of a broader context, such as the Poverty Reduction Strategy Papers or the Comprehensive Development Frameworks, and

⁷⁴ European Commission (1999).

⁷⁵ European Commission (2000d).

should have an operational follow-up in the form of national indicative programmes. Their aim is to optimise added value for the partner and the co-ordination set in motion, and to ensure the appropriation of aid by the latter⁷⁶. In fact, a deeper involvement in the formulation of these Comprehensive Development Frameworks by Member States should make it possible, through a more transparent exchange of information between Member States and the Commission, to analyse the constraints and potential of each party, determine the priorities, fix the results to be achieved collectively and in this way contribute to a strategic definition of European aid, while reinforcing complementarity between the interventions of Member States⁷⁷. The new Cotonou Agreement is explicit in this respect since it stipulates that programming documents should contain a description of the plans and action of the donors present in the country, particularly those of Member States in their capacity as bilateral donors. Furthermore, it also states that the established strategies detailing the contribution to be made by each country, should lead, as far as possible, to complementarity with the operations financed by the ACP country itself and by other donors in the country.

The Community approach is interesting in that it consists of endowing itself with an instrument permitting closer dialogue with the partner country before initiating the programmatic discussions. Yet the appropriation of Country Strategy Papers by Member States, envisaged in the official texts, does not seem to be acquired. Why introduce a new instrument that could complicate aid management even further and add an extra burden on the partner country? Are there possibilities for harmonising the different instruments? Are Member States willing to carry out this work and swap their instruments for those of the Commission, which have not yet proved to be effective? And surely the World Bank instruments are sufficient?

The determination of the European Union to prove its independence vis-à-vis multilateral development agencies (by introducing its own instruments and by claiming a special role in consultative groups) is legitimate. However, there is the question of whether the Community has a sufficiently strong position and identity in the area of development co-operation to be able to lay claim to this position, and this again points to the importance of the political dimension. The Union will have to be able to talk with one voice, and this still seems to be premature. Is it therefore possible to have harmonised instruments in the absence of integrated policies?

⁷⁶ European Commission (2000d).

⁷⁷ European Commission (1999).

2.3.2 Other types of instruments

In addition to the instruments needed for programming, there are also a number of important instruments for the allocation and management of aid. Every country has its own instruments and procedures, like the European Development Fund at Community level: loans or donations, credit for investments, functioning or staff, credit for structural adjustment. Some of them are budgeted, others are not; each one has its cumbersome bureaucracy, disbursement problems, procedures that make aid management difficult for the partner country.

The complementarity of aid instruments requires a minimum of harmonisation and, probably, a simplification of instruments. The new guidelines of the Cotonou Agreement, in favour of a more contractual and global aid, open the way for this kind of simplification. Furthermore, the agreement also reflects a determination to rationalise financial instruments and to introduce a new type of rolling programming system, making it possible to regularly revise the criteria for allocating resources based on the performance of the policies. The revision of co-financing procedures and questions relating to the release of aid should lead to the gradual harmonisation of allocation procedures and contracts between Member States, provided the latter accept to comply.

As previously mentioned, the existence of older instruments with an acknowledged legitimacy, such as those of the World Bank and other international organisations, raises the question of opportunity for new instruments and, consequently, the need for another type of co-ordination for instruments and policies. As one of the officials we interviewed pointed out, this co-ordination can already be considered as effective in the field through the consultative groups of the World Bank and the round tables of UNDP. Yet these mechanisms do not bring to the forefront the specificity of Europe and “Community” policies in the area of development. Small Member States feel that they would be better represented within the groups uniting all donors rather than the group of 16. The existence of these groups enables countries preferring bilateral to Community aid to feel that it is not essential for the European Union to adopt a common position since an equilibrium of the various positions can be found in the consultative groups and round tables. Finally, intra-European co-ordination mechanisms already exist, such as the Utstein group, bringing together Germany, the United Kingdom, the Netherlands, Sweden, and the group of Nordic countries with the Nordic Fund and the Nordic Council. These groups can serve as a brake, and eventually as a counter-incentive, to a more comprehensive implementation of European co-ordination.

“The main challenge ahead is to put into operation this « bottom-up » strategy using the instrument of co-ordination. In essence, this means accepting that

complementarity is best promoted through a wide variety of action-oriented approaches, each of them adding a brick to the building. It implies making an inventory of promising openings, channels or instruments to stimulate complementarity in a 'demand-driven way' at the level of the partner governments, the Commission or the Member States. It means creating incentives for people to invest their time and energy in promoting different forms of complementarity in their own programme, policy area, sector or agency."⁷⁸

In conclusion, if one looks for the common obstacles that hinder the three aspects under study (political, operational and instrumental), it appears to be obvious that the weakness of European political identity in the area of development is a major curb to the achievement of complementarity. Whether it is a question of the primacy of national over Community interests, the preponderance of bilateral over multilateral aid, the position of Member States in relation to the Bretton Woods institutions, or the diversity of their administrative procedures, it always comes back to the issue of European identity and the capacity of the Union to propose a "common" view on development co-operation or aid management. Can the exercise of operational co-ordination in six pilot countries and the attempt to involve Member States even further in the Community's co-operation programme lead to greater complementarity or an improvement in the efficiency of aid? To put it plainly, will there be a genuine willingness on the part of Member States and the partner country to become involved in the process of operational co-ordination? For many, the development of local co-ordination processes would be the best way to initiate the debate on complementarity. There is, nevertheless, the political aspect of aid that needs to be tackled clearly in order to achieve significant results. One effect could be that complementarity between Member States and the Community would operate in a one-way direction only.

3 RECOMMENDATIONS FOR AN EVALUATION OF COMPLEMENTARITY

An evaluation between the complementarity of development co-operation policies of Member States and those of the European Communities should reinforce the main points raised in this paper. Complementarity is not the subject of such heated debate within the Union as the other "Cs" probably due to its strong political dimension. The same can be observed in academic and institutional literature. The evaluation should therefore be based mainly on the discussions, at the level of headquarters in Brussels, of the central public services of Member States and delegations in partner countries.

⁷⁸ Bossuyt et al (1999).

The topics that need to be studied further are:

From the political angle:

- to assess the participation and contribution of Member States in the Community's development co-operation policies;
- to assess the value and content of the concept of European identity in the field of development co-operation, in Member States, within the Commission and in international institutions;
- to evaluate trends in bilateral policies, particularly the interaction between bilateral, European and multilateral aid;
- to evaluate which types of specialisation and concentration have led to reforms in the aid of the Community and Member States in the course of the last ten years;
- to evaluate, in particular, the position of Member States in relation to multilateralisation;
- to assess, in the case of bilateral as well as Community policies, the incorporation of the political, commercial and ethical aspects in development co-operation, and in what way institutional arrangements can influence this interaction;
- to assess specifically from this angle the effects of the current internal re-organisation of the Commission.

From the operational angle:

For the moment, the operational aspect of complementarity is closely tied to that of co-ordination. The evaluator of "complementarity" should therefore seek effective synergy with the evaluator of "co-ordination" in order to avoid duplication of work. It should:

- evaluate global initiatives of co-ordination (Poverty Reduction Strategy Papers, UNDP round tables, Special Programme for Africa, etc), with a view to assessing their consequences on the implementation of complementarity;
- evaluate European initiatives in the area of complementarity, especially those taken through operational co-ordination, and to analyse the respective concepts of the Member States on aid and its effectiveness, and their eventual mutual divergences, as well as that of the Commission;
- analyse the concepts of Member States and the Commission (at central level and in delegations based in partner countries) on the different ways of putting complementarity into operation through notions of comparative advantages, leadership, added value, delegation of funds, etc., and to identify, in this

regard, what comes under objective criteria and what comes under ad hoc working processes;

- to evaluate in selected partner countries the trends in bilateral and Community policies on co-operation : concentration, specialisation, ad hoc co-ordination, co-financing, etc.

From the instrumental angle:

- to evaluate the relevance of the Country Strategy Paper as a tool for achieving complementarity;
- to assess the appropriation by Member States of this framework, in relation to other existing frameworks (bilateral, multilateral, and in particular, Poverty Reduction Strategy Papers);
- to evaluate the process of drawing up co-operation strategies since the implementation of the Cotonou Agreement;
- to evaluate the dynamics for harmonising co-operation instruments.

Countries in which an evaluation of complementarity could be carried out:

- The six pilot countries (Bangladesh, Costa Rica, Côte d'Ivoire, Ethiopia, Mozambique and Peru) where operational co-ordination has been applied to see whether complementarity been reinforced.
- The countries where co-operation with the Union has been recently developed or re-launched (for example, Nigeria and Vietnam) and where co-operation habits have been reduced.
- South Africa, a country with a special relationship with the European Union, that has recently initiated close co-operation.

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The Co-ordination of development co-operation in the European Union¹

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1. Introduction

Co-ordination is a much-debated topic in development co-operation. The paper begins with a brief introduction to the subject, and with a review of current initiatives (Section 2). It then tackles the history of thinking about co-ordination in the EU context, and summarises evaluation findings (Section 3). The report concludes (Section 4) that significant progress has been made in achieving better coordination, on both donor and recipient sides, and within the EU as well as internationally. However, turning the most ambitious aspirations into reality will require a great deal of bureaucratic drudgery, for example on budgetary procedures, contract conditions and reporting, and this will take time. Furthermore, there is work still to do to make sure that the incentives for collective action in this field are properly understood and instituted.

By way of introduction, it is worth observing that co-ordination, and its close cousins, co-operation and collective action, are topics much debated outside as well as inside the specific field of development co-operation. There are useful connections to make.

1 This paper is revised and updated version of a contribution to a study of the European Union's 'Three Cs' - complementarity, co-ordination, and coherence - prepared for the combined Evaluation Units of the European Commission and the Member States, and led by Paul Hoebink, of the Centre for International Development Issues at the Catholic University of Nijmegen. The original version was published in December 2001 as a Working Document of the Policy and Operations Evaluation Department, Netherlands Ministry of Foreign Affairs. Thanks to Paul Hoebink for support and advice, and to Sarah Gillinson, Ian Urey and Natalie Kannemeyer for research assistance. Thanks also to the participants at an expert meeting held at Nijmegen on 27 April 2001, especially Olav Stokke and Timo Voipio, for their comments on an earlier draft. Responsibility is the authors.

For example, the conditions for co-operation have been studied in the context of the management of common property resources. Here, quite specific requirements need to be in place before co-operation takes place, relating both to the character of the resource and the characteristics of the users (Figure 1). There have to be clear benefits and manageable costs, to all parties, a shared vision, a high degree of trust among the parties, and a long-term commitment. From other work (e.g. Mearns 1996), it is known that the transactions costs reduce as a sense of community rises, in other words when beliefs are shared, the membership of the group is stable, there are direct relations between members of the group, and interactions are predicted to continue into the future. The costs also fall in relative terms when co-operation takes place across many different activities. This echoes studies of social capital in developing countries which show that the productivity of cooperative projects increases as levels of social capital rise. (e.g. Grootaert 2001)

Figure 1: Co-operation in Natural Resource Management

Characteristics of a Resource Conducive to Self-Organised Management

- **Feasible improvement:** Resource units are not at a point of deterioration such that it is useless to organise or so under utilised that there is little advantage from organising.
- **Indicators:** Reliable and valid indicators of the condition of the resource system are available at a relatively low cost.
- **Predictability:** The flow of resource units is relatively predictable.
- **Spatial extent:** The resource system is sufficiently small, given the transportation and communication technology in use, that users can develop accurate knowledge of external boundaries and internal microenvironments.

Characteristics of Users Conducive to Self-Organised Management

- **Salience:** Users are dependent on the resource system for a major portion of their livelihood or value it highly for other purposes.
- **Common understanding:** Users have a shared image of how the resource system operates and how their actions affect each other and the resource system.
- **Discount rate:** Users have a low discount rate in relation to future benefits to be achieved from the resource.
- **Distribution of interests:** Users with higher economic and political assets are adversely affected by a lack of co-ordinated patterns of appropriation and use.
- **Trust:** Users trust one another to keep promises and relate to one another with reciprocity.

- **Autonomy:** Users are able to determine access and harvesting rules without external authorities countermanding them.
- **Prior organisational experience:** Users have learned at least minimal skills of organisation through participation in other local associations or learning about ways that neighbouring groups have organised.

Source: Ostrom 1999

These conclusions are reinforced by game theory, particularly in the iterated prisoners' dilemma which demands long-term commitment as the game is repeated. Co-operation is seen to increase when trust is present, levels of communication are high, and non-zero-sum outcomes are possible, in which all are winners. Co-operation increases over time as players better understand each other's behaviour and create a reputation for being co-operative. (Reynolds 1994, Ostrom 1994).

Asymmetric information is a key issue and raises questions about the incentives to co-operate. Co-operation is more difficult when parties have access to different amounts of information. As Killick (1998:100) notes, "principal-agent issues arise when the maximisation of more than one party's utility requires some form of co-operative action, when the objective functions of these parties differ and when at least one of them has imperfect information about the actions of the other" (Killick 1998). We see this in bargaining games, as deals are delayed and lose value, and in the writing of incentive contracts: these are almost always sub-optimal as the contractor can only estimate how much effort the other party is putting in. This is particularly relevant in discussions about aid (Ostrom 2002).

Finally, political science also contributes insights on why and how co-operation takes place. For example, regime theory can be applied to international negotiations and processes, showing how an alignment of interests facilitates co-ordination (Uvin 1994). Of course, donors often have divergent interests.

All these ideas are important because they help to generate hypotheses for an evaluation of coordination. As with all evaluations, it will be necessary to examine (a) the relevance, (b) the sustainability, (c) the impact, (d) the effectiveness, and (e) the efficiency of co-ordination. More than that, however, it will be necessary to (a) describe what happens under each of these heads, (b) assess performance, (c) explain performance, and (d) recommend how performance might be improved. Explanation is often the neglected element of evaluation studies.

2. Co-ordination in Context

2.1 What it is

Co-ordination is defined by the World Bank (1999:3) as

‘Activities of two or more development partners that are intended to mobilise aid resources or to harmonise their policies, programmes, procedures and practices so as to maximise the development effectiveness of aid resources’

As already noted, co-ordination is long-standing theme in development. The Pearson Commission addressed the issue over thirty years ago in its report *Partners in Development* (Commission on International Development, 1969). A key theme was co-ordination, with the recipient responsible for its own development but based on a partnership between donor and recipient. The Brandt Commission (1980) noted that confusion and overlapping between different sources of development finance were ineffective and wasteful. It also pointed to the proliferation of agencies both inside and outside the UN system and the need for their policies, procedures and programmes to be much more effectively co-ordinated. The Bruntland Report (1987) focused on the environment, but noted that the fast changing context for national action had introduced new imperatives and new opportunities for international co-operation. It especially highlighted the weakness of the international agencies with regard to co-ordination and states ‘Governments should insist on much greater co-ordination and co-operation between the agencies’ (p 317).

The academic literature has also reiterated the need for donor co-ordination. For example, Cassen (1986) took donor co-ordination as the major theme in increasing the effectiveness of aid. He began by asking the questions ‘Is there a coherent set of aid interventions in the poorest countries?’ (p 219) and concluded there was not. Better co-ordination might be served by sectoral aid programmes and specialisation of donors into allocated sectors (p 232). However, Cassen also noted that harmonisation of donor procedures and practices was one of the oldest and most intractable of aid problems (p 230). Riddell (1987) highlighted the paucity of good practice in donor co-ordination, asserting ‘There is a lack of donor willingness to co-ordinate, leading to resource use inefficiency, and inappropriate or inconsistent technological interventions’ (p 276). He also noted that co-ordination should involve the pooling of experience as well as resources to identify the constraints that impede effective aid (p 275).

Donors and donor groupings have recognised the problem. Thus the Report of

the Development Assistance Committee of the OECD, *Shaping the 21st Century: the Contribution of Development Co-operation* stated that ‘We are committed to better co-ordinate our aid efforts in line with the strategies of our partner countries’ (DAC 1996: 17). Similarly, the UK White Paper of 1997 reinforced the argument, stating ‘Long term partnerships will lead to better donor co-ordination. Countries with limited administrative capacity should not have to negotiate separate country plans with each donor. There is a need to strengthen donor co-ordination and highlight lead donors in different situations’ (2.20).

Reviewing recent initiatives, Disch (1999) describes a number of levels at which co-ordination occurs - international, regional, national, sub-national, and sectoral - and goes on to offer a useful classification according to three levels of content and three degrees of intensity.

The content criteria are (a) policies, principles and priorities, (b) procedures and (c) practices. The first is about harmonising goals and activities. The second is about formal institutional rules and regulations (including financial controls for disbursement, accounting and auditing). The third is less formal than procedures but has practical implications.

The three degrees of intensity of co-ordination are consultation, co-operation and collaboration. Consultation is about information sharing between parties. Co-operation involves discussion of policies, priorities and principles in order to identify areas in which harmonisation is possible. Collaboration brings in procedures and practices in an effort to ensure smooth, shared implementation of shared policies in line with agreed principles and priorities: joint action is probably the highest form of collaboration.

Figure 2 develops this model schematically. Both columns and rows are arranged in order of increasing co-ordination, so that intensity increases moving from left to right, and content increases moving from top to bottom. The bottom right-hand cell therefore represents the greatest degree of co-ordination. The structure is hierarchical in terms of both content and intensity, with more difficult conditions being added at each stage. In practice, few if any co-ordination efforts have yet moved beyond the top left-hand cell: many have yet to reach even this stage, embracing only consultation and information sharing, but with little co-ordination of policies, principles and priorities.

Figure 2. Content and intensity of co-ordination

Intensity		INCREASING INTENSITY →		
		Consultation	Consultation and co-operation	Consultation, co-operation and collaboration
INCREASING CONTENT ↓	Policy	Lowest degree of co-ordination		
	Policy and procedures			
	Policy, procedures and practice			Highest degree of co-ordination

* “Policy” here includes principles and priorities

2.2 Why it matters

Co-ordination is an innately positive concept, and it is easy to see why there is near-unanimous profession of agreement on its desirability. This is further stimulated by the fact that the number of aid donors and their activities is increasing. The number of donors involved in the Consultative Groups increased from seven in 1960 to more than 50 in the 1990s, while the number of international NGOs registered in OECD countries grew from 1,600 in 1980 to 2,970 in 1993. Each donor has its own procedures and processes with which recipients must conform. To take just one example, in the early 1990s, Tanzania had more than 2,000 projects supported by 40 donors, and all major donors were active in all major sectors (World Bank 1999). The cost in terms of time burdens on senior personnel of developing country governments can be gauged from the fact that, again according to the World Bank, in two recent 12-month periods, both Tanzania and Uganda received more than 1,000 donor missions (an average of around three a day, seven days a week, 12 months a year!

The main problems of an unco-ordinated development effort have been identified as:

- a donor-driven agenda and consequent lack of ownership by the developing

country partner

- excessive demands on scarce management capacities and other resources of developing country governments caused by the different policies, priorities and procedures of a large number of donor agencies. Paradoxically, the less developed the country, the greater the aid intensity, the smaller the management capacity and therefore the greater the problem: wasteful duplication of effort in some areas, gaps and uneven coverage in others
- expensive management
- inconsistencies of approach
- a poor record of post-project sustainability

A less generally recognised impact is the ‘aid illusion’ effect. ‘This arises if spending officials in recipient countries do not fully understand the conditions under which aid is given (e.g. matching grants, aid in kind, links to cost recovery) and/or misperceive the true value of aid available to them. The consequence is that spending outcomes may not be what was intended (by donors or even recipient policy officials), and in particular there may be excess spending. If a multiplicity of donors each has many different aid arrangements (different financial years and monitoring procedures, different conditions for components of aid, general budget support combined with projects in specific sectors) this increases the probability of aid illusion effects resulting.’ (Morrissey 2001 pers. com.)

2.3 How it works

Co-ordination takes place in different ways and through different institutional mechanisms. At the international level, parties consult, co-operate and collaborate with more or less intensity and formality in UN fora, at the Bretton Woods Institutions, and (for developed countries) in the Development Assistance Committee of the OECD. For the G7 countries, that forum provides an additional context for co-ordination.

At the regional level, parties consult, co-operate and collaborate in regional institutions (e.g. Regional UN Commissions). Clearly, for the EU Member States (MS), the EU itself provides a forum for co-ordination.

At national level and sub-national levels, including sectors, co-ordination takes place through meetings and collaborations on specific ‘projects’, taking this word to include policy statements and sector programmes as well as traditional project activities.

In all these, a number of ‘co-ordination technologies’ are available, including:

- informal and formal meetings (e.g. Consultative Groups, Councils of Ministers etc.)
- agreed statements of principle
- agreed common negotiating mandates for international and national negotiations
- collective bargaining and decision-making at international and national meetings
- joint implementation (e.g. multilateral or aid through the EU)

2.4 The current agenda

At the international level, there has been a determined effort since the late 1980s to improve policy co-ordination. This effort took the form of a series of UN Conferences, on children, food, social development, rights, housing, population, gender, financing development and other topics. The commitments of these conferences were distilled into a set of international development targets, promulgated initially by the Development Assistance Committee of the OECD, but later adopted internationally, most recently at the Copenhagen Plus Five meeting in Geneva, in the summer of 2000, and the Special Millennium Session of the UN General Assembly, in the autumn of the same year.

At country level, a World Bank evaluation, conducted in 1999, examined the track record of aid co-ordination. The findings are basically still valid, and form a global backdrop against which aid co-ordination within a specifically EU context may usefully be viewed. The salient points were:

- (i) Donor policies have not succeeded in putting the developing country into the driving seat.
- (ii) Centrally-determined donor policies and practices have hindered efforts aid co-ordination and harmonisation at country level.
- (iii) While co-ordination has increased the focus on priorities, it has a poor record in improving in-country capacity.
- (iv) Developing country governments do see co-ordination as (a) not having achieved any improvement in the coherence of donor activities, (b) having achieved only marginal improvement in the adequacy of aid volume, and (c) having created only slight improvements in donor selectivity.
- (v) There has been only marginal improvement in consistency of procedures or efficiency of practices. (Among those interviewed there was unanimous agreement on this point.)
- (vi) Aid-dependent governments see their role as crucial to effective co-ordina-

tion, but donors do not.

- (vii) Donors place great emphasis on governance issues while governments tend to look on aid co-ordination as a means of resource mobilisation.
- (viii) Donors want increased involvement of civil society in the co-ordination process, while governments are much less enthusiastic.

Writing more prescriptively, the Development Assistance Committee (DAC) noted in 1996 that:

'We are committed to better co-ordinate our aid efforts in line with the strategies of our partner countries. General and sectoral co-ordination among donors varies greatly from country to country. Given the variety of country situations, there is no single model that can be recommended. But methods of proven effectiveness could be given stronger encouragement. For example, the developing country should be the co-ordinator of development co-operation wherever possible. However, in cases where local interest or capability is weak, it remains for donors to encourage regular fora for co-ordination, and to assure that their own local representatives participate. Lead agencies from within the donor community (bilateral or multilateral) could be identified for particular themes or sectors, and developing country partners should be an integral part of the process. The in-country co-ordination could then be monitored in international Consultative Groups and Round Tables, as well as in DAC Aid Reviews. The objective would be to create incentives for effective co-ordination and to strengthen local capacity to lead the co-ordination process' (DAC 1996: 17).

In April 2001, the DAC endorsed new guidelines on poverty reduction and these also contain strong statements on the importance of co-ordination. Thus the guidelines state that:

'Aid co-ordination in the context of partnership is the joint responsibility of all partners, although it should be initiated and led by the partner governments. Bilateral agencies must make determined and sustained efforts to share information and work together with a view to delivering coherent and consistent messages and focusing on essential needs and collaboration opportunities. At the same time, it is vital for multilateral agencies to share information with other partners in order to catalyse genuine co-ordination and enable other partners to use their frameworks to the fullest advantage. Increased delegation of decision-making to field offices will provide the impetus and margin of manoeuvre necessary for spurring more and better co-operation and co-ordination in the field. This co-ordination should include bilateral and multilateral agencies at the country, regional and international levels. The challenge for the development community is to find ways of collaborating that do not undermine country ownership nor create additional burdens for partner countries' (DAC 2001: 55). In an accompanying policy statement, the DAC donors committed themselves to better aid management for increased effectiveness' (DAC 2001a: 4).

In pursuit of good practice in co-ordination of development assistance efforts, the DAC has published a set of 'Good Practice' papers (DAC 2002a), based on widespread consultations, including a 'Needs Assessment Survey' in the devel-

oping world. This has resulted in a set of nine ‘guiding principles for providing co-ordinated aid’, which are reproduced in Figure 3 below. The analysis of good practice derived from these principles divides into three levels.

- *Donor-partner relationships*, including clarity and dissemination of programme objectives and multi-year programming of aid. Uganda is cited as an example of good practice in this respect, with the PRSP being viewed as a vehicle for curbing donor conditionality²
- *Donor-donor relationships*: the only point in addition to those in the guiding principles is emphasis on the need for clarity of roles
- *Individual donor systems*. Good practice here includes:
 - Creating top level advocates of harmonization
 - Encouraging initiatives in partnership and joint working by country offices
 - Decentralising decision making
 - Managing staff to allow them to behave flexibly and collaboratively.
 - Ensuring coherence between individual agencies

Figure 3: DAC's Guiding Principles on Providing Co-ordinated Aid

1. Donors should support country-owned, country-led poverty reduction strategies, or equivalent national frameworks, and base their programming on the needs and priorities identified in these.
2. Development assistance should be provided in ways that build, and do not inadvertently undermine, partner countries' sustainable capacity to develop, implement and account for these policies to their people and legislature.
3. Co-ordination of donor practices enhances the effectiveness of aid, particularly for aid independent countries. Aid co-ordination should, whenever possible, be led by partner governments.
4. Reliance on partner government systems, where these provide reasonable assurance that co-operation resources are used for agreed purposes, is likely to enhance achievement of sustainable improvements in government performance.
5. Partner countries and donors have a shared interest in ensuring that public funds are used appropriately.
6. Donors should work closely with partner countries to address weaknesses in institutional capacity or other constraints that prevent reasonable assurance on use of co-operation resources.
7. The development of appropriate partner country systems will often be a medium term process. Until donors can rely on these, they should simplify and harmonise their own procedures to reduce the burden placed on partner countries.
8. No single approach is suitable for all countries. The manner in which harmonisation is implemented needs to be adapted to local circumstances and institutional capacities.
9. Assistance to empower civil society and support effective organisations representing the private sector also can enhance improvements in partner government performance.

2 It should be noted that this view is disputed. (OPM-ODI 2002).

The latest authoritative statement on the co-ordination of development assistance is contained in the 2003 Rome Declaration on Harmonisation. This responds to earlier criticisms of lack of co-ordination and commits the assembled partner countries, multilateral financial institutions and bilateral agencies (which included the EC and its 15 MS) to nine principles to enhance harmonisation (RDH 2003: 2-3). These may be summarised as follows.

- Ensuring that development assistance is delivered in accordance with partner countries' priorities and that harmonization efforts are adapted to the country context
- Reviewing and identifying ways to amend, as appropriate, individual institutions' and countries' policies, procedures and practices to facilitate harmonisation
- Implementing progressively the good practice standards or principles in development assistance delivery and management, taking into account specific country circumstances
- Intensifying donor efforts to work through delegated co-operation at the country level and increasing flexibility of country-based staff
- Developing at all levels within their organisations incentives that foster harmonisation
- Providing support for country analytic work in ways that will strengthen governments' ability to assume a greater leadership role and take ownership of development results
- Expanding or mainstreaming country-led efforts to streamline donor procedures and practices, including enhancing demand-driven technical co-operation.
- Providing budget, sector or balance of payments support *where it is consistent with the mandate of the donor*, and where appropriate policy and fiduciary arrangements are in place [emphasis added]
- Promoting harmonised approaches in global and regional programmes

The European Commission submitted a short note to the conference re-affirming its commitment to aid co-ordination and to conforming to the DAC guidelines on aid harmonisation and effectiveness (Commission 2003).

A number of instruments have been developed in recent years to improve co-ordination of development efforts at the national level. Four particularly important ones are the Comprehensive Development Framework (CDF), the Poverty Reduction Strategy Paper (PRSP), the Sector-Wide Approach (SWAP) and General Budget Support (GBS). Strong country ownership and leadership is a

feature of all of these.

(a) The Comprehensive Development Framework

The Comprehensive Development Framework was an initiative launched personally by the World Bank President. He outlined the underlying concepts in a speech in 1997, and the Bank then held a series of consultative meetings on the subject, including four roundtables in Africa, Asia, Europe and the Americas. These included representatives of governments, bilateral donor agencies, multi-lateral financial institutions, academia, NGOs and the private sector. This resulted in a follow-up paper, *Partnerships for Development: from Vision to Action*, which in turn led to the launch of the CDF approach early in 1999.

The core principles are:

- a long term holistic development framework that both recognises the importance of sound macroeconomic policies, and emphasises the institutional, structural, and social underpinnings of a market economy
- results orientation
- strong partnerships among governments, donors, civil society, the private sector, and other development actors
- most importantly, placing the developing country (government and other stakeholders, including civil society and the private sector) in the driver's seat, so that it both 'owns' and directs the development agenda, with aid donors defining the support they will provide in their respective business plans

Implementing these principles implies a very strong commitment to co-ordination.

Thirteen (later reduced to twelve) poor countries, representing a range of development environments, were selected for an 18-month pilot study of the CDF, and this was completed in September 2000. The Bank's first 'progress report card' on these initiatives noted that there had been 'significant progress' particularly in the areas of co-ordination, harmonisation and selectivity based on comparative advantage. The Bank reports that most donors were now (a) putting greater emphasis on partnership, (b) emphasising in-country leadership and (c) adopting participatory approaches to achieving this. Scope for co-ordination is being increased by decentralisation of decision-making to donor field offices, which should remove some of the obstacles to harmonisation of procedures and practices. The report on the pilots do include some criticisms, however. Significant among these are problems of incorporating CDF principles into the culture of the Bank and the larger development community, the need for acceler-

ated efforts to build capacity within developing country partners, and the need to for many of these partners to institutionalise the consultation processes, which is necessary for achieving in-country co-ordination.

A desk study of means of operationalising the CDF approach (Maxwell *et al* 2000) identified a number of ‘Dos’ and ‘Don’ts’ for the CDF (Figure 4).

Figure 4: “DOs” and “DON’Ts” for the CDF

• Encourage a broad-based debate in the country • Expect the Government to develop a strategic development vision • Talk to the Government about areas of agreement and disagreement • Set SMART targets • Reinforce Government leadership (e.g. through the Ministry of Finance) • Invest in training and capacity-building • Find ways to disburse quickly • Revise plans frequently • Build two-way accountability	• Be naïve about the expression of a single national consensus. A statement of consensus is a necessary condition for the initiation of donor co-operation: but this consensus will always be contested and subject to change in future • Expect to agree with every word • Impose rigid conditionalities • Simply replicate international targets, without local adaptation • Develop piecemeal plans with sectoral ministries • Make unrealistic demands for data, accounts, etc • Insist on the perfect plan before starting to implement • Insist on a rigid logical framework • Set performance standards for recipients without also setting performance targets for donors
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DOs

DON'Ts

Source: Maxwell & Conway 2000

A recent multi-partner evaluation of the CDF (the partners included the EC and four MS) covered six developing countries (World Bank 2003a). Surveys of government-donor relationships were carried out in five former CDF pilot countries, focussing on aid transaction costs; academics and practitioners from North and South prepared thematic studies on each of the CDF core principles. The main findings and recommendations of the studies, grouped by the core CDF principles, are summarised in Figure 5. The key findings, if they are representative, show that although there has been some progress on the co-ordination of development assistance, it has not represented a huge return on the effort that has been invested in trying to improve it over the past decade or so. Moreover, quite a number of the recommendation summarised in Figure 5 fall into the 'easier said than done' category.

Figure 5: Key lessons and recommendations from the CDF Evaluation

CDF principle	Key lesson	Recommendations for:	
		Recipient Countries	Donors
<i>Long-term Holistic Development Framework</i>	Long term framework is meaningful only if it leads to affordable priorities through disciplined budgeting	Strengthen links between Medium Term Frameworks (such as the PRSP) and budgets	- Support such linkages and ensure assistance is aligned with national development strategies - Provide long-term assistance for capacity strengthening - Provide reliable predictable financing based on clear country performance criteria
<i>Results Orientation</i>	The most challenging principle of the four. Problems of weak govt. capacity, competing budget priorities, inadequate incentives and fragile accountability structures. Results-based systems yet to be embodied into core govt. operations	Strengthen results orientation by increasing people's rights to demand results and govt's ability to respond	- Stop looking at funds disbursed as only measure of success; Need measurable objectives linked to concrete outcomes - Strengthen and use country-led M&E systems; avoid separate structures to serve needs of individual donors
<i>Country Ownership</i>	Relevance and sustainability require broad ownership and wide range of stakeholders. Some evidence of progress with increased consultation, but ownership is not always broad; marginalised groups tend to loose out	Consult with wider range of citizens including the private sector and the disadvantaged (women, poorest citizens, most marginalised)	- Work with governments to devise more representative approaches - WB should clarify its role; many countries believe Board review constitutes approval, thus inhibiting country ownership

CDF principle	Key lesson	Recommendations for:	
		Recipient Countries	Donors
<i>Country-led Partnership</i>	The PRSP is helping improve donor-recipient country alignment, but transaction costs of aid delivery remain high 'and donors continue to engage in unproductive competition' Donors reluctant to move to budgetary support in the presence of corruption and economic mismanagement	Place responsibility for aid co-ordination at a high level in govt. and give this function sufficient resources, authority and political support Implement and enforce procurement and accountability rules that will engender donor confidence	Avoid micro-managing aid processes; help build the in-country capacity and provide the resources needed to manage aid flows efficiently - e.g. independent country-level aid panels

Source: Based on World Bank 2003a

(b) PRSPs

The Poverty Reduction Strategy Paper approach grew out of the Heavily Indebted Poor Countries (HIPC) Initiative, a trust fund established to reward debt-ridden poor countries which embraced policy reform by easing the terms for debt repayment. At the 1999 Annual Meetings of the Bank and the IMF, ministers agreed that country-owned poverty reduction strategies should form the basis for all future Bank and Fund concessional lending, and should guide the use of resources freed under the enhanced HIPC Initiative. This strategy requires the development of PRSPs by each participating country. These are prepared by governments with the broad participation of civil society.

A scoping study conducted in eight developing countries (ODI 2000) produced the following preliminary findings regarding experience with the PRSP approach:

- The national context (e.g. the scale and nature of previous poverty reduction planning) is extremely important
- At the level of the national stakeholders there is little opposition to the new conditionality implied by the PRSPs, but quite varied perceptions about aspects of implementation
- Bilateral donors appear quite supportive in principle, but many are unclear about the implications for themselves

- Governments are taking the exercise seriously, if the seniority of the officials involved in the process is any guide; the fact that the leading role often assumed by the finance ministry is another such indicator
- Both general and specific capacities of governments are being stretched to the limit by the exercise
- National ownership need not be compromised by carefully targeted technical assistance
- The actual and perspective impacts of the PRSP are shaped by the volume and vigour of other reform efforts in the country
- There are few grounds for expecting highly participatory PRSPs in most countries, partly because civil society groups are often poorly organised for policy dialogue
- Survey based monitoring is experiencing a revival in many countries as a result of the introduction of the PRSP

A recent IMF paper on co-ordination in the PRSP context talks of the this approach as now being the ‘established, favoured and accepted’ framework for bringing together donor support and national policies in a poverty-focussed agenda (IMF 2003). Positive developments in international coordination are seen as including clarification of the linkages between MDG goals and PRSP processes, and it is argued that national goals should embody MDG commitments while PRSPs should provide the best roadmap for fulfilling them. A definition of alignment is proposed that separates this concept into two components, *Temporal alignment* (of internal/external review and budget procedures) and *Policy alignment*. The authors see linking the PRSP to the national budget cycle as key to making the PRSP an operational and effective framework for donor coordination. A strengthening of the PRSP progress report is suggested in order to make it a more strategic document that could replace the multiple documents demanded by donors, thereby reducing transaction costs. All donors, it is argued, should eventually derive the content and conditionality of their programmes from the PRSP. This would result in greater aid predictability, with donors able to make medium term commitments. At the same time recipient governments should take the lead in donor co-ordination (following DAC and many other guidelines. Donors should provide well co-ordinated technical assistance to enable them to do so. Donor support to build the capacity in PRSP-related areas is viewed as central to country ownership, and hence PRSP effectiveness.

By September 2003, the total of 32 countries had prepared PRSPs, 14 of them

in the previous 12 months; a further 21 countries had embarked on the PRSP process, having finalized their *Interim Poverty Reduction Strategy Papers* (IMF-IDA 2003). The latest IMF-IDA annual implementation report on the PRSP approach notes that the broad principles of the CDF as expressed in the PRSP approach and in the Monterrey Consensus remain fully valid, but adds, somewhat tautologically, that if progress continues there is no reason why the PRSP approach should not begin to deliver on its promises (*ibid*). However the report also notes that some problems have begun to emerge, particularly in the fact that the PRSPs have multiple objectives, and that this is tending to generate tensions. These manifest themselves in problems such as lack of prioritisation and failure to address trade-offs, concerns about government commitment beyond the preparation phase, weak PEM and difficulties in linking PRSPs to the budget.

The latest draft report of the DFID-ODI *PRSP Monitoring and Synthesis Project*, which examines the track record of PRSPs in Asia, is somewhat less sanguine than the IMF-World Bank 'annual progress reports tend to be regarding the track record of this approach in promoting co-ordination:

'At present the PRS is not providing a catalyst for greater donor co-ordination. Where there was existing momentum in this direction, the PRS has provided an opportunity to strengthen it. Where this momentum does not exist, the PRS is not being seized as an opportunity to address the problem' (reported in ODI 2003)

(c) SWAPs

This is clearly less ambitious than trying to co-ordinate the efforts of all significant players across the entire development spectrum, and so chances of success are correspondingly better. There is also much more experience of SWAPs than of the two approaches outlined above, so that attempts to derive 'best practice' rules are based on firmer ground. The general principles (apart from the obvious point that SWAPs are limited to one sector, but cover all of it) are that it must be based on a clear sectoral strategy, local stakeholders must be fully in control, there must be participation by all the main donors involved in the sector, common implementation arrangements must be agreed, and local expertise must be used as far as possible (Jones 1997 p.1).

Reviews of SWAPs (Foster 2000, Brown *et al* 2001) have indicated the conditions in which sector programmes are most likely to be successful. Success is most likely where:

- public expenditure is a major feature of the sector
- donor contributions are large enough for co-ordination to be an issue
- there is basic agreement on strategy between government and donors
- there is a supportive macro budget environment that enables planning in the

expectation that the budget will be available (and this generally means it will be supplemented by direct donor subventions)

- institutional arrangements are manageable, e.g. because a single ministry is involved (e.g. education, rather than environment, which tends to involve a number of ministries)
- relatively few donors are involved and they are willing to delegate some responsibilities to each other
- incentives are compatible with SWAP objectives; e.g. the agreed strategy does not involve wholesale staff cutting exercises and, more positively, incentive and performance management systems provide incentives for staff to be posted to areas of greatest need

Experience with SWAPs differs greatly across countries and between sectors within countries. It has been more successful in some countries than others basically because the most basic requirement is that it aligns with government strategy. In some countries (Uganda and Botswana are often mentioned in this context) the government has a well thought-out and coherent sectoral policy around which a co-ordinated effort can be built. The approach does not require that all donors join in initially, but if the government plus a few key donors work together, this tends to make it work. Once it is perceived to be working, others will tend to come in, either because they wish to be associated with success or because it is embarrassing to be seen as laggards in a context of an otherwise co-ordinated development effort. Commonality of objectives seems to be easier to achieve in sub-Saharan Africa, where donors have 30 years of experience of the problems of the project approach and the associated distortions and sustainability problems. The issues are clearly understood and donors have a clear agenda of trying to reform the situation. The position is very different in, say Southeast Asia or Latin America, where political and commercial considerations often cloud the picture.

SWAP-supported co-ordination tends to work in sectors where there is a high degree of consensus on what works. Adding this to the above observation that it works well where public expenditure is a major feature of the sector, has meant that in the health and education sectors the SWAP approach has tended to be most successful. It does not tend to work well in agriculture or natural resources, because of the lack of consensus, relatively low profile of public expenditure and the fact that it is often associated with reductions in numbers of field staff.

A recent DAC review shone interesting new light on the impact of some donor harmonisation attempts, particularly budget support and SWAPs (DAC 2002a). In at least three of the African countries included in the case studies (Mozambique, Tanzania and Uganda) the SWAPs, rather than reducing transac-

tion costs, were found simply to have shifted them around, with the staff of donor agencies and central ministries, such as the Ministry of Finance, facing increased time pressures. The review notes, however, that this may be due to relatively high start-up costs of the new system, and that once procedures are more firmly in place these costs may be expected to fall (*ibid*: ¶ 272). This is clearly an important line of enquiry for any future evaluation of SWAPs and other harmonisation instruments.

The DAC review also found that stakeholders in recipient countries were generally favourable to SWAPs in four African countries with relatively long experience of this approach. They expressed the view that many of the existing burdens imposed by unco-ordinated aid could be overcome by greater use of budget support and SWAPS, and that use of these aid modalities should therefore be widened (*ibid*. ¶ 308-312). There was also a perception that such measures increased national ownership of the development process and promoted greater national autonomy in resource allocation. The advantages of using one set of management, procurement and accounting standards were singled out for special mention. These stakeholders' views on transaction costs, however, were mixed, with the advantages of simplified disbursement procedures being balanced against problems of more complex management requirements, and donor demands for deeper reform and better reporting. On balance, respondents were of the view that budgetary support and SWAPs could significantly reduce aid transaction costs because of their inherent co-ordination mechanisms, subject to all donors:

- harmonising requirements and procedures, and
- fully respecting the government's programme in the sector instead of continuing to operate ad hoc parallel systems

d) General Budget Support

Programme aid is not a new concept. It has been a variable but important component of aid flows since the 1960s. Today, there is a growing emphasis on General Budget Support as the preferred modality of development cooperation. Better coordination of donor policy and harmonization of procedures are seen as important outcomes of programme aid and should lead to a reduction in the transaction costs suffered by partner countries. Despite this enthusiasm, DfID acknowledges that few governments are ready for the responsibilities which GBS imposes (DfID 2003b).

An informal evaluation workshop hosted by DfID on behalf of the DAC Evaluation Working Party (2003) reached consensus on six issues or principles

which should govern co-ordinated GBS aid flows:

- Budget support should be articulated as closely as possible with the budget cycle of the recipient, to promote rational decision-making and democratic accountability.
- As little aid as possible should be off-budget.
- Improving predictability is crucial - this may mean having clearer guidelines about where to start GBS and the initial risk assessment; specifying up-front how often and under what conditions disbursement will be restricted; looking to the long term and making a big effort not to be blown off course by short-run storms; being realistic about political constraints at both ends of the relationship; defining predictability not as an invariant flow but as agreed rules; not going too far down the road of outcome conditionality; focusing on the level that matters most - predictable disbursement to line ministries and local governments from the centre; and having contingency plans - what to do when things go wrong.
- Delivering GBS should include providing demand-led technical assistance - not just writing a cheque.
- Joint design, monitoring and evaluation are crucial, and should use country systems as far as possible; cooperation and harmonisation between bilaterals and IFIs is particularly important, to reduce transaction costs to recipient.
- Increased donor coordination should not be at the expense of valuable competition in policy ideas (between bilaterals, or between bilaterals and IFIs).

Source: Christiansen 2003.

Evaluation of GBS effectiveness is challenging. Establishing the right counterfactual is difficult - should it be 'with or without' GBS or should it examine the effect of the same funds using a different modality? How can the effects of GBS be distinguished from those of improved aid harmonisation? Can country studies be done with the necessary depth to disentangle the complexity of the causal links when so much data is required? The evaluation process is still ongoing, and conclusive findings on the effectiveness of GBS and its impact on aid coordination are yet to emerge.

A recent report for DfID undertaken jointly by Oxford Policy Management (OPM) and ODI (OPM-ODI 2002) presents preliminary findings on the effect of GBS on donor coordination. It reveals some success as well as continuing grounds for concern:

- Mozambique has clearly benefited from the enhanced bilateral donor co-ordination delivered by its budget support programme. Earlier informal attempts to promote donor co-ordination were formalised in 2000 with the establish-

ment of the Joint Donor Programme (JDP) for Macro-Financial Support. The JDP states that donors should attempt to reach multi-year agreements on macro-financial support and recognises support of the country's PRSP as one of its specific objectives. The donors who are currently involved actively in the programme are the 'G10', IMF and World Bank. Portugal and Germany participate in meetings as observers.

- Uganda is cited by some as an example of good practice in budget support programmes and subsequent donor co-ordination (DAC 2002a). This view is not universally shared - the OPM-ODI study argues that Uganda 'cannot be accurately held up as an idealised model of donor co-ordination'. Uganda was the first country to have a working PRSP funded through general budget support and has benefited from the initiative in many ways. Aid discussions now tend to occur in joint forums organised by governments and dialogue concerns implementation of the PEAP. As a result, coordination has greatly improved. On the other hand, EC donors have expressed dismay at the 'political action' and defacto conditionality remaining in GBS provided by bilaterals. This is outside the remit of the PRSP and is driven by domestic pressures.

The report stresses that co-ordination is not an automatic outcome of adopting GBS. To some extent, as the Mozambique example shows, better co-ordination of donors must be an input to the GBS process before it can be an outcome of it.

2.5 Synthesis: where are we now?

Three things are clear from the review so far. First, the term 'co-ordination' covers a multitude of activities, at different levels of analysis and covering different types of aid activity. It includes co-ordination by different donors at country level, for example in connection with sector programmes; but stretches beyond well beyond that. Second, it is clear that co-ordination in the past has been poor, with different parties pursuing different policies, procedures and practices, internationally and at country level. Third, the past decade has seen major advances in policy co-ordination internationally, and many steps being taken to improve co-ordination at country level. Country ownership, the need to strengthen local capacity and the demand for simplified and harmonised procedures and practices are oft-repeated mantras.

The level of activity is not in doubt. What remains to be demonstrated is the sustainability, impact, effectiveness and efficiency of the activity. In some cases (e.g. sector programmes) the evidence is beginning to accumulate and much of it is positive. In other areas (e.g. PRSPs, the move to formal Budget Support), it may still be too soon to tell. There are positive indicators, however.

3. Co-ordination of Development Co-operation in the EU³

3.1 Legislative base

The EU commitment to co-ordination is stated in Article 130x of the Maastricht Treaty (1992), Article 180 of the Amsterdam Treaty (1999).

1. The Community and the member states shall co-ordinate their policies on development co-operation and shall consult each other on their aid programmes, including in international organisations and during international conferences. They may undertake joint action. Member states shall contribute if necessary to the implementation of Community aid programmes.
2. The Commission may take any useful initiative to promote the co-ordination referred to in paragraph 1.

A year after Maastricht, a Resolution of the European Parliament called on the Commission and the Member States (MS) to seek new forms of multilateral co-ordination.⁴ It:

- Calls for the Commission and MS to seek new forms of multilateral co-ordination
- Considers that actions that can be performed better by the EC than by individual MS should be made a Community responsibility
- Considers that efforts should be made to ensure that policies of the EC and MS are ‘rooted in a common strategy for the development of developing countries’
- Considers that the Commission has an extensive role in co-ordinating emergency assistance
- Stresses that co-ordination should not entail a centralisation or reduction in the volume of development aid.
- Considers that the EC should use its full political and economic influence in international organisations to assert the principles of the principles of its development policy
- Wishes the Commission and MS to ‘improve co-ordination to reinforce their critical attitude to the structural adjustment policies of the Bretton Woods institutions . . . that any structural adjustment measures must take account the interests of the people affected’
- Stresses the need to include the issue of developing countries’ national debt

3 Throughout this discussion EU refers to the European Union and EC to the European Community; the European Commission is referred to as ‘the Commission’.

4 Resolution on increased co-ordination of the development aid provided by the Member States and the Community, 28th October 1993

as an area for co-ordination

- Stresses the need for improved monitoring and the establishment of a European field inspection service
- Considers the 'vital need' to co-ordinate development co-operation makes it essential to untie spending by the EC and MS
- Stresses the need for a decentralised approach to co-ordination on the ground and calls on the Commission to speed up processes for simplifying procedures and harmonising methods of documentation and book-keeping, enhancing the role of delegations by increasing their staff numbers, extending their areas of responsibility and streamlining so as to improve on-the-spot co-ordination with local authorities, the people concerned, and the MS.

In March 1998 the Development Council adopted a set of *Guidelines for strengthening operational co-ordination between the Community and the Member States in the field of development co-operation*. After an evaluation conducted in 1999, and in accordance with the November 2000 Council Conclusions on a Standard Framework for Country Strategy Papers, new draft Guidelines were produced in January 2001. The salient features are as follows.

- The leading force in all co-ordination processes should normally be the partner country, and the EC and MS should assist it to strengthen its capacity to do this in consultation with interest groups and civil society
- EU co-ordination should occur within ongoing wider aid co-ordination processes (UN, CDF, PRSP etc), in which the Delegation and MS should play an active role
- The process of co-ordinating the initiation and monitoring of operational co-ordination and the task information sharing will normally be the responsibility of the Delegation, working closely with the Presidency
- The modalities of operational co-ordination will include information sharing, regular meetings between the Delegation and the MS representatives, and joint programmes, studies, analyses and evaluations.

Over the past few years three developments within the EC have improved prospects for a more co-ordinated approach to development co-operation. These are the reform and reorganisation of the Commission in 1999, the Cotonou Agreement which replaced the Lomé Convention in June 2000, and the issuance of a joint Statement on Policy on development co-operation by the Council and the Commission in November 2000.

(a) Reform of the Commission

Co-ordination of the EC's own internal development co-operation activities seems an obvious precondition for co-ordination of the Community's activities with both those of the MS and the wider international development community. The past record on this had not been good, however, and had long been the subject of criticism, both from the MS and from within the EC itself. The reorganisation of the European Commission in 1999 sought to address many of these concerns.

Responsibility for development co-operation was previously divided among six different bodies under the Commission: the European Community Humanitarian Office (ECHO), the Common Service for External Relations (SCR) and four Directorates-General. This fragmentation meant there was no overall co-ordination, thus severely hampering efforts to develop coherent policies, priorities and budgets. The new DG Development now has responsibility for development co-operation with countries of the Africa-Caribbean-Pacific (ACP) area, and has primary responsibility for the implementation of development co-operation policy; ECHO has been brought under its wing. However the DG External Relations has responsibility for the country desks for other developing countries. The role of SCR is now expanded and it has been given responsibility for all stages in the project cycle. The new organisation is called EuropeAid, and it has been made responsible for all aspects of programme implementation. An Inter-Service Quality Support Group has been created with responsibility for scrutinising the quality of EC external programmes.

(b) The Cotonou Agreement

This 20-year aid and trade agreement brings together the EC, the MS and 77 ACP countries. Its main principles are:

- Equality of partners and ownership of development strategies. This accepts the principle that it is for the ACP partners to determine their own policies on economic and social development
- Participation. Central government is regarded as the main partner, but partnership is also open to other partners (local government, the private sector and civil society
- Dialogue and mutual obligations. The Agreement goes beyond economic aid and includes, for example, respect for human rights, which will be monitored through dialogue
- Differentiation. Co-operation agreements will be tailored according to the ACP partner country's level of development, needs, performance and long-

term development strategy. There is special consideration for 'least developed' members.

The commitment to capacity-building is important in view of the requirements that co-ordination imposes on developing country partners (particularly the 40 members who have 'least developed' status. The commitment to regard the developing country partner as the key player in setting policies and strategies for economic and social development is consistent with the approach of the CDF and PRSP, thus in theory enhancing prospects for overall co-ordination. So too is the provision for the participation of non-state entities, which are to be involved in consultations and planning of national development strategies and which have also become eligible for capacity-building support. (This is a new departure compared with Lomé.). However this commitment is weakened by the fact that the Agreement 'is fairly vague on how to involve non-state actors', while their involvement and access to resources is dependent on the agreement of central government (ECDPM 2001).

There are specific commitments throughout the Agreement to co-ordinate efforts between the EC and the ACP countries. The following are particularly important:

- An undertaking that there will be "co-ordination and harmonisation of regional and sub-regional co-operation policies" (Article 28)
- A commitment that the parties will develop and build institutional capacity in areas that include the management and co-ordination of external aid (Article 33)
- An acknowledgement of 'the growing importance of new areas related to trade in facilitating progressive integration of the ACP States into the world economy', which has led the parties to 'agree to strengthen their co-operation in these areas by establishing full and co-ordinated participation in the relevant international fora and agreements' (Article 44)
- An acceptance of the need for co-financing with other agencies, and a commitment that 'measures shall be taken to co-ordinate and harmonise operations of the Community and those of other co-financing bodies in order to minimise the number of procedures to be undertaken by the ACP States and to render those procedures more flexible' (Article 65)

There are further commitments to co-ordination in trade-related areas (Article 44), sanitary and phytosanitary measures (Article 48) and structural adjustment support (Article 67).

(c) The joint Statement on Development Policy⁵

A long-standing complaint of the MS about EC development co-operation efforts has been that it has lacked, in the words of one of them, 'a clear, coherent overall statement of development policy and priorities of the sort that is provided through, for example, the international poverty eradication strategy' (DFID 1998, p.2). The Joint Statement represents the first time that the EC has sought to answer this charge, by articulating its overall vision on development co-operation. The Statement acknowledges that the EC has in the past suffered from (a) lack of an overall strategy for development co-operation, (b) lack of clarity about overall objectives, and (c) the fact that the objectives of Community development policy are numerous, vague and non-prioritised. The new policy aims to rectify this. It states that 'the principal aim of the EC's development policy is to reduce poverty with a view to its eventual eradication'. The new policy entails the following strategic elements which are of particular importance to fostering the co-ordination of development co-operation.

1. **Working to the EU's comparative advantage:** this is seen in terms of political weight, links to trade, critical mass and financial leverage (the EU, including the MS, provides around half of all public aid to developing countries).
2. **Recognition of the need to refocus priorities** so that it does fewer things and does them better, as a means of achieving greater impact. This refocusing is based on a combination of two main criteria: (a) the areas chosen must contribute to the central objective of poverty eradication and sustainable development; (b) they must have added value. The areas chosen are: (i) trade and development; (ii) regional integration and co-operation; (iii) macroeconomic support with equitable access to social services; (iv) transport; (v) food security and sustainable rural development; (vi) institutional capacity building, particularly in the area of good governance and the rule of law.
3. **The establishment of priorities for internal implementation:** an undertaking to introduce a process of deconcentration and decentralisation that will streamline procedures and bring decision-making closer to partner countries, simplify financial regulations, increase human resources particularly within delegations. There is also a commitment to better reporting.
4. **Policy on co-ordination has been revisited.** This particular section of the document is reproduced here as Figure 6.

5 The European Community's Development Policy Statement by the Council and the Commission, 2304 Council Meeting - DEVELOPMENT; Brussels, 11th November 2000

The juxtaposition of the UN agencies and Bretton Woods institutions in Para 32 of Figure 6 raises some fundamental issues regarding the practicalities of reaching a co-ordinated EU position on deliberations at international fora. In the case of UN, the EC and its MS normally assemble in advance of the various fora to develop a common position, but this does not happen in the case of the BWI. This disparity is often attributed to differences in the governance structures of these two sets of institutions. First, only three MS (France, Germany and the UK) represent only themselves on BWI boards: the others also represent smaller states, which may not be EU members (for example Sweden represents a number of other Baltic countries), so that conflicts of interests could arise. Second, governments are normally represented on BWI boards by their finance ministries, rather than ministries of development co-operation, so that the need to arrive at a co-ordinated position on development issues may not be fully appreciated. Whatever the reason, the outcome is that common positions as agreed by the Development Council and the Commission are not always presented at the BWI boards, and there is therefore a perception, particularly at the Commission, that the EU's influence on policy making at these institutions is much smaller than its considerable financial contributions would seem to merit. This is the more surprising, given that the EC represents the EU in trade negotiations and the countries of the euro zone have co-ordinated their positions within the IMF board (Lehtinen and Sindzingre 2003). These are issues that should be addressed in any evaluation of EU co-ordination.

Figure 6: Statement on Co-ordination in the new Development Policy

29. The Treaty establishing the European Community provides that the Community and the Member States shall co-ordinate their development co-operation policies and consult each other on their aid programmes, including in international organisations and during international conferences. The possibility of joint action and a contribution by Member States towards Community aid programme implementation are also mentioned.
30. Increased co-ordination within the Union offers great scope for increasing aid efficiency. Greater knowledge of the measures undertaken by the Community and by its Member States is a precondition for deriving the greatest benefit from aid. Reciprocal information exchanges must, therefore, be encouraged so that the Union has the tools enabling it to have a general overview of its effort that encompasses all the instruments used.
31. Special emphasis also needs to be placed on stepping up co-ordination between Member State and Commission representations on the ground in the closest possible liaison with the partner country at

every stage in the Community programme formulation, implementation and evaluation process, making good use of country strategy papers. This is consistent with the process of deconcentration and decentralisation which the Community wishes to implement.

32. The dialogue with other donors, in particular the Bretton Woods institutions and United Nations agencies, also needs to be improved. In addition, the Union should ensure that it encourages the partner country in its primary co-ordinating role, at the service of the development strategies which the partner country has itself defined. Harmonisation of its procedures is necessary to that end. The Community will also encourage the partner country in its leading role in co-ordinating the collective efforts of all the donors under initiatives such as the Comprehensive Development Framework.
33. Finally, the Union must be consistent in its statements and must whenever possible speak with one voice in international fora, in order to make a stronger case for its development policy and exert a greater influence on the emergence of international consensus in this field. Its credibility and the consistency of its actions are at stake here.
34. All in all, increased co-ordination within the Union will enhance the visibility of European aid, for the benefit of the partner countries. It is less a question of flag-waving than of strengthening the capacity of the Union to influence events so that its effort provides a sufficient lever for its objectives to be attained. Greater effectiveness and a greater impact are key factors for increased visibility.

Source: Statement by the Council and the Commission on the European Community's Development Policy, 10/11/2000.

(d) The Future - Draft Treaty establishing a Constitution for Europe

Part of the draft treaty's section on 'External Action' states:

'The EU will define and pursue common policies and Union actions, and will work for a maximum degree of cooperation in all fields of international relations, in order:....to foster the durable economic and social development of developing countries, with the primary aim to eradicate poverty, in particular in low income countries.'(EU 2002)

This focus on low income countries ensures co-ordination with the policies of member states such as Denmark and the UK as well as with IFIs and the Monterrey Consensus.

The Working Group on External Action also recommends that:

- The EDF fund should be subsumed into the overall EU budget without a reduction in the ACP budget.
- Development assistance principles should be taken into consideration when formulating/implementing internal policy to ensure coherence.
- An 'external action representative' should be created to combine the roles of HR/Relex commissioner and ensure a single EU voice in external affairs.

3.2 Key experiences

Following the Maastricht Treaty and the adoption of the European Parliament Resolution, the Commission decided to take six countries as pilot cases for greater co-ordination. This and other key steps are listed in Figure 7.

Figure 7: Milestones in EU efforts to improve co-ordination

1992	Maastricht Treaty
1993	• European Parliament Resolution on co-ordination • Selection of six countries for experimental programme
1998	Council Guidelines on co-ordination
1999	CDF and PRSPs initiated
2000	EC Development Policy
2001	• Full review of programming of external aid • Advent of annual aid report, bringing greater transparency
2002	• Deconcentration to delegations • Communications on: (a) External Dimension of the EU's Sustainable Development Strategy (b) Untying Aid, and (c) Participation of Non-State Actors in EC Development Policy [s1]

3.3 Some evaluation findings

A 1997 EU evaluation (Cox *et al*) looked specifically at experience and prospects of co-ordination between the EC and the MS and reached the following conclusions:

- (i) The EC had improved the information flow to MS, but this had not been reciprocated. The MS commonly met to discuss EC programmes; there are regular meetings at technical level, and a number of joint evaluations, but few meetings to exchange information, identify conflicts between programmes or discuss the scope for closer collaboration.
- (ii) At the general policy co-ordination level EU donors were attempting to move gradually towards a common approach in the areas of food security, health and population, education and training and poverty alleviation, which had been the subject of Council resolutions. The most successful area was in AIDS, where an effective mechanism for representing EU positions within an international co-ordination effort had been developed. The success factors were (a) the EU's lengthy experience in this field (b) a clear-

ly-defined target issue, (c) absence of political or commercial vested interests and (d) the new and urgent nature of the problem. These specific conditions are not typically found in other sub-sectors and, co-ordination has been rather more problematic elsewhere.

- (iii) Most donors lack the capacity to translate objectives into country programmes and strategies.
- (iv) A study of 50 or 60 Council resolutions found that they had little impact on development policy thinking of the MS.
- (v) Few MS consult, let alone co-ordinate, on joint country analysis, although there is some convergence on procedures which creates scope for co-ordination.
- (vi) The EU and MS had in 1993 embarked on a series of initiatives designed to promote in-country co-ordination in six pilot countries (Peru, Costa Rica, Bangladesh, Côte d'Ivoire, Mozambique and Ethiopia), where there would be consultation on macroeconomic and sectoral issues to promote co-ordination and avoid overlap. This entailed open access information, regular meetings, joint studies, evaluations and projects and the appointment of lead donors. The experience was that (a) while formalised co-ordination frameworks had been produced, there was no evidence either way on their effectiveness; (b) it was not clear whether the political imperative to move towards EU-wide co-ordination had met with genuine enthusiasm among field staff who had their own bilateral programmes to implement, and (c) there are important staff implications of co-ordinated projects, particularly a need for greater decentralisation of decision-making.
- (vii) Overall, genuine progress had been made in the EU in agreeing an identifiable and coherent set of objectives for a number of sectors at the general policy level, but achievements at the country level were highly variable. Progress had been greatest in co-ordinating structural adjustment efforts in Africa, but even then it had been slow. An important element has been lack of clear evidence on the balance of transaction costs and benefits for both donors and recipients, although it was thought likely that benefits exceed costs with respect to finding common priorities and procedures, the balance with respect to projects was less predictable. The difficulties a number of EU donors face in co-ordinating internal activities (France and Germany in particular are mentioned) are likely to have an adverse effect prospects for inter EU co-ordination.

Two slightly later reports of evaluations of EC-MS aid co-ordination (Montes *et al* 1998a and 1998b) added the following insights:

- (i) The existence of a well-developed policy framework and institutional capacities within ACP governments is the most important factor determining the strength of co-ordination. Where co-ordination has been weak, donors, including those of the EU, have often tried to have a presence in most sectors, particularly the most popular ones, without taking national needs into account.
- (ii) EC aid has not taken a strategic role taking into account the roles of other donors, and in the countries the team visited the EC's efforts were spread too thinly over too many areas rather than focussed on where its strengths lie. This was an observation of delegation staff in all countries visited.
- (iii) Weak co-ordination has resulted in donor competition, when there is intensive donor lobbying and competition for the attention of senior civil servants: the weaker the government's institutional capacity, the greater the competition.
- (iv) In the countries visited, although there were often meetings between delegations and MS, these often lacked clear focus. This is similar to the pattern found in wider donor co-ordination meetings. Meetings between the 'like-minded' group of donors (Ireland, Netherlands, UK and the Nordic countries) seem to be more effective.
- (v) Donors, including the EC, have not carried out joint monitoring or joint evaluations and only rarely co-financed operations. [This contrasts with the findings of the valuation cited above, perhaps serving to illustrate the variability of experiences across countries.]
- (vi) In Cameroon a strong transport sector policy framework provided a basis for inter-EU donor co-ordination with the EC supporting maintenance of unpaved roads, Germany that of paved roads and France financing national bridges and air transport.
- (vii) Of the six pilot countries listed above, only Côte d'Ivoire has moved beyond the terms of the pilot exercise. Here there were (a) regular meetings between the Delegation and the MS, (b) joint discussion of the Country Strategy Paper for EDF8 (but not of bilateral aid), (c) the definition of a common positions on sectoral objectives and policies as a basis of programming of EC and bilateral aid, and (d) de facto division of labour between sectors between France (education), Germany (agriculture) and EC (health). Poorly co-ordinated interventions still occurred with the EC and France both providing vocational training for farmers.
- (viii) The success of EU co-ordination depends as much on the political willingness of the MS as on that of the Commission.
- (ix) Strong political will improves co-ordination; on the EC side positive devel-

opments include discussions with MS on strategy papers and national indicative programmes with the MS.

- (x) In many cases it was found that the sharing of aid information runs from the EC to the MS and not in the opposite direction, and this has affected the quality of co-ordination efforts.
- (xi) In-country representatives of MS stated their willingness to increase joint actions with the EC, but few examples were found of their actually doing so.
- (xii) Limited in-country technical expertise constrains prospects for co-ordination, yet there has been little progress on pooling expertise among EU donors.
- (xiii) Effectiveness of co-ordination is affected by a donor's organisational structure. Some EU donors have centralised decision-making processes with ex ante controls on decision making, while others are more decentralised; these differences greatly complicate co-ordination. The EC has a strong presence in the field, but centralised decision-making.

In August-September 1999 an evaluation was commissioned to assess progress in implementing the Council Guidelines on co-ordination. Questionnaires were sent to 116 countries and in the majority the response was jointly completed by the Delegation and MS representatives. The overall response rate was 84% (European Commission 2000). The salient findings are given below.

- (i) In seven out of ten countries there is regular provision for operational co-ordination between EC and the MS; this takes four forms: regular meetings (51%), occasional meetings (36%), exchange of documents (10%) or informal contacts (3%).
- (ii) Such meetings are usually organised by the EC Delegation and are mostly monthly. Where there is no EC Delegation the MS consider co-ordination more difficult.
- (iii) Co-ordination mechanisms facilitate:
 - discussion of priorities and ongoing and future operations
 - decisions on a joint approach to co-operation with the partner country both within the EU and in partnership with other donors
 - information exchange on priorities for future programming (in some countries leading to joint policy documents)
 - identification of overlapping projects and duplication of effort
- (iv) In 58% of countries there is joint financing of joint studies, analyses and evaluations. In over 90 percent of these the EU Delegation is involved.
- (v) Co-ordination plays a major role in highlighting problems of overlap (the

more MS are present in a country the greater the problem). Most often the problem is not identified until implementation has begun, when rescheduling is difficult.

- (vi) Pooling of experience has enabled complementary projects to be identified and prepared; 38% stated that co-ordination helped focus EC aid, against 27% stating that it helps focus MS aid.
- (vii) The form of co-ordination that takes place tends to be sector-specific:
 - on programme aid and assistance with debt meetings are likely to be regular
 - on infrastructure social and economic services and emergency aid meetings are most likely to be occasional
 - exchanges of documents mostly concern debt
- (viii) In a number of countries several MS were willing to take on the co-ordinating role; in countries where many MS were present this involved simply 'organising and guiding dialogue'; where there were relatively few MS it tended to go as far as 'appraising the whole programme for the other Member States'
- (ix) There is still too little involvement of the partner countries in the machinery for overall co-ordination of EU aid. In half of all cases the partner country was reported as being involved little and in 10% of cases not at all. In low-income countries the reported reason was that the government lacked technical resources, in the higher income countries it tended to be ascribed to lack of interest. Other reasons included political instability, frequent changes of government, government not sharing donors' priorities, lack of internal government co-ordination, lack of transparency, temptation to 'divide and rule' the donors, and lack of interest in having only one interlocutor per sector.
- (x) Where there is sectoral co-ordination the government takes the lead in just 25% of cases. The EC, World Bank and UNDP act as co-ordinators in an equal proportion of cases (15% each).

The overall assessment was as follows:

- (xi) The initial reception by EU representatives on the spot has been generally favourable and there is a 'dynamic co-ordination process' in place, with more frequent follow-up meetings and document exchange, although joint field visits remained rare. The improvement was most noticeable in countries with the highest volume of total EU aid.
- (xii) Overall the current state of EU co-ordination is reported as moderately satisfactory; in terms of regions the improvement has been greatest in the Pacific and least in Asia Latin American and the MED countries. Co-ordi-

nation tends to be greatest where there are few MS (1-4) present and least when there is a large number (8-15).

- (xiii) Implementation varies across the six regions covered by the analysis, but in most cases there has been an improvement in operational co-ordination since the Guidelines were introduced.
- (xiv) Both EC Delegations and MS representatives tend to agree that information flow from the Delegation to the MS has been effective, but the latter tend not to reciprocate.
- (xv) In terms of wider co-ordination, EU members play an active role at the sectoral level.
- (xvi) In many cases the EU members are active in the same sector, so there is great potential for complementarity.

As a result of the above study the Guidelines were redesigned and distributed; informal assessment by both EC staff and those of the MS has been generally favourable.

The European Commission's annual submission reports that progress has been made on improved aid co-ordination, noting that preparations for the Monterrey Conference on Finance for Development and the Johannesburg Summit on Sustainable Development proved useful opportunities for improved co-ordination with the MS (Commission 2003a: ¶1.4.2.1) and that the EU and MS were able to speak with a single voice at these fora. Specific mention is made of the mandate given to the Commission by the MS to present a report at Monterrey which, together with action taken by MS, moved forward on a number of key issues including 'concrete steps forward on co-ordination and harmonization', and the decision to increase EU ODA levels up to 2006. The declarations of the Monterrey Consensus called for co-ordination of aid and measurement of results, closer co-ordination between donors and the private sector, and programme co-ordination of international institutions and coherence at the operational and international levels to meet the MDGs (UN 2002a), while in the wake of the Johannesburg Summit the UN General Assembly called for the implementation the provisions of the Johannesburg Plan of Implementation 'by strengthening system-wide co-ordination' (UN 2002b).

The latest EC report on its external assistance (Commission 2003a) notes that concrete steps were made in 2002 to increase co-ordination, including the scoping missions to four countries - Morocco, Mozambique, Nicaragua and Vietnam - at the end of the year. Harmonisation of donor practices is under discussion with UNDP, the World Bank and the MS. The EC-World Bank Framework agreement was revised in 2002 and the EC-UN framework was revised in 2003.

Progress was also made in two key areas relating to co-ordination, decentralisation and the production of Country Strategy Papers (CSPs). The first group of CSPs was completed and their preparation included the active participation of MS, other bilateral donors and multilateral agencies ('55% of the time'). Progress on decentralisation/deconcentration of decision-making from Brussels to the Delegations continued. However the rate of deconcentration was slower than anticipated (*ibid*).

Organisations normally report positively on their own progress towards set goals, but the DAC Peer Review was also very positive about the EU's embracing of radical reform and improved co-ordination under EuropeAid (DAC 2002b). The Review notes that many of the criticisms and proposals made in the late 1990s have been acted upon, including the new focus on poverty reduction. DAC's recommendations mainly stress the need to deepen dialogue and extend co-ordination, rather than revolutionise the basic approach. It further recommends that the EU plays increasingly to its own comparative advantage particularly in areas such as regional participation and increased sustainability.

A recent evaluation of co-ordination of the EU's external assistance programme is less sanguine than that of either the EC itself or of the DAC peer review (Lehtinen 2003). This argues that at the central level both the Union and its MS have found that trying to achieve complementarity is plagued by 'conceptual confusion, competing political interests, bureaucratic resistance and conflicting views in implementation strategies', so that complementarity appears to have become 'more of a political slogan than a practical reality'. This contrasts with the situation often found in the field which, says the report, challenges 'the myth of non co-ordination'. Here, it is said, pragmatic bottom-up approaches are making for an increasing level of daily co-operation in response to practical realities rather than Council resolutions or political declarations.

The Lehtinen study argues that in spite of the reforms that have taken place to improve co-ordination, it is still limited. The reasons include:

- The existence of other donor co-ordination structures which make it questionable whether an extra layer of specifically intra-EU co-ordination is at all desirable
- The fact that, despite its formal co-ordination mandate and with the exception of programming for the 9th EDF, the EU is often viewed as 'just another donor'
- The fact that the EU and bilateral donors often have divergent views on appropriate aid modalities: for example while some bilaterals are increasingly leaning towards general budget support, others remain firmly attached to the project mode

- Differences between the MS themselves, particularly between the ‘like-minded’ group and the others.
- The tendency of some MS to specialise in particular sectors and to try to co-ordinate their efforts with other donors in the same sector(s), rather than with other MS or the EU as such
- Some MS have highly centralised aid management systems, while others are more decentralised; the latter have a stronger mandate to co-ordinate at the in-country level
- Many MS monitor the priorities of EC development co-operation, but do not reciprocate by providing an adequate level of information to the EC; this situation has, however, improved since introduction of the ‘donor matrix’ under the 9th EDF and which has improved information sharing
- Partner governments in some countries are reluctant to see greater aid co-ordination because the present system ‘provides greater financial benefits to some government officials than would well co-ordinated donor efforts’

This last observation is extremely important, contrasting as it does with so many of the more positive reports from the partner countries’ perspective of the need for increased donor co-ordination. It is an issue that should take centre stage in any future evaluation of aid co-ordination.

Despite the limitations noted above, Lehtinen’s paper identifies several opportunities for improving intra-EU co-ordination in the field. These include:

- Adopting a focus on political co-ordination, which has borne fruit in several African countries when the EC and MS representatives report to Brussels on ‘hotspots’ of a military or political nature
- Recognising that the EU has developed a role as an ‘initiator’ of donor co-ordination, which has met with success - again in areas of political co-operation - such as democracy, governance and post-conflict reconstruction
- Producing joint EU-MS statements in CG meetings; again there tends to be a strong political dimension to these statements
- Fostering co-ordination and complementarity at the operational level
- Building on the comparative advantage of the EU as a multilateral donor with a large aid programme but no national foreign policy interests
- Building on the co-ordination achieved in programming EDF funds and the sharing of information this has achieved in the form of the ‘donor matrix’
- Recognising the importance of informal contacts between EC and MS field staff to facilitate pragmatic co-ordination
- Increasing the number of EU-MS or MS-MS joint programmes

There are other studies of relevance to the topic of co-ordination, particularly dealing with the interests and behaviour of different actors engaged in European development co-operation (MS, the private sector, civil society, etc.). It has not been possible to analyse these in detail at the present stage, but a more detailed review will be needed in due course. The MS are particularly important in this respect, in view of the desirability of co-ordinating the aid programmes with that of the EC. Uniquely among the MS, the UK has published a strategy paper detailing its objectives on partnership with the EC (DFID 1998).⁶ This *Institutional Strategy Paper* (ISP), while not strictly an evaluation of the EC aid programme, provides DFID's assessment of, *inter alia*, the Community's aid co-ordination efforts. It notes that the Director General of the then DG8 had set in train a process aimed at increasing co-ordination and complementarity between the EC and the MS at country level, but adds that it is important that this be seen within a co-ordination system managed by the partner country and embracing all donor efforts. It continues:

'We will encourage the EC, with member states, to play a positive role in donor co-ordination at the country level, within a framework managed by the beneficiary country' (Objective 4.2).

Not long ago the UK government issued a consultation document which is a draft revision of its ISP on partnership with the EC (DFID 2001). This notes with approval several areas of reform of the EC, particularly the reorganisation of the Commission and the joint Statement on Development Policy. However the new draft still expresses the view (stated much more forcefully in the 1998 ISP) that EC aid management systems are weak, singling out the continued division of responsibility between two DGs for particular mention. It also states that Delegations are inadequately staffed for their new responsibilities, and notes that they 'will need to co-ordinate effectively with governments and other donors'. (DFID 2001: 6) The theme of overall donor co-ordination is taken up again in the section on instruments for partnerships:

'At country level, we will assess the strategic importance of the Commission's programme to the IDTs in that country, and seek partnerships. We will share knowledge and analysis, and seek collaborative ways of working, including sector wide approaches, joint and co-financed programmes and government-led joint appraisals and evaluations. This will take place in the context of wider donor co-ordination' (DFID 2001: 22).

6 This is one of a series of Institutional Strategy Papers, which set out how DFID aims to achieve its White Paper objectives in partnership with each of the main multilateral development institutions.

At least three MS, Belgium, Sweden and the UK, have recently issued Action Plans on air harmonisation (DGCD 2003, Sida 2003 and DFID 2003, respectively). All three are quite similar in stressing the need for recipient country ownership. The Sida and DFID plans also identify general budget support as the preferred development co-operation modality. These two plans also specifically mention co-ordination between their own agencies and the EC, but bracketed with other multilateral donors like the World Bank, and not in the context of any specifically intra-European co-ordination agenda.

There are important differences comparing some MS with regard to their approach to development co-operation, and this inevitably colours their views on co-ordination of intra-EU aid. Examples arising from the above-noted evaluations include (a) the fact that some EU donors have centralised decision-making processes with *ex ante* controls on decision making, while others are more decentralised, and (b) the difficulties faced by some MS in co-ordinating their internal activities. Tied aid is another source of disparity, with some MS (and the EC itself) tying aid to domestic sources, while other MS are less restrictive. Factors such as these make intra-EU co-ordination difficult, as do differences in the level of enthusiasm from such co-ordination. The EC has long promoted intra-EU co-ordination (as witness the widely reported (and often unreciprocated) quality of its information-sharing and consultation with the MS).

In terms of prospects for further strengthening aid co-ordination, there is one rather large cloud on the European horizon, namely the forthcoming EU expansion from 15 to 25 members. Some of the accession states are former Soviet bloc countries and some still in process of transition from aid recipients to aid donors. All of them will bring a new, and not exactly welcome, degree of diversity to a development scene that is seeking to co-ordinate its efforts. A recent EC-commissioned study deals with the issues at three levels (DC-IDC 2003).

- *Policy co-ordination.* Much work remains to be done. Over half of the accession countries do not have development policy frameworks, while their *de facto* policies on aid do not correlate with EU priorities. Most focus on 'near-country' cross-cutting stability or security agenda rather than on poverty reduction. Moreover the goals of the Monterrey Consensus to harmonize aid contributions as a proportion of GDP will not be met by accession countries.
- *Institutional co-ordination.* Again there is much work to be done. The model for the accession countries is of development policy based in the ministry for foreign affairs. This creates two types of co-ordination problem. Firstly, their role as bilateral donors is badly co-ordinated - aid is fragmented as the ministry screens projects but does not play a strategic role. The example given is of the Czech Republic whose aid budget for 2001 was divided among 79 pro-

jects in 49 countries! Secondly, ownership of development policy is unclear, so that no ‘opposite number’ exists with which the EC and its existing MS can co-ordinate. Generally speaking in the accession states government commitment to development policy is low.

- *The legal basis for co-ordination.* This is relatively strong. The primary legislation includes the Maastricht, Amsterdam and Nice Treaties, and in acceding to the EU, new member states are automatically bound by them. They are also automatically committed to the Cotonou Agreement. The secondary legislation comprises regulations which are binding regardless of whether or not they are officially adopted by MS governments. They rule the co-ordination process and officially give the commission a ‘co-ordinating role’.

The overall assessment of the DC-IDC study is that in terms of external relations, the EU’s position will be strengthened by the extra votes at international fora, but only if new and existing MS can co-ordinate policy and speak with a single voice. Internally, the authors predict an increased focus on the ‘near abroad’ (in Council meetings) and a move away from a co-ordinated poverty focus. The key recommendations flowing from this study are that the EU should:

- Develop a new co-ordinated policy strategy with a poverty focus at its centre, concentrating on sectoral/country specialisation; to facilitate its implementation, the number of interventions should decrease and more joint work on co-ordinated aid should take place.
- Share knowledge network and training policy to create a common understanding of aid policy and its challenges.
- Create a ‘roadmap’ for attaining Monterrey goals.

3.4 Synthesis

A first observation is that the EU now has a strong commitment to co-ordination, which appears progressive by international standards. The paragraphs from the Development Policy statement reproduced in Figure 6 cover all the aspects of co-ordination described in the framework suggested earlier, from international to local, and from consultation up to joint action. Particularly notable are the commitment to speaking with one voice in international fora, and in dealings with the UN and the Bretton Woods Institutions, to working at country level under the leadership of the country itself, to continuing the process of decentralising from Brussels to the Delegations, and to interpreting co-ordination as encompassing joint action, and not just information sharing. The benefits are also noted: increasing efficiency, improved credibility and consistency, greater capacity to influence events, and greater impact.

In terms of work carried out so far, most attention has been focused on co-ordination at country level; co-ordination in international fora remains to be studied. This is an important lacuna in current work, and should be read as including aid co-ordination bodies like the DAC: for example, what role have the EU and the member states played together in helping to develop the new DAC guidelines on poverty reduction? There is also a gap at the EU level, in terms of co-ordination of policy between member states: do the EU and its member states have a common position in all EU and national documents on the international development targets, and how they might be reached?

At the developing country level, the evaluations available tend to indicate a certain enthusiasm for co-ordination and are able to describe a range of activities involving consultation, co-operation and a limited amount of collaboration and joint action. The position is somewhat patchy, however. Less information is available on *why* this should be so. Key factors, however, appear to include the commitment of the recipient government, the enthusiasm of individuals in the donor system, the absence of commercial or political vested interests, the degree of decentralisation of the donor agency, and sector-specific factors, like the urgency of the problem. The Lehtinen paper quoted above adds a new dimension to the *why* question: are there factors in some countries that could inhibit developing country partners from seeking to promote donor co-ordination? Overall, the evaluations appear relatively weak on explanatory factors.

The evaluations also have rather little to say about the real impact of greater co-ordination, nor, importantly, about the costs. Sustainability is also rather little discussed.

There is also a wider question, about how far intra-EU co-ordination affects other kinds of co-ordination, for example with the G7, the OECD, the Commonwealth, Francophonie, the Utstein Group, and others. What are the policies of the various MS on wider collaboration versus intra-EU collaboration? To what extent can they be viewed as complementary, conflicting or competing? And what are the costs and benefits of intra-EU co-ordination in a context of more general co-ordination of development efforts?

4. Conclusion

Two points to conclude the paper.

First, it is worth emphasising that the proof of the pudding, so to speak, lies in the eating. As Figure 2 makes clear, the highest degree of coordination takes place when two conditions are met. On the one hand, there is a high intensity of coordination, involving consultation, cooperation and collaboration; on the

other hand, there is a high degree of content in coordination, involving policy, procedure and, importantly, practice. Achieving both high intensity and high level content is a long term process, and a hard one. Many recent studies illustrate this point, including the CDF evaluation and a number of EU-specific reviews. The Rome Declaration on Harmonisation lists the actions donors should take - but, perhaps more important, the need for the Rome process to be launched in the first place illustrates the hard grind involved in achieving closer coordination on the donor side. The same is true on the recipient side, especially with regard to ownership: embedding the PRSP process soundly in local political processes is a long-term project. On the EU side also, the right commitments have been made, and implementation has begun: it would be wrong, however, to expect instant compliance.

Part of the reason is that better coordination requires changes to policy and practice - often in very practical areas like budgetary procedures or the design of contracting and reporting systems. However, there may also be a deeper issue, and this takes us back to the broader issue of collective action with which we began.

This is then the second point: that collective action, of which coordination is an example, works best when the incentives are right for all parties, and not otherwise. Thus, high-level coordination can be expected to happen not just when there is exhortation about good practice, but when there are tangible benefits to individuals or agencies, and when the costs of 'defection' are high. Trust is important, so is transparency, and cooperation is greatly helped when actors work to a long time horizon.

Is this an area where more work is required, to explain why coordination might or might not be expected to work in certain areas, and what new incentives might be introduced to change donor behaviour? For example, some observers might argue that donor focus on the Millennium Development Goals and the use of results-based management to guide resource allocation provide an incentive framework within which coordination will be seen to be necessary: countries and donor agencies which coordinate will achieve better performance with respect to the MDGs than those which do not. Success with respect to the MDGs is a source of satisfaction, but might also be a necessary condition for bigger aid budgets - a clear institutional and bureaucratic incentive for donor agencies, a clear financial incentive for recipients. This is a simplistic example, however. As Elinor Ostrom, among others, has shown, in her case for Swedish aid

(Ostrom et al 2002), there are many incentives at work in development cooperation. The area will repay further study.

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Evaluating Maastricht's Triple C:

The 'C' of Coherence¹

Paul Hoebink

Of Maastricht's three C's the 'C' of Coherence is probably the most debated and certainly the most controversial one. None of the other two C's can in latency touch upon the endless number of subjects or raise the expectations or anger of such a large number of actors, as the C of Coherence can. Still coherence is a rather new concept in politics and political science, where it is an old one in physics and chemistry. In this paper we will deal with definitions first, before we go into the legal base for coherence. We will try to give some typologies of coherence. At the end we will sum up the actions undertaken up till now by the European Council, the Commission, the Member States and the European NGO-community. In the end we will give some indications on how this 'C' of Coherence could be evaluated.

- 1 This article was written as one of the four papers for Phase I of the Evaluation of Maastricht's Triple C. It was the intention of this first phase and the four papers to produce a framework for the evaluation of Triple C. Project leader for this Phase was Paul Hoebink. This paper is based on the analysis of a large pile of documents by the actors involved in this part of European politics and on a series of interviews in Brussels and some European capitals. Some parts of this paper are largely based on earlier articles by the author on the same subject:

P.Hoebink, Coherentie en ontwikkelingsbeleid: het geval van de Europese Unie. In: *Derde Wereld, Themanummer De Europese Ontwikkelingssamenwerking*, Jrg.16, nr.1, april 1997, pp.61-79;

idem, Coherencia y política de desarrollo en la Unión Europea. In: *Revista Española de Desarrollo y Cooperación*, 1998, no.2, pp.19-40;

idem, Coerenza e politica dello sviluppo. In: *Politica Internazionale*, Anno 28, n.6, novembre-dicembre 1998, pp.73-86

idem, Coherence and development policy: the Case of the European Union. In: J.Forster/O.Stokke (eds.), *Policy Coherence in Development Co-operation*. London, Frank Cass, 1999, ch.10, pp.323-345;

idem, Aid and trade coherence and development policies in the Netherlands. In: J.Forster/O.Stokke (eds.), *Policy Coherence in Development Co-operation*. London, Frank Cass, 1999, ch.6, pp.180-212.

1. Defining and placing Coherence

According to the *Concise Oxford Dictionary*² the verb ‘cohere’ means ‘hold firmly together’ or of an argument or theory ‘be logically consistent’. This means that we have to look six pages further to see that ‘consistent’ means: ‘1. Unchanging over time. 2 congruous or in agreement. 3. Not containing any logical contradictions’.³ It is interesting to see that coherence and consistency in physics have a different meaning; consistency being the viscosity of a substance and coherence being the constant phase relationship of waves.⁴ In philosophy, particularly in *logica* consistency is the older concept. A theory is said here to be consistent, when it is free from internal contradictions, meaning that every statement within the theory has to be provable.⁵

As stated coherence is a relatively new concept both in politics and in the political sciences. There is in fact no mention of it in the standard textbooks on the social sciences.⁶ Even in dictionaries on European politics it is absent.⁷ To consistency there is a single reference, but then to social psychology theorising, referring to the unity and oneness of personal characteristics, e.g. political convictions or view of society.⁸ In this definition it is thus an individualistic construct, not a collective one.

In the political science literature on policy evaluation though it is noted that a causal link between policy and policy results is often hard to determine. But this literature in general does not deal with the way in which other parts of government policy may interfere with the relevant results or even frustrate the policy altogether.⁹ For example, the unintended results of government policy are disposed of in a few standard sentences. The literature on economic policy is an exception in this respect since here the credibility of government action is linked to its ability to ensure that policy fluctuates as little as possible.

2 Oxford: Oxford University Press, 1999, p. 278.

3 Idem, p. 304.

4 *The New Encyclopedia Britannica*. 1992, vol. 3, p. 435.

5 J.Waldram, *Encyclopedie van de Filosofie*. Baarn, Tirion, 1991, p. 55.

6. See, for example, *Blackwell Encyclopedia of Political Thought* (1987), *International Encyclopedia of Social Sciences* (1968, first and later editions), *Political Science Dictionary* (1973), *Handlexicon zur Politikwissenschaften* (1970, first and later editions) and *Piper's Wörterbuch zur Politik* (1985). The same is also true of similar terms such as consistency and inconsistency. Even a search for the rather older term ‘unity of policy’ fails to produce any workable definitions or references.

8 Piper's Wörterbuch zur Politik (1985), p. 463.

9. One example of this is Blommenstein et al., [1984]. Nor is this point dealt with in recent literature on political science. See for example Van Deth, ed., [1993].

To arrive at a definition we must therefore first consult the dictionaries. As said these suggest that (in common parlance or philosophy) coherence is synonymous with consistency.¹⁰ Consistency and coherence of thought and statement therefore mean 'free from self-contradiction' [*Concise Oxford Dictionary*; *The Wordsworth Concise Dictionary*; *Van Dale, the Dutch Dictionary*]. Coherence of policy could therefore possibly be defined as: 'The non-occurrence of effects of policy that are contrary to the intended results or aims of policy'. For this purpose coherence can be defined either narrowly or broadly. A narrow definition would be that objectives of policy in a particular field may not be undermined or obstructed by actions or activities in this field. And a wide definition would be that objectives of policy in a particular field may not be undermined or obstructed by actions or activities of government in that field or in other policy fields.

Coherence of policy is in principle important to every field of government policy. First of all, because in the case of incoherence it is possible that certain intended results of policy may be partially or completely frustrated. Second, because the attainment of objectives in a particular policy field could also be hampered by action taken in the relevant field or in other fields, which could produce an adverse effect. And third, because government authorities might lose their legitimacy and credibility if they frustrate or hamper the attainment of objectives in a particular field by means of activities in a different field. It follows that incoherence has the effect of undermining the entire administration. Coherence of policy should therefore be a general objective in all action taken by government.

Notwithstanding the efforts to achieve coherence of policy, incoherence is often a given. First, as government has to deal with many parties and pressure groups, it may well be impossible to find optimal solutions that satisfy all parties concerned and achieve all objectives. Consequently, it is frequently necessary to settle for second-best solutions which may in turn lead to incoherence. Incoherence should therefore not always be regarded as a negative factor and may in some cases be seen instead as a result of clashes and conflicts of interest, in other words as a compromise in which the relative importance of the actions

10. The Van Dale Dutch dictionary in fact regards coherence as synonymous with cohesion, which is itself defined as intrinsic harmony, this being in turn the definition of consistency. If consistency is regarded as more or less synonymous with coherence, one of the few definitions to be found in academic literature can be seen to be tautological: 'Consistency connotes the need to maintain a coherent policy course over time and across multiple measures' [Weatherford, 1994:135-64]. The definitions of 'inconsistency' in the economic literature are concerned in particular with the way in which economic actors respond to a given policy. See for example: [Kyland and Prescott, 1977:473-91; Blackburn and Christensen, 1989:1-45].

and actors has been duly weighed. Second, government is not a unitary whole, but generally consists of a large number of departments, institutions and corporations.¹¹ These departments and institutions take a large number of policy measures, monitor their implementation and are quite often faced with conflicting interests. It is doubtful whether central government is in a position to keep a grip on the policy of all these different bodies. For example, its supervision of the outcome and results of policy is far from complete. Third, it is difficult to weigh all the factors and parties and their reactions to an initial policy decision.

Consequently, it is often unclear what will be the precise effects of the policy. Finally, administrators and politicians, like academics, tend to be rather short sighted; in other words they focus entirely on the particular policy field for which they are expected to take measures at the time in question. Sometimes they are also required to be short sighted and to remedy short-term negative effects at the expense of optimal policy in the long term.

All the factors just mentioned apply perhaps in particular to European policy, because not only is the number of parties much greater but there are also many more different types of party. In addition to the cultural, social and economic interests of particular groups or institutions, national interests, as the sum of all these other interests, also play a role in European policy in these fields. It is less easy in European policy than in national policy to find a single forum in which consensus can be reached. Hellen Wallace [1996:28] noted that there is an 'inherent instability' in European policy. By this she meant that:

'... it is rarely certain that the outcome of the policy dialogue will produce a clear and consistent line of policy amenable to a sustained collective regime. In other words, European policy regimes are conditional rather than definitive, a consequence of the continuing fluidity of the political setting of less than a policy, pulled between the political territories of the member states and the pressures of global and European influences.'

In the same volume Christopher Stevens describes this phenomenon, in an analysis of the EU banana policy, as inherent to the 'crab-like fashion' in which EU policies evolve. As he comments: 'It can easily find itself with mutually incompatible obligations' [Stevens, 1996].

Nigel Nugent singles out two important characteristics of European policy: first, 'the differing degrees of EU policy involvement', and second, 'the patchy and somewhat uncoordinated nature of EU policies'. By the latter he means [Nugent, 1994:291]:

11. Weatherford [1994], emphasises that in the economic literature government is, however, often regarded as a unitary actor.

'The EU's overall policy framework can hardly be said to display a clear pattern of overall coherence ... The fact is that the considerable national and political differences which exist in the EU make coordinated and coherent policy development that is based on shared principles and agreed objectives very difficult.'

This is particularly true of European development co-operation. Different forms of incoherence in this field can be found in the policy not only of the EU but also most certainly of the member states. Nugent argues that the member states think of their own interests first. Whether the relevant policy is politically acceptable is a matter that is considered later. Finally, it is decided whether the EU is the appropriate arena in which to give effect to closer relations between states [Nugent, 1994:295]. At the same time it is necessary to reconcile the differing interests of various national industries or groups. Not surprisingly, development objectives often have to take a back seat. One reason is that the cacophony generated by the member states and pressure groups tends to drown out the arguments of those advocating development objectives, whose voice may therefore be heard only indistinctly or indirectly.

2. Classifying Coherence and Incoherence

A *first classification* of coherence stems from the perspective of the viewer. It can have a narrow or restricted angle, or a broad one. With regard to policy coherence this means that it can focus on one terrain or field of policy only, or try to make links with other fields, domains or policies. As stated in the definitions-paragraph above the restricted definition places coherence within one terrain of government policy. At a contrast, the broad definition will look at the way the attainment of a given set of goals of government policies in a certain field are stimulated or hampered by government policy in another field or terrain. An example of the *first type* of incoherence - that is, the *restricted (1)* type - is incoherence in European development policy itself. This mainly involves incoherence between the different objectives and/or instruments of development policy. An obvious example is food aid: aid that is sent too late may arrive just at the moment when the local farmers are getting in the harvest. In such circumstances the food aid may limit the scope for them to sell the very produce which they have been encouraged to grow by development programmes.

The *restricted (2)* type is incoherence between different sets of foreign policy and development co-operation policy, e.g. between trade policies and development co-operation, between security policy and development co-operation, between human rights policies and development co-operation.

The third type is the *broad* one, including incoherence between development co-operation policies and policies in other fields, which can in theory be all parts of European policy making. In principle it will be those policies most

likely to affect also developing countries. In effect this will mean the CAP, CFP, certain consumer protection policies, parts of (global) environmental policies, industrial policies.

Figure 1: Classification 1: Different Type of (In)coherence) Perspective

Restricted (1)			Development Co-operation: Goals Instruments Forms		
Restricted (2)		Foreign Policy (Human Rights Policy)	Development Co-operation		
Broad	Agricultural Policies	Fisheries Policy	Development Co-operation	Industrial Policies	Environmental Policy

The *second classification*, very close or even partly overlapping to the first one, concerns also three types of incoherence (see Figure 2). First of all, there may be incoherence between the development objectives of the given donor, in casu the European Union, and the external policies (external type, the *Restricted (1) and (2)* types from Figure 1 combined). It is called ‘external type’ because different aspects of foreign policy (development co-operation, trade, foreign policy in general) are brought into this category. In terms of this evaluation this could be (in)coherence within aid policy, as well as (in)coherence within South policies. It could however also involve (in)coherences between development co-operation policies and other elements of foreign policy, not directed specifically at developing countries but indirectly affecting them. Second, incoherence may exist between Community development policy and internal Community policies (internal type, or the *Broad* type of Figure 1). These are policies directed at internal European issues or affairs that might have an (unintended) effect at developing countries. Finally, there may be incoherence between Community development policy and the development policy of the individual member states or between European development policy and policies of developing countries, what I call the ‘inter type’ (derived from ‘inter-European’ and ‘intercontinental’).

Figure 2: Classification 2: Different Types of (In)coherence Institutional (1)

	Development objectives EU		
External type (1)	Development policy	External policy	Commercial policy
Internal type (2)	Environmental policy	Agricultural policy/ Fisheries policy	Industrial policy
Inter-(European) type (3)	Development policy of the member states	Policy of Developing countries	

An example of the *first type* of incoherence, the External type (1), is incoherence in European development policy itself (*the Restricted (1) type*). This mainly involves incoherences between the different objectives and/or instruments and forms of development co-operation. Several examples could be cited here: technical co-operation hampering institution building, food aid blocking agricultural production, community development enhancing clientèle-relations.

A second example of this type of incoherence is the overall external activities of the Union in relation to development policy (*Restricted (2) type*). It was noted in the Benelux Memorandum for the Intergovernmental Conference in Turin in March 1996 that there is a lack of ‘unity in the external activities’ of the Union.¹² Finally, the third example of this type of incoherence is between development objectives and commercial policy. If it is the intention to integrate the developing countries gradually into the world economy, they should be given sufficient opportunity to sell their products in the European market and hence to have as far as possible unrestricted access to it. The objectives of Article 130U should also be taken into account when all kinds of decisions are taken. In practice, many different interests often have to be weighed when such decisions are taken and the internal interests of producers of the member states are frequently given precedence. Examples are the so-called cocoa decision (harmonisation of the internal market by diminishing the cocoa content in chocolate) and the resistance to the importation of cut flowers and tomatoes.¹³

12. It is striking to note in this connection that neither the word ‘development’ nor the theme of development appears in any of the four preparatory government memoranda for the Intergovernmental Conference [Ministry of Foreign Affairs, 1994/1995].

13. If integration of the developing countries into the world economy is an express objective of European policy (according to Article 130U), the Community should provide greater access to products which developing countries can deliver on competitive terms and which compete with those made by European producers. The resistance to the treaty with Morocco in 1996 and the laborious negotiations with South Africa indicate that this objective is often not taken into account.

The *second type* of incoherence (the *internal type* or *broad type* out of Classification 1) is that between the development policy of the Community and internal European policy. Because this implies a conflict between internal policies and development objectives of the EU, we call this type 'internal'. A first example of this type of incoherence to be mentioned here is incoherence between development policy and environmental policy. Article 130R, which has been referred to above, records that environmental protection requirements must be integrated into other Community policies. This also implies review of the European activities in the area of development co-operation, a 'greening' of European development policy. European policy in this field is still very much underdeveloped. DGDev has only a small staff for this field, there are still few detailed policy documents and procedures and there was, and probably is, little co-operation between the different institutions in the elaboration of policy and procedures on environmental impact.

The most obvious and most debated example of this *broad type* of incoherence still is the common agricultural policy (CAP).¹⁴ Over a period of several decades, Third World groups have pointed out that subsidising the production of sugar beet and barring cane sugar from the European market are inconsistent with development policy.¹⁵ Another example is the fisheries policy. The absence of measures to reduce the size of the fishing fleets means that the problem of overcapacity has not been tackled and has in fact been spread abroad by the conclusion of catch quotas under fisheries agreements. Two criticisms of these fisheries agreements are that they create problems for the local, small-scale fishing fleets and that there is a danger of over-fishing because of the lack of inspections of catches.¹⁶

A third form of incoherence that could exist is between development policy and industrial policy. The Community could provide developing countries with better access to the European market by means of preferences, yet at the same time give de facto preferential treatment to European industry by means of subsidies or rules. Doing so it would put European industry in a better competitive position, or even shield the market altogether and thus, in contradiction with development policy goals, hampering industrialisation of developing countries.

The *third and last type* of incoherence that can be identified in this connection is the inter-European/continental type - that is, incoherence between, at first

14. Some recent studies are: Rolland [1995]; SOLAGRAL [1995]; Dhondt [1994].

15. There is much literature on this subject. See, for example, Stevens/Webb [1983]; McDonald [1996].

16. See, inter alia: FAO Fisheries Department [1995]; Greenpeace [1993]; EC [1993:91 ff]; European Research Office [1995a; 1995b; 1995c].

the donor-policies of the EU and of the member states and, secondly between donor-policies and policies of developing countries (donor coherence and donor-recipient coherence).¹⁷ It is conceivable, particularly in the case of specific projects and programmes, that certain activities which the Union finances or undertakes may be at odds with similar activities of the member states. This could, for example, happen in health care policy if the Union were to wish to encourage primary health care in developing countries whereas a member state, for economic and commercial reasons, is funding projects in hospital health care (donor incoherence). Hospital financing often already takes up an excessively large proportion of the future budgetary resources for health care of the recipient country. The recipient country might have in principle a health policy aimed at primary health care, which is redirected by the donor's policy (donor-recipient incoherence).¹⁸

One of the most important instruments to overcome this type of incoherence is co-ordination. Article 130X of the Maastricht Treaty provides that the Community and the member states should co-ordinate their policy in the area of development co-operation. The article also confers on the Commission a right to initiate policy in this field. An experiment in which the Commission and the member states are endeavouring to co-ordinate their policies in four fields was started in six developing countries in 1994.¹⁹

A second form which this type of incoherence may take, is where the development policy of the Union and/or the member states clashes with a policy of a developing country, which undermines the development objectives of the European Union and hence, the assistance that is provided in this connection (donor-recipient incoherence). Policy on investment, prices, industry, agriculture, import and defence are the most obvious factors involving incoherence. Conditionality is one of the answers to the incoherence noted here over time.

17. As identified by a former senior official of the Commission: Frisch [1994]. This could perhaps better be described as a lack of co-ordination between the Commission and the member states rather than as an example of incoherence.

18. In the policy documents on health it is stated: 'The aid provided did not tie in properly with national health policies as it often tended to reflect donors' concerns rather than the needs and priorities of recipient countries ... the aid was very largely focused on investment' [CEC, 1994]. The hospitals built by Belgium and Italy in Cameroon are an example of this. See: De Morgen, 24 November 1995.

19. The countries concerned are Peru, Costa Rica, Bangladesh, Ivory Coast, Mozambique and Ethiopia and the policy fields concerned are poverty relief, food security, education and health care.

The *third possible classification* (see Figure 3) of coherence/incoherence is between horizontal and vertical incoherence. The horizontal type involves the coherence or incoherence of the policies of different Brussels bureaucracies. In other words, cases where the policy on trade, agriculture and fisheries, the environment and possibly other subjects clashes with the objectives of development policy (this concerns in particular the internal type referred to above but also to a certain extent the external type). The vertical type concerns the coherence of the policy of the member states and developing countries, of the European Commission and of international institutions (financial and otherwise). It includes the inter-European type of coherence as well as to some extent external coherence). Vertical in this instance does not necessarily mean a hierarchy, but is referring to the diverse - from local to global - echelons in decision making. In certain aspects international law and jurisdiction might lead national policies, but great autonomy still exists for 'lower' levels of decision making. Under Article 130R, paragraph 4, the member states are competent to negotiate and conclude agreements in international fora. Yet the Community too may conclude agreements with third parties and act as representative of the member states. The competence problem in this field has not yet been solved.²⁰ For development purposes, what is particularly important is who acts on whose behalf in the OECD, GATT/WTO and the international financial institutions. For example, European policy on the adjustment and debt problem is relatively incoherent because the different members states and the Community quite often speak a different language.

Figure 3: Classification 3: Different Types of (In)coherence: Institutional

		Vertical		
		International organisations		
Horizontal	DG I (Commerce)	DG I/DG VIII (Development)	DG VI/XIV (Agriculture/ Fisheries)	DG XI (Environment)
		(Ministries) Member states/ Central banks		
		Governments/ Ministries (Developing countries)		

The *fourth possible classification* of incoherence is that between intended and unintended incoherence (Figure 4). Intended incoherence would be a form in which an authority consciously accepts that the objectives of policy in a particular field cannot be achieved because the policy involves conflicting interests. An example of this is where a government accepts that developing countries will have restricted market access for their exports because domestic employment in certain sectors would otherwise be unduly affected. Compensation may possibly be provided in the form of limited or regulated market access, of concessions in other fields or of cash. A further distinction can be made here between an intended incoherence to correct adverse effects in the short term while adhering to the longer-term objectives and an incoherence which is intended purely to remedy certain negative effects for particular parties in the short term. To paraphrase Weatherford, one could call the former incoherence a 'dynamic incoherence' [Weatherford, 1994:139], because there is an attempt to establish a balance between two things that are to a certain extent incompatible, between what is good at a given moment and what is good in general.

In the case of unintended incoherence, policies in a particular field frustrate the objectives or results of other policies although this is not noticed because the results of the different policies are never compared. Such an incoherence could frequently occur in the development field because policy produces results at a great distance, which are therefore less visible or are made less visible. An example of this is the meat export subsidies: the effects of these subsidies on the West African market (negative effects from the development point of view) became apparent only when European NGOs revealed them. If, however, subsidised exports were to be resumed because of the growing meat mountain, this would represent a transition from unintended to intended incoherence.

Finally, to end this list of classifications we could try to discriminate between conflicting themes and conflicting issues with regard to development policy and the different types of (in)coherence (Figure 5). Starting from the *Restricted Type (1)* of coherence (the *Internal (1) Type*) we could see several conflicting themes. Different motives behind development co-operation could be in conflict with each other and thus be the cause of conflicting issues. Aid-tying is probably the most quoted example here, because it makes aid expensive and it leads often to

20. This is the view of Kapteyn et al. [Kapteyn and Verloren van Themaat, 1995:643-4, 757 ff]. One of the factors that plays a role here is the membership of international organisations which often accept only states as members in accordance with the provisions of their founding convention. In such cases, the Community has 'observer status' at most.

‘white elephants’. The domination of strategic interests in an aid programme is a second major example. Support for ‘allies’ has often led to misuse of aid funds by authoritarian regimes or leaders. President Mobutu Sese Seko could stand as primary example here. The motives could also conflict with major goals of the programmes. Economic self-interests of a donor often leads to a situation in which certain goals (economic self-reliance) overrule others (poverty reduction).

Looking at the *Restricted Type (2)* we can see the same conflicting themes. Industrial policies could lead to a trade policy of a donor in which protectionism in its different forms dominates. In effect in the last two centuries protectionism has much more ruled trade policies of dominating economic powers than liberalisation. In this sense ‘Fortress Europe’ is not an exception to the rule. Another example might be security or accession policies, which could lead to a diversion of aid away from development co-operation or new trade relations at the detriment of developing countries

Lastly, the *Broad Type* of coherence, as has been indicated already several times above, is most visible in some domains of internal (European) policies. The CAP again, but also environmental policies could be given as examples. Unwillingness to live up to the Climate Treaty and to combat the Greenhouse Effect could even threaten the bear existence of some small islands development states.

Figure 4: Types of (In)coherence Classification 4: Causes

	Cause	Remedy
Unintended	• interests of developing countries not weighed/left aside • no clear representation of developing countries' interests • knowledge of effects absent	• impact study • mechanisms for better weighing
Intended	• developing countries' interests set aside • member states' interests of more importance • better lobbying by competing interests • no clear assessment available	• impact study • mechanisms for better weighing • compensation • accept incoherence
Structural a. general b. differentiated	• consumers versus producers • producers versus environment • producers versus producers • consumers versus consumers	• accept incoherence • compensation
Temporary	• producers versus producers • producers versus environment	• compensation for modernisation • additional/flanking policy
Fictive	• producers versus producers • consumers versus producers	• mediation • information
Institutional	• cultural differences between institutions • ideological differences between institutions • compartmentalisation of policy departments (horizontal) • lack of co-ordination (vertical)	• transparency/information • co-ordination
Political/Economic	• conflicting interests (inside member states, between member states, between EU and others) • complexity of issues • deregulation/liberalisation • internationalisation/globalisation	• tolerate incoherence • mitigation • compensation • additional/flanking policy

Figure 5: Classification 5: Different Types of (In)coherence and Development Policy

Restricted Coherence (1) <i>Conflicting themes</i>	Restricted Coherence (1) <i>Conflicting issues</i>
Motives vs. Motives	• Economic interests vs. Humanitarian considerations • Strategic interests vs. Humanitarian considerations • Trade promotion vs. Poverty alleviation • Trade promotion vs. Economic self-reliance
Motives vs. Goals	• Economic self-reliance vs. poverty alleviation
Goals vs. Goals	• Economic self-reliance/poverty alleviation vs. Aid dependency • Economic self-reliance/poverty alleviation vs. Charity (NGO goals) • Poverty alleviation vs. Export-led growth (multilateral organisations' goals/recipient government's goals)
Goals vs. Aid instruments/types	• Economic self-reliance/poverty alleviation vs. Aid intrusion
Restricted Coherence (2) <i>Conflicting themes</i>	Restricted Coherence (2) <i>Conflicting themes</i>
Development policy vs. Foreign policy	• Humanitarian goals vs. Human rights violations
Development policy vs. Trade policy	• Economic self-reliance vs. Protection
Development policy vs. Security policies	• Good Governance vs. Corruption • Development goals vs. regional interests
Broad Coherence <i>Conflicting Themes</i>	Broad Coherence <i>Conflicting issues</i>
Development policy vs. Domestic agricultural policy	• Economic self-reliance vs. protection and subsidies
Development policy vs. Migration policy	• Humanitarian goals vs. Immigration restrictions
Development policy vs. Fisheries policy	• Development goals vs. Trade interests and employment policies
Development policy vs. Industrial policy	• Development goals vs. Protectionism and employment policies
Development policy vs. Environmental policy	• Development goals vs. Industrial or agricultural policy

3. Legalising of Coherence

Article 130 V of Title XVII of the Treaty on European Union - the Maastricht Treaty - states that [CEC/CEC, 1992:61]:

The Community shall take account of the objectives referred to in Article 130 U in the policies that it implements which are likely to affect developing countries.

This article could be called the Maastricht Treaty's 'coherence article' in the field of development co-operation. It was sustained in the Treaty of Amsterdam under Title XX as Article 178. Article 130V refers to Article 130U. Article 130U (Article 177 in the Treaty of Amsterdam) is the first Article with relation to development co-operation in the Treaty of Maastricht. It sets out the general development objectives for the Community [CEC/CEC, 1992:61]:

1. Community policy in the sphere of development Co-operation, which shall be complementary to the policies pursued by the Member States, shall foster:
the sustainable economic and social development of the developing countries and more particularly the most disadvantaged amongst them;
the smooth and gradual integration of the developing countries into the world economy;
the campaign against poverty in the developing countries.
2. Community Policy in this area shall contribute to the general objective of developing and consolidating democracy and the rule of law, and to that of respect for human rights and fundamental freedoms.

With regard to this article, according the Commission [1994], a link can also be made between development policy and other policies, particularly foreign policy. In the Common Provisions of the Union Treaty it was set down in Article C:

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. The Council and the Commission shall be responsible for ensuring such consistency. They shall ensure the implementation of these policies, each in accordance with its respective powers

The first part of Article C refers to 'the single institutional framework' which shall 'the consistency and the continuity of the activities' of the Union, respecting and building upon the 'acquis communautaire'.²¹ Therefore this article has been seen as 'undermining the intergovernmental element of the Union' by referring to this 'single institutional framework', which could be only the Brussels institutions. It would thus mean that these institutions would have an important role (ensuring consistency) also in the second and third (intergovernmental) pillars. On the other hand in the last part of this article the Council is explicitly mentioned as one of these institutions (and in other articles, like Article D, the

21 C.H.Church/D.Phinmore, *European Union and European Community: A Handbook and Commentary on the 1992 Maastricht Treaties*. London: Prentice Hall/Harvester, 1994, p.56-58.

Council is made the 'overriding and dynamic' force of the Union.²² But what is true that, also through the Maastricht Treaty, the Commission potentially has won increasing responsibilities in foreign policy.²³ It is the main and often sole, negotiator in trade issues, in association agreements, with non-member states on certain issues, and has a long list of tasks with regard to development co-operation. In the last field the Commission had, already from the beginning, a variety of tasks, belonging for the major part to the first pillar, and thus part of the 'acquis communautaire'.

In the negotiating process the Articles on coherence remained largely the same, although Article 130 V underwent a small change. In the Luxembourg version²⁴ tabled in June 1991 the last part of the article still stated:

The Community and its Member States shall ensure that their development policies are consistent with the common foreign and security policy.

This meaning that Article 130 V was closely related to Article C of the Common Provisions, but probably also that coherence was originally seen in a restricted way. This sentence though was suppressed quickly, because of its superfluity with regard to Article C in which this consistency was already stated in its general form.²⁵

If these articles from the text of the Treaty are put side by side, the following definition of coherence in relation to development policy can be obtained [*Dubois, 1994:11*]:

The articulation between different policies or actions of the Community which aim to minimise or suppress contradictory or negative effects of these policies on developing countries.

In its Declaration on development policy for the year 2000, the EC Council of Ministers of Development Co-operation emphasised the importance of coherence of policy at its meeting of November 1992. The Declaration referred among other things to the 'linkage' between development co-operation policy and other areas of Community policy [*CEC, 1992:Article 27*]:

22 See also: J.Peterson/E.Bomberg, *Decision-making in the European Union*. London: MacMillan, 1999, ch.2.

23 N.Nugent, *The European Commission*. London: MacMillan, 2001, ch. 12. It is remarkable that Nugent in this chapter devotes but a single word to European development policy. Although this has been for a long time, next to trade issues, one of the few fields in which the Commission had a real say.

24 F.Laursen/S.Vanhoonacker (eds.), *The Intergovernmental Conference on Political Union. Institutional Reforms, New Policies and International Identity of the European Community*. Dordrecht: Martinus Nijhoff, 1992, p. 385 and 453.

25 J.Cloos/G.Reinesch/D.Vignes/J.Weyland, *Le Traité de Maastricht: Genèse, Analyses, Commentaires*. Bruxelles: Bruylant, 1994, p. 350.

The Council recognises the linkage between development co-operation policy and other Community policies. It also recognises the need to take account of their impact on developing countries. The Council urges the Commission to consider how this impact assessment might be carried out more systematically especially with regard to new proposals. It invites the Commission to report in time for the meeting of the Development Council in November 1993 on how it takes account of the objectives referred to in paragraph 18 in the policies that it implements which are likely to affect developing countries.

The relevant report, which will be dealt with in later paragraphs, was presented in November 1994.

It should also be noted that there is already some precedent concerning this article in the form of the Commission's decision on beef export subsidies of May 1994. The Commission stated as follows in this decision:

It is therefore necessary to take measures to end the serious incoherence that exists between the agricultural policy and the development policy of the Community. Such measures are all the more urgent because this harmonisation is a duty imposed by the Treaty on European Union (Article 130V).

The Commission also proposed measures such as the collection of data and adjustment of the subsidies 'for the purpose of ensuring coherence between the Common Agricultural Policy and the development policy' [*Commission Européenne, 1994*]. As far as coherence relating to the development objectives established in the Union Treaty is concerned, it is possible to draw a certain parallel with Article 130R. This states that [*CEC/CEC, 1992:58*]: 'Environmental protection requirements must be integrated into the definition and the implementation of other Community policies'.

In conclusion, therefore, the term coherence does not appear as such in the Treaty on European Union. Instead the Treaty talks about 'taking account of'. In Article C the concept 'consistency' is used. In a later resolution the Council refers to 'the linkage that exists' and to 'the impact'. It was not until the Commission's decision on beef export subsidies of May 1994 that the terms coherence and incoherence were used.²⁶

4. Naming the actors

Looking back nine years after the Treaty has been signed, it clearly took a lot of time before any action with regard to Article 130V was undertaken. Out of the Council though regularly signals were sent to the Commission which urged it to take some action.

26. As mentioned in the texts of officials of DG VIII quoted below, article 130 V is referred to as the 'coherence article'.

On 18 November 1992 the EC Council of Ministers of Development Co-operation urged the European Commission to make a study of the practical consequences of Article 130 V. When the Council met a year later the study had not been presented. And six months on again, in 1994, the Commission had done no more than hold some consultations with external experts. According to officials of DG VIII, the delay was attributable to the dismissive attitude of some member states to this problem. The Commission was also said to be too understaffed to undertake the preparation of a report of this kind [*Dhondt, 1994:93*].

At the end of April 1993 European NGOs started lobbying against the meat exports to West Africa (or rather the subsidies on such exports). They maintained that these exports could be regarded as dumping and that they therefore disrupted the local meat markets [*Eurostep, 1993a; Eurostep, 1993b; Klugkist, 1993/1994*]. This was at odds both with European projects to encourage meat production in some Sahel countries and with European development objectives.²⁷ The incoherence between European development policy and commercial policy was expressly pointed out by the lobbying parties.

As a result of this lobbying, both the French and the German development ministries commissioned studies of the meat exports and the coherence problem. This increased the pressure on the Commission. Following urgent representations by the Netherlands and Germany, the relevant Commissioner (Marin) produced the meat exports report (quoted previously) in which the negative effects were confirmed and adjustments to the subsidies were announced. As mentioned above, this report was the first to include clear references to Article 130V. The Commission announced that it wished to 'ensure coherence' between European development policy and the common agricultural policy.

Thus it was that a report of the Commission was finally produced in which Article 130 V was accepted as the 'coherence article. It was noted that since the Union did not have a comprehensive foreign policy, short-term considerations could often hold sway. As a result, the provision of aid could take precedence over the provision of market access. The job of the Commission in respect of coherence is above all to identify problems in good time and to minimise the negative effects. According to the report, the Commission wishes to concentrate on new policy in order to ensure that the problems remain manageable. No specific proposals were put forward in the Commission document for this purpose. In the debate on the report, the Council therefore got no further than the propos-

27. A German study concluded that the meat exports of Mali and Burkina Faso in the period 1985-93 could have been 20-40 per cent higher if there had been no subsidised exports of frozen meat to Ivory Coast from the EU. See Brandt [1994].

al of the relevant Commissioner (Pinheiro) to continue the study and consultations.²⁸ Although the Netherlands proposed that a mechanism be adopted for identifying present and future problems of incoherence, and Belgium wished to have a joint session of the EC Agriculture and Development Councils, neither suggestion has yet been acted upon. Six months later Denmark submitted a proposal for the design of a system of indicators.

In 1999 a new action of European NGOs against the CAP was started. Major focus of the lobbying activities were this time the export subsidies on dairy exports.²⁹ Low prices resulting from these exports were said to disrupt the milk markets and milk production in Jamaica and Tanzania. But the action was broader this time also the export of Italian tomato concentrate (to West-Africa) and beef exports (this time to South Africa) were brought forward as examples of the incoherences that European internal policies produced with regard to development policies. It did not result in concrete steps from the European Commission, although these examples of incoherence in European policies were quoted by the Dutch Prime Minister in his 50 years of development co-operation anniversary speech.

The organisational structure of the new Commission under the presidency of Santer was 'flattened' in the winter of 1994 to 1995. Different groups of Commissioners were instituted for the purpose to co-ordinate certain policy fields. One of these groups concerned the external relations of the Union and consisted of representatives of five Commissioners whose portfolio includes foreign policy or aspects of foreign policy. This group has above all a co-ordinating role. In addition, its terms of reference include assuring 'a coherent attitude on horizontal questions, susceptible to affect actions of the Commission in different geographical zones relevant to the responsibilities of the Commissioners'.³⁰ As far as coherence is concerned, this group is concentrating on new policy and

28. Statement to the Press, 1849th session of the EC Development Council, Luxembourg, 1 June 1995. The Commission emphasised in a previous meeting of the Directors-General that they would often need to reconcile widely differing interests. The banana file was cited as an example; here the completion of the internal market had to be reconciled with relations with ACP countries, relations with Latin America and requirements in the context of GATT/WTO.

29. Eurostep, Eurostep dossier on CAP & Coherence. Brussels, April 1999. See also: S.Verwer, *Pulverizing Powder: European dairy export subsidies and milk production in Jamaica and Tanzania*. Nijmegen, CIDIN, 2000.

30. Groupes de Commissaires, Bruxelles, Commission Européenne, 24 janvier 1995 (O/95/12).

exclusively on foreign policy. The subject of incoherence with internal European policy has not been raised.³¹

In May 1996 the European NGOs started a fresh lobbying campaign with regard to Article 130V. On this occasion the campaign concerned the fishing industry. The European Union was blamed for not having reduced the surplus capacity of its fishing fleets, and for having simply exported the problem by concluding fisheries agreements. European fishermen, mainly from a few southern member states, are in this way being allocated free fishing rights in the waters of developing countries at the Community's expense. Although the latest generation of these agreements do contain provisions to protect local coastal fishing, there is no adequately equipped inspection service to monitor compliance. As a result, the local small fishermen are suffering. Once again the example comes from West Africa, on this occasion from Senegal.³² The actions were supported from the inside by the German Ministry which commissioned in 1995 a study on the fishing agreements to the German Development Institute (DIE) and tried to convince their colleagues of the need for some action.³³

A second issue playing at the same time was the Chocolate Directive. This has to deal with the cocoa butter content of chocolate. The big chocolate industry was exerting pressure to lift the ban on cocoa butter alternatives and to allow up to 5% of these CBAs to be used in the composition of chocolate. The Commission backed this proposal and thus raised opposition from as well European cocoa butter producers, traditional chocolate producers, as well as development and fair trade NGOs and cocoa producing countries, in particular Ivory Coast. The whole proposal ended in a dead-lock since a unanimous vote of the Member States, needed for support in the European Parliament, did not come forward.³⁴

In the first half of 1997 the Dutch presidency put coherence high on its priority list. In this connection it organised a discussion on 1 March in the Amsterdam Arena on the sectors: conflict prevention, food security, fisheries agreements and migration. The goal was to bring a largely theoretical discussion

31. Discussions with officials of the Commission in May and June 1996.

32. See, inter alia, European Research Office [1995a; 1995b; 1995c].

33. Letter of BMZ to some of the like-minded, September 1995, with a note attached: Coherence between development policy and fisheries policy (not dated).

34. Apart from the literature mentioned above, see also: A.Koulaïmah-Gabriel/A.Oomen, *Improving Coherence: Challenges for European Development Cooperation*. Maastricht: ECDPM Policy Management Brief no.9, December 1997.

back to concrete issues.³⁵ In the Council meeting of 5 June a resolution with regard to coherence of EU policy was adopted. The Commission was urged to report regularly on coherence issues and to present a report in 1998. Furthermore, it should describe questions with regard to coherence in policy proposals when relevant, and the council concerned should discuss these when the results might be negative for developing countries. In future Councils' trade, environment and agriculture are subjects that will be central in the discussion of coherence.

It is said that the Dutch lacked a clear strategy during its presidency.³⁶ They also later pressed very hard to get actions from the Commission and support from other Member States. But only Denmark is said to be a supporter, although it, during its presidency, left coherence aside as one of its focus points. Denmark though in its official multilateral policy stated to be prepared 'to address the coherence problem in connection with concrete cases in which incoherence is unintentional'. Furthermore, as stated, it proposed to develop a set of indicators 'with a view to the concrete assessment of incoherence'.³⁷ The French and Germans, in an earlier phase taking concrete steps in the 'beef case', now state aside.

Only in May 1999 the Commission came with a reaction, a *Non-Paper*, to be discussed in the Council. In this Paper the Commission stated that indeed the problem of coherence should be treated under several aspects: 1. coherence between development policy and external policies of the Union (CSFP, Trade); 2. coherence between development policy and other communal policies (CAP, fisheries, environment, consumers' policies); 3. coherence between the different instruments of development co-operation; 4. coherence between development policies and the policies of a given developing country; 5. and lastly, coherence between the policies of the member states and that of the Commission (and here co-ordination and complementarity are mentioned). The document then starts dealing with the four themes discussed in Amsterdam, but in a very inconclusive way. Since the Council invited the Commission again to come with some procedural arrangements to examine and deal with incoherences, the last page is

35. Based on Letters to the Dutch Parliament of 26 May 1997 and 5 June 1997, containing the agenda and the unofficial minutes of the Council Meeting of 5 June 1997. As well as: Coherence: discussion papers drawn up by the Netherlands Presidency for the Informal Development Cooperation Council. Amsterdam 28 February - 2 March 1997.

36 According to some of the Member States interviewed in March and April 2001.

37 Ministry of Foreign Affairs/Danida, Plan for Active Multilateralism, Strategies for Individual Organizations, Copenhagen 1996, pp. 155-157.

reserved for that. The Commission points at Article 12 of the Lomé Convention, which obliges the Community to inform ACP-countries when measures might be taken that could effect the goals of the Convention. The Commission suggests that such an article could also be built in in other arrangements with developing countries. With regard to the internal procedures the Commission points at 'RELEX' group of Directors General and supervised by the Commissioners who deal with foreign affairs.

It is clear that this Non-Paper was not sufficient for the Council, devoted anyway mainly to the evaluation of the different co-operation programmes of the Union. But the Council had to wait till the new Commissioner for Development Co-operation, Poul Nielson, took office before new initiatives were taken. In Spring 2000 three to four proposals on coherence were tabled and finally a far-reaching document was accepted by the group of Directors General. The document contained a series of specific proposals on instruments to be instituted. They were very close to the suggestions made by the coalition of European NGOs in Eurostep. In February 2000 the Directorate General for Development circulated a first draft of a policy paper on 'coherence', called 'Towards improved coherence between the Community development policy and other Community policies'. It started with a critical analysis of several fields of policy where development policy could 'be affected or even contradicted' by other policies. It particularly mentioned the Common Trade Policy, the Common Agricultural Policy, fisheries policy and the budget policy. At the last issue for example the extensive aid to Kosovo and Turkey was quoted as example of the political focus of European financial support to middle income countries at the detriment of low income countries. Trade, agriculture and fisheries policies were and are examples of incoherent policies that are quoted already for a long time in the public debate, but appeared now for the first time very critically in an internal Commission's document on development co-operation. The document further called for a 'realistic and pragmatic approach' and gave the Commission's answers to several European Council proposals.

It was clear very quickly that the document went too far, was too critical and was buried in the Commission. A new, really watered down version, with a title in which the word 'coherence' was substituted by the word 'consistency', was debated in the Commission's meeting half of April and then brought to the Council. A comparison between both documents shows clearly the large differences between the propositions of both Communications of the Commission. This final text, only signed by Development Commissioner Poul Nielson, was finally adopted.

The text though had little consequences. The Focal Point on Policy Consistency was never installed, although in the Directorate A and B of DG Development two of the units (Institutional development, civil society, institutional support and Development policy & coherence donor issues) on a more or less permanent basis tries to follow and monitor those decisions in the Commission that have or could have effects on developing countries. This is for example true for fisheries treaties.

Also the Statement by the Council and the Commission on 'The European Community's Development Policy' has a rather tame and short text on coherence:

'There must be greater coherence between the various Community policies focused on sustainable development. Efforts must be made to ensure that Community development policy objectives are taken into account in the formulation and implementation of other policies effecting the developing countries. The way to achieve this is to make a systematic and thorough analysis of any direct effects of measures in especially sensitive areas and to take development problems into account in the Commission decision-making process.'³⁸

Neither concrete steps, nor instruments are indicated. In the Council meeting though, a proposition by the Dutch to discuss coherence issues in every Council meeting was adopted, although not taken into the minutes.

Although the Commission as a whole appears to stay very reluctant to come with proposals and go into difficult detail on communal policies that in itself are already controversial, more and more member states seem willing to discuss incoherent European policies. A case in point might be the recent British policy paper on globalisation, in which also the CAP and the fisheries policy are given as examples and a promise is made 'to use every opportunity to work for change to the CAP and CFP'.³⁹

The Doha 'Development Round'⁴⁰ of the World Trade Organisation (WTO) and the 5th Ministerial Conference of this organisation in Cancún in September 2003 brought the issue of coherence of trade and internal policies with regard to development policy again in the foreground. In the centre of the discussions in Cancún were the agricultural policies of the EU and the USA, with cotton as a

38 Commission of the European Community, The European Community's Development Policy - Statement by the Council and the Commission. Brussels, 10 November 2000.

39 Department for International Development, Eliminating World Poverty: Making Globalisation work for the Poor, London, December 2000.

40 See the Declaration of the 4th Ministerial Conference, Doha, November 2001.

specific example.⁴¹ Developing countries, headed by India, Brazil and China, refused to go into the negotiation logic of the EU and the USA that dominated that dominated the 'Kennedy', 'Uruguay' and other round of negotiations in the WTO, and its predecessor the GATT, for so long. Doha and Cancún thus became the battle ground for a clash between developed and developing countries ending in a stalemate in Cancún.

The discussions were fed by critical reports of the World Bank⁴² and NGOs⁴³. In these reports trade distorting support for agriculture and export subsidies for agricultural products (90% of which provided by the EC) were in the centre of the critique. The World Bank stated that the Agenda 2000 CAP reform 'marked a step in the right direction' with the reduction of export subsidies and the cutting of support prices, but it stated also that it was 'unlikely to be sufficient to eliminate the EU exportable surpluses'. The Bank report also provided the figure of \$ 247 billion in 2000 of direct support to agricultural producers in high-income countries, about five times Official Development Assistance, that was quoted broadly in the following discussions. Income losses for developing countries because of agricultural protectionism by the developed countries were calculated at \$ 100 billion a year. West African countries alone are said to have lost \$ 250 million alone due to subsidies on cotton production in Europe and the USA. The World Bank saw in general a protectionism of labour intensive export from developing countries [*World Bank 2003*].

In 2002 the European Commission presented proposals for alterations in the CFP and the CAP. In the context of the mid-term review of the CAP the reorientation of the agricultural policy was aimed at promoting income redistribution and a higher sustainability. It should be indicated however that products not covered by the reform are notably rice, sugar and cotton, or those products harming developing countries' interests most.

5. Mechanisms for Promoting Coherence

It is unclear to what extent Article 130V and its implementation enjoy wide support in the European Union, the Commission and the member states. The article has been repeatedly cited by European NGOs and development aid ministries in connection with the identification of incoherent policy. However, there appears

41 The presidents of four West-African states filed a complaint against the EU and the USA with regard to their protectionist policies with regard to cotton.

42 Amongst others World Bank (2002, 2003).

43 Amongst others Oxfam (2002).

at present not to be much enthusiasm outside these circles for implementing Article 130V. Particularly the Commission has been reluctant in coming with proposals and documents. Various suggestions though have been made in the past to promote the coherence of development co-operation in Europe.

In a recommendation on the Maastricht Treaty, the Netherlands' National Advisory Council for Development Co-operation concluded in 1994 that it would be possible to increase the coherence of policy only in those fields in which the organs of the EU have primary responsibility for common policy [NAR, 1993]. In view of the examples of incoherence given here, these fields would be above all the relevant development policy of the Union itself, the commercial policy, the common agricultural and fisheries policy and the environmental policy. The Netherlands National Advisory Council considered that the Commission should make proposals for increasing coherence. It also recommended that the Commission should report annually to the EC Council and the European Parliament on the progress made in this field, at the same time identifying and describing the problems encountered in increasing the coherence of development policy and other parts of European policy.

In a second report published the Netherlands' National Advisory Council concluded that the Commission's November 1994 document on coherence was rather defensive and did little more than describe the problem, without providing instruments that could actually be used to promote coherence [NAR, 1996]. The case-by-case approach advocated by the Commission means that the supervisory role accorded to the Commission in the Maastricht Treaty is in practice being neglected. The Advisory Council once again stated that it was up to the European commissioner, Pinheiro, to make new proposals for procedures. Consequently, it is starting to look very much as though delay is tantamount to cancellation.

In a study of the coherence of development policy and European agricultural policy commissioned by the French development ministry, the French research institute Solagral proposed a series of measures to promote coherence.⁴⁴ First of all, it recommended that a working group of civil servants of different DGs be set up to assess the impact of measures to achieve the development objectives of Article 130U. In addition, it suggested that a group of experts be established to carry out impact and other studies.

Proposals were also made by a church conference held in January 1994. First, it recommended that there should be regular consultations between European and ACP ministers in various relevant policy fields in which it was felt that rela-

44. See, for example, Rolland [1995]. And the final report: Jadot and Rolland [1996].

tions should be clarified and strengthened. The second proposal was that a system should be established for the assessment and evaluation of policies analogous to the environmental clause (Article 130R) [Lutterbeck, 1994]. On the subject of the latter mechanism for achieving coherence, it should be noted that the Commission announced in June 1993 that it would take account of the impact of all its activities on the environment and would have an environmental impact study prepared where the impact was expected to be significant.⁴⁵ Each Directorate General would be required to assess the environmental impact of measures or programmes. If necessary, impact studies would have to be carried out. Proposals that could have a major impact on the environment would have to obtain a green asterisk and include a section dealing with the environmental impact.⁴⁶

In addition to these proposals, consideration could also be given to the idea of instituting a complaints procedure comparable to that of the Inspection Panel of the World Bank, as the Netherlands' National Advisory Council suggested.⁴⁷ Such a panel could consist of a small number (three or five) of independent members nominated by the member states and the Commission and appointed by the EC Development Co-operation Council. Governments and organisations from developing countries and member states of the European Union could file complaints with such a panel concerning incoherences in European policy. The relevant panel would require the powers and capacity to investigate and report on complaints systematically. It could then make recommendations to the EC Council for ending or reducing incoherence.

In a reaction to this advice the then Minister for Development Co-operation of the Netherlands concluded that he would indeed like to give the initiative in this field to the Commission. Regarding the possibilities for a complaint procedure for NGOs and others, Pronk wanted better access and better information on the existing complaints procedures with the Commission and with the European Parliament. He wanted to foster the debate on coherence by discussions on specific themes (food security, fisheries, migration, conflict prevention).⁴⁸ The

45. *Integrating the environment into other policy areas within the Commission*, Press Communiqué, IP(93) 427, 2 June 1993.

46. Commission document (Sec(93)785/final), 3 June 1993 and Manual of Procedures of the European Commission, paragraph 9.5.4.

47. For a description of the establishment and procedures of the Inspection Panel, see Shihata [1994].

48. Letter from the Minister for Development Co-operation to the Chairman of the National Advisory Council, 30 December 1996.

Danish government also pleaded to give more attention to the issue of coherence by means of discussions on concrete themes, such as food security and the CAP. It expressed its disappointment about the absence of concrete proposals in Commission documents. In an earlier phase it proposed a study on indicators for incoherence, but found no followers in the Council [*Ministry of Foreign Affairs/Danida, 1996:155-7*]. The Development Council resolution of June 1997 called on the Commission to introduce coherent impact assessments, present regularly reports, investigate the possibilities of joint monitoring procedures with developing countries and organise joint Council meetings.

In recent years most proposals came from the coalition of European NGOs, Eurostep. This was also the organisation that co-ordinated most lobby-actions around European policies. Suggestions to the Commission and the European Parliament to address coherence-issues finally, in February 2000, were: to make impact assessments in developing all Commission policies, to install an inter-service group to monitor draft policy proposals, and to establish a special Coherence Office which should identify areas of incoherence, investigate complaints, monitor also Member States' policies and prepare an annual report.⁴⁹ In reaction the European Parliament adopted a resolution in February 2000 with regard to coherence, which contained several of the mentioned mechanisms.

In the document finally adopted by the Commission a Focal Point for coherence was to be instituted. This focal point though only could have dealt with unintended cases of incoherence. This as well in policy as in implementation. It should have had only reduced power and means. It is said that in particular the Commissioners for Agriculture, Transport and Consumers' Protection were afraid for interferences into their policy fields and thus opposed to more far reaching approaches. The focal point was never instituted and coherence issues were thus lightly dealt with by the Institutional Development Unit within Directorate A Operational Support of DG Dev for broader coherence issues, as well as by the Development Policy & Coherence Donor Issues of the Directorate B Development Policy & Sectoral Issues of DG Dev.

The various instruments referred to above would have certain advantages and disadvantages. For example, annual reporting and a complaints procedure would be conducive to greater transparency and openness in matters relating to the coherence of policy. On the other hand, an annual report might become nothing more than a ritual with no real value. Another advantage of a complaints procedure would be that the initiatives would not be determined solely by the

49 Eurostep, Coherence and Consistency of EU Policies: Proposed Mechanisms for Implementation. Brussels, 7 February 2000.

Commission and could therefore be wider-ranging. However, if no investigative capacity is available or investigations are stonewalled by a lack of openness, such a procedure would have to be terminated because the integrity of the Panel members might otherwise be compromised.

The introduction of a screening test could have various advantages since each decision would have to be weighed. But a disadvantage might be the amount of red tape involved, particularly if it is found in due course that the interests are not even capable of being assessed. The environmental screening test is not yet operating sufficiently smoothly and in all relevant areas, and to date it has not been evaluated.

In May 2002 the Commission introduced, as part of a package to improve governance and coherence, a new impact assessment for all major policy proposals. The impact assessment would fall apart in two stages a preliminary assessment to identify the issues, objectives and main policy options and an extended impact assessment when the Commission would decide so on basis of the preliminary assessment. The instrument is gradually introduced from January 2003 onwards and it still has to be seen if it is an important tool for coherence.

Internal coherence however, got more attention from the side of the Commission. It is of course easier to deal with, because it concerns only one DG, DG VIII in the former situation, DG Dev now. A Quality Support Group was already installed in the beginning of the 1990s. Its first task was to institute common project lay outs and a common approval system. As such it introduced the logframe-method and tried to follow project proposals in this direction. It also tried to streamline the financial procedures and the budget lines.

With the set up of the 'RELEX Group' in 1995 the Commission tried to gain more coherence between all the cooperation programmes which were not only in the realm of different DGs but also of different Commissioners. RELEX should operate as a sort of consultation mechanism between high ranking civil servants. Its main domain has been the foreign relations of the European Union, meaning that cross-cutting issues stay, most of the times, out of sight. In 1998 a Common Service was set up in a first effort to streamline the cooperation programmes.

In 2001 this Common Service was reorganised and extended in the EuropeAid Cooperation Office as the implementation agency for European aid. It was a more or less direct result of the critique in the three evaluations of the European Union's cooperation programmes. All of them pinpointed at the weak organizational setting, bureaucracy, red tape and time consuming approval processes in the different DGs. It was a culmination of the critique heard in earlier years from the member states whose annoyance and *chagrin* on budget

uncertainty and underspending was hardly hidden in meetings and interviews.⁵⁰ Its main tasks are to improve the quality of project management, to reduce the time for project implementation, to improve financial procedures and to improve impact and visibility of the European aid programme. EuropeAid employed already more than 1.000 staff in 2002 and has wide implementation responsibilities. It has to oversee € 7.6 billion in aid in more than 150 countries. New coherence problems could appear here because implementation now has been definitely cut off from policy preparation in DG External Relations, DG Development and DG Trade.

Since 2001 and Interservice Quality Support Group, iQSG, under the responsibility of Development Commissioner Nielson. It consists of twelve representatives of the different RELEX DGs and has its own secretariat. Its main task up till now has been to monitor all the Country Strategy Papers that have to be written for all the aid receiving countries. A Commission guideline from June 2000 stipulated that in these papers a coherence paragraph should be contained, in which incoherences should be identified and also the policy mix of the EU should be described. In principle this paragraph could be an important step to identify major incoherences and thus come to more coherence. But until now these paragraphs are rather obligatory, not sustained by real research. Furthermore no internal instruments have yet been installed to monitor and evaluate or synthesize these paragraphs for a wider analysis or digestion in the Commission or Council.

50 One could add though that the member states were not the last to contribute to this bureaucracy by creating more and more budget lines for different topics. In total there were at the end of the 1990s 70 budget headings and 80 separate pieces of legislation. Also the European Parliament should rethink its responsibility in this respect.

Figure 6: Proposed instruments to foster coherence in development policy

	Instrument	Advantages	Disadvantages
National Advisory Council (Netherlands)	Report annually to the EC Council and the European Parliament Complaints procedure/ Inspection Panel Screening test	• greater transparency and openness • greater transparency and openness • initiatives not solely by Commission and therefore wider-ranging • decisions would have to be weighed	• could be defensive and thus ritualistic • more paper work • needs investigative capacity • red tape • window dressing • sometimes difficult to be assessed
Solagral (French Research Institute)	Working group of civil servants of different DGs Group of experts for assessment studies	• decisions would have to be weighed • better assessments • solid weighing of decisions	• lack of transparency • purely bureaucratic • responsibilities unclear • could be symbolic • could involve unnecessary paper work
Church Conference (Germany)	Regular consultations between European and ACP ministers System for assessment and evaluation	• greater transparency and openness • better assessments • solid weighing of decisions	• ritualistic/not transparent • no clear procedures • private initiative left out • no clear responsibilities • could be symbolic • could involve unnecessary paperwork
Government of Denmark	Discussions in Council	• developing set of indicators • discover unintentional concrete cases	• results unclear • behind closed doors, transparency lacking
Government of the Netherlands	Complaints procedure Commission Discussions in Council on food security/fisheries, conflict prevention, migration	• possibility to present incoherences • stimulating debate • discover unknown territories	• transparency not secured • investigative capacity lacking • results unclear • not leading to instruments/bureaucratic procedures

	Instrument	Advantages	Disadvantages
Eurostep	Impact Assessments Regular Reporting Joint Council meetings Coherence Office	• better insight in results • stimulate debate • better decision making	• could be ritualistic • much paperwork
First Nielson Proposal	Coherence Focal Point	• autonomous analysis • data base • contact point	• depends on place in hierarchy
Second Nielson Proposal	Focal Point in DG Dev	• detection of incoherences	• avoiding the real issues • not transparent
Government of the Netherlands	Discussions on coherence in every Council meeting	• stimulating debate	• could become ritualistic

Table 1: Two European Commission's policy documents on Coherence compared

	February 2000 Proposal	May 2000 Proposal
Analysis	Analysis of CAP, trade, fisheries, budget policies	Only answers to Council's proposals
Proposed strategy	Realistic and pragmatic approach recommended: trade off between conflicting objectives, incoherences unavoidable, begin with policy coherence	No strategy only proposals on mechanisms
On new policy proposals	Simple internal assessment system with 'inter-service group on coherence' which proposes adjustments and reports	Commission already takes decisions in a 'collegial' way
On implementation of policies	Coherence focal point: autonomous analysis, data base, contact point, facilitate external studies	Establishment of Consistency Focal Point in DG DEV
Other instruments	Monitoring: early warning system with Economic Counsellors in Delegations	Reporting: only when relevant Monitoring: introduced with regard to negotiating directives on future agreements; focal points in Commission delegations

6. Conclusions: evaluating coherence

If one would compare the outcomes and the process leading to these outcomes with the OECD's tools for building policy coherence (political leadership, strategic policy framework, central overview and coordination capacity, clear definition and good analysis, mechanisms to detect and resolve policy conflicts, reconciliation between policy priorities and budgetary imperatives, monitoring mechanisms, administrative culture) [OECD 1996] one should conclude that of these all probably political leadership is the one which is most lacking. On the large European Agenda development cooperation is generally one to be dealt with by junior ministers. Probably only during and as a result of the Jubilee 2000 European government leaders themselves dealt together with development issues. The preparation of the WTO summit in Doha could be another example. But let us be clear, this leadership hasn't come from the Commission either. The Commission was probably the most reluctant partner in the discussion on the Coherence article of Maastricht. When it came with documents it came late and half-hearted. It thus took a very long time before some coordination capacity and mechanism were installed, and still this is the Achilles heel of European efforts to come to more coherence. More analytical capacity, more staffing to monitor and follow policy, more research funds to evaluate the impact of European policies on developing countries are certainly most in need. And at the end, a culture where staff doesn't see it as a danger to their careers to deal with difficult and controversial coherence issues should come forth out of this leadership and policy frameworks. Now protection from the top seems to be clearly lacking.

For the evaluation of the C of Coherence of the Maastricht Treaty not all the classifications given are necessarily good instruments. Logical and definitional clarity is one of the main characteristics that concepts should have when being used in applied research. The second is that they should not be too complicated. The Classification 1, which discriminates between *restricted* and *broad* coherence seems best to meet these requirements. Also because it more or less fits into the language hitherto used by the different actors in the debate. The intended and unintended classification, used also by the Commission, might be mystifying, because what could be *intended* for one actor could be *unintended* for the other, meaning that *intended* can be only *intended coherence*, if the *intended* has been conveyed to and understood by all the actors involved.

Coherence of policy is an aspect of government activity that has hitherto received little attention. Nonetheless, provision was made in Article 130V of the Treaty on the European Union for coherence of European development policy. Despite the urging of various member states, little has been done to implement

this article. The reports of the European Commission on this subject are defensive and contain little specific proposals for dealing with incoherence. The Committee on External Relations appears mainly to be concentrating on coherence within foreign policy and coherence of new policy proposals. Consequently, it disregards both existing examples of incoherence and the coherence of development policy and internal European policy. The instruments proposed and adopted hitherto are not far reaching and don't seem appropriate to address the issues.

The evaluation of the C of Coherence could concentrate on the *Restricted (1)*, *Restricted (2)* and the Broad type of coherence. The *Restricted (1)* type, coherence within development policy itself, has been amply evaluated in the evaluations of the Lomé Convention, the Med- and the ALA-programmes. It doesn't seem efficient and logic to repeat that exercise. It is thus suggested to concentrate the evaluation effort with regard to Coherence to the *Restricted (2)* and the *Broad* type of coherence.

Furthermore it is proposed to concentrate the evaluation only on a certain set of fields/issues to be selected by the following *criteria*:

1. Issues or policies that have been most debated in the European Institutions;
2. Issues or policies that have been brought forward by European Civil Society;
3. Issues on which little empirical research is available on the effects they have on development effectiveness.

For the *Restricted (2)* type of Coherence it is proposed to concentrate on four issues:

1. European trade preferences/regimes and the development of trade with developing countries;
2. Human rights and development policy;
3. Security policies, foreign policies and complex emergencies;
4. Arms trade with developing countries;
5. The distribution of European Funds to different groups of countries.

For the *Broad* type of coherence it is suggested that the evaluation should concentrate on:

1. The effects of the CAP on developing countries, taking as examples tomato concentrates and cereals at one side, sugar and bananas at the other side;
2. European Fisheries Agreements and their effects on the fishing industry in developing countries;

3. European environmental policies and its effect on developing countries;
4. Consumer protection and its effects on developing countries' trade.

The evaluation should in its first phase concentrate itself on European institutions and actors. It should analyse documents and interview key figures of European Institutions, of the ministries involved in a selected number of member states and of Civil Society and market/producers' organisations. The *Restricted (2)* type of evaluations could probably be limited to this phase only.

In the second phase the evaluation should take place in a selected number of developing countries, particularly in those countries in which some of the main effects of CAP, CFP and environmental policies could be felt. Also here it would involve analysis of documents and interviews with key figures in particular from the state institutions involved and from producers' organisations.

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Complementarity, coordination and coherence are the three key concepts of the articles on development cooperation included in the Treaty on European Union (Maastricht 1992). An evaluation of these concepts, as proposed by the combined evaluation units of the European Commission and member states, should focus on the increased effectiveness of European development cooperation as a result of the implementation of the three Cs in recent years.

This exploratory study investigates how these concepts are applied, what definitions are used and how they are embedded in the international legal context.

The various forms of complementarity, coordination and coherence are analysed and commented on by a team of distinguished authors from different member states (UK, France and the Netherlands), brought together by Paul Hoebink of the Centre for International Development Issues at the University of Nijmegen.

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