

Policy Coherence for Development in the European Union: Do New Procedures Unblock or Simply Reproduce Old Disagreements?

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Please reference as: Adelle, C and Jordan, A. (2014) Policy Coherence for Development in the European Union: Do new procedures unblock or simply reproduce old disagreements? Journal of European Integration, 36 (4), 375-391.

Abstract

Policy Coherence for Development (PCD) – the integration of the needs of developing countries into all policy areas – is now an EU policy goal. This article focuses on how far this ambitious goal has been addressed in a policy procedure – Impact Assessment (IA) – established to support such cross cutting goals. Drawing on an analysis of the 2006 and 2013 reforms of the EU’s sugar policy, it finds that while IA offered a new venue in which to debate PCD, in practice it reproduced the same disagreements that previously frustrated agricultural reform. The article shows how IA was shaped during its implementation so instead of functioning as a bureaucratic procedure to pursue policy coherence, it simply buttressed the power of dominant groups. Advocates of policy coherence in general and PCD in particular should therefore be mindful that the toolbox of implementing instruments in the EU may be more limited than sometimes assumed.

Introduction

‘Policy Coherence for Development’ (PCD) - that is taking into account the needs of developing countries in ‘non’ development policies – has been adopted as a policy goal in the EU (Carbone 2008; Ganzle *et al.* 2012). PCD first emerged on the EU political agenda at the beginning of the 1990s and was, in theory at least, institutionalised by the Maastricht Treaty in 1992. However, little progress was made in practice for the rest of that decade (Hoebink 2001) until the ‘parameters’ of the development debate changed with the adoption of the Millennium Development Goals (Carbone 2008, p. 324). It soon became clear that achieving these goals would require more than just development aid; more far reaching synergies would be needed between the EU’s development and non-development policies (*ibid*). Consequently, in May 2005 the EU agreed an ambitious PCD agenda (Council of the European Union 2005a) which was then clearly articulated in the EU’s 2005 Consensus on Development (Official Journal 2006). The Lisbon Treaty, which entered into force in 2009, reiterated the EU’s legal obligation to pursue PCD and further strengthened the focus on the consistency between the EU’s internal policies and external relations. The challenge still confronting the EU is how to implement its commitment to PCD.

Policy coherence is a particularly difficult thing for any political system to achieve. Inevitably attempts to reconcile conflicts between legitimate interests may leave some actors disappointed (Furness 2012). Other EU objectives, which are not necessarily compatible with international development may need to be traded-off against it and one another. In this regard, the European Commission is keen to underline the importance of strengthening synergies between EU development objectives and other policy areas (e.g. European Commission 2009a). However, this position does not say much about how inevitable trade-offs should be dealt with. In many cases these trade-offs will be controversial and politically difficult and have been buried and deferred in the past, especially when PCD comes up against ‘hard’ policy areas where the stakes are high, such as agriculture or trade.

The rising political profile of PCD in the EU has stimulated an emerging body of academic literature. While much of the discussion has focused on identifying and evaluating specific examples of incoherence between the EU’s development objectives and other sectoral policies (e.g. Elgstrom and Pilegaard 2008; Lavenex and Kunz 2008; Bretherton and Vogler 2008), more general questions about ways to improve policy coherence have attracted less attention. Most notably, however, the OECD has a long track in this regard (e.g. OECD 1996). More recently a number of authors have also approached the problem of PCD from a process (rather than an outcome) perspective (e.g. Ashoff 2005; Furness 2012; Keijzer 2010). There is still, however, a need for further systematic and in depth research into the pursuit of PCD, especially that which focuses on specific implementing procedures.

Policy procedures can - in theory - create new opportunity structures to pursue greater coherence (Radaelli and Meuwese 2010). The idea is that by applying standardized methods and rules seemingly technical tasks help identify the ‘logically correct solution’ (Olsen 2005 p. 5). Radaelli and Meuwese (2010) suggest that when difficult coordination issues become blocked at a high level, consensus seeking EU policy makers can push them down to these less politicised procedural arenas where agreement can be forged. Impact Assessment (IA) – which involves the appraisal of the likely impacts of proposed policies before they are adopted - is one such procedure with a particularly strong bureaucratic bent. It seeks to rationalise the policy making process into a series of analytical steps to increase the coordination of cross-cutting issues by providing a venue for information exchange between stakeholders and a place where trade-offs between different policy objectives can be identified. The European Commission introduced its IA system in 2002 and has flagged it as ‘a powerful mechanism’ for pursuing PCD (European Commission 2009a, p. 4). However, establishing new bureaucratic procedures, such as IA, is one thing: how they are implemented in practice is another.

This article focuses on the role of IA in addressing PCD in the reform of the EU’s sugar policy. More specifically, it seeks to answer the following research question: *Does IA unblock or simply reproduce old disagreements in relation to PCD?* The EU’s sugar policy was one of the oldest and arguably most trade distorting regimes in the entire Common Agricultural Policy (CAP), which itself has frequently been accused of being at odds with the EU’s development objectives (Mathews 2008). This trade distortion produced both winners and losers in terms of impacts on countries outside the EU: Competitive sugar producing countries, such as Brazil and Thailand, argued that they had to compete unfairly on the world market with subsidized EU

exports; At the same time, two groups of developing countries with which the EU has historic development ties - the 'African, Caribbean and Pacific' (ACP) countries and the 'Least Developed Countries' (LDCs) - benefited from special trade and aid arrangements. These arrangements allowed them to import sugar into the EU with either low tariffs – in the case of the ACPs – or no tariffs – in the case of the LDCs.¹ During the 1990s when development NGOs began campaigning against the apparent incoherence between the CAP and the EU's development objectives (Hoebink 2001; Mathews 2008), a closed policy community kept change off the agenda (Ackrill and Kay 2011). Consequently, the EU's sugar policy escaped several rounds of CAP reform relatively unscathed. However, when reform of the sugar sector was eventually placed on the EU's political agenda at the beginning of the new Millennium, it presented an opportunity to revisit a difficult, and up to then unresolved, debate on precisely how to advance PCD.

The remainder of this article is structured as follows: First the potential of bureaucratic procedures such as IA for addressing policy coherence and PCD is discussed as well as the way in which different actors might shape these procedures in practice. Next, the role of IA in the 2006 and the subsequent 2013 sugar reforms is set out in order to ascertain the extent to which it provided a new venue to resolve the old and somewhat blocked PCD debate on international development and the CAP. In addition, by comparing the role of IA in the 2006 and 2013 reforms it is possible to see if the role of IA in the pursuit of PCD has changed over time as both high level political commitment in the EU to PCD and IA strengthened. The following section then reflects on this empirical account by considering which image IA took in practice and how this was shaped by implementation actors: Various images of IA are depicted in the literature including a bureaucratic procedure, a policy learning tool, and an instrument to buttress existing powerful groups. Each of these different images points to a different role of IA in unblocking difficult PCD debates. The concluding section of the article sets out the implications of these empirical findings for the wider debates on IA, PCD and policy coherence more broadly.

Policy Coherence for Development: the role of bureaucratic procedures

Bureaucratic procedures are 'all about rules which standardize behaviour' (Jordan and Schout 2006, p. 45). While too much 'bureaucracy' or red tape can be seen as an 'organizational dinosaur' and emphatically undesirable (Olsesn 2005, p. 3), bureaucratic procedures can be extremely powerful coordinating instruments in policy making. Radaelli and Meuwese (2010, p. 142) claim that, while bureaucratic procedures do not erase disagreement on hard questions, they can provide a new opportunity structure in which the questions can be re-processed in apparently technical discussions (*ibid*, p. 143). Bureaucratic procedures, for example, can facilitate the active exchange of information which helps identify synergies and trade-offs between different parts of the administration and so improve coherence of the whole (Jordan and Schout 2006).

Impact Assessment as a bureaucratic procedure

The concept and practice of IA has spread rapidly around the world in the last two decades (Adelle and Weiland 2012). Turnpenny *et al.*, (2012, p. 245) argue that IA essentially presents a 'more institutionalised manifestation of policy formulation

activities which have always been carried out in various forms'. More specifically it changes the existing bureaucratic procedures by standardising the policy making process into a series of analytical steps, namely: problem identification, objectives, policy options, impacts, monitoring impacts of the proposal after implementation, and stakeholder consultation. The findings of the IA process are summarised in an IA report. In its text book version, IA is based on the 'positivist' belief that policy making can be made more 'rational' by applying analytical tools: IA, therefore, exists to bring scientific evidence to the attention of decision makers and counter interest-based policy making, to integrate cross-cutting issues, and to increase cooperation between different departments (Turnpenny *et al.* 2012). This conception of IA is widespread and particularly evident in the guidance documents prepared for government officials who carry out policy assessment (Hertin *et al.* 2009).

The European Commission introduced its IA system in 2002 as the cornerstone of its better regulation agenda. It was also to act as a mechanism to implement the EU's Sustainable Development Strategy. The Commission claimed that by identifying the likely positive and negative impacts of proposed policy actions IA would enable 'informed political judgements to be made about the proposal and identify trade-offs in achieving competing objectives' (European Commission 2002, p. 2). Ultimately, the Commission claimed that it would 'improve the quality and coherence of the policy development process' (European Commission 2002, p. 2). After a first 'learning by doing year' in 2003, IAs have been conducted for all of the European Commission's major policy initiatives (i.e. all those presented in the Annual Policy Strategy or in the Commission's Legislative Work Programme). Each IA is overseen by an IA Steering Group (formerly known as an Inter-Service Steering Group) comprised of the lead DG within the Commission (i.e. the department putting forward the policy proposal) and a representative from other interested DGs. IAs are conducted according to official guidelines which are revised periodically. In addition, since the end of 2006, all IAs are reviewed an internal European Commission 'Impact Assessment Board' which publishes 'opinions' on the quality of the IAs.

Impact Assessment and PCD

The Commission first emphasized the importance of considering impacts of the EU's policies outside its borders on the cover page of the original IA guidelines (European Commission, no date). These carried a quote from the Sustainable Development Strategy: 'careful assessment of the full effects of a policy proposal must include estimates of its economic, environmental and social impacts inside *and outside* the EU' (European Commission 2001, p. 6 emphasis added). In addition, specific instruction to include consideration of developing countries has been included in the IA guidelines (European Commission no date, p. 18; European Commission 2005, p. 29; European Commission 2009b, p. 34) and highlighted in various official Commission documents on PCD (e.g. European Commission 2009a; European Commission 2011). IA therefore provides an opportunity for active information exchange within the Commission on issues which are relevant to PCD. In particular DG DEVCO can use its position on an IA Steering Group to put forward its 'development friendly' perspective and question the proposals of other DGs. In addition, IA involves a mandatory consultation step, which potentially facilitates information exchange between different stakeholders and the Commission, including from representatives of developing country and NGOs. The Impact Assessment Board

can also send back an IA to the lead DG if it is deemed not to have adequately followed the IA Guidelines – including the consideration of impacts on developing countries.

If the EU is serious about its commitment to PCD there should, we contend, be evidence that it is being actively taken up in the implementation of IA. However, a number of studies raise doubts in this regard. Adelle *et al.* (2006) found in a review of 41 IAs published in 2003 and 2004 that impacts outside of the EU, and especially on developing countries, were inadequately assessed in all but three. More recently an assessment of 77 IAs potentially relevant for the developing countries found that only seven had any content actually assessing the consequences for developing countries (CONCORD Denmark 2011, cited in CONCORD 2011). Crucially, these findings have been confirmed by the EU's own reviews of its IA system (European Court of Auditors 2010) as well as reiterated in Commission's 2011 Report on PCD (European Commission 2011).

The different images of Impact Assessment

So how can we account for this disappointing record of IA in PCD? The literature on IA has increasingly noted the disparity between the potential of IA in its text book version and the reality in practice (Adelle *et al.* 2012). This is in part explained by the presence of various images of IA: At times IA is presented – as it is above - as a way to depoliticise complex policy problems (e.g. Radaelli and Meuwese 2010). At others it is presented as a means of generating various forms of learning – instrumental and conceptual (e.g. Hertin *et al.* 2009; Radaelli 2010). In this way some authors argue that IA can create new knowledge generating opportunities about likely impacts of the EU's – opportunities for either instrumental learning about policy design or ultimately more conceptual learning where 'knowledge 'enlightens' policy makers by slowly feeding new information, ideas and perspectives into the policy system' (Hertin *et al.* 2009, p. 1187). At still other times, IA is depicted as being held hostage by existing forces (e.g. Cashmore *et al.* 2010). These authors argue that IA often simply supports the agenda of the responsible department (Nilsson 2006, p. 243). So that, rather than being apolitical venues for the exchange of technical information, or for more fundamental long-term conceptual learning, there is growing evidence that IA may actually 'buttress the power base of already influential groups' (Cashmore *et al.* 2010).

Until recently very little had been written about the precise conditions under which one image of IA or another is observed. The research rather focused on differentiating between these images of IA and determining which one(s) predominated at the jurisdiction level (e.g. Radaelli 2010). However, an emerging strand of the IA literature, which draws on implementation theory, has recently sought to explain how 'implementation actors' can steer individual IAs towards one image or another on the ground (e.g. Dunlop *et al.* 2012; de Francesco *et al.* 2012). These studies argue that the motivations for establishing IA at the 'jurisdictional level' may differ to those at the 'policy level' and that 'implementation actors' often enjoy significant discretion over the way in which IAs are carried out. For example by deciding the overall level and scope of the analysis and whom to involve in the process, dominate actors can reframe an IA in one direction or another. Dunlop *et al.* (2012) analyse more than 30

variables - including evidence of timings of IA and resource constraints - in search of factors which can predict how forces on the ground might shape an individual IA.

While this sort of macro-comparative analysis is a valuable approach for examining the role of implementation actors, we argue that detailed case study analysis can also reveal useful contextual detail about *how* implementation actors are able to shape the image of IA and under what conditions this may occur. Building on the work of Dunlop *et al.* (2012), we ask two specific questions about the role of IA in addressing PCD in the context of the 2006 and 2013 reforms of the EU sugar regime: *What image did IA take in practice? How was this shaped by key actors?* Crucially, we would expect to see IA play a different role in unblocking PCD in the reform process depending on the image of IA which emerged in practice and for this in turn to depend on how the IA was shaped by the relevant actors. Thus if the image of IA most closely resembled a 'bureaucratic procedure' we would expect to see IA act as a neutral tool for active information exchange and include input and analysis from the perspective of *all* the interested actors – in this case the inclusion of the PCD perspective. On the other hand, if the IA was acting as a tool for 'policy learning' we would expect to see the IA process leading to the production of knowledge through the deliberations of the actors and ultimately the alteration of the design of the policy and/or the fundamental re-thinking of the policy problem. Finally, if the IA is being used to 'buttress existing powers' we would expect to see both the IA process and the resulting IA report to reflect mainly the perspective of the dominant actors. These three images of IA are not mutually exclusive but their delineation helps to identify which image is dominant in a specific context. In the next section of this article these three images of IA are compared to the image of IA observed in practice to help explain the role of IA in addressing PCD in the reforms of the EU's sugar policy.

The reform of the EU's sugar policy

Less competitive than sugar cane in the tropics, EU sugar production survived as the result of price protection and support under the CAP. Guarded by a closed policy community, the EU's sugar policy had remained essentially unaltered through three rounds of CAP reform (Ackrill and Kay 2011). However, by the early millennium reform became unavoidable.² The empirical account set out below traces two subsequent rounds of reform of the EU's sugar regime which led to the agreement of new regulations governing the regime in 2006 and again in 2013. Each reform process included policy options papers, legislative proposals and, in the case of the 2006 reform, 'accompanying measures' for ACP countries. Crucially, these documents were (mostly) accompanied by IAs. The empirical account is based on analysis of these official EU documents as well as press releases, statements from Non Governmental Organisations (NGO) and stakeholder reports. The documentary analysis for the 2006 reform was supplemented by a semi-structure elite interviews with key actors including Commission officials, industry lobbyists and foreign diplomats in Brussels. This was not repeated for the 2013 reform which was part of a wider CAP reform which generated a high level of stakeholder comment and analysis available online. The focus of the empirical account is on events in the European Commission, rather than in the subsequent policy process in the European Parliament and Council: IA is primarily a coordination mechanism operating in the Commission and subsequent amendments of proposals by the European Parliament and Council are not (yet) subject to IA (European Court of Auditors 2010).

A policy options paper - 2003

In June 2001, when the Agriculture Council agreed the Regulation setting out the EU's sugar policy for the next five year period, it also requested the Commission to present a report on the policy and, if necessary, make proposals for its reform. An Inter-Service Steering Group to steer the IA for the reform proposals was convened by DG Agriculture towards the beginning of 2003. It included representatives from 13 other DGs, including DG Development and DG Trade. Their first job was to finalise the four policy options, which were used as a basis for six separate stakeholder hearings, including one for ACP representatives. However, the feeling of one official from DG Development was that 'the weight of the hearings was heavily towards the [EU] farmers' story'. Development stakeholders were not yet well mobilised to respond to the consultation and some important stakeholders, such as the LDCs and Oxfam International, were not included at all.

When the Commission published its policy options paper for the reform of the sugar regime in September 2003 along with the IA, it contained only three options. The fourth 'fixed quotas' option explored in the IA and preferred by both the EU and ACP sugar producers (who both benefited from elevated EU prices) had been dropped. According to the IA, this option would cause the EU to go back on some of its international commitments, namely EBA. Of the three options outlined the IA appeared to favour the 'price fall' option – which would phase out production quotas allowing the EU internal price to adjust itself to the price of the non-preferential imports. While the ACPs found themselves in (coincidental) alignment with the EU sugar sector in their policy preferences, the impacts on their sugar sectors were likely to be complex and diverse. However, the IA poorly considered these PCD issues. In particular, there was no mention of development commitments in the objectives of the proposal and ACP and LDC countries were only very briefly considered in the discussion of impacts. DG Trade and DG Development had apparently pushed for better consideration of the impacts on developing countries, especially on ACPs, in the Inter-Service Steering Group. However, in the end it was agreed that they would conduct another separate IA for ACPs (see below).

A single reform proposal - 2004

Having missed the initial stakeholder consultation, Oxfam International launched a campaign on the sugar regime in March 2004. This achieved widespread media coverage and public mobilization but officials in DG Agriculture viewed Oxfam's lobbying activities as idealistic and of little relevance to their more technical discussions. The LDCs and ACPs also attempted to organize campaigns. Unlike the ACP countries, the LDCs however, did not (yet) have an existing organizational structure. The EU sugar manufacturers' association and growers' association, in contrast, were well established and strong lobbying groups which had frequent formal and informal contact with Commission officials. The EU sugar manufacturers' association in particular offered the Commission expertise on the scope and nature of a possible restructuring fund for refineries.

Inside the Commission, DG Agriculture had little contact with other DGs while drafting its the single reform proposal. This was justified, according to one official in

DG Agriculture, because the other DGs had had a chance to air their views in the IA the previous year. Crucially, however, these DGs did not always feel that their views had been taken into account. According to an official in DG Trade, not all of the members of the Inter-Service Steering Group had agreed with DG Agriculture on how the different options should be weighted. Consequently, both DG Trade and DG Development were disappointed with the single reform proposal which was published in July 2004. This was portrayed as a compromise between the positions of the different stakeholders. However, the development stakeholders complained that the details favoured the EU sugar sector. As indicated by the IA the previous year, the Commission's single policy option was the 'price fall' option, which was preferred neither by ACPs, LDCs nor the EU sugar sector. However, in addition DG Agriculture proposed generous flanking measures to protect the EU sugar sector including compensation for farmers and no compulsory quota cuts. The amount of proposed price reduction (36 per cent over three years) appeared to be influenced by the forthcoming WTO panel ruling (see below), which necessitated a significant reduction of subsidized exports.

A legislative proposal - 2005

After a preliminary ruling on 4 August 2004, a charge brought against the EU by Australia, Brazil and Thailand at the WTO concerning its sugar export subsidies was upheld on 15 October 2004.³ Although the EU appealed this decision, several interviewees felt that the ruling was convenient to DG Agriculture because it supported the Commission's own desire for reform. It was felt that DG Agriculture's viewed the reforms as an internal issue and, while willing to listen to other arguments, kept a fairly rigid position (favouring the 'price fall' option) throughout the process. As two interviewees explained DG Agriculture appeared 'preset, predesigned' and 'blank, firm and clear cut'. Consequently, after the publication of the single reform proposal the ACPs and LDCs sought more sympathetic lobbying venues (e.g. the European Parliament). Only the EU sugar sector remained close to DG Agriculture and, while the sector was unable to change the DG's position regarding price cuts, it continued to negotiate generous flanking measures.

The Commission published its legislative proposal for the reform of the EU sugar sector in June 2005 along with a new IA. This second IA also poorly considered PCD issues and did not satisfactorily include analysis of the reforms from an ACP or LDC perspective in any of the steps of IA (i.e. problem identification, objectives, policy options etc). There was no mention at all of developing country impacts in the monitoring and evaluation of the future policy. The proposal rather strengthened the flanking measures for the EU sugar sector. A political agreement on the proposal – which increased the compensation package to the EU sugar sector even further - was reached in the Agriculture Council in November 2005 (after the European Parliament adopted its opinion on the 19 January). The regulations were formally adopted in February 2006 (Council Regulation 319/2006).

Accompanying measures - 2005

Meanwhile DG Development had worked on an analysis of the impacts of reform of the EU sugar policy on ACPs and LDCs which was finalized in June 2004 but never published. It was felt by one official in DG Trade that consideration of impacts

outside the EU was separated off from DG Agriculture as ‘a way of dealing with the problem’. However, this meant that the information was not fed back into the single reform proposal but instead used to develop a set of ‘accompanying measures’ for ACPs. The Commission eventually published an ‘action plan’ towards these measures in January 2005. This was based on country strategies prepared by the ACPs themselves but was criticized for lacking detail on how support measures would be financed and delivered and for failing to address the adjustment needs of the LDCs at all. Many ACPs and LDCs remained alarmed that their concerns that the reforms were too severe and too fast were not being taken into account.

The legislative proposal establishing accompanying measures for ACP countries was published in June 2005 and contrasted with the generous package of flanking measures for the EU sugar sector. LDCs were offered no package of measures at all while it was proposed to allocate ACP countries €40 million for measures in 2006. The IA for the accompanying measures, led by DG Development, considered the PCD issues in more depth than the two ‘agricultural’ IAs but only within the narrow confines of its remit. In particular, the IA was limited by the scope of policy options which were considered. The Commission’s proposed figure for the measures in 2006 was seen as ‘paltry’ by the ACPs but was nevertheless agreed by the European Parliament and the regulation was adopted on 15 February 2006 (Council Regulation 266/2006).⁴

A(nother) policy options paper - 2010

In 2010 the Commission launched a further round of CAP reforms in which the sugar regime was considered alongside the EU’s other market management mechanisms. Following a wide-ranging consultation exercise, the Commission published a Communication on the ‘*The CAP Towards 2020*’ in November 2010. This outlined three broad reform options to generate debate to feed into legislative proposals, which would be published in 2011. The ACPs and LDCs found themselves once again in alignment with the EU farming lobby in their support of the ‘status quo’ option. This would leave the current CAP largely intact but with direct payments adjusted across the member states. ACP and LDC countries wanted to maintain a stable policy environment in order to have further time to develop their sectors. However, the Commission was widely seen to have favoured the option labeled by the Commission as the ‘integration’ option. In reality this was a relatively minor reform of the CAP including the greater targeting of direct payments as well as an extension of other measures to include, for example, climate change mitigation and risk management instruments.

Although the Communication highlighted the EU’s commitment to PCD, it attracted a number of criticisms from development stakeholders and commentators: First, PCD was mentioned only in the context of food security, which was given a high prominence in the Communication following the 2008 food price crisis. Oxfam in particular strongly disputed the apparent logic that the CAP (or Europe) must feed the world as they had long maintained that the CAP rather undermined farmers and food security in developing countries. Second, export subsidies – although already greatly reduced – were not abolished outright; Third, the Commission’s apparent preferred policy option left the size of the EU budget largely unchanged and did not reduce the reliance of EU farmers on direct payments. Without such payments (including

decoupled payments) much of EU agriculture would not be economically sustainable. Furthermore, Mathews (2010, p. 6) claimed that the Communication, rather than a genuine attempt to reform agricultural policy, was part of ‘a strategy designed..... to provide greater legitimacy for CAP spending’. Both the Communication and the debate surrounding it focused on the potential of the CAP to provide EU public goods such as biodiversity and climate change mitigation.

Legislative proposals - 2011

Despite the obvious disappointment over the contents of the Communication, there was still an expectation that there would be more systematic consideration to PCD issues in the legislative proposals and the IA. However, when these were published in October 2011 impacts on developing countries were once again not adequately addressed in any of the steps of the IA. With regards to the EU sugar regime the draft ‘*Single CMO Regulation*’ proposed to end the sugar-quota system in 2015. While various commentators (e.g. Kalvert et al 2011; House of Lords 2012) suggested that this would have significant impacts on developing countries, ascertaining the extent and magnitude of these impacts would require complex analysis of the impacts of this single CAP instrument on individual countries, or at least different groups of countries, under conditions of uncertain world market sugar prices. However, the IA included only a very cursory consideration of the impacts of the CAP reforms as a whole on developing countries. PCD was dealt with mainly in terms of whether the EU was inline with WTO rules. An Annex to the IA reflected on the links between the CAP and PCD in more detail. However, as in the 2006 reform, this document was an add-on to the main reform process drafted, not by DG Agriculture, but by DG DEVCO. In any case, it did not attempt to assess and quantify impacts on developing countries of individual CAP instruments, noting instead the limited data available for such analysis.

Following the publication by the Commission the legislative proposals were discussed by the Council and the Parliament with the view to reaching an agreement in 2013.⁵

The role of Impact Assessment in Practice

In order to reflect on the role of IA in addressing PCD in this policy reform process we return to our original questions: *What image did IA take in practice? How was this shaped by key actors?*

If IA had acted as a bureaucratic procedure, we would expect to have seen IA act as a neutral tool for active information exchange and include input and analysis from the perspective of *all* the interested stakeholders. Although the concerns of developing countries (and especially ACPs) were raised in the ‘agricultural’ IAs, they were not adequately addressed. Impacts on LCD countries were hardly considered at all. This reduced the capacity of the IAs to facilitate active information exchange (i.e. to act as a bureaucratic procedure). In contrast, the IA on the accompanying measures considered PCD issues more thoroughly, but the analysis was confined by the narrow remit of the agricultural proposals. The annex on PCD published in the 2013 reforms was not an IA but rather a broad discussion paper. Both of these documents were conducted by development actors in relative isolation from agricultural actors thus reducing their ability to feed information into the main (agricultural) policy process.

If the IA had acted as a tool for ‘policy learning’ we would expect to have seen the IA process leading to the production of knowledge through the deliberations of the actors and ultimately the alteration of the design of the policy and/or the fundamental re-thinking of the policy problem. Throughout both sets of reforms the new IA procedure did provide learning opportunities between the (EU) agricultural and development communities, especially through formal consultation and the Inter-Service Steering Groups. However, DG Agriculture’s policy preferences appeared predetermined; in the 2006 reform its efforts were instead directed towards working out the technical details of the flanking measures for its traditional (EU) agricultural constituency; while in the 2013 reform there was a suspicion that DG Agriculture’s intention was bent on legitimizing the continued CAP budget. Consequently, and the fundamental framing of the reforms went unchallenged. Instead, the (PCD) ‘problem’ was separated off from the main reform debate to be dealt with by traditional development actors through ‘normal’ sectoral policy making. This substantially reduced the conceptual learning opportunities between the different stakeholders and policy sectors.

Finally, if the IA is being used to ‘buttress existing powers’ we would expect to have seen both the IA process and the resulting IA reports to reflect the perspective of the dominant actors. On several occasions during the reforms development actors felt that their perspective was not being fully taken into account. The traditional picture of a politically weak development constituency *vis a vis* the powerful European agricultural lobby (e.g. Carbone 2008) was borne out in this empirical account: Although DG Development was active from the beginning of the 2006 reform process the other development actors (e.g. the ACPs, LDCs and the NGOs) were slow to mobilise and remained relatively peripheral to the reform process. In contrast, while the EU sugar sector could not stop the reforms themselves – not least because of the WTO ruling against the EU – they remained close to the heart of decision making and engaged in frequent technical discussions with DG Agriculture. By the 2013 reform the increased momentum behind PCD ensured DG Agriculture’s rhetorical support at least. However, the continued lack of systematic and in depth consideration of PCD issues in the IA point to a dearth of more meaningful engagement with the issues.

Returning, therefore, to our over-arching research question - *Does IA unblock or simply reproduce old (PCD) disagreements?* Rather than reprocessing hard PCD questions through the use of bureaucratic procedures, or for that matter reframing the policy problem through conceptual learning, the IAs were highly constrained by existing political forces: long standing asymmetries of power between the actors were reproduced rather than fundamentally altered by this new opportunity structure. Furthermore, this situation did not appear to change between the 2006 and the 2013 reform despite the increased institutionalisation of both IA and PCD in the intervening years.

Conclusions

These findings inform three wider debates in EU scholarship: on IA and its ability to rationalise the policy making process; on PCD and the EU’s choice of instruments to pursue this; as well as the EU’s wider commitment to and ability to effect policy coordination. These are now discussed in turn.

Although IA is often portrayed by policy makers – as it is by the European Commission – as a bureaucratic procedure which can help to make the policy process more evidence-based, this technical-rational image of IA rarely prevails in practice (Hertin *et al.* 2009). The detailed empirical account set out in this article not only reveals how implementation actors were able to shape the IA towards their own ends, but also points to a number of possible conditions under which this might more readily occur: first, there was an existing group of powerful actors operating in this policy field (i.e. the EU sugar sector); second, there were potentially significant trade-offs between competing policy objectives; third, the nature of the policy problem was complex and involved many different stakeholders with competing policy objectives (not all of which were raised in this article (e.g. consumer affairs and the environment). In other words, it was precisely *because* the policy problem was politically costly and contested – or blocked - that the IA could not successfully provide a new venue to resolve the debate.

Turning now to the EU's pursuit of PCD: In theory, IA should form an important contribution to the PCD tool box, not least due to its mandatory and cross-sectoral nature. IA has been increasingly flagged by the Commission as 'a powerful mechanism' for pursuing PCD (European Commission 2009a, p. 4). In addition, the IA procedure has now become firmly institutionalised within the Commission's every day policy making procedures (European Court of Auditors 2010). However, the empirical account presented above found no real improvement in the consideration of PCD in the IAs over time. The 2009 revision of the IA guidelines was thought to sharpened IA as a PCD instrument (European Commission 2009b). However, a number of additional changes to the IA guidelines could go further to highlight the use of IA in PCD. For example: the inclusion of DG DEVCO on the Commission's Impact Assessment Board, which has an important quality control function; improved monitoring and evaluation of external impacts, which would lead to greater learning about the actual rather than the likely impacts of the EU's policies on developing countries; investment in research and data on impacts on developing countries; and support for developing countries and relevant interest groups to contribute to IAs.

However, these types of micro and meso-level changes can do little to alter fundamental asymmetries of power between actors or any of the other factors witnessed in the reform of the EU's sugar policy (e.g. high cost trade-offs and complexity of the coordination problem). The empirical case presented in this article indicates that we should be cautious about the contribution of IA to putting PCD into practice. In certain circumstances (e.g. when debates are politically difficult and become blocked) other coordination mechanisms such as hierarchical mechanisms (e.g. the Council's rolling work programme on PCD) may be more appropriate (Jordan and Schout 2006).

Finally, turning towards the EU's wider governance, achieving greater coherence is, of course, not a new challenge for the EU: PCD is just one of a growing list of coherence (or integration) issues which the EU is wrestling with. For example, the EU has attempted to address 'Environmental Policy Integration' as a means of operationalizing its commitment to sustainable development (Lenschow 2002), while more recently 'Climate Policy Integration' or 'climate mainstreaming' has come to the fore (Nilsson and Nilsson 2005). These, and other, coherence issues have their own set of proponents and their own integration foci. Seeking greater coordination

(including coherence) has been described as ‘*the eternal problem*’ of governance (Perri 6 *et al.* 2002, p. 9). However, beyond just adding another issue which has to be coordinated or integrated into EU policy making, PCD introduces a new (third) layer of complexity to the EU’s already considerable coordination agenda. By attempting to marry the internal *and* external aspects of its policies, the EU must now not only coordinate horizontally (i.e. between different policy sectors) and vertically (i.e. between the different levels of governance), it must also coordinate the impacts of its policies both inside *and outside* Europe.

Grimm *et al.* (2012, p. 11) refer to this increasing complexity in the EU’s coordination challenge as the ‘global dimension’ while an emerging literature on external governance refers to the ‘external dimension’ (Lavenex 2004). What ever the terminology, the significance of this new dimension to the EU’s coordination challenge should not be underestimated as the pressure on the EU to consider its external impacts and achieve greater PCD is only likely to increase in future as globalisation continues to blur the distinction between internal and external policies. However, how far the EU goes in its efforts to achieve PCD, and in the process unblock old and difficult debates, will to a great extent depend on the role that the EU chooses to play in international politics (Carbone, 2008). After all, to be a credible leader in the eyes of the world, especially the developing world, the Union has ‘to get its internal policies right and create linkages with a coherent set of external policies’ (Vogler and Stephan 2007, p. 409). A continuing inability to practice what it preaches will undermine the credibility and legitimacy that the EU seeks in its interactions with other global actors.

Notes

1. Certain ACP countries are also LDCs and so qualified for duty free entry of sugar imports into the EU under the EBA agreement. In addition, since 2009 the original arrangements for EU market access for ACP countries – the Sugar Protocol – has been replaced by new arrangements under interim Economic Partnership Agreements. These arrangements are being implemented in stages with duty free and quota free sugar imports to the EU from these countries by October 2015.
2. For an explanation of the endogenous and exogenous pressures which eventually placed reform of the EU’s sugar regime on the political agenda in the early millennium see Ackrill and Kay (2011).
3. The case focused on the export subsidies, which Australia, Brazil and Thailand argued were beyond the EU’s Uruguay Round commitments. The WTO’s decision was upheld on appeal in April 2005.
4. It was agreed for the allocation of funds for the remaining seven years of the measures to be covered by the Development Cooperation and Economic Cooperation Instrument in the next Financial Perspective (2007-2013).
5. This was the first CAP reform since the Lisbon Treaty gave co-decision powers over the CAP to the European Parliament.

Acknowledgements

We are extremely grateful to John Turnpenny and two referees for their comments on an early version of this article. Financial support was provided by the Linking Impact Assessment Instruments with Sustainability Expertise (LIAISE) Network of Excellence financed under the European Commission’s Seventh Framework

Programme (Project Number 243826). In addition, Camilla Adelle gratefully acknowledges the support of a Post-Doctoral Fellowship from the University of Pretoria, South Africa, and Andrew Jordan gratefully acknowledges the support of the Leverhulme Trust (F00204AR).

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