



Policy coherence for agriculture and development

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Contradiction and incoherence are unavoidably a part of human life. Yet we seem to consistently seek order and coherence as organizing principles for human societies, and we go to great lengths to convince ourselves that coherence is the natural state of things. Do we overestimate human capacity to make sense of the world? Incoherence exists because human imperfection exists.

Yet the need for coherence is obvious in many areas, not least in agriculture and trade. There seem to be two types of incoherence here. One is the classical political contradiction between developed countries domestic interests and the interests of developing countries. For example, the European Union is one of the sugar producers in the world with the highest cost but it is also the second largest sugar exporter, due to its export subsidy regime. Current world market sugar prices are low and unstable, given chronic over-supply, and developing countries are often unable to compete in third markets. Another form of incoherence occurs when possible consequences are ignored because immediate, short-term interests prevail. For example, in recent years, the United States gave a negligible US\$4 million a year to Ethiopia to boost agricultural productivity, but then responded with around US\$500 million in emergency food aid in 2003 when the country experienced crop failure.

I would like to argue that policy coherence may be a myth or, rather, is based on three related myths:

■ **Myth 1. "We can actually achieve policy coherence."**

At the heart of the policy coherence debate is the nature of the policy process, a process of arbitration between conflicting objectives. Policy coherence does not exist per se, but only in relation to policy objectives. Agricultural and trade policies on the one hand, and development assistance policies on the other, are incoherent only if you suppose that these policies aim at the same objective, or that there is a clear hierarchy between objectives. But a national government may well pursue conflicting objectives. Development aid policies of OECD countries pursue international development objectives responding to a desire for international solidarity expressed by public opinion, whereas agriculture and trade policies of the same countries pursue economic and rural development objectives at national level. Governments may not only have contradictory policies, but also contradictory objectives. The only way to promote

coherence is to reconcile the objectives as well as the policies. Objectives change over time and may become incoherent as values and conditions change. Hence, by definition, policy coherence is an evolving and elusive target.

■ **Myth 2. "Once policy coherence is achieved, everything will fall into place."**

Developing countries need more than national or international policy reforms aiming at coherence. First and foremost, they also need technical and policy assistance and capacity building. In fact, an exclusive focus on policy coherence may detract from other measures. Take for example the West African cotton sector. Our most recent studies suggest that the long-term impact of complete elimination of tariffs and domestic subsidies, as notified to the WTO, would only result in an increase between 3.1 and 5 percent of the world price of cotton, and that China would be the most likely beneficiary. This runs counter to the idea that policy coherence alone would dramatically boost the West African cotton sector. Of course, it does not mean that subsidies have no impact. It means that, beyond policy reform, many other actions are needed to develop the agricultural sector in the region.

■ **Myth 3. "Policy coherence is about trade policies of developed or OECD countries."**

The international debate on "policy coherence" today focuses almost exclusively on the impact of developed countries policies and on trade liberalization, and hence, on the importance of policy reform. But is that all there is to it? I believe that the most urgent need is to propose new roles for agriculture and rural development, that is, development pathways in the developing world that go beyond agricultural trade. Few will deny that trade reforms are necessary to avoid depriving many developing countries of the development opportunities which trade may offer. But the challenge for developing countries is also to ensure that agriculture can flourish at home as well as in the global market place, in order to provide income, alleviate poverty and promote sustainability. Such pathways exist on a general level, elaborated by the Brundtland Report and international conferences of the 1980s, the Agenda 21 and the Millennium Development Goals (MDGs). The great merit of the MDGs is that they are based on the recognition that development is a shared responsibility between developed and developing countries, and also with

civil society including the private sector. The MDGs provide a much needed framework for development to combine the objectives of different stakeholders. However, MDGs now need to be translated into concrete policies and actions at country level.

With the MDGs as a stepping stone, policy coherence should aim at coherence between all development objectives and not just trade and agriculture. This is true at national and international levels. Indeed, there can be no development without partnership, ownership and participation of developing countries in policy making.

■ **Principle 1. A broad, multi-level approach to policy coherence**

Policy coherence in agriculture should be tackled both horizontally and vertically. "Horizontally", at country level, government and donors share responsibility for strengthening good governance and inter-sectoral coherence between different policies, and between stakeholders with conflicting objectives. Here the goal is that policies on poverty alleviation, biodiversity, agriculture and others should no longer be in contradiction. We only need to look at the case of pesticide policies - aimed at increasing yields but with negative impacts on health, biodiversity and even farm viability - to see how failing to adopt broad human development frameworks for policies can dramatically affect development outcomes. All partners should focus on identifying win-win situations where objectives and derived policies are synergetic.

"Vertical" policy coherence implies a coherent framework between different levels of governance at international, regional, national and local levels. A key principle here is subsidiarity, whereby decisions are made at the most appropriate and effective level. This particularly important in international negotiations, where countries should be able to negotiate their position based on a detailed understanding of how national and local policy action affect and are affected by international agreements. It is wishful thinking, however, that developing country ownership and multistakeholder participation - so close to the heart of development agencies today - guarantee policy coherence. Participatory processes will never entirely eliminate conflicting interests and power relations, and may result in ineffective compromise.

■ **Principle 2. Innovative visions for agriculture**

Agriculture needs to be put back on the agenda of all government ministries as a joint responsibility, and not only during the days marked "WTO". Recognition is needed that agriculture is key for economic and social development and for the achievement of many of the MDGs. We need to understand why support to agriculture has declined so dramatically. Recent research shows a comparative advantage of agricultural growth over growth in other sectors in reducing poverty. Sound agricultural development can

also protect biodiversity and natural resources for future generations and, above all, help to combat poverty. Countries may need a supra-ministerial body that arbitrates between conflicting sub-objectives at national level. With a clearer view of how agriculture fits development, developing countries should also be better able to define what they want from trade negotiations.

■ **Principle 3. Concrete mechanisms to reach compatible objectives between developed and developing countries**

There is no policy coherence without commitment to multilateralism. Humanity's problems are global and require some form of global agreement and governance. Multilateralism has attracted criticism for "cumbersome decision-making with too many parties". But also on this, let us be coherent. Multilateralism remains the closest available form of world democratic governance structure to bridge diverging objectives between countries. Multilateral organizations are now opening increasingly to civil society, the private sector and local governments, bringing new voices and new forces into the debate.

We should worry more about the growing tendency towards "minilateralism" whereby decisions are made by a few in fora such as the G8 or G20, and a return to bilateral arrangements between strong and weaker states. Unfortunately, many developing countries lack the ability to participate in and influence global rules-based systems. Hence, one of the top priorities must be capacity building and information exchange for international negotiations.

We are accumulating experiences on concrete multilateral mechanisms, in particular, the International Treaty on Plant Genetic Resources for Food and Agriculture, which has been ratified with remarkable speed. Also, efforts to define an international biosecurity framework constitute an innovative attempt at international coherence. The framework aims at rationalizing investments in regulatory and control structures for animal health, plant health, and food safety and biosafety. Promoting synergies between these different sectors will help countries in meeting their regulatory obligations in the cheapest, most effective way, while allowing them to take advantage of trade opportunities.

However, coherence between and within multilateral agencies is often weak, and overlap and inconsistency often limit their impact. Coherence is, therefore, also a very real theme for the reform of the UN and its specialized agencies. Notwithstanding the difficulties before us, these kinds of innovative multilateral mechanisms constitute steps to bridge developed and developing countries interests.

Policy coherence is not an end in itself, it is a continuously moving target we aim at. First and foremost, we need to be creative, and get off the beaten paths. If only, because, as Oscar Wilde put it, *"Consistency is the last refuge of the unimaginative"*.