



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels, 30 May 2007
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Opinion

Title **Impact Assessment on: a Joint Technology Initiative (JTI) in the area of aeronautics and air transport ('Clean Sky')**

(draft version of 23 April 2007)

Lead DG **DG RTD**

1) Impact Assessment Board Opinion

(A) Context

The Seventh Framework Programme (FP7) introduced the concept of Joint Technology Initiatives (JTI), conceived as public-private partnership (PPP). Environmentally friendly technologies for air transport have been identified by the Commission as one of the potential areas for the establishment of a JTI during the implementation of the FP7.

(B) Positive aspects

The monitoring and evaluation arrangements provide a clear outline of technical, managerial and financial measures. Furthermore, the risks/uncertainties associated with the Clean Sky initiative have been well examined (p. 25-26). The use of an evaluation panel before submitting this draft is to be commended.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: The problem definition should elaborate more on noise around airports alongside climate change and emissions. In setting objectives, the basic choice of applying negative or positive incentives should be more elaborated. The policy options should be presented and analysed more extensively before comparing and ranking options.

(1) The problem definition should elaborate more on noise. The problem definition is focused on greenhouse gas emissions and only briefly mentions a need to reduce noise around airports. Since noise is considered to be part of the problem for the development of the future air transport system, the IA report should elaborate more on this in its

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problem definition and objectives.

(2) The basic choice between applying negative or positive incentives should be more elaborated. The route of "negative" incentives is discarded on the grounds that it would lead to higher prices for and a (moderate) reduction in air transport, but it is not clear whether this is unavoidable, nor why this is an undesirable side-effect. Also it is not clear from the IA report if the two approaches could usefully be combined. The IA report should either expand the reasoning for discarding the application of "negative" incentives, or explicitly address the (political) considerations that would justify narrowing the focus of this IA report to positive incentives.

(3) More rigour should be applied in the presentation and analysis of impacts and the policy options should be analysed before comparing and ranking. The IA report presents four options from which only two are analysed in more detail ('FP-only EU action' and 'JTI'). More explicit impact analysis of the discarded options ('No EU-action' and 'Eureka-type approach') in terms of the criteria of section 4.1 should be provided in order to allow a transparent comparison of all options. When discarding options on ground that large scale initiatives are needed, some order of magnitude should be given. Finally, the IA report should present a more extensive analysis of impacts. Specifically: (i) as the benefits occur over several years in the future, the IA report should show their likely distribution over time and state the discount rate that has been used; (ii) an indication of the likely share of the claimed overall rate of return of 100% that will accrue to the private sector should be given (iii) the rationale for using a social cost of CO₂ emissions of ~€200-300/tonne of CO₂ should be explained.

(4) The timescale of the 'Clean sky' initiative needs to be more focused and concise. The IA report presents different timescales for various targets and approaches (2005-2050). As the timescale goes beyond FP7 (2007-2013), the agreed financial perspectives and the mandates of the current and subsequent Commission, further explanation needs to substantiate this approach.

(D) Procedure and presentation

With regard to procedure, the IA report should explicitly state whether it is also intended to meet the requirements for an ex-ante evaluation for financial spending programmes, and if this is the case ensure that it meet all the relevant requirements. The executive summary should mirror the structure of the IA report, presenting in a balanced way the policy options instead of simply recalling the benefits of the preferred option.

It appears that all necessary procedural elements have been complied with.

2) IAB scrutiny process

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