



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2011)

Opinion

Title

Impact Assessment for a Communication on EU Development Policy

(draft version of 18 March 2011)

(A) Context

Poverty reduction in the context of sustainable development is the primary objective of EU development policy, as confirmed in the Lisbon Treaty. The Commission Green Paper on "EU development policy in support of inclusive growth and sustainable development – Increasing the impact of EU development policy" (from November 2010) launched a public consultation on how the EU could further increase the impact of its development policy by supporting developing countries to generate inclusive and sustainable growth and mobilise their economic, natural and human resources in support of poverty reduction strategies. This Impact Assessment will accompany the Communication on EU development policy, planned for adoption by the Commission in 3rd quarter 2011.

(B) Overall assessment

The report needs to be strengthened significantly in several important respects. First it should better present the general context within which the proposed review of EU development policy is placed, briefly explaining the roles of the key players, the relationships between them and how EU aid policy works in practice. Second, the report should better describe the nature of the problem in clear terms and support the description with evidence, in particular by drawing on the results of recent evaluations of the effectiveness of EU development policy. The report should further substantiate the claim of inefficiency due to too much fragmentation of aid and should show the extent to which current objectives are not being achieved and why existing mechanisms for coordination are deficient. Third, the report should better clarify its objectives, clearly linking these to the problems identified and should fully explain and justify the relatively narrow scope of the Impact Assessment in light of the wide range of strategic issues identified. Fourth, the IA should describe the content of all option(s) in more concrete terms and clarify how the options are linked to the problems identified and the objectives to establish a clearer intervention logic. Fifth, the report should provide a much deeper analysis of the economic, social and environmental impacts of the policy options. Finally, the report should provide more information on different stakeholders' views and

Commission européenne, B-1049 Bruxelles / Europese Commissie, B-1049 Brussel - Belgium. Telephone: (32-2) 299 11 11. Office: BERL 6/29. Telephone: direct line (32-2) 2981898. Fax: (32-2) 2965960.

provide an executive summary conforming to the standards set in the IA Guidelines.

Given the nature of these recommendations, the Board asks DG DEVCO to submit a revised version of the report, on which it will issue a new opinion.

(C) Main recommendations for improvements

(1) Better present the overall policy context. The IA report should provide a better overview of the structure, policies and processes of EU development policy, including its goals, priorities and objectives, modalities and instruments as well as a better description of the relationship between EU and Member State development policies. The report should present the links between EU development policy and major international discussions such as the Rio+20 and describe how EU aid is positioned in the international context i.e. what are the linkages between EU and non-EU development policies including trade, agriculture, fisheries, environment and climate change, security and migration, as well as other international developments.

(2) Provide a more complete analysis of the problem. The report should include an assessment of the effectiveness of EU development policy so far, including the results of any relevant evaluations. The report should clarify the extent to which existing objectives, including the Millennium Development Goals, have not been achieved and provide full justification as to why a review of EU development policy is necessary at this time. Using supporting evidence, the report should provide a full explanation as to why existing mechanisms for ensuring better coordination of development effort have not been fully effective e.g. the EU Council Code of Conduct (2007) and the Operational Framework (2009) on Division of Labour (DoL). The IA should better explain, with supporting evidence, why aid fragmentation is a problem and how this manifests itself in practice.

(3) Clarify the objectives. The report should elaborate on its specific objectives and should better explain the reasons for its relatively narrow scope given the wide range of issues raised in the problem definition sections and the general objective of poverty reduction in the context of sustainable development. In particular, the IA should explain why it concentrates to a greater extent on issues relating to efficiency of EU development policy e.g. fragmentation of aid, poor coordination, duplication, lack of prioritisation, rather than a more fundamental review of the overall effectiveness of EU development policy.

(4) Better explain the choice and content of options. In light of the major challenges and questions surrounding EU development policy, the IA should better explain the rationale for the selection of the rather limited range of options namely on sectoral and / or geographical focus only. Furthermore, the level of detail provided on these options is not sufficient to enable the reader to form a judgement on their merits. It should be clearer from the description of the options how they can potentially address the problems of effectiveness and efficiency presented in the problem definition sections. The IA should elaborate on what sectors and/or geographical areas will be affected under these options or, if these are not yet defined, the report should discuss the possibilities, by employing scenarios and using concrete examples and illustrating how the criteria for focusing the EU aid outlined for option 2 and option 4 might be applied in practice. For example, the IA should at least explain by way of practical examples, criteria such as 'where the EU has a good track record'; where EU has gained significant expertise internally; sectors and areas where the EU wants to be active; where Member States alone

cannot make the difference; demand by partner countries; and, growth generating sectors.

(5) Improve the assessment of impacts. Even if proposals regarding specific geographical areas or sectors to be ultimately affected by changes in EU development policy are not yet developed, the report should nevertheless provide a more meaningful assessment of the likely economic, social and environmental impacts of the options. In particular it should analyse the relationship between aid dependency and incentives for national reforms in developing countries. The report should also assess impacts on (groups of) countries or international regions that may be affected by the proposals, international relations, social impacts in third countries, and on international environmental issues. The contingencies underlying the estimates should be clearly indicated (such as on the assumed donor behaviour of Member States and third countries). Moreover, the options should be assessed against the same clearly defined set of appraisal criteria, linked to the objectives. In that context, the report should ensure consistency in its assessment of the various options for example in relation to the level of aid dependency that may be created. Where the impacts depend on partners' actions, or where particular assumptions regarding their behaviour are made, this should be clearly highlighted.

(D) Procedure and presentation

The report should provide more information on different stakeholders' views throughout the text and provide an executive summary conforming to the standards set in the IA Guidelines. A glossary with technical terms and abbreviations should be added.

(E) IAB scrutiny process

Reference number	
External expertise used	No
Date of IAB meeting	18 May 2011