



EUROPEAN COMMISSION  
Impact Assessment Board

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## Opinion

### Title

**Impact assessment for a Commission Decision on establishing a mechanism for periodical evaluation of anti-corruption efforts in the Member States**

**(draft version of 12 January 2011)**

### **(A) Context**

Since the adoption in 2003 of the first Communication on a comprehensive policy against corruption, the fight against corruption has gained further momentum at national, EU and international levels. The Treaty on the Functioning of the European Union (TFEU) mentions corruption as one of the areas of particularly serious crime with a cross-border dimension for which minimum rules on definition of criminal offences and sanctions may be set up. The 2009 Stockholm Programme "An open and secure Europe" tasked the European Commission to present in 2011 a "Communication on a comprehensive policy against corruption in Member States, including the establishment of an evaluation mechanism as well as presenting modalities of cooperation with the Council of Europe's Group of States against Corruption (GRECO) for that purpose". The subsequent Action Plan confirmed the Commission would bring forward an anti-corruption initiative.

### **(B) Overall assessment**

**While the report is of acceptable quality and provides a considerable amount of analysis to support decision-making it should be improved in several respects. Firstly, the report should more fully demonstrate the necessity and added value of EU action by providing evidence to confirm that corrupt activities have direct EU or cross-border implications. Secondly, the intervention logic should be strengthened, for instance by better explaining how international pressure and transparency can prompt change. Thirdly, the overall impact of the preferred combination option should be better explained, including its ability to meet the objectives. Lastly, certain key analytical conclusions should be better justified and explained.**

### **(C) Main recommendations for improvements**

**(1) More fully demonstrate the necessity and value added of EU action.** In discussing the problems, the report should provide supporting evidence to confirm that corrupt

activities have direct EU or cross-border implications and to indicate the seriousness of this. For example, it might be possible to cite experts' concerns or appropriately anonymised examples of EU financial control cases or cases where bribe-recipients have relocated unfairly obtained funds to conceal them. The indirect relevance of combating corruption for key EU goals could also be more strongly demonstrated, for example with reference to concerns expressed by independent analysts about the difficulties that corruption creates for outside businesses who operate or might wish to operate in certain Member States. For each option, an explicit subsidiarity assessment should be provided to draw together the relevant considerations and to highlight the probable added value of EU action compared to the developments expected in the baseline scenario.

**(2) Clarify the intervention logic for favouring transparency and deferring a legal action.** The report should better explain the case for its preferred action by comparing increased international pressure and transparency to possible alternative drivers of national anti-corruption activity, and showing through examples that it can be influential. It should seek to more precisely distinguish between existing monitoring approaches (option 1 or 2) and the proposed EU report and mutual learning approach (option 3) which is assessed as having greater potential, both in terms of content and methods. To clarify the reasoning underlying the unfavourable assessment of a legal option (4), the report should prominently explain that Member States are already obliged to implement relatively comparable, wide-ranging and up-to-date anti-corruption laws and practical measures due to the 2008 EU accession to the UN Convention against Corruption.

**(3) Make clear the overall impact of the preferred option.** The report should better explain the expected impacts of its preferred option which, in the current draft, emerges as a late combination of options 2 and 3. This could best be done by presenting it upfront as a separate option and assessing it in the same way as the other options. Some illustrative examples of the effects of previous anti-corruption efforts should be added to the impact section, for example from a country which equalized access to essential health or other services.

**(4) Better justify and explain certain analytical conclusions.** The report should clearly explain the reasoning that underpins its economic benefit judgements whereby options are rated out of ten for possible impact. It should also better explain the method used to monetize these ratings, outlining why it is assumed that at most 5% of total cost of corruption is preventable. The uncertainties involved in this should be noted. Furthermore, in the problem section, the report should more carefully interpret the trends in different corruption indicators and should explain whether recent changes are dependable or suggestive signals of a true increase. The report should also briefly outline the methods used to estimate the costs of differing forms of corruption in different states, as quoted in the problem section. A comprehensive explanation should be provided on the method used to link lower corruption to GDP increases.

#### **(D) Procedure and presentation**

The option comparison table scores should be more explicitly explained in the text on impacts, and should be made fully consistent with it. The summary table on impacts supplied in the executive summary should be repeated in the main report. An effort should be made to express the assessment conclusions more precisely, and to link them to reasoning or evidence.

<b>(E) IAB scrutiny process</b>	
Reference number	2010/HOME/033
External expertise used	No
Date of IAB meeting	9 February 2011