



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2011)

Opinion

Title **Impact Assessment for a Communication on EU Development Policy**

(Resubmitted draft: version of 22 June 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.

(B) Overall assessment

While the report has been partially improved along the lines of the recommendations issued by the Board in its first opinion, it does not yet provide a sufficient basis to allow an informed judgement on the merits of the alternative options. The report therefore needs to be strengthened in several important respects. First, the purpose of the proposed Communication should be better explained by including the linkages between this and any other planned policy initiatives on EU overseas development assistance. On that basis the problem definition should provide a better assessment of the effectiveness of EU development policy by including the results of any corresponding evaluations. Second, the IA should describe the content of all option(s) in more concrete terms in particular by providing more information on the sectors or geographic areas that might be affected. Third, the report should provide a deeper analysis of the economic, social and environmental impacts of the policy options, and these should be assessed against the same set of appraisal criteria. Finally, the report should provide more information on different stakeholders' views

(C) Main recommendations for improvements

(1) Better explain the scope and provide a more complete analysis of the problem and policy context. The purpose of the proposed Communication should be better explained including the linkages between this and any other planned policy initiatives on EU overseas development assistance and relevant international negotiations, such as Rio+20 where the EU is a prominent player. In particular, the report should better explain why this initiative is confined to sectoral and geographic aspects and should elaborate further on how the other identified problem drivers (such as lack of policy coherence, country ownership, leveraging different financial resources etc.) will be addressed. The report should provide a better assessment of the effectiveness of EU development policy so far, including the results of any relevant evaluations and comparing its effectiveness and/or substantiating its added value to that of Member State policies where relevant. The report should clarify the extent to which existing objectives, including the Millennium Development Goals, have not been achieved and the gaps that need to be closed. The report should further distinguish between objectives that relate to the Millennium Development Goals and other goals beyond 2015.

(2) Better explain the content of options. While the explanations of the content of the options have improved, they remain at an abstract level and the detail provided on these options is still not sufficient to enable the reader to form a judgement on their merits. It is not clear from the description of the options how they can potentially address the problems of effectiveness and efficiency presented in the problem definition sections. In particular, the IA should elaborate further 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 using concrete examples.

(3) Improve the assessment of impacts. The report should provide a more meaningful assessment of the likely economic, social and environmental impacts of the options. A more concrete description of the options, as noted above, should enable a more in-depth analysis of the 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 discuss potential impacts on (groups of) countries or international regions that may be affected by the different options, also taking into account their absorption capacity, and give more indications of the scope and the size of the impacts as compared to the status quo. This should include an assessment of the impacts on international relations, social impacts in third countries, and on international environmental issues and also on the capacity to leverage policy changes in the recipient countries. The relationship between aid dependency and incentives for national reforms in developing countries should still be discussed. The options should be compared and assessed against the same clearly defined set of appraisal criteria, as opposed to the current strengths and weaknesses approach.

(D) Procedure and presentation

The report should provide more information on different stakeholders' views throughout the text and provide an executive summary as a stand-alone document.

(E) IAB scrutiny process

Reference number	2011/DEVCO/003
External expertise used	No
Date of IAB meeting	Written procedure. The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 20 May 2011.