



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2011)

Opinion

Title **Impact Assessment on an EU initiative on establishing a Programme for European Competitiveness and SMEs (2014 to 2020); DG ENTR**

(draft version of 28/07/2011)

(A) Context

The Commission adopted an over-arching proposal for the next multiannual financial framework (MFF) for EU spending on 29 June 2011, fixing the overall budget, allocations across high-level headings and key implementation choices. A series of follow-up proposals to provide a legal basis for sectoral spending programmes and to establish their specific budgetary arrangements are currently being finalised. This Impact Assessment report will accompany one such proposal that relates to the Programme for European Competitiveness and SMEs managed by DG ENTR. It analyses the need to stimulate the competitiveness of European business. European competitiveness policy is intended to put into place the institutional and policy arrangements that create conditions under which businesses can grow in a sustainable way.

The IAB has focused on the policy choices not yet fixed by the June MFF Communication.

(B) Overall assessment

The report requires further work in several respects. Firstly, the report should strengthen the problem definition by better integrating evaluation findings and the different views of stakeholders on the effectiveness and efficiency of the previous programme. Secondly, it should better assess certain impacts, for instance on crowding out and social inclusion. Finally the report should address issues of policy coherence by better explaining the links with other policies/programmes.

In its written communication with the Board DG ENTR accepted to revise the report in line with the recommendations of this opinion.

(C) Main recommendations for improvements

(1) Better explain the problems and make better use of evaluation findings. The report should make better use of evaluation findings and should present more clearly the different stakeholder views on the problematic issues with the various programme

elements. In particular the report should explain how the problems will be more effectively tackled by the new programme in comparison to the existing one, given the similarity of the programme designs. In this context it should also demonstrate how wider groups of beneficiaries could be reached. The report should better present the links with other programmes. The report should present more evidence supporting the need for intervention at EU level in the design-based consumer goods and tourism sectors.

(2) Improve the analysis of impacts. The report should assess the likelihood of crowding out and should explain how this will be effectively mitigated by the policy change option. A possible crowding in by private guarantee providers should be also discussed. The report should present a more comprehensive analysis of the social impacts, including assessing to what extent the programme could contribute to social inclusion, e.g. by providing access to finance for disadvantaged groups. The report should reflect on unforeseen economic changes (boom and crisis situations) and it should reflect this also within the monitoring system.

(3) Ensure better policy coherence. The report should better demonstrate the coherence of this proposal with other policies for instance by explaining how it works on a programme level and what kinds of synergies are to be expected.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report.

(D) Procedure and presentation

Some linguistic editing and streamlining of the language should be undertaken to improve the readability and clarity of the report.

(E) IAB scrutiny process

Reference number	2011/ENTR/002
External expertise used	No
Date of IAB meeting	31/082011 (written procedure)