



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2011)

## Opinion

**Title**                    **DG DEVCO - Impact Assessment for the 11<sup>th</sup> European Development Fund**

**(draft version of 5 August 2011)**

### **(A) Context**

The preparation of the 11th European Development Fund (EDF) entails specificities compared to the preparation of the EU regulations for the other EU financial instruments for external action, because it is linked to the Cotonou Agreement, a legally binding Treaty between the EU and ACP (African, Caribbean and Pacific) countries on the one hand and the Lisbon Treaty and a specific Overseas Association Decision with OCTs (Overseas Countries and Territories) on the other hand. Moreover, the EDF is outside the EU budget and based on an internal agreement between Representatives of the Governments of the Member States, accompanied by implementing and financial regulations. This impact assessment covers this entire package.

The IAB has focused on the policy choices not yet fixed in the MFF June package.

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

**The report needs to be strengthened significantly in several important respects. First, the report should better explain the scope of the measures proposed, clearly distinguishing the choices to be made for this Instrument from decisions that have already been taken e.g. in the June MFF package. Second, the problem definition should contain a general assessment of the overall strengths and weaknesses of EU development cooperation with specific examples. Third, the report should consider a broader and deeper range of options, beyond simply a comparison between the status quo and the preferred option. The report should describe more precisely, on the basis of evidence and using examples where relevant, how the preferred option(s) would be implemented and how they would address the problems identified and lead to improved results.**

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

**(1) Better present the scope of the instruments and impact assessment.** The report should better present the scope and limitations of the measures proposed by highlighting clearly the boundaries between: (1) the issues relating to development cooperation that are pre-defined, such as under the Treaty or other existing legislation/international agreements, or that have already been fixed by the Commission in the June MFF package; (2) the decisions to be taken now and which this Impact Assessment is intended

to support and, (3) the decisions that will need be taken in the future under annual programming such as the actual spending priorities.

**(2) Assessment of the overall strengths and weaknesses of EU development cooperation.** In order to aid a better understanding of the specific problems identified and how these are linked to outcomes, the report should include a general assessment of the effectiveness of EU development cooperation, highlighting its strengths and weaknesses, taking account of the international context in which EU aid is placed. The report should provide concrete examples of how the identified problems have affected results. The report should include a more structured presentation of the problem drivers.

**(3) Broader and deeper discussion of options.** Within the limits of the boundaries outlined above, the report should consider a broader and deeper range of options, beyond simply a comparison between the status quo and the preferred option. For example, the report could consider alternative ways in which objectives such as increased concentration of aid, reduced fragmentation and greater flexibility could be achieved. While acknowledging that the report cannot be specific on detailed spending allocations at this stage, the Impact Assessment could nevertheless be more explicit in terms of where the emphasis should be in terms of priorities and should signal the political feasibility of alternative approaches, providing concrete examples where possible.

**(4) Improve the assessment of impacts.** The report should describe more precisely, on the basis of evidence and using examples where relevant, how the preferred option(s) would be implemented and how they would address the problems identified and lead to improved results. The report should assess what would be the impact of the proposed budget increase on the overarching objectives such as the Millenium Development Goals. The report should also discuss the trade-offs that exist between the various options such as between increased flexibility and the risk of greater fragmentation.

*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**

The report should clarify how monitoring of its implementation will ensure the meeting of its objectives (for instance in terms of reduced fragmentation and greater effectiveness). The report should also clarify arrangements for evaluation of the instrument and its timing in accordance with the decision-making needs of the next programming cycle.

#### **(E) IAB scrutiny process**

Reference number	2011/DEVCO+/004
External expertise used	No
Date of IAB meeting	14 September 2011