

EUROPEAN COMMISSION Impact Assessment Board

Brussels, D(2011)

Opinion

Title

DG DEVCO - Impact Assessment on European Neighbourhood Instrument (ENI)

(draft version of 5 August 2011)

(A) Context

Following up on the over-arching proposal for the next multiannual financial framework (MFF) for EU spending adopted on 29 June 2011, the Commission is currently preparing a series of follow-up proposals providing a legal basis for sectoral spending programmes and establishing their specific budgetary arrangements. In the area of external action, these include proposals for various financial instruments which should be supported by impact assessments including the so-called European Neighbourhood Instrument (ENI). According to the Commission June MFF Communication, this should "benefit the EU's neighbouring countries supporting deeper political cooperation, closer economic integration with the EU and support to effective and sustainable transition to democracy".

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

(B) Overall assessment

The report requires some further work on several aspects. It should better demonstrate the seriousness of the problems and clarify the EU right to act, while presenting the links with other programmes. The report should clearly indicate the baseline scenario and clarify the content of the policy change options. On that basis it should analyse in greater detail the different options and sub-options and it should describe more extensively the comparative advantages of the preferred option against the other options and the baseline scenario. The report should also better explain the "more-for-more" principle. Finally, it should further assess conditionality provisions and it should explain in more detail how conditionality will be implemented in the new instrument.

(C) Main recommendations for improvements

(1) Better assess the relevant problems and clarify objectives. The report should be more explicit in identifying the problems to be addressed, for instance by linking the drivers to the general policy problems and including some illustrative examples. In addition, the report should analyse problems (including implementation arrangements) of the existing instruments by using available evaluation results, and present the interactions

between internal-external programmes in the problem definition. On that basis the report should clarify and sharpen the objectives with a view to clearly linking them with the underlying problems and their drivers.

- (2) Better demonstrate the necessity and value added of EU action. The report should better demonstrate the need for EU action by including examples e.g. as to why the EU has greater critical weight, why joint action is important and why a greater accountability would exist compared to action by Member States only. In this context, the report should also discuss why bilateral agreements are not capable of delivering the same results and why EU coordination is necessary.
- (3) Clarify the baseline scenario and the content of the options. The report should clearly indicate which of the options will serve as a baseline scenario. Furthermore, the report should better explain the content of the options especially for the sub-options of option 2.
- (4) Improve the analysis of impacts and comparison of options. The report currently assesses impacts at a rather general level. The impact analysis should rather reflect the concrete nature of the proposal and it should provide a detailed assessment of the various (sub-) options, clearly differentiating economic, social and environmental impacts. Impacts should be assessed for neighbourhood countries and also for the EU (where applicable). The report should in this context distinguish clearly between the description of the options and their impact analysis. It should better explain why option 2 scores as best compared to the other options and the expected developments under the baseline scenario. The report should include an analysis of administrative costs.
- (5) Better explain the "more-for-more" principle and conditionality. The report should provide more details on the "more-for-more" principle and how it will be applied in practice, including how to encourage neighbouring countries to further engage in reforms. It should also explain to what extent aid differentiation among the neighbouring countries is a key issue, given the EU's strategic interest in continued progress and support for all countries. In this context the report should also explain in more detail how the policy objectives of conditionality will be implemented through the new instrument and to what extent it will represent a strengthening of existing conditionality provisions.

(D) Procedure and presentation

The executive summary should be revised according to changes to be made in the report, be extended to an adequate length and provide an appropriate level of detail.

(E) IAB scrutiny process	
Reference number	2011/DEVCO+/004
External expertise used	No
Date of IAB meeting	14/09/2011