



EUROPEAN COMMISSION  
IMPACT ASSESSMENT BOARD

Brussels,  
D(2011)

## Opinion

**Title**                                    **DG DEVCO - Impact Assessment for Instrument for Stability**  
**(draft version of 5 August 2011)**

### **(A) Context**

Following up on the over-arching proposal for the next multi-annual 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 "Instrument for Stability". According to the Commission June MFF Communication, this should contribute to the crisis prevention and management. Total proposed allocation for the 2014-2020 period is €2.5 bn (2011 prices).

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

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

**The IA report needs to be significantly improved in several important aspects. Firstly, the report should better explain the scope of the proposal by clarifying the links between the Instrument for Stability and other financial instruments. Secondly, it should better focus the problem definition on the issues that the current proposal will aim to tackle, and should accordingly establish a clear intervention logic. Thirdly, the report should enhance the presentation of policy options by clearly explaining their substance. Finally, the assessment of impacts and the comparison of options should be improved by better explaining the advantages and the cost-effectiveness of the preferred option.**

**Unless considerable improvements are made to address the recommendations above, this IA report cannot be considered to provide the evidence base to support decision-making that is normally expected from an impact assessment.**

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

**(1) Better explain the context of the proposal.** The report should explain in greater detail the specific nature of the Instrument for Stability (IfS) as regards its scope and the areas of intervention. It should clarify the links between the IfS and other financial instruments - for both external and internal policy action - and explain how it complements them.

**(2) Better focus the problem definition and strengthen the intervention logic.** The report should present the main evaluation results in greater detail, and should clearly identify the issues and objectives that the current proposal aims to tackle. It should provide concrete examples of how the identified implementation problems have affected the intended results. Following from this, the intervention logic should be strengthened and the report should make clear how the objectives reflect the scope for improvement of the IfS, and how the proposed changes to the IfS Regulation address the identified problems.

**(3) Improve the presentation of policy options.** The report should first make clear what are the policy choices not yet fixed by the June MFF Communication. It should then provide much more detailed information on the substance of available policy alternatives, clearly indicating which elements of the current instrument will be changed.

**(4) Strengthen the assessment of impacts and the comparison of options.** The report should better differentiate the expected impacts of different policy options. In particular, it should explain why, despite the preferred option having a higher budget than the option of maintaining the instrument's current scope and level of financing, the impacts are expected to be similar. In order to demonstrate the cost-effectiveness of the preferred option, this needs to be resolved. The report should also describe more precisely, on the basis of evidence and examples, how the preferred option would be implemented and how it would lead to improved results. Finally, the report should improve the comparison of options, by underpinning with available evidence the scores assigned to the efficiency and the coherence criteria.

*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 different views of stakeholders on questions specific to the IfS should be presented in greater detail and should be reflected throughout the report. The report should also improve the presentation of future monitoring and evaluation arrangements of the instrument and its timing in accordance with the decision-making needs of the next programming cycle. The executive summary should be expanded in all key sections to be in line with the IA guidelines.

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

Reference number	2011/DEVCO+/004
External expertise used	No
Date of Board Meeting	14 September 2011