



EUROPEAN COMMISSION  
IMPACT ASSESSMENT BOARD

Brussels,  
D(2011)

## Opinion

### Title

**DG DEVCO - Impact Assessment on a proposal for an Instrument for the EU/Greenland Partnership**

**(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 proposals providing a legal basis for sectoral spending programmes and establishing their specific budgetary arrangements. In the area of external action, these include a proposal for the so-called "Instrument for the EU/Greenland Partnership". Greenland is a Danish territory associated to the European Union as an OCT (Overseas Countries and Territories) which has received annual assistance equal to €25 million under a seven-year Partnership Agreement since 2006. The renewal of the Partnership after its scheduled expiration in 2013 is the object of the report in question.

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

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

**The report should be significantly improved in various respects. First, the report should provide a clearer statement of all the dimensions of the problem on the basis of a more extensive presentation of evaluation results and more concrete examples of identified problems. Secondly, the report should define more clearly the exact scope of the measures to be taken at this stage of policy-making and should consider a broader and deeper range of options, beyond a simple comparison between the status quo and the preferred option. Thirdly, the report should strengthen the analysis of impacts and the comparison of the options' effectiveness, efficiency and coherence. Finally, it should provide a more extensive presentation of stakeholders' views of relevance for the proposed new instrument.**

**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) Strengthen the analysis of problems.** The report should provide a clear statement of the problem, explaining the need for a stand-alone instrument for one specific OCT, putting it into the context of the evolving structural challenges for Greenland and presenting the evidence for the specific issues of concern flagged across the report (i.e. capacity building needs, ICT problems, Arctic policy developments, trends in the fishing sector and correlation with the EU fishery agreement, implementation issues and effectiveness of EU support). In order to do so, the report should provide concrete examples of how identified problems have affected (or could affect) results along with a more extensive presentation of both the positive and negative findings of the existing evaluation.

**(2) Improve the design and the presentation of the policy options.** The report should better present the scope and limitations of the available measures by highlighting clearly the boundaries between issues that have already been fixed by the Commission in the June MFF package, the decisions the report is meant to support and those which will be taken only during the programming and implementation stages (such as actual spending priorities, project identification and potential use of innovative financial instruments). 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. The report could, therefore, describe more precisely what option 3 would entail. It should also provide sub-options within option 2 to better justify its proposed content. Such sub-options should cover changes in the areas of cooperation, alternative ways to mobilise expertise for capacity building and different choices on the number of focal sectors. Finally, even if already decided, the foreseen budgetary allocation for the instrument should be explicitly mentioned and compared to relevant resource envelopes under the current financial framework, so as to provide a more comprehensive view of the changes implied by the current proposal.

**(3) Better analyse expected impacts.** The report should explicitly acknowledge that no precise direct impacts can be assessed given the nature of the regulation in question. Within these limits, however, the report should show in concrete terms how and to what extent the options considered would address the problems identified and lead to improved results. In doing so, the report should improve the analysis of social and environmental impacts and rely more directly on the evidence emerging from the evaluation of current activities in both the focal and non-focal sectors. The report should also assess the impacts of the possible dilution of funds (across two focal sectors or across an increasing number of non-focal sectors) in terms of the effectiveness and efficiency of aid. In doing so, it should explicitly consider the possible increase in administrative costs and the limited absorption capacity of the local administration. Finally, the analysis should be extended to cover the pros and cons of the sub-options suggested above. On the basis of this strengthened analysis of impacts, the report should improve the comparison of options, comparing their effectiveness, efficiency and coherence relative to the baseline.

**(4) Expand the presentation of stakeholders' views.** The report summarises the views expressed by stakeholders during the general public consultation on financial instruments for EU external action. However, it should also specifically discuss and recall throughout the text any stakeholder view of direct relevance for the Partnership.

**(D) Procedure and presentation.**

An annex summarising the results of evaluations concerning the Partnership with Greenland should be included along with a list detailing the activities financed under the current instrument. The report should also clarify when an evaluation for the proposed new instrument would be planned and whether this would fit the decision-making needs for the next programming cycle.

**(E) IAB scrutiny process**

Reference number	2011/DEVCO+/004
External expertise used	No
Date of Board Meeting	Written Procedure