

(C) Main recommendations for improvements

(1) Clarify the context and further strengthen the analysis of the problems. While the report now provides a better description of the wider context for this initiative, the linkages with related initiatives such as the Social Business Initiative, the programme for social change and innovation and the EU Passport for Venture Capital should be further developed in the text by showing how exactly these initiatives link together to form a coherent overall strategy. Although the report now provides a clearer definition of the concept of a social investment fund, it should be noted that this is the definition that would be used for the purpose of any legislative proposal and thus needs to be further specified. The reasons why the venture capital initiative will not address the problems should be better highlighted in this section.

(2) Strengthen intervention logic and better explain the options. While the report now better explains the value-added of EU action it should further address the risks of preemptive action in a relatively nascent market e.g. the risk of distorting competition by setting a particular standard in the market. Given that the report now clearly signals a 'staged' approach to new measures, further clarity should be provided on the precise content of the measures that are envisaged now and those that may be necessary at a later stage. Also, the options in relation to various investors to be addressed should be further explained. The report should more explicitly address how such a staged approach involving a relatively general standard will address the problems identified.

(3) Improve the assessment of impacts. The report now includes a deeper discussion of the impacts of the measures proposed in terms of effectiveness and efficiency. However, in light of the staged approach outlined above, the report should specifically address whether unnecessary costs/burdens may arise as a consequence of introducing one set of measures now which may then be followed by a more detailed set of measures at a later stage. The report should also more explicitly assess the inter-dependence of the measures in terms of their likely effectiveness e.g. the effectiveness of introducing a labelling requirement without a corresponding definitive measure on measuring social returns. Finally the report should provide more information on the impacts on individual Member States.

(4) Better explain monitoring and compliance issues. The report should further clarify the progress indicators to be used and should indicate more precisely the timing for implementation and evaluations.

(D) Procedure and presentation.

While retaining the improvements made following the Board's first opinion, the report should be reduced in length (perhaps by moving some of the detail to annexes).

(E) IAB scrutiny process

Reference number	2011/MARKT/051
External expertise used	No
Date of Board Meeting	Written procedure The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 9 November 2011