



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels,
D(2012)

Opinion

Title **DG DEVCO - Impact Assessment on proposals for a Council Decision on the Association of the Overseas Countries and Territories**

(draft version of 17 January 2012)

(A) Context

The Overseas Countries and Territories (OCTs) which have special relations with Denmark, France, the Netherlands and the United Kingdom are associated with the EU under Part Four of the Treaty on the Functioning of the European Union (TFEU). The detailed rules and the procedure for this association have been laid down by the Council of the EU in the Overseas Association Decisions (OADs). The present OAD will expire on 31 December 2013. The revision process of this Decision, conducted within the limits of the TFEU, is underway and may lead to a legislative proposal for a new OAD. The IA aims to provide the evidence base for this revision process.

(B) Overall assessment

The report does not provide an adequate analysis to support decision-making in this area and should be significantly improved in a number of important respects. First, the scope of the initiative should be clearly identified up-front by much better explaining why the current design of the OAD needs to change. Second, drawing in a more structured way on evidence from evaluations and stakeholder input, the report should clearly focus on the underlying problems and drivers and should show how these relate to the current OAD. Third, when discussing the problems, the report should distinguish between OCTs, for example between wealthier and poorer countries. Fourth, the report should strengthen the intervention logic by establishing a stronger linkage between the refocused problems, objectives and options. The options considered should be feasible and better explained in concrete delivery terms. Fifth, in order to demonstrate more clearly the concrete difference this initiative will make, the report should provide a more thorough assessment of how effectively the measures proposed will address the underlying problems. Finally, different stakeholder views should be better integrated throughout the document.

Given the nature of these recommendations, the Board asks DG DEVCO to submit a revised version of the report, on which it will issue a new opinion.

(C) Main recommendations for improvements

(1) Better describe the scope and the substantive nature of the problems. The report should better present the scope of the initiative by highlighting clearly the boundaries between the issues to be addressed now, and which this Impact Assessment is intended to support, and issues that will need be tackled in the future, for example under annual programming. The report should better explain the difference that the OAD has made to date and why it needs to be changed. In that context, by drawing on appropriate evaluation evidence, examples, specific references and stakeholder input the report should more clearly and in more structured way present the specific nature and magnitude of the weaknesses and gaps in the current regime and the links to the underlying issues (problem drivers). The report should focus more on the underlying problems and should establish a clearer linkage between these and gaps in the structure of the OAD. The problem definition section should clearly distinguish between issues that are related to the current OAD and other issues relating to the capacity of OCTs (structural problems; economic, social and environmental challenges) and to changes in regional and international environment. Given the diversity of the OCTs in terms of economic strength, the report should provide a more disaggregated analysis of the issues raised, distinguishing between wealthier and more deprived OCTs. The baseline scenario should be expanded to show in more concrete terms how the problems identified above would evolve in the absence of a changed approach to the OAD. Finally the Annex on Trade should better substantiate the trade erosion and trade diversion effects.

(2) Better explain the intervention logic and range of options. The report should establish a more logical connection between the problems identified, the objectives and the options. It should include a more detailed discussion on the objectives and how these relate to the problems. The report should discuss a possible trade-off between more focused support on the one hand, tailored to the specific needs of individual OCTs and the wish to pursue a comprehensive list of objectives of EU policies. When considering objectives and related options, the report should also include a discussion on international financial services and taxation issues. The report should only consider options that are feasible in legal terms and should elaborate options on substantive measures, and not only on their legal form. The report should consider a broader range of possible options including those recommended by the external evaluation such as, for example, the inclusion of OCTs as outermost regions.

(3) Strengthen the impact analysis. The report should include more examples of how the proposed changes will affect specific OCTs and present overall impacts on different OCTs and Member States, rather than treating them as one homogeneous group impacted equally by all measures. The impacts in relation to trade should be better explained in non-technical language and supported where possible with concrete summary data and examples. Similarly for the environmental impacts, the report should provide a better explanation as to how the preferred option (as opposed to the status quo or option 4) would address the stated aim of aligning the OAD with general EU policies on the environment and climate change. Precisely how, in practical terms, the preferred option will deliver the intended benefits needs to be better explained.

(4) Integrate stakeholders' views and specify future monitoring arrangements. The report should clearly present the different views of stakeholders on key points throughout and explain the reasons for not retaining some of the proposals. The timing of evaluations should be indicated and linked to future decision-making needs. While the indicators

relate to the objectives these are presented only as 'indicative' at this stage. A more concrete set of indicators should be proposed which are more directly linked with objectives.

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 would benefit from a greater use of tables/diagrams to provide additional clarity. Certain sections, particularly those dealing with trade issues, are often very technical, their explanation is incomplete and difficult for the non-expert reader to follow.

(E) IAB scrutiny process

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External expertise used	No
Date of Board Meeting	15 February 2012