



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
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Opinion

Title **DG EMPL - Impact Assessment on a proposal for a Regulation on the European Fund for Aid to Deprived People (ISC version of 12 October 2012) ***

(A) Context

The programme of aid for the most deprived people (MDP) was created in 1987 to make a meaningful use of the then agricultural surpluses by making them available to Member States wishing to use them as food aid for the most deprived persons of the Community. Successive reforms of the common agricultural policy mean that EU commodity markets are expected to remain balanced without the need for market intervention. With the expected absence of intervention stocks, the MDP has thus lost the rationale underpinning it and will be discontinued with the completion of the 2013 annual plan. In its proposal for the next multiannual financial framework the Commission has reserved a budget of €2.5 billion to promote social inclusion and the harmonious development of the Union, reorienting the existing programme of food support for the most deprived persons. This document elaborates how best to design this instrument tentatively called the European Fund for Aid to Deprived People (EFADP).

The IAB has focused on the policy choices not yet fixed in the MFF June 2011 package.

(B) Overall assessment

The report needs to be strengthened significantly in several important respects. First, it should better explain the context for this initiative by clarifying why a new instrument is necessary. It should then better define the problems to be addressed by describing, in more specific terms, the scope of the new initiative and it should better explain why these problems cannot be addressed under the ESF. Second, given the role and proven capacity of Member States to act in this area, the report should better explain the need for and added value of an EU level initiative and how this would be coherent with Member States' activities. Third, the report should include a revised set of objectives that more clearly set out, in concrete and measurable terms, what is expected to be achieved in terms of poverty reduction and/or social inclusion. Fourth, the report should better explain how the options would work in practice e.g. how allocation of resources would be decided between the Member States. Fifth, the report should assess the extent to which the proposed measures will help alleviate the poverty related problems. Finally, in line with a more concrete set of objectives the report should set out a realistic set of indicators against which future performance can be effectively measured.

* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

(C) Main recommendations for improvements

(1) Better explain the context and the specific problems. The concrete purpose of this initiative should be much better explained from the outset. In particular, the report needs to explain why a new EU instrument is necessary and how it fits with other related policies, especially clarifying why the problems cannot be addressed under the ESF. The problem definition should focus on the specific issues related to the design of a new instrument including its scope, content and modalities. It should better explain the findings of the previous evaluations (including the Court of Auditors findings) of the current programme and clearly describe the implications of these findings for any future programme. It should also elaborate on the findings of the General Court ruling and indicate the implications of that ruling for the new initiative. The report should focus clearly on the specific role that a new instrument, focused on social exclusion, can realistically play.

(2) Better demonstrate the need for and the added value of EU action. Given the role and proven capacity of Member States to act in this area, the report should better explain the need for and added value of an EU level initiative and how this would be coherent with Member States' activities. The report should therefore much better place this initiative in the wider context of EU and Member State actions in this area and should clarify what exactly this initiative will add that is not already covered by existing EU policies (ESF) or indeed by Member States' measures or that cannot be achieved independently by them. In this light, the report should consider the important role adequate publicity for this EU action plays in incentivising organisations to provide aid to deprived EU citizens.

(3) Clarify the objectives. Based on a revised problem definition, the report should include a revised set of objectives that address in a more focused manner the specific problems that this initiative can realistically address. The objectives should be sufficiently concrete to allow for the development of reliable indicators that can measure performance of the initiative.

(4) Better explain the choice and content of the options. The report should more clearly explain how the options proposed are linked to the objectives and the specific problems, as refined. It should be clarified whether, under the 'no funding' option, the allocation of €2.5 billion would still be available for use under the ESF funding umbrella and in any case it should better explain why this option is not analysed more thoroughly. How the options would be implemented in practice should be better described. For example, the report should make a better attempt to explain the choices in terms of the intended reach of the measure, including target groups and geographic coverage as well as the criteria for allocation of aid including between Member States. The issue of the visibility of the EU action should also be addressed.

(5) Strengthen the assessment of the impacts. The options should be compared in terms of their efficiency, effectiveness and coherence with other policy measures such as ESF. In particular the report should discuss the extent to which the proposed measures will help alleviate the specific poverty related problems or social exclusion identified in the revised problem definition section and should also outline how they would complement Member State measures. While acknowledging the difficulty in obtaining reliable data, it should nevertheless better explain, in so far as possible in quantified terms, what difference the initiative will make (e.g. what proportion of the deserving population will benefit) and how this will be achieved. Claims such as increased employability should be

supported by evidence where possible. The basis and source for all estimates should be explained. The report should also explain whether different impacts could be expected based on Member States' different levels of co-financing; the multiplier effect should hence take these differences into account.

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 should explain and better present the quantified estimates of the benefits of the options. Based on better defined indicators, it should also clarify the arrangements for evaluation of the instrument and its timing in accordance with the decision-making needs.

(E) IAB scrutiny process

Reference number	2012/EMPL/020
External expertise used	No
Date of IAB meeting	19 September 2012