



EUROPEAN COMMISSION
Impact Assessment Board

Brussels,
D(2013)

Opinion

Title **DG ECFIN - Impact assessment on EIB external mandate over the period 2014-2020**
(resubmitted version of 20 December 2012)*

(A) Context

The European Investment Bank (EIB) undertakes operations outside the EU in support of EU external policies primarily on the basis of a mandate from the EU with an EU budgetary guarantee, referred to as the “EIB external mandate”. This activity is complemented by activities carried out at the EIB's own risk (limited to investment grade operations). For more than 30 years, the EU has been providing a budgetary guarantee to the EIB, limited to certain ceilings and other conditions, covering risks of a sovereign and political nature in connection with its loan and loan guarantee operations carried out outside the EU in support of EU external policy objectives. The current mandate expires on 31 December 2013.

(B) Overall opinion: POSITIVE

The report has been improved in line with the Board's recommendations, but needs further work in a number of respects. Firstly, in describing the current mandate the report should better explain the coherence between the EIB's role and that of other players involved in funding external action in the countries covered by the mandate, and between the EIB external mandate and other EU financing mechanisms for external action. Secondly, the report should further improve the evidence-base for the stated impacts. In cases where quantification is not possible, it should use concrete examples to demonstrate the stated effects. The report should also provide an assessment of implementation and administration costs of the different options. It should justify the scores assigned in comparing the options. Finally, stakeholder views should be better presented throughout the report.

(C) Main recommendations for improvements

(1) Further strengthen the context and problem definition. The report is now clearer on: (i) the recommendations from the Steering Committee of Wise Persons and the external evaluator to address the current weaknesses of the mandate; and on (ii) the status of their implementation. However, the key elements should be brought from the annex into the main text. The report should also provide greater clarity on the types of operations that can be supported by the EIB under the current mandate. While the report now describes the main structural differences and links between EIB and other Multilateral or Bilateral Development Banks, as well as links between EIB external

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

mandate and other EU financing mechanisms for external action, it should still clarify if there are any inconsistencies or duplication of effort between the two. It should also clarify the linkages between the EIB external mandate and the MFF. On that basis the report should further develop the problem drivers, for example, by explaining how they will evolve over time. While the need for financing climate action has been demonstrated, the report should also explain why such specific attention is not devoted to other policy areas such as environment or biodiversity. In addition, as the preferred option no longer achieves the objective of extending the EIB external mandate to all microfinance operations, the report needs to explain in the problem definition to what extent microfinance operations need to be addressed by this initiative.

(2) Further improve the assessment of impacts and comparison of options. As the robust quantification of impacts depend on the implementation of projects benefitting from the EU guarantee, such overall quantification appears to be difficult at this stage. However, the report should use more extensively concrete examples or case studies to demonstrate the stated impacts. It should provide a more thorough assessment of the implementation and administration costs of the different options in order to demonstrate that the preferred option is also the most efficient solution. In addition, the report (in particular in the section that assesses the impacts of the option 'FOCUS') should be clearer on how different beneficiary countries within the regional groups would be affected positively/negatively, explaining in more detail how graduation of beneficiaries for eligibility would be applied. Furthermore, it should be more transparent on the methodology used for assessing the impacts and comparing the options. For example, it should explain if and why all the seven criteria for main impact analysis carry the same importance. Finally, the report should always explain why a particular impact in each option is considered higher, lower or similar to the baseline scenario (e.g. justifying the scoring).

(3) Better present the stakeholders' views. The report should specifically explain on which issues stakeholders were consulted on. Moreover, the stakeholders' views should be better reflected throughout the report, in particular, on the impacts of each option and where they do not support the proposed options.

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 still be shortened by avoiding repetitions. The language should be further streamlined to make it more accessible for non-expert readers and a glossary of the most commonly used specific technical terms should be included. References to the correct objectives should be checked throughout the report.

(E) IAB scrutiny process

Reference number	2012/ECFIN/002
External expertise used	No
Date of IAB meeting	Written procedure This opinion concerns a resubmitted draft IA report. The first opinion was issued on 5 September 2012.