



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2016)

Opinion

Title

DG RTD – Partnership for Research and Innovation in the Mediterranean Area (PRIMA)

(resubmitted version of 13 July 2016)*

(A) Context

In December 2014, a group of Member States and third countries submitted a proposal for the participation of the EU in a joint research and innovation programme under Article 185 TFEU, which was complemented by an addendum in February 2016.

This proposal for a "Partnership for Research and Innovation in the Mediterranean Area" (PRIMA) aims at reinforcing cooperation in Research and Innovation in Mediterranean countries in order to contribute to the challenges of sustainable food production and water provision in the Mediterranean region and their related consequences.

The present impact assessment analyses the need for and added value of EU action in this domain and the potential impacts of alternative policy options.

(B) Overall opinion: POSITIVE

The Board gives a positive opinion, with a recommendation to further improve the report in a number of key aspects.

The revised report has generally been improved in line with the Board's recommendations. The institutional background, policy context, underlying problems, geographic coverage and rationale for this initiative are better described. Lessons from other similar initiatives are drawn, and the actual content and expected outcomes of the initiative, as well as the proposed governance mechanisms are better described.

However, further adjustments are recommended on a number of issues:

(1) The capability and expected contribution of each participating country for reaching the project's objectives should be further specified. This is especially relevant for third countries that are not associated with Horizon 2020 (H2020);

(2) The reasons for discarding from the outset the option of providing support to PPPs should be set out clearly upfront and the presentation of impacts should be organised more consistently and address all options with a similar level of detail;

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

(3) The requirements for ex-ante evaluations under the Financial Regulation should be better addressed, notably by clarifying the assessment of financial and operational risks associated with the different options.

(4) As advised in the Board's first opinion, the report should explicitly consider any potential crowding out effects and consequences of discontinuing other existing or planned bilateral programmes.

The lead DG shall ensure that these recommendations are duly taken into account in the report prior to launching the inter-service consultation.

(C) Main recommendations for improvements

(1) Country-specific information: Section 5.3 mentions a series of requirements for participating countries. It should be complemented with information on the extent to which all participating countries (especially those not associated with Horizon 2020) are in a position to meet them. It should also explain how the participation of each of these countries contributes to reaching the project's objectives and demonstrate their administrative, financial and scientific capability to effectively integrate the Dedicated Implementation Structure. Finally, the report refers to the important R&I capabilities of third countries (p.28) that are necessary for the success of the project but does not describe them.

(2) Options and Impacts: The reasons for discarding the option of supporting Public-Private Partnerships (despite the importance attached to the role of the private sector in the context of this initiative) should be clearly presented and discussed upfront. As for the presentation of impacts in the revised report, this is not organised in a consistent manner, resulting in unclear links or overlaps between some of them (e.g. the structure depicted on p.42 differs from that listed in section 5.1). To enhance the clarity, impacts should rather be structured under the three pillars of economic, social and environmental impacts and preferably follow the categories described in Tool#16 of the Better Regulation Toolbox, possibly distinguishing more clearly between impacts in and outside the EU. While the impacts of the preferred option are described more in depth, the impacts of all options should be assessed with a similar level of detail. The content of this section should avoid repeating elements of the problem description and focus more on specific impacts of the proposed initiative (preferably quantified) rather than on generic considerations from the literature on e.g. R&I as a driver of productivity growth (e.g. p.43). In addition, the fact that many obstacles to an effective implementation are mentioned for the preferred option whereas none were identified for the other two (p.47) should be reflected in the comparison of options and reconciled with the claim of higher effectiveness and efficiency of an Art 185 initiative (Table 6.3, p.48).

(3) Risk assessment and other requirements of ex-ante evaluation: Risks, mentioned in table 5.2, should be described. The way they were assessed should be explained and mitigation measures should be spelled out. For example, the revised report explains that funds are committed upfront while the work programme is defined yearly (p.30). Besides offering some useful flexibility, the report should discuss the risks implied by this approach and the possible mitigation measures. Similarly, it should further explain the implications of the "flexibility" of the centralised grant management requested by participating countries in their letter to the Commission from 15 June 2016. In this respect, the report should clarify whether there would be any derogation from H2020 standard rules.

(4) Potential crowding-out effects: In view of the relative importance of the budgetary resources expected to be committed under the preferred option and as already recommended by the Board in its first opinion, it is essential that the report considers any

potential crowding-out effects of other existing or planned bilateral programmes and assesses implications of their potential discontinuation.

Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated into the final version of the impact assessment report.

(D) Procedure and presentation:

The revised report requires further editing to ensure the smooth integration of the newly inserted sections in the report. In some instances, the additional text generates repetitions (e.g. pp 11-12; large overlap between introduction and section on consistency with other EU policies; identical sections on monitoring/audits on pp.37 and 57) or confusion (e.g. different hierarchy and categories of impacts on p.38 and in table 5.1 on p.39 and in the figure on p.42).

(E) RSB scrutiny process

Reference number	2016/RTD/009
External expertise used	No
Date of RSB meeting	Written procedure (an earlier version of this report was discussed by the Board on 5 July 2016, for which an opinion was issued on 7 July 2016).