



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2017)

Opinion

Title: Evaluation / 11th European Development Fund

Overall opinion: POSITIVE

(A) Context

The European Development Fund (EDF) is the EU's main instrument for development aid. The EDF supports economic, social and human development as well as regional cooperation and integration. Beneficiaries fall into two groups. The first is 79 African, Caribbean and Pacific (ACP) countries. An international agreement, the Cotonou Partnership Agreement, governs the spending in ACP countries. The EDF also supports 25 overseas countries and territories (OCTs) of EU Member countries.

EDF total financial resources for 2014-2020 are €30.5 billion. This funding is outside of the EU budget. EDF financial rules permit some spending that is barred by EU budget rules, notably on defence.

The 11th EDF entered into force on the 1st March 2015. Compared to the 10th EDF, it aims to ensure more flexibility and fast reaction in case of unexpected events. Regional funding also includes allocations to cover unforeseen needs that have a regional dimension. A new shock-absorbing scheme helps ACP countries to mitigate short-term effects of shocks, e.g., economic crisis or natural disaster.

This evaluation sheds light on how the 11th EDF is working. Its timing also matches evaluations of other EU external financing instruments (EFIs) that the EDF often works together with. The other EFIs fall under the 2014-2020 Multiannual Financial Framework.

(B) Main considerations

The Board notes particular challenges with evaluating the 11th EDF, and appreciates the body of evidence that the external study has compiled.

The Board gives a positive opinion, but considers that the report should be improved with respect to the following key aspects:

- (1) The Staff Working Document (SWD) is not a self-standing document.**
- (2) The analytical approach is not sufficiently clear on how it assesses effectiveness and seems to leave out several relevant issues.**
- (3) The analysis of coherence with other instruments is incomplete and could be more informative.**

(C) Further considerations and recommendations

(1) Staff Working Document presentation. The SWD should be a self-standing document, which a non-expert reader can understand without having to consult the external study. As it stands, it is difficult to grasp the full range of different aspects, including to what extent the assessment relies on the external report versus other material and whether or not the Services endorse the studies' conclusions. The SWD could better explain the context of EDF programming in developing countries and what factors drive effectiveness.

(2) Analysis and methodology. A number of characteristics of the EDF pose constraints for the evaluation analysis, including the very broad conditions for interventions in some 100 very different countries of all sizes, the very broad objectives pursued, the relatively generous flexibility allowing for reallocation of resources within the programming period, the absence of a reliable monitoring framework, the reliance on partnerships and domestic policies, and the many external factors affecting end results. These constraints should clearly appear upfront, while placing all relevant elements better into context. Other relevant issues that have been left out include the main changes from the 10th EDF to the 11th EDF, and the relevance of mutual ownership of the Cotonou Partnership. The report could address them too.

The intervention logic could accurately reflect links between spending decisions and operational and strategic goals. A check on effectiveness means to assess how well ex-ante objectives have been met (e.g. as set out in the original Impact Assessment from 2011 of the 11th EDF). The SWD should clarify what the implications and possible limitations are of evaluating 'at instrument level' relative to 'policy level', 'programming', 'modality' or 'project' levels. It should point out how the newly implemented results framework will address the limits to provide evidence for evaluation. The SWD should report more accurately on the stakeholder views to shed more light on the effectiveness of the EDF, taking account of their status as beneficiaries or not.

(3) Coherence. Coherence has many facets in the context of the EDF. Internal coherence relates to issues of human rights, gender, etc. Also important is coherence with e.g. other external policy programmes, with internal EU policies and with efforts of Member States, especially in view of the upcoming MFF. The analysis of coherence would gain from being more systematic.

(4) References to the external study. The SWD needs to address the external study conclusions more thoroughly and systematically. It needs to make clear where the SWD endorses conclusions identified by the external study and where not, and the reasons and evidence for this. Notably, the external report raises a number of concerns which are not addressed in the draft SWD (e.g. deterioration of partnership, decreasing transparency and participation of CSOs, insufficient lesson learning and absence of exit strategies). The report could also further discuss the identified problems (for examples with NAOs and RAOs) and clarify what these problems constitute and their magnitude. In general, more

detail is needed on the specific conclusions in order to be operational for future policy making.

(5) Additional comments. The analysis of efficiency could identify the various types of costs involved and as far as possible benchmark against other programmes. It could also discuss to what extent the programme and its implementation have been simplified. It might also comment on the proportionality of the 'one size fits all' approach. The report could more fully describe relevant interactions with and incentives for partner countries as this is an important aspect of programme effectiveness. The issue of financial instruments, blending and leverage effect could be better addressed to consider any unused potential. The SWD could also include considerations of how to better assess effectiveness of EDF programmes in the future and whether the 'results' framework under implementation will be sufficient for this purpose. It could also discuss how flexibility can be attained while at the same time respecting the need for accountability and ensuring effectiveness.

Some more technical comments have been transmitted directly to the author DG.

(D) RSB scrutiny process

The lead DG is advised to ensure that these recommendations are taken into account in the report prior to launching the interservice consultation.

Full title	Mid-Term Evaluation of the European Development Fund 2014-2020
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