



Modernising State Aid through better evaluations

Workshop on Evaluation in the field of State aid
Brussels, 23 April 2013

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Competition



General context

- Economic context: re-launching a sluggish economy, consolidating public budgets, setting public spending on a sustainable path, facilitating adjustment
- EU context: Europe 2020 strategy, New EU Multiannual Financial Framework (2014-2020), Introduction of budgetary surveillance systems. Focus on quality of public finance (QPF)
- Increased call for evaluation of State aid and public funds
 - Evaluation has been stepped up in several policy areas (DG COMP, DG REGIO, DG EMPL, ...)
 - Court of Auditors' advocates to carry out more systematic evaluations in the field of State aid
 - ECOFIN presidency conclusion of 13 November 2012 calls to implement effective evaluation



Policy context

Current State aid rules

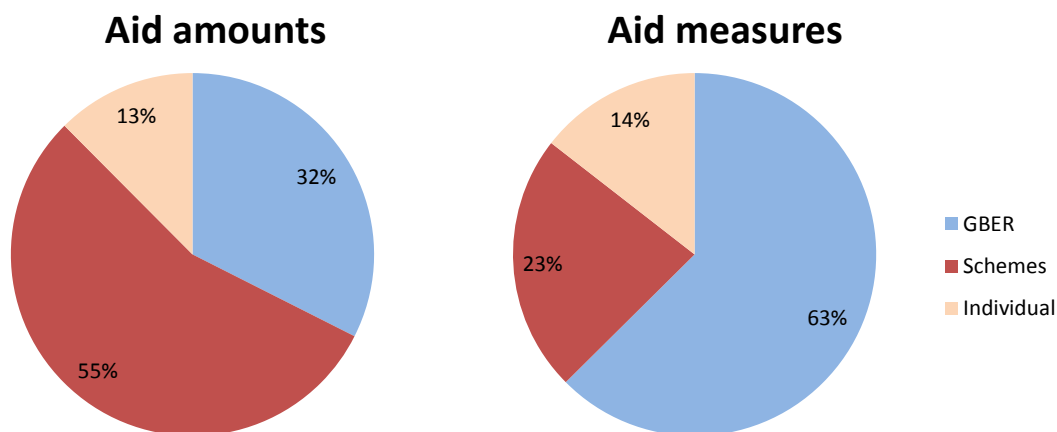
- Deficiencies in the implementation of aid schemes highlighted by monitoring
- Too much focus on ex-ante rules, lack of proper ex-post evaluation of the impact of aid schemes
- Lack of quantifiable data on the effectiveness of aid schemes that could pave the way for further simplifications

State aid Modernisation (SAM) initiative:

- Objectives of reinforcing 'good aid', preventing 'bad aid'
- More efficiency in aid spending: "*how to achieve more with less*"?
- More flexibility for MSs in implementing small, non-distortive aid measures
- More meaningful assessment of complex, larger schemes and a simpler assessment of standard cases
- Need for an overall balance between simplification of rules, eased treatment under block-exemption, and better control & scrutiny

Current State aid system

Continuously growing responsibility of MSs to implement aid schemes



Source: 2012 scoreboard (year 2011)

Approved aid schemes:

- 23% of all aid measures
- 55% of aid amounts.

Aid granted under GBER

- 63% of all aid measures
- 32% of aid amounts

Continuously growing importance of GBER both in terms of aid measures and in aid amounts



Evaluation in State aid – main purposes

- Objectives:
 - Verify *ex ante* assumptions which led to ex-ante approval
 - Assess effectiveness of schemes (delivering on stated objective)
 - Assess unforeseen negative effects and draw up remedies
 - Based on this, improve the design of schemes
 - Eventually, serve for better policy-making
 - Pave the way for further simplifications and better allocation of scarce resources



Existing practices to build on

- Spending reviews of Member States
- Independent public bodies
 - National Competition Authorities, Court of Auditors, reports to the Parliaments, ..
- Academics and researcher institutes
 - Effectiveness of regional policy, RDI schemes, broadband projects
- European Commission
 - DG COMP: evaluation of banking cases, assessment of the Temporary Framework,
 - DG REGIO: implementation of Structural funds
 - Other Commission DGs



Evaluation: challenges (1)

- Schemes subject to evaluation
 - Which schemes should be subject to evaluation?
 - Cf. Broadband Guidelines (large budget, novel schemes; where significant changes are expected on the market)
- Timeline
 - When can be the effects of an aid scheme expected and measured?
 - What should be the timelines for evaluation that can be considered in the prolongation for the aid scheme?
 - How to keep the exercise proportionate and within a reasonable timeframe?



Evaluation: challenges (2)

- Methodology
 - How to design relevant evaluation criteria?
 - With what indicators could the positive and negative impacts of an aid scheme be measured, considering their objectives?
 - How to obtain the necessary data?
 - How to establish a meaningful counterfactual analysis?
 - How to ensure the independence of the evaluation?
 - How to ensure sufficient transparency of the exercise?
- What would be the requirements for a solid and homogeneous evaluation across Member States?



Objectives of today's workshop

- Gather information on Member States' and other stakeholders' experience with ex-post evaluation
- Identify good practices
- Discuss key issues and challenges
- Collect information to design evaluation requirements



Agenda of the workshop

- PART I – Evaluation for better policy making
 - Keynote speech by Anne Bucher
 - Experts providing an overview of existing practices and experience of the benefits of evaluation
 - Debate on the merits of evaluation
- PART II – Introducing evaluation in the State aid system
 - Keynote speech by John Van Reenen
 - Experts on how to construct meaningful evaluation for state aid: methodology, data collection and cooperation between stakeholders
 - Debate on the requirements of a meaningful evaluation



Evaluation: state of play and next steps

- Publication of the 'issues paper' on our website
- Today's workshop with Member States and EPC members
- Gather input from MS, stakeholders and experts and review stakeholders' experience with evaluation
- Development of a methodological guidance for evaluation to ensure consistency and quality of the evaluation reports