Reduction of pollutant emissions from road vehicles


Background

This note seeks to provide an initial analysis of the strengths and weaknesses of the European Commission's Impact Assessment (IA) accompanying the above proposal which has been referred to the Committee on Environment, Public Health and Food Safety (ENVI). The proposal aims to modify the currently applicable legislation regulating pollutant emissions from road vehicles, the so-called ‘Euro’ emission standards. ‘Euro’ emission standards, which were introduced in the EU as from 1993, define the acceptable limits for toxic exhaust emissions of all new motor vehicles sold in the EU Member States. At present they cover emissions of nitrogen oxides (NOx), hydrocarbons (HC), carbon monoxide (CO) and particulate matter (PM). For each vehicle type, different standards apply. For light-duty vehicles (LDV) (cars and light vans), the emission standards currently in force are the Euro 5 and Euro 6 standards covered by Regulation n° 715/2007. For heavy duty vehicles (HDV) (trucks and buses), the standards in force are the Euro VI standards covered by Regulation n° 595/2009.

Exhaust emissions from light duty and heavy duty vehicles contribute to air pollution, which remains the number one environmental cause of death in the EU. In 2010, it was responsible for over 400 000 premature deaths. The World Health Organization estimates that urban outdoor pollution alone causes 1.3 million deaths worldwide per year. Although the quality of air has improved in the EU over the past decade, air pollution remains significant in urban areas where the motor vehicle and population density is the highest. According to the European Environment Agency (EEA), road transport accounted for 42 per cent of NOx emissions in the EU-27 in 2009, one of the biggest air quality problems in the Member States. Alongside their negative impacts on human health, vehicle exhaust emissions, and notably greenhouse gases, also contribute to climate change and accelerate this process. Road transport contributes about one-fifth of the EU's total emissions of carbon dioxide (CO2), the main greenhouse gas. Transport emissions need therefore to be tackled for the EU to meet its greenhouse gas emission targets defined in the Europe 2020 strategy.

Problem definition

The IA identifies 6 specific problem areas where market and regulatory failures would hinder addressing the aforementioned challenges of air pollution and global warming:

1. **The potential to reduce fuel consumption and therefore pollutant and greenhouse gas emissions through efficient driving behaviour, so called 'eco-driving', is insufficiently exploited**

The technical support for eco-driving is provided through fuel consumption meters (FCM) and gear shift indicators (GSI). While GSI have been made mandatory in new passenger cars of category M1 fitted with a manual gearbox,
no legal requirement exists to fit FCM in any category of motor vehicle at present. The IA argues that studies\(^7\) show that for light duty vehicles the potential of eco-driving is better exploited when using both systems at the same time.

2. The scope of the ammonia (NH\(_3\)) emission limits threaten to drive heavy duty (HD) natural gas vehicles out of the market

An ammonia limit value was set in the Euro VI emissions legislation for all heavy duty vehicles (HDV) regardless of the engine type. This limit value was introduced to avoid a risk of ammonia slip (too much ammonia in selective catalytic reduction (SCR) systems used for nitrogen oxides (NO\(_x\)) abatement from diesel engines) in diesel fuelled HDVs. As a small amount of ammonia is also formed in the engine combustion process of petrol or natural gas engines, which do not require SCR technology to comply with NO\(_x\) limits, the IA suggests that the ammonia limit puts vehicles in this small segment of the HDV market at a disadvantage, as it would require them to be fitted with a technically complex ammonia clean-up system. This may increase considerably the costs of vehicles such as compressed natural gas (CNG) fuelled transit buses, therefore encouraging their replacement with more polluting diesel vehicles.

3. The upper mass limit of light duty (LD) Euro 6 Regulation necessitates two type approvals for some vehicle platforms

A strict reference mass limit defines whether vehicles have to be approved for their emissions according to light (reference mass not exceeding 2610 kg extendable up to 2840 kg under certain conditions) or heavy duty legislation. The consequence is that different versions of the same vehicle type can be located on different sides of the borderline, thus requiring similar vehicle types to undergo double development and approval and double testing under the light duty and heavy duty emissions regulations. According to the IA, this creates important costs for the manufacturers without 'delivering any obvious environmental benefits'\(^8\).

4. Euro 6 LD low temperature emission limits are not adjusted to technical progress

The emissions of modern LDV are reduced by after-treatment (catalysts or SCR) or internal engine measures (such as exhaust gas recovery, so-called EGR). Since these systems require a certain temperature to work at full efficiency, emissions are considerably higher at low temperatures. This is the reason why separate low temperature emission limits have been defined in European emissions legislation. However, according to the IA, the low temperature limits set for hydrocarbons (HC) and carbon monoxide (CO) in Euro 5 legislation were carried over from Euro 3 and no longer reflect technical progress made in engine and emission control technology. Furthermore, no NO\(_x\) emission limits at low temperatures are defined yet in Euro 6.

5. Euro 6 LD emission regulation defines a limit value for total emissions of nitrogen oxides (NO\(_x\)) but no separate limit value for nitrogen dioxide (NO\(_2\))

Nitrogen oxides (NO\(_x\)) emitted by motor vehicles consist of nitrogen oxide (NO) and nitrogen dioxide (NO\(_2\)), both components being toxic gases with negative effects on human health and the environment. Direct NO\(_2\) emissions are considered highly problematic as they have the most significant health impacts in inner-city areas, with NO\(_2\) potentially making up 5 to 10 per cent of the total NO\(_x\) exhaust emissions of a motor vehicle\(^9\). Modern diesel engines may bring this share up considerably depending on the emission reduction system used. In order to avoid that the use of modern emission control technologies results in an increase in direct NO\(_2\) emissions, specific NO\(_2\) emission limits have been foreseen for HDV in Euro VI legislation. In contrast, the Euro 6 light duty vehicle emissions regulation only specifies a limit value for total NO\(_x\) emissions but no separate limit value for NO\(_2\).

6. Euro 6 LD total hydrocarbons (THC) emission limits cause problems for compressed natural gas (CNG) vehicle manufacturers

The current Euro LD emissions limits for THC include methane and non-methane hydrocarbon (NMHC) emissions. The main reason for including methane is the fact that it is a strong greenhouse gas. However, according to the Commission, it would be more appropriate to add methane to the CO\(_2\) equivalent emissions of a vehicle and to deregulate methane emissions at type approval. This, according to the IA, would help the entry into the market of natural gas vehicles (NGVs) which naturally have high methane but low CO\(_2\) emissions. The current inclusion of methane makes it difficult for NGVs to meet the THC limit values.

The underlying drivers of the above-mentioned problems are considered to be the increasing demand for transport which hampers the significant decrease of atmospheric pollutant and GHG emissions from road transport, and market and regulatory failures.

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\(^7\) The IA uses the plural 'studies' but only refers in fact to one study conducted by TNO in 2010 on the effects of a gear-shift indicator and a fuel economy meter on fuel consumption.

\(^8\) IA, p. 10.

\(^9\) IA, p. 11.
Overall, the IA makes a rather brief and general presentation of the background to the proposal and of the problems to be addressed, regularly employing technical language not easily understandable to non-specialists. Information on the state of the automotive sector (including the share in the European market of compression ignition engines and positive ignition engines, and the type of industries involved, notably SMEs) and an overview of the competitive situation of the European car industry would have helped the reader to better situate the context in which this proposal is presented.

In addition, more detailed explanations could have been provided as to why there is a need to act now (considering the fact that the Euro 6 and Euro VI standards were not yet in force when the IA was drafted (presumably in early 2012) and therefore the effects of their implementation could not be known) and, more importantly, why the alleged regulatory failures have so far not been addressed by the successive pieces of Euro standards legislation. For example, it is unclear why a specific limit value for NO2 emissions was introduced in Euro VI legislation but not in Euro 6, or why the low temperature emission limits were not adjusted in the Euro 5 and Euro 6 legislation and need to be adjusted now. Furthermore, it is not apparent from the IA how the six aforementioned problems were identified. Several of the assertions made in this regard lack sufficient explanations and might be considered speculative given that there does not appear to be any concrete evidence supporting them. The description of the evolution of the problem in the absence of any further EU action (baseline scenario) appears too succinct and lacks any quantitative information, for example on the compliance costs imposed on manufacturers as a result of the double emissions certification, or on the likely decline of the share of natural gas heavy duty vehicles, etc.

Objectives of the legislative proposal

The general objectives of the Commission proposal are to ensure the proper functioning of the internal market; to provide for a high level of environmental and health protection in the European Union, and to contribute to the European Union’s ambitious greenhouse gas reduction targets.

Specific objectives are to have emissions legislation and type approval requirements that reflect technical progress and address regulatory failures that have been identified; to make use of simplification potential in the legal framework, and to improve the efficiency of driving patterns in order to reduce air pollutant and GHG emissions.

These specific objectives are translated into the following operational objectives: to ensure that new motor vehicles are equipped with systems assisting the driver in eco-efficient driving style where potential fuel savings are not fully exploited; to avoid that the agreed NH3 limits for all heavy duty vehicles obstruct market uptake of certain positive ignition vehicles; to resolve the need for costly double emissions certification and thereby eliminate unnecessary compliance costs; to enable the Commission to propose updated low temperature emission limits by way of delegated act if this is deemed necessary and justified by the evidence base; to enable the Commission to propose a separate NO2 limit for LDV by way of delegated act if this is deemed necessary and justified by the evidence base; to enable the Commission to propose the de-regulation of methane emissions by way of delegated act if this is deemed necessary and justified by the evidence base, and provided that methane emissions are included as CO2 equivalent emissions under the automotive CO2 Regulation. The explicit inclusion of this latter point as an operational target of the initiative would seem to pre-empt somewhat the choice of instrument.

Range of options considered

The options in the IA are presented under six headings corresponding to the six problem areas identified. With the exception of the first problem (eco-driving), for which four options are developed, the examined options for the remaining five problems are surprisingly limited to the ‘no change’ option and the preferred option only. This casts doubts as to whether all potential alternative options were considered and notably the option of acting through the ordinary legislative procedure as opposed to via delegated act.

1. The potential to reduce fuel consumption through efficient driving behaviour is insufficiently exploited

- **Option 1**: no changes: no further measures would be put in place to improve fuel efficient driving behaviour, except the requirement to install GSI in new passenger cars.
- **Option 2**: introduce mandatory fuel consumption meters (FCM) for light duty vehicles and extend the mandatory installation of GSI from only passenger cars to all light duty vehicles.
- **Option 3**: introduce mandatory FCM for LD and HD vehicles and extend the mandatory installation of GSI from only passenger cars to all LD and HD vehicles.
- **Option 4**: a soft law approach focused on driver information and education. The Commission indicates, however, that this soft law option is not considered as a stand-alone option, but rather as complementary to one of the regulatory options, and therefore discards it from further analysis. The Commission's preferred option is option 2.

2. **The scope of the ammonia (NH3) emission limits threaten to drive heavy duty (HD) natural gas vehicles out of the market**
   - **Option 1**: no changes: the Euro VI NH3 emission limits would apply to all HDV.
   - **Option 2**: change the scope of the Euro IV NH3 limits so that they only apply to heavy duty vehicles with compression ignition (diesel) engines.

3. **The upper mass limit of LD Euro 6 Regulation necessitates two type approvals for some vehicle platforms**
   - **Option 1**: no changes to the existing situation.
   - **Option 2**: remove the upper mass limit of the LD Euro 6 Regulation for emission purposes: this option would give manufacturers the choice to type approve vehicles with a reference mass of more than 2 610 kg according to the LD or HD emission requirements. In case of vehicle platforms spanning the LD-HD borderline, the manufacturer could approve all vehicles according to LD rules.

4. **Euro 6 LD low temperature emission limits are not adjusted to technical progress**
   - **Option 1**: no changes to the existing situation
   - **Option 2**: introduce a mandate for the Commission to set low temperature emission limits for CO and HC of positive ignition (petrol and gas) vehicles and NOx for positive ignition and compression ignition (diesel) vehicles by way of a delegated act.

5. **Euro 6 LD emission regulation defines a limit value for total emissions of NOx but no separate limit value for NO2**
   - **Option 1**: no changes to the existing situation: the NO2 emissions of light duty vehicles would continue to be accounted for as part of the overall NOx limit.
   - **Option 2**: introduce a mandate for the Commission to specify, in addition to the limit value for total emissions of NOx, a limit value for emissions of NO2 by way of a delegated act.

6. **Euro 6 LD total hydrocarbons (THC) emission limits cause problems for (CNG) vehicle manufacturers**
   - **Option 1**: no changes to the existing situation
   - **Option 2**: introduce a mandate for the Commission to account for the greenhouse gas effects of methane emissions as CO2 equivalents in vehicle type approval information and accordingly increase or remove limit values of THC emissions of positive ignition vehicles by way of a delegated act.

The preferred 'delegated acts' options to address problems 4 to 6 above are not detailed, the Commission explaining that ‘at this point in time, the available information does not allow including the technical aspects in this initiative’\(^{10}\). This leaves one wondering how the co-legislators will be able to make an informed decision about whether or not to grant the Commission the power to act via delegated acts on these issues. While Euro standards are formulated using a split-level approach (i.e. essential aspects are contained in a main instrument agreed via the ordinary legislative procedure, while non-essential technical aspects are regulated by means of delegated or implementing legislation), one might have expected the Commission to better justify the use of delegated acts in this particular case, given that the issues for which they are envisaged concern the setting of new or amended emission limits, which have traditionally always been decided by the co-legislators. In addition, the IA could have justified further the proposed changes designed to be adopted through delegated acts, in particular in light of the concerns they raise among stakeholders (especially the inclusion of methane as a CO2 equivalent and the modification of the low temperature limits for CO and HC).

**Scope of the Impact Assessment**

The IA explains that 'no assessment of impacts can be provided'\(^{11}\) for the delegated acts options under problem areas 4, 5 and 6 as the 'decision to modify or introduce specific limit values for the pollutants in question will be taken at a later stage and will be supported by a separate impact assessment'\(^{12}\).

\(^{10}\) IA, p. 19.
\(^{11}\) IA, p. 21.
\(^{12}\) Idem.
The IA provides an assessment of the economic (impact on industry and indirect impact on consumers), environmental (emissions of greenhouse gases and relevant air pollutants) and social (mainly in the area of employment, but found to be in a very low order of magnitude for all options) impacts of the options devised to address problems 1, 2 and 3 above, which fall under the ordinary legislative procedure. The impacts on SMEs and on the competitiveness of the European automotive industry are hardly assessed, if at all.

Quantification of some of the impacts is provided (mainly in relation to the options designed to address problems 1, eco-driving and 2, ammonia (emission limits)). The reduction of the administrative burden on manufacturers as a result of the removal of the upper mass limit in the Euro 6 Regulation could not be quantified in the IA\(^\text{13}\). The Commission does explain, however, albeit without indicating the sources of these estimations, that administrative costs for two type approval procedures are in the order of 100,000 euros per type approval. Additional design and development costs correspond to several million euros per calibration of a vehicle type\(^\text{14}\). The environmental impacts of applying Euro 6 instead of Euro VI emission legislation on a voluntary basis are briefly discussed, the Commission concluding that the ‘impact of this option can be considered as environmentally neutral if not slightly positive’\(^\text{15}\).

A substantial part of the IA is devoted to assessing the impacts of the options concerning eco-driving. It should be noted, however, that the issue of eco-driving is not addressed at all by the final proposal.

The assessment in the IA relies on a 2010 study relating to the effects of a gear shift indicator and a fuel economy meter on fuel consumption\(^\text{16}\). According to the study, the extension of the requirement to fit FCM to LDVs would mean additional costs estimated to be between 0 and 10 euros per vehicle. The extra cost for fitting GSI to all LDVs (and not just passenger cars, as is now the case) is estimated to be between 0 and 15 euros in the short term and 0 and 7 euros in the long-term\(^\text{17}\). The low end of this bracket would be applicable to vehicle types that already have the possibility to display FCM and GSI information on the dashboard. The higher end would apply to vehicles types for which a re-design of the dashboard would be necessary. How these estimates were calculated is not apparent from the IA. The Commission argues that ‘it can be expected that the extra cost per unit produced would converge towards the low end of the cost bracket quickly’\(^\text{18}\). It also claims that the mandatory fitting of FCM and GSI in all light duty vehicles would create additional demand for sensors, suitable dashboards and related components and could thereby open up certain business opportunities for suppliers\(^\text{19}\).

Regarding the environmental impacts, the IA indicates that ‘it is estimated that the fitting of a GSI effectuates a net reduction in CO2 emission of up to 1.5 %’ and the ‘corresponding figure for FCM is in the order of magnitude of 0.3 to 1.1 %’\(^\text{20}\). The combined effects of both measures would be between 1.8% (lower estimates) and 2.6% (taking into account the higher estimate for the FCM). According to the IA, ‘fuel consumption could be reduced by 2-3% for the average driver if FCM and GSI are implemented together on a vehicle type’ (for light commercial vehicles) and could lead to ‘a 1% fuel saving on all M1 vehicles’\(^\text{21}\). Explanations are provided as to the calculation of these estimates. The IA warns that ‘the effect that FCM and GSI would have on the noxious emissions of vehicles fitted with them is less straightforward. While it can be expected that the introduction of a FCM would lead to a decrease of noxious emissions due to more fluent driving [...] there is some evidence that GSI in vehicles with modern diesel engines or direct injection petrol engines could lead to slightly elevated NOx emission’\(^\text{22}\). After a brief technical explanation, the Commission indicates however that ‘NOx emissions of Euro 6 vehicles are not expected to increase when the GSI is used’\(^\text{23}\).

Regarding ammonia emission limits for HDVs, the IA indicates that, according to an estimate of an industry stakeholder (IVECO), the additional material costs for natural gas HD vehicles to meet the ammonia limits is of at least 1 600 euros per vehicle (after-treatment system). The additional project costs for each engine/vehicle family would range between 6 and 8 million euros\(^\text{24}\). Assuming a market of 3 000 units/year composed of 10 engine families, the total additional costs (material plus project costs) under the baseline scenario (the ammonia emission

\(^\text{13}\) IA, p.30.
\(^\text{14}\) IA, p. 29.
\(^\text{15}\) IA, p. 31.
\(^\text{16}\) TNO, 2010, Effects of a gear shift indicator and a fuel economy meter on fuel consumption.
\(^\text{17}\) IA, p. 22.
\(^\text{18}\) Idem.
\(^\text{19}\) IA, p. 23.
\(^\text{20}\) Idem.
\(^\text{21}\) IA, p. 24.
\(^\text{22}\) Idem.
\(^\text{23}\) Ibidem.
\(^\text{24}\) IA, p.27.
limits would continue to apply to all HDVs including positive ignition vehicles) would range between 108 and 128 million euros\(^{25}\) per year. The IA indicates that in light of the magnitude of the cost increase, the market potential of these vehicles would be seriously diminished. This would have a direct effect on producers but would also disproportionately affect specialised small and medium sized component suppliers. Still according to IVECO, the additional ammonia emitted following a removal of the limit value for positive ignition engines would be in the order of 0.2 to 0.3 per cent\(^{26}\), an amount considered 'largely insignificant'\(^{27}\) in light of the significant positive environmental effect that the replacement of diesel by natural gas HDV would have with respect to NOx and CO2 emissions.

**Subsidiarity / proportionality**

As is the case with other legislation relating to the type approval of motor vehicles, the proposal is based on article 114 TFEU ensuring the functioning of the internal market. The Commission explains that since the initiative under consideration concerns amendments to existing EU legislation, only the EU can act effectively. EU action is necessary to avoid the emergence of barriers to the single market, notably in the field of the automotive industry, but also because of the cross-border nature of air pollution and climate change, which are environmental problems the effects of which on air quality are not limited to the local level and cannot be tackled by national solutions alone. Concerted action at EU level is therefore necessary.

The IA does not really discuss the proportionality of the options. It simply indicates that the ‘regulatory options in the 6 issue areas are considered to be in line with the proportionality principle as they envisage that the EU would only act to the extent that is needed to achieve the objectives’, adding that ‘for any subsequent delegated acts [problems 4, 5 and 6], follow-up impact assessments would be done that would also look at the proportionality aspect’\(^{28}\). The commitment to accompany such acts with impact assessments is to be welcomed.

There are no reasoned opinions from national parliaments.

**Budgetary or public finance implications**

The IA does not inform of any implications on the EU budget or MS public finance.

**SME test / Competitiveness**

SMEs are given very little consideration in the IA. The IA indicates very early on that ‘SMEs are almost exclusively located at the beginning of the automotive supply chain and in the traditional manufacturing sectors e.g. cast or pressed metal parts, plastic mouldings etc. The IA claims therefore that ‘the effect on SMEs is expected to be minimal’\(^{29}\). The Commission stresses however elsewhere in the assessment of impacts the disproportionate effect of the ammonia measures on SME component part suppliers as a result of the expected lower market potential of natural gas HDVs. The effect of the proposed measures on the international competitiveness of the European automotive industry is not assessed either.

**Simplification and other regulatory implications**

Through this proposal, the Commission seeks, among other things, to introduce a number of provisions to simplify the legislation in force in line with the smart regulation agenda. In particular, the elimination of the burden of double certification would be in line with simplification and administrative burden reduction objectives. The proposed Regulation would also merge the various legislative amendments for LD and HD vehicles into a single act. The EESC has argued that this ‘does not reflect the tenets of “smart and transparent regulation”, which was one of the key commitments set out in CARS 21 and reiterated in CARS 2020, for which work is still in progress’\(^{30}\).

**Relations with third countries**

The IA indicates that ‘the impact on third-country manufacturers is not expected to differ from the impact on domestic ones’\(^{31}\).

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\(^{25}\) IA, p. 27.
\(^{26}\) IA, p. 29.
\(^{27}\) Idem.
\(^{28}\) IA, p. 20.
\(^{29}\) IA, p. 13.
\(^{30}\) Opinion of the European Economic and Social Committee of 29 April 2014 on the Reduction of pollutant emissions from road vehicles, INT/737.
\(^{31}\) IA, p. 13.
Quality of data, research and analysis

The Commission explains that it has drawn on external expertise and consulted stakeholders for the preparation of this IA. The IA largely builds on the findings of the previously mentioned 2010 external study conducted by the Dutch research organization TNO that assessed the effects of a gear-shift indicator and a fuel economy meter on fuel consumption. The study is said to be found in Annex 4 of the IA. However, the IA, as transmitted to the Parliament and as published on the Impact Assessment Board’s website, is not accompanied by any annexes. This makes it impossible for the reader to examine the content of the aforementioned study, but also of any other attached document that could have provided useful information. For example, a 2011 EEA fact sheet on EU 27 air pollutant emissions, said to be in annex 3 of the IA, could not be examined either, and nor could the summary of the online public consultation, which should have been in annex 2. Other data sources used in the IA include some WHO and academic studies, and industry data. The data sources appear however quite limited and sometimes not very recent, some studies even going back to 2001.

Generally speaking, one is left with the impression that the Commission could have conducted more thorough research and analysis both of the problems to be addressed, which in several instances would benefit from further explanations and substantiation, but also of the range of options and impacts. In this regard, the fact that only two options - namely the ‘no change’ option and the preferred option - are considered for five out of the six problem areas identified might appear too restrictive. Moreover, the absence of any more detailed justification for the content of the measures to be adopted through delegated acts (in particular the most controversial ones as previously mentioned) or for the use, as such, of delegated acts for issues that have traditionally been decided by the co-legislators is regrettable.

Finally, there appears to be a gap of almost two years between the time the IA was completed - one can infer from the content of the IA, but also from the date of the Impact Assessment Board’s opinion, that it was in early 2012 - and the date the proposal was tabled (31 January 2014). In this context, an update of the IA would certainly have been useful.

Stakeholder consultation

The stakeholders affected by the proposal are identified as being: the population of the European Union which is affected by the health effects of poor air quality; consumers purchasing motor vehicles who are affected by changes in the price of new vehicles; manufacturers of motor vehicles, and suppliers.

Little can be said about stakeholder consultation given that the relevant annex is missing from the IA and stakeholder views are hardly reflected in the document. The Commission mentions contacts with vehicle manufacturers for the purpose of obtaining data on financial costs and benefits and environmental impacts, as well as meetings with the most relevant stakeholders in the framework of the United Nations Economic Commission for Europe (UN/ECE) and the Commission’s Motor Vehicle Working Group on the occasion of which individual components of the initiative were discussed. The number of meetings and exchanges and the dates on which these took place are not indicated in the IA.

An open public consultation was carried out from 1 September 2011 to 28 October 2011. Only 15 contributions were received (6 public authorities, 6 industry stakeholders, 2 environmental NGOs, 1 private citizen). The Commission considers the result of the consultation to be ‘sufficiently representative for the potentially affected stakeholders’.

The Commission does not justify this assertion and one can reasonably wonder how such a limited number of responses can indeed be sufficiently representative of the opinions of all affected stakeholders.

Monitoring and evaluation

The Commission indicates that ‘a joint evaluation of the measures contained in this IA and the follow-up impact assessment could be usefully carried out five years after the entry into force of the act adopted through the ordinary legislative procedure and any delegated acts that may be adopted’. Existing reporting mechanisms would be used to monitor the effects of the proposed legislation to a certain extent. However, the Commission explains that given the low order of magnitude of the present initiative, it might be difficult to link the data obtained from the reporting mechanisms to the actual impact of the intervention. The Commission would therefore consider complementing this data with additional evidence obtained through a background study. No specific progress indicators are mentioned.

32 IA, p.6.
33 IA, p.33.
Commission Impact Assessment Board

The Impact Assessment Board (IAB) delivered its opinion on the draft IA on 15 February 2012, making several recommendations for improvement. These concerned the strengthening of the evidence base of the problem definition, the improvement of the baseline scenario notably through more quantitative data, the presentation of the options and their expected impacts, notably the impact on SMEs and the international competitiveness of the EU automotive industry, as well as the clarification of the monitoring and evaluation arrangements. The IAB also requested the IA to show how stakeholder opinions were taken into account and to systematically provide references to the stakeholder consultation. While the IA argues that it has taken on board the IAB’s comments, the problem definition still appears to lack sufficient substantiation and the options and their impacts are not detailed enough, in particular concerning delegated acts. There is hardly any assessment of the impacts on SMEs, and no assessment at all of the competitiveness issues, despite the IA’s arguments to the contrary. In addition, the stakeholder consultation process is insufficiently described and stakeholder views are almost completely absent from the IA. Finally, contrary to the IAB’s recommendation, the monitoring and evaluation arrangements do not appear to include a set of concrete progress indicators that are linked to the preferred options.

Coherence between the Commission’s legislative proposal and IA

The IA and the proposal do not fully correspond. As mentioned previously, the issue of eco-driving, which is dealt with at great length in the IA, is completely left out of the proposal without any explanation in the explanatory memorandum. In addition, the proposed revision of the provisions on access to vehicle repair and maintenance information (article 8 of the proposal) as well as the proposed revision of the method for measuring particulate matter and the introduction of a particle number limit value (article 14, paragraph 2 of the proposal) are neither mentioned nor assessed in the IA.

The rest of the provisions appear to be in line with the IA. Nevertheless, while the proposal indicates that the new limit for emissions of NO2, as well as the limits for emissions of NOx and NO2 at cold temperatures, shall be set through delegated acts, on the basis of a separate impact assessment, no impact assessment is foreseen for the proposed revision of tailpipe emissions at cold temperature (CO) and (HC), or for the inclusion of methane as a CO2 equivalent. However, the IA reiterates on several occasions that, regarding the regulatory options designed to address problems 4, 5 and 6 above and aimed at giving the Commission a mandate to amend or supplement emission legislation by delegated act, ‘the decision to modify or introduce specific limit values for the pollutants in question will be taken at a later stage and will be supported by a separate impact assessment’34.

Conclusions

The overall impression is that the IA could have better described the background and more clearly explained the context in which the present proposal is made. It could also have provided a more thorough analysis of the problems and the measures designed to tackle them, substantiating them with more robust data and evidence. The stakeholder consultation process and stakeholder views would also have deserved to be better reflected in the document.

Given the evident links between this and other more recent developments in the areas of environment, climate and energy and air quality policy, it is perhaps regrettable that the Commission did not choose to make use of the possibility provided for by the interinstitutional agreement on a Common Approach to IA to complement its IA. This would certainly seem to be a case where this might have been appropriate, at least with regard to some of the background data and factual references, but also with regard to the technical content of the proposed delegated acts for which more information might be now be available.

This note, prepared by the Ex-Ante Impact Assessment Unit for the Committee on Environment, Public Health and Food Safety (ENVI) of the European Parliament, analyses whether the principal criteria laid down in the Commission’s own Impact Assessment Guidelines, as well as additional factors identified by the Parliament in its Impact Assessment Handbook, appear to be met by the IA. It does not attempt to deal with the substance of the proposal. It is drafted for informational and background purposes to assist the relevant parliamentary committee(s) and Members more widely in their work.

This document is also available on the internet at: www.europarl.europa.eu/thinktank

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34 IA, p. 19 and 21.