# Initial Appraisal of a European Commission Impact Assessment



# Further reduction of the ozone depleting substances

Impact assessment (SWD(2022) 99 final, SWD(2022) 100 (summary)) accompanying a Commission proposal for a Regulation of the European Parliament and of the Council on substances that deplete the ozone layer and repealing Regulation (EC) No 1005/2009, COM (2022) 151

This briefing provides an initial analysis of the strengths and weaknesses of the European Commission's <u>impact assessment</u> (IA) accompanying the above-mentioned <u>proposal</u>, <sup>1</sup> submitted on 5 April 2022 and referred to the European Parliament's Committee on Environment, Public Health and Food Safety (ENVI).

The proposal is crucial to the EU <u>Green Deal</u> and to achieving the objectives of the <u>Paris Agreement</u>, as most ozone depleting substances (ODS), besides causing a 'hole' in the ozone layer resulting in **adverse health effects**, are also **very strong greenhouse gases** (GHG). As the impact on the climate of ODS has not been factored into the EU's climate targets on emissions reduction,<sup>2</sup> any action to further reduce them would contribute to reaching **climate neutrality by 2050** (IA, p. 1). Furthermore, the EU and its Member States are part to the <u>Montreal Protocol</u> on substances that deplete the ozone layer ('the protocol') and the EU 'has taken a leading role ... also by setting policies at EU level that often go beyond the requirements of the Protocol' (IA, p. 2). The current <u>EU Ozone Regulation</u> prohibits the production, trade and use of ODS (Annex 1, 'controlled substances' identical to the scope of the protocol) while exempting only a few specified uses. In 2017, the Commission decided to subject the regulation to a <u>REFIT evaluation</u> and decided to proceed with its revision as part of its <u>work programme (CWP) 2021</u>. This revision is paralleled by the revision of <u>Regulation (EU) 517/2014</u> on fluorinated greenhouse gases (F-Gas Regulation), as these gases replaced many ODS, and the two regulations are similar. Close links with waste and chemical policies, as well as customs and market surveillance authorities, have also been identified (IA, p. 3).

### **Problem definition**

The IA relies on the <u>evaluation</u><sup>5</sup> to underline that 'most of the obligations and measures of the current Regulation are fit for purpose and should therefore remain in place' (IA pp. 3-4). Thus, it does not directly define a particular problem, but only highlights **three areas** in which the regulation needs **slight improvements**: 1) insufficient efficiency of some measures; 2) minor gaps in monitoring; and 3) need for clarity and coherence with other rules. Furthermore, the IA underlines that 'in light of the Green Deal and the goal of climate neutrality by 2050, any remaining emissions of ODS should be scrutinised to determine if further emission reductions would be technically feasible at proportionate costs'.

On the efficiency of measures, the IA starts by tackling the origin and size of the **residual emissions** mainly stemming from ODS banks (amounting to 98% of both ozone and climate effect) in existing equipment, products or recovered material, in particular insulation foams. In addition, some emissions result from production and exempted uses of ODS (Annex I of the regulation), production and use of new ODS (Annex II, not (yet) controlled by the protocol) and ODS not listed in the regulation (IA, p. 4). The main **driver** of the issue related to the continuing emissions from ODS foam banks is that the regulation requires ODS recovery 6 only 'when it's technically and economically



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Author: Aušra Rakštelytė Ex-Ante Impact Assessment Unit PE 734.694 – November 2022 feasible', leaving it open to interpretation and leading to little recovery activity in Member States (IA, p. 5). Annual emissions from all foam banks are at **37 million tonnes CO\_2e^7** today, where the main source of those emissions are certain building materials containing foams blown with ODS. It is expected that large quantities of ODS foams will enter the waste stream by 2050, peaking in 2030 when emissions will increase to **43 million tonnes CO\_2e**) (see Figure 1, IA p. 6).

As for the emissions resulting from ODS production and other uses, their **volume is estimated as being much smaller** (respectively 0.3 and 0.01 million tonnes CO<sub>2</sub>e for Annex I exemptions and Annex II, and unknown for ODS that are not listed) and, while suitable alternatives are difficult to find, they do appear to exist for some uses (IA p. 7). **Drivers** are described (IA pp. 7-9) as being the not tight enough limits for restricted uses, the possible need for new production of halons<sup>8</sup> (currently prohibited), and the lack of restrictions on the use of the ODS under Annex II. It is expected that this issue – of ODS production and other uses – will **evolve positively**, with a continuous, albeit slow, decline of all ODS in the next decades, except for the additional emissions of halons with very high ODP and global warming potential (GWP), if new production becomes necessary.<sup>9</sup>

When it comes to **efficiency**, the current ODS licencing, registration and quota systems as well as a certain prohibition (of one halon) are described as creating **unnecessary/excessive costs and burdens** for the EU-level administration, authorities and stakeholders (laboratories, SMEs, industry, importers and producers) (IA pp. 9-11). The **drivers** of this issue are the requirements for a licence for each imported/exported shipment granted manually; the differing customs procedures; the registration in the central database for very small amounts of ODS; the redundant allocation of quotas; <sup>10</sup> and the prohibition of halons required for certain aircrafts. <sup>11</sup> **Businesses and authorities will continue facing costs** until 2050 if manual controls and pre-application for licences remain in place, and no **savings potential** through CERTEX/Single Window <sup>12</sup> would be realised. Furthermore, laboratories (many are SMEs) will continue facing costs for registration in the database with little environmental benefit and the Commission will pay for upholding the relevant IT system. Additionally, the quota system and the currently infeasible prohibition of one halon will continue creating costs and additional burdens related to derogation requests.

**Monitoring and reporting** is largely considered adequate (IA, pp. 11-12), but some issues are raised by authorities and civil society regarding the **necessary additions**, for instance of substances currently not listed under the regulation, and regarding the recognition of the **climate relevance** of the ODS. The **driver** of this issue is the absence of requirements under the regulation to report on certain substances and parameters. It is expected that unless the monitoring gaps are addressed, the picture of ODS uses and emissions will remain incomplete, affecting the appreciation of the climate-relevant emissions and control on illegal trade within the EU.

Concerning the **coherence and clarifications of the text**, currently the regulation is not fully in line with the protocol (technological progress has allowed the tightening of international rules) and some of its own regulations and legislation (customs, F-Gas Regulation, environmental rules) adopted later. The Commission also sees scope for simplification and clarification of the text. **Drivers** include technological advances as regards destruction technologies and process agent uses allowing a tightening of the international rules, lack of a specific focus on customs procedures, and the disparate penalties applied by the Member States. Under the current legislation, the **EU is not expected to comply with international obligations;** furthermore, the absence of clear customs rules will prevent efficient controls and the lack of harmonisation of penalty rules will impede coherent implementation in the EU (IA, pp. 13-14).

In line with the <u>Better Regulation Guidelines</u> (BRG), the issues identified are well substantiated, their scale is well defined and references to the findings of the evaluation and the supporting data are mostly provided. Drivers are duly discussed and the IA analyses trends and possible long-term developments in describing how the issues would evolve.

## Subsidiarity / proportionality

The IA points out that the legal basis for the initiative is <u>Article 191</u> of the Treaty on the Functioning of the European Union, in line with the objective to preserve, protect and improve the quality of the environment, to protect human health, and to promote measures at international level to deal with climate change. It explains the **need for EU action** as stemming from the EU's international obligations (the EU and its Member States are parties to the protocol and the EU is considered as a regional economic integration organisation (REIO) for this purpose and therefore complies with the requirements **at EU level**). Furthermore, the IA underlines that the hypothetical implementation of these commitments at Member State level is 'very difficult to reconcile with the general principles of the EU internal market and the free movement of goods' (IA, p. 14). It considers the **added value** of EU action and points out that the EU level provides much higher **efficiency** for authorities and undertakings. Finally, the IA underlines that the added value is fully confirmed by the **favourable opinion of stakeholders** towards regulating ODS at EU level (IA, p. 15).

As recommended by the <u>Task Force on subsidiarity, proportionality and 'doingless more efficiently</u>', the IA is accompanied by a <u>subsidiarity grid</u>, which further clarifies the subsidiarity and proportionality aspects of the proposal. No reasoned opinions were issued by any of the 15 parliamentary chambers <u>scrutinising</u> the proposal, by the deadline of 24 June 2022.

## Objectives of the initiative

The review seeks to **step up ambition** and explore how the regulation could be **fine-tuned to improve the efficiency of existing measures**. The general objectives, broadly laid out in an introductory paragraph of the corresponding section (IA., p 15), include 'more ambitious emission reductions in line with the Green Deal', as per the requirement to be in line with **the over-arching, long-term EU objectives** (climate neutrality). The ambition to protect the ozone layer and comply with the international rules 'in a more efficient, coherent and clear manner' is in line with the requirement to deal with the unnecessary costs and the need for clarification and simplification pointed out in the problem definition.

**The specific (review) objectives** are set and described in a much clearer and concrete manner and are linked to the problems identified: A. achieve a higher level of emission reductions; B. improve the efficiency of the regulation while preserving the significant emission reductions achieved so far; C. ensure more comprehensive monitoring; and D. improve coherence and clarifications. These specific objectives appear to be in line with the <u>S.M.A.R.T. criteria</u> (specific, measurable, achievable, relevant and time-bound).

No operational objectives for the preferred option have been set in the section on monitoring and evaluation, contrary to the recommendations of the Better Regulation Toolbox (BRT, <u>#Tool 15</u>). Operational objectives are defined in terms of the deliverables of specific policy actions, and their absence may undermine the measurability of the success of the initiative.

# Range of options considered

First of all, the IA dedicates considerable space to discussing the **baseline**, i.e., an assumption that the current regulation and implementing acts remain unchanged (IA, pp. 16-18). In this scenario, the **environmental impacts will remain considerable** for many years after the peak (approximately in 2033), when emissions will start decreasing. **Administrative costs** for businesses, Member States and the Commission are expected to **decrease only slightly** or remain the same, and social impacts are expected to be very small.

Further on, the IA underlines the findings of the evaluation, which state that 'the overall approach and main measures of the Regulation are not put in question' (p. 16). It discards the possibility for voluntary approaches or economic incentives to replace the regulation due to the **need to uphold the EU's international obligations** and **avoid backsliding**. Therefore, a series of **feasible** 

**measures** (not mutually exclusive) were identified for each review objective and issue. According to the IA, they were to a large degree **proposed by stakeholders**, in particular the Member States' authorities, and later grouped in three cumulative legislative packages ('Options') **on the basis** of their **expected (abatement) costs**, and each of them is described in detail (pp. 20-37).

**Option 1** (**savings or low costs**) would make foam banks' destruction mandatory for sandwich panels only; introduce trader licences; abolish registration for laboratories and the annual quota allocation; delay prohibition of halons in aircraft cargo compartments; align reporting obligations of Annex II substances with those under Annex I; add GWP values; and include all measures that improve coherence and clarity. These measures include alignment with the international requirements, with EU customs rules and with the penalties related to environmental protection and the F-Gas Regulation (IA, p. 25-26, 37). The list of clarifications to the text is in Annex 7 (IA, p. 89).

**Option 2 ('some costs' – the preferred option**), in addition to measures under Option 1, would require destruction of foam banks in laminated boards (unless unfeasible). It would also prohibit the destruction of halons; introduce monitoring of illegal goods and special customs rules for ODS; require reporting on emissions of ODS production and destruction, sales and purchasing within the EU; as well as add reporting obligations for three new substances.

**Option 3** (**high (abatement) costs**) would include a negative list for chemical production processes where alternatives exist; move forward prohibition dates for certain halons; and prohibit use of Annex II substances in cooling equipment, in addition to all measures listed under Options 1 and 2.

Finally, measures, **discarded** due to lack of feasibility whether it be of a technical, legal, enforcement, effectiveness, efficiency or a general nature, are clarified in Annex 9 (IA, pp. 92-95).

## Assessment of impacts

As recommended by the Better Regulation Guidelines, the IA includes an assessment of environmental, economic and social (where applicable) impacts separately for every feasible measure (pp. 26-37). Further on, the options are compared in Table 3 (IA p. 37-39) providing a visual overview of the estimated environmental benefits, costs and benefits to businesses, Member States' and EU-level authorities, as well as indirect economic and social impacts. <sup>13</sup> The Commission reaches the conclusion (IA, pp. 39-40) that the **low cost option** (Option 1) would save a relevant amount of emissions (88 million tCO<sub>2</sub>e by 2050), through the reclamation and destruction of ODS from sandwich panels, and achieve cost savings for businesses and authorities. This option does not include many efficiency and monitoring measures with environmental benefits and moderate costs, and therefore the IA concludes that its effectiveness and coherence with the Green Deal is only slightly positive'. On the other hand, Option 2 would almost double the emission savings (179 million tCO<sub>2</sub>e) from foams 'still at **moderate abatement costs**' (€15-18.4/tCO<sub>2</sub>e for Option 2 compared to €5.1/tCO₂e for Option 1). While additional costs arising from the foam measure are higher, the Commission argues that they would be 'spread over many years and number of persons/entities'. The IA concludes that the preferred Option 2 is very effective and in line with the Green Deal, as it achieves a high amount of emission reductions at proportionate costs. Emission savings from Option 3 are only marginally higher (NB: the above-mentioned Table 3 does not provide a number, indicating rather that environmental benefits are highly uncertain) and it is feared that they might cancel out due to the negative effects of the energy use of and emissions from other greenhouse gases. According to the IA, considerable additional costs (potentially, over 100 million in capital investment costs) and possible detrimental effects on employment arising for instance from prohibiting some feedstock uses and anticipating halon end use dates, would make Option 3 less coherent with the Green Deal despite its similar amount of emissions saved.

Finally, the IA provides an illustrative table (p. 41) where options are compared against effectiveness, efficiency, coherence, social and economic impacts.

To conclude, measures appear to be thoroughly described, compared and analysed, which the IA achieves by providing qualitative and quantitative information on the envisaged costs/benefits, as well as presenting the stakeholders' views. The IA underlines, however, that 'it is very difficult to set an average recovery cost for the EU ... due to cost dependency on country specifics (e.g., country waste regulations)' and lack of reliable costs estimates. In some cases, where costs on foam separation were not available for instance, countries have a relatively low share of ODS foam banks (eastern European Member States compared to western and northern ones). It also touches upon impacts on vulnerable consumers, who are not expected to be affected, as 'replacement of foams is not usually linked to necessary maintenance or emergency reparations' and real estate prices are not expected to be affected either (IA., pp. 27-28).

The Commission concludes this IA section by underlying that coherence and clarification measures have been included in all three packages, but their impacts could not be quantified (IA. p. 40). Furthermore, the **positive impact on citizens** in terms of **health** (avoiding dangerous radiation from the ozone hole and lessening impacts of climate change) is highlighted in Annex 3 (p. 53).

## SMEs / Competitiveness

The impact on small and medium-size enterprises (SMEs) is not specifically analysed or summarised in a separate paragraph, and SMEs are not listed among the main affected business categories (IA, p. 52), but a **positive impact** on them is mentioned a few times throughout the document. In particular, such an impact on SMEs is mentioned when analysing separate measures, such as removing complexities and excess costs of the current licensing or registration systems and the proposal to abolish the quota allocations for import and production of exempted uses. <sup>14</sup> The proposed mandatory recovery and destruction of ODS from some foam banks is identified **both as positive**, in terms of spurring innovation and research and development (R&D), and hence employment, and as a **possible burden** in the form of additional training needs for SMEs. The SME test or the need to perform one (#Tool 23) is not discussed in this IA.

# Simplification and other regulatory implications

The current review of the regulation is a result of a REFIT evaluation done back in 2017. The Commission underlines in the IA (p. 41) that a significant focus of the review is the efficiency of existing measures, not the creation of new ones, and once again draws attention to the **cost savings** outlined in Table 5 (p. 42), that could be achieved by measures proposed under the preferred option. This table includes a quantification of the reduced administrative costs for undertakings when applying for trade licences instead of per-shipment licences, and of the burden due to the abolishment of registration requirements for laboratories and of the annual allocation of quota). Together with a more detailed summary of costs and benefits in Annex 3 (IA, pp. 53-55), this links with the 'one-in-one-out' (OIOO) approach (#Tool 59) aimed at offsetting new burdens resulting from the Commission's proposals by reducing existing burdens in the same policy area. (NB: the proposal was part of the Commission's pilot project, as reported by the Annual Burden Survey 2021, pp. 13-14). The proposal to modernise the licensing system and fully exploit the EU Single Environment for Customs, as well as electronic reporting for undertakings and Member States, fulfils the 'digital by default' requirement. Although not specified in the IA, the legislative proposal under consideration would contribute to the United Nations Sustainable Development Goals (SDGs) and appears to be fully in line with the 'do no significant harm' principle, as it will further strengthen the controls of the ODS and reduce ozone- and climate-relevant emissions (see the Explanatory Memorandum of the proposal, p. 7).

## Monitoring and evaluation

In the relevant section of the IA (pp. 42-43), the Commission underlines that the monitoring and evaluation of the regulation can rely on company reporting data collected and aggregated annually by the European Environment Agency (EEA). Furthermore, the IA refers to the confidential report by

the EEA on ODS activities within the EU, which includes data on imports, exports, production, destruction, process agent use, feedstock use and consumption, stocks and data on new ODS (Annex II). It emphasises that both itself and the evaluation of the regulation relied heavily on these data. Measures proposed under the preferred option aim to improve monitoring, in particular as regards production, feedstock use and related emissions of ODS. Furthermore, suggested electronic reporting by the Member States would allow to monitor the halon stocks and their availability for critical uses and to monitor illegal trade activities. The Commission believes that this could serve as an indication of success of alignment with customs rules and improved controls. Efficiency **improvements** will be monitored by the amount of resources still needed and the number of licences that companies would still require. On the other hand, the IA notes that regular monitoring of the ODS banks is difficult to achieve due to the distributed nature of the source (e.g. insulation foams everywhere including in landfills). It remains unclear, however, how the 'need for proportionate and dissuasive penalties' (identified as one of the drivers of the lack of coherence and clarification (IA., p. 14) will be addressed. The description of the measure in the IA is unspecific and is only pointing to the review of Directive 2008/99/EC on the protection of the environment through criminal law (D7, IAp. 26). Finally, an **evaluation** of the regulation is suggested by 2033, to inter alia examine the developments as regards the administrative costs. It would be based on a study similar to the one conducted by SKM Enviros (2012)<sup>15</sup> to estimate the progress on foam banks.

#### Stakeholder consultation

The IA points out that consultation activities were carried out with the aim of getting feedback from industry, public authorities and civil society. The **key stakeholders** are listed in a dedicated table and include Member States and customs authorities, chemical industry, laboratories, aerospace industry, reclamation/recycling/incineration companies, EU bodies, citizens, NGOs and international organisations. The consultation activities included:

- > an **inception IA** (one-month feedback period 26 March 23 April 2020, 4 responses received);
- > an open **public consultation** (OPC) (feedback period 13 July 9 November 2020, extended to 17 weeks due to the summer recess and the pandemic, 34 responses received);
- > a **targeted stakeholder consultation** (ODS businesses, NGOs and public authorities 42 stakeholders);
- > an online **stakeholder workshop** (66 stakeholders participated and 12 gave written feedback) to present the preliminary results of the IA and ask for input on data gaps.

The **results** of the consultations are summarised in Annex 2 (IA, pp. 47-51) and are **available** online. The IA presents stakeholders' opinions in a structure that is broadly consistent with the specific review objectives of the regulation and groups the opinions expressed on most measures (and the differences among them, even though there appear to be no major divisions <sup>16</sup>) by the different categories of stakeholders (e.g. public authorities, aviation industry, businesses). In Annex 2, stakeholders' views are mostly presented as belonging to one of two categories: authorities and businesses (and sometimes mentioning 'other'). There is no clear overall evaluation of how different stakeholders view the preferred Option 2 and its economic impacts, while it is clear that stakeholders generally support the higher level of ambition in terms of emissions reductions (IA., p. 48).

# Supporting data and analytical methods used

The Commission clarifies (IA, p. 56) that data for modelling future developments of the baseline and the policy options relies on recent data about the relevant parameters at substance level for 2010- 2019. According to the IA, the following data was used: the EEA annual company reporting data on ODS (production, import, exports feedstock uses and process agents uses); the Commission's ODS Licensing/Registration System for laboratory use and imports and exports; the Member States' reporting for critical use of halons; research on existing and future ODS emissions sources; data on insulation foam banks gathered by SKM Enviros (2012) and ICF (2018); <sup>17</sup> as well as

the stakeholder input gathered through the consultation process. The Commission had also commissioned an <u>external background study</u> to support its IA work. <sup>18</sup> While some of these data sources are publicly available, not all of them are clearly referenced (or linked) in the IA. It would have been useful to provide accessible links and references for all non-confidential data in the corresponding section of the IA in accordance with the requirement of transparency, which is one of the key Better Regulation elements (<u>BRG</u>, p. 6).

In Annex 4, the Commission gives an extensive and detailed account of the modelling approach applied to the baseline, defining its future developments by using recent data on relevant parameters at substance level for the 2010-2019 period (IA, pp. 56-74). It lists the basic assumptions and limitations and presents qualitative and quantitative (estimated) information in a clear manner.

## Follow-up to the opinion of the Commission Regulatory Scrutiny Board

The RSB gave a positive opinion to the draft IA report on 2 July 2021. It asked, however, to clarify the description of some measures and explain how they were selected, as well as to develop the impact analysis of a number of measures or to expand their evidence base. Annex 1 (IA pp. 45-46) gives an overview of how the Commission addressed the RSB's comments. Although the extent of corrections is difficult to judge, as draft IAs are not published, it appears that the Commission took the RSB's comments into account and significantly improved certain sections of the IA, for instance sections 5.2.1 (on additional emission reductions), 6.2 (efficiency of the regulation) and Annex 6 (detailed information on foams recovery). When the additional quantitative cost data requested by the RSB was difficult to obtain, it carried out a worst-case approximation using as bestos removal (as a proxy) for which cost data was available. Further details on renovation costs, consumer prices and vulnerable consumers were also added.

## Coherence between the Commission's legislative proposal and IA

The Commission's legislative proposal corresponds to the preferred option and the evaluation, monitoring and reporting provisions identified in the IA.

The IA defines the problem, its drivers and the need to revise the 2009 Ozone Regulation convincingly. It appears to be well substantiated and based on extensive public consultations and recent data, the supporting study and the evaluation of the 2009 regulation. However, the IA could have referenced the data more effectively and provided links to all public sources. The measures identified as feasible are explained with reference to stakeholders' opinions, feasibility and proportionality, while discarded measures are clarified in a dedicated annex. Based on the comparison of options and their impacts, as well as the EU's international obligations and in particular its climate ambitions, the explanation of the choice of preferred option appears convincing. The costs and benefits of each measure have been identified and analysed in a thorough manner, this includes identification of who would be affected and how. While the level of ambition concerning the emissions reduction appears to be supported by the majority of stakeholders, the IA does not give a clear overview of how different stakeholders see the economic impacts of the preferred option's measures. The IA, to the extent possible, includes consideration of regional impacts and impacts on vulnerable consumers. Synergies with other EU policies and legislation (e.g. the F-Gas Regulation and the Waste Framework Directive) are identified and explained.

### **ENDNOTES**

- <sup>1</sup> See also: D. Yougova, <u>Revision of the Ozone Regulation</u>, EPRS, European Parliament, October 2022.
- <sup>2</sup> Some of the ODS are very potent greenhouse gases with a global warming effect up to 14 000 times stronger than carbon dioxide ( $CO_2$ ) (see European Commission web page on Climate Action.
- The evaluation of the Ozone Regulation concluded that there is scope for simplification, clarity and more coherence. The regulation could also be updated to include the latest technological developments.
- <sup>4</sup> See also A. Rakštelytė, <u>Fluorinated greenhouse gases</u>, EPRS, European Parliament, September 2022.
- <sup>5</sup> See also E. Karamfilova, <u>Revision of Regulation (EC) 1005/2009 on substances depleting the ozone layer</u>, EPRS, European Parliament, March 2022.
- <sup>6</sup> 'Collection and storage of ODS from products and equipment or containers during maintenance or servicing or before disposal' (IA, p. v).
- O<sub>2</sub>e (equivalent) quantity of gas in metric tonnes multiplied by its associated global warming potential (GWP).
- <sup>8</sup> 'Group of ODS containing bromine and fluorine and one or two carbons. Their production is banned, but existing (non-virgin) halons may still be placed on the EU market for "critical uses", e.g. for fire-fighting on aircrafts ...' (IA, p. iv).
- <sup>9</sup> IA (pp. 7-8) refers to the recent technical assessment, which warns that non-virgin stocks for critical uses might not be sufficient from 2030 onwards to meet the needs at global level, therefore it might be necessary to produce new halons.
- <sup>10</sup> As the intended decrease of use has been achieved and remaining use is only allowed to the degree needed.
- <sup>11</sup> 'One halon prohibition date cannot be met and may therefore create administrative burden ... linked to the need for individual derogation requests' (IA., p. 10).
- <sup>12</sup> The EU single window environment for customs is designed to provide quicker and more efficient sharing of electronic data between national customs administrations and EU regulatory authorities across policy domains.
- <sup>13</sup> Employment, for instance in research and development or waste treatment.
- Modernisation of the licencing system would, for instance, save €49 000-119 000 for businesses, including SMEs (IA p. 32), abolition of the registration for laboratories (many of them SMEs) €50 000/year and of the annual quota allocation €11 000/year (pp. 33-34).
- 15 SKM Enviros, '<u>Further assessment of policy options for the management and destruction of banks of ODS and F-Gases</u> in the EU', 2012.
- <sup>16</sup> For instance, some differences exist between businesses (divided) and non-business stakeholders as to the level of ambition of some measures or additional reporting obligations; not all authorities were in favour of quota abolition.
- ODS destruction in the United States and abroad, ICF (2018).
- Support contract for an Impact Assessment for amending Regulation (EC) No 1005/2009 on substances that deplete the ozone layer, delivered under contract No 340201/2019/815261/ETU/CLIMA.A.2.

This briefing, prepared for the ENVI committee, analyses whether the principal criteria laid down in the European Commission's own Better Regulation 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.

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