Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Setting emission performance standards for new passenger cars as part of the Community's integrated approach to reduce CO₂ emissions from light-duty vehicles

(presented by the Commission)
EXPLANATORY MEMORANDUM

1) CONTEXT OF THE PROPOSAL

- Grounds for and objectives of the proposal

The internal market comprises an area without internal frontiers in which the free movement of goods, persons, services and capital must be ensured.

The United Nations Framework Convention on Climate Change, which was approved on behalf of the European Community by Council Decision 94/69/EC of 15 December 1993 concerning the conclusion of the United Nations Framework Convention on Climate Change, requires all parties to formulate and implement national and, where appropriate, regional programmes containing measures to mitigate climate change. In this respect, the Commission proposed in January 2007 that, in the context of international negotiations, the EU pursues the objective of a 30% reduction in greenhouse gas emissions by developed countries by 2020 (compared to 1990 levels) and that the EU should make a firm independent commitment to achieve at least a 20% reduction of greenhouse gas emissions by 2020 (compared to 1990 levels). This objective was endorsed by the Council and the European Parliament.

One of the implications of those commitments is for all Member States to reduce significantly emissions from passenger cars. Cars are an important part of the everyday lives of a large number of Europeans and the automotive industry is a significant source of employment and growth in many regions of the EU. Car usage also has significant impacts on climate change. Passenger car use accounts for about 12% of overall EU emissions of carbon dioxide (CO₂), the main greenhouse gas. Improvements in vehicle motor technology, in particular fuel efficiency, have led to a 12.4% fuel efficiency improvement between 1995 and 2004. However, improvements in fuel efficiency have been offset mainly by the increase in demand for transport and vehicle size. While the EU as a whole has reduced its emissions of greenhouse gases (GHG) by approximately 5% over the 1990-2004 period and emissions have been declining in non-transport sectors, the CO₂ emissions from road transport have increased by 26%. Despite significant improvements in vehicle motor technology, in particular in fuel efficiency which also means lower CO₂ emissions, demand for transport and vehicle size has increased and progress has been too slow in view of the Community objective of average emissions from the new car fleet of 120 g CO₂/km.

The objective of this proposal is to ensure the proper functioning of the internal market for passenger cars by laying down harmonised rules to limit the average CO₂ emissions from the new car fleet in the Community to 130g CO₂/km by 2012. Without such harmonisation there is a high risk that the internal market would be impaired with Member States seeking to take unilateral action in order to improve the fuel efficiency of passenger cars and reduce CO₂ emissions. This is part of an integrated approach and will be complemented by measures delivering an additional 10g CO₂/km in order to meet the Community objective of 120 g CO₂/km as set out in Communication

---

1 OJ L 33, 7.2.1994, p. 11.
Adopting Community targets for new passenger cars is necessary to prevent fragmentation in the internal market resulting from the adoption of different measures at Member State level. Community targets provide manufacturers with more planning certainty and more flexibility to meet the CO₂ reduction requirements than would be provided by separate national reduction targets. In setting emissions standards it is important to take into account the implications for markets and manufacturers’ competitiveness, stimulating innovation and reducing energy consumption. In setting such standards, it is important to provide Europe-wide planning security for vehicle manufacturers.

The aim of this Regulation is to create incentives for the car industry to invest in new technologies. The Regulation actively promotes eco-innovation and takes into account future technological developments. In this way, the competitiveness of the European Industry is enhanced and more high-quality jobs created.

- General context

The Commission first adopted a Community Strategy to reduce CO₂ emissions from cars in 1995. The strategy was based on three pillars: voluntary commitments from the car industry to cut emissions, improvements in consumer information and the promotion of fuel efficient cars via fiscal measures. In 1998, the European Automobile Manufacturers Association adopted a commitment to reduce average emissions from new cars sold to 140 g CO₂/km by 2008 and, in 1999, the Japanese and Korean Automobile Manufacturers Associations adopted a similar commitment to reduce average emissions from new cars sold to 140 g CO₂/km by 2009.

On 7 February 2007, the Commission adopted two parallel Communications: a Communication on the results of the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles and a Communication on a Competitive Automotive Regulatory Framework for the 21st Century CARS 21 (“the Communications”). The Communications underlined that while progress had been made some way towards the target of 140g CO₂/km by 2008/9, the Community objective of average emissions from the new car fleet of 120g CO₂/km would not be met by 2012 in the absence of additional measures. The Communications therefore proposed the adoption of an integrated approach to meet the Community objective and announced that the Commission would propose a legislative framework to achieve the Community objective by focusing on mandatory reductions of emissions of CO₂ to reach the objective of 130 g CO₂/km for the average new car fleet by means of improvements in vehicle motor technology, and a further reduction of 10 g CO₂/km, or equivalent if technically necessary, by other technological improvements and by an increased use of biofuels.

The Communications emphasised that the legislative framework for implementing the average new car fleet target should ensure competitively neutral and socially equitable and sustainable reduction targets which are equitable to the diversity of the European automobile manufacturers and avoid any unjustified distortion of competition between automobile manufacturers. The legislative framework should be compatible with the overall objective of reaching the EU’s Kyoto targets.
In May 2007, the Competitiveness Council supported "an integrated approach as proposed by the Commission, for reducing CO₂ emissions from motor vehicles" and underlined "that all the players must make their contribution to reducing emissions harmful to the climate" and that "the opportunity for a regulatory framework which is cost-effective, ensures affordable mobility and contributes to preserving the global competitiveness of the automotive industry". In June 2007, the Environment Council "urged the European Commission to come forward, as soon as possible and before the end of 2007, with a legislative framework to reduce CO₂ emissions from cars (...)".

These two Council formations, as well as the Transport Council in June 2007, called "on the Commission to configure the planned framework for attaining the target for average CO₂ emissions from the fleet of new cars sold in the EU on the basis of a thorough impact assessment in a way that is as neutral as possible from the point of view of competition, and which is socially equitable and sustainable. It should be framed in such a way as to ensure that all manufacturers intensify their efforts to make their whole vehicle production more environmentally-friendly in a cost-effective way".

In its resolution adopted on 24 October 2007, the European Parliament welcomed the Commission's plan to propose legislation and proposed that binding emission targets be implemented from 2011 onwards in order to ensure that by technical improvements to vehicles alone, the average new car fleet would reach 125 g CO₂/km in 2015. The Parliament recommended that reduction targets be defined through a footprint (trackwidth multiplied by wheelbase) based limit value. The Parliament also insisted on the second step to be taken in view of the longer-term target: the average new car fleet should reach 95 g CO₂/km by 2020 and possibly 70 g CO₂/km by 2025 subject to a confirmation or review by the Commission no later than 2016.

Consumer behaviour has an affect on overall emissions from passenger cars. Consumers should be provided with information regarding whether new passenger cars meet the emission targets. The Commission will adopt an amending proposal to improve the effectiveness of the fuel efficiency labelling Directive 1999/94/EC. Car taxation is also a powerful instrument to influence the purchase decisions of consumers. Taxes differentiated to support the market introduction of fuel efficient and low CO₂ emitting cars could facilitate the achievement of the Community's target. The Commission has made a proposal for a Council Directive on passenger car taxation (COM(2005)61) which allows for this possibility by requiring tax to be differentiated on the basis of the CO₂ emissions of each car, with the share of CO₂-related tax revenues rising from twenty-five per cent to fifty per cent.

The mid-term review of the White Paper on the Common Transport Policy (COM(2006) 314) reconfirmed the objectives of protecting the environment and ensuring energy security, highlighting CO₂ emissions as one of the challenges.

- Existing provisions in the area of the proposal


- **Consistency with the other policies and objectives of the Union**

The proposal is in line with the three pillars of the Lisbon Strategy as tighter requirements on CO\textsubscript{2} emissions and fuel efficiency should encourage the development and application of new environmental technologies, which in turn, could encourage high-value-added technology exports of technologies and vehicles to emerging markets where oil is scarce and promote highly qualified jobs in Europe.

The proposal also contributes to the Renewed Sustainable Development Strategy adopted by the European Council in June 2006 by contributing to a more sustainable mobility. Making transport more sustainable would facilitate achieving other sustainable development goals. This relationship is particularly strong between transport climate change, public health, conservation of natural resources and energy use.

**2) CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

- **Consultation of interested parties**

*Consultation methods, main sectors targeted and general profile of respondents*

In support of the earlier Communications, a first round of public consultation was carried out by the Commission in 2005-2006 via an internet consultation. This was complemented by a dedicated working group established under the European Climate Change Programme. In addition, the CARS 21 stakeholder group reviewed the role of environmental policy and CO\textsubscript{2} emissions as part of developing an overarching integrated policy framework for the automotive sector.

Building on this work, the following additional consultations were carried out, together with an external study aimed at investigating possible regulatory approaches to reducing CO\textsubscript{2} from light-duty vehicles:

- Between 5 May and 15 July 2007, an online internet public consultation was carried out, aimed at gathering the views of all stakeholders and members of the public on the implementation of the revised CO\textsubscript{2} and cars strategy;

- To complement this internet consultation, a public hearing was organised by the Commission on 11 July 2007, where the stakeholders directly concerned by the upcoming legislation (automotive industry, suppliers, environmental NGOs, social partners, consumers) had the opportunity to present their positions.

*Summary of responses and how they have been taken into account*
The information gathered through the stakeholder consultation has been taken into account in the design of the proposed scheme. Details of how this was done are set out in the impact assessment report which accompanies this proposal.

The Commission received 2390 responses to the internet consultation carried out between May and July 2007. The results are available on http://ec.europa.eu/reducing_co2_emissions_from_cars/index_en.htm and, along with the full report of the public hearing, are summarised in the annex to the impact assessment accompanying the proposal.

- Collection and use of expertise

Scientific/expertise domains concerned

(1) Expertise from the automotive industry, including manufacturers and (2) modelling expertise provided by external consultants (see Annex I to the Impact Assessment accompanying this proposal for details of the reference documents and considerations for the modelling framework).

Methodology used

Modelling with formal mathematical models and calculations based on statistical data.

Main organisations/experts consulted

Public authorities, industry associations, trade organisations, environmental organisations, consumer organisations and external consultants.

Summary of advice received and used

The advice provided by the external consultant has been used to assess the implications of the various policy options to achieve the objectives of the proposal. These options and their implications are described in the impact assessment which accompanies this proposal.

Means used to make the expert advice publicly available

The study carried out in support of the impact assessment, together with earlier related work, will be made available at the following websites: http://ec.europa.eu/environment/co2/co2_studies.htm

http://ec.europa.eu/enterprise/automotive/index_en.htm

- Impact assessment

The impact assessment considered three main options:

The first option considered was to set the same CO₂ emission limit for each manufacturer for the average of their new passenger car fleets in 2012, namely the average emission target of 130 g CO₂/km.
The second option considered was to define a linear curve giving the CO\textsubscript{2} value to be achieved by a given car as a function of its "utility" (mass or footprint) so that the average of the new passenger cars in 2012 would deliver the 130 g CO\textsubscript{2}/km target.

The third and last option was to require manufacturers to deliver a set percentage reduction corresponding to the reduction needed to achieve the 130 g CO\textsubscript{2}/km target in 2012 compared to the 2006 situation.

For all three options, flexibility mechanisms have been considered, including fleet averaging, pooling and trading amongst manufacturers. Different compliance mechanisms have also been investigated. The potential economic, social and environmental impacts have been considered in detail.

The detailed evaluation of the options is set out in the impact assessment accompanying the proposal which will be available at the following addresses: [http://ec.europa.eu/environment/co2/co2_home.htm](http://ec.europa.eu/environment/co2/co2_home.htm) and [http://ec.europa.eu/enterprise/automotive/index_en.htm](http://ec.europa.eu/enterprise/automotive/index_en.htm).

3) **LEGAL ELEMENTS OF THE PROPOSAL**

- **Summary of the proposed action**

The proposal aims to ensure the proper functioning of the internal market for passenger cars by ensuring that average specific emissions of new passenger cars in the Community do not exceed 130g CO\textsubscript{2}/km from 2012 onwards.

The key aspects of the proposal are:

- The proposal will apply to M1 vehicles (passenger cars).

- The proposal sets targets for the specific emissions of CO\textsubscript{2} from new passenger cars in the Community as a function of their mass.

- The proposal sets mandatory targets for the specific emissions of CO\textsubscript{2} of passenger cars from 2012 onwards. The targets will apply to the average specific emissions of CO\textsubscript{2} in g/km for new passenger cars for each manufacturer which are registered in the EU in each calendar year. Manufacturers may form a pool in order to meet their targets. Where two or more manufacturers form a pool, the pool will be treated as if it is one manufacturer for the purposes of determining its compliance with the targets.

- Member States will be obliged to collect data on the new cars registered in their territory and to report this data to the Commission for the purposes of assessing compliance with the targets.

- If a manufacturer fails to meet its target, it will be required to pay an excess emissions premium in respect of each calendar year from 2012 onwards. The premium will be calculated by multiplying the number of g CO\textsubscript{2}/km by which the manufacturer exceeded its target by the number of cars newly registered and by the excess emissions penalty for the year. The excess emissions penalty will be 20 euros for emissions in 2012, 35 euros for emissions in 2013, 60 euros for emissions in 2014 and 95 euros for emissions in 2015 and each subsequent year.
- The targets under the Regulation are established on the basis of the best knowledge currently available regarding in particular the likely fleet evolution between now and 2012 in respect of the autonomous weight increase.

- **Legal basis**

  Article 95 of the EC Treaty is the appropriate legal basis because of the need to ensure a level playing field for all economic actors in the internal market while at the same time ensuring a high level of protection of health and the environment.

- **Subsidiarity principle**

  The subsidiarity principle applies insofar as the proposal does not fall under the exclusive competence of the Community.

  The objectives of the proposal cannot be sufficiently achieved by the Member States for the following reasons:

  The need to avoid the emergence of barriers to the single market, the transboundary nature of climate change and the important variations in the national averages of specific emissions of CO\(_2\) for new passenger cars: the monitoring of the average new car CO\(_2\) emissions shows that national new car fleet emissions vary from Member State to Member State (in 2006, the average new car sold in Portugal emitted 144 g CO\(_2\)/km, against 187 g CO\(_2\)/km in Sweden) and, as a result, Member States would not be able to implement national measures such that the EU average of 130 g CO\(_2\)/km would be delivered.

  Community action will better achieve the objectives of the proposal for the following reasons:

  Harmonised action to reduce the climate change impact of passenger cars can best be achieved by adopting legislation at Community level. Adopting targets for CO\(_2\) emissions from cars at the Community level prevents fragmentation of the internal market and provides manufacturers with more flexibility in implementing the required CO\(_2\) reductions across their new car fleet in the Community rather than having specific strategies for specific national reduction objectives.

  The Community has a long-standing target to reduce the average CO\(_2\) emissions from new cars in the Community and the Council and European Parliament have called upon the Commission to make a proposal for legislation on this matter.

  The scope of the proposal is limited to defining manufacturers' targets in respect of the achievement of the average new car fleet emissions of 130 g CO\(_2\)/km, without prescribing complementary measures (advertising requirements, fiscal incentives) that Member States could take and that could contribute to the overall objective of reducing CO\(_2\) from cars, although they would in themselves not be sufficient to deliver the 130 g CO\(_2\)/km target.

  The proposal therefore complies with the subsidiarity principle.
• **Proportionality principle**

The proposal complies with the proportionality principle for the following reasons:

It does not go beyond what is necessary in order to achieve the objectives of ensuring the proper functioning of the internal market while at the same time providing for a high level of environmental protection.

The proposal is proportionate to the EU's overall objective of reaching the EU's Kyoto targets and sets competitively neutral and socially equitable and sustainable reduction targets which are equitable to the diversity of the European automobile manufacturers and avoid any unjustified distortion of competition between automobile manufacturers.

The proposal will build upon an already existing monitoring scheme that was established earlier in order to follow up on the implementation of the CO₂ and cars strategy.

• **Choice of instruments**

Proposed instrument: regulation.

Other means would not be adequate for the following reasons:

The Regulation comes after voluntary commitments taken by the industry have been deemed inappropriate for the purpose of delivering further progress as part of the revised CO₂ and cars strategy (legislative framework implementing the integrated approach).

The use of a Regulation is considered to be the appropriate legal instrument in providing the required assurance for compliance whilst not requiring the transposition into Member States’ legislation. The Community objective applies to the Community as a whole. It is, therefore, necessary to ensure that a uniform approach is applied in all Member States. Further, a harmonised approach is required in order to avoid distortions of competition which could have impacts on the internal market.

4) **Budgetary implication**

Implementation of the proposal once adopted will require resources at the EU level to adequately monitor manufacturers' performance against their CO₂ reduction targets, and, where necessary, to administer excess emissions premiums provided for in the legislation, which will be incorporated into the general EU budget.

5) **Additional information**

• **Repeal of existing legislation**

The adoption of the proposal will lead to the repeal of existing legislation.

• **Review/revision/sunset clause**

The proposal includes a review clause.
- **European Economic Area**

  The proposed act concerns an EEA matter and should therefore extend to the European Economic Area.
Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

Setting emission performance standards for new passenger cars as part of the
Community's integrated approach to reduce CO\textsubscript{2} emissions from light-duty vehicles

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 95 thereof,

Having regard to the proposal from the Commission\textsuperscript{3},

Having regard to the opinion of the European Economic and Social Committee\textsuperscript{4},

Having regard to the opinion of the Committee of the Regions\textsuperscript{5},

Acting in accordance with the procedure laid down in Article 251 of the Treaty\textsuperscript{6},

Whereas:

(1) The objective of this Regulation is to set emission performance standards for new
passenger cars registered in the Community which ensures the proper functioning of
the internal market and delivers part of the Community's integrated approach to
reducing CO\textsubscript{2} emissions from light-duty vehicles.

(2) The internal market comprises an area without internal frontiers in which the free
movement of goods, persons, services and capital must be ensured. The Community
has put in place a well-functioning internal market in the automotive sector, which has
created a solid basis for uninterrupted intra-Community trade in automotive products.
The targets for CO\textsubscript{2} emissions should be harmonised to avoid differing requirements
between Member States, to preserve the achievements of the internal market and
ensure the free movement of passenger cars within the Community while ensuring a
high level of environmental protection.

(3) The United Nations Framework Convention on Climate Change, which was approved
on behalf of the European Community by Council Decision 94/69/EC of 15 December
1993 concerning the conclusion of the United Nations Framework Convention on

\begin{footnotesize}
\begin{enumerate}
\item OJ C […], […]. p. […].
\item OJ C […], […]. p. […].
\item OJ C […], […]. p. […].
\item OJ C […], […]. p. […].
\end{enumerate}
\end{footnotesize}
Climate Change,\(^7\) requires all parties to formulate and implement national and, where appropriate, regional programmes containing measures to mitigate climate change. In this respect, the Commission proposed in January 2007 that, in the context of international negotiations, the EU pursues the objective of a 30% reduction in greenhouse gas emissions by developed countries by 2020 (compared to 1990 levels) and that the EU should make a firm independent commitment to achieve at least a 20% reduction of greenhouse gas emissions by 2020 (compared to 1990 levels).\(^8\) This objective was endorsed by the Council and the European Parliament.

(4) One of the implications of those commitments is for all Member States to reduce significantly emissions from passenger cars. Policies and measures should be implemented at Member State and Community level across all sectors of the Community economy, and not only within the industry and energy sectors, in order to generate the substantial reductions needed. Road transport is the second largest greenhouse gas emitting sector in the EU and its emissions continue to rise. If the climate change impact of road transport continues to increase, it will significantly undermine reductions made by other sectors to combat climate change.

(5) Adopting Community targets for new passenger cars is necessary to prevent fragmentation in the internal market resulting from the adoption of different measures at Member State level. Community targets provide manufacturers with more planning certainty and more flexibility to meet the CO\(_2\) reduction requirements than would be provided by separate national reduction targets. In setting emission standards it is important to take into account the implications for markets and manufacturers’ competitiveness, the direct and indirect costs imposed on business and the benefits that accrue in terms of stimulating innovation and reducing energy consumption.

(6) This Regulation builds on a well-established process of measuring and monitoring the CO\(_2\) emissions of vehicle manufacturers at European level in accordance with Decision 1753/2000/EC of the European Parliament and of the Council of 22 June 2000 establishing a scheme to monitor the average specific emissions of CO\(_2\) from new passenger cars\(^9\) and it is important that the setting of CO\(_2\) reduction requirements continues to provide Community-wide predictability and planning security for vehicle manufacturers across their new car fleet in the Community.

(7) The Commission adopted a Community Strategy for reducing CO\(_2\) emissions from cars in 1995.\(^10\) The strategy was based on three pillars: voluntary commitments from the car industry to cut emissions, improvements in consumer information and the promotion of fuel efficient cars via fiscal measures.

(8) In 1998, the European Automobile Manufacturers Association (ACEA) adopted a commitment to reduce average emissions from new cars sold to 140 g CO\(_2\)/km by 2008 and, in 1999, the Japanese Automobile Manufacturers Association (JAMA) and Korean Automobile Manufacturers Association (KAMA) adopted a commitment to reduce average emissions from new cars sold to 140 g CO\(_2\)/km by 2009. These commitments were recognised by Commission Recommendation 1999/125/EC of 5

---

\(^7\) OJ L 33, 7.2.1994, p. 11.

\(^8\) COM(2007) 2.


\(^10\) COM(95) 689 final.

(9) On 7 February 2007, the Commission adopted two parallel Communications: a Communication setting out the results of the review of the Community Strategy to reduce CO₂ emissions from passenger cars and light-commercial vehicles¹⁴ and a Communication on a Competitive Automotive Regulatory Framework for the 21st Century CARS21.¹⁵ The Communications underlined that progress had been made towards the target of 140 g CO₂/km by 2008/2009, but that the Community objective of 120 g CO₂/km would not be met by 2012 in the absence of additional measures.

(10) The Communications proposed an integrated approach with a view to reaching the Community target of 120 g CO₂/km by 2012 and announced that the Commission would propose a legislative framework to achieve the Community objective by focusing on mandatory reductions of emissions of CO₂ to reach the objective of 130 g CO₂/km for the average new car fleet by means of improvements in vehicle motor technology. Consistent with the approach under the voluntary commitments adopted by the manufacturers, this covers those elements that are taken into account in the measurement of the CO₂ emissions of passenger cars in accordance with Regulation (EC) No 715/2007 of the European Parliament and of the Council of 20 June 2007 on type approval of motor vehicles with respect to emissions from light passenger and commercial vehicles (Euro 5 and Euro 6) and on access to vehicle repair and maintenance information.¹⁶ A further reduction of 10 g CO₂/km, or equivalent if technically necessary, will be delivered by other technological improvements and by an increased use of biofuels. In addition, consumer behaviour has an affect on overall emissions from passenger cars and therefore consumers should be provided with information regarding whether new passenger cars meet the emission targets set under this Regulation.

(11) The legislative framework for implementing the average new car fleet target should ensure competitively neutral and socially equitable and sustainable reduction targets which are equitable to the diversity of the European automobile manufacturers and avoid any unjustified distortion of competition between automobile manufacturers. The legislative framework should be compatible with the overall objective of reaching the EU’s Kyoto targets and should be complemented by other more use-related instruments such as differentiating car and energy taxes.

(12) In order to maintain the diversity of the car market and its ability to cater for different consumer needs, CO₂ targets for passenger cars should be defined as a function of the utility of the cars on a linear basis. To describe this utility, mass is the most appropriate parameter because it provides a satisfactory correlation with present

---

emissions and would therefore result in more realistic and competitively neutral targets and because data on mass is readily available. Data on the alternative utility parameter of footprint (track width times wheelbase) should, however, be collected in order to facilitate longer-term evaluations of the utility-based approach. In the establishment of the targets, the projected evolution of new cars' mass until 2012 should be taken into account, and potential incentives to increase vehicle mass just in order to benefit from a consequent increase of the CO$_2$ reduction target should be avoided. Therefore, the possible future autonomous mass increase evolution of vehicles produced by the manufacturers and sold on the EU market should be taken into account when defining the targets for 2012. Finally, differentiation of targets should encourage emissions reductions to be made in all categories of cars while recognising that larger emission reductions can be made for heavier cars.

(13) The aim of this Regulation is to create incentives for the car industry to invest in new technologies. The Regulation actively promotes eco-innovation and takes into account future technological developments. In this way, the competitiveness of the European Industry is enhanced and more high-quality jobs created.

(14) To provide consistency with the approach adopted under the Commission's CO$_2$ and cars strategy, in particular in relation to the voluntary commitments undertaken by the manufacturers associations, the target should be applied to new passenger cars registered in the Community for the first time and which, except for a limited period to avoid abuses, have not previously been registered outside the Community.

(15) Directive 2007/46/EC of the European Parliament and of the Council of 5 September 2007 establishing a framework for the approval of motor vehicles and their trailers, and of systems components and separate technical units intended for such vehicles establishes a harmonised framework containing the administrative provisions and general technical requirements for approval of all new vehicles within its scope. The entity responsible for complying with this Regulation should be the same as the entity responsible for all aspects of the type-approval process in accordance with that Regulation and for ensuring conformity of production.

(16) Special purpose vehicles to which specific requirements apply for the purposes of type-approval, including vehicles built specifically for commercial purposes to accommodate wheelchair use inside the vehicle in accordance with Community policy to help disabled persons, should be excluded from the scope of this Regulation.

(17) Manufacturers should have flexibility to decide how to meet their targets under this Regulation and should be allowed to average emissions over their new car fleet rather than having to respect CO$_2$ targets for each individual car. Manufacturers should therefore be required to ensure that the average specific emission for all the new cars registered in the Community for which they are responsible does not exceed the average of the emissions targets for those cars.

(18) In order to provide flexibility for manufacturers, manufacturers may agree to form a pool on an open, transparent and non-discriminatory basis for the purposes of meeting their targets under this proposal. An agreement to form a pool should not exceed five

---

years but may be renewed. Where manufacturers form a pool, manufacturers should be deemed to have met their targets under this Regulation provided that the average emissions of the pool as a whole do not exceed the target emissions for the pool.

(19) A robust compliance mechanism is necessary in order to ensure that the targets under this Regulation are met.

(20) The specific emissions of carbon dioxide from new passenger cars are measured on a harmonised basis in the Community according to the methodology laid down in Regulation (EC) No 715/2007. To minimise the administrative burden of the scheme, compliance with the scheme should be measured by reference to data on registrations of new cars in the Community collected by Member States and reported to the Commission. To ensure the consistency of the data used to assess compliance, the rules for the collection and reporting of this data should be harmonised as far as possible.

(21) Directive 2007/46/EC provides that manufacturers are to issue a certificate of conformity which must accompany each new passenger car and that Member States are to permit the registration and entry into service of a new passenger car only if it is accompanied by a valid certificate of conformity. Data collected by Member States should be consistent with the certificate of conformity issued by the manufacturer for the passenger car.

(22) Manufacturers' compliance with the targets under this Regulation should be assessed at the Community level. Manufacturers whose average specific emissions of CO₂ exceed those permitted under this Regulation should pay an excess emissions premium in respect of each calendar year from 2012 onwards. The premium should be modulated as a function of the extent to which manufacturers fail to comply with their target. It should increase over time. In order to provide a sufficient incentive to take measures to reduce specific emissions of CO₂ from passenger cars, the premium should reflect technological costs. The amounts of the excess emissions premium should be considered as revenue for the budget of the European Union.

(23) This Regulation should be without prejudice to the full application of Community competition rules.

(24) Given the priority inherently attached to the reduction of CO₂ emissions, the implementation of this Regulation at Community level should be supported by the existing Community Financial Instrument for the Environment (LIFE+) in accordance with the rules and conditions applicable to Regulation (EC) No 614/2007 of the European Parliament and of the Council of 23 May 2007 concerning the Financial Instrument for the Environment (LIFE+).\(^\text{18}\)

(25) The measures necessary for the implementation of this Regulation should be adopted in accordance with Council Decision 1999/468/EC of 28 June 1999 laying down the procedures for the exercise of implementing powers conferred on the Commission.\(^\text{19}\)

---


In particular power should be conferred on the Commission to amend the monitoring and reporting requirements in the light of the experience of the application of this Regulation, to establish methods for the collection of excess emissions premiums and to adopt detailed provisions for the improvement of the specialist derogation for small volume independent manufacturers. Since those measures are of general scope and are designed to amend non-essential elements of this Regulation and to supplement this Regulation by the addition of new non-essential elements, they should be adopted in accordance with the regulatory procedure with scrutiny provided for in Article 5a of Decision 1999/468/EC.

Decision 1753/2000/EC should be repealed for reasons of simplification and legal clarity.

Since the objective of the proposed action cannot be achieved by the Member States acting individually, and can therefore, by reason of the scale and effects of the proposed action, be better achieved at Community level, the Community may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and objectives

This Regulation establishes CO$_2$ emission performance requirements for new passenger cars in order to ensure proper functioning of the internal market and achieve the EU's overall objective that the average new car fleet should achieve CO$_2$ emissions of 120 g CO$_2$/km. The Regulation sets the average CO$_2$ emissions for new passenger cars at 130 g CO2/km by means of improvement in vehicle motor technology as measured in accordance with Regulation (EC) No 715/2007 and its implementing measures. This Regulation will be complemented by additional measures corresponding to 10 g/km as part of the Community's integrated approach.

Article 2

Scope

1. This Regulation shall apply to motor vehicles of category M$_1$ as defined in Annex II to Directive 2007/46/EC with a reference mass not exceeding 2 610 kg and vehicles to which type-approval is extended in accordance with Article 2(2) of Regulation (EC) No 715/2007 ('passenger cars') which are registered in the Community for the first time and which have not previously been registered outside the Community ('new passenger cars').
2. A previous registration outside the Community less than three months before registration in the Community shall not be taken into account.

3. It does not apply to special purpose vehicles as defined in paragraph 5 of Annex II to Directive 2007/46/EC.

**Article 3**

**Definitions**

1. For the purposes of this Regulation, the following definitions shall apply:

   (a) 'average specific emissions of CO\textsubscript{2}' means, in relation to a manufacturer, the average of the specific emissions of CO\textsubscript{2} of all new passenger cars for which it is the manufacturer;

   (b) 'certificate of conformity' means the certificate referred to in Article 18 of Directive 2007/46/EC;

   (c) 'manufacturer' means the person or body responsible to the approval authority for all aspects of the EC type-approval procedure in accordance with Directive 2007/46/EC and for ensuring conformity of production;

   (d) 'mass' means the mass of the car with bodywork in running order as stated in the certificate of conformity and defined in section 2.6 of Annex I to Directive 2007/46/EC;

   (e) 'specific emissions of CO\textsubscript{2}' means the emissions of a passenger car measured in accordance with Regulation (EC) No 715/2007 and specified as the CO\textsubscript{2} mass emission (combined) in the certificate of conformity;

   (f) 'specific emissions target' means, in relation to a manufacturer, the average of the specific emissions of CO\textsubscript{2} permitted in accordance with Annex I in respect of each new passenger car for which it is the manufacturer or, where the manufacturer is granted a derogation under Article 9, the specific emissions of CO\textsubscript{2} permitted in accordance with that derogation.

2. For the purposes of this Regulation, manufacturers will be considered to be connected if they are connected undertakings. 'Connected undertakings' means:

   (a) undertakings in which a party to an agreement between one or more undertakings, directly or indirectly:

      (i) has the power to exercise more than half the voting rights; or

      (ii) has the power to appoint more than half the members of the supervisory board, board of management or bodies legally representing the undertaking; or

---

(iii) has the right to manage the undertaking's affairs;

(b) undertakings which directly or indirectly have, over a party to such agreement, the rights or powers listed in point (a);

(c) undertakings in which an undertaking referred to in point (b) has, directly or indirectly, the rights or powers listed in point (a);

(d) undertakings in which a party to such agreement together with one or more of the undertakings referred to in points (a), (b) or (c), or in which two or more of the latter undertakings, jointly have the rights or powers listed in point (a);

(e) undertakings in which the rights or the powers listed in (a) are jointly held by:

(i) parties to such agreement or their respective connected undertakings referred to in points (a) to (d); or

(ii) one or more of the parties to such agreement or one or more of their connected undertakings referred to in points (a) to (d) and one or more third parties.

Article 4

Specific emissions targets

For the calendar year commencing 1 January 2012 and each subsequent calendar year, each manufacturer of passenger cars shall ensure that its average specific emissions of CO₂ do not exceed its specific emissions target determined in accordance with Annex I or, where a manufacturer is granted a derogation under Article 9, in accordance with that derogation.

Article 5

Pooling

1. Manufacturers, other than manufacturers which have been granted a derogation under Article 9, may form a pool for the purposes of meeting their obligations under Article 4.

2. An agreement to form a pool may relate to one or more calendar years provided that the overall duration of each agreement does not exceed five calendar years and must be entered into on or before 31 December in the first calendar year for which emissions would be pooled. Manufacturers which form a pool shall file information with the Commission:

(a) specifying the manufacturers who will be included in the pool;

(b) nominating one of the manufacturers as the pool manager who will be the contact point for the pool and will be responsible for paying any excess emissions premium imposed on the pool in accordance with Article 7; and
(c) providing evidence that the pool manager will be able to fulfil the obligations under point (b).

3. Where the proposed pool manager fails to meet the requirements of point (c) of paragraph 2, the Commission shall notify the manufacturers.

4. Manufacturers included in a pool shall jointly inform the Commission of any change to the pool manager or its financial status so far as it may affect its ability to meet the requirements of point (c) of paragraph 2, any changes to the membership of the pool or the dissolution of the pool.

5. Manufacturers may enter into pooling arrangements provided that their agreements are in compliance with Articles 81 and 82 of the Treaty and that, they allow open, transparent and non-discriminatory participation on commercially reasonable terms by any manufacturer requesting to become a member of the pool. Without limiting the general applicability of EU Competition rules to such pools, all members of a pool shall in particular ensure that no data sharing nor information exchange may occur in the context of their pooling arrangement, except the following information:

   (i) average specific emissions of CO₂;

   (ii) the specific emissions target;

   (iii) total number of vehicles registered.

6. Paragraph 5 shall not apply where all the manufacturers included in the pool are connected undertakings.

7. Except where notification is given under paragraph 3, the manufacturers in a pool for which information is filed with the Commission shall be considered as if they were one manufacturer for the purposes of this Regulation.

Article 6

Monitoring and reporting of average emissions

1. For the year beginning 1 January 2010 and each subsequent year, each Member State shall record information for each new passenger car registered in its territory in accordance with Part A of Annex II.

2. By 28 February 2011 and each subsequent year, the Member State shall determine and transfer to the Commission the information listed in Part B of Annex II in respect of the preceding calendar year. The data shall be transmitted in accordance with the format specified in Part C of Annex II.

3. On request from the Commission, a Member State shall also transmit the full set of data collected pursuant to paragraph 1.
4. The Commission shall keep a central register of the data reported by Member States under this Article and by 30 June 2011 and each subsequent year shall provisionally calculate for each manufacturer:

(a) the average specific emissions of CO₂ in the preceding calendar year in the Community;

(b) the specific emissions target in the preceding calendar year; and

(c) the difference between its average specific emissions of CO₂ in the preceding calendar year and its specific emissions target for that year.

The Commission shall notify each manufacturer of its provisional calculation for that manufacturer. The notification shall include data per Member State on the number of new passenger cars registered and their specific emissions of CO₂.

The register shall be publicly available.

5. Manufacturers may, within 2 months of being notified of the provisional calculation under paragraph 4, notify the Commission of any errors in the data specifying the Member State in which it considers that the error occurred.

The Commission shall consider any notifications from manufacturers and shall by 30 September either confirm or amend and confirm the provisional calculations under paragraph 4.

6. Where, on the basis of the calculations under paragraph 5, in relation to the calendar year 2010 or 2011, it appears to the Commission that a manufacturer's average specific emissions of CO₂ in that year exceeded its specific emissions target for that year, the Commission shall notify the manufacturer.

7. Member States shall designate a competent authority for the collection and communication of the monitoring data in accordance with this Regulation and shall inform the Commission of the competent authority designated no later than 6 months after the entry into force of this Regulation.

8. The Commission may adopt detailed rules on the monitoring and reporting of data under this Article and on the application of Annex II in accordance with the procedure referred to in Article 12(2).

The Commission may amend Annex II in the light of the experience of the application of this Regulation. Those measures designed to amend non-essential elements of this Regulation shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).
Article 7

Excess Emissions Premium

1. In respect of each calendar year from 2012 onwards for which a manufacturer's average specific emissions of CO\textsubscript{2} exceed its specific emissions target in that year, the Commission shall impose an excess emissions premium on the manufacturer or, in the case of a pool, the pool manager.

2. The excess emissions premium under paragraph 1 shall be calculated using the following formula:

   \[ \text{Excess emissions} \times \text{number of new passenger cars} \times \text{excess emissions premium prescribed in paragraph 3.} \]

   Where:

   'Excess emissions' means the positive number of grams per kilometre by which the manufacturer's average specific emissions exceeded its specific emissions target in the calendar year rounded to the nearest three decimal places; and

   'Number of new passenger cars' means the number of new passenger cars for which it is the manufacturer and which were registered in that year.

3. The excess emissions premium shall be:

   (a) in relation to excess emissions in the calendar year 2012, 20 euros;
   (b) in relation to excess emissions in the calendar year 2013, 35 euros;
   (c) in relation to excess emissions in the calendar year 2014, 60 euros; and
   (d) in relation to excess emissions in the calendar year 2015 and subsequent calendar years, 95 euros.


   Those measures designed to amend non-essential elements of this Regulation, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).

5. The amounts of the excess emissions premium shall be considered as revenue for the budget of the European Union.
**Article 8**

**Publication of performance of manufacturers**

1. By 31 October 2011 and each subsequent year, the Commission shall publish a list indicating for each manufacturer:
   (a) its specific emission target for the preceding calendar year;
   (b) its average specific emissions of CO$_2$ in the preceding calendar year;
   (c) the difference between its average specific emissions of CO$_2$ in the preceding calendar year and its specific emissions target in that year; and
   (d) the average specific emissions of CO$_2$ for all new passenger cars in the Community in the previous calendar year.

2. From the 31 October 2013, the list published under paragraph 1 shall also indicate whether or not the manufacturer has complied with the requirements of Article 4 in respect of the preceding calendar year.

**Article 9**

**Specialist derogation for small volume independent manufacturers**

1. An application for a derogation from the specific emissions target calculated in accordance with Annex I may be made by a manufacturer which:
   (a) is responsible for less than 10,000 new passenger cars registered in the Community per calendar year; and
   (b) is not connected to another manufacturer.

2. An application for a derogation under paragraph 1 may relate to a maximum of five calendar years. An application shall be made to the Commission and shall include:
   (a) name and contact person for the manufacturer;
   (b) evidence that the manufacturer is eligible for a derogation under paragraph 1;
   (c) details of the passenger cars which it manufactures including the mass and specific emissions of CO$_2$ of those passenger cars; and
   (d) a specific emissions target consistent with its reduction potential, including the technological potential to reduce its specific emissions of CO$_2$.

3. Where the Commission considers that the manufacturer is eligible for a derogation under paragraph 1 and is satisfied that the specific emissions target proposed by the manufacturer is consistent with its reduction potential, including the technological potential to reduce its specific emissions of CO$_2$, the Commission shall grant a
derogation to the manufacturer. The derogation shall apply from 1 January of the year following the application.

4. A manufacturer which is subject to a derogation in accordance with this Article shall notify the Commission immediately of any change which affects or may affect its eligibility for a derogation.

5. Where the Commission considers, whether on the basis of a notification under paragraph 4 or otherwise, that a manufacturer is no longer eligible for the derogation, it shall revoke the derogation with effect from the 1 January in the next calendar year and shall notify the manufacturer.

6. Where the Commission considers that the manufacturer is not giving effect to the programme of reduction set out in its application, the Commission may revoke the derogation.

7. The Commission may adopt detailed provisions for the implementation of paragraphs (1) to (6) including the interpretation of the criteria for eligibility for a derogation, the content of applications and on the content and assessment of programmes for the reduction of specific emissions of CO$_2$.

Those measures, designed to amend non-essential elements of this Regulation, by supplementing it, shall be adopted in accordance with the regulatory procedure with scrutiny referred to in Article 12(3).

Article 10

Review and report

1. In 2010, the Commission shall submit a report to the European Parliament and the Council reviewing the progress made to implement the Community's Integrated Approach to reduce the CO$_2$ emissions from light-duty vehicles.

2. In 2010, the Commission shall assess, on the basis of data reported under Decision 1753/2000/EC, whether between 2006 and 2009 there has been a change in the mass of new passenger cars greater or less than 0.

If there has been a change in the mass of new passenger cars, the figure for autonomous mass increase in Annex I shall be amended to be the average of the annual changes in the mass between the calendar year 2006 to 2009.

Such amendment, designed to amend the non-essential elements of this Regulation shall be adopted in accordance with the regulatory power with scrutiny referred to in Article 12(3).

3. The Commission shall review technological developments with a view to amending, as appropriate, the provisions of Regulation EC No 715/2007 on type approval of motor vehicles.
Article 11

Consumer information

From 1 January 2010, manufacturers shall ensure that labels, posters or promotional literature and material of the type referred to in articles 3, 5 and 6 of Directive 1999/94/EC indicate the extent to which the specific emissions of CO₂ of the passenger car offered for sale differ from the specific emissions target for that passenger car under Annex I.

Article 12

Committee

1. The Commission shall be assisted by the committee instituted by Article 8 of Decision 93/389/EEC.

2. Where reference is made to this paragraph, Articles 5 and 7 of Decision 1999/468/EC shall apply, having regard to Article 8 thereof.

   The period laid down in Article 5(6) of Decision 1999/468/EC shall be set at three months.

3. Where reference is made to this paragraph, Article 5a(1) to (4) and Article 7 of Decision 1999/468/EC shall apply, having regard to the provisions of Article 8 thereof.

Article 13

Community financing

The implementation of this Regulation at Community level shall be supported by the existing Community Financial Instrument for the Environment (LIFE+) in accordance with the rules and conditions applicable to Regulation (EC) No 614/2007.

Article 14

Repeal

Decision No 1753/2000/EC shall be repealed with effect from 1 January 2010.

However, Articles 4, 9 and 10 of that Decision shall continue to apply until the Commission has submitted a report on monitoring data for the calendar year 2009 to the European Parliament.
Article 15

Entry into force

This Regulation shall enter into force on the third day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, […]

For the European Parliament
The President
[…]

For the Council
The President
[…]
ANNEX I

SPECIFIC CO₂ EMISSIONS TARGETS

1. For each new passenger car, the permitted specific emissions of CO₂, measured in grams per kilometre shall be determined in accordance with the following formula:

\[ \text{Permitted specific emissions of CO}_2 = 130 + a \times (M - M_0) \]

Where:

- \( M \) = mass of the vehicle in kilograms (kg)
- \( M_0 = 1289.0 \times f \)
- \( f = (1 + \text{AMI})^6 \)
- Autonomous mass increase (AMI) = 0 %
- \( a = 0.0457 \)

2. The specific emissions target for a manufacturer in a calendar year shall be calculated as the average of the permitted specific emissions of each new passenger car for which it is the manufacturer in that calendar year.
ANNEX II
MONITORING AND REPORTING EMISSIONS

PART A – Collection of data on new passenger cars and determination of CO₂ monitoring information

1. For the year beginning 1 January 2010 and each subsequent year, Member States shall record the following details for each new passenger car registered in its territory:
   (a) the manufacturer;
   (b) its type, variant and version;
   (c) its specific emissions of CO₂ (g/km);
   (d) its mass (kg);
   (e) its wheel base (mm); and
   (f) its track width (mm).

2. The details referred to in paragraph 1 shall be taken from the certificate of conformity for the relevant passenger car. Where the certificate of conformity specifies both a minimum and a maximum mass for a passenger car, the Member States shall use only the maximum figure for the purpose of this Regulation.

3. For the year beginning 1 January 2010 and each subsequent year, Member States shall determine, in accordance with the methods described in Part B, by manufacturer:
   (a) the total number of new passenger cars registered in its territory;
   (b) the average specific emissions for CO₂, as specified in paragraph 7 of Part B of this Annex;
   (c) the average mass, as specified in paragraph 8 of Part B of this Annex;
   (d) for each variant of each version of each type of new passenger car:
      (i) the total number of new passenger cars registered in its territory, as specified in paragraph 7 of Part B of this Annex;
      (ii) the specific emissions of CO₂;
      (iii) the mass;
      (iv) the footprint of the car, as specified in paragraph 9 of Part B of this Annex.
PART B – Methodology for determining CO\textsubscript{2} monitoring information for new passenger cars

1. Monitoring information which Member States are required to determine in accordance with paragraph 3 of part A shall be determined in accordance with the methodology in this Part.

**Number of new passenger cars registered (N).**

2. Member States shall determine the number of new passenger cars registered within their territory in the respective monitoring year, \( N \).

**Average specific CO\textsubscript{2} emissions of new passenger cars (\( S_{ave} \))**

3. The average specific CO\textsubscript{2} emissions of all new passenger cars newly registered in a Member States’ territory in the monitoring year (\( S_{ave} \)) is calculated by dividing the sum of the specific CO\textsubscript{2} emissions of each individual new passenger car, \( S \), by the number of new passenger cars, \( N \).

\[
S_{ave} = \left(\frac{1}{N}\right) \times \sum S
\]

**Average mass of new passenger cars**

The average mass of all new passenger cars registered in a Member States’ territory in the monitoring year (\( M_{ave} \)) is calculated by dividing the sum of the mass of each individual new passenger car, \( M \), by the number of new passenger cars, \( N \).

\[
M_{ave} = \left(\frac{1}{N}\right) \times \sum M
\]

**The distribution by variant of new passenger cars**

4. For each of variant of each version of each type of new passenger car, the number of newly registered passenger cars, the mass of the vehicles, the specific emissions of CO\textsubscript{2} and the footprint of the car are to be recorded.

**Footprint**

The footprint of the car shall be calculated by multiplying the wheelbase of the car by the track width of the car.
PART C – Format for the transmission of data

1. For each manufacturer, for each year, Member States shall report the data described in paragraph 3 of part A in the following formats:

- **Aggregated data**:

<table>
<thead>
<tr>
<th>Year:</th>
<th>Manufacturer</th>
<th>Total number of new passenger cars registered</th>
<th>Average specific CO(_2) emissions (g/km)</th>
<th>Average mass (kg)</th>
<th>Average footprint (m(^2))</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Manufacturer 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td></td>
<td>(Manufacturer 2)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td></td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Total all manufacturers</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>

- **Detailed data at manufacturer level**:

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturer</th>
<th>Type of car</th>
<th>Version</th>
<th>Variant</th>
<th>Make</th>
<th>Commercial name</th>
<th>Total new registrations</th>
<th>Specific CO(_2) emissions (g/km)</th>
<th>Mass (kg)</th>
<th>Footprint (m(^2))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 1)</td>
<td>(name of version 1)</td>
<td>(name of variant 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 1)</td>
<td>(name of version 1)</td>
<td>(name of variant 2)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 1)</td>
<td>(name of version 2)</td>
<td>(name of variant 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 1)</td>
<td>(name of version 2)</td>
<td>(name of variant 2)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 2)</td>
<td>(name of version 1)</td>
<td>(name of variant 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 2)</td>
<td>(name of version 1)</td>
<td>(name of variant 2)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 2)</td>
<td>(name of version 2)</td>
<td>(name of variant 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>(name of type 2)</td>
<td>(name of version 2)</td>
<td>(name of variant 2)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Year 1</td>
<td>(Name of manufacturer 1)</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>
LEGISLATIVE FINANCIAL STATEMENT

1. NAME OF THE PROPOSAL:

Proposal for a Regulation of the European Parliament and of the Council to reduce CO₂ emissions from passenger cars

2. ABM/ABB FRAMEWORK:

Policy Area(s) concerned and associated Activity/Activities:

0703 – Implementation of Environmental Policy

3. BUDGET LINES

3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex-BA lines)) including headings:

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Type of expenditure</th>
<th>New</th>
<th>EFTA contribution</th>
<th>Contributions from applicant countries</th>
<th>Heading in financial perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>07 01 04 01</td>
<td>Non-comp</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>No 2</td>
</tr>
<tr>
<td>07 03 07</td>
<td>Non-comp</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>No 2</td>
</tr>
</tbody>
</table>

3.2. Duration of the action and of the financial impact:

The action (Regulation of the European Parliament and of the Council to reduce CO₂ emissions from passenger cars) is expected to come into force in 2010. For the period 2010 – 2013, operational expenditure will be covered under the LIFE + Financial instrument.

3.3. Budgetary characteristics:

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Type of expenditure</th>
<th>New</th>
<th>EFTA contribution</th>
<th>Contributions from applicant countries</th>
<th>Heading in financial perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>07 01 04 01</td>
<td>Non-comp</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>No 2</td>
</tr>
<tr>
<td>07 03 07</td>
<td>Non-comp</td>
<td>NO</td>
<td>NO</td>
<td>YES</td>
<td>No 2</td>
</tr>
</tbody>
</table>

Non-differentiated appropriations hereafter referred to as NDA
4. SUMMARY OF RESOURCES

4.1. Financial Resources

4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

<table>
<thead>
<tr>
<th>Expenditure type</th>
<th>Section no.</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 and later</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational expenditure&lt;sup&gt;22&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitment Appropriations (CA)</td>
<td>8.1.</td>
<td>a</td>
<td>0,400</td>
<td>0,200</td>
<td>0,200</td>
<td>0,300</td>
<td>0,300</td>
<td>1,700</td>
</tr>
<tr>
<td>Payment Appropriations (PA)</td>
<td></td>
<td>b</td>
<td>0,240</td>
<td>0,200</td>
<td>0,240</td>
<td>0,260</td>
<td>0,280</td>
<td>0,480</td>
</tr>
<tr>
<td>Administrative expenditure within reference amount&lt;sup&gt;23&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technical &amp; administrative assistance (NDA)</td>
<td>8.2.4.</td>
<td>c</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REFERENCE AMOUNT</td>
<td></td>
<td>a+c</td>
<td>0,400</td>
<td>0,200</td>
<td>0,200</td>
<td>0,300</td>
<td>0,300</td>
<td>1,700</td>
</tr>
<tr>
<td></td>
<td>b+c</td>
<td>0,240</td>
<td>0,200</td>
<td>0,240</td>
<td>0,260</td>
<td>0,280</td>
<td>0,480</td>
<td>1,700</td>
</tr>
<tr>
<td>Administrative expenditure not included in reference amount&lt;sup&gt;24&lt;/sup&gt;</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resources and associated expenditure (NDA)</td>
<td>8.2.5.</td>
<td>d</td>
<td>0,351</td>
<td>0,351</td>
<td>0,351</td>
<td>0,585</td>
<td>0,585</td>
<td>0,585</td>
</tr>
<tr>
<td>Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)</td>
<td>8.2.6.</td>
<td>e</td>
<td>0,125</td>
<td>0,095</td>
<td>0,065</td>
<td>0,068</td>
<td>0,068</td>
<td>0,068</td>
</tr>
<tr>
<td>Total indicative financial cost of intervention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CA including cost of Human Resources</td>
<td>a+c</td>
<td>0,876</td>
<td>0,646</td>
<td>0,616</td>
<td>0,953</td>
<td>0,953</td>
<td>0,953</td>
<td>4,997</td>
</tr>
<tr>
<td>TOTAL PA including cost of Human Resources</td>
<td>b+c</td>
<td>0,716</td>
<td>0,646</td>
<td>0,656</td>
<td>0,913</td>
<td>0,933</td>
<td>1,133</td>
<td>4,997</td>
</tr>
</tbody>
</table>

<sup>22</sup> Expenditure that does not fall under Chapter xx 01 of the Title xx concerned.

<sup>23</sup> Expenditure within article xx 01 04 of Title xx.

<sup>24</sup> Expenditure within chapter xx 01 other than articles xx 01 04 or xx 01 05.
Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

<table>
<thead>
<tr>
<th>Co-financing body</th>
<th>Year n</th>
<th>n + 1</th>
<th>n + 2</th>
<th>n + 3</th>
<th>n + 4</th>
<th>n + 5 and later</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>……………………</td>
<td>f</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CA including co-financing</td>
<td>a+c</td>
<td>d+f</td>
<td>e+f</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

EUR million (to 3 decimal places)

4.1.2. Compatibility with Financial Programming

- Proposal is compatible with existing financial programming until 2013.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. Financial impact on Revenue

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

The Regulation is designed in a way that will ensure maximal compliance by all manufacturers and as a result it is not expected that revenues will be generated through the Excess Emission Premiums foreseen under Article 7. However, in the event that revenues are

---

25 See points 19 and 24 of the Interinstitutional agreement.
26 Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years
generated by the implementation of the provisions of this article, they will be incorporated into the general EU budget. The impact assessment accompanying the proposal provides ranges of potential total Excess Emission Premiums that could be due in case of non-compliance.

4.2. Human Resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.

<table>
<thead>
<tr>
<th>Annual requirements</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 and later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of human resources</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
</tbody>
</table>

5. CHARACTERISTICS AND OBJECTIVES

5.1. Need to be met in the short or long term

The overall objective of this Regulation is to limit the average emissions from the average new car fleet to 130g CO$_2$/km by 2012. This is part of an integrated approach and will be complemented by measures delivering an additional 10g CO$_2$/km in order to meet the Community objective of 120 g CO$_2$/km, as foreseen in the Commission's Communication on a revised CO$_2$ and cars strategy of 7 February 2007 (COM(2007) 19).

5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy

The Community has a long-standing target to reduce the average CO$_2$ emissions from new cars in the Community and the Council and European Parliament have called upon the Commission to make a proposal for legislation on this matter. The objectives of the proposal cannot be sufficiently achieved by the Member States because of the need to avoid the emergence of barriers to the single market, the trans-boundary nature of climate change and the important variations in the current national averages of specific emissions of CO$_2$ for new passenger cars. Besides adopting targets for CO$_2$ emissions from cars at the Community level will allow for more flexibility to manufacturers in implementing the required CO$_2$ reductions across their the new car fleet in the Community rather than having specific strategies for specific national reduction objectives.

5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework

The proposal pursues the following general policy objectives:

- Providing for a high level of environmental protection in the European Union and contributing to reaching the EU's Kyoto targets,
- Improving the EU energy security of supply,
- Fostering the competitiveness of the European automotive industry and encouraging research into fuel efficiency technologies.

The specific objective of the proposal is to reduce the climate change impacts and improve the fuel efficiency of passenger cars by reaching the objective of an average emission value of 130 g CO₂/km for newly sold cars. This average emission value will be the indicator against which the implementation of the proposal will be followed.

5.4. Method of Implementation (indicative)

☑ Centralised Management

☑ directly by the Commission
☐ indirectly by delegation to:
  ☐ executive Agencies
  ☐ bodies set up by the Communities as referred to in art. 185 of the Financial Regulation
  ☐ national public-sector bodies/bodies with public-service mission

☐ Shared or decentralised management

☐ with Member states
☐ with Third countries

☐ Joint management with international organisations (please specify)

Relevant comments:

6. MONITORING AND EVALUATION

6.1. Monitoring system

The proposal will build upon an already existing monitoring scheme that was established earlier in order to follow the implementation of the CO₂ and cars strategy. It is based on data reported to the Commission by Member States concerning the registrations of new cars and their characteristics, including specific CO₂ emissions.

Contracts signed by the Commission for the purpose of the implementation of the Directive shall provide for supervision and financial control by the Commission (or any representative authorized by it) and audits by the Court of Auditors, if necessary on-the-spot.
6.2. Evaluation

6.2.1. Ex-ante evaluation

See Impact Assessment accompanying this proposal as a Commission Staff Working Paper. The impacts of all measures proposed were assessed from an economic, social and environmental point of view.

6.2.2. Measures taken following an intermediate/ex-post evaluation (lessons learned from similar experiences in the past)

6.2.3. Terms and frequency of future evaluation

The measure will be reviewed in accordance with Article 10.

7. Anti-fraud measures

Full application of internal control standards No 14, 15, 16, 18, 19, 20, 21, as well as of the principles of the Council Regulation (EC, Euratom) No 1605/2002 on the Financial Regulation applicable to the general budget of the European Communities.

The Commission shall ensure that, when actions financed under the present proposal are implemented, the financial interests of the Community are protected by the application of preventive measures against fraud, corruption and any other illegal activities, by effective checks and by the recovery of the amounts unduly paid and, if irregularities are detected, by effective, proportional and dissuasive penalties, in accordance with Council Regulations (EC, Euratom) No 2988/95 and (Euratom, EC) No 2185/96, and with Regulation (EC) No 1073/1999 of the European Parliament and of the Council.

In order to prevent fraud in the implementation of Article 7, a robust monitoring and reporting system is foreseen under Article 6 and related Annex II. Furthermore, Paragraph 8 of Article 6 foresees that the Commission may adopt guidelines on monitoring and reporting that Member States will be required to respect.
### 8. DETAILS OF RESOURCES

#### 8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

<table>
<thead>
<tr>
<th>(Headings of Objectives, actions and outputs should be provided)</th>
<th>Type of output</th>
<th>Avg. cost</th>
<th>Year 2010</th>
<th>Year 2011</th>
<th>Year 2012</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015 and later</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPERATIONAL OBJECTIVE No. 1 – implementation of reporting and monitoring system</td>
<td>Action 1 – collection and analysis of data</td>
<td>Study</td>
<td>0,20</td>
<td>1</td>
<td>0,200</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Collection and analysis of data received - central register of data</td>
<td>Service and IT system</td>
<td>0,20</td>
<td>1</td>
<td>0,200</td>
<td>1</td>
<td>0,200</td>
<td>1</td>
<td>0,300</td>
</tr>
<tr>
<td></td>
<td>TOTAL COST</td>
<td></td>
<td>0,400</td>
<td>0,200</td>
<td>0,200</td>
<td>0,300</td>
<td>0,300</td>
<td>0,300</td>
<td>1,700</td>
</tr>
</tbody>
</table>
8.2. Administrative Expenditure

8.2.1. Number and type of human resources

<table>
<thead>
<tr>
<th>Types of post</th>
<th>Staff to be assigned to management of the action using existing and/or additional resources (number of posts/FTEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
</tr>
<tr>
<td>Officials or temporary staff(^{27}) (XX 01 01)</td>
<td>A*/AD</td>
</tr>
<tr>
<td></td>
<td>B*, C*/AST</td>
</tr>
<tr>
<td>Staff financed(^{28}) by art. XX 01 02</td>
<td></td>
</tr>
<tr>
<td>Other staff(^{29}) financed by art. XX 01 04/05</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>3</td>
</tr>
</tbody>
</table>

8.2.2. Description of tasks deriving from the action

In the first years (2010-2012), the main tasks deriving from the action will be linked to the consolidation of the monitoring scheme by providing guidance to Member States and building upon the earlier monitoring activities of Member States that had been established by Decision 1753/2000/EC (to be repealed by the Regulation). In addition to the monitoring guidance, the Commission will have to keep a central register of the data reported, notify car manufacturers of the data relating to them as reported by Member States, make the data publicly available and from 2011 onwards publish yearly monitoring report. In addition, from 2013 onwards, the collection of Excess Emission Premiums in case of non-compliance will have to be ensured.

8.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)

\(^{27}\) Cost of which is NOT covered by the reference amount
\(^{28}\) Cost of which is NOT covered by the reference amount
\(^{29}\) Cost of which is included within the reference amount
Posts required for year n although not foreseen in the APS/PDB exercise of the year in question
8.2.4. *Other Administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

<table>
<thead>
<tr>
<th>Budget line (number and heading)</th>
<th>Year 2010</th>
<th>Year 2011</th>
<th>Year 2012</th>
<th>Year 2013</th>
<th>Year 2014</th>
<th>Year 2015 and later</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Technical and administrative assistance (including related staff costs)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive agencies(^{30})</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other technical and administrative assistance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- <em>intra muros</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- <em>extra muros</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Technical and administrative assistance</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

<table>
<thead>
<tr>
<th>Type of human resources</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015 and later</th>
</tr>
</thead>
<tbody>
<tr>
<td>Officials and temporary staff (XX 01 01)</td>
<td>0,351</td>
<td>0,351</td>
<td>0,351</td>
<td>0,585</td>
<td>0,585</td>
<td>0,585</td>
</tr>
<tr>
<td>Staff financed by Art XX 01 02 (auxiliary, END, contract staff, etc.) (specify budget line)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cost of Human Resources and associated costs (NOT in reference amount)</td>
<td>0,351</td>
<td>0,351</td>
<td>0,351</td>
<td>0,585</td>
<td>0,585</td>
<td>0,585</td>
</tr>
</tbody>
</table>

\(^{30}\) Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.
Calculation—**Officials and Temporary agents**

Reference should be made to Point 8.2.1, if applicable

The standard salary for 1 official or temporary staff as foreseen in Point 8.2.1 is 0.117 M€.

Calculation—**Staff financed under art. XX 01 02**

Reference should be made to Point 8.2.1, if applicable

8.2.6. **Other administrative expenditure not included in reference amount**

EUR million (to 3 decimal places)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>XX 01 02 11 01 – Missions</td>
<td>0,005</td>
<td>0,005</td>
<td>0,005</td>
<td>0,008</td>
<td>0,008</td>
<td>0,008</td>
<td>0,039</td>
</tr>
<tr>
<td>XX 01 02 11 02 – Meetings &amp; Conferences</td>
<td>0,060</td>
<td>0,030</td>
<td>0,030</td>
<td>0,030</td>
<td>0,030</td>
<td>0,030</td>
<td>0,210</td>
</tr>
<tr>
<td>XX 01 02 11 03 – Committees 31</td>
<td>0,060</td>
<td>0,060</td>
<td>0,030</td>
<td>0,030</td>
<td>0,030</td>
<td>0,030</td>
<td>0,240</td>
</tr>
<tr>
<td>XX 01 02 11 04 – Studies &amp; consultations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>XX 01 02 11 05 - Information systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2 Total Other Management Expenditure (XX 01 02 11)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3 Other expenditure of an administrative nature</strong> (specify including reference to budget line)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</td>
<td>0,125</td>
<td>0,095</td>
<td>0,065</td>
<td>0,068</td>
<td>0,068</td>
<td>0,068</td>
<td>0,489</td>
</tr>
</tbody>
</table>

Calculation - **Other administrative expenditure not included in reference amount**

From 2010 to 2012, 5 missions per year at cost of EUR 1.000 per mission. From 2013 onwards, 8 missions per year.

---

31 Specify the type of committee and the group to which it belongs.
Meetings of the Regulatory Committee established under the Regulation (unit cost: 30.000 € per meeting) are foreseen twice every year for the first two years, and once a year afterwards.

Expert meetings on specific subjects for the implementation of the Regulation (unit cost: 30.000 € per meeting) are foreseen twice in 2010, and once a year afterwards.

The needs for human and administrative resources shall be covered within the allocation that can be granted to the managing DG in the framework of the annual allocation procedure in the light of budgetary constraints.