Follow up questions Hearing Frans Timmermans - 08/11/22

1) How does the Commission respond to the criticism of the Court of Auditors that there was a lack of a comprehensive analysis of previous spending? Especially the risk identified by the Court of Auditors about funds being spend for the transition without any transition taking place.

Commission’s answer:

The ‘socio-economic and energy transition’ of coal regions was not a specific goal of the legal framework underpinning the 2014-2020 cohesion policy funds. Member States had no obligation to treat coal regions in a particular way when the programmes 2014-2020 were negotiated. Nevertheless, already before the creation of the JTF, the cohesion policy funds contributed to implementing the 2030 and 2050 climate and energy targets. 24% of cohesion policy funds covered climate expenditure and around €20 billion covered sustainable energy expenditure. The 2014-2020 cohesion policy programmes also invested in a wide range of areas that contribute to growth and jobs in all EU regions, including coal regions. In this respect, Member States and regions used the funds at their disposal as well as support from the Coal Regions in Transition Initiative, launched by the Commission in 2017 as part of the Clean energy for all Europeans package.

As from 2020, the Just Transition Fund (JTF) was put in place by the EU as part of the European Green Deal, the EU’s strategy for the transition to a climate-neutral economy and aims to leave no region behind in the transition.

The establishment of the Just Transition Fund was fully justified, considering the results of public consultation on the EU long-term budget post 2020 in the area of cohesion and the impact assessment which was conducted for the purposes of the regulation for the European Regional Development Fund and the Cohesion Fund.

They both confirmed the need to support a clean and fair energy transition and smart industrial transformation. They stressed the importance of considering the unevenly dispersed effects of this transition and the high reliance of some regions on solid fuel production together with the high share of solid fuels in their electricity generation mix. This assessment also justified the proposed concentration of the Just Transition Fund in the most negatively impacted territories and the proposed distribution of the national allocations.

The establishment of the Just Transition Fund also reflected the expectations of the other EU institutions – the European Parliament, the Committee of the Regions and the Council of EU. They all called for addressing impacts on workers and communities affected by the transition from coal and carbon dependence and for a socially fair and just green transition in the implementation of the Paris Agreement.

For the 2021-2027 period, the JTF allocates €19.3 billion (in current prices) to help those regions that are the most negatively affected by the transition to climate neutrality, by alleviating the socio-economic impacts of the transition. This will benefit regions dependent on the production of fossil fuels (such as coal, lignite, peat and oil shale) for energy use, but also regions dependent on carbon-intensive industries (such as steel, cement or chemicals). The Territorial Just Transition Plans must include a clear outline of the transition process towards a climate-neutral economy. This is reflected in the approval criteria of the TJTPs.

2) During 2021, the Commission has put forward a series of initiatives and proposals in the context of the European Green Deal, having significant economic, social and environmental impact. Impact assessments represent a key part of the Commission’s better regulation agenda.

A) Could you please inform us whether and how thorough impact assessments, including open public consultations have been organised in the preparation phase of all these initiatives? Can the Commission provide for all the impact assessment reports accompanying them? Could you please explain how the neutrality and impartiality of impact assessments has been guaranteed, particularly with regard to balanced involvement of actors in the public consultation? Could you please explain, how NGOs, industry representatives and other actors have been involved in the impact assessments? How do you respond when the Regulatory Scrutiny Board (RSB) gives a negative opinion on the Impact Assessment? Shouldn’t the Commission consider adapting the guidelines accordingly as an obligation?

Commission’s answer:

As indicated by the Honourable Member of the European Parliament, Impact Assessments are at the core of the Commission’s better regulation agenda. Evidence-based and transparent policymaking is an integral part of the Commission’s decision-making process. The legislative initiatives are accompanied by impact assessments that bring together evidence, data, modelling and stakeholders’ views. The impact assessments systematically analyse the impacts of the options considered, the costs and benefits of the preferred option, including by taking into account the stakeholders’ views. The impact assessments inform the decision of the College on the way forward of the policy proposals. Impact assessments are tools used to gather evidence and information that provide a robust analysis informing but not replacing the political decision.

Impact Assessments follow the rules established by the Better Regulation guidelines and toolbox. Both documents were updated last year to ensure our policies support the recovery and resilience of the EU and its twin transition.

An impact assessment is required when: i) a policy proposal is likely to lead to significant economic, environmental, or social impacts or significant spending; and ii) the Commission has a choice between alternative policy options. Impacts assessments are generally conducted for all legislative initiatives in the Commission work programme. Annexes I and II of the 2021 Commission Work Program lists the European Green Deal initiatives put forward by the Commission in 2021 (https://ec.europa.eu/info/publications/2021-commission-work-programme-key-documents_en) and indicate for which of these initiatives an impact assessment was envisaged.

The published impact assessments reports and the RSB opinions can be contemplated with the adopted proposal on the Register of Commission Documents. An annex to the impact assessment report, the Synthesis report, describes in detail all the consultation activities
undertaken and how the results of the consultations have been taken up in the analysis. The results of the public consultations are published in a factual summary report on the Have Your Say portal before the publication of the adopted proposal.

All impact assessments of the Commission have been developed thoroughly to ensure an integrated approach in assessing the environmental, social and economic significant impacts of a range of policy options.

Impact assessments are tools that ensure evidence-based policy making, thus neutrality and impartiality are conceptually embedded in impact assessments. Consulting stakeholders is one way to ensure the openness and transparency of the policymaking process.

The Commission’s consultation system offers to the public and stakeholders many opportunities to contribute to the process, including by providing feedback to ‘Call for Evidence’ documents, and contributing to public consultation and targeted consultations. A consultation strategy is a key requirement for Commission initiatives and includes consultation scope and objectives, identification of stakeholders, envisaged consultation activities, timing and communication plan to promote the consultation. Based on the scope and the mapping of stakeholders, the consultation strategy identifies the most appropriate consultation activities. Providing feedback to calls for evidence and to public consultations is open for everyone and is voluntary. A notification system on Have your Say also allows stakeholders to keep informed of developments of the initiatives of interest.

Open public consultations ensure gathering of relevant input from a broad range of stakeholders. In addition to public consultations, other consultation methods, such as targeted stakeholder consultations, workshops, and expert group meetings, ensure that the views of the most relevant stakeholders, including NGOs and industry representatives, are taken into account. The impact assessment report explains how the views of stakeholders, including dissenting views, have been taken into account.

Moreover, all impact assessments are scrutinised by the Regulatory Scrutiny Board (RSB). The Board independently scrutinises the quality of all draft impact assessments. The Board does not question the political objectives presented in the impact assessments, but considers the quality of evidence, analysis and the logic of intervention. In fulfilling its mandate as an independent and objective oversight body, the Board neither seeks nor takes instructions from any internal or external stakeholder or lobby group. In cases of a negative opinion by the RSB, the lead DG needs to improve the analysis and submit the revised version of the impact assessment for a new scrutiny by the Board. If serious concerns persist, the second opinion may still be negative. A second negative opinion does not allow the lead DG to start the interservice consultation of the Commission draft proposal, unless the Vice-President responsible for ‘better regulation’ allows to launch the inter-service consultation leading to the College adoption. The Regulatory scrutiny Board provides quality review of the impact assessment to ensure that the College of Commissioners has the best available evidence to support its views. The policy decision is, however, made by the Commission. In any event, the impact assessment and the explanatory memoranda of proposals explain how the opinion or opinions of the Board have been taken into account.

In Annex 1 we provide a table with the links to the impact assessment reports and public consultation results related to the European Green Deal initiatives announced in the CWP 2021.
B) Also, how many external consultants have been engaged in 2021 in the preparation of these initiatives and how many studies have been paid for by the Commission in this context?

**Commission’s answer:**

The preparation of impact assessments is often supported by external studies. Most of the impact assessments have one support study. Occasionally, some impact assessment may have two or more, whereas some may not have one at all. One contractor or a consortium of contractors performs each of the support studies. It should be noted that impact assessments have many different sources of data, and whilst there may be a support study commissioned for the particular impact assessment, there will also be other sources of information and relevant studies forming the evidence base of the impact assessment. Supporting studies are one of the input in the analysis, which is performed by Commission services and presented in a staff working document. Full information on the relevant studies and contractors can be found in the annexes of the impact assessments.

Annex 2 we provide a list of support studies and the names of the contracted external consultants related to 2021 European Green Deal initiatives and proposals. Those studies are referenced in the relevant impact assessments.
Annex 1: European Green Deal initiatives announced in the CWP 2021

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Annex 2 : Support studies related to the 2021 European Green deal initiatives and proposals

- Feasibility and scoping study for the commission to become climate neutral by 2030
  o RAMBOLL MANAGEMENT CONSULTING AS*

- Assessment of ICAO’s global market-based measure (CORSIA) pursuant to Article 28b and for studying cost pass-through pursuant to Article 3d of the EU ETS Directive
  o ICF SA

- Support contract for an impact assessment for amending Regulation (EC) No 1005/2009 on substances that deplete the ozone layer
  o RICARDO NEDERLAND BV

- Possible extension of the EU Emissions Trading System (ETS) to cover emissions from the use of fossil fuels in particular in the road transport and the buildings sector
  o ICF SA

- Study on EU ETS for maritime transport and possible alternative options of combinations to reduce greenhouse gas emissions
  o TRINOMICS BV

- Support study on the evaluation of Article 7A of the Fuel Quality Directive and assessment of approaches to reduce greenhouse gas emissions from transport fuels
  o COWI AS*KAMPSAX GEODAN GEOPLUS KAMP

- Reviewing the contribution of the land use, land-use change and forestry sector to the Green Deal
  o COWI AS*KAMPSAX GEODAN GEOPLUS KAMP

- Support for an impact assessment on measures to address the risk of carbon leakage in the light of any increase in climate ambition
  o RICARDO NEDERLAND BV

- Review of the EU ETS market stability reserve
  o RICARDO NEDERLAND BV

- Further support to the preparation of an impact assessment on revision of the EU Emission Trading System Directive 2003/87/EC concerning aviation
  o ICF SA

- Consultations on the EU action plan "Towards a Zero Pollution Ambition for air, water and soil
  o Ecorys

- Study related to the initiative: Revision of Regulation (EC) No 1013/2006 on Shipments of Waste
  o Trinomics and Wood
• Study related to the initiative: Sustainable products policy initiative
  o Trinomics in cooperation with Technopolis, Fraunhofer Institute – ISI, Economisti Associati (FWC lead) and Bio Innovation Service

• Minimising the risk of deforestation and forest degradation associated with products placed on the EU market (Impact assessment on demand side measures to address deforestation” as a key deliverable of the service contract “EU policy on forest products and deforestation)
  o Wood, Trinomics, Ricardo, Waginengen University and Research, Tyrsky and UNEP-WCMC

• Study related to the initiative: Protecting biodiversity: nature restoration targets (on-going)
  o consortium comprised of: Trinomics B.V., the Institute for European Environmental Policy (IEEP), UNEP-WCMC, IUCN and ENT environment & management

• Study related to the initiative: Revision of Directive 2010/75/EU on industrial emissions – 2 studies
  o consortium comprised of: Trinomics B.V., Ricardo plc, VITO (Flemish Institute for Technological Research) NV, Wood plc and E3Modelling SA
  o consortium comprised of: RPA Europe srl, Risk Policy Analysts (RPA), Air Quality Consultants (AQC) and Aether, supported by Ökopol and ERG

• Study related to the initiative: Revision of Directive 94/62/EC on Packaging and Packaging Waste Directive in order to reinforce the essential requirements for packaging to be placed on the EU market (on-going)
  o COWI and Eunomia

• Study to support the assessment of impacts associated with the review of limit values in waste for POPs listed in Annexes IV and V of Regulation (EU) 2019/1021
  o RPA Europe, INERIS and Bio Innovation Service

• Study to supply the Impact Assessment of the Directive 2008/99/EC on the protection of the environment through criminal law
  o Consortium led by Milieu Consulting SRL

• Study related to the initiative: Revision of the Directive on deployment of alternative fuels infrastructure
  o Ricardo, E3Modelling and TEPR

• Study related to the initiative: Revision of the Directive on Intelligent Transport Systems, including a multimodal ticketing initiative
  o Ricardo, TRT and TEPR

• Study related to the initiative: Revision of the Regulation on the trans-European transport network (TEN-T)
  o M-Five, TRT, TEPR and Ricardo
• Study related to the initiative: FuelEU Maritime – Proposal for a Regulation on the use of renewable and low-carbon fuels in maritime transport and amending Directive 2009/16/EC
  o Ecorys and CE Delft

• Study related to the initiative: FuelEU Aviation - Proposal for a Regulation on ensuring a level playing field for sustainable air transport
  o Ricardo

• 2 studies related to the initiative: Euro 7 (type-approval of motor vehicles and of engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability)
  o CLOVE group

• Evaluation support study on geographical indications and traditional specialities guaranteed protected in the EU of EU quality policy
  o AND International, Ecorys and Cogea

• Study on economic value of EU quality schemes, geographical indications (GIs) and traditional specialties guaranteed (TSGs)
  o AND International and Ecorys

• The role of trans-European gas infrastructure in the light of the 2050 decarbonisation targets
  o Trinomics

• Impact of the use of the biomethane and hydrogen potential on trans-European infrastructure
  o Trinomics, LBST, E3M

• Potentials of sector coupling for decarbonisation, Assessing regulatory barriers in linking the gas and electricity sectors in the EU
  o Frontier Economics, CE Delft, THEMA Consulting Group

• European barriers in retail energy markets
  o VaasaETT, REKK, MRC, The Advisory House

• Study on gas market upgrading and modernisation - Regulatory framework for LNG terminal
  o Trinomics, REKK, Enquidity

• Quo Vadis EU gas regulatory framework
  o EY, REKK