



logos

quarterly EU report

logos has completed this report with the help
and input of ICOMIA's Environmental and
Technical Consultants



December 2021

Executive Summary

logos highlighted for IMEC Members a number of key EU regulatory initiatives such as the revision of the Recreational Craft Directive, restrictions on hazardous substances, and the FuelEU Maritime proposal. These initiatives, in our view, could result in interesting opportunities, albeit potential challenges being equally present. Section 1 focuses on environmental legislation, which can contribute to the uptake of electric and alternatively fuelled vessels. The Council and the European Parliament is working in parallel to deliver their respected opinion on the revision of the Alternative Fuels Infrastructure Directive and on the proposal on Battery Directive. The adoption of the Eco-design Directive is delayed for Q1 2022 because the Commission is still carrying out an impact assessment. Currently, the Commission is working on the revision of the End-of-Life Vehicles Directive.

Section 2 addresses other relevant EU policies, such as in-service monitoring of emissions and the requirements for the homologations of machines on the European market. The revision of the Machinery Directive is ongoing, and the Council and the European Parliament will deliver their opinion by March 2022. The work on the final draft in-service monitoring of emissions in non-road mobile machinery will be published in the EU Official Journal in Q2 2022. The Commission is delivering its initiatives related to the European Green Deal.

Section 3 gives an introduction to the current work of the European Parliament's intergroups. Since September, the Climate Change, Biodiversity and Sustainable Development and Seas, Rivers, Islands and Coastal Areas organised webinars.

In Section 4, logos provides a short summary of the main outcome of the Safer Chemicals Conference organised by the European Chemicals Agency.

Key updates

The Commission published the [study](#) on the revision of the [Directive 2013/53](#) on the **recreational craft and personal watercraft**. The contractor recommended to set a permeation emissions limit of 15 g/m²/day for fuel hoses and lines, as this is the most cost-effective option to reduce evaporative emissions in the recreational craft sector. This scenario has the shortest payback time (17 years) of all policy options considered. The study proposed the following amendments to the Directive:

- Design category A with up to and including 9 wind force and up to and including 7 significant wave height.
- Proposed revisions to the explanatory notes - modification of note A and addition of notes E and F:
 - A recreational craft given design category A is considered to be designed for a wind force up to and including 9 and significant wave height up to and including 7 m.
 - Maximum average wind speeds for categories A, B, C and D are 24,4 m/s, 20,7 m/s, 13,8 m/s and 7,9 m/s respectively.
 - The significant wave height is the average height of the highest third of the waves, which is approximately the wave height estimated by an experienced observer. The maximum wave height can be twice the significant wave height.

Based on the study, the Commission would then finalise its report, which should be presented by 18 January 2022. The policy officer in charge of this dossier confirmed that the Commission is drafting the report for the Council and the European Parliament, which should be published in Q1 2022.

On 14 July 2021, the European Commission presented the Fit-for-55 Package. Its aim is to align the EU's legislation with the 55% emission target to be achieved by 2030 and to reduce the transport sector's dependence on fossil fuels. The revision of the **Directive 2019/94/EU on Deployment of Alternative Fuels Infrastructure (AFID), FuelEU Maritime, ReFuelEU Aviation** and the **extension of the ETS to maritime transport** were presented as part of the Fit for 55 Package.

The work on the revision of the Directive 2019/94/EU on **Deployment of Alternative Fuels Infrastructure (AFID)** is ongoing. On 9 December 2021, Member States Ministers exchanged views on the AFIR proposal during the Transport Council. The discussion was based on a progress report presented by the Slovenian Presidency of the Council on 22 November 2021. In parallel, the European Parliament's Transport and Tourism (TRAN) Committee (Lead) nominated German MEP Ismail as Rapporteur on the file, triggering the Committee's work on the proposal draft Report. In that regard, TRAN MEPs are provisionally expected to examine the forthcoming draft Report on 28 February 2022, before the Committee's adoption the week of 16 May 2022.

In a meeting of the Ambient Air Quality (AAQ) expert group on 2 December, the Commission debriefed member states experts on the implementation of Directive (EU) 2016/2284 (**NEC Directive**). In particular, the Commission focused on providing an update on emissions inventories, on National Air Pollution Control Programmes (NAPCPs) and on the monitoring and reporting of ecosystems impacts of air pollution.

The Commission has continued its action on the second **Circular Economy Action Plan (CEAP)**. The revision of the first action plan aims at establishing EU rules to make procedures responsible for providing more circular products and establishing mandatory labelling and disclosure of information. In the context of the CEAP, the Commission was expected to adopt the proposal for the revision of the eco-design Directive in mid-December 2021, but this has been delayed and is provisionally foreseen to be adopted during the first quarter of 2022. Moreover, the Commission's public consultation on the revision of the End-of-Life Vehicles Directive closed on 26 October 2021 and the proposal for the revised Directive is expected to be presented in the fourth quarter of 2022.

The work on the Commission proposal concerning **batteries and waste batteries**, repealing Directive 2006/66/EC is ongoing. On 9 December 2021, the European Parliament's Committee on the Internal Market and Consumer Protection (IMCO) adopted its Opinion on the file. In addition, the Committee on the Environment, Public Health and Food Safety (ENVI) is expected to vote on the draft Report and the tabled amendments during a Committee meeting provisionally foreseen to take place in January 2022. Once the Report has been finalised at the Committee level, the European Parliament would adopt its negotiating position in the plenary, which is provisionally foreseen for February 2022. In parallel, the Council will hold discussions, both at the technical and the political level, with a view to establishing its internal position. The Slovenian Presidency is expected to further consult the Council expert of the Working Party on the Environment (WPE) over the coming months to finalise its position.

On **REACH and chemical legislation**, the Commission [confirmed](#) the expected changes for the revision of the REACH Regulation. The Commission will launch the study on the revision in the coming months and 12-weeks public consultation in Q1 2022. The Commission aims to finalise the draft in summer 2022 and present the proposal by the end of 2022.

The work on the revision of the Directive 2011/65/EU on the **restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS II)** is ongoing. The Commission will present the outcome of the review of the RoHS II Directive, along with a proposal for a Directive or Regulation amending or replacing the Directive, in the fourth quarter of 2022.

In November, Commission Vice-President for Institutional Relations and Foresight Maroš Šefčovič presented to EU Ministers the Commission's 2022 Work Programme and announced

that the Commission will present a Joint Communication on **international ocean governance** (non-legislative) in the second quarter of 2022.

The work on the revision of the **Machinery Directive** is ongoing in the European Parliament, and the Council to deliver their respected opinion on the Commission's proposal in Q1 2022. The Slovenian Presidency is currently working on an initial draft proposal. The Internal Market and Consumer Protection Committee delivered the [draft report](#) and [amendments](#) on the proposal, which will be subject of a vote in February 2022. Based on the usual legislative process timeline, the file should be agreed upon by co-legislators during the Q3 of 2022.

The Commission's [public consultation](#) on the final In-Service Monitoring of Emissions in **non-road mobile machinery** Regulation closed on 9 December 2021. The Member States experts will endorse the draft text in Q1 2022. The co-legislators (Council, European Parliament) will have a two-month scrutiny period. Finally, the new Delegated Regulation will be published in the EU Official Journal in Q2 2022.

In alignment with its **European Green Deal priorities**, the Commission published the [Strategy for Sustainable and Smart Mobility](#) (SSMS) to realise the transport-related greenhouse gas emission reduction of 90% by 2025. The European Parliament's Transport and Tourism (TRAN) Committee (Lead Committee) is expected to adopt its draft Resolution and the amendments tabled to it following the publication of the Opinion's Environment, Public Health and Food Safety (ENVI) Committee (Associated Committee) on Sustainable and Smart Mobility Strategy on 12 October 2021. The resulting text would then be formally adopted by the European Parliament during a plenary session to be held during the last quarter of 2021 or early 2022. In parallel, following its publication in the EU Official Journal on 9 July 2021, the Regulation (EU) 2021/1119 establishing the framework required to achieve climate neutrality (European Climate Law) entered into force on 29 July 2021. This Regulation is now binding in its entirety and directly applicable in all Member States.

At the **COP26** climate change conference, a coalition of 19 countries including Britain and the United States agreed on 10 November 2021 to create zero emissions shipping trade routes between ports to speed up the decarbonisation of the global maritime industry. The signatory parties involved in the 'Clydebank Declaration' committed to support the establishment of at least six green corridors by 2025, which will require developing supplies of zero emissions fuels, the infrastructure required for decarbonisation and regulatory frameworks. However, it remains unclear how the green corridor commitments would get to zero shipping emissions. From the European Union Member States, signatories are Belgium, Denmark, Finland, France, Germany, Republic of Ireland, Netherlands, and Sweden.

Upcoming Public Consultations

Upcoming Public Consultations on legislative acts, roadmaps or communications include:

- Delegated Regulation on [Chemicals classification and labelling – assignment of notes to certain substances](#)
- Joint Communication on [Setting the course for a sustainable blue planet, an update of the international ocean governance agenda](#)
- Delegated Regulation on [Chemicals classification and labelling – updated list of notes](#)
- Directive on [Restriction of the use of hazardous substances in electronics](#)
- Delegated Directive on [Hazardous substances – exemption for use lead to creating superconducting magnet circuits in specific devices](#)
- Regulation on [Microplastics pollution – measures to reduce its impact on the environment \(open between 30 November 2021 - 28 December 2021\)](#)
- Regulation on [Chemicals regulation – update of EU rules for test methods](#)

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SECTION I – Environmental Legislation and Initiatives

1. DIRECTIVE 2014/94/EU ON ALTERNATIVE FUELS INFRASTRUCTURE (AFID)

Relevance for marine sector

Considering the scope of application of the Directive and its 'transformation' into a Regulation, it appears that the uptake of alternatively fuelled vessels – and more specifically, electric ones – will be encouraged even more. Therefore, IMEC Members should carefully follow developments in the field of alternative fuels.

Despite being watered down by Council and Parliament, AFID sent out a signal to the market and the industry, e.g., by setting up a common standard for recharging infrastructure for electric vehicles. The Commission regretted it, and in contrast to its Draft proposal, national binding targets will only have to be developed for CNG, LNG and electricity, while the Directive offers more flexibility to the Member States for developing hydrogen refuelling points. CNG and LNG will play a major role in Europe's fuel strategy.

As of today, all Member States have officially submitted their NPFs to the Commission, and it would be important for IMEC to monitor whether Member States have the intention to roll-out ambition plans. However, only 1/3 of the Member States have so far fully implemented the Directive. In this sense, notwithstanding the intentions to ensure the market uptake of a new generation of vessels powered with electricity or LNG, the precise impact on the sector is yet to be fully grasped. Nonetheless, although neither the Directive nor the European Parliament's Resolution directly mention crafts below 24 meters, it is safe to assume that this could represent a future industry trend, already observed for instance in one of Waterborne TP's reports on Future Global Trends. In this context, the renewed attention to the Delegated Regulation updating EU rules on recharging and refuelling points represents an effort to ensure the initial clarity and interoperability that the industry has been calling for.

Latest developments

On 9 December 2021, Member States Ministers exchanged views on the AFIR proposal during the Transport Council.

The discussion was based on a [discussion paper](#) shared by the Slovenian Presidency of the Council on 22 November 2021. Ministers were asked to share their views on road transport aspects of the proposal and did not directly touch upon maritime-related topics.

Nevertheless, there are still some general takeaways from this meeting that are of interest to the maritime industry. These include among other that the Slovenian Presidency opened the debate by stressing that the proposal still has to be discussed to overcome the dilemma currently hampering the shift to greener fuels: on the one hand, limited infrastructure puts many people off from buying vehicles powered with

alternative fuels; on the other hand, there is not enough progress in building the infrastructure out of fear of ending up with a stranded investment.

In addition, the Presidency underlined that interoperability and user-friendliness are key aspects of the proposals that should also be further considered for consumer confidence and intra-EU mobility.

During the discussion, the EU Commissioner for Transport, Ms Adina Vălean noted that there are still slightly diverging opinions as regards the level of ambition on the minimum recharging and refuelling infrastructure for the Trans-European Transport (TEN-T) core network.

Overall, during the debate, Ministers expressed broad support for the objectives and approach of the proposal.

Following the Member States interventions, Commissioner Vălean noted the support for the need to quickly build up the required recharging and refuelling infrastructure across the EU.

The Commissioner also admitted that some flexibility on the targets may be required for the very low-traffic density parts of the TEN-T comprehensive network.

Finally, Commissioner Vălean stressed that a compromise can be found under the incoming French Presidency.

The Slovenian Presidency closed the exchange of views expressing the Presidency gratitude for the Member States' overall support of the proposal.

The Presidency noted the importance of technological neutrality, funding and of general flexibility while also taking into account the request from some Member States to use transitional alternative fuels that can also contribute to reducing emissions.

Finally, the Presidency stressed that work would continue on the file with the aim to always take into account the specificities of each Member State.

On 14 July 2021, the Commission presented its proposal to revise the Directive 2014/94/EU on the deployment of alternative fuels infrastructure for transport and to turn it into a regulation (AFIR). The proposal is part of the Fit for 55 legislative package, which aims to decrease the EU's greenhouse gas (GHG) emissions by 55% by 2030.

The Commission proposal sets out mandatory national targets for the deployment of sufficient alternative fuels infrastructure in the Union for road vehicles, vessels and stationary aircraft.

The proposal also lays down common technical specifications and requirements on user information, data provision and payment requirements for alternative fuels infrastructure.

In addition, it also proposes rules for the national policy frameworks to be adopted by the Member States and for the reporting of progress on the development of the charging infrastructure network.

Articles 9 to 11 from the proposal elaborates on targets for shore-side electricity and LNG supply in maritime and inland waterway ports.

As regards short-side electricity supply for maritime ports, the proposal calls on the Member States to ensure that by 1 January 2030:

- TEN-T core and TEN-T comprehensive maritime ports whose average annual number of port calls over the last three years by seagoing container ships above 5000 gross tonnes, in the previous three years, is above 50 have sufficient shore-side power output to meet at least 90% of that demand;
- TEN-T core and TEN-T comprehensive maritime ports whose average annual number of port calls over the last three years by seagoing ro-ro passenger ships and high-speed passenger craft above 5000 gross tonnes, in the previous three years, is above 40 have sufficient shore-side power output to satisfy at least 90% of that demand;
- TEN-T core and TEN-T comprehensive maritime ports whose average annual number of port calls over the last three years by passenger ships other than passenger ships and high-speed passenger craft above 5000 gross tonnes, in the previous three years, is above 25 have sufficient shore-side power output to meet at least 90% of that demand.

As regards inland waterway ports, the proposal calls for:

- at least one installation providing a shore-side electricity supply to inland waterway vessels is deployed at all TEN-T core inland waterway ports by 1 January 2025;
- at least one installation providing a shore-side electricity supply to inland waterway vessels is deployed at all TEN-T comprehensive inland waterway ports by 1 January 2030.

Finally, regarding LNG supply, Member States would have to ensure that an appropriate number of refuelling points for LNG are put in place at TEN-T core maritime ports to enable seagoing ships to circulate throughout the TEN-T core network by 1 January 2025.

Next steps

[As the European Parliament's Transport and Tourism \(TRAN\) Committee nominated German MEP Ismail Ertug \(S&D\) as its Rapporteur on the file,](#)

the Committee will now begin working on its draft Report on the proposal.

In particular, TRAN MEPs are provisionally expected to examine the forthcoming draft Report on 28 February 2022.

The deadline for the tabling of amendments to the draft Report has been set for 4 March 2022, while the examination of the amendments is expected to take place during the week of 18 April 2022.

The TRAN Committee is then expected to adopt the Report during the week of 16 May 2022.

Finally, the EP plenary vote on the final Parliamentary Report has been provisionally set between 4 and 7 July 2022.

In parallel, Council experts are also expected to meet over the coming months and examine the proposal in order to prepare the Council's internal position (General Approach).

Key stakeholders

The most relevant Commission staff for this initiative are:

DG MOVE, Dir B — Investment, Innovative and Sustainable Transport, Unit 4. Sustainable and Intelligent Transport

- Kristian HEDBERG – Head of Unit
- Kai TULLIUS – Policy Officer
- Saki GERASSIS DAVITE – Policy Officer
- Dario DUBOLINO – Policy Officer
- Alexander VERDUYN – Policy Officer

Background

In 2014, the Directive on the development of alternative fuels infrastructure for transport (AFID) was adopted. The purpose of the Directive is to foster the deployment of infrastructure for the supply of these alternative energies for road and waterway transport.

The directive requires Member States to adopt national policy frameworks to develop the market for alternative fuels and to ensure that minimum infrastructure is set up for their supply in water-borne transport. Each Member State should ensure that ports should be equipped with shore-side electricity supply for vessels by 2025, LNG supply should be available for navigation along the core Trans-European Transport (TEN-T) network in maritime ports (by end-2025) and inland ports (by end-2030).

The [Delegated Regulation updating EU rules on recharging and refuelling points](#) was published in the EU Official Journal on 4 May 2018, but has only applied since 24 May 2020. The Delegated Regulation sets technical specifications for both the recharging points for L-category motor vehicles and refuelling points LNG for waterborne transport, which was previously object of another measure.

After the adoption on 25 October 2018 of the European Parliament's [Resolution](#) calling for the revision of the Directive, the Commission has started the long process that would lead to its revision.

The Commission presented a [Report](#) on the exercise of the power to adopt delegated acts under the Alternative Fuels Infrastructure Directive on 19 November 2019. The Report is intended to inform the European Parliament and the Council about all the delegated acts that the Commission has adopted to properly 'enact' the Directive. As such, the Commission has adopted the following:

- [Commission Delegated Regulation \(EU\) 2018/674](#), supplementing Directive 2014/94/EU of the European Parliament and of the Council as regards recharging points for L-category motor vehicles, shore-side electricity supply for inland waterway vessels, refuelling points for LNG for waterborne transport;
- [Commission Delegated Regulation \(EU\) 2019/1745](#) on recharging points for L-category motor vehicles and waterborne transport and repealed Commission Delegated Regulation (EU) 2018/674.

On 15 January 2020, the European Parliament adopted a [Resolution](#) on the European Green Deal Communication. In the non-legislative report, the European Parliament welcomed the Commission's intention to review the Alternative Fuels Infrastructure Directive.

On 4 May the public consultation on the [roadmap](#) for the revision of AFID closed. Among the feedback submitted, the following are the highlights:

- **European Sea Ports Organisation (ESPO)** highlighted that the revised Directive might allow the uptake of a variety of clean fuels, rather than prescribing specific fuels for shipping. It called for a technology-neutral, goal-based approach with emission reduction standards. It asked for a roadmap, which is developed for every individual port.
- **World Shipping Council** mentioned that the revised Directive needs to be fully cognizant of uncertainties regarding possible alternative fuels in the maritime sector. The revised Directive should avoid catalysing the development of alternative fuel infrastructure that may have a very brief lifespan.

On 29 June 2020, the public consultation on the [evaluation](#) and on [the impact assessment for the revision](#) of the Alternative Fuels Infrastructure Directive (AFID) closed. The submitted feedbacks by stakeholders are not publicly available.

In the context of the AFID, the Commission announced the FuelEU maritime legislative proposal in the [European Green Deal Communication](#) to boost the production and uptake of sustainable alternative fuels for the different transport modes, including maritime sector. The Commission considered the FuelEU maritime initiative essential from the view of the recovery. On 24 April 2020, the public consultation on the [roadmap](#) closed. The feedback on the roadmap can be accessed [here](#). Between July 2020 and September 2020 the Commission held a [12-weeks public consultation](#) to collect views from citizens and stakeholders. The Commission aims to reduce the CO2 emissions from ship traffic and ports in the EU. At the same time, the Commission aims to increase the use of sustainable alternative fuels in European shipping and ports by addressing market barriers hampering their use and addressing the uncertainty about which technical options are market ready.

On 9 December 2021, Member States Ministers exchanged views on the FuelEU proposal during the Transport Council.

The discussion was based on a [discussion paper](#) shared by the Slovenian Presidency of the Council on 22 November 2021.

In particular, Ministers were asked to share their views as regards the following aspects of the proposal:

- a) the way the two main measures regarding the limit to the yearly greenhouse gas intensity of the energy used on-board by a ship and the use of on-shore power supply or zero-emission energy at berth are built, including the international dimension and implications;
- b) the overall governance to apply and enforce the proposed regulation (e.g., monitoring and reporting activities, verification procedures, penalties, etc.).

The Slovenian Presidency opened the debate by stressing that the main goal of the proposal is to increase demand for renewable and low-carbon fuels and to ensure their consistent application in the maritime sector, while providing uninterrupted maritime transport and preventing internal market distortions.

Similarly, the EU Commissioner for Transport, Ms Adina Vălean, added that the proposal aims at setting a minimum use of green fuels in the energy mix used by ships. She added that the proposal follows a goal-based approach, thus allowing operators to use the best technology for their businesses and vessels.

Ms Vălean also noted that using on-shore power or zero-emissions technology for ships would be mindful of the ports situated in coastal areas and for the whole environment.

Moreover, the Commissioner added that the monitoring and reporting system of the proposal could be further refined, especially regarding the control of port authorities, while admitting that there is also the need to further harmonise the role of sanctions and penalties across the EU.

Finally, the Commissioner reiterated that in any event, the Commission foresees a revision clause to reassess the future situation.

With regard to the Member States' positions on the proposal, overall, all Ministers welcomed the proposal as a necessary step to decarbonise the sector while arguing that there are points still to be improved.

Ministers stressed that the proposal should go hand in hand with the proposal for a revision of the Alternative Fuels Infrastructure Directive (AFIR) in order to ensure that the proper infrastructure is in place in all the EU.

On governance and penalties, all Member States noted that provisions need to be further clarified, in order to ensure legal certainty, flexibility and a level playing field.

Finally, Member States added that the proposal should not put too much burden on islands and thus negatively impact their businesses.

On emissions targets, Germany notably asked to increase 2025 and 2030 targets as they are not ambitious enough to make a real impact on the decarbonisation of the sector.

This point was quoted by the Netherlands in view of increasing the reduction targets and introducing specific measures to support the use of alternative fuels.

Commissioner Vălean intervened again at the end of the exchange of views to stress that it is important to maintain the architecture of the proposal. However, the Commissioner admitted that there can be common solutions to the issues raised, for instance, by considering a more active role of public authorities in the verification phases and further discussing the scope of liability.

The Slovenian Presidency closed the debate by pointing out the need to further address the international dimension aspect in order to maintain internal competitiveness, the structure of governance architecture, the questions of fines and financial support and the coordination with AFIR and RED proposals.

The Regulation would lay down uniform rules imposing:

(a) the limit on the greenhouse gas ('GHG') intensity of energy used on-board by a ship arriving at, staying within or departing from ports under the jurisdiction of a Member State;

(b) the obligation to use on-shore power supply or zero-emission technology in ports under the jurisdiction of a Member State.

The Regulation would apply to all ships above a gross tonnage of 5000, regardless of their flag in respect to:

(a) the energy used during their stay within a port of call under the jurisdiction of a Member State;

(b) the entirety of the energy used on voyages from a port of call under the jurisdiction of a Member State to a port of call under the jurisdiction of a Member State;

(c) a half of the energy used on voyages departing from or arriving to a port of call under the jurisdiction of a Member State, where the last or the next port of call is under the jurisdiction of a third country.

On the other hand, the Regulation would not apply to warships, naval auxiliaries, fish-catching or fish-processing ships, wooden ships of a primitive build, ships not propelled by mechanical means, or government ships used for non-commercial purposes.

The European Parliament's TRAN Committee (Lead) will meet between 31 January and 3 February 2022 to exchange views on the proposal in preparation for the drafting of its Report.

The consideration of the draft Report has been provisionally set between 19 and 21 April 2022, with the deadline for tabling amendments to the Report set for 26 April 2022.

The Committee will then examine the amendments between 16 and 19 May 2022 and vote on the draft Report between 11 and 14 July 2022.

The EP plenary vote on the final Parliamentary Report has been provisionally set between 12 and 15 September 2022.

In parallel, Council experts are also expected to meet over the coming months and examine the proposal, in order to prepare the Council's internal position (General Approach).

Once both the European Parliament's Committee and the Council have finalised their position on the proposal, informal negotiations with the aim of reaching a first reading agreement on the proposal are then expected to begin.

Any resulting compromise would need to be approved by the European Parliament and by the Council.



Once adopted, the Regulation would enter into force on the twentieth day following that of its publication in the EU Official Journal. However, it would apply from 1 January 2025.

2. NATIONAL EMISSIONS CEILING DIRECTIVE (DIRECTIVE 2016/2284)

Relevance for marine sector

Member States are entitled to decide on the measures to adopt in order to comply with the emission reduction commitments set out in the NEC Directive. Generally, this goes in the direction of reducing emissions from anthropogenic sources and introducing national air pollution control programmes applicable to all relevant sectors, including energy, industry, road transport, inland shipping, and the use of NRMM, among others. Theoretically, setting national emissions ceilings for these sectors could have an impact on the emissions coming from recreational craft engines as well as on production processes of engines and equipment/machinery, not only in the EU.

Latest developments

The Ambient Air Quality (AAQ) expert group met on 2 December 2021. In a presentation on the Implementation of the National Emissions Ceilings Directive (NECD), the Commission debriefed member states experts on the implementation of Directive (EU) 2016/2284. In particular, the Commission focused on the following key elements:

- **Emissions inventories update**

For the NECD inventory review 2022, the focus will be on an in-depth review of national emission inventories of SO₂, NO_x, PM_{2.5}, PM₁₀, NH₃ and NMVOC and in general on the review of all 2022 NECD adjustment applications. The major novelty of the NECD inventory review 2022 will be that the threshold of significance for technical corrections and revised estimates will be 0.5% (instead of 2%) on the national total in one of the reported years under review. In particular, revised estimates for other pollutants by Member States will only be treated as so if they are above the threshold of significance. According to the provisional timetable for the NECD Review 2022, Member States will provide answers to review questions in the first half of June, then the centralized review is expected for late June, and the final Review reports will be sent to the Member States in November.

- **National Air Pollution Control Programmes (NAPCPs) update**

Overall, all Member States reported the majority of the mandatory content required by the NECD, even though some gaps were identified. In particular, gaps were more commonly identified where common format / EEA-PaM Tool was not used. An analysis found out that additional descriptions of Policy and Measures (PaMs) often lacked information on PaM design and focus, and that there are discrepancies between NAPCP and information reported via the EEA-PaM tool. Recommendations on reporting suggested to:

- i) use the NAPCP common format and EEA-PaM tool;
- ii) provide more detailed descriptions of the PaMs;
- iii) ensure that implementation of all PaMs already adopted and being implemented are included in the WM scenario;
- iv) report more optional content; and
- v) include descriptions of the current PaMs in the NAPCPs.

- **Monitoring and reporting of ecosystems impacts of air pollution**

Reports are expected for monitoring and reporting of ecosystems impacts of air pollution in July 2022 (report information on monitoring sites) and July 2023 (report data on ecosystem impacts of air pollution). These reports will provide an analysis of trends in reported data, preliminary information on the effect of the NEC Directive, inform EU biodiversity policy, inform the analysis of the achievement of the Zero Pollution Action Plan (ZPAP) target to reduce by 25% the EU ecosystems where air pollution threatens biodiversity.

Next steps

The Commission is expected to carry out a review of the NEC Directive by 2025. The support study on the evaluation and implementation of air quality and emission policies to be finalised in early 2023 is likely to feed into the reviewing process. At this stage of the procedure, it is not yet known which legal form this initiative may take. The results of the review may be presented in the form of a Staff Working Document (SWD) or a Commission Report. Based on the results of this review, the Commission may present a legislative proposal for emission reduction commitments for the period after 2030.

Key stakeholders

The relevant staff in the Commission pertains to DG ENVI – Directorate C Quality of Life – Unit C.3 Clean Air:

- Francois WAKENHUT - Head of Unit
- Viviane ANDRE -Team Leader

Background

[Directive \(EU\) 2016/2284 \(NEC Directive\)](#) sets ceilings for each Member State of the maximum emissions of certain pollutants allowed. The proposal was presented on 18th of December 2013 as part of a package of measures on the EU air policy review, which included a Commission Communication on a Clean Air Programme for Europe and a proposal on combustion installations below 50 MW. According to Article 13 of the Directive (EU) 2016/2284 (NEC Directive), the Commission is required to carry out a review of EU rules on the reduction of national emissions with a view to safeguarding progress towards EU air quality.

The overall ambition level of the national emission commitments is estimated to reduce the health impact of air pollution by 49.6% by 2030 (compared to 2005). The Directive covers the emissions of five

pollutants: sulphur dioxide, nitrogen oxides, non-methane volatile organic compounds, ammonia, and fine particulate matter. The European Parliament and the Council reached an informal agreement on the revised NEC Directive on 30 June 2016 which entered into force on 31 December 2016. It was published in EU Official Journal on 19 December 2016. Member States were required to transpose the new rules into national legislation by 1 July 2018.

On 21 April 2020, the Commission's public [consultation](#) on its inception [impact assessment](#) regarding a proposal revising the Industrial Emissions Directive closed. An overview of the submitted feedback can be accessed [here](#). As the next step, the Commission held a consultation on the possible policy options between December 2020 and March 2021. By the end of 2021, the Commission will publish a proposal for revision.

However, a range of stakeholders, including the Confederation of Swedish Enterprise, Enel, the international association representing the District Heating and Cooling (Euroheat & Power), the Federation of German Industries (BDI) and Jernkontoret, pointed out that since many provisions under the Directive have not yet been implemented, the Directive's performance and potential have not yet been fully assessed. These stakeholders concluded that it would be premature to revise it.

On 26 June 2020, the European Commission adopted its [Report](#) on the progress made on the implementation of Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants. The Report assessed the progress made by the Member States towards meeting their national emissions commitments set by the Directive. While the latest data reflected is from 2018, one of the conclusions is that Ammonia emissions remain an exception to overall improvements to date.

3. CIRCULAR ECONOMY ACTION PLAN

Relevance for marine sector

The guidelines aim to ensure the uniform application of the rules across the EU as well as to ensure a harmonised transposition into national law. The Commission provides guidelines on key definitions of the Directive and examples of products to be considered as falling within or outside its scope. These examples are non-exhaustive and serve only to provide illustration on how to interpret certain definitions and relevant requirements of the Directive in the context of the specific single-use plastic products.

Latest developments

The action plan announces initiatives along the entire life cycle of products. It targets how products are designed, promotes circular economy processes, encourages sustainable consumption, and aims to ensure that waste is prevented, and the resources used are kept in the EU economy for as long as possible. The following legislative measures may be of special interest to IMEC members:

Eco-design Directive

The commission was expected to adopt the proposal for the revision of the eco-design Directive in mid-December 2021, but this has been delayed and is provisionally foreseen to be adopted during the first quarter of 2022. No further details on the sustainable products initiative, which may incorporate a revision of the eco-design directive, are available at this stage, as the form and the content will depend on the impact assessment to be carried out by the Commission in the coming months.

End-of-Life Vehicles Directive

The Commission's public consultation on the revision of the End-of-Life Vehicles Directive closed on 26 October 2021. In particular, the open public consultation targeted 2 groups of stakeholders: i) citizens with general interest and ii) stakeholders with a specific interest. They were invited to respond via an online questionnaire consisting of two main parts: aimed at gathering information about the respondent, including the level of familiarity with the ELV Directive and the interest in the ELV sector, and both general questions, addressed to the general public, as well as more specific questions targeting stakeholders that are familiar with the ELV Directive. The proposal is expected to be presented in the fourth quarter of 2022. The Directive's aim is to promote more circular business models by linking design issues to end-of-life treatment, considering rules on mandatory recycled content for certain materials of components, and improving recycling efficiency.

Key stakeholders

The relevant staff in the Commission is part of DG ENVI - Directorate B Circular Economy and Green Growth - Unit B.3. Waste Management and Secondary Materials:

- Mattia PELLEGRINI (Head of Unit)
- Silvija AILE (Deputy Head of Unit)
- Rana PANT (Policy Officer – Single Use Plastics (SUP) & country responsibilities on Waste Management)

Background

The Commission adopted a new [Circular Economy Action Plan](#) (CEAP) on 11 March 2020. The Commission's CEAP proposes a range of measures and initiatives to reinforce and extend the current circular economy principles of reducing, reuse, recycle to current and new sectors, representing one of the main building blocks of the Green Deal. The very first sentence sets the tone: "*There is only one planet Earth, yet by 2050, the world will be consuming as if there were three*" and shows how the EU plans to lead the way on a global level.

Moving away from the linear model of production, the three main objectives are to:

- strengthen the competitiveness of European industry and make sustainable products the norm in the EU;
- empower consumers by providing them with reliable information on issues such as reparability and durability of products to help them make environmentally sustainable choices;
- protect the environment by reducing pressure on natural resources.

At the heart of the plan is the Sustainable Product Policy Framework, which will include several legislative and non-legislative measures to ensure that products are designed to last longer and are easier to repair, reuse and recycle and are not falsely advertised as environmentally friendly (the focus is put on prevention rather than simply relying on consumers to make more sustainable choices).

In this sense, the Commission also wants to strengthen producers' responsibility for the use-phase of their products, including for repairing and incentivising products-as-a-service or other models where producers keep the ownership of the product (e.g. a consumer buys 100 washes instead of a washing machine).

The Commission focuses on the sectors that use the most resources and where the potential for circularity is high and concrete actions will be launched:

- Electronics and ICT – the Commission will present regulatory initiatives under the Eco-design Directive for items such as mobile phones, tablets, and laptops. The precise timeline for these initiatives will be clarified under the expected Eco-design Working Plan (2020 - 2024), to be presented in the first quarter of 2022. Furthermore, the Action Plan notes that electronics and ICT products will be the main pillar of the implementation of the '*right to repair*'. With regards to these products, the Commission would also review the Directive on restrictions of hazardous substances in electrical and electronic equipment by Q4 2022 . Finally, it will present a common charger initiative and an EU-wide take-back scheme to return or sell back old mobile phones, tablets, and chargers;
- Batteries and vehicles – with the intention to promote the production and the uptake of sustainable batteries, the Commission presented a legislative proposal setting clear rules on recycled content for batteries in December 2020. It would also set to improve the collection and recycling rates of all batteries and, most of all, ensure the recovery of valuable materials and provide guidance to consumers.;
- Packaging – with the revision of existing rules on packaging, the Commission will set new mandatory requirements on what would be allowed on the EU market, including the reduction of (over-) packaging, by Q1 2022 ;
- Plastics – in order to foster the uptake of recycled plastics, the Commission intends to propose mandatory requirements on recycled plastic content and plastic waste reduction measures for key products, including packaging, construction materials and vehicles. In addition, the Commission would restrict intentionally added microplastics and present measures on labelling, standardisation, certification, and regulatory measures on the unintentional release of microplastics. Finally, the Commission is expected to present a policy framework for bio-based plastics and biodegradable or compostable plastics by the second quarter of 2022;
- Textiles – a new '*EU Strategy for Textiles*' to strengthen competitiveness and innovation in the sector and boost the EU market for textile reuse;
- Construction and buildings – a comprehensive '*Strategy for a Sustainably Built Environment*' promoting circularity principles for buildings;

- Biodiversity – the Commission commented on the importance that biodiversity has as an underlying principle for strengthening circularity and mentions the link with the 2030 Biodiversity Strategy several times. In this sense, the Commission declares that it will (a) encourage circular approaches to water reuse in agriculture via the Water Reuse Regulation; (b) developing an Integrated Nutrient Management, with the aim of ensuring sustainability in the application and recovery of nutrients; and (c) review directives on wastewater treatment (by Q1 2022) and sewage sludge (in 2023) in order to maximise its contribution to the circular economy and soil protection.

The European Parliament's Committee on the Environment, Public Health and Food Safety (ENVI) discussed the [Circular Economy Action Plan](#) on 12 May 2020, in the presence of the Commissioner for Environment, Oceans and Fisheries, Virginijus Sinkevičius.

In his presentation, the Commissioner underlined the consequences caused by the ongoing COVID-19 pandemic, especially for people's health, healthcare systems, and the global economy. He emphasised the opportunities that the current crisis offers to rethink and redesign the economy, with direct mention of the reduction of resource use and society's carbon footprint. The Commissioner also highlighted that a series of priority actions had been identified in key sectors such as plastics, cement, steel, and aluminium to reduce emissions.

Finally, he pointed out that the Chemicals Strategy for Sustainability and the Zero Pollution Action Plan are complementary to the Action Plan and the Biodiversity Strategy and will contribute to economic recovery through clean technologies and job creation.

**Report on
Critical Raw
Materials in the
context of the
Circular
Economy**

The Commission's [Action Plan](#) on critical raw materials was published on 3 September 2020. It contains the 2020 EU list of critical raw materials and addresses challenges for a secure and sustainable supply of critical raw materials and actions. At the same time, a [foresight study](#) on critical raw materials for strategic technologies and sectors in the EU was presented. The Action Plan underlines the need to ensure the EU's open strategic autonomy and warns that the planned transition to climate neutrality can replace reliance on fossil fuels with one on raw materials. The Action Plan emphasises the need to reinforce the EU's strategic autonomy in critical raw materials by focusing on diversified and undistorted access to global markets. The 2020 EU critical raw materials list contains 30 materials, out of which Bauxite, Lithium, Titanium and Strontium were added to the list for the first time.



**Proposal
revising the
Drinking Water
Directive
(DWD)**

The Commission presented a [proposal revising the Drinking Water Directive \(DWD\)](#) on 1st February 2018. The proposal would revise the DWD and recast its previous amendments in one single legal act for the purpose of clarity and simplification. It was presented together with a Staff Working Document including the Commission's impact assessment on the proposal ([here](#), [here](#) and [here](#)). The Commission is expected to evaluate the Drinking Water Directive 2020/2184 by 2035.

4. REVISION OF THE BATTERY DIRECTIVE

Relevance for marine sector

The revision aims to modernise the EU's legislative framework for batteries. The Commission considers batteries for recreational boating, coastal vessels, and ferries as part of the possible solutions to meet emissions targets. Therefore, the ongoing work needs to be carefully monitored and relevant information communicated to IMEC members.

Latest developments

On 9 December 2021, the European Parliament's Committee on the Internal Market and Consumer Protection (IMCO) MEPs voted on 12 compromise amendments (not yet available) tabled to the [draft Opinion](#) of Rapporteur's Antonius Manders (EPP, Netherlands). The Committee adopted the resulting text as its Opinion on the same day. As the compromise amendments and the text adopted have not yet been published, the content of the final Opinion remains uncertain. The European Parliament is expected to publish the Committee Opinion, or the list of compromise amendments adopted in the near future.

This comes on the back of the Committee on Industry, Research and Energy (ITRE)'s adoption of its [Opinion](#) on 27 September 2021.

Next steps

The Committee on the Environment, Public Health and Food Safety (ENVI) is expected to vote on the [draft Report](#) and the tabled amendments during a Committee meeting provisionally foreseen to take place in January 2022.

At the end of the process, the European Parliament will have established its position on the proposal. The ENVI Committee (Lead) will have to accept without a vote the amendments proposed by an Associated Committee (ITRE and IMCO) on the topics which fall within the exclusive competence of that Associated Committee.

Once the Report has been finalised at the Committee level, the European Parliament would adopt its negotiating position in the plenary. This is provisionally foreseen for February 2022.

In parallel, the Council will hold discussions, both at the technical and the political level, with a view to establishing its internal position. The Slovenian Presidency is expected to further consult the Council expert of the Working Party on the Environment (WPE) over the coming months to finalise its position.

The progress report would then be presented to the Environment Council to take place on 20 December 2021.

Once the Council and the European Parliament have finalised their positions on the proposal, informal trilogue negotiations are expected to begin.

Key stakeholders

The relevant staff in the Commission is part of DG ENVI - Directorate B - Circular Economy and Green Growth, Unit B.3 - Waste Management and Secondary Materials:

- Mattia PELLEGRINI - Head of Unit
- Jose RIZO MARTIN - Senior Expert

Background

On 10 December 2020, the Commission published its [proposal](#) on the revised Batteries Regulation, which replaced the current Batteries Directive (2006/66/EC) and launched the [consultation](#) on the proposal, which was open until 1 March 2020. You can find the feedback [here](#). The revision of the Battery Directive aims at minimising batteries' harmful effects on the environment and include rules on their life cycle, ranging from production and design to reuse and recycling. In line with sustainability-related policies, like the Green Deal, the Commission aims to ensure that batteries placed on the market are produced sustainably and can be recycled easily.

The batteries cannot contain hazardous substances such as mercury and cadmium. From 1 January 2027, batteries shall be labelled in a visible, legible, and indelible manner to provide information necessary for the identification of batteries and of their main characteristics. The Regulation sets mandatory recycled content targets for cobalt, lead, lithium, and nickel, which should be met by 2030. For cobalt, lithium and nickel, increased targets are established by 2035. From 1 January 2030, batteries need to contain a minimum 12% cobalt, 85% lead, 4% lithium and 4% nickel. These numbers will increase from 1 January 2035: 20% cobalt; 85 % lead, 10% lithium and 12% nickel. The Commission will assess the phase-out of non-rechargeable batteries by 31 December 2030.

5. CHEMICAL LEGISLATION - REACH

Relevance for marine sector

The legislation applies to substances (a chemical element and its compounds in the natural state or obtained by any manufacturing process, including any additive necessary to preserve its stability and any impurity deriving from the process used, but excluding any solvent which may be separated without affecting the stability of the substance or changing its composition) manufactured or imported into the EU in quantities of 1 tonne per year or more. Generally, it applies to all individual chemical substances on their own, in preparations or in articles (if the substance is intended to be released from an article under normal and reasonably foreseeable conditions of use). Some substances are specifically excluded, such as radioactive substances, substances under customs supervision, transport of substances, non-isolated intermediates, waste, or some naturally occurring low-hazard substances. Some substances, covered by more specific legislation, have tailored provisions, including human and veterinary medicines, food and foodstuff additives, plant protection products and biocides, isolated intermediates or substances used for research and development.

Thus, it is quite evident that all manufacturing industries are strongly affected by REACH, including the sectors in which IMEC is involved. LOGOS, therefore, recommends IMEC to carefully monitor the developments regarding specific chemicals that are needed for the daily work of its members.

Latest developments

The European Chemicals Agency (ECHA) closed a public consultation on the identification of the addition of four potential substances as "Substances of Very High Concern" (SVHCs) under the EU's Chemicals Regulation 'REACH' under 9th th Update of Annex XIV on 18 October 2021.

The consultation concerns proposals submitted to ECHA by Austria, Belgium, and Denmark on the following substances:

(a) (\pm) -1,7,7-trimethyl-3-[(4-methylphenyl)methylene]bicyclo[2.2.1]heptan-2-one covering any of the individual isomers and/or combinations thereof (4-MBC);

(b) 6,6'-di-tert-butyl-2,2'-methylene-di-p-cresol (DBMC);

(c) S-(tricyclo[5.2.1.0^{2,6}]deca-3-en-8(or 9)-yl) O-(isopropyl or isobutyl or 2-ethylhexyl) O-(isopropyl or isobutyl or 2-ethylhexyl) phosphorodithioate;

(d) tris(2-methoxyethoxy)vinylsilane;

If identified as SVHC, these substances could be prioritised for eventual inclusion in the REACH Authorisation List.

Further ECHA consultations are expected to be carried out to expand the REACH Regulation. ECHA will select priority substances from the Candidate List for their eventual inclusion in Annex XIV.

In parallel, following the positive vote of the REACH Regulatory Committee on the 7th general update to draft measure, the text has been to the Council and the Parliament for examination. The co-legislators have until 10 February 2022 to raise objections on the update to draft Commission Regulation amending Annex XIV to the EU's Chemicals Regulation "REACH".

Next steps

The Commission will launch the study on the revision in the coming months and 12-weeks public consultation in Q1 2022. The Commission aims to finalise the draft in summer 2022 and present the proposal by the end of 2022.

Key stakeholders

The responsible staff in the Commission is part of DG GROW - Directorate F - Ecosystems I: Chemicals, Food, Retail - Unit F1 REACH

- Giuseppe CASELLA - Head of Unit
- Harrie TEMMINK - Deputy Head of Unit
- Ana Maria BLASS RICO - Policy Officer - Chemicals
- Aurora DE BUSTOS - Legal Officer - Chemicals

DG ENV – Several officers of Directorate B on Circular Economy and Green Growth are also dealing with REACH:

- Cristina DE AVILA - Head of Unit
- Valentina BERTATO - Policy Officer - Chemicals in particular REACH Regulation and international
- Mateo GALLEGO - Policy Officer - Chemicals in particular REACH
- Juergen HELBIG - Senior Expert - Chemicals / in particular International

UK news

As of 1 January, UK-based businesses procuring chemical substances directly from EU REACH-registered suppliers are considered importers under UK REACH.

To ensure continued access to the UK market, UK importers must complete notification to the HSE on the UK REACH information technology system. The substance must be registered within the applicable timeframe, which is 300 days plus two, four, or six years from the end of the transition period, depending on the tonnage and hazard profile of the imported substances.

EU REACH Article 9 exemptions for substances imported or manufactured in GB for purposes of the product(s), and process-oriented research and development will be grandfathered into UK REACH if basic information is

provided to the HSE within 120 days (by 30 April), and they will be subject to the same conditions imposed by ECHA.

Background

REACH ([EC 1907/2006](#)) is a Directive that was published in 2006 by the European Commission. It aims to improve the protection of human health and the environment through better and earlier identification of the intrinsic properties of chemical substances. This is done by the four processes of REACH, namely the **registration, evaluation, authorisation, and restriction** of chemicals. The text places responsibility on the industry to manage the risks from chemicals and to provide safety information on the substances. Manufacturers and importers are required to gather information on the properties of their chemical substances, which will allow their safe handling, and to register the information in a central database in the European Chemicals Agency (ECHA) in Helsinki. The Regulation also calls for the progressive substitution of the most dangerous chemicals (referred to as "substances of very high concern" or SVHCs) when suitable alternatives have been identified.

In February 2020, the European Parliament published a [resolution](#) objecting the draft Commission [Regulation](#) restricting the use of lead and its compounds in PVC articles under REACH. The Commission has made its [reply](#) available. In its statement, the Commission explained it had not taken an official decision on whether to present a new draft measure to the REACH Regulatory Committee, prepare a legislative proposal under the ordinary legislative procedure, or abandon the restriction proposal. Member State experts were therefore not expected to discuss the objection. Due to the objection, the Commission cannot adopt the draft measure and might decide to present a revised draft measure.

The Commission is currently not considering working towards a proposal on a restriction of **carcinogenic, mutagenic, and repro-toxic substances** (CMRs) in sports equipment under REACH. However, the Commission may decide to resume its intention and work towards such an amendment.

Revision of REACH Regulation:

During a meeting on 3-4 March 2020 with the Competent Authorities for REACH, the Commission [confirmed](#) the expected changes for the revision of the REACH Regulation. The Commission intends to:

- request chemical safety assessment for substances imported or manufactured on volumes of 1 to 10 tonnes per year (1-10 tpa substances);
- introduce a Mixtures Assessment Factor in Annex I of REACH and Derived Minimal Effect Level for non-threshold substances with a dose-response relationship;

- revise requirements for supply chain communication and eSDS;
- extend the definition of Substances of Very High Concern in Article 57 and add endocrine disruptors, persistent, mobile and toxic, very persistent, very mobile substances as stand-alone categories;
- reform the authorization and restriction processes;
- extend the use of the generic approach to risk management through the introduction of endocrine disruptors, bioaccumulative and toxic (PBT), very persistent and very bioaccumulative (vPvBs);
- reform the REACH authorisation and restriction processes;
- introduce a system of derogations based on the concept of the essential use.

On 4 May, the [public consultation](#) on the [Inception Impact Assessment](#) on the revision of the REACH Regulation opened. The Commission is considering several policy options for the revision:

- revision of the registration requirements for manufacturers and importers;
- introduction of a Mixtures Assessment Factor (MAF) in Annex I;
- revision of the provisions for dossier and substances;
- integrating the REACH authorisation and restriction systems into one and improving the interface with other pieces of legislation;
- extending the generic risk approach to restrictions to endocrine disruptors, PBT/vPvB substances, immunotoxicants, neurotoxicants, respiratory sensitisers and substances that affect specific organs;
- establishing minimum requirements for national controls and enforcement, including stricter border controls.

The consultation closed on 1 June and the key highlights of the [feedback](#) includes:

- [Cefic](#) called for coherence between REACH and product policies such as ROHS and Eco-design Directive. Furthermore, it highlighted the need to develop a robust and proportionate approach for the registration of certain polymers.
- [European Environmental Bureau](#) (EBB) underscored that the manufacturing and use of substances of very high concern (SVHCs) must be more burdensome for companies so that sustainable alternatives are incentivised. It called the

Commission to strongly consider implementing the polluter pays principle and to apply the precautionary principle to increase transparency.

The restriction on the use and the placing on the market of **diisocyanates (EU 2020/1149) entered into force on 24 August 2020**. The measure supplements Annex XVII with a new entry restricting the use of diisocyanates ($O=C=N-R-N=C=O$, with R an aliphatic or aromatic hydrocarbon unit of unspecified length). More specifically, the act introduces two sets of restrictions, one on the use of the substance and the other on its placing on the market.

The ECHA is expected to submit a restriction on articles that contain lead chromate under Annex XVII to REACH by 9 April 2021. Once published, a six-month public consultation on the restriction will start. Based on the ECHA opinion, the Commission may draft an amendment to restrict articles that contain lead chromate under the REACH Regulation in 2023.

On 8 July 2021, the ECHA has updated its candidate list of substances of very high concern, which now contains 219 chemicals. The additions include 2-(4-tert-butylbenzyl) propionaldehyde and its individual stereoisomers, Orthoboric acid, sodium salt, 2,2-bis(bromomethyl)propane-1,3-diol (BMP), 2,2-dimethylpropan-1-ol, tribromo derivative/3-bromo-2,2-bis(bromomethyl)-1-propanol (TBNPA), 2,3-dibromo-1-propanol (2,3-DBPA), Glutaral, Medium-chain chlorinated paraffins, Phenol, alkylation products, 1,4-dioxane, 4,4'-(1-methylpropylidene) bisphenol.

6. RESTRICTIONS ON HAZARDOUS SUBSTANCES

Relevance for marine sector

Since the measure aims at substituting hazardous substances as well as waste prevention, this could have an impact on the marine sector. Prohibited substances may therefore not be used in production and must be replaced by less harmful and hazardous substances. Moreover, the aspect of waste prevention may lead to further restrictions. Currently, the measure only applies to non-road machinery for professional use. However, the revision and possible publication of a revised measure could include an extended scope.

Latest developments

The final Report of the Commission's study in support of the evaluation of the Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment will feed into an Inception Impact Assessment, which the Commission will publish in the coming months.

Following its publication, the inception impact assessment is expected to be submitted to a Better Regulation public consultation.

In line with the 2021 [Better Regulation Communication](#), the consultation could last for three months and include a questionnaire.

The Commission is expected to publish a stand-alone Staff Working Document presenting the results of the evaluation pursuant to the [2018 Roadmap](#) in the coming months.

The results of the evaluation will feed into the General Report on the Review, which the Commission would present in the fourth quarter of 2022, together with a legislative proposal to revise or replace the RoHS II Directive in order to further prevent waste, promote safer waste streams and ensure high-quality recycling.

The evaluation will also feed into the development of a guidance document to foster alignment with other pieces of EU legislation, including the EU's Chemicals Regulation 'REACH' and the Directive 2009/125/EC on ecodesign requirements for energy-using products ([Ecodesign Directive](#)).

Next steps

According to its [work programme](#) for 2022, the Commission will present the outcome of the review of the RoHS II Directive, along with a proposal for a Directive or Regulation amending or replacing the Directive, in the fourth quarter of 2022.

A [public consultation](#) regarding the roadmap of the revision of the Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS II) is expected to be

launched in the coming weeks. A second public consultation is expected to be launched in the fourth quarter of 2021.

Key stakeholders

The relevant staff in the Commission is part of DG ENV - Directorate C - Quality of Life – Unit C3 Clean Air:

- Francois Wakenhut - Head of Unit
- Thomas Henrichs - Deputy Head of Unit

UK news

In Great Britain and Northern Ireland, many types of EEE are regulated to control the levels of certain hazardous substances and chemicals they contain to protect human and animal health.

Since 1 January, there have been differences in the rules for placing EEE on the market in the UK. Individual products must have a type, batch or serial number and show the manufacturer's name or trademark and address. Manufacturers must also declare conformity with all relevant legislation by affixing the UKCA mark in the case of EEE being placed on the market in GB and /or the CE mark, in the case of EEE being placed on the market in NI. The CE marking will be accepted in the UK until 1 January 2022. The UKCA marking must be ready to be used from 1 January 2022 at the latest.

Until 1 January 2023, it is possible to affix the UKCA mark by means of a label, or similar, to the product, packaging, or documents, as required. After 1 January 2023, the UKCA mark should be directly affixed to the product.

Background

The [Directive](#) on the restriction of hazardous substances in electrical and electronic goods entered into force on 21 July 2011. The objective of this measure is to promote the collection and recycling of such items. Furthermore, the restricted use of hazardous substances in electrical and electronic equipment aims at contributing to the protection of human health and the environment. In 2011 the directive was recast to take into account the increasing waste stream from electrical and electronic equipment. In addition, the Directive requires certain substances to be substituted by safer alternatives.

Currently, the directive restricts the use of the following substances:

- Lead
- Cadmium
- Mercury
- Hexavalent Chromium
- Polybrominated biphenyls
- Polybrominated diphenyl ethers

- Bis (2 ethylhexyl) phthalate
- Butyl benzyl phthalate
- Dibutyl phthalate
- Diisobutyl phthalate

The new Directive (EU) 2017/2102 entered into force on 11 December 2017 and had to be transposed by Member States by 12 June 2019.

On 5 March 2020, three delegated Acts regarding exemptions request under Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment were published in the [Official Journal of the EU](#):

- Delegated Act renewing the exemption for lead as a thermal stabiliser in [polyvinyl chloride in certain in-vitro diagnostic medical devices \(2020/366\)](#)
- Delegated Act renewing the exemption for [lead in solders and termination finishes used in certain hand-held combustion engines \(2020/365\)](#)
- Delegated Act renewing the exemption for [lead in platinised platinum electrodes used for certain conductivity measurements \(2020/360\)](#).

Since March 2020, all five exemptions covered under Pack 14 project have been published in the Official Journal, and the Commission is currently not expected to publish further measures under this umbrella.

During the WebEx meeting of 27 April 2020, the content of the 7 ROHS substance files, the draft final [evaluation](#) of the list "high priority substances", as well as their assessment of two [exemption](#) requests for cadmium, the external consultants would finalise and forward the final draft Report of the Pack 15 study to the Commission. The seven files include:

- [Beryllium](#)
- [Indium phosphide](#)
- [Nickel sulphate and nickel sulfamate](#)
- [Cobalt](#)
- [MCCP](#)
- [TBBP-A](#)
- [ATO](#)

The final [report](#) of the Oeko Institut and Fraunhofer IZM was published at the end of 2020. The report recommends that an exemption for the

use of cadmium in downshifting semiconductor nanocrystal quantum dots in display, projection and lighting applications should be granted.

The external consultants recommended to add a new exemption in Annex III of the RoHS II Directive addressing both exemption requests listed above, with a review period of five years.

On 15 January 2021, the Delegated Directive (and Annex) on amending, for the purposes of adapting to scientific and technical progress, Annex III to Directive 2011/65/EU of the European Parliament and of the Council as regards an exemption for the use of certain lead and hexavalent chromium compounds in electric and electronic initiators of explosives for civil (professional) use was published. Annex III to Directive 2011/65/EU of the European Parliament and of the Council as regards an exemption for the use of certain lead and hexavalent chromium compounds in electric and electronic initiators of explosives for civil (professional) use was published.

On 14 April 2021 the [final report](#) to support the evaluation of Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS II) was published. The report's aim is to assist the Commission in the evaluation of the RoHS II Directive, by assessing the effectiveness, efficiency, relevance, coherence and EU added value of the directive.

The report underlined that the Directive reached its objective of reducing hazardous substances in electrical and electronic equipment (EEE) in the EU. The Directive has contributed to the harmonisation and functioning of the internal market by setting standards and providing a level playing field for manufacturers. Although the exemptions process is considered relevant and important to maintain, industry representatives pointed to delays in the assessment and approval of exemptions. The EU's renewed commitment to the transition to a circular economy and a specific focus on electronic equipment as a "key product value chain" may lead to a reassessment of some key mechanisms of the RoH.

More specifically, on the question of scope and applicability, the reports outlined that the key difference with RoHS I lies in the broadening of the scope of the Directive. In particular, RoHS II further adds new substance restrictions on phthalates and the addition of three new categories, namely Category 8 (medical devices), Category 9 (monitoring and control instruments) and Category 11 (all other EEE). However, at this stage, it remains unclear whether RoHS II may include marine engines, PWC and recreational craft. To better assess the proposal's details, the publication of the Commission's Inception Impact Assessment in the coming months is needed.

7. OCEAN GOVERNANCE: EU CONTRIBUTION TO RESPONSIBLE OCEANS STEWARDSHIP

Relevance for marine sector

The specific policy objectives of the ENVI Committee Report and the Commission work on a Joint Communication on Ocean Governance relate to issues of the International Law of the Sea, fisheries, seabed mining, and other high-level maritime treaties with extra-EU countries. Therefore, some of the only partially applicable points that could fall under the IMEC areas could be the "conservation and sustainable use of marine resources" and the contribution to the "sustainable growth of Europe's ocean-based economy". The impact on IMEC is expected to be limited given the broad and horizontal approach of the Joint Communication, which focuses on high-level governance, seabed research, fisheries, and security rather than on pure maritime and coastal policy. The Communication is guided by the results of the [Consultation](#) that took place last year. The scope of Communication is quite broad and focuses strongly on horizontal environmental governance and security.

Latest developments

During the GAC Council meeting on 23 November, Commission Vice-President for Institutional Relations and Foresight Maroš Šefčovič presented to EU Ministers the Commission's 2022 Work Programme. Under chapter 4 "A stronger Europe in the world", Šefčovič announced that the Commission will present a Joint Communication on international ocean governance (non-legislative) in the second quarter of 2022, setting out an Action Plan to address key threats such as pollution, climate change impacts and biodiversity loss. The Communication would update the International Ocean Governance Agenda, which was published in 2016.

Next steps

The publication of the Commission Joint Communication on international ocean governance is foreseen for the second quarter of 2022.

Key stakeholders

DG MARE, Directorate A - Maritime Policy and Blue Economy, Unit A 1 Maritime Innovation, Marine Knowledge, and Investment:

- Andreea STRACHINESCU - Head of Unit

DG MARE, Directorate B - International Ocean Governance and Sustainable Fisheries, Unit B 1. Ocean Governance, Law of the Sea, Arctic Policy:

- Raphael GOULET - Head of Unit
- Aurore MAILLET - Deputy Head of Unit
- Marc RICHIR - Senior Expert-international Ocean governance and law of the sea

DG MARE, Directorate C - Fisheries Policy, Unit C 1 - Fisheries Management Atlantic, North Sea and Baltic Sea:

- Maja KIRCHNER - Head of Unit

Background

The Commission's [Communication on "A Global Partnership for Poverty Eradication and Sustainable Development after 2015"](#) foresees a leading role for the EU in international ocean governance. The planned Communication on Ocean Governance aims to provide the EU with a policy approach to shape international governance in the UN, in other multilateral fora and bilaterally with key global partners, and to foster the blue economy. The objective of the Communication is to address the increasing importance of marine resource use and maritime economic development in the context of sustainable blue growth.

The political context of the initiative relates to the inefficiency of the existing international governance framework and the need to strike a better balance between the environmental impact caused by the EU maritime sector and the potential of EU maritime economy (where the EU has taken a clear lead in pursuing an internationally recognised "[Blue Growth](#)" policy). Creating a targeted EU policy to develop ocean governance is also an objective, as there is currently no coherent approach to improving ocean governance, which has led to inconsistencies and fragmentation of EU action at international level. This could lead to a lack of business certainty for European maritime industries and risks putting them at a competitive disadvantage at global level.

On 20 June 2017, the UN and the European Commission agreed to deepen their cooperation through the [2018 Ocean Roadmap 2.0](#), which continued to support the conservation of marine biodiversity and ecosystems on the road to the "Our Ocean" conference in Bali in October 2018 and beyond. In the Roadmap, the European Commission and UN reaffirmed their commitment to protecting the world's oceans and seas by:

- addressing land-based sources to combat marine pollution. 8 million tonnes of plastic end up in the world's ocean every year;
- working with existing governance structures such as the Regional Seas Conventions and the Regional Fisheries bodies and other relevant organisations to share best practices and lessons learned;
- supporting healthy marine and coastal ecosystems, which can help strengthen capacity for sustainable fisheries;

- contributing at the regional level to the implementation of the relevant targets and the Sustainable Development Goals.

The roadmap presented opportunities for mutual exchange between regional governance frameworks and for learning from their current experiences, such as the Barcelona Convention for the protection of the Mediterranean coastal and marine environment.

The final text of the European Parliament Report on the “International Ocean Governance: an agenda for the future of our oceans in the context of the 2030 SDGs” is available [here](#).

On 11 June, the Commission published the [EU Blue Economy Report 2020](#), which shows the performance of the EU economic sectors related to oceans and the coastal environment.

On 21 September, the European Commission's Mission Board on Healthy Oceans, Seas, Coastal and Inland Waters proposed the [Mission Starfish 2030: Restore our Ocean and Waters](#).

On 19 October, the Commission launched a public consultation on the roadmap to a new approach for a sustainable blue economy in the EU. Communication aims to ensure the rapid recovery of the Blue Economy from the COVID-19 crisis by promoting sustainable solutions and innovative products and services. The initiative will tackle climate change, which impacts oceans and the resilience of the blue economy. Stakeholders need to take into account the principles of sustainability and reduce pressure on marine ecosystems. The public consultation closed on 7 December 2020.

In March 2021, the European Parliament's TRAN Committee discussed the [draft opinion](#) of rapporteur Izaskun Bilbao Barandica (MEP, Renew Europe, Spain) on a new approach to the Atlantic maritime strategy. The rapporteur underlined the importance of connectivity, sustainability, green jobs, and tourism, affirming that the Commission's Atlantic Strategy is being reinforced in accordance with the Digital strategy and the Green Deal. Bilbao Barandica also underlined the idea of a macro-regional strategy allowing innovation along the Atlantic Arc to be shared and pooled on renewables.

The Commission did not present its Communication on Ocean Governance which was planned for Q1 2021. Instead, events, such as the European Maritime Day (20 – 21 May 2021), were organised to discuss together with stakeholders topics like the Sustainable Blue Economy.

On 25 May 2021, the TRAN Committee voted on rapporteur Izaskun Bilbao Barandica's (MEP, Renew Europe, Spain) draft opinion on a new approach to the Atlantic Maritime Strategy.



The European Parliament adopted the Resolution on a new approach to the Atlantic maritime strategy on 14 September 2021. The Resolution of the European Parliament proposes to update the Commission's Atlantic maritime strategy adopted in 2011. It provides general recommendations for improving the Atlantic maritime strategy while also going into more detail on outermost regions and islands; sustainable fisheries; ports as gateways and hubs for the blue economy; blue skills of the future and ocean literacy; marine renewable energy; healthy ocean and resilient coasts; and governance.

SECTION II – Other Relevant EU Policies

1. MACHINERY DIRECTIVE 2006/42/EC

Relevance for marine sector

A list of 9 "higher risks" products have been drafted with the Commission for the consultant to focus on (subject to potential changes pending the feedback of stakeholders): Engines and turbines; Machinery for textile, paper, rubber, and food; Machines for metalworking; non-road mobile machinery; Woodworking machinery; Lifts for lifting persons and loads; Lifting accessories; Electric power tools (particularly hand-held and hand-guided); Robotics and automation. As outlined above, engines and turbines are indeed considered as one of the "higher risk" products.

Latest developments

After the Commission's adoption of the [Regulation on machinery products](#), the legislative proposal was transmitted to the European Parliament, the Council for further consideration under the ordinary legislative procedure.

The Committee on Internal Market and Consumer Protection (IMCO) and the Council is working parallel to deliver their respected opinion on the Commission's proposal.

European Parliament:

On 20 October, the Rapporteur of the file MEP Ivan Štefanec (EPP, Slovakia) published its [draft report](#) on the Commission's proposal. He proposed to clarify the scope of the Regulation because several motor vehicles are excluded from the scope. He argued that delegated acts on high-risk machinery products should not apply earlier than 36 months after their entry into force to give manufacturers enough time to adaptation. The Rapporteur proposed that technical specifications should not apply, in case harmonised standards will be developed in the future.

The Members of the IMCO Committee could suggest [amendments](#) to the Commission's proposal by the deadline of 9 November. Several amendments were tabled to include off road vehicles in the scope. Several amendments introduce the provision that the proposal should "apply to artificial intelligence systems with self-determining, evolving behaviour or logic during normal operation. MEPs representing the Renew Group tabled an amendment mentioning that the Commission have to update Annex I before the date referred to Article 52 to ensure relevant machineries are subject to the specific conformity assessment procedure.

Council:

The Slovenian Presidency, leading the discussion on the topic, published a [progress report](#). Some Member States flagged concerns regarding the exclusion of vehicles which have as their only objective the transport of goods or persons by public road, air, water or rail network from the scope. Member States and the Commission agreed that the high-risk product list needs updating but Member States expect this update during the process of adoption of the proposal while the Commission claims that they do not have enough data to do so but would adapt the list right after the adoption of this proposal.

European Commission:

During the last Machinery Expert Group meeting, which took place on 10 November, the Commission confirmed, that they do not want to change the current standardisation system but in case there are important delays (many years) alternatives should be available. As an example, the case of PPE products was mentioned where it took 14 years to develop a standard.

Next steps

The debate on the compromised amendments is scheduled for February 2022 in IMCO Committee. The vote in IMCO is planned for March 2022 and the vote in plenary may take place in May 2022 (to be confirmed).

The Slovenian Presidency is currently working on an initial draft proposal on how to tackle the main issues. The Slovenian Presidency will present this working document for the Members of the Council Working Party on Technical Harmonisation. The French Presidency has already highlighted that they want to reach an agreement (general approach) in the Council by the end of March 2022.

Based on the usual legislative process (trilogue) timeline, the file should be agreed upon by both the European Parliament and Council during the Q3 of 2022.

Key stakeholders

DG GROW, Directorate H- Ecosystems III: Construction and Machinery, Unit H2 – Machinery and equipment

- Barbara BONVISSUTO, Head of Unit,
- Felicia STOICA, Deputy Head of Unit
- Mikhail SIMONOV, Policy Officer for Machinery Directive
- Victoria PIEDRAFITA, Legal Officer for Mechanical Engineering sector

Background

The Machinery Directive 2006/42/EC was published on 9 June 2006 and became applicable on 29 December 2009. It was amended by Directive 2009/127/EC. It governs the harmonisation of essential health and safety requirements for machinery at EU level and covers a very large range of products, i.e., machinery, interchangeable equipment, safety

components, lifting accessories, chains, ropes and webbing, removable mechanical transmission devices and partly completed machinery. The Directive is a total harmonisation Directive based on the principles of the "New Approach to Technical Harmonisation and Standards". It lays down the essential health and safety requirements that machinery must fulfil in order to be placed on the market as well as the applicable conformity assessment procedures to demonstrate that the machine fulfils the requirements.

Six years after its implementation, the Machinery Directive has been placed on the "REFIT" list in 2013 in order to evaluate its performance, assess whether a revision is necessary to improve it and align it fully with the New Legislative Framework. An update to the 2nd Edition of the Guide to application of the Machinery Directive has been completed.

The final draft of the study by Technopolis was finally published on the 29th of September 2017. Moreover, the Commission did publish a [Communication in the framework of the implementation of the Machinery Directive](#) on 9 March 2018. The Communication provides an updated summary list of references and titles of harmonised EU standards concerning safety requirements for machinery parts. The measure has a merely informative value and replaces all previous lists.

Moreover, there would be an amendment to the Carcinogens and Mutagens Directive to introduce new Occupational Exposure Limits (OELs) for 8 priority chemical agents to which workers are exposed to, with the aim of improving occupational health by reducing exposure to carcinogenic chemical agents.

The proposal suggests:

(1) Adding a new point in Annex I to include work involving exposure to mineral oils that have been used in internal combustion engines, including automobile and motorcycle engines, diesel rail engines, marine engines, aero-engines, and in engines in portable machinery.

Annex III is also amended to add a skin notation for these substances.

(2) Adding the following limit values for carcinogenic substances:

(a) Trichloroethylene (54,7mg/m³, 10ppm TWA; 164,1mg/m³, 30 ppm for STEL with skin notation); (b) 4,4'-Methylenedianiline (0,08mg/m³ for TWA with skin notation); (c) Epichlorohydrine (1,9mg/m³ TWA with skin notation); (4) Ethylene dibromide (0,8mg/m³, 0,1ppm for TWA with skin notation); (5) Ethylene dichloride (8,2mg/m³, 2ppm for TWA with skin notation); (6) Polycyclic aromatic hydrocarbons mixtures containing benzo[a]pyrene (with skin notation); (7) Mineral oils that have been used in internal combustion engines and in engines in portable machinery (with skin notation); (8) Benzene (with skin notation).

The members of the Machinery Directive Working Group submitted their comments on the proposals presented by the Commission at the meeting held on 19-20 February on the revision of the Machinery Directive (MD). The Member States and industry associations submitted substantive feedback on the proposals. Member States are now being consulted on the different proposals on an ongoing basis.

Among the feedback submitted, the following are the highlights:

- **Orgalim** does not support the proposal of France to remove the self-assessment procedure based on harmonised standards for the Annex IV type of machinery. Furthermore, orgalim does not consider the need to change Annex IV from a list of machinery to categories (Finland's proposal). Regarding Annex 1, orgalim proposed the digital instructions of all machinery, but at the request of the consumer must be ensured that the instructions are available in paper format.
- The **European Agricultural Machinery (CEMA)** is in favour to allow the digital format of the instructions. Moreover, CEMA prefers to keep the self-assessment procedure based on harmonised standards, and it refused any changes to Annex IV. Thus, France's proposal was not supported by CEMA.
- The **European Garden Machinery Federation (EGMF)** is also strongly supporting to use of electronic instructions because it is readily available for access by a digital device. EGMF believes that there is no justification for removing the procedure for assessment of conformity with internal checks on the manufacture of machinery.
- Regarding the paper and/or digital format, the **Committee of European Construction Equipment (CECE)** argued that each manufacturer has to choose which format of instructions is better for the machines they are placing on the market. CECE disagreed with the French proposal because Annex IV of the Directive sets out a strict list of categories of machinery which may be subject to a conformity assessment procedure involving a Notified Body. Moreover, there is no evidence that the safety level is compromised by the use of self-assessment.

During the Machinery Directive Expert Group meeting on 19-20 February 2020, the Commission external contractors introduced the [Impact Assessment](#) on the revision of the Directive, including the draft final report, a summary of the methodology used as well as key findings.

Regarding Annex IV, Member States proposed:

- France proposed to remove the self-assessment procedure based on harmonised standards for the Annex IV type of machinery, “for which conformity assessments remain difficult to do.” Regarding this proposal, Finland and Romania, Netherlands, Poland, and Sweden (for cost reasons) approved this proposal.
- Germany did not support this proposal.
- France proposed a Second option for the revision of Annex IV, which contains the addition of “Mobile Machinery or machinery on carrying vehicles” to the Annex.
- France proposed to add to the definition: “an assembly, fitted with or intended to be fitted with a drive system other than directly applied human or animal effort, consisting of linked parts or components, at least one of which moves, and which are joined together for a specific application and for use as defined by the manufacturer. The energy stored in the equipment must be greater than the energy generated by a single human or animal action for it to be considered machinery.”
- Finland proposed to change the Annex IV from a list of machinery to categories in three groups:
 - Category I: could be placed on the market under the current manufacturer's internal control procedure.
 - Category II: would contain machines with higher risks and, e.g. machines requiring type approval procedure and
 - Category III: having the highest risk and belonging to the scope of type-examination should also have the obligation of the manufacturing quality assurance.

On 21 April 2021, the Commission adopted the [Regulation on machinery product](#) (and Annexes). The main changes include:

- Transfer the Directive into Regulation
- The scope of the proposed Regulation remains the same, adding a new indent in the definition of machinery that includes assembly.
- The definition of safety component was amended to include non-physical components such as software.
- The Regulation sets up classification rules for high-risk machinery empowering the Commission to adopt delegated acts to adapt the list of high-risk machinery in Annex I.
- The manufacturers shall draw up the technical documentation (Annex IV). In Annex IV, the proposal included AI safety

components and AI system compared to the Machinery Directive.

- The presumption of conformity of machinery when manufacturers apply the relevant harmonised standards or parts published in the EU Official Journal remains. However, when there are no harmonised standards, the Commission would be empowered to adopt technical specifications.
- The proposal keeps the manufacturer internal check option for machinery that is not classified as high risk. For high-risk machinery, only third-party certification will be accepted, even when manufacturers apply the relevant harmonised standards.

2. NON-ROAD MOBILE MACHINERY (NRMM)

Relevance for marine sector

The NRMM Regulation (2016/1628) features a clear exclusion of crafts under Directives 2013/53 and 2016/1629. Nonetheless, the activities of the JRC and EC in recent years with regards to the technical feasibility for further reducing exhaust emissions from marine propulsion engines make it so that it would be advisable for IMEC to evaluate what possible outcomes could these texts bring to the industry at EU level.

Latest developments

The Commission implemented the comments (not publicly available) they have received during the stakeholder's consultation on the [draft Delegated Act \(Annex\)](#) relating to In-Service Monitoring of Emissions in non-road mobile machinery. The internal consultation on the draft closed in September.

On 9 November, the Commission submitted the final ISM Regulation for a 4 weeks of [public consultation](#). The stakeholders could submit comments on the draft by 7 December 2021.

The draft is intended to supplement Article 19 (2) of the [Regulation 2016/1628](#) with regard to the selection of engines, test procedures and reporting of the results. The draft Delegated Act would amend the [Delegated Regulation 2017/655](#), which sets out arrangements with regards to the selection of engines, test procedures and reporting of results relating to the monitoring of gaseous pollutant emissions from in-service internal combustion engines installed in NRMM using portable emission measurement systems.

Next steps

The Member States experts are expected to endorse the in Q1 2022. The co-legislators (Council, European Parliament) will have a two-months scrutiny period. Finally, the new Delegated Regulation will be published in the EU Official Journal in December 2021.

Key stakeholders

The main actors in the Commission are in **DG GROW, Directorate I – Ecosystems IV: Mobility and energy-intensive industries, Unit I2, Mobility:**

- Joanna SZYCHOWSKA, Head of Unit
- Mehdi HOCINE, Deputy-Head of Unit
- Marc DECKER, Legal officer

Council Working Party on Technical Harmonisation:

- Magnus LINDGREN, SE national expert
- Douglas HANNAH, UK national expert
- Theun STOFFELS, NL national expert
- Karl-Heinz ZIEROCK, DE national expert

- Franz WURST, AT national expert
- Luca ROCCO, IT national expert
- Krisztian UHLIK, HU national expert

Background

Originally, due to a change in the way the scope of the NRMM was defined, all engines falling outside the RCD but not qualifying as sea vessels or inland-waterway vessels were falling into the generic diesel or gasoline engines categories intended for land use. Following action taken by IMEC in coordination with EUROMOT, the scope has been corrected during the triologue negotiations.

The final NRMM Regulation now features an extra-paragraph excluding: "craft as defined in Directive (EU) 2016/1629 of the European Parliament and of the Council and not falling within its scope" as well as:

- sea-going vessels requiring a valid maritime navigation or safety certificate;
- the propulsion or auxiliary purposes of inland waterway vessels of a net power of less than 19 kW;
- watercraft as defined in point (1) of Article 3 of Directive 2013/53/EU of the European Parliament and of the Council.

This excludes most of the engines used for commercial purposes, which had been accidentally included in NRMM scope but is only limited to the "crafts" defined by the Directive laying down technical requirements for inland waterway vessels. This definition, therefore, excludes only the following crafts from the NRMM emission requirements (on top of the other exemptions mentioned above:

- ferries;
- naval vessels;
- seagoing ships, including seagoing tugs and pushers, which:
 - operate or are based on tidal waters; or
 - operate temporarily on inland waterways

provided that they carry at least:

- a certificate proving conformity with SOLAS, Load Lines Convention, IOPP or MARPOL
- for seagoing ships not covered by the first indent, the relevant certificates and the freeboard marks required by the laws of their flag states,

- for passenger vessels not covered by the first indent, a certificate on safety rules and standards for passenger ships in line with Directive 2009/45/EC
- for recreational craft not covered by the first indent, a certificate of the country of which it carries the flag, demonstrating an adequate level of safety.

Given the lack of more specific definitions as regards “tidal waters” in the EU legislative framework, it is anticipated that margin of appreciation will be left to the Member States. Nonetheless, given the difficulties linked to applying a classification of engines based on their future use, it will most likely create little issues in real life.

Given that the NRMM Regulation has been supplemented with three different texts, mainly related to technical and general requirements on emission limits and type approval (including a series of administrative requirements and templates) and monitoring of gas pollutant emissions, it would be advisable for IMEC to evaluate what possible outcomes could these texts bring to the industry at EU level. It is also worth mentioning that during the last months (as described in the last report), the JRC conducted a series of measurements on engines below 19 kW in the framework of its In-Service Monitoring pilot programme using alkylate fuel. The results showed a strong decrease in emissions, which could potentially pave the way for a wider roll-out of such fuels, which could also be applied to marine engines.

3. THE EUROPEAN GREEN DEAL

Climate law

Following its publication in the EU Official Journal on 9 July 2021, the Regulation (EU) 2021/1119 establishing the framework required to achieve climate neutrality (European Climate Law) entered into force on 29 July 2021. This Regulation is now binding in its entirety and directly applicable in all Member States.

The Regulation establishes a framework for the irreversible and gradual reduction of greenhouse gas (GHG) emissions by sources and sets out a binding objective of climate neutrality in the EU by 2050.

In addition, the Regulation also outlines a binding target of a net domestic reduction in greenhouse gas emissions for 2030.

In order to achieve climate-neutrality, the 2030 climate target is to be a reduction of net greenhouse gas emissions (emissions after deduction of removals) by at least 55% compared to 1990 levels.

The Regulation, while stressing the importance of the Advisory Board as a point of reference for the EU on scientific knowledge on climate change, it also outlines its key tasks.

In particular, tasks include:

- appraise latest scientific findings of the IPCC report and climate data,
- furnish scientific advice on all EU measures, including climate targets and indicative GHG budgets,
- foster the exchange of independent scientific knowledge concerning the modelling, monitoring and research to reduce emissions,
- acknowledge actions and opportunities to achieve climate targets and
- raise awareness on climate change and its impact while stimulating dialogue and cooperation between scientific bodies and the EU.

The Advisory Board is to include in its work the best and most recent scientific evidence available, including the IPCC, IPBES and other international bodies' report, while ensuring to follow an open and transparent process in carrying out its work.

The Commission is required to assess the collective progress as well as the consistency of national measures and long-term national strategies made towards achieving climate-neutrality and the progress made by

New Circular Economy Action Plan

all Member States in climate change adaptation every 5 years starting by 30 September 2023.

The Commission is expected to present a Communication revising the monitoring framework for the circular economy by the end of 2021 or in early 2022.

Once presented, the Communication will be sent to the European Parliament and the Council which may decide to formally respond to it in the coming months.

The European Parliament would respond through the adoption of an Own-initiative Resolution, while the Council would adopt Conclusions in response to the Communication.

The expected Communication would revise the monitoring framework for the Circular economy with a view to introducing new indicators such as resource use, consumption and material footprints, to measure progress towards the objectives set out in the new Circular Economy Action Plan.

In particular, the revised monitoring framework would improve interlinkages between circularity, climate neutrality and the zero-pollution ambition.

On 9 February 2021, MEPs voted on the plenary amendments tabled to the Motion for a Resolution prepared by the Committee on the Environment, Public Health and Food Safety (ENVI) and on the Resolution on a News Circular Economy Action Plan.

The Resolution (as amended) was adopted with 574 in favour, 22 votes against and 95 abstentions.

The Resolution welcomes the Action Plan and calls for the Commission to ensure all initiatives falling under it are brought forward in line with the dates set in the Annex of the Communication.

In addition, the Resolution focuses on several key areas, namely

- the development of a sustainable product policy framework;
- the circularity of key product value chains such as ICT, batteries, textiles and packaging, plastics, construction as well as food, water and nutrients;
- the need to prevent waste and generate value;
- the role of local actors in the implementation of the Action Plan and;
- the need to lead efforts at a global level.

To foster a more circular economy, the new [Circular Economy Action](#) has a new sustainable product policy framework at its heart, establishing sustainability principles for all products. Priority will be given to high-impact product groups, and proposed initiatives will cover the topic of the common charger as well as sustainability requirements for batteries, which shall be addressed in the new Regulatory Framework for Sustainable Batteries. To increase the confidence in using secondary raw materials, the Commission intends to:

- develop methodologies to minimise the presence of substances that pose problems to health or the environment in recycled materials and articles made thereof;
- co-operate with industry to progressively **develop harmonised systems to track and manage information on substances identified as being of very high concern and other relevant substances**, in particular those with chronic effects and substances posing technical problems for recovery operations present along supply chains, and identify those substances in waste, in synergy with measures under the sustainable products policy framework and with the ECHA Database on articles containing substances of very high concern;
- **propose amending the annexes to the Regulation on Persistent Organic Pollutants**, in line with scientific and technical progress and the international obligations under the Stockholm Convention;
- **improve the classification and management of hazardous waste** to maintain clean recycling streams, including through further alignment with the classification of chemical substances and mixtures where necessary.

European Climate Pact

On 9 December 2020, the Commission published the [European Climate Pact](#) as part of the European Green Deal. The European Climate Pact aims to give citizens and stakeholders from all parts of society a voice in designing new climate actions, sharing information, launching grassroots activities, and showcasing solutions that others can follow. The Commission will create a Secretariat, which will assist with information, communication, engagement, and support. The Pact also includes a call for Climate Pact Ambassadors, who engage its community communities in climate actions. The Pact translates scientifically sound information into options for action that bring immediate, multiple benefits to people and communities. The Pact promotes climate literacy and integrating climate science and solutions into educational programmes. On 28 January 2021, the Council's

Working Party on the Environment discussed the Commission's Communication on the Climate Pact.

Industrial Strategy

On 28 October 2021, the Committee on Industry, Research and Energy (ITRE) held a public hearing on the updated Industrial Strategy.

In summation, MEPs of the ITRE Committee held a public hearing on the updated EU industrial strategy. The purpose of the hearing was to understand how all market players can best work together to better drive the transformation to a more sustainable, digital, resilient, and globally competitive economy, building on the flexible ecosystem-based approach outlined by the Commission. Speakers included representatives from European industrial sectors, independent think tanks, trade unions, academy, and research community.

This comes on the back of the Commission's updated Industrial Strategy which was published on 5 May 2021. It identifies a set of strategic dependencies and capacities and proposes measures to address and reduce them. The strategy is accompanied by three Staff Working Documents. They show the early deliverables of the 2020 Industrial Strategy:

On 5 May, the Commission published its updated Industrial Strategy. It identifies a set of strategic dependencies and capacities and proposes measures to address and reduce them. The strategy is accompanied by three Staff Working Documents. They show the early deliverables of the 2020 Industrial Strategy:

- The Annual Single Market Report outlines the impact of the crisis on the Single Market, reports on progress made on barriers and in delivering on actions identifies in the 2020 Industrial Package. It also includes analysis for all 14 industrial ecosystems and presents a set of key performance indicators.
- An initial analysis of the EU's strategic dependencies and capacities;
- An illustrative analysis of one key industrial sector focused on the challenges and opportunities for industry and the EU policy toolbox.

According to the updated industrial strategy, the Commission will monitor the main indicators of the competitiveness of the EU economy, in particular:

- Single Market integration, based on indicators on intra-EU trade or price dispersion across the Member States, to help assess policies fostering a favourable business and innovation environment;

- productivity growth, based on labour productivity;
- international competitiveness, based on EU global market share or extra-EU trade, to support policies for open and fair access to export markets;
- public and private investment;
- R&D investment.

In order to ensure the strengthening of the Single Market, the Commission will propose:

- a Single Market Emergency Instrument, in order to ensure the availability and free movement of persons, goods and services in the context of possible future crises;
- Annual Single Market Report;
- Possible common form/template for the declaration of the posting of workers;
- Strengthen Single Market surveillance of EU and imported products;
- Under InvestEU, work on capital support and equity financing to support SMEs

Following the publication of the updated Industrial Strategy, the Council has published on 6 August a [background paper](#) on the Single Market aspects of the updated Industrial Strategy. It underlines four elements as the main building blocks to ensure that Single Market remains fully functional even in times of crisis.

- Improving emergency preparedness through the future single market emergency instrument;

The background paper reminded of early days of COVID-19, and how the EU responded to the encountered challenges. The Commission published guidelines and recommendations and tried to minimise the negative impacts of restrictions of the free movement of goods, persons, workers and service providers.

However, COVID-19 showed that there is scope for improvements. The Commission indicated that it intends to propose a Single Market Emergency Instrument (SMEI) in 2022. The objective would be to equip the EU with a toolbox that allows for a rapid response to any future crisis that might hinder the functioning of the Single Market Emergency Instrument (SMEI).

- Continuous monitoring through the Annual Single Market Report

The background paper recalls that the Commission will provide annual updates of the Single Market Report going forward.

- Addressing unnecessary restrictions and barriers to unlock the full potential of the Single Market

The background paper mentions that the next priorities to be tackled should include administrative burdens due to the posting of workers, insurance requirements for service providers and permit requirements for renewable energy.

- Setting standards for driving the competitiveness of the Single Market

The paper notes that standardisation will be the key for the deployment of strategic technologies across the Single Market, specifically when it comes to the green and digital transformation challenges.

The paper then sets the question for debate and asks Council experts which of the elements do they see as the main building blocks to make the Single Market future-proof.

The Communication is now sent to the European Parliament and the Council. Both institutions might decide to formally respond to the Communication.

The ecological transition is at the heart of the strategy, being one of the "twin challenges" which it purports to address.

To support the industry towards climate neutrality, a **new chemicals strategy for sustainability** will be proposed to help better protect people and the environment. In addition, there will be a special focus on sustainable and smart mobility industries as they can drive both the ecological and digital transitions while support Europe's industrial competitiveness. This is why the Comprehensive Strategy for Sustainable and Smart Mobility will put forward comprehensive measures to help make the most of the sector's potential.

In addition, "Supporting industry towards climate neutrality" contains the following relevant points:

- Decarbonising energy-intensive industries is identified as a priority;
- Reaching a more sustainable built environment by addressing "the sustainability of construction products and improve the energy efficiency and environmental performance of built assets" is identified as one of the necessary changes. Two actions related to this are mentioned: a "Renovation Wave" Initiative and a "Strategy on the built environment".

The Carbon Border Adjustment Mechanism, scheduled for 2021, is mentioned as a future proposal. Another action point includes a "Just Transition Platform to offer technical and advisory support for carbon-intensive regions and industries". In order to reinforce Europe's industrial and strategic autonomy, the strategy aims to boost recycling and the use of secondary raw materials as it will help reduce this dependency. Diversified sourcing is essential to increase Europe's security of supply Critical raw materials which are necessary for markets such as e-mobility and batteries. In this perspective, the Commission will work on an Action Plan on Critical Raw Materials, including efforts to broaden international partnerships on access to raw materials.

The Clean Hydrogen Alliance will bring investors together with governmental, institutional, and industrial partners. Another such future alliance is envisaged for raw materials and low-carbon industries.

Biodiversity Strategy for 2030

On 19 November 2021, the Commission sent its formal reply to the European Parliament's [Resolution](#) on the Biodiversity Strategy for 2030. The latter follows-up on up on the Biodiversity Strategy to 2020 and is integral part of the European Green Deal.

The reply to the Resolution stressed that the Commission agrees with the European Parliament on the importance of ensuring further implementation of existing EU legislation and of ensuring coherence with key EU policies and international agreements.

The Commission assured that it will strengthen its impact assessment process and takes note of the Parliament's view that the target of protecting 30% of EU land and seas should be legally binding. It informed that the discussion with the Member States and stakeholders on the definition of strict protection is still ongoing.

Moreover, in line with calls made by the European Parliament, all recent free trade agreements include a chapter on trade and sustainable development to foster mutual supportiveness between economic growth, social development, and environmental protection.

The Commission shared the view that local communities and defenders of environmental human rights and land rights should be protected.

In addition, the Commission stated that it will review the Biodiversity Strategy by 2025 and aims to put tools in place to track the implementation of the biodiversity actions and progress towards the biodiversity objectives.

On 20 May, the Commission adopted the new [EU Biodiversity Strategy](#). The Commission committed €20 billion a year for spending on nature. In the Strategy, the Commission stated that only 3% of land and less than 1% of marine areas are strictly protected in the EU today. That is

why the Commission proposed that legally protect at least 30% of the EU land area and 30% of the EU sea area and integrate ecological corridors. Furthermore, the Commission proposed that strictly protect at least 1/3 of the EU protected areas (10% of EU land and 10% of EU sea).

The Commission called for achieving the good environmental status of marine ecosystems, including the restoration of carbon-rich ecosystems like coastal and maritime environments. In the Strategy's [Annex](#), the Commission committed to developing a new action plan to conserve fisheries resources and protect marine ecosystems by 2021. The Commission also recognised that it is crucial to maintain or reduce fishing mortality to or under Maximum Sustainable Yield levels and to eliminate, or significantly reduce, the by-catch of species.

The Commission intends to present a Zero Pollution Action Plan for Air, Water and Soil in 2021. Moreover, the Commission stated a need to restore freshwater ecosystems and the natural functions of rivers to achieve the objectives of the Water Framework Directive (WFD). To achieve this objective, the Commission proposed to restore at least 25,000 km of rivers into free-flowing rivers by 2030. The authorities of the Member States should review their water abstraction and impoundment permits to restore ecological flows to achieve the good status of all surface waters and good status of all groundwater by 2027 at the latest.

On 11 December, the ENVI Committee published the Draft Report on the EU Biodiversity Strategy. The rapporteur César Luena (S&D, Spain) expressed support for the targets of protecting at least 30 % of the Union's marine and terrestrial areas and of strictly protecting at least 10 % of these areas. He called for the inclusion in the Nature Restoration Plan of specific binding targets for the protection and restoration of forest ecosystems.

**Strategy for
Sustainable and
Smart Mobility**

The European Parliament's Transport and Tourism (TRAN) Committee (Lead Committee) is expected to adopt its draft Resolution and the amendments tabled to it following the publication of the [Opinion's](#) Environment, Public Health and Food Safety (ENVI) Committee (Associated Committee) on Sustainable and Smart Mobility Strategy on 12 October 2021.

The resulting text would then be formally adopted by the European Parliament during a plenary session to be held during the last quarter of 2021 or early 2022.

The Opinion notably underlines the need for a paradigm shift toward more sustainable transport modes and stresses the importance of stepping up investments in zero-emission transport modes.

It calls for measures to unlock the potential of the energy efficiency first principle and a system efficiency approach in relevant legislation, in particular by promoting zero-emission mobility based on cascading priorities for energy efficiency and savings.

In addition, the Opinion presses the Commission to further explore synergies between the [Trans-European Transport Network](#) and [Trans-European Networks for Energy](#) policies, in order to incentivise the implementation of alternative fuel charging and fuelling infrastructure.

Furthermore, the Opinion calls on the Commission for a better incentivisation of sustainable transport fuels through the revision of the Energy Taxation Directive, while ending tax exemptions for kerosene and maritime fuels and allowing for minimum tax rates that differentiate fuels according to their climate performance.

By the same token, the Opinion also calls on the Commission to carry out and publish a study on the impact of the EU transport sector on biodiversity, stressing its effects on the environment.

In addition, the Opinion asks for a clear EU maritime strategy, including benchmarks for reducing emissions, while addressing at the same time the rising methane and black carbon emissions from shipping.

Furthermore, on the maritime sector, the Opinion also calls on the Commission and the Member States to support investment and research in innovative green technologies, while advocating the use of renewable energy and technologies, digitalisation and logistics optimisation.

On social cohesion, the Opinion underlines how a capillary investment in the transport network system focusing on rail, its electrification as well as decarbonisation of inland waterway and maritime transport of passengers and goods would encourage socio-economic cohesion.

To this end, the Opinion calls on the Commission to promote and invest in a green ship industry on its territory, fostering a modernisation and green innovation of its shipbuilding yards through its Next Generation EU recovery plan.

In conclusion, the Opinion further considers that the EU climate policy toolbox should also incentivise the decarbonisation of operations, investment and innovation in all sectors, while guaranteeing cost-effective emission cuts, in order to raise the necessary funds to allow for effective societal decarbonisation and transition to a greener transport sector, while noting how this very transition could be

supported by appropriate economic stimuli or the application of the “polluter pays” principle.

The Council adopted its Conclusions on the Sustainable and Smart Mobility Strategy on 3 June 2021.

On 9 December 2020, the Commission published its Smart and Sustainable Mobility Strategy, which provides an overview of the current mandate’s upcoming initiatives. The strategy is accompanied by an action plan that include 82 initiatives.

The most important initiatives for the maritime sector include:

- Revision of the EU Ship Recycling Regulation (2023)
- Establish sustainable taxonomy criteria for all modes (2021)
- Revision of the Ship-source pollution Directive (2022)
- Launch FuelEU Maritime – Green European Maritime Space (2021)
- Revision of the Alternative Fuels Infrastructure Directive and a roll-out plan with funding opportunities and requirements (2021)
- Zero pollution action plan for air, water, and soil; revision of air quality standards and reduction of noise pollution (2021,2022)
- Revision of the Energy Taxation Directive (2021)
- Propose measures on electronic documents for inland crew and vessels (2021)
- Revision of the maritime safety framework (Directives on flag state responsibilities, port state control and accident investigation) (2021)
- Revise the mandate of the European Maritime Safety Agency (2022)
- Propose EU manning requirements for inland navigation (2023-2024)

By 2030, the Commission will commit that the zero-emission marine vessels will be market-ready.

You can find the Strategy [here](#) and the Staff Working Document [here](#).

Chemical Strategy for Sustainability

On 2 December 2021, the [Phase 1 Report](#) of the economic analysis of the impacts of the [Chemicals Strategy for Sustainability](#) conducted by Ricardo on behalf of the European Chemical Industry Council – Cefic - has been made available. It was commissioned to assess the business impacts to the European (EU) chemicals industry of selected actions from the Strategy.

The Phase 1 Report focuses on the introduction of new hazard classes in the Classification, Labelling and Packaging (CLP) Regulation and the extension of the generic approach to the risk management of

substances to various hazard categories (i.e., Generic Risk Approach (GRA)).

The Report also indicates expected actions that will be taken by the Commission.

The screening of policy options from the CSS performed by Ricardo focused on the following changes:

(1) Inclusion of new hazard classes in the CLP Regulation for endocrine disruptors (EDs), persistent, bioaccumulative and toxic (PBT) and very persistent and very bioaccumulative (vPvB) substances, persistent, mobile and toxic (PMT) and very persistent and very mobile substances (vPvM) and immunotoxic and neurotoxic substances).

(2) Extension of the GRA to EDs, PBT/vPvB, PMT/vPvM, respiratory sensitizers, specific target organic toxicity (single and repeated exposures), skin sensitisation, aquatic toxicity and presumed carcinogenic and mutagenic substances.

With regards to the former, the Report foresees the inclusion of new hazard classes (ED, PBT, vPvB, PMT, vPvM, Immunotoxicants and Neurotoxicants) as part of the CLP Regulation in 2023, in line with the upcoming ordinary legislative procedure revision of the CLP Regulation.

The direct impact of these changes is primarily an increase in administrative or compliance activities, including update of labels, Safety Data Sheets (SDS), renotification to the C&L inventory and to Poison Centres and update of registration dossiers, that take the form of additional costs.

The process of reharmonization resulting from these inclusions will happen gradually.

These reclassifications, the report noted, could also have indirect impacts, for example, companies may consider product discontinuation or substitution.

Concerning the extension of the GRA, substances corresponding to certain hazard classes in consumer and professional uses will be banned.

Once substances have been through the process of harmonised classification, substances, mixtures and possibly articles containing the CLP-classified substances will be affected by generic restrictions.

The impact will occur as a result of implementation through the EU's Chemicals Regulation "REACH" and sectoral legislation.

A timeline based on the Action Plan in the Annex to the CSS and updated based on expert judgement to reflect discussion in the CARACAL is presented in the report.

The report concludes that the changes to the GRA and CLP would restrict the manufacturing and use of products and/or increase their costs of production. This is to have significant and potentially negative impacts on the evolution of the EU-27 chemicals market.

About 100 chemical companies have been asked to consider the products in their 2019 product portfolio that could be affected, if the policy options on the introduction of new hazard classes in the CLP Regulation and the extension of the generic approach to risk assessment would be fully adopted with immediate effect (i.e., in 2023).

The size of the potentially affected product portfolio was estimated to be around 43% of sectoral turnover, which would be equivalent to more than €240 billion of the 2019 market. However, the policy options may not be implemented immediately.

Rather, it is most likely that the Commission implements specific regulatory actions over time.

At present, some of the expected classification criteria remain uncertain. Having this in mind, the report assumed that the size of products in scope of being affected by the policy changes by 2040 would be lower and around 28% of the estimated sectoral turnover, which would be equivalent to more than €150 billion of the 2019 market.

To the best of their knowledge, businesses will substitute and/or reformulate around a third of their products that face pressures for withdrawal from the changes to the GRA, although this would depend on a positive market uptake.

To a lesser extent, around 5%-10% of the products affected by the changes to the GRA could also benefit from successful derogations. Moreover, a quarter of the products that may only be affected by changes to CLP are expected to face indirect pressures to withdraw their products from the market.

These businesses would also be able to substitute and/or reformulate some of their products to mitigate any potential market losses. The rest of the products that would only be affected by changes to CLP will be subject to increased regulatory burden.

The Report presents an analysis of alternative scenarios. They reveal that EU chemical companies would lose between €47 billion to €81 billion of turnover per year on average between 2023 and 2040, when compared to baseline projections.

The extent of this reduction will depend upon the scope and timetable of the legislative changes as well as the type of businesses responses expected. In 2040, in any of the policy scenarios, sectoral turnover is estimated to be around €80 billion lower than in the baseline.

When adding indirect and induced effects, the total contribution of the EU chemicals sector to gross value added (GVA) would be between €40 and €68 billion lower per year over the period 2023-40, on average. This would be the equivalent of diminishing between 0.3 and 0.5 percentage points off the EU-27 GDP.

The changes to GRA and CLP would also affect the sector's employment. It is estimated that, by 2040, over 40,000 jobs in the EU chemicals sector would be lost against the baseline scenario, which is equivalent to 3% of the baseline chemicals workforce.

These impacts would have knock-on effects on the EU economy, which could lead to losing over 124,000 jobs by 2040 when compared against the baseline. This is equivalent to shaving around 0.1 percentage points off total employment in the EU-27.

The Report also supposes that many downstream effects would be observed, whereby many other sectors will be negatively impacted by these changes.

To mitigate this, support would need to be provided to the chemicals industry through a clear implementation roadmap and the use of additional mechanisms be that financial, regulatory or additional time to respond to any policy changes, which could facilitate innovation and allow for new, more sustainable products to be brought to the market.

The Report on Phase 2 of Ricardo's analysis of the consequences of the CSS will focus on the introduction of registration for polymers under REACH, the universal Annex XVII restriction on per- and polyfluoroalkyl substances (PFASs), the application of a ban on the export of substances prohibited for use in the EU, and the extension of registration requirements to chemicals produced in the low tonnage band.

The minutes of the meetings of the Competent Authorities for REACHN and CLP (CARACAL) held over 17-18 November 2021 are expected to be made available in the coming weeks.

The minutes of the expert group High-Level Roundtable meeting on the implementation of the Chemicals Strategy for Sustainability held on 25 November 2021 are expected to be made available in the coming weeks.

The Commission has expected to roll out the programme laid down in the strategy over 2021-2024 through legislative and non-legislative initiatives.

On 14 October 2020, the Commission published the [Chemical Strategy for Sustainability Towards a Toxic-Free Environment](#). The Strategy intends to improve the protection of citizens and the environment and to boost innovation for safe and sustainable chemicals. The Strategy is complementary to the Industrial Strategy, the Recovery Plan, the Circular Economy Action Plan and the European Green Deal Strategies and initiatives such as the batteries initiatives. The revision of REACH will be conducted on the basis of public consultations and subject to impact assessments, including analysis of whether innovation is fostered or hindered. Among other actions, the Commission intends:

- to extend the duty of registration under REACH to certain polymers of concern
- to assess how information requirements under REACH on the overall environmental footprint of chemicals be introduced
- to assess how to introduce a mixture assessment factor for the chemical safety assessment of substances under REACH
- to propose new hazard classes and criteria in the CLP Regulation to fully address environmental toxicity, persistency, mobility, and bioaccumulation
- to establish legally binding hazard identification of endocrine disruptors, based on the definition of the WHO, building on criteria already developed for pesticides and biocides, and apply it across all legislation
- ensure that endocrine disruptors are banned in consumer products as soon as they are identified
- to strengthen workers' protection by introducing endocrine disruptors as a category of substances of very high concern under REACH
- to ramp up its efforts to ensure a zero-tolerance for non-compliance
- to set up an expert working group from the Member States, Commission services and EU Agencies to discuss initiatives on risk assessment across chemical legislation
- to introduce '*One substance - one assessment*' ensuring that the initiation and priority setting of the safety assessments are done in a coordinated, transparent and to the extent possible

synchronised manner considering the specificities of each sector

- to introduce endocrine disruptors, persistent, mobile, and toxic and very persistent and very mobile substances as categories of substances of very high concern
- to tackle the use of Per- and polyfluoroalkyl substances (PFAS) aiming at a phasing-out in the EU.

An overview of the actions to be taken by the Commission over the next months and years can be found [here](#).

**EU Action Plan
Towards a Zero
Pollution Ambition
for air, water, and
soil**

The Commission presented the Communication on the Zero Pollution Action Plan to Council experts of the Working Party on Competitiveness and Growth (Industry) on 7 December 2021. The Communication should be made available in the coming weeks.

It remains unclear whether the Council will present Conclusions in response to the Commission's Action Plan. Further information will be available in due course.

On 12 May 2020, the Commission adopted its [Communication](#) on the EU Action Plan: 'Towards Zero Pollution for Air, Water and Soil' and its [Annexes](#).

The Communication is accompanied by two Staff Working Documents, namely:

- A Staff Working Document on the zero [pollution monitoring and outlook framework](#);
- A Staff Working Document on the [digital solutions](#) for zero pollution.

According to the Communication, the Action Plan aims to provide a compass to include pollution prevention in all relevant EU legislation, therefore maximising the existing synergies and identifying existing gaps.

On 10 June, Environmental Ministers – the Environmental Council – discussed the proposed cross-cutting approach, the preventive actions and the revision of related legislation during their exchange of views on the Commission's Communication on the Zero Pollution Action Plan.

The press release issued by the Commission on the meeting can be found [here](#).

The Action Plan has been communicated to the Council and European Parliament for examination.

SECTION III – European Parliament Intergroups

Background

In the European Parliament, the bulk of MEPs' work is carried through parliamentary committees. They are several committees dealing with topics that may impact IMEC:

- Transport and Tourism (TRAN)
- Environment, Public Health and Food Safety (ENVI)
- Internal Market and Consumer Protection (IMCO)
- Industry, Research and Energy (ITRE)

In parallel, some MEPs who wish to be further involved in topics under their responsibility also conduct other initiatives in the framework of intergroups. These groups can be formed by MEPs from all political groups and committees to have an informal exchange of views on particular subjects and to promote contact between MEPs and civil society.

These intergroups are less formal than committees and are not Parliament bodies. They cannot express Parliament's opinion, but rather serve to promote dialogue and hold more detailed discussions with a wider range of stakeholders. Intergroups do not meet as often as parliamentary committees but offer more opportunities for informal lobbying.

Monitoring the activities of the following three intergroups are of particular interest to IMEC.

[Seas, Rivers, Islands and Coastal Areas](#)

Latest developments:

[On 7 December](#), the Intergroup organised a webinar on the impacts and transition opportunities brought by the measures of the Fit-for-55 Package upon the maritime sector.

[On 4 November](#), the Intergroup held a webinar on marine litter in the Danube and Black Sea region.

[On 22 October](#), the Intergroup organised a webinar on Baltic Sea ports as drivers of the sustainable economy.

[On 1 October](#), the Intergroup organised, with the support of the Conference of Peripheral Maritime Regions and co-funded by Winter Med project, an event on the EU Strategy for Sustainable Tourism.

Background:

More than 100 MEPs from seven different political groups and 23 Member States participate in the discussions of the group. This intergroup was launched in 2010, and its work focuses on various

policies such as the Integrated Maritime Policy, the Directive on Maritime Spatial Planning, the new European Maritime and Fisheries Fund and the Strategy for Blue Growth reflect the European Institutions' awareness of the possibilities offered by the seas and oceans. More specifically, discussions touch upon areas relating to the marine environment, maritime industries, research, maritime transport, and European maritime and coastal areas in a specific and transversal way.

Key players

- **Chair:** Mr. Tonino Picula (S&D, HR)
- 12 Vice-Chairs and 107 MEPs

[Climate Change,
Biodiversity and
Sustainable
Development](#)

Latest developments:

[On 13 December](#), the Intergroup held a webinar on seafood as a strategic source of food in the context of climate change.

[On 1 December](#), the Intergroup organised a webinar on boosting the Sustainable Products' Initiative (SPI) in the EU. [On 29 November](#), the Intergroup held a webinar on PFAS.

[On 18 November](#), the Intergroup organised a webinar on bringing nature into corporate decision-making.

[On 16 November](#), the Intergroup held a webinar on using sustainably-sourced renewable materials to reach the EU Green Deal ambitions.

[On 11 November](#), the Intergroup organised a webinar on achieving sustainability in fisheries through research and innovation.

[On 28 October](#), the Intergroup held a webinar on revisiting odour pollution in Europe.

[On 27 October](#), the Intergroup organised a webinar on greening raw materials policy.

[On 19 October](#), the Intergroup held a webinar on OECMs' implementation in the fisheries sector.

Background:

The group was created in 1994 and benefits from large visibility compared to other intergroups. It is supported by the European Bureau for Conservation and Development (EBCD) and the Fisheries Expert Group (FEG), and its size is also considerable. It is subdivided into 14 working groups chaired by 28 Vice-Chairs (MEPs). The work of the working groups is closely linked to the one carried in the ENVI Committee. On top of that, an Advisory Group represented by Intergroup's stakeholders advises the secretariat and the bureau. The intergroup areas of focus are broad and include the environment at large without specifically including marine industry so far.

Key players:

- **Chairs:** Ms. Miapetra Kumpula-Natri (S&D, FI) and Ms. Maria Spyraki (EPP, GR)
- **28 Vice-Chairs (MEPs)**

[Sustainable, long-
term investments
& competitive](#)

Latest developments:

[On 29 November](#), the Intergroup held on a discussion about the framework of prudential supervision to favour long-term investment.



[European industry
intergroup](#)

Background:

The Long-Term Investment and Reindustrialisation Intergroup aims to provide the European Parliament with a horizontal tool supporting the activities of the relevant committees (ECON, BUDG, ITRE, TRAN, REGI, EMPL, ENVI, etc.), enabling to develop an overview on these topics.

Its missions include in particular defining long-term financing needs, identifying bottlenecks and barriers that constitute obstacles for long term investments or discussing and identifying a regulatory framework more conducive to long term investors. Its main objective is to bring around the same table the relevant stakeholders concerned about the long-term horizon (project promoters, investors, and legislators). The Secretariat of the intergroup is greatly supported by European federations, national associations, and private members (mostly corporate organisations) from different horizons.

Key players

- **Chairs/Co-Presidents:** Mr Dominique Riquet (Renew, FR), Ms. Maria de Graça Carvalho (EPP, PT), Simona Bonafè (S&D, IT).
- **3 board Members and 100 MEPS**

SECTION IV – Event Reporting

Background

On 6 October, the European Chemicals Agency organised the Safer Chemicals conference.

Key statements

Summary of the keynote presentation “EU chemicals strategy for sustainability: where are we now” by Florika Fink-Hooijer (Director General, DG Environment)

The chemical strategy for sustainability (CSS) is a key building block to deliver on the European Green Deal. It's a strategy with concrete objectives in three different spheres:

The first sphere is to increase protection.

- o The EC foresees to phase out the most harmful chemicals in consumer products and to substitute chemicals with long-term harmful effects. In this context, the EC is preparing a targeted revision of the REACH regulation and relevant product legislations, such as the Food Contact Materials (FCMs) regulation.

- o As for REACH, information requirements on chemicals will be increased. The information that companies have to supply under REACH for substances in the lower tonnages at the moment does not fully allow identifying harmful substances.

- The second sphere is innovation.

- o The main drive is to boost the development of alternatives. o We need new chemicals and new materials, but they need to be safe and sustainable by design from production to end-of-life.

- o We are working to develop the criteria that will drive research. We are making it happen through our new research and innovation program for chemicals.

- The third sphere is the simplification and consolidation of the existing legal framework.

- o The EC is creating an EU coordination mechanism on safety assessments across chemical legislation, which will lead to greater protectability. This will ensure effective allocation of scientific work on chemicals.

- o The EC will also step-up compliance; the principle of the “polluter pays” and “no data no market” will apply all the more.

o Compliance is one thing, enforcement the other. We will step up enforcement with the establishment of an auditing capacity and more frequent checks on products and chemicals.

Putting these three spheres together creates a strategy that allows the EU to play a leading role. The EU is championing very high standards and has the ability to promote them around the world. Therefore, the EC must ensure consistency, and that is why legislation will be adopted to ensure that hazardous chemicals that are bent in the EU can't be produced for export to non-EU countries.

Summary of the keynote presentation "How sustainability, innovation and regulation drive for chemicals and products of tomorrow" by Bjorn Hansen (ECHA, Executive Director)

Looking back at 15 years of REACH, the framework for chemicals is strong and robust, but things need to be changed to make the current objectives work but also to meet the higher level of protection objectives as set out in the CCS. This concerns the way in which we implement REACH.

On the input side, the science and the technical machinery that we use can be simplified:

- Less effort is needed by industry and authorities to achieve increased risk management.

On the innovation side, we need predictability for the industry:

- Industry needs to know where we are going over the next 30 years.
- ECHA can help the industry move in that direction, through its innovation agenda, as set out in the EU's chemical strategy.

On the simplification, we could not agree more to simplify Europe implementing legislations.

- REACH and COP can be improved in their efficiency internally, but the interlinkages with other legislation are not working the way that we had hoped when we launched REACH and COP.
- A lot of policy developments are needed to develop the tools and the processes which enable the various pieces of policy framework to work much more efficiently together.
- The aim should be to create interaction between legislation so that we can achieve the same level of protection with less resources and thereby, we can afford from the resource perspective to increase the level of protection by doing more.

The elements mentioned above cannot work unless there's a concerted effort on enforcement:

- The industry struggles with the complexity of obligations that stem from legislative instruments like REACH.
- Where there's a link between an industry obligation and market access, the industry does better.
- Without ensuring better enforcement of the legislation, we cannot have an equal playing field in a well-functioning internal market, and competitiveness and innovation are not supported.

Summary of the presentation "One year of the SCIP database: key learnings and way forward" by Kevin Pollard (ECHA, Head of Unit 'Exposure and Supply Chain')

What is the SCIP and why have we built it: The SCIP database can be seen as milestone in relation to the EU Action Plan for the Circular Economy. The legal basis for this database stems from the Waste Framework Directive (WFD). It is ECHA's task to establish and maintain a database for information on substances of very high concern (SVHC) in articles along the supply chain.

Why SCIP was included in the WFD: The SCIP was included in the WFD to ensure that sufficient information about the presence of SVHCs is communicated throughout the whole life cycle of products and materials, including to waste operators and to reduce SVHCs in materials and products, including recycled materials. In doing so, the use of waste as a resource is promoted and the current waste management practices are improved. Moreover, a sustainable production and informed consumers choices are supported.

The database three key objectives are to increase authorities' information basis on substances in articles; contribute to a more circular economy by improving waste treatment operations; be a driver for substitution of SVHCs and prevention of (hazardous) waste generation.

The SCIP journey – milestones: The database was implemented in the WFD in 2018, after intense negotiations on the information requirements. A prototype database was launched on 17 February 2020 and the first version of the submission system was launched on 28 October. The legal obligation to notify the database started on 5 January 2021. The ECHA published the SCIP data in September 2021.

Data can be submitted in three ways to the database:

- o Online in the ECHA cloud service. This is especially for small companies with small number of submissions. They can make the notification one by one in the cloud service.
- o Offline in the IUCLID 6 system. Companies can submit notifications manually one by one.
- o System-to-system service. This is an automated format for larger companies allowing them to submit SCIP notifications using their own IT inventory systems.

Simplified ways to submit data: Distributors and assemblers can make use of the Simplified SCIP Notification (SSN) and refer to data already submitted by other companies when submitting their notifications.

How SCIP improves transparency for consumers: ECHA publishes the information as received on its website. Therefore, the quality of the file is dependent on what has been submitted by the company.

- Consumer view:

- o Example how the database works in practice: If consumers want to buy a watch, they can check if the brand model is included in the database with the watches model number/brand name/product codes/bar codes.
- o The consumer will be able to find the product in the database, know which (if any) SVHCs are present in the watch and their hazardous properties. The database also provides instructions on using the article safely and to dispose it properly.

Future outlook:

- ECHA will continue improving the tools to prepare and submit data focusing on a stable and reliable database.