



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

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Opinion

Title **Impact Assessment on: Proposal for a Directive of the European Parliament and of the Council amending Directive 97/68/EC as regards the provisions for engines placed on the market under a "flexible scheme"**

(draft version of 12 October 2009; resubmission)

Lead DG **DG ENTR**

1) Impact Assessment Board Opinion

(A) Context

The Non-Road Mobile Machinery Directive (NRMM) 97/68/EC regulates the exhaust emissions from diesel engines installed in non-road mobile machinery. It foresees the reduction of these emissions through staggered emission limit stages. Directive 2004/26/EC introduced a 'flexibility scheme' to facilitate the transition between the different stages. The current stage of emission limits, Stage IIIA, will be replaced by Stage IIIB from 2011, with the type approval period starting in January 2010. Further research and technological development is required to complete the necessary technical adaptation or re-design for some engine categories to make them compliant with Stage IIIB limits. This impact assessment accompanies the proposal to amend the flexibility scheme in the short term to allow the NRMM manufacturers to better distribute their re-design capacities and costs over time. The Commission plans to propose an overall revision of the NRMM Directive by the end of 2010.

(B) Positive aspects

The report has been reworked on the basis of the Board's recommendations in its first opinion. The baseline scenario distinguishes more explicitly the problems which are related to the current economic crisis and those which can be attributed to the design and introduction of new technology. It provides a better overview of the state of preparation of the industry to meet the Stage IIIB limits. The range of presented options has been expanded.

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(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance.

General recommendation: The report has been improved as regard a number of issues. There remain, however, some areas where further clarification is necessary. The report should clarify on which basis the new flexibility limits were determined. It should be more specific about possible impacts of the preferred option on incentives of the manufacturers to comply with the NRMM Directive in the future, and about the reasons why a penalty mechanism is not a feasible option. Finally the report should explain in greater detail the recent efforts in developing methodology to measure CO₂ emissions from non-road mobile machinery.

(1) Clarify on which basis the new limits for the number of engines placed on the market under the amended flexibility scheme were determined. Provide further details about possible impacts of the preferred option on incentives of the manufacturers to comply with the NRMM Directive in the future, and about the reasons for excluding option 4.3A (penalty mechanism) from further analysis. While the report provides detailed tables with engine numbers to be placed on the market under the amended flexibility scheme, it still needs to explain the reasoning which led to proposed flexibility of 50 % for sectors already covered by the existing scheme, and of 20 % for those sectors currently not covered by the flexibility scheme, as requested in the first IAB opinion. In view of assessing its effectiveness, the report should explain in greater detail the possible impacts of the preferred option on the manufacturers' incentives to comply with the NRMM Directive in the future. It should be more specific about the reasons why a system introducing a penalty mechanism for the use of extended flexibility would be difficult to implement and enforce.

(2) Explain in greater detail the recent efforts in developing methodology to measure CO₂ emissions from non-road mobile machinery. In its first opinion, the IAB recommended that the report should be explicit about the possible impacts of the proposal on CO₂ emissions. The revised report states that no data is available on CO₂ emissions from engines installed in non road mobile machinery because the NRMM Directive does not regulate CO₂ emissions. Given this current lack of data, the report should indicate whether and how this evidence will be available in time for the general review of the Directive in 2010.

(D) Procedure and presentation

It appears that all necessary procedural elements have been complied with.

2) IAB scrutiny process

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Author DG	DG ENTR
External expertise used	No
Date of Board Meeting	Written procedure
Date of adoption of Opinion	26 OCT. 2009 The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 11 September 2009.