



EUROPEAN COMMISSION
IMPACT ASSESSMENT BOARD

Brussels,
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16 JUL. 2010

Opinion

Title **DG ENTR - Impact Assessment on: Proposal for a Directive of the European Parliament and of the Council amending Directive 2000/25/EC as regards the implementation provisions for tractors placed on the market under a 'flexibility scheme'**

(Resubmitted draft: version of 6 July 2010)

(A) Context

The tractors emissions Directive 2000/25/EC - amended by Directive 2005/13/EC - regulates the exhaust emissions from diesel engines installed in agricultural and forestry tractors. Directive 2005/13/EC introduced the currently applicable Stage IIIA emission limits for the engines and a 'flexibility scheme' to facilitate the transition between the different stages. Stage IIIA limits will be replaced by the more stringent Stage IIIB limits progressively as of 1st January 2011 for new tractors sold. The type approval period started in January 2010. The current engines need to be re-designed to respect new emission limits. This redesign affects tractor manufacturers who have to adapt the design of their vehicles to accommodate the modified engines. This impact assessment accompanies the proposal for an enlarged flexibility scheme for transition from Stage IIIA to Stage IIIB.

(B) Overall assessment

While the report has been improved as regards some issues raised in the Board's first opinion, the Board is still not convinced that the evidence base is sufficiently robust to support the proposed extension of the flexibility scheme, in spite of the efforts made by DG Enterprise to gather the necessary information. In addition, the report does not discuss sufficiently the extent to which the benefits of the proposed measure will be affected by the time necessary for the co-legislators to adopt and Member States to transpose it. Finally, the report needs to clarify whether a flexibility percentage between 20% and 50% would suffice to overcome the reported type approval bottleneck, and should also assess the 80 % flexibility option at a level of detail comparable to the 50% flexibility option.

(C) Main recommendations for improvements

(1) Review whether an evidence base can be established to provide sufficiently robust support for EU action. Despite the efforts made by DG ENTR to gather the necessary information (pp. 14, 34), the report does not provide sufficient evidence on the state of preparation of the various players and on compliance costs. The Board is of the opinion that without this information it is not possible to establish a convincing evidence base in support for action. DG ENTR should explore further with the industry whether there are ways to overcome its reluctance to disclose information which may be commercially sensitive and / or whether extrapolations from similar assessments can provide estimates of the order of magnitude of the compliance costs.

(2) Discuss to what extent the time needed to adopt and implement the proposed measure can affect its likely impacts. The report acknowledges the fact that the adoption of the proposed revision of the flexibility scheme may arrive (in some Member States) after the first approval deadline(s), but should assess to what extent this might affect the feasibility and the size of the expected impacts of the various options. It should also explain and substantiate the statement that "if no amendment is introduced (in time), still the present 20 % flexibility is available to overcome the delay" (p. 31), and about the implications this has for the need for action in this area.

(3) Assess the 80% flexibility option (4.3) at a level of detail comparable to the 50% flexibility option (4.2) so as to underpin the conclusions in table 3 (pp. 29, 30) on the effectiveness, efficiency and coherence of option 4.3. This assessment should include an indication of the fixed number of engines placed on the market under the extended flexibility and relative delay (in number of weeks) in the introduction of Stage IIIB also for this option. The report should also be clearer in discussing to what extent the flexibility options satisfy operational objective 2.2 ('Send a clear signal to industry that further emission reductions are required and that the current path of reducing emissions is maintained').

(4) Clarify whether the flexibility percentages between 20% and 50% lead to lower net benefits than the preferred option. This can be done through the assessment of an additional option. The lower environmental costs and the uncertainty as regards the required flexibility coming from the limited evidence base should both be taken into account.

(D) Procedure and presentation

The report should clarify whether the summary of stakeholders' replies in Annex V concerns the proposed flexibility for tractors, or whether it relates only to flexibility for non-road mobile machinery. If available, the report should indicate the position of the integrated manufacturer likely to meet the requirements on time (p.14). Table 3 on the comparison of options should be strengthened as regards the differences in impacts between the various options through integrating key findings currently presented in Annex XI.

(E) IAB scrutiny process

Reference number	ENTR/2010/009
External expertise used	No

Date of Board Meeting	Written procedure The present opinion concerns a resubmitted draft IA report. The first opinion was issued on 4 June 2010.
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