



EUROPEAN COMMISSION  
Impact Assessment Board

Brussels,  
D(2012)

Opinion

**Title**                    **DG CLIMA - Proposals for Regulations amending Regulation (EC) 443/2009 and Regulation (EU) 510/2011 (draft version of 25 April 2012)**

**(A) Context**

Regulation (EC) 443/2009 and Regulation (EU) 510/2011 set mandatory fleet-based CO<sub>2</sub> emission standards for new cars and vans fleets respectively. They are the main tools of the 2007 Strategy to reduce Light Duty Vehicle (LDV) CO<sub>2</sub> emissions. The Regulations include two reduction steps: short-term targets phased-in from 2012 to 2015 for cars and 2014 to 2017 for vans; and long-term targets to be met in 2020. Article 13(5) of Regulation 443/2009 and Article 13(1) of Regulation 510/2011 request the Commission to review the "modalities" of achieving the targets set for cars and vans for 2020 and to make proposals to amend the Regulations. The Commission is also asked to assess the feasibility of attaining the 2020 target for vans. This impact assessment addresses these issues. It also considers the need for additional targets for the period after 2020 with a view to provide planning certainty for industry.

**(B) Overall assessment**

**The report should be significantly improved in several important aspects. Firstly, the problem definition should be strengthened by providing a more detailed policy context, better explaining the "two-step" reduction approach, focussing more on the underlying problem drivers and presenting thoroughly the evolution of the situation on the basis that no further EU action is taken. Secondly, the report should establish a clear intervention logic by better linking the specific problems, their drivers, objectives and policy options/modalities. This should be complemented by a "SMARTer" presentation of the objectives, for instance by including reduction targets as well as competitiveness, social equity and sustainability considerations. Thirdly, the report should provide a more focussed description of both the feasible and discarded options, including a detailed discussion of the footprint and mass utility parameters and information on the post 2020 target value situation while clearly concentrating on the concretely available policy choices. Fourthly, the report should provide a more substantiated and differentiated impact analysis, together with magnitudes for the expected impacts and aggregated cost figures. Finally, the report should clarify the future monitoring and evaluation arrangements.**

**Given the nature of these recommendations, the Board asks DG CLIMA to submit a revised version of the report, on which it will issue a new opinion.**

### **(C) Main recommendations for improvements**

**(1) Strengthen the problem definition and the baseline scenario.** The report should reinforce the problem definition by giving an overview of the general policy context, by better explaining the concrete problems to be addressed and by detailing the "two-step" emission reduction approach. It should more concretely focus on the problem drivers and define in more detail the modalities for reaching the 2020 targets. In this context the report should also add more details on the ongoing implementation of the two regulations. It should better present the baseline scenario by integrating information currently presented for the "do nothing" option and by more fully explaining how the current situation would evolve if no further EU is taken, including a broader analysis of the effect on social equity and sustainability. Finally, it should elaborate on current trends in cars sales and specify how the problem of diverging emissions levels of theoretical and real world driving conditions would evolve under a revision of the European test cycle.

**(2) Establish a clear intervention logic and objectives.** The report should strengthen the intervention logic by clearly connecting the problems, their drivers and the objectives, and by linking the objectives directly to corresponding policy options in order to better substantiate the proportionality of the measures. The objectives themselves should be presented in a "SMARTer" way, for instance by including the relevant targets and by clarifying relevant competitiveness, social equity and sustainability considerations as required by the legislator, including the need for legal certainty for the industry. In this context the report should also establish a clearer link between the objectives and the monitoring indicators.

**(3) Better present the content of the options.** The report should provide a more detailed description of the concrete content of the feasible options and a clear justification for discarding certain options, notably on the possibility for more stringent targets for vans, while presenting the more detailed analysis of the latter in the annex. Additionally, the report should provide more information on the target values beyond the foreseen 2020 timeline and should provide in this context a much clearer description and discussion of the footprint and mass utility parameters. This should include an overview of the evolution of the situation and targets if the test cycle procedure would be changed in the future, for instance by presenting a sensitivity analysis.

**(4) Better assess and compare impacts.** The report should reinforce the analysis of impacts by linking it more evidently to the policy options, by including magnitudes of expected impacts, including on consumers, and by adding aggregate cost figures. Moreover, the report should ensure a balanced analysis with regard to the economic, social and environmental impacts. In this context it should clarify the provisions for the derogations scheme for small volume manufacturers with a particular focus on defining the volume thresholds and the potential (unfair) advantage of some global car manufacturers in the EU market. The results should subsequently be presented in corresponding overview tables and be compared against the reinforced baseline scenario using a clear set of comparison criteria. Finally, the report should explain the content and advantages of the preferred option in more detail by showing more convincingly the advantages of keeping mass instead of footprint as a utility parameter, including in relation to social equity and sustainability objectives, while taking into account the experience gained in other jurisdictions (e.g. the US).

**(5) Clarify the future monitoring and evaluation arrangements.** The report should provide more developed monitoring and evaluation arrangements, including a set of robust progress indicators that are clearly linked to the preferred option and operational

objectives.

*Some more technical comments have been transmitted directly to the author DG and are expected to be incorporated in the final version of the impact assessment report*

**(D) Procedure and presentation**

The report should be shortened with a view to achieving a better a balance in the distribution of relevant information between the different annexes and the main text. Relevant technical terms should be defined in the main text (e.g. 'footprint'). Furthermore, a glossary of technical terms and abbreviations should be provided and the technical language streamlined to make it more accessible for the non-expert reader.

**(E) IAB scrutiny process**

Reference number	2012/CLIMA/016
External expertise used	No
Date of IAB meeting	23 May 2012