## FOLLOW-UP PROVIDED BY THE EUROPEAN COMMISSION TO THE OPINIONS OF THE

# EUROPEAN COMMITTEE OF THE REGIONS PLENARY SESSION OF JULY 2023

108th REPORT

N°	TITLE / LEAD DG	REFERENCES	
DG CNECT & EEAS			
1.	The role of local and regional authorities in countering disinformation and foreign information manipulation and interference  Rapporteur-general: Gustaw Marek BRZEZIN (PL/EPP)	Council presidency referral COR-2023-01564-00-00-AC-TRA CIVEX-VII/023	
DG NEAR			
2.	EU Enlargement package 2022  Rapporteur: Anna MAGYAR (HU/ECR)	Own-initiative COM(2022) 528 final COR-2023-00018-00-01-AC-TRA CIVEX-VII/021	
DG GROW			
3. assoc. DG TRADE	Critical raw materials package  Rapporteur-General: Isolde RIES (DE/PES)  Net Zero Industry Act  Rapporteur-General: Mark SPEICH (DE/EPP)	Own-initiative  COM(2023) 160 final  COM(2023) 165 final  COR-2023-02188-00-00-AC-TRA  ECON-VII/031  Own-initiative  COM(2023) 161final  COR-2023-02189-00-00-AC-TRA  ECON-VII/032	
DG ENER			
5. assoc. DG CLIMA	Fostering the potential and synergies of EU Green Deal initiatives for regions and cities  Rapporteur: Andries GRYFFROY (BE/EA)	Own-initiative COR-2023-00229-00-00-AC-TRA ENVE-VII/036	
6.	Reform of the EU electricity market design  Rapporteur-General: Josef FREY (DE/GREENS)	Mandatory COM(2023) 148 final COR-2023-02118-00-01-AC-TRA ENVE-VII/039	

DG ENV			
7.	Revision of the Urban Waste Water Treatment  Directive  Rapporteur: Åsa ÅGREN WIKSTRÖM (SE/EPP)	Mandatory COM(2022) 541final COR-2022-06179-00-00-AC-TRA ENVE-VII/034	
8.	Revision of the EU Ambient Air Quality Legislation  Rapporteur: Una POWER (IE/GREENS)	Mandatory COM(2022) 542 final COR-2022-06180-00-00-AC-TRA ENVE-VII/035	

 $N^{\circ}1$  The role of local and regional authorities in countering disinformation and foreign information manipulation and interference

Council presidency referral

COR-2023-01564 - CIVEX-VII/023

156<sup>th</sup> plenary session – July 2023

Rapporteur-general: Gustaw Marek BRZEZIN (PL/EPP)

**DG CNECT - Commissioner BRETON and** 

**EEAS – Vice-President BORRELL FONTELLES** 

Points of the European Committee of the Regions opinion considered essential

**European Commission position** 

The follow-up given by the Commission to this opinion will be included in a subsequent report.

N°2 EU Enlargement package 2022

**Own-initiative** 

**COM(2022) 528 final** 

COR-2023-00018 - CIVEX-VII/021

156<sup>th</sup> plenary session – July 2023

Rapporteur: Anna MAGYAR (HU/ECR) DG NEAR – Commissioner VÁRHELYI

Points of the European Committee of the Regions opinion considered essential

**European Commission position** 

The follow-up given by the Commission to this opinion will be included in a subsequent report.

N°3 Critical raw materials package

**Own-initiative** 

**COM(2023) 165 final** 

**COM(2023) 160 final** 

COR-2023-02188 - ECON-VII/031

156<sup>th</sup> plenary session – July 2023

Rapporteur-General: Isolde RIES (DE/PES)

DG GROW - Commissioner BRETON

## Points of the European Committee of the Regions opinion considered essential

## **European Commission position**

The Commission welcomes the support of the Committee for a Critical Raw Materials Regulation and its emphasis on the role of regional authorities and local communities. The Commission has focused its replies on the key amendments tabled.

## Amendment 8:

Projects should also ensure engagement in good faith as well as comprehensive and meaningful consultations with local and regional authorities, including with indigenous peoples in full compliance with the principles of Free Prior and Informed Consent (FPIC) and respecting the right to say no of those communities.

#### Amendment 15:

To that end, national competent authorities should ensure that applicants and project promoters have access to simple dispute settlement procedure and that Strategic Projects are granted urgent treatment in all judicial and dispute resolution procedures relating to the projects, without prejudice to the enforcement of the right to redress and the diligent application of the right to say no of local communities, especially of indigenous peoples.

## Amendment 34:

(d) a plan containing measures to *ensure* public acceptance including, where appropriate, the

The proposal emphasises the importance of local community involvement, in particular where indigenous peoples are concerned, and requires project developers of Strategic Projects to develop a plan to facilitate public acceptance. Existing laws and commitments of both the EU and the Member States ensure that local communities are duly consulted, involved in the permitting process, transparently informed and, where necessary, compensated.

establishment of recurrent communication channels with the local and regional authorities, local communities and indigenous communities and organisations, including social partners, the implementation of awarenessraising and information campaigns and the establishment of mitigation and compensation ensuring mechanisms. that involuntary resettlement is used exclusively as a last resort option.

## Amendment 17:

Public funding opportunities must therefore be designed in such a way that preliminary studies are already regarded as aid projects as part of environmental aid or, in the case of projects involving regions from different Member States, as important projects of common European interest.

Amendment 39:

Public funding opportunities for preliminary studies shall be regarded in this framework as aid projects as part of environmental aid or, in the case of projects involving regions from different Member States, as important projects of common European interest.

#### Amendment 41:

public funding opportunities for preliminary studies shall be regarded in this framework as aid projects as part of environmental aid or, in the case of projects involving regions from different Member States, as important projects of common European interest. The proposed wording would pre-empt an assessment of the compatibility of State aid with the internal market, provided for under the State aid rules laid down in Articles 107 and 108 of the Treaty on the Functioning of the European Union. As the Court of Justice has confirmed, secondary legislation adopted under Treaty provisions outside the realm of State aid rules may not impinge on the Commission's competence under the abovementioned Treaty articles to assess compatibility of aid measures with the internal market.

There are several options for Member States to design public funding for preliminary studies in line with EU State-aid rules, for example, within the limits of the General Block Exemption Regulation: Aid for studies on environmental protection and energy matters (Article 49) or Aid for research and development-feasibility studies (Article 25). If aid is in line with these provisions, Member State can grant it under their own responsibility and without prior notification to and approval by the Commission.

Larger aid measures exceeding these limits and requiring prior Commission approval could be designed in line with, for example, i) the Framework for State aid for research and development and innovation, as regards aid for research and development-feasibility studies; ii) the Guidelines on State aid for climate, environmental protection and energy 2022, as regards aid for studies on climate, environmental protection and energy, or the Important Project of Common European Interest Communication as regards large and ambitious cross-border projects.

## Amendment 21:

From the point of view of diversification, these stocks should be made strategic decentralised as possible in cooperation with local and regional authorities in order to protect stockpiling from interference and to support cross-border cooperation. In doing so, the Board should consider the need to maintain incentives for the development of strategic stocks by private operators using strategic raw materials. In addition, the Board, together with the Commission, should put in order of priority the options for using strategic raw materials with a view to safeguarding the supply of particularly critical goods in the internal market in the event of a supply disruption.

The Commission recognises the role of local and regional authorities and will recommend to consult them. Having said that, it should be borne in mind that the Commission's proposal focuses on building up a knowledge base through reporting (Article 21) and on coordinating Member State action (Article 22) with reference to a benchmark for a safe level of EU stocks. It does not prescribe the build-up of stockpiles or the subnational structures for how this would be done. Similarly, the Commission does not intend, within the context of the Critical Raw Materials Act, to define a prioritisation of uses for critical raw materials.

## Amendment 22:

The EU Supply Chain Act should also include the financial sector in this framework, as influence on commodity traders, exchanges and off-exchange metal trading venues can only be exerted if sustainability standards and human rights and environmental due diligence requirements are met in supply chains in a way that is consistent, competitive and low in red tape. The recitals of the Critical Raw Materials Act should not contain calls for changes to other pieces of legislation. Recitals are intended to provide reasons for the provisions included in the relevant act.

#### Amendment 28:

A key aspect of reducing dependence on third countries and of security of supply is an overall reduction in demand for critical raw materials. Therefore, the link with other factors, such as improving product design and repair rights to prolong product durability, should be highlighted.

## Amendment 31:

(b) reduce demand for critical raw materials through improved efficiency along value

The Commission agrees that substitution and more efficient use of critical raw materials, including through innovation and behavioural changes, are important to mitigate as much as possible the expected increase in demand and thereby reduce supply risk. This is also reflected in recent Commission initiatives regarding the economy, including the proposed circular Ecodesign for sustainable products regulation<sup>1</sup>. However, the Commission does not consider demand reduction as such an appropriate objective for this proposal. There is uncertainty regarding the exact future demand for critical raw materials in the EU, but even under the most optimistic projections, the EU's demand for critical raw

<sup>&</sup>lt;sup>1</sup> COM(2022) 142 final.

#### chains.

materials will increase substantially over the coming decades, as shown in the Impact Assessment accompanying the proposal. In this setting, aiming for reduced demand would create unrealistic expectations and would suggest that the EU should propose corrective measures if demand continues increasing (see Article 1(3) of the proposal).

Amendment 31 proposes to replace the overall capacity benchmarks by benchmarks for each individual strategic raw material. It also increases the 15% recycling benchmark to 20% and requests the Commission to establish minimum recycling capacity targets for each strategic raw material by 24 months after entry into force.

The choice to establish overall capacity benchmarks, rather than an individual target per each strategic raw material, is motivated by the desire to maintain flexibility and focus on overall progress rather than the specificities of each strategic raw material. Evidently, data will be gathered per strategic raw material, and the Commission will set out a methodology to aggregate the individual data, which it will provide in its progress report according to However, underachieving Article 42. benchmarks for only some strategic raw materials should not oblige the Commission to assess the feasibility and proportionality of additional measures to ensure achievement of the objectives.

The level set for the recycling benchmark reflects the Commission's desire to be ambitious while also remaining realistic; notably when aggregated across all strategic raw materials, the 15% benchmark will already be challenging to achieve as the amount of products that can be recycled by 2030 will be lower than the expected demand.

#### Amendment 33:

for projects in third countries, *including in* emerging markets *and* developing economies, the project would be mutually beneficial for the Union and the third country concerned by adding value in that country, *and comply with equivalent social*, *environmental and labour requirements to projects in the Union*.

The Commission's proposal includes high social, environmental, and labour requirements for Strategic Projects, which apply to both projects within the EU and in third countries. Requiring standards 'equivalent [...] to projects in the Union' would create uncertainty as to how the equivalence is determined and could lead to challenges under international trade law if the EU is seen to seek to apply its domestic rules extraterritorially.

## Amendment 42:

Each Member State shall, *following mandatory* consultation with local and regional authorities, draw up a national programme for general exploration targeted at critical raw

While consultation with local and regional authorities in the creation of the national exploration programmes is certainly to be recommended, the Commission does not intend to interfere with the Member States' discretion in how to devise and implement the programmes, in

materials. Each Member State shall draw up the first such programme by [OP please insert: 1 year after the date of entry into force of this Regulation]. The national programmes shall be reviewed and, if necessary, updated, at least every 5 years. Every time a programme is reviewed and updated, local and regional authorities shall once again be consulted.

a way adapted to its institutional specificities.

In amendments 43 and 44, the CoR opinion deletes or amends provisions that would make results of exploration programmes and of the monitoring system public, reasoning that 'Information relevant to security policy should remain confidential'.

While the Commission agrees that information security policy relevant to should remain the suggested amendments go confidential. beyond this and prevent also relevant information without security implications from being shared. This would reduce the effectiveness of the monitoring provisions, which aim to make information on raw materials supply risks available to businesses and enable them to take preventive measures. It should also be noted that Article 44 of the proposal already provides horizontal rules for the treatment of confidential information.

#### Amendment 48:

The Board shall be composed of Member States, the Commission as well as one representative of European local and regional authorities, appointed by the European Committee of the Regions. It shall be chaired by the Commission.

Article 35 of the proposal allows the Board to invite appropriate stakeholders to its meetings and those of its sub-groups; local and regional authorities will certainly be relevant especially for discussions relating to permitting and exploration. However, membership of the Board should remain limited to the Commission and Member States, who are the main actors in the implementation of the Regulation.

## Policy Recommendation 19:

calls for further development of research and innovation on raw materials extraction, processing and recycling, with a particular focus sustainability, diversification on substitution, in order to align security of supply with the latest scientific evidence on the economic. climate and environmental implications of certain raw materials.

As outlined in the Communication accompanying this proposal, research and innovation in the critical raw materials value chain is important. Under the Horizon Europe work programme (2021-2024), the EU has budgeted projects on exploration, extraction, processing and reuse, recycling and recovery amounting EUR 470 million. The Communication announces developing a Strategic Implementation Plan via the existing stakeholder forum that will guide EU research and innovation priorities in the coming years and announces developing a coordinated plan on advance materials with Members States addressing, among others, the substitution of critical raw materials.

## Policy Recommendation 25:

fact European welcomes that the Commission has accompanied its proposal with a detailed subsidiarity assessment grid; supports its conclusion that the proposal is in line with the subsidiarity principle, as Member States acting alone would be unable to properly achieve the Regulation's objectives. The CoR is also on the same page as the European Commission with regard to the proportionality of the proposal and the choice of a Regulation as a legal instrument. Nevertheless, the CoR regrets in principle that the Regulation's legal basis of Article 114 of the Treaty on the Functioning of the European Union does not provide for its mandatory consultation.

The Commission welcomes the Committee's confirmation regarding the subsidiarity, proportionality and legal basis of the proposal.

N°4 Net-Zero Industry Act COM(2023) 161 final

COR-2023-02189 - ECON-VII/032

156th plenary session – July 2023

Rapporteur: Mark SPEICH (DE/EPP)
DG GROW – Commissioner BRETON

## Points of the European Committee of the Regions opinion considered essential

## **European Commission position**

Recital 51: Given their role in ensuring the Union's security of supply for net-zero technologies, and their contribution to the Union's open strategic autonomy and the green and digital transition, responsible permitting authorities should consider Net-Zero Strategic Projects to be in the public interest. Based on its and case-by-case assessment consultation, a responsible permitting authority may conclude that the public interest served by the project overrides the public interests related to nature and environmental protection and that consequently the project may be authorised, provided that all relevant conditions set out in Directive 2000/60/EC, Directive 92/43/EEC and Directive 2009/147/EC[1] are met. It is paramount that the "do no significant harm" principle and the Aarhus convention are upheld.

[1] Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7–25).

As regards public consultation, the Commission guidance on this topic states that 'the Habitats Directive does not contain an explicit obligation to obtain the opinion of the general public when authorising plans or projects requiring appropriate assessment'. According to the wording of Article 6(3) this has only to be done if it is 'considered appropriate'. However, the Court of Justice of the European Union has clarified that, on the basis of the requirements of the Aarhus Convention, the public concerned, including recognised environmental non-profit organisations, has the right to participate in the authorisation procedure (C-243/15 paragraph 49). This right involves, in particular, "the right to participate 'effectively during the environmental decisionmaking' by submitting, 'in writing or, appropriate, at a public hearing or inquiry with the applicant, any comments, information, analyses or opinions that it considers relevant to the proposed activity" (C-243/15, paragraph 46).

The Committee's suggestion of making explicit reference to the obligation which already exists based on the Court of Justice of the European Union jurisprudence may therefore not be necessary.

Recital 57: The environmental assessments and authorisations required under Union law, including in relation to water, air, ecosystems, habitats, biodiversity and birds, are an integral part of the permit granting procedure for a net-

With regards to excluding the deployment of net zero manufacturing projects from Natura 2000 sites, the Habitats Directive does not prohibit such projects if certain conditions are met (Article 6(3)-(4)).

zero technologies manufacturing project and an essential safeguard to ensure negative environmental impacts are prevented or minimised. *Natura 2000 shall be excluded from project-permitting. To* ensure that permit granting procedures for net-zero technologies manufacturing projects are predictable and timely, [...]

Recital 64: The scaling up of European net-zero industries technology requires significant additional skilled workers which implies important investment needs in re-skilling and upskilling, including in the field of vocational education and training. To this end, the creation of Net-Zero Industry valleys, for instance by reindustrializing former coal regions, should contribute to the creation of quality jobs in line with the targets for employment and training of the European Pillar of Social Rights. The energy transition will require a significant increase in the number of skilled workers in a range of sectors, including renewable energy and energy storage, and has a great potential for quality job creation. [...] In the photo-voltaic solar energy sector, up to 66 000 jobs would be needed in manufacturing alone. Therefore, it is important to acknowledge the potential for skilled labour of regions that previously suffered from deindustrialization Net-Zero within industry and a just transition. [...]

The Commission takes notes of the Committee' views.

The Net-Zero Industry Act also encourages reindustrialisation in Just Transition Territories, less developed and transition regions in Member States eligible for funding under cohesion policy rules, by providing simplified recognition of strategic projects without project promoter's having to submit a formal application. Skills Academies as envisaged in the proposal would support the availability of a skilled workforce needed for netzero technology industries in the EU. As stated in Commission the Staff Working Document accompanying the Net-Zero Industry Act<sup>1</sup>, Skills Academies also allow lower income regions to access quality educational content. Due to their design and distribution model, the Academies can provide their content to the same standards throughout Europe, reaching areas seeking to reskill/upskill their workforce.

Article 3(1)a: 'net-zero technologies' means renewable energy technologies; electricity and heat storage technologies; heat pumps; grid technologies; renewable fuels of non-biological origin technologies; sustainable alternative fuels technologies; electrolysers and fuel cells; advanced technologies to produce energy from nuclear processes with minimal waste from the fuel cycle, small modular reactors, and related best-in-class fuels; carbon capture, utilisation,

The provisions in the Net-Zero Industry Act refer 'to the final products, specific components and specific machinery primarily used for the production of those products'. 'Components' means any subpart of a broader system. Article 3 specifies that, to be considered in the scope of the Net-Zero Industry Act, those components should be 'primarily used' for the production of net zero technologies. For instance, certain categories of inverters are primarily used in solar photovoltaic

<sup>&</sup>lt;sup>1</sup> SWD(2023) 219 final.

and storage technologies; and energy-system related energy efficiency technologies. They refer to the final products, *specific* components and *specific* machinery used for the production of those products. *They shall have reached a technology readiness level of at least 8*.

generation.

In order to benefit from the provisions of the Net-Zero Industry Act, manufacturers of those components would have to substantiate that they are meant to be primarily used for the manufacturing or as part of final products included in the scope of the act.

The scope of the Net-Zero Industry Act proposal refers to those net-zero technologies that have reached at least a technology readiness level 8 (first-of-a-kind commercial commercial demonstration, full-scale deployment in final form). As explained in the staff working document published on 19 June 2023<sup>2</sup>, the reason for this is that the Net-Zero Industry Act (with the exception of Chapter VI on innovation) contains a set of measures aimed at supporting and scaling up the manufacturing capacity of the net-zero industry in the EU. As a result, the net-zero technologies covered by the Net-Zero Industry Act would need to have reached a degree of maturity sufficient to enter an industrial production stage.

Article 3(1)c: "innovative net-zero technologies" means technologies which satisfy the definition of "net-zero technologies", except that they *have not reached a technology readiness level of at least 8, and that* comprise genuine innovation which are not currently available on the market and are advanced enough to be tested in a controlled environment.

The technology readiness level aims at clarifying that, under the Net-Zero Industry Act and with respect to Article 26 and 27 on Net-Zero regulatory sandboxes, 'innovative net-zero technologies' are technologies which are listed in Article 3(1) of the proposal but which have not reached a technology readiness level of 8, meaning that they comprise genuine innovation which is not currently available on the market. The technology readiness level distinction between net-zero technologies and innovative net-zero technologies is important to understand which regulatory barriers prevent them from being commercially available in the market. As explained in the staff working document published on 19 June 2023, the assessment of technology readiness levels can be made and updated on a continuous basis, relying on scientific consensus, such as the yearly Competitiveness

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<sup>&</sup>lt;sup>2</sup> SWD(2023) 219 final.

Progress Report, which is based on the Clean Energy Technologies Observatory that provides information on technology readiness levels for different energy generation technologies and subtechnologies.

Article 4(1): By ...[3 months after the date of entry into force of this Regulation], Member States shall designate one *or more* competent *authorities* which shall be responsible for facilitating and coordinating the permit-granting process for net-zero technology manufacturing projects, including for net-zero strategic projects, and to provide advice on reducing administrative burden in line with Article 5.

Article 4(3) allows for delegating the responsibilities of a national competent authority to one or more other authorities under certain conditions, in effect allowing Member States to set up more than one one-stop shop.

The conditions are that the national competent authority notifies the project promoter of a delegation and that where an additional competent authority exists or a new one has been designated, it too adheres to the principle that merely one single authority coordinates the permit-granting process for any given project.

Article 8(1): When preparing plans, including zoning, spatial plans and land use plans, national, regional and local authorities shall, where appropriate, include in those plans provisions for the development of net-zero technology manufacturing projects, including net-zero strategic projects. Priority shall be given to artificial and built surfaces, industrial sites, brownfield sites, and, where appropriate, greenfield sites not usable for agriculture and forestry *or protected under Natura 2000*.

The Commission assumes that the aim of the Committee's proposed amendment of Article 8(1) is to ensure that the development of net zero technology manufacturing project should not be prioritised inside Natura 2000 zones. The Commission recalls that net zero technology manufacturing projects can be developed in Natura 2000 zones if conditions of Article 6(3)-(4) of the Habitats Directive and Article 12(3) of Net Zero Industry Act are met.

Article 10(2): the CO<sub>2</sub> storage projects can demonstrate that local and regional authorities have been consulted on the project.

The Commission takes note of the Committee's view. In relation to environmental assessment and authorisations, the Commission notes that such compliance is already envisaged in Article 7(3) in line with relevant existing legislations.

Article 11(3): Member States shall assess the application referred to in paragraph 1 through a fair and transparent process within a month. The absence of a decision by Member States within that time frame shall constitute an approval of the project. *In cases where the local and* 

The Commission takes note of the Committee's view. On the basis of the subsidiarity principle, national legislations have the freedom to set out their respective processes for the granting of the strategic net-zero project status.

regional authorities are not involved in the recognition procedure the Member State shall inform the concerned local and regional authorities about all approved projects Article 18(5)c: The option of CO<sub>2</sub> storage to The Commission takes note of the Committee's view. the end of enhanced oil recovery should be excluded here. Article 19(3): Contracting authorities and The proposal aims to strengthen the role of contracting entities should give the tender's sustainability and resilience criteria in public sustainability and resilience contribution a procurement, auctions and the designing of reasoned weighting in the award criteria, government schemes, which is why the word without prejudice of the application of Article 'shall' was chosen. It should be noted that the 41 (3) of Directive 2014/23/EU, Article 67 (5) Commission will be preparing guidance for of Directive 2014/24/EU or Article 82 (5) of Member State authorities with regards to the Directive 2014/25/EU for giving a higher criteria to assess the resilience and sustainability weighting to the criteria referred to in paragraph contribution of available products covered by the 2, points (a) and (b). forms of public intervention covered under Articles 19, 20 and 21 of the Net-Zero Industry Act. The percentage of 15-30% aims at striking a balance between giving contracting authorities and entities a certain amount of flexibility whilst ensuring that the aims of the proposal are not circumvented. such 'reasoned Concepts as weighting' would create unclarity in this context. In addition, all weightings need to be mentioned in the procurement documents and they need to have a reasoning behind them (even if only internal to the contracting authority). Article 19(4): For the technologies concerned The Commission takes note of the Committee's by Annex I, the contracting authorities and view. contracting entities should run the tendering procedure in an accelerated procedure to the extent possible. Article 23(1): The Commission shall support, in The Commission notes that Member States will collaboration with the competent authorities in participate in the governance structure via the Netthe Member States, including through the Zero Europe Platform on Skills (see Article 25 of provision of seed-funding, the establishment of the proposal). European Net-Zero Industry Academies.

Articles 165 and 166 TFEU, which govern EU

Reference to Articles 165 and 166 of the Treaty on

the Functioning of the European Union (TFEU)

cooperation on education, shall be strictly observed when implementing the following objectives: [...]

seems redundant since any legislation should be in compliance with the EU Treaties.

As per Articles 165 and 166 TFEU, Member States are competent for the content and organisation of teaching and education systems, as well as vocational training. EU actions shall encourage cooperation and support and supplement the action of Member State. In line with this, the Net-Zero Industry Act does not create new education and/or training institutions: the proposed Academies will develop learning content and offer this to education and training providers in Member States to use as part of their education and training activities. This is an offer, not an obligation, and therefore supports the action of Member States. Academies offer but do not impose any learning content on Member States. Learning content developed by the Academies can supplement but in no way replaces learning content developed in the Member States.

New article after article 23: *European Net-Zero Industry Valleys* 

The Commission takes note of the Committee's view.

The Commission shall support, including through the provision of seed-funding, the establishment of European Net-Zero Industry Valleys, which have as their objectives to: Regional convergence aspects are included in the proposal. In fact, it promotes the development of net-zero manufacturing projects in less developed and transition regions by granting them a simple and automatic access to strategic status.

- a) create favourable conditions for the development of a specific European net-zero technology in a designated region;
- b) reindustrialize regions particularly affected by structural changes and the departure of key industries and thus contribute to a just transition;
- c) take advantage of skilled labour in these regions to reskill them to respond to the needs within the Net-Zero Industry Valley.

Article 26(8): The net-zero regulatory sandboxes shall be designed and implemented in such a way that, where relevant, they facilitate cross-border cooperation between the

The Commission takes note of the Committee's view. The Commission further considers that regulatory sandboxes can facilitate learning, keep up with developments in a given sector, and

national competent authorities. Member States and, if restricted to a given territory, the affected regions that have established net-zero regulatory sandboxes shall coordinate their activities and cooperate within the framework of the Net-Zero Europe Platform with the objectives of sharing relevant information. [...] The lessons learned from the use of regulatory sandboxes should also be assessed in the context of the better regulation agenda of the EU and discussed in the Fit for Future Platform, including against the background of its compatibility with the principle of active subsidiarity.

highlight the implications of existing rules on cross-sectoral innovation. Recently, several proposals included regulatory sandboxes with certain safeguards, and the Commission also reaffirmed its commitment to agile regulation in the Competitiveness Strategy adopted on 16 March 2023. Through exchanges with the Council, the Commission identified a significant number of national examples of regulatory sandboxes. While some preliminary conclusions can be drawn from the evidence already available, drawing complete lessons learned from their use requires sufficient time for a full-fledged implementation, as the Commission pointed out in its recently published Guidance on regulatory sandboxes, testbeds, and living labs in the EU<sup>3</sup>, notably because policies where sandboxes have been implemented are new and hardly evaluated yet.

The Commission can make sure lessons learned flow to all relevant platforms or channels.

Article 29: Structure and functioning of the Net-Zero Europe Platform

- 1. The Platform shall be composed Member States, *representatives of the CoR* and of the Commission. It shall be chaired by a representative of the Commission. [...]
- 4. The Platform shall meet at regular intervals to ensure the effective performance of its tasks specified in this Regulation. Where necessary, the Platform shall meet at the reasoned request of the Commission or a simple majority of its members. [...]
- 8. Where appropriate, the Platform or the Commission may invite experts, *particularly from the local and regional level*, and other third parties to Platform and sub-group meetings or to provide written contributions. [...]

The proposal states that the Platform will be a reference body in which the Commission and Member States can discuss, exchange information, share best practices on issues related to this proposal, and in which the Commission may get input from third parties such as experts and representatives, for example, from the net-zero industry.

As the Net-Zero Industry Act has implications for local and regional administrations, their involvement in Net-Zero Industry Act implementation and coordination with their respective national governments but also the Commission and stakeholders is key.

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<sup>&</sup>lt;sup>3</sup> SWD(2023) 277 final.

 $N^{\circ}5$  Fostering the potential and synergies of EU Green Deal initiatives for regions and cities

**Own-initiative** 

COR-2023-00229 – ENVE-VII/036 156<sup>th</sup> plenary session – July 2023

Rapporteur: Andries GRYFFROY (BE/EA)

**DG ENER – Commissioner SIMSON** 

Points of the European Committee of the Regions opinion considered essential

**European Commission position** 

The follow-up given by the Commission to this opinion will be included in a subsequent report.

 $N^{\circ}6$  Reform of the EU electricity market design

Mandatory

COM(2023) 148 final

COR-2023-02118-00-01 - ENVE-VII/039

156th plenary session – July 2023

Rapporteur-general: Josef FREY (DE/GREENS)

**DG ENER – Commissioner SIMSON** 

Points of the European Committee of the Regions opinion considered essential

**European Commission position** 

The follow-up given by the Commission to this opinion will be included in a subsequent report.

## N°7 Revision of the Urban Waste Water Treatment Directive (UWWTD)

Mandatory

COM(2022) 541 final

COR-2022-06179 - ENVE-VII/034

156<sup>th</sup> plenary session – July 2023

Rapporteur: Åsa ÅGREN WIKSTRÖM (SE/EPP)

DG ENV - Commissioner SINKEVIČIUS

## Amendments and points of the opinion of the European Committee of the Regions considered essential

## **Commission position**

1. The European Committee of the Regions (CoR) regrets that the targets of the current directive were not fully achieved, but acknowledges that it contributed to reducing pollution and improving water quality in European lakes, rivers and coastal areas, thereby benefiting the environment and improving the well-being and health of EU citizens.

The Commission regrets as well that the targets of the current directive were not fully achieved. The Commission is taking active action to improve the situation by providing the necessary funds for the infrastructure but also launching infringement cases when necessary. highlighted in the REFIT evaluation<sup>1</sup> of the Directive, the situation greatly differs from one Member State to another even if at EU level the distance to target remains relatively low (1% for collection, 6% for secondary treatment and 7% for tertiary treatment) – see Table 3 of the Refit Evaluation.

The CoR highlights that the revision should aim for consistent synergies with the Green Deal.

2. The revision should be fully consistent with legislative proposals such as the reviews of the Directives on Environmental Quality Standards, Bathing Water and the Marine Strategy Framework and the Evaluation of the Sewage Sludge Directive.

One of the objectives of the proposal of the Commission was to align the revised Urban Waste Water Treatment Directive (UWWTD) with the ambition of the Green Deal. Several concrete actions are included in the proposal aiming at reducing greenhouse gas emissions, optimize energy use and production, further reduce water pollution, improve circularity of the residues. Particular attention was given to ensure the consistency of the new proposal with the proposal on Environmental Quality Standards and with the evaluation of the Sewage Sludge Directive.

3. The CoR emphasises that the framework needs to be risk-based, goal-oriented and

The proposal is built on the risk-based approach to ensure that investments will take place where

Urban wastewater (europa.eu)

flexible enough to account for local and regional differences within and among Member States. The one-size-fits-all approach could lead to disproportionate costs in relation to environmental benefits achieved, particularly in relation to the requirements on nitrogen removal.

they make more sense. This is the case with Articles 7 and 8 of the proposal: nitrogen, phosphorus and micro pollutant removal are only systematically imposed for the very large treatment plants where it is demonstrated that significant amounts of pollutants are released in the environment. Treating these pollutants in large facilities is considered as more cost effective than in the smaller ones. For the smaller facilities (below 100.000 inhabitants), additional treatment is imposed only where there is a risk for human health or the environment with very clear common criteria to ensure the same level of protection in all Member States.

The CoR urges the Commission to ensure coherence of EU water legislation so that the construction and expansion of treatment plants in growing regions or cities is possible.

4. The lack of coherence has already led to counter-productive bans on expansions of wastewater treatment plants. To make the Directive future-proof, an exemption from the non-deterioration ban should be provided where technical treatment measures cannot

further compensate for a growing population;

The Commission is of the opinion that the existing water legislation does not prevent the expansion of treatment plants when it is necessary to account for the growth of the cities.

5. The CoR calls on the Commission to establish provisions adapted to the reality of the outermost regions to take account of their particular context in the treatment of urban wastewater.

Apart from Mayotte having been defined more recently as 'outermost region', the Commission does not see any reason to include specific requirements or extended deadlines for the outermost regions. The application of the risk-based approach is sufficient to take into account the specific situations of outermost Regions.

6. The CoR supports the introduction of the Extended Producer Responsibility (EPR) scheme, aligning with the Green Deal regarding control at source and the Polluter Pays Principle (PPP). The EPR scheme is a necessary precondition to ensure

The Commission agrees and takes note of the Committee's opinion and will take it into account within subsequent interinstitutional negotiations.

affordability of water services as well as a socially fair financing instrument to address the treatment of micropollutants in wastewater. It could create a level playing field for industries affected, reducing environmental dumping and the associated risks. The scheme will also act as an incentive for the developing of more environmentally friendly products, giving industries competitive advantages.

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The Commission agrees and takes note of the Committee's opinion and will take it into account within subsequent interinstitutional negotiations.

7. The CoR recalls the experience gained with the selective monitoring of SARS-CoV-2 and welcomes the planned expansion of the monitoring of viruses, other pathogens and pollutants in municipal wastewater in order to ensure the best possible health protection for the population.

9. The CoR believes that clear, ambitious and realistic timeframes are a central component for a successful implementation of the UWWTD; considers that an extension of the proposed deadlines would enable its efficiency as well as coordination with other legislation.

Based on the experience of the existing directive, the Commission gave a lot of attention to the deadlines included in the proposal. All these deadlines were calculated to be progressive until 2040 and consistent amongst themselves. Attention was also given to the deadlines included in other related directives such as the 2027 deadline of the Water Framework directive for achieving good status of the EU waters.

10. The CoR fears that the indication of total costs in the Impact assessment is heavily underestimated<sup>2</sup>. The extension of the scope of the Directive and the increase of requirements will result in a significant increase in investment costs as well as in operational expenditure. It will therefore be necessary to establish funding mechanisms for the competent authorities to cover these costs.

As detailed in full transparency in Annex 4 of the impact assessment<sup>3</sup>, the cost figures are based on reference cost functions used in the sector since several years. These functions were applied to the different envisaged scenario with the support of the Joint Research Centre (JRC) having a database with more than 25.000 wastewater treatment plants. In addition, very prudent hypothesis was applied to assess the costs and financial benefits of reaching energy neutrality. There is therefore no objective indication of an underestimation of the costs.

Eureau, (2023). Position paper, p.12.

<sup>&</sup>lt;sup>3</sup> Proposal for a revised Urban Wastewater Treatment Directive (europa.eu)

Funding mechanisms are in place today – around EUR 2 billion are devoted each year in the regional funds for water infrastructures.

11. The CoR supports the proposed objective to reach energy neutrality, but underlines that the proposal needs to be more flexible to take into account the different conditions across regions and cities. Renewable energy is often technically infeasible for production and use Therefore. renewable on-site. energy produced both on- and off-site, should also be taken into account for achieving this neutrality goal. Furthermore, the use of renewable energy by treatment plants, regardless of its origin, should also be considered to achieve this neutrality goal.

The Commission agrees that renewable energy could be produced offsite for instance from residues of the treatment process (sludge) or with renewable energy installations (wind/sun) at the vicinity of the installations. The Commission takes note of the Committee's opinion and will take it into account within subsequent interinstitutional Nevertheless, negotiations. experience from most advanced Member States shows that 100% neutrality is already achieved without including renewable energy from other sources. Moreover, the objective of energy neutrality is to be met at national level, leaving enough flexibility to ensure that efforts are made in the facilities where it makes most sense.

12. The CoR highlights that pollution needs to be addressed at source in addition to endof-pipe solutions; underlines that control at source is an important step in enabling the reuse of sludge and water.

The Commission agrees with the Committee and has included in Article 14 precise requirements to track pollution at source so that sludge and treated water could be more safely and easily recovered.

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13. The CoR is of the opinion that individual systems are an adequate solution for the treatment of wastewater in isolated and sparsely populated areas and in the outermost regions; underlines that collection of wastewater in these areas is costly and inefficient and does not necessarily provide better environmental benefits and, for such cases, calls for decentralised solutions with adequately functioning individual systems, to be regulated within the Member States or at the regional level, where requirements take into account local and regional conditions, and environmental and health protection are not compromised.

The Commission recalls requirements of this text apply only from agglomerations above 1.000 inhabitants. Even in these agglomerations, individual systems are allowed under some conditions detailed in Article 4 of the proposal. European based minimum standards for the design functioning of such individual systems are needed to ensure a minimum level of performance while simplifying and harmonising the market. It will reduce administrative burden as there will be no need to make these systems conform in each Member State. The Commission recalls that under the current Directive individual systems have already to provide the 'same level of environmental protection' than in centralised

15. The CoR points out that, for individual systems, mandatory tertiary treatment for such systems and small wastewater treatment systems entails considerable construction and operating costs and also requires qualified staff; this may be disproportionate, and alternatives such as nitrification as proof of good cleaning efficiency should therefore be permitted. facilities. This was not changed in the proposal.

14. The CoR agrees to use delegated acts and implementing acts to supplement or amend provisions to adjust to technical or scientific progress, but only if used sparingly; all essential requirements must already be laid down in the Directive; urges the setting of all significant requirements in the Directive to allow for transparency and securing of relevant input from Member States, regions and municipalities.

The Commission considers that all essential elements are included in the Directive and not subject to delegation.

16. The CoR considers it necessary to make a firm commitment to reusing treated water and, in particular, including targets to improve wastewater collection networks in the integrated urban wastewater management plans so as to prevent the infiltration of wastewater into the subsoil, and the infiltration of brackish water and/or freshwater into networks that affect urban wastewater treatment and reuse capacity.

In line with the principle of subsidiarity and due to the variety of situation amongst Member States in terms of access to water, droughts, type of agriculture and industry etc, the Commission has not included mandatory targets for water reuse. Nevertheless, it is proposed to require a 'systematic' consideration of water reuse by the operators. The Commission agrees on the necessity to limit infiltrations, which is already a requirement under the existing Directive (Annex 1) and was kept in the proposal.

17. The CoR stresses the need to strengthen requirements monitoring reporting, as they are central in verifying compliance and the progress implementation; with regard to associated costs, highlights that it is important that monitoring and reporting are carried out only to the extent necessary to fulfil the purpose of protecting human health and the environment.

The Commission agrees on the necessity to strengthen monitoring and reporting. In the proposal, attention was given to ensure a good equilibrium between the additional costs of monitoring and reporting and the added value in terms of compliance checking. Other data are needed for instance to better understand greenhouse gas emissions or water pollution due to rainwater or to better track pollution at source. These additional monitoring efforts will help to better identify the remaining sources of pollution and plan and design future possible additional

## investments.

18. The CoR underlines that the proposal is essentially in line with the principle of subsidiarity; doubts, however, that Article 19 - Access to sanitation - and the associated reporting requirements then set out in Article 22 – can be justified within the meaning of the subsidiarity principle, since transnational aspects are missing; is concerned about its compliance with the principle of proportionality and the one-sizefits-all approach proposed; therefore, calls for a risk-based approach and greater flexibility within the framework to ensure that the burden on the LRAs is not excessive in relation to the objective of protecting human health and the environment.

The requirements on access to sanitation in the proposal are directly in line with Sustainable Development Goal (SDG) 6 and principle 20 of the European Social Rights<sup>4</sup>. It is essential for the Commission to ensure that all EU citizens have access to sanitation. Nevertheless, Article 19 of the proposal leaves a large autonomy to the Member States and their local competent authorities to define more precisely how to implement these principles.

<sup>&</sup>lt;sup>4</sup> The European Pillar of Social Rights in 20 principles - Employment, Social Affairs & Inclusion - European Commission (europa.eu)

## N°8 Revision of the EU Ambient Air Quality Legislation

Mandatory

COM(2022) 542 final

COR-2022-06180 - ENVE-VII/035

156<sup>th</sup> plenary session – July 2023

Rapporteur: Una POWER (IE/GREENS) DG ENV – Commissioner SINKEVIČIUS

## Amendments and points of the opinion of the European Committee of the Regions considered essential

## **Commission position**

Amendment 5, Art 1.2:

This Directive [...] also sets a binding deadline to achieve full alignment with the World Health Organization (WHO) Air Quality Guidelines by 2035.

Amendment 18, Annex I – Section 1

[This amendment proposes changes to the proposed air quality standards corresponding to Amendment 5]

The Commission proposal revises air quality standards in two steps. First, it intermediate 2030 EU air quality standards, more closely aligned with the World Health Organisation (WHO), which fully take into account technical feasibility and socioeconomic considerations. The impact assessment found that some 6% of sampling points would not be expected to meet the corresponding air quality standards without additional effort at local level or may need time extensions. Article 18 of the proposal provides for such time extensions, under specific conditions. The impact assessment also found that if standards were fully aligned with the WHO Air Quality guidelines in 2030, 71% of air quality sampling points in the EU would not be expected to meet the corresponding air quality standards without additional effort at local level (and in many of these instances would not be able to meet these standards at all with technical feasible reductions only).

Second, the Commission proposal also sets a clear trajectory for reaching a zero-pollution objective, fully aligned with science, at the latest by 2050, through a regular review mechanism. This will make it possible to move to full alignment with WHO guidelines as soon as new technology and policy developments allows it.

Amendment 6, Art. 3.4 and 3.5(new):

- 4. Where the Commission considers it appropriate, as a result of the review, it shall present a proposal to revise air quality standards or to cover other air pollutants within one year of the publication of the review. Such proposals shall be developed in line with the non-regression principle.
- 5. The first review shall include a detailed assessment on pollutants of emerging concern such as ultrafine particles, black carbon, ammonia and particulate matter less than 1 micron in size. This assessment shall be based on studies evaluating the impact of these pollutants on human and environmental health.

In relation to amendments to Article 3, paragraph 4, the Commission notes that as per Article 17 the Treaty on European Union (TEU), it holds the right of legislative initiative, which implies that the Commission takes the decision both on the content and the timing of such a proposal.

## Amendment 9, Art 16

4. In order to help the competent authorities to assess the contribution from natural sources to air pollution in their territory, the European Commission shall review and update the existing guidance document no later than 31 December 2026, in particular regarding the methods to quantify any natural contribution to the average exposure reduction obligation.

The Commission notes that, in order to safeguard legal certainty, it would be advisable to avoid references to guidance or guidelines in legislative acts without specifying the legal nature and legal basis of such documents.

#### Amendment 10, Article 18.1

1. Where, in a given zone, conformity with the limit values for particulate matter (PM10 and PM2.5) or nitrogen dioxide cannot be achieved by the deadlines specified in Tables 1 and 1a of Section 1 of Annex I, because of sitespecific dispersion characteristics, orographic boundary conditions, adverse climatic conditions, transboundary contributions or because of disproportionate of implementation which exceeds the cost of inaction, a Member State may postpone that deadline once by a maximum of 5 years for

The Commission notes that the Committee's policy recommendations 'highlight [...] the fact that the costs of an ambitious policy to fight air pollution are far outweighed by the benefits for the economy, nature, climate and particularly health, especially considering the cost of inaction, in particular for people living in vulnerable conditions, as pollution is the leading environmental cause of disease and premature death around the world'.

that particular zone if the following conditions are met: [...]

## Amendment 10, Article 18.1

(d) the air quality plan referred to in point (a) outlines how additional funding, including via relevant national and Union funding be earmarked programmes, will and mobilised to accelerate the improvement of air quality in the zone to which the postponement would apply.

The 2021-2027 cohesion policy framework includes mandatory earmarking for Policy Objective 2, a legal target for funding contributing to climate objectives, as well as a spending objective for biodiversity goals. These may include investments in air quality. However, there is no separate earmarking for investments in air quality.

## Amendment 10, Article 18.2

2. [...] The Commission shall assist competent authorities in the identification of possible forms of EU support for the administrative and financial efforts that the above-mentioned measures imply.

The EU and Commission continue to provide implementation support in the form of funding, as well as through the Environmental Implementation Review (EIR), and its "Peerto-Peer tool".

Overall, an estimated EUR 147 billion will be available for clean air directly or indirectly in the current funding period for 2021-2027, about 8.3% of the multiannual financial framework. This involves a number of funding programs, including recovery the and facility, cohesion policy, resilience the Connecting Europe Facility, rural development funding, Horizon Europe and the LIFE program for the environment, as well as InvestEU support<sup>2</sup>.

The Commission has also published a guide on funding for environmental action<sup>3</sup>.

## Amendment 11, Article 19.6

When preparing air quality plans, Member States shall ensure that stakeholders whose activities contribute to the exceedance situation are encouraged to propose measures they are able to take to help end the exceedances non-governmental and that

The Commission notes that Member States have often designated local and regional authorities (LRAs) as the competent authorities for air quality management under the Ambient Air Quality Directives. If a LRA is the competent authority required to draft an air quality plan, it will be responsible for

Also see COM(2018) 330 final and https://europa.eu/!9HQN7h

https://europa.eu/!Vcv36r

European Commission, Directorate-General for Environment, Find your EU funding programme for the environment: supporting the environment under the 2021-2027 multiannual financial framework and NextGenerationEU, Publications Office of the European Union, 2022, <a href="https://data.europa.eu/doi/10.2779/768079">https://data.europa.eu/doi/10.2779/768079</a>.

organisations, such as environmental organisations, consumer organisations, organisations representing the interests of sensitive population and vulnerable groups, other relevant health-care bodies and the relevant industrial federations are allowed to take part in those consultations.

Member States shall ensure that local and regional authorities representing those areas likely to be significantly affected by the air pollution exceedances that determined the need to draft air quality plans are allowed to take part in those consultations.

organising the corresponding stakeholder consultation.

Amendment 11, Article 19.8

8. The Commission shall facilitate the elaboration and implementation of the air quality plans, where appropriate, through an exchange of best practices. The Commission shall establish guidance on the elaboration, implementation and revision of air quality plans, specifically tailored for local and regional authorities.

Amendment 12, Article 20.6

6. The Commission shall publish and periodically update examples of best practices for the drawing-up of short-term action plans.

Amendment 11, Article 19.9

9. Air quality plans shall be drafted in coordination with relevant national air pollution control programme prepared according to Directive (EU) 2016/2284.

The EU and the Commission continue to provide implementation support in the form of funding, such as under cohesion policy and the LIFE programme, as well as through dedicated Clean Air Dialogues with Member States, the Environmental Implementation Review (EIR), and its "Peer-to-Peer tool" that support exchange of good practices<sup>4</sup>.

In order to safeguard legal certainty, the Commission advises to avoid references to guidance or guidelines in legislative acts without specifying the legal nature and legal basis of such documents.

The proposed revision of the Ambient Air Quality Directives would continue to leave the choice of measures to achieve air quality standards to the Member States. Requirements for air quality plans are set out inter alia in Articles 18 and 19 and in Annex VIII of the Commission proposal.

Recital 31 of the Commission proposal states that '(to) ensure coherence between different policies, [..] air quality plans should where feasible be consistent with plans and programmes prepared pursuant to Directive 2010/75/EU 2001/80/EC of the European

<sup>&</sup>lt;sup>4</sup> Also see COM(2018) 330 final and <a href="https://europa.eu/!9HQN7h">https://europa.eu/!9HQN7h</a>

Parliament and of the Council, Directive (EU) 2016/2284, and Directive 2002/49/EC of the European Parliament and of the Council'. This is in line with the corresponding requirements of Directive on the reduction of national emissions of certain atmospheric pollutants<sup>5</sup>, article 6, paragraph 2(d).

#### Amendment 14. Article 22

Member States shall ensure that the public *and* local and regional authorities as well as appropriate organisations such as environmental organisations, consumer organisations, organisations representing the interests of sensitive populations and vulnerable groups, other relevant health-care bodies and the relevant industrial federations are informed, adequately and in good time, of the following:

The Commission notes that the scientific evidence available on health effects of pollutants of emerging concern is limited, in particular when it comes to detailed quantitative assessments. The health effects of ozone, the formation of which stems from ozone precursors, are included in Article 22.1(e) of the Commission proposal.

*(...)* 

(f) contribution to health and environmental damage caused by pollutants of emerging concern and ozone precursors,

## Amendment 15, Article 27.1

The interest of any non-governmental organisation which is a member of the public concerned or a sub-national public authority representing all or part of the public concerned shall be deemed sufficient for the purposes of the first paragraph, point (a). Such organisations shall also be deemed to have rights capable of being impaired for the purposes of the first paragraph, point (b).

The Commission does not consider it appropriate to include sub-national public authorities as representatives of the public concerned in matters of access to justice, since the purpose of Article 27 is to provide legal recourse to citizens and the civil sector to challenge decisions, acts or omissions of the Member State, which may include subnational public authorities. Article 27 is not intended to serve as a means of settling disputes between different governance levels in the Member State.

## Amendment 16, Article 27.3

3. The review procedure shall be fair,

The Commission considers that effective redress mechanisms, which may include

Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC; OJ L 344, 17.12.2016, p. 1–31.

equitable, timely and not prohibitively expensive, and shall provide adequate and effective redress mechanisms, including injunctive relief as appropriate. Member States shall ensure that the courts or other independent and impartial review bodies are able to apply effective coercive measures.

injunctive relief, offer sufficient possibilities for effective enforcement. Coercive measures may be incompatible with the non-judicial nature of some impartial review bodies.

## Policy recommendation 6

6. highlights that it may be challenging to strengthen existing and planned measures before 2030, in several of the relevant policy files, such as mobility, industry, climate, energy and agriculture. It is important for local and regional authorities to gain an understanding of the social impact for residents, entrepreneurs, visitors, and matters such as enforcement, transitional arrangements and financial consequences so as to take decisions. Public consultation process and timely and clear communication are very important for public acceptance.

Many of the existing policies at EU level, for instance on climate and transport, will help improve air quality. This will lower the cost of the proposed new air quality standards substantially. Overall, the impact assessment found that costs for achieving the new standards are expected to remain well below 0.1% of gross domestic product (GDP), and at least 7 times lower than the benefits to economy and society. In 2030, the impact assessment expects total gross benefits for EUR 42 billion society of about to EUR 121 billion, compared to a total cost of about EUR 5.7 billion for reducing pollution and related administrative costs.

Positive impacts on output by industry, the power and services sector, and crop production are also expected over time.