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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	7 December 2023
To:	Ms Thérèse BLANCHET, Secretary-General of the Council of the European Union
No. Cion doc.:	SEC (2023) 397
Subject:	*REGULATORY SCRUTINY BOARD OPINION* Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the protection of animals during transport and related operations, amending Council Regulation (EC) No 1255/97 and repealing Council Regulation (EC) No 1/2005

Delegations will find attached document SEC (2023) 397.

Encl.: SEC (2023) 397

EUROPEAN COMMISSION

Brussels, 17.11.2023
SEC(2023) 397 final

REGULATORY SCRUTINY BOARD OPINION

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the protection of animals during transport and related operations, amending Council Regulation (EC) No 1255/97 and repealing Council Regulation (EC) No 1/2005

{SWD(2023) 401 final}
{SWD(2023) 402 final }

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EUROPEAN COMMISSION
REGULATORY SCRUTINY BOARD

Brussels,
RSB

Opinion

Title: Impact assessment / Revision of the protection of animals during transport

Overall opinion: POSITIVE WITH RESERVATIONS

(A) Policy context

The current EU animal welfare legal framework for food producing animals consists of five Directives and two Regulations. One of these Regulations (Council Regulation No 1/2005) focuses specifically on the protection of animals during transport and is subject of the present initiative. The Commission performed a broader Fitness check which indicated several areas for improvement. This initiative also intends to enlarge the scope to include cats and dogs transported for commercial purposes.

(B) Summary of findings

The Board notes the additional information provided and commitments to make changes to the report.

However, the report still contains significant shortcomings. The Board gives a positive opinion with reservations because it expects the DG to rectify the following aspects:

(1) The analysis of costs and benefits is not clearly presented.

(2) The analysis of impacts on competitiveness and the distributional impacts in the supply chain, including on producers and consumers, is not sufficiently comprehensive.

(3) The comparison of options is not sufficiently clear.

This opinion concerns a draft impact assessment which may differ from the final version.

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(C) What to improve

(1) The report should complete and better substantiate the impact analysis. It should better explain how the costs were calculated so that the costs of the measures and the packages of options are presented in all their components and as totals. In particular, the supply chain and distributional analysis should be more comprehensive and include the acknowledged effects on the whole supply chain. The report should make an effort to quantify the effects of market dynamics and regional patterns which affect the price of products and hence producers. It should further develop the assessment of distributional effects on affected stakeholders and clearly present which sectors, regions or Member States would be most impacted. It should be clearer where and to what extent the costs are likely to be passed on to consumers in the different sectors. Annex 3 should be completed in line with the above, to include the implications for consumers, as well as to complete the cost-benefit tables in accordance with the supply-chain analysis and to include the estimations of costs and benefits for all impacted actors. It should include the impact of all measures included in the preferred package.

(2) The overall impact on competitiveness should be more explicit regarding the costs faced by the different actors. The scoring of cost and price competitiveness should be reviewed in this light in the Competitiveness Check presented in Annex 5. The ability of the cost-bearing actors to afford the necessary investments should be discussed, in particular where costs are unlikely to be passed on through the supply chain. The report should better explain the relation between the economic costs generated by the proposal and the relatively low reported impact on consumer prices and food affordability.

(3) The report should better explain the methodology for scoring the impacts. This is particularly important where ranking of options is based on relatively small differences in the total scores. The impact scoring tables and the associated discussions in section 6 should be substantiated with the relevant cost or benefit estimations, systematically complementing scores with the relevant quantitative data, and ensuring their consistency with the key estimates.

(4) The report should be clear as to the policy choices and trade-offs as regards alternative options. The report should provide an adequate justification for the cases in which only one choice is offered on measures, or on parameters such as transition periods. It should for example inform whether stakeholders concurred with the finding of having only one option. The report should clarify the assessment of those measures with an impact such as space allowance for specific sectors, including its potential impact on the environment. In general, the assessment of environmental impacts and coherence with climate and environmental objectives should be clarified for all options.

(5) The report should better compare the options packages and explain the methodology behind their scoring. The report should complement the scores in the tables with the relevant and more granular cost and benefit data, so that the comparison of packages in terms of effectiveness, efficiency, coherence and proportionality becomes clearer. This is in particular important for measures without alternative options. The report should provide further clarification on the relationship of the scoring of measures with the cost benefit analysis on one side, and the scoring of option packages on the other, and indicate clearly what is the basis for the scoring in each case, how they are related and whether the scoring of packages takes other factors into account, and how. The parameters used in the comparison of the two packages in terms of effectiveness, efficiency, coherence and proportionality should be adequately explained. The total costs and benefits of the preferred package should be clearly presented. The report should make further use of stakeholders' views, including diverging ones, in the comparison of options and in

justifying the preferred option. The proportionality assessment of the preferred package should be further developed and substantiated by the preceding analysis. (6) The report should ensure the consistency of figures and scores reported. The metrics of the impacts should be clarified. In particular, the report should explain why a time horizon of 5 years is indicated in relation to the impacts and how costs will develop after this time horizon. The Board notes the estimated costs and benefits of the preferred option in this initiative, as summarised in the attached quantification tables. *Some more technical comments have been sent directly to the author DG.*

(D) Conclusion **The DG must revise the report in accordance with the Board's findings.** **If there are any changes in the choice or design of the preferred option in the final version of the report, the DG may need to further adjust the attached quantification tables to reflect this.**	
Full title	European Commission proposal for a Regulation of the European Parliament and of the Council on the protection of animals during transport and related operations, amending Council Regulation (EC) No 1255/97 and repealing Regulation (EC) No 1/2005
Reference number	PLAN/2022/1491
Submitted to RSB on	30 October 2023
Date of RSB meeting	Written procedure

ANNEX: Quantification tables extracted from the draft impact assessment report

The following tables contain information on the costs and benefits of the initiative on which the Board has given its opinion, as presented above.

If the draft report has been revised in line with the Board's recommendations, the content of these tables may be different from those in the final version of the impact assessment report, as published by the Commission.

SUMMARY OF COSTS AND BENEFITS

I. Overview of benefits (total for all provisions) – Preferred option		
Description	***Amount***	***Comments***
	Direct benefits	
	Animals: higher welfare both for animals currently regulated and expansion of standards for cats and dogs. In particular, animals are better able to express their natural behaviour when transported, suffer less from health problems, having more positive experiences. **Operators:** some measures lead to increased productivity (less animal mortality, less injuries, higher yields); higher quality products; level playing field in the EU internal market; better image and reputation of the sector (thus better economic sustainability); less transmissible animal diseases and zoonoses (and related savings); higher job satisfaction. **Citizens**: animal transport ensures animal welfare in line with citizens' expectations; rules that address citizens' expectations so exports align with EU animal welfare standards.	A description of benefits is included in section 6.1.2. of the main document. Increased space allowance reduces aggression and risks of diseases spread in animals that may also have an impact on human health. It reduces the needs for antimicrobials. Animal welfare during transport is expected to improve significantly, but there is no robust methodology to quantify or monetise such benefits.
	Indirect benefits	
	Public health: contributes to reducing zoonosis risks. **Economy:** enhanced consumer trust in livestock transport; smoother internal market.	Indirect benefits to society are difficult to quantify systematically or with certainty but are expected to be significant. As detailed in section 6.2.1. of the main document and Annex 4 to this report, a quantification is proposed for some of these indirect benefits.
	Environment: Less emissions.	
	Administrative cost savings related to the 'one in, one out' approach*	
(direct/indirect)	Further efficiency due to digitalisation and use of new technologies, especially when transporting animals, will bring savings of EUR 70 million annually compared to today's system which is mainly paper based and does not allow for a proper risk-based approach to animal welfare controls or actions both for operators and competent authorities.	

II. Overview of costs – Preferred option			
	Citizens/Consumers	**Businesses**	**Administrations**

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		One-off	Recurrent	One-off	Recurrent	One-off	Recurrent
New welfare rules on transport of animals.	Direct adjustment costs	n/a	n/a	**Transporters:** Costs related to the adaptation to new transport patterns. **Vessels:** cost of adapting the vessels	**Cats/dogs breeders**: Veterinary checks (for transports). Estimated cost: EUR 94.5 million per year. **Transporters**: Costs related to less activity as a result of journey time restriction (but very limited considering the additional activity triggered by new space allowance).	**Public authorities (EU institutions)**:	**Public authorities (EU institutions)**: Audits (in non-EU countries).
	Direct administrative costs	n/a	n/a	**Transporters:** Costs related to the registrations under white flag (for vessels).	**Transporters:** Costs related to the training of an animal welfare officer on vessels.	**Public authorities (EU and national):** Costs related to.	n/a

	Direct regulatory fees and charges	n/a	n/a	n/a	n/a	n/a	n/a
	Direct enforcement costs	n/a	n/a	(Depends on the situation in each MS)	(Depends on the situation in each MS)	(Depends on the situation in each MS)	(Depends on the situation in each MS)
	Indirect costs	n/a	n/a	n/a	n/a	n/a	n/a
Costs related to the 'one in, one out' approach							
Total	Direct adjustment costs	n/a	n/a	EUR 1.5 million to transporters of cats and dogs. EUR 380 million to transporters exporting by sea.	EUR 94.5 million to transporters of cats and dogs. EUR 2.85 billion to transporters of live animals by road.		
	Indirect adjustment costs	n/a	n/a				
	Administrative costs (for offsetting)	n/a	n/a	EUR 195 000 to transporters exporting by sea.	EUR 21 208 to transporters exporting by sea.		

Electronically signed on 17/11/2023 13:21 (UTC+01) in accordance with Article 11 of Commission Decision (EU) 2021/2121