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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	6 April 2022
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

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Subject:	COMMISSION STAFF WORKING DOCUMENT EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT Accompanying the documents Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste and Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on reporting of environmental data from industrial installations and establishing an Industrial Emissions Portal
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Delegations will find attached document SWD(2022) 112 final.

Encl.: SWD(2022) 112 final



Strasbourg, 5.4.2022
SWD(2022) 112 final

COMMISSION STAFF WORKING DOCUMENT
EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT REPORT

Accompanying the documents

**Proposal for a
DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending**

**Directive 2010/75/EU of the European Parliament and of the Council of 24 November
2010 on industrial emissions (integrated pollution prevention and control) and Council
Directive 1999/31/EC of 26 April 1999 on the landfill of waste**

and

**Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on
reporting of environmental data from industrial installations and establishing an
Industrial Emissions Portal**

{COM(2022) 156 final} - {SEC(2022) 169 final} - {SWD(2022) 110 final} -
{SWD(2022) 111 final}

EXECUTIVE SUMMARY

The IED is the main EU instrument for preventing and reducing pollution from c. 52 000 large industrial and livestock installations in Europe. It operates via a “Best Available Techniques” (BAT) permitting system. Member States, industry and civil society endorse the IED as the optimal consensual way to reduce emissions, and to ensure an EU-wide level playing field. The E-PRTR Regulation facilitates monitoring of pollution-reduction efforts by enhancing publicly available information on the actual performance of installations.

IED installations emit c. 20% of EU pollutants to air and water, and 40% of Greenhouse Gases (GHG) emissions. Despite decreasing trends, damage to health and the environment still account for c. €277-433 billion p.a. (2017 figures).

This initiative addresses five problems:

- Insufficient and inconsistent implementation of emission limits for air and water pollutants.
- Poor uptake of innovation due to BAT reliance on well-proven techniques.
- Little contribution to resource efficiency, Circular Economy and use of less toxic chemicals.
- The contribution to reducing emissions of GHG lacks coherence and is limited.
- Limited and outdated sectoral scope of the legislation.

This IED and E-PRTR revision aims to set a more forward-looking and flexible framework, supporting innovation, and fit to accompany upcoming industrial transformations.

A **package of preferred policy options and sub-options** is presented, addressing each problem:

- **Effectiveness:** Ensures emission limit values deliver effectively the emission reduction potential of BAT; secures greater homogeneity of implementation and level of ambition across Member States; enhances public rights and enforcement, and clarifies the legislation.
- **Innovation:** Frontrunners will have freedom to test novel techniques. An Innovation Centre for Industrial Transformation & Emissions (INCITE) will incorporate innovative technologies into BAT considerations; and operators will integrate their Transformation Plan in the Environmental Management Systems.
- **Resource use and chemicals:** Sector-specific Circular Economy, resource efficiency and reduced toxicity are fostered via more responsive mandatory Environmental Management Systems.
- **Decarbonisation:** Empowers “bottom-up” optimal technological sector-specific means of achieving depollution and decarbonisation, with binding energy efficiency minimum levels. A 2028 review of the IED - Emissions Trading System relationship will allow optimal synergies from 2030. The E-PRTR will employ more detailed GHG emissions reporting.
- **Sectoral scope:** Needs to be widened, principally in livestock rearing and certain extractive activities.

Overall benefits of the initiative outweigh costs considerably. Whilst it has not been possible to quantify all impacts, it is evident that:

- (i) monetised health benefits for the main measure contained in the Effectiveness Option are €860–2 800 million p.a., with business CAPEX/ OPEX costs at c. €210 million p.a.; and

- (ii) wider coverage of livestock farms results in methane and ammonia emission reductions with health benefits between €5 450 and €9 240 million p.a. and related compliance costs between €265-812 million/year.

The total administrative burden is estimated between €356-600 million/year for industrial operators and €265-509 million/year for public authorities; this increase is substantially moderated by a lighter permitting system for livestock farms.

Overall, the proposal establishes a legislative framework that equips the EU to address the significant environmental challenges expected in coming decades from agro-industrial activities.